

KOREA: THE LAND OF SAMSUNG OR THE METAVERSE COUNTRY

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HELLENIC REPUBLIC
Ministry of Foreign Affairs

Greece

Elected Member

of the UN Security Council

for the 2025-2026 term

#GreeceUNSC



DIALOGUE DIPLOMACY DEMOCRACY

GREECE

UNITED NATIONS
SECURITY COUNCIL

2025-2026

Korea

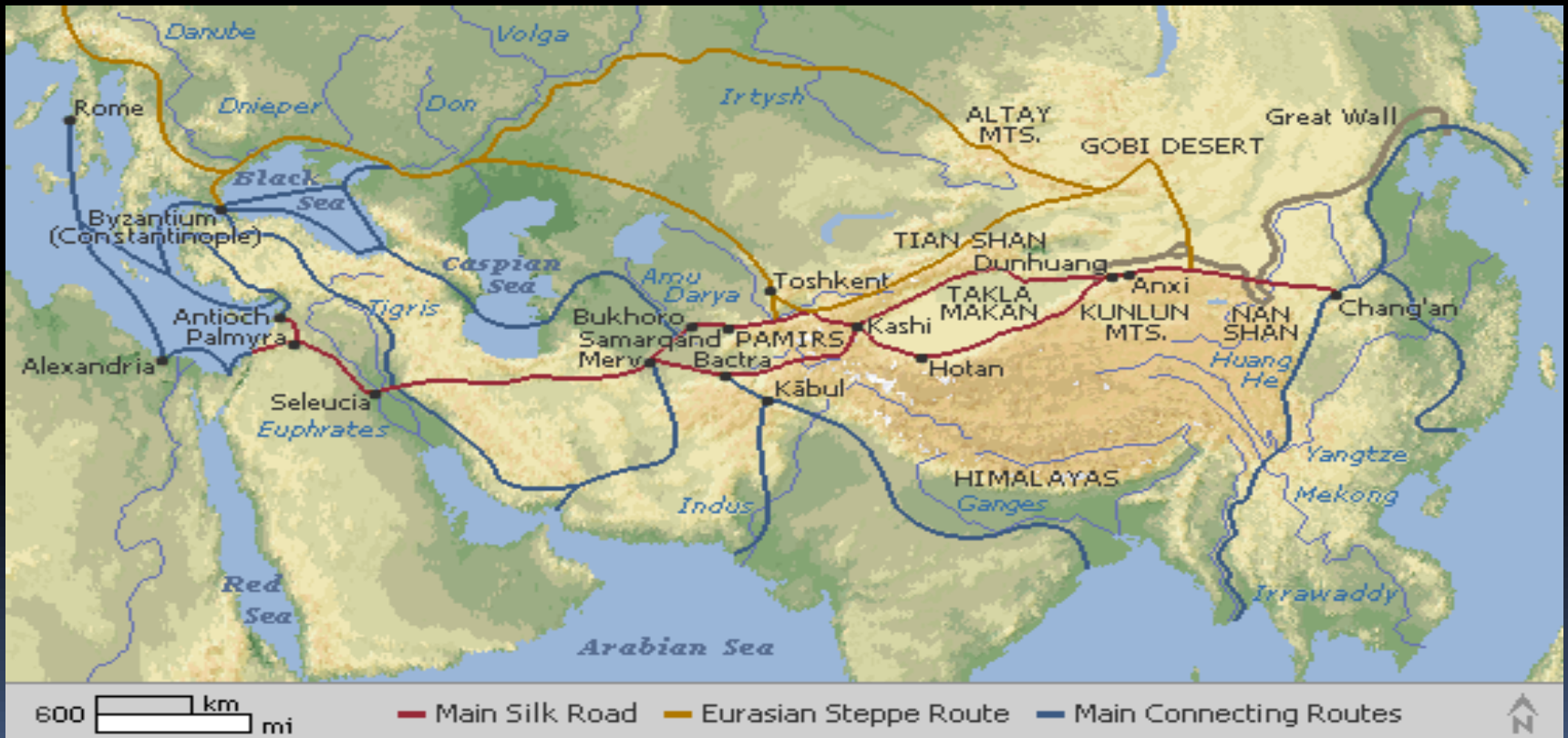
- It is located between China and Japan
- Continuous geopolitical and cultural interactions with China and Japan
- According to linguists the Korean language is considered “language isolate”



