

FAST FACTS



South Korea

Export Opportunities in South Korea

In 2016, South Korea ranked 7th among U.S. export destinations and 10th among Virginia export destinations. Some of the top opportunities for U.S. exporters in South Korea include:

- » Aerospace Industry
- » Defense Industry Equipment
- » Cosmetics
- » Energy: New and Renewable
- » Medical Equipment
- » Education Services
- » Cyber Security
- » Agricultural Sector

Map of South Korea



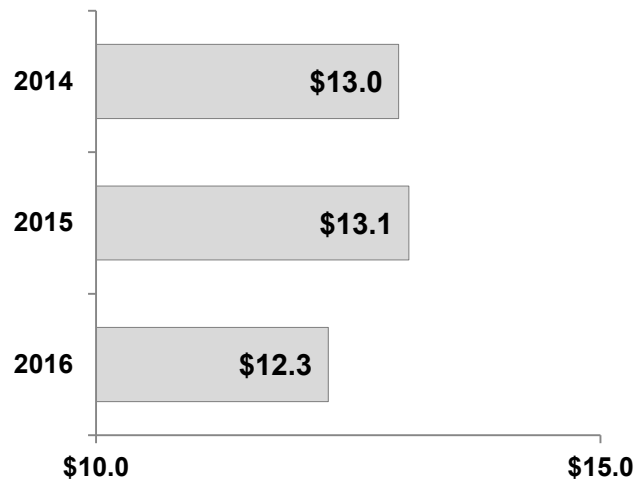
(U.S. Central Intelligence Agency)

Top Virginia Exports to South Korea

Export Category	2016 Value	Change 2016/2015
All Commodity Chapters	\$ 372.1	-23%
Paper & Paperboard	\$ 43.5	33%
Electrical Machinery	\$ 43.4	-50%
Plastics	\$ 41.1	-9%
Essential Oils	\$ 26.3	11%
Industrial Machinery	\$ 25.8	7%
Fibers And Fabrics	\$ 18.9	11%
Mineral Fuels and Oils	\$ 18.6	52%
Iron And Steel	\$ 16.0	21%
Ceramic Products	\$ 15.8	-14%
Tanning/Dyeing Extracts	\$ 15.6	22%

In US\$ millions (World Trade Atlas)

U.S. Exports to South Korea



In US\$ billions (World Trade Atlas)



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Opportunities in South Korea for Exporters

Aerospace Industry

Korea is the 10th largest market for U.S. aerospace exports in 2015 and total U.S. aerospace exports to Korea exceeded US \$4.4 billion. In total value, U.S. aerospace sales constituted about 63% of Korea's total aerospace imports in 2015. Over 99% of all aerospace imports into Korea are for commercial and defense aircraft and their parts and components. Of this, 63% of Korea's aircraft, parts, and component imports were from the U.S. in 2015. The best prospects for U.S. exporters in South Korea include:

- » Aircraft and aircraft upgrades
- » Avionics
- » Radar/surveillance devices

Defense Industry Equipment

The Republic of Korea has the world's sixth largest military force. South Korea's defense industry has grown far faster than the average regional militaries. Korea continues to be a major defense and security ally of the U.S. in the Pacific region. The best prospects for U.S. defense equipment exporters in South Korea include:

- » C4ISR
- » Military aerospace
- » Maritime defense electronics and systems
- » Support for combat equipment
- » Aircraft upgrades

This information is adapted from the U.S. Commercial Service. [Click here for more export opportunities.](#)

Energy: New and Renewable (NRE)

South Korea retains industries that are considered highly energy intensive, with imported energy sources meeting almost 96% of its energy requirements, as the country lacks sufficient natural resources. Korea is considered the world's fifth largest importer of crude oil, second largest importer of liquefied natural gas, and the fourth largest importer of coal. South Korea is also ranked as one of the largest CO2 emission countries in the world. Top opportunities for U.S. exporters include:

