Foreign Direct Investment

L'Oreal acquires K-beauty brand Dr.G

L'Oreal Group, the world's largest cosmetics company, will acquire Dr.G, a major S. Korean beauty brand. It marks L'Oreal's first acquisition of a Korean beauty brand in six years, following its 2018 purchase of Stylenanda's cosmetic brand 3CE.

L'Oreal announced on Dec. 23 that it signed an agreement with Swiss distributor Migros to acquire a full stake in Gowoonsesang Cosmetics, the parent company of Dr.G.

Alexis Perakis-Valat, President of L'Oreal's Consumer Products Division, noted that "We have admired the success of Dr.G for years and look forward to bringing the best of Korean skincare to consumers worldwide."

SPA brands thrive as consumers prioritize affordability

Amid a sluggish economy and reduced spending on fashion, specialty store retailer of private label apparel (SPA) brands are posting strong performances in S. Korea this year, appealing to cost-conscious consumers with affordable prices.

Japanese fashion brand Uniqlo has surpassed KRW 1 trillion won (USD 701.75 million) in S. Korean revenue for the first time in six years.

According to the Financial Supervisory Service's electronic disclosure system, FRL Korea, the operator of Uniqlo in S. Korea, recorded KRW 1.06 trillion in revenue for its fiscal year ending August 31, 2024.

This marks a 15 percent increase from the previous fiscal year, while operating profit grew 5.4 percent to KRW 148.9 billion.

Trade & Commerce

Exports increase 6.8 pct in Dec. 1-20 period on chip demand

S. Korea's exports increased 6.8 percent on-year in the first 20 days of December on growing demand for semiconductors, data showed on Dec. 23.

Outbound shipments reached USD 40.3 billion in the Dec. 1-20 period, compared with $37.73 billion tallied a year earlier, according to the data from the Korea Customs Service.

Imports jumped 7.5 percent on-year to USD 38.9 billion during the period, resulting in a trade surplus of USD 1.35 billion, the data showed.

Exports of semiconductors surged by 23.4 percent on-year to USD 8.2 billion, reflecting an upswing in the semiconductor industry cycle. Automobile exports rose 8.9 percent on-year, while exports of petroleum products fell by 14.6 percent on-year.

Bakery product exports hit record high in 2024 on growing popularity of K-food

S. Korea's exports of bakery-related products, such as snacks, reached a record high this year, bolstered by the growing global popularity of Korean culture and cuisine, the customs agency said on Dec. 24.

Outbound shipments of bakery products came to an all-time high of USD 440 million in the January-November period, up 8.3 percent from the same period last year, according to data from the Korea Customs Service.

Snacks accounted for the largest share of the exports, representing 72.5 percent of the total. Notably, exports of baked goods such as pies surged 18.9 percent on-year, driven by the appeal of unique items such as steamed buns and fish-shaped pastries.

Industry

Korean SMEs sweep CES Innovation Awards

S. Korean startups and small and medium-sized enterprises (SMEs) claimed a significant share of the innovation awards at the upcoming Consumer Electronics Show 2025, set to open in January in Las Vegas.

A large number of awards were given in core categories including digital health and artificial intelligence (AI).

The Ministry of SMEs and Startups announced on Dec. 30 that Korean companies won 162 out of the 363 CES Innovation Awards presented by the Consumer Technology Association (CTA), or 44.6 percent of the total.

Among these, SMEs, ventures, and startups claimed 124 awards, representing 76.5 percent of Korea's entire win.

Korea's M&A market rebound for first time in 3 yrs

The mergers and acquisitions market in S. Korea has expanded this year, the first growth in three years, data showed on Dec. 30.

According to data compiled by Ray The M, a capital market media under Maeil Business Newspaper, transactions in Korea's M&A market stood at KRW 35.67 trillion (USD 24.2 billion) this year, up 16 percent from the previous year.

M&A activity in Korea hit its peak in 2021 before declining for two straight years due to rate hikes, tighter financing conditions, and broader economic uncertainty.

This year, there were 10 major deals valued at over KRW 1 trillion, which is double from five last year.

Government & Policy

S. Korea to ease regulations, enabling new hydrogen charging stations

S. Korea's industry ministry said on Dec. 18 that the country plans to implement eased regulations for hydrogen charging stations next year in line with efforts to support the sector's ecosystem.

The set of new rules is reflected in the revised high-pressure gas safety control act, which will be implemented in May, focusing on lowering barriers for building new hydrogen charging stations, according to the Ministry of Trade, Industry and Energy.

Under the updated guideline, the required safety distance between charging stations and their surrounding facilities, currently set at 12 to 30 meters, may be reduced if the stations are equipped with proper protection walls and other safety measures.

Gov't designates Yongin chip cluster as national industrial complex

The S. Korean government designated a semiconductor cluster in Yongin, located on the southern outskirts of Seoul, as a national industrial complex, aiming to create one of the country's biggest chip manufacturing hubs by 2030, the land ministry said on Dec. 26.

Samsung Electronics Co., the world's largest memory chipmaker, already operates several chip facilities in Yongin and surrounding areas, making the region a strategic location for the new complex. Its chipmaking rival SK hynix Inc. has also unveiled investment plans to create chip facilities in Yongin.

The Yongin semiconductor national industrial complex is a mega-sized national strategic project that will span 7.28 million square meters. It will house six large-scale semiconductor fabs, three power plants and over 60 small and medium-sized suppliers specializing in materials, parts and equipment.

Source: www.investkorea.org, Yonhap News Agency, Korea Economic Daily Global Edition, Pulse by Maeil Business News Korea