Five Thousand Years of Korean History

Country	Time
2333 B.C.	Go-Joseon
1 st century B.C.	Three kingdoms (Shilla, Baekje and Goguryeo)
668 – 935	Silla (south: 668-935) Balhae (north: 698-926)
935 - 1392	Goryeo Dynasty
1392 – 1910	Joseon Dynasty
1910 - 1945	Japanese rule
1948	Established Republic of Korea in South, Democratic Peoples Republic in the North
1950-1953	Korean war
1961	Military coup
1988	Seoul Olympics

The Silk Road and Korea since 1390



Korea Creates

- Korean alphabet: Hangeul (한글)
- Korean ceramic art
- According to UNESCO in the 10th century the inlay technique was invented which produces the visual effect of an image floating above the surface of the vessels



Korea creates

- Movable metal type for printing



- Printing on wooden surfaces



Korea and shipbuilding



The world's first iron warship, Geobukseon (Turtle-shaped Warship), was built by General Yi Sun-shin in 1592 during the Japanese invasion.

The ships had armored and sharp decks and cannons and were designed to be highly maneuverable.

Split peninsula

- In 1945 in Potsdam at the meeting of US (Truman), USSR (Stalin) and UK (Churchil) it was decided to divide Korea at the 38th parallel without the consent and participation of the Koreans.



Korean War: 25/11/1950-27/7/1953

- North Korea invaded the West in a surprise attack on June 25, 1950.
- The United Nations brought together an alliance of states that formed the defense of South Korea.
- In 1953 an armistice was signed by the UN. South Korea and China.
- Many Korean families were forced into separation as all but their possessions were divided between North and South.
- The Republic has been established in South Korea since 1998
- Greece sent an expeditionary force of 10,000 and contributed to securing the independence of South Korea. 220 Greeks lost their lives on the battlefields of Korea.

**KOREAN WAR
1950 - 1953**



From the end of World War II, until 25 June 1950 when war broke out, the dividing line between North Korea and South Korea had been the 38th parallel.

After World War II, Korea was split into two states - North and South Korea. The dividing line was the 38th parallel.

Korean Peninsula



Economic performance in Asia-Pacific

- Asia – Pacific GDP is twice of the Americas, 4 times that of Europe and 10 times Africa.
- The largest Asian countries by GDP size all have reasonable data quality ratings (Grades A-C)
- Asia – Pacific countries accounted for over 70% of global GDP over the decade to 2023, with China alone account in for 31%.
- GDP per capita is growing much faster in Asia than in other regions
- The Asian population is greater than that of Africa, the Americas and Europe combined. Life expectancy and age dependency levels are similar to Europe and the Americas and higher and lower respectively than those seen in Africa

- The economic performance of East Asia, led by China, has been remarkable in the past decade. From 2013 to 2023, East Asia contributed 43.2% of all global GDP growth (31% from China alone), more than double the share of any other region. The broader Asia-Pacific region showed impressive dynamism, accounting for 70.1% of the world's economic expansion.

- The Indo-Pacific is a major hub of the international economy, accounting for 36% of global GDP in 2022, 46% of international trade, and half of global maritime transport and hosting three of the five largest economies (China, Japan and India). While it serves as an engine for growth, disparities are significant. China's economy accounts for half of the region's GDP, and there are extreme differences in terms of development levels, ranging from Singapore on one end (\$90,000 per capita/year), and Somalia and Madagascar on the other (\$500 per capita/year).
- The region is at the heart of international trade, particularly maritime trade that passes through key straits such as Malacca, Taiwan, Hormuz and Bab-el-Mandeb. Eight of the world's top 20 exporters are in the Indo-Pacific (China, Japan, India, South Korea, Singapore, Taiwan, Vietnam and Australia).
- Over 40% of EU trade passes through the South China Sea alone, and any crisis in the region would have considerable negative consequences for the European economies.