- » Hydrogen & fuel cells
- » Wood pellets

Medical Equipment and Devices

The Korean medical device market is estimated to reach USD 4.8 billion in 2016. The country depends on high-end medical devices from the U.S., EU, and Japan to supply about 60 percent of total market demand. In 2016, total imports of medical devices were US\$ 2.8 billion with the United States' imports totaling over US\$ 1.2 billion. Top prospects include:

- » CT and MRI systems
- » Medical probes
- » Knee implants
- » Catheters
- » Stent
- » Soft contact lens

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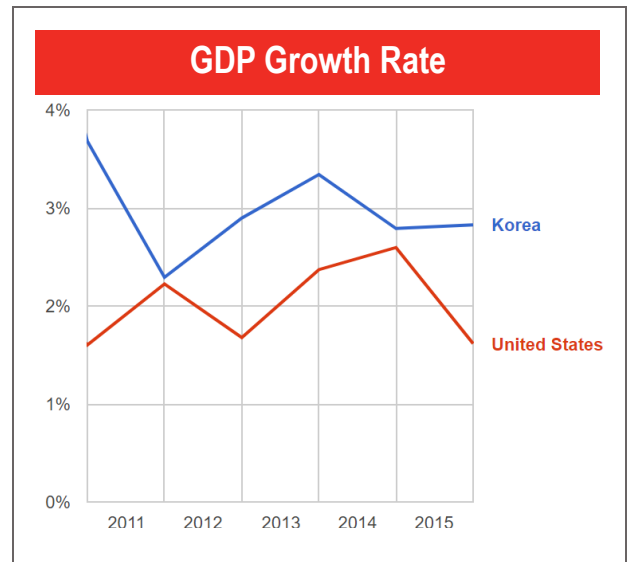
Economic Overview

Over the past four decades, South Korea has demonstrated incredible economic growth and global integration to become a high-tech industrialized economy. In the 1960s, GDP per capita was comparable with levels in the poorer countries of Africa and Asia. In 2004, South Korea joined the trillion dollar club of world economies.

A system of close government and business ties, including directed credit and import restrictions, initially made this success possible. The government promoted the import of raw materials and technology at the expense of consumer goods and encouraged savings and investment over consumption.

The South Korean economy's long-term challenges include a rapidly aging population, inflexible labor market, dominance of large conglomerates, and the heavy reliance on exports, which comprise about half of GDP.

(U.S. Central Intelligence Agency)



Cultural Guide

- » Greetings follow strict rules of protocol. Many South Koreans shake hands with expatriates after the bow, thereby blending both cultural styles. The person of lower status bows to the person of higher status, yet it is the most senior person who initiates the handshake.
- » South Koreans prefer to do business with people with whom they have a personal connection. Therefore, it is crucial to be introduced by a third-party.
- » Appointments for business meetings are required and should be made 3 to 4 weeks in advance. It is a good idea to send both an agenda and back-up material including information about your company and client testimonials prior to the meeting. Have all written materials available in both English and Korean.
- » Business cards are exchanged after the initial introductions in a highly ritualized manner. The way you treat someone's business card is indicative of the way you will treat the person. Using both hands, present your business card with the Korean side facing up so that it is readable by the recipient. Examine any business card you receive carefully. Put the business cards in a business card case or a portfolio.
- » Business attire is conservative for both men and women. Men should wear dark colored business suits with white shirts and women should wear subdued colors.

Koreans place a great deal of emphasis on schedules and they value punctuality.

(Kwintessential)

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Virginia Economic Development Partnership - International Trade offers a number of export-related services to Virginia businesses, including trade missions and market research by our Global Network of in-country consultants. These services are available to all Virginia exporters.

For more information, please visit our website: ExportVirginia.org

Additional Resources: Market Reports

[South Korea Country Commercial Guide](#)

[Doing Business in South Korea](#)

[Ease of Doing Business Report](#)

[Exporting to South Korea](#)

[Doing Business in Korea](#)

U.S. Commercial Service

Global Business Culture

World Bank

United Kingdom Trade & Investment

Export.gov

Online Resources

[South Korea Overview](#)

[Taxation in South Korea](#)

[Kwintessential South Korea](#)

Global Edge - Michigan State University

Asia Trade Hub

Kwintessential Guide to South Korea

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