

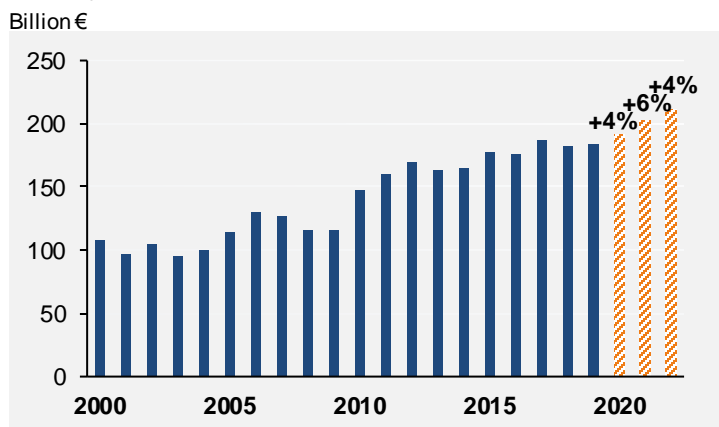
May 2022

ZVEI Foreign Trade Report Special

South Korea

With an annual average GDP growth rate of 3.6 percent the South Korean economy has developed quite dynamically since 2000. Meanwhile, its per capita income is nearly 30,000 euro and the International Monetary Fund (IMF) defines the East Asian democracy, which has 52 million inhabitants, as an industrialized country.

South Korean market for products of the electro and digital industry



Source: National statistical office in South Korea and ZVEI's own calculations, 2020 until 2022 according to ZVEI's forecast

The South Korean market for products of the electro and digital industry is one of the largest worldwide. According to preliminary calculations of ZVEI the market volume was 191 billion euro in 2020. This makes the South Korean market the fourth biggest globally (Germany follows in fifth position). In 2021 market growth is assumed to be at 6 percent and for 2022 the ZVEI expects an increase of 4 percent.

The production of electrical and electronic goods in South Korea amounted to (estimated) 272 billion euro in 2020. Therefore, South Korea generated a massive trade surplus in electro products. Thereby, about half of its domestic production comes from the sub-branch electronic components and systems (ECS).

The German electro and digital industry exported goods with a value of 3.0 billion euro to South Korea in 2021, which corresponds to a share of 1.3

percent in the sector's total deliveries abroad of 225 billion euro. With it, South Korea is at position 20 in the ranking of the biggest customer countries of the German electro and digital industry. Since 2000 the German electro exports to the East Asian country more than tripled.

The deliveries of the sub-branches automation (€850m), ECS (€658m), medical engineering (€243m), power engineering (€167m) and ICT (€145m) contributed the most to the German sector's exports to South Korea last year.

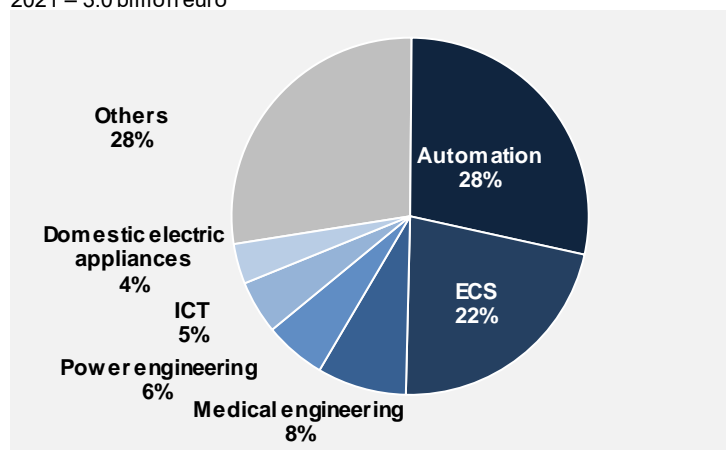
As regards the imports, Germany imported electrical and electronic goods with a value of 4.3 billion euro from South Korea in 2021, which accounted for 2.0 percent of the total German electro imports (€221.7bn).

Here imports from the sub-branches ICT (€1.7bn), ECS (€1.1bn) and batteries (€805m) together stood for more than four fifths of the overall German electro imports from South Korea.

According to the Bundesbank the German electro and digital industry held a foreign direct investment (FDI) stock of 243 million euro – or 0.5 percent of the sector's total FDI stock – in South Korea at the end of 2019. Among the biggest foreign investment locations abroad (of the German electro industry) the country is in twentieth position.

German electro exports to South Korea by sub-branches

2021 – 3.0 billion euro



Source: Destatis and ZVEI's own calculations

Electro and Digital Industry Association

Economic Policy, Business Cycles and Markets

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