Today's South Korea



- 10th largest economy
- Nominal GDP: \$1.53 trillionGDP
- (PPP): 46.000 \$ (36.000 \$ in 2012)

Korea in numbers

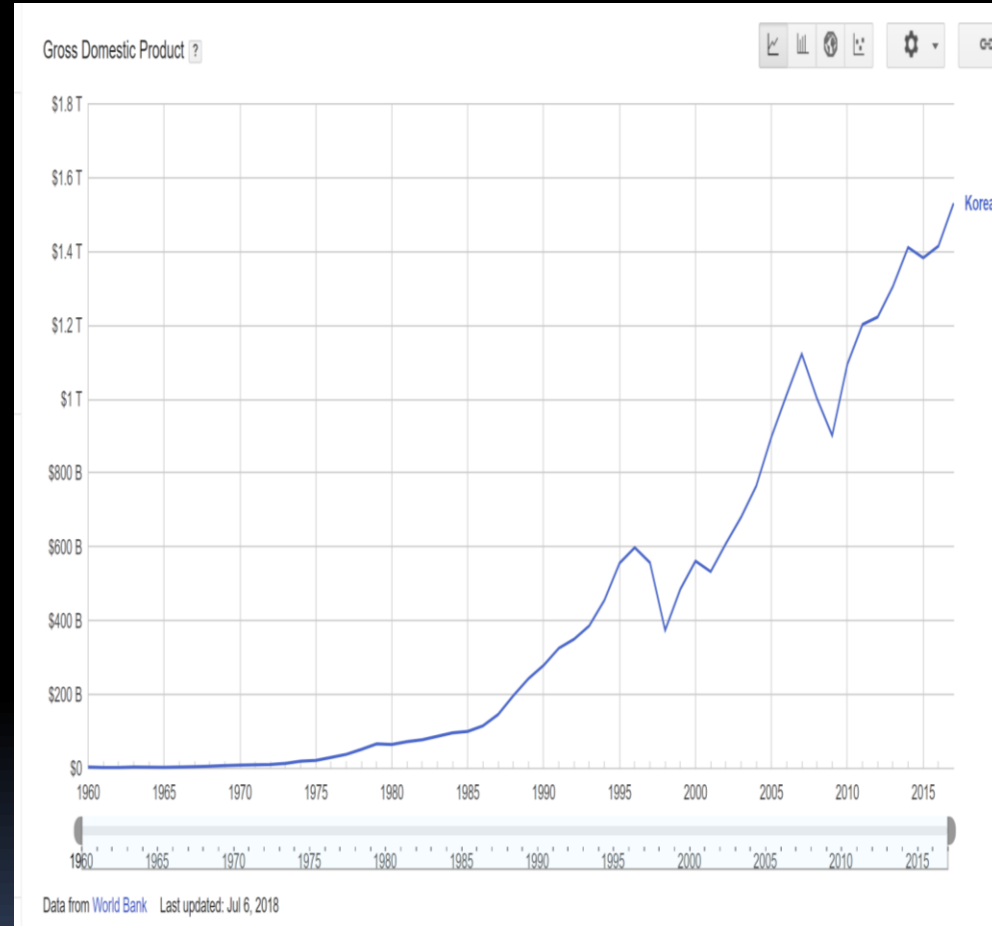
- Total population: 51,780,579 (0.1% growth rate),
- Density: 531 inhabitants/km² , Urban population: 81.4%
- Population of main cities: Seoul (10,011,000); Busan (3,459,900); Incheon (3,029,300); Daegu (2,468,300); Daejeon (1,494,000); Gwangju (1,480,300); Suwon (1,235,100); Ulsan (1,168,500); Goyang (1,078,900); Yongin (1,078,600); Changwon (1,059,900).
- It consists of 9 provinces and 6 autonomous cities (Seoul, Busan, Incheon, Daegu, Gwangju, Daejeon). Ethnicity: South Korea's population is the most ethnically homogeneous in the world (96.6% Korean, 3.4% foreign nationals).
- Among foreign nationals, Chinese make up 43.5%, Vietnamese 11.1%, Thai 10.2% and 4.4% from the US. Official
- Language: Korean Religion: Population who state that they are religious 73.1%. Among those who are religious: Buddhism (23.0%), Christianity (74.5)% (of which Catholicism 74%, Protestantism 23%), others (1.9%).
- National currency: South Korean Won (KRW) 1 KRW=0.0008 USD, 1 USD=1,304.3 KRW, 1 KRW=0.0007 EUR, 1 EUR=1,374.0 KRW
- It's a Presidential Democracy.

