



SOUTH KOREA

Capital:

Seoul

Population (2011 est.):

South Korea: 48.75 million

Virginia: 7.88 million

Type of Government:

Republic

Head of Government:

Prime Minister Kim Hwang-sik

Head of State:

President Lee Myung-bak

Language (Official) :

Korean

Currency: (www.oanda.com)

South Korean Won (KRW)

1 US Dollar = 1,082.49 KRW (May 2011)

Land Size:

38,023 Square Miles

(Roughly the size of Virginia)

(CIA)



(South Korea Map. University of Texas-Austin)

DID YOU KNOW?

- U.S. exports to South Korea in 2010 were valued at \$38.84 billion and were led by electrical machinery, industrial machinery, and optic/medical instruments. Among the United States' top 10 trading partners, South Korea was the fastest growing export market in 2010.
- South Korea was Virginia's 12th largest export destination in 2010, with exports valued at \$379.41 million. (World Trade Atlas)
- After China, the U.S. is South Korea's largest export destination, purchasing roughly 10% of its exports.
- South Korea imported an estimated \$417.9 billion dollars of goods from the world in 2010. Major imports included industrial machinery, electronics and electronic equipment, oil, steel, transport equipment, organic chemicals, and plastics. (CIA)
- South Korea has the world's highest per capita broadband internet connection rate, due largely to a government initiative that spent billions of dollars building a high-speed network linking government facilities and public institutions. By the end of 2012, South Korea will have download speeds capable of 1 gigabyte per second. (New York Times)
- The ship building industry in South Korea is among the world's largest and most advanced. (CIA)



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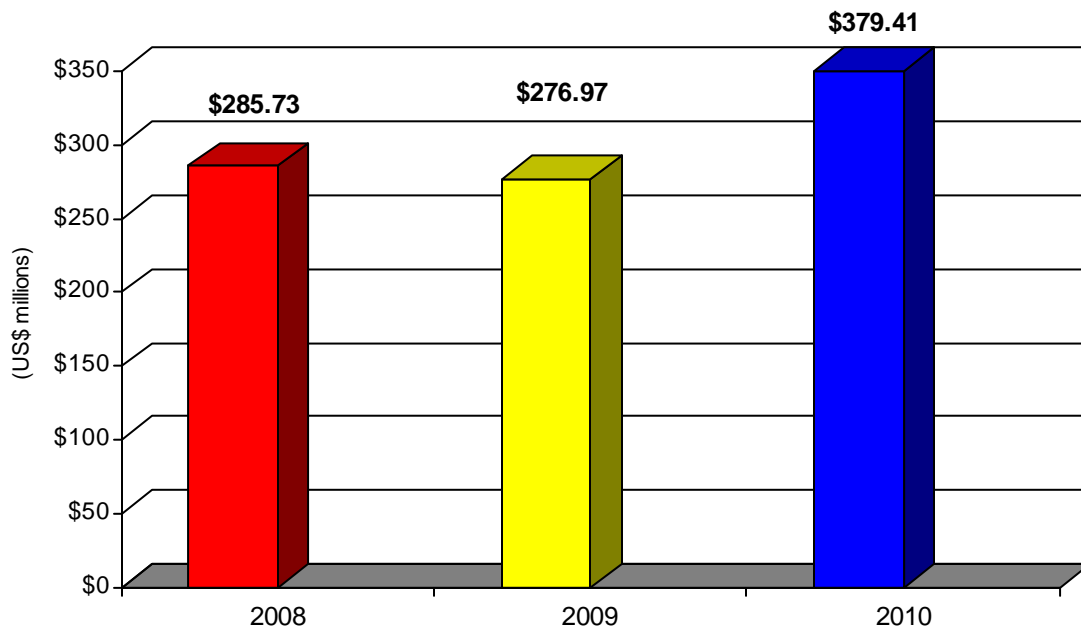
ECONOMIC OUTLOOK

Over the last five decades, South Korea has achieved an incredible record of growth and integration into the high-tech world economy. With a trillion dollar annual economy, the country's GDP (economic output) per capita is equal to many countries in the European Union.

South Korea's economy has bounced back relatively well from the negative effects of the global financial crisis, which resulted in unprecedented capital flight in South Korea and a collapse in demand from its major export markets. The fact that neighboring China's economy has maintained robust economic expansion over the last several years is helping to revive demand for South Korea's exports. The government's fiscal, monetary, and financial policies are also laying the foundation for a recovery that is now being increasingly led by private sector demand. South Korea's banking system is adequately capitalized, and conditions in financial markets have largely stabilized. The International Monetary Fund estimates the South Korean economy grew 6.1% in 2010 and projects a growth rate of 4.5% in 2011. Long term challenges include a rapidly aging population, inflexible labor market, and overdependence on manufacturing exports to drive economic growth.

