

Foreign Direct Investment

ADB maintains S. Korea's 2024 growth forecast at 2.5 pct

The Asian Development Bank (ADB) kept its outlook for S. Korea's economic growth this year at 2.5 percent given strong exports, Seoul's finance ministry said on Sept. 25.

The bank raised the outlook by 0.3 percentage point in July and maintained the level for the latest forecast. It is on a par

with the forecasts by the International Monetary Fund and the Bank of Korea.

The Manila-based bank also maintained the growth projection for 2025 at 2.3 percent. The ADB cited strong global demand for S. Korean semiconductors and automobiles, among other items, as a main growth engine.

AliExpress to help S. Korean SMEs sell products overseas

Alibaba Group's AliExpress said on Sept. 25 it will launch a "global selling program" next month to help S. Korean companies sell their products in global markets as part of its marketing campaign.

Through the selling program, Korea's small and medium-sized enterprises (SMEs) will be able to sell their products to customers initially in Japan, Spain, France and the United States starting in October, AliEx-

press said in a statement.

Early this month, AliExpress said it will accelerate marketing activities in Korea to secure more than half of online shopping platform users here within three to five years.

As of August, AliExpress had ranked third in terms of number of monthly active users with 6.7 million, following Coupang's 13.4 million and 11Street Co.'s 7.7 million.

Trade & Commerce

Korea's ramyeon exports expected to reach USD 1.1 bn in 2024

S. Korea's ramyeon exports have surpassed KRW 1 trillion (USD 750 million) as of August, reaching a milestone two months earlier than last year. According to the Ministry of Agriculture, Food and Rural Affairs on Sept. 18, the country's ramyeon exports from January to August totaled USD 800 million, up 31.7 percent from the same period last year.

In 2022, the KRW 1 trillion mark was surpassed in October. China remained the largest importer of Korean ramyeon, with

exports increasing 26.9 percent to USD 160 million. Exports to the United States grew by 61.5 percent, reaching USD 140 million.

Sales are also climbing in Europe, where Korean ramyeon companies had been slower to enter the market. The Netherlands ranked third with exports up 58.3 percent year-on-year to USD 60 million. Exports to the United Kingdom and Germany also grew substantially, increasing by 64.9 percent and 47.4 percent, respectively.

Korea's export growth in H1 ranks first among major countries

S. Korea saw the highest export growth among the major countries tracked by the World Trade Organization (WTO) in the first half of 2024, thanks to the semiconductor and automobile exports' strong performances.

According to the WTO on Sept. 1, the country's export growth rate for the first half of the year was 9.1 percent, ranking first among the top 10 exporting countries.

Korea's particularly high export growth compared to other countries can be attribut-

ed largely to the global increase in demand for semiconductors and electronic devices, sectors in which the country has strong export competitiveness.

Its semiconductor exports surged by an impressive 50.9 percent in the first half of the year, with server and enterprise memory exports soaring due to increased demand from artificial intelligence (AI)-related industries, and memory fixed prices maintaining double-digit growth.

Industry

Consumer inflation slows to 41-month low in August

S. Korea's consumer prices slowed to the lowest level in nearly 3 1/2 years in August on easing prices of farm produce and global oil, data showed on Sept. 3.

Consumer prices, a key gauge of inflation, rose 2 percent on-year last month,

compared with a 2.6 percent on-year rise a month earlier, according to the data from Statistics Korea.

The government has said that the country is projected to reach the target rate of 2 percent by around the end of 2024.

Korea's greenhouse gas emissions decline by 30 million tons

S. Korean greenhouse gas emissions decreased by 28.6 million tons in 2023 compared to the previous year, a second consecutive year of declines, data showed on Sept. 10.

According to the Greenhouse Gas Inventory & Research Center of Korea (GIR), the country's greenhouse gas emissions for 2023 were provisionally calculated at 624.2 million tons. This is a 4.4 percent decrease compared to the provisional emissions of 652.8 million tons in 2022 and is also 15.1

million tons less than the target set by the government in its 1st National Basic Plan for Carbon Neutrality and Green Growth.

By sector, the energy sector saw the largest decline, with emissions falling by 7.6 percent. This was due to a 1.2 percent decrease in total electricity generation from 594 terawatt hours (TWh) to 587 TWh in 2022, along with an increased share of carbon-free energy sources like nuclear and renewable energy and a reduction in the use of fossil fuels such as coal.

Government & Policy

Korea to invest up to USD 3.7 bn in fund that supports advanced industries

The S. Korean government plans to create a fund that supports high-tech and minerals industries, with plans to invest up to KRW 5 trillion (USD 3.7 billion) later this year.

The fund is to minimize economic damage by preventing and swiftly dealing with potential supply chain issues.

The fund's launch ceremony was held on

Sept. 5 at the Export-Import Bank of Korea in Yeouido, Seoul.

The fund will be managed by the Export-Import Bank, with a focus on high-tech strategic industries such as semiconductors and secondary battery manufacturers, as well as resource sectors that encompass energy and key minerals.

About 30 trillion won earmarked for 2025 R&D budget

The government earmarked KRW 29.7 trillion (USD 22.3 billion) in the budget for research and development (R&D) projects in 2025, officials said on August 27.

Next year's R&D budget marks a 11.8 percent increase from this year, when it was significantly slashed. Compared with 2023, the budget rose 1.3 percent, according to the science ministry.

In 2025, the country plans to invest KRW 7.1 trillion in advanced technologies, includ-

ing 1.2 trillion won in developing a next-generation artificial intelligence (AI) ecosystem and artificial general intelligence.

The government also set aside KRW 60 billion as support funds for graduate students at science and engineering colleges and KRW 2.9 trillion for basic science research. Another KRW 2.2 trillion has been allocated for global R&D projects and KRW 1 trillion for innovative research projects.