KOREA: GDP 1960- 2022

- Economic growth started after 1961
- Export oriented economy
- Technologically overdeveloped
- Korea's GDP in 2022 was 6th in the world



Korea in 1953 at the end of Korean war



GDP growth: Data from World Bank 2018

Comparisons

	Surface (thous. km ²)	Population (mil.)	GDP (tril \$)
South Korea	99	51	1.5
North Korea	120	25	—
Japan	377	126	4.8
China	9,596	1,400	12.2
USA	9,833	326	19.3

Modern Korea

- One of the fastest growing economies
- 5th largest exporter
- 6th largest trading partner
- The 8th largest importer
- 10th economy worldwide per GDP



Internet & WiFi interconnectivity

- The first country to fully transition from dial-up to broadband since 2005.
- The fastest internet connections worldwide as of 2017
South Korea: 28.67 Mbps (#1), USA: 18.7 Mbps (#10)
Global average: 7.2 Mbps
- Lower connection cost according to speed
1 Gbit/s connections or 1,000 Mbit/s at \$20 per month in Seoul
 - South Korea: 28.67 Mbps (#1)
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<https://www.usnews.com/news/best-countries/slideshows/10-countries-with-the-fastest-internet-speeds?onpage>

Global mobile phone market share

- Samsung 23.5%
- Apple 15.9%
- Huawei 12.1%
- LG 3%



(Counterpoint: March 2023)

Korean Wave (Hallyu):

Korean Cultural Export since early 1990s

- Korean movies, TV dramas, and pop-music are very popular around the world; rapidly spreading beyond Asian countries
- Korea is among the world's top ten cultural exporters



Crash Landing on You



BTK (Bang Tan Sonyun dan)



Parasite

Indo-Pacific economies by GDP nominal

2023 estimates [edit]

List of countries in Asia-Pacific by GDP (nominal), International Monetary Fund (Estimates for October 2023).