(IMF and CIA)

VIRGINIA EXPORTS TO SOUTH KOREA



(Source for Graph: World Trade Atlas)



SOUTH KOREA

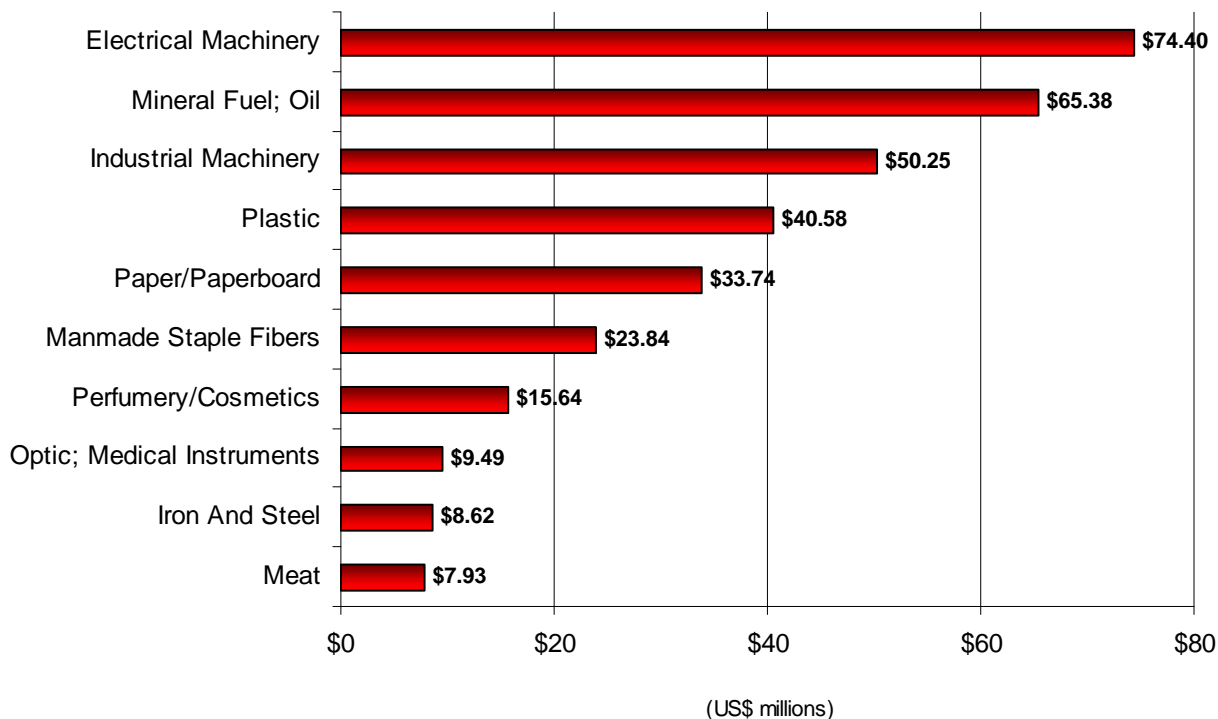
VIRGINIA EXPORTS TO SOUTH KOREA

Exports to South Korea via Virginia were valued at \$379.41 million in 2010, an increase of 37% over 2009. Exports of coal went from virtually zero in 2006 to almost \$65 million in 2010, reflecting South Korea's expanding economy and growing energy needs. Other product groups exported via Virginia that experienced significant annual growth in 2010 were:

- Plastic, up 112%, valued at \$40 million
- Fats and oils, up 158%, valued at \$5 million
- Metals tools and cutlery, up 75%, valued at \$1.6 million
- Glass and glassware, up 217%, valued at \$1.2 million
- Electrical machinery, up 123%, valued at \$74 million

Electric motors and generators increased 731% and were valued at \$15 million. In the industrial machinery category, pneumatic elevators grew exponentially to reach \$3 million in annual sales. Machines for manufacturing semiconductors also increased exponentially and were valued at \$3.6 million. Many integrated circuits exported from South Korea to the United States are manufactured with American-made machinery.

VIRGINIA'S TOP EXPORTS TO SOUTH KOREA - 2010



(Source for Text and Graph: World Trade Atlas)



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VEDP SERVICES

The VEDP offers a number of export-related services to Virginia businesses, including group market visits 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: www.exportvirginia.org.

ADDITIONAL RESOURCES

- American Chamber of Commerce in Korea: <http://www.amchamkorea.org>
- Asian Development Bank's profile of the Republic of Korea: <http://www.adb.org/Korea/default.asp>
- Embassy of the Republic of Korea: www.koreaembassyusa.org
- Korea Economic Institute: <http://www.keia.org>
- Korea International Trade Association: <http://global.kita.net/>
- Office of the United States Trade Representative. U.S.-South Korea Free Trade Agreement: <http://www.ustr.gov/uskoreaFTA>

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