Export Opportunities in South Korea

In 2017, South Korea ranked 7th among U.S. export destinations and 11th among Virginia export destinations. Some of the top opportunities for U.S. exporters in South Korea include:

- Aerospace
- Defense
- Cosmetics
- Alternative Energies
- Medical Devices
- Education Services
- Cybersecurity
- Agricultural Sector

Top Virginia Exports to South Korea

<table>
<thead>
<tr>
<th>Export Category</th>
<th>2017 Value</th>
<th>Change 2017/2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>All Commodity Chapters</td>
<td>$370.0</td>
<td>0%</td>
</tr>
<tr>
<td>Plastics</td>
<td>$57.0</td>
<td>39%</td>
</tr>
<tr>
<td>Paper &amp; Paperboard</td>
<td>$37.7</td>
<td>-13%</td>
</tr>
<tr>
<td>Electrical Machinery</td>
<td>$31.8</td>
<td>-27%</td>
</tr>
<tr>
<td>Essential Oils</td>
<td>$28.2</td>
<td>7%</td>
</tr>
<tr>
<td>Industrial Machinery</td>
<td>$25.8</td>
<td>0%</td>
</tr>
<tr>
<td>Fibers And Fabrics</td>
<td>$19.1</td>
<td>1%</td>
</tr>
<tr>
<td>Medical Instruments</td>
<td>$18.4</td>
<td>47%</td>
</tr>
<tr>
<td>Woven Fabrics</td>
<td>$17.1</td>
<td>12%</td>
</tr>
<tr>
<td>Iron And Steel</td>
<td>$15.7</td>
<td>-2%</td>
</tr>
<tr>
<td>Ceramic Products</td>
<td>$15.5</td>
<td>-2%</td>
</tr>
</tbody>
</table>

(U.S. Central Intelligence Agency)
## Opportunities in South Korea for Exporters

### Aerospace

Korea was the 8th largest market for U.S. aerospace exports in 2016 and total U.S. aerospace exports to Korea exceeded US $5.2 billion. In total value, U.S. aerospace sales constituted about 70% of Korea’s total aerospace imports in 2016. Over 99% of all aerospace imports into Korea are for commercial and defense aircraft and their parts and components.

The best prospects for U.S. exporters include:
- Parts, components, and MRO
- Avionics
- Radar/surveillance devices

### Defense

The Republic of Korea has the world’s sixth largest military force. South Korea’s defense industry has grown far faster than the regional averages. Korea continues to be a major defense and security ally of the U.S. in the Pacific region. It is developing an offense-oriented defense system, which detects missiles in real time.

The best prospects for U.S. exporters include:
- C4ISR
- Fighters and multi-role airlift aircraft
- Maritime defense electronics and systems
- Support for combat equipment

### Alternative Energies

South Korea imports almost 96% of its energy requirements, as the country lacks sufficient natural resources. Korea is considered the world’s 5th largest importer of crude oil, the 2nd largest importer of liquefied natural gas, and the 4th largest importer of coal. South Korea is also ranked as one of the largest CO2 emission countries in the world with highly energy intensive industries such as petrochemicals and steel.

Top opportunities for U.S. exporters include:
- Hydrogen & fuel cells
- Wood pellets

### Medical Devices

The Korean medical device market reached $5.1 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 2017, total imports of medical devices were $3.0 billion with the United States contributing over US$ 1.4 billion.

Top prospects include:
- CT and MRI systems
- Medical probes
- Knee implants
- Catheters
- Soft contact lens

(US Commercial Service)
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 heavy reliance on exports, which comprise about half of GDP.

(CIA World Factbook)

GDP Growth Rate

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

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.

(Cwintessential)
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

South Korea Overview
Global Edge - Michigan State University

Taxation in South Korea
Santander Trade Portal

Kwintessential South Korea
Kwintessential Guide to South Korea

South Korea Country Commercial Guide
U.S. Commercial Service

Doing Business in South Korea
Global Business Culture

Ease of Doing Business Report
World Bank

Exporting to South Korea
United Kingdom Trade & Investment

Doing Business in Korea
Export.gov

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