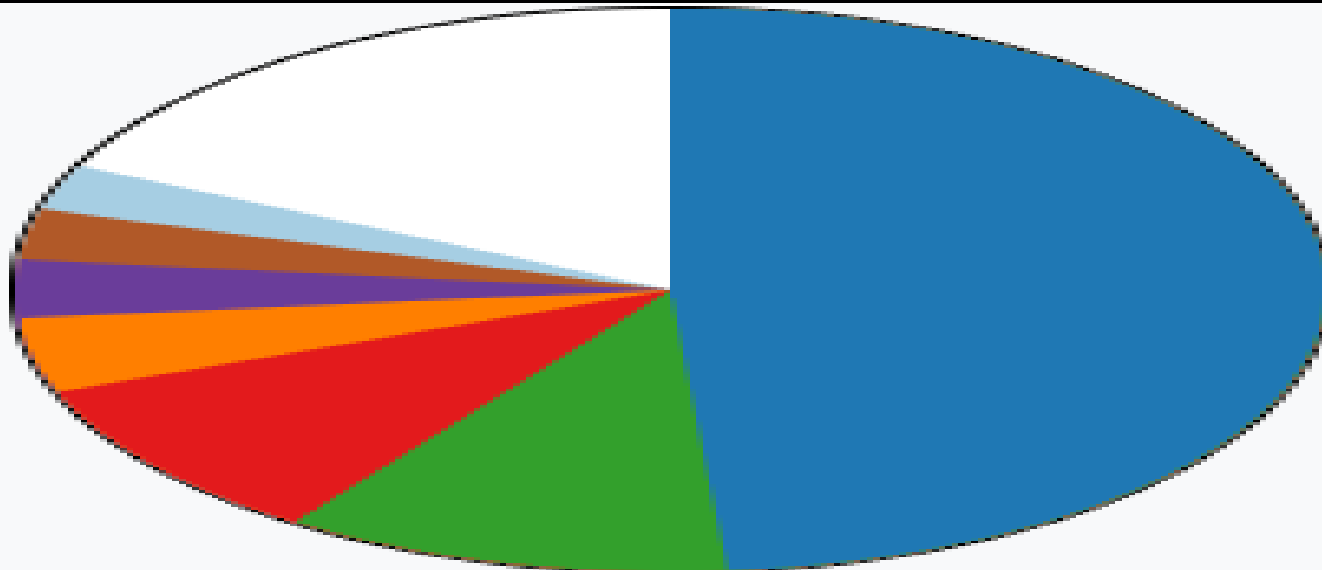
Rank	Country	GDP (millions of USD)
1	 China	17,700,899
2	 Japan	4,230,862
3	 India	3,732,224
4	 South Korea	1,709,232
5	 Australia	1,687,713
6	 Indonesia	1,417,387
7	 Taiwan	751,930
8	 Thailand	512,193
9	 Singapore	497,347
10	 Bangladesh	446,349
11	 Philippines	435,675
12	 Vietnam	433,356
13	 Malaysia	430,895
14	 <i>Hong Kong</i> (China)	385,546
15	 Pakistan	340,636
16	 New Zealand	249,415
17	 Sri Lanka	75,296
18	 Myanmar	74,861
19	 Nepal	41,339
20	 <i>Macau</i> (China)	38,840
21	 Papua New Guinea	31,692
22	 Cambodia	30,943
23	 Mongolia	18,782
24	 Brunei	15,153
25	 Laos	14,244
26	 Maldives	6,977
27	 Fiji	5,511
28	 Bhutan	2,686
29	 Timor-Leste	2,023
30	 Solomon Islands	1,690
31	 Vanuatu	1,166
32	 Samoa	939
33	 Tonga	547
34	 Micronesia	458
35	 Marshall Islands	277
36	 Palau	267
37	 Kiribati	246
38	 Nauru	150
39	 Tuvalu	63

Compound Annual Growth Rate (CAGR) & Share of Global GDP Growth

GDP, PPP, 2013-2023

Region	GDP 10-Year CAGR (2013-2023)	GDP 5-Year CAGR (2018-2023)	GDP 3-Year CAGR (2020-2023)	Share of GDP Growth (2013-2023)
AFRICA	3.8%	2.7%	4.2%	6.7%
- North Africa	4.5%	2.6%	4.4%	2.6%
- Sub-Sahara Africa	3.5%	2.7%	4.1%	4.1%
ASIA-PACIFIC	5.2%	3.7%	5.2%	70.1%
- North Asia	0.9%	1.2%	2.2%	1.0%
- South Asia	7.5%	4.2%	7.4%	18.9%
- East Asia	5.6%	3.9%	4.9%	43.2%
- West Asia	3.6%	2.7%	5.1%	5.3%
- Central Asia	4.7%	3.8%	4.9%	0.9%
- Oceania	2.6%	2.1%	2.8%	0.8%
AMERICAS	2.0%	1.8%	4.0%	14.3%
- North America	2.3%	1.8%	3.7%	11.6%
- South America	1.1%	1.6%	4.6%	1.9%
- Central America	4.1%	3.0%	7.1%	0.5%
- Caribbean	4.2%	2.6%	6.1%	0.3%
EUROPE	1.7%	1.1%	3.4%	8.9%
- North Europe	2.4%	1.8%	4.6%	2.6%
- West Europe	1.3%	0.8%	2.6%	3.0%
- Central & East Europe	1.9%	1.0%	1.5%	1.4%
- South Europe	1.4%	1.1%	4.8%	1.9%





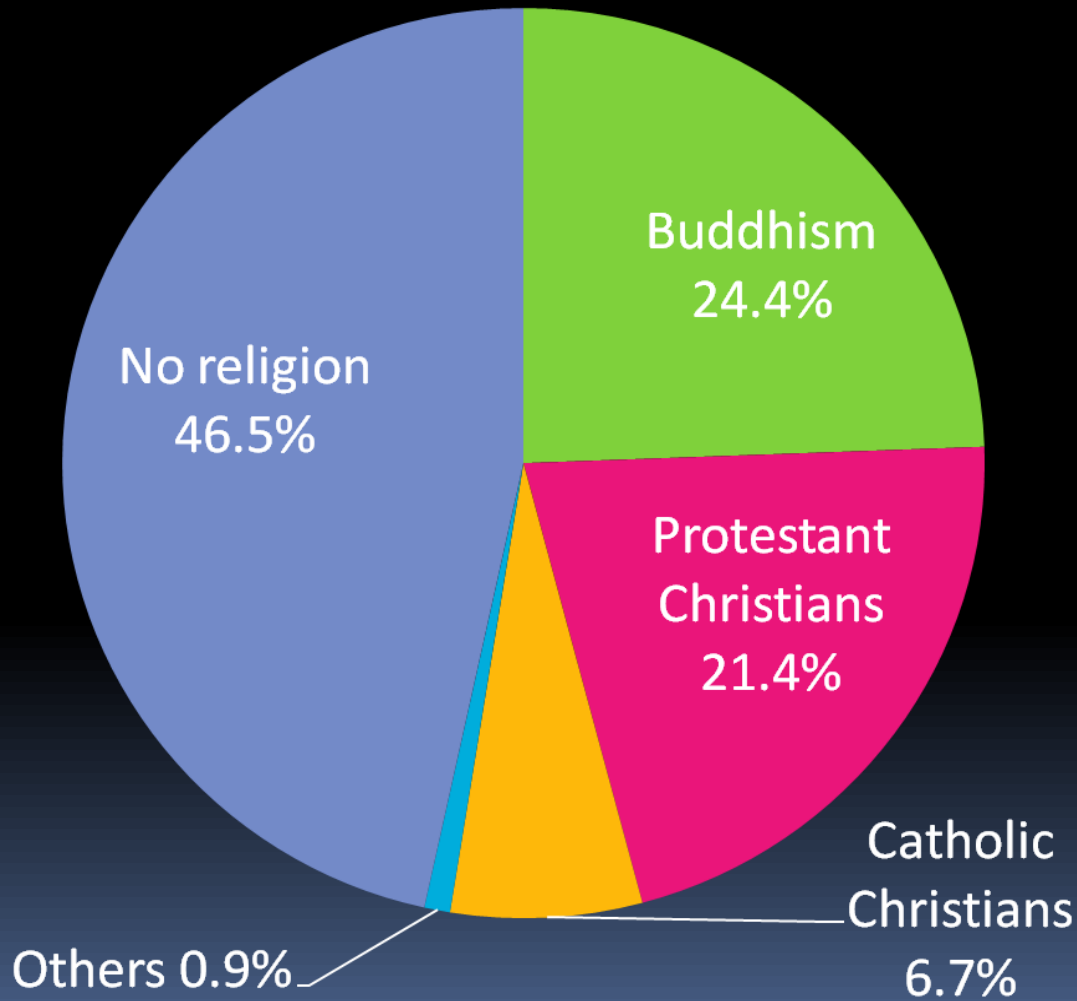
China is the largest economy in Asia, comprising nearly half of the continent's gross domestic product.

- China (48.61%)
- Japan (11.06%)
- India (9.37%)
- South Korea (4.32%)
- Indonesia (3.49%)
- Turkey (2.89%)
- Saudi Arabia (2.58%)
- Other (17.68%)

Elements of Korean Entrepreneurship

- Korea has made significant progress in human capital development and is well positioned to become a "knowledge-based" economy
- Room for further improvement in corporate governance, transparency of minority shareholder rights, market access and competition issues
- More effective bankruptcy laws and prudential regulations
- They do not take business risk without express and implied government guarantees
- The rapid growth of the derivatives market exposes Korean investors to a new kind of risk – a more comprehensive derivatives market regulatory framework is needed

Religions in Korea (2020 Gallup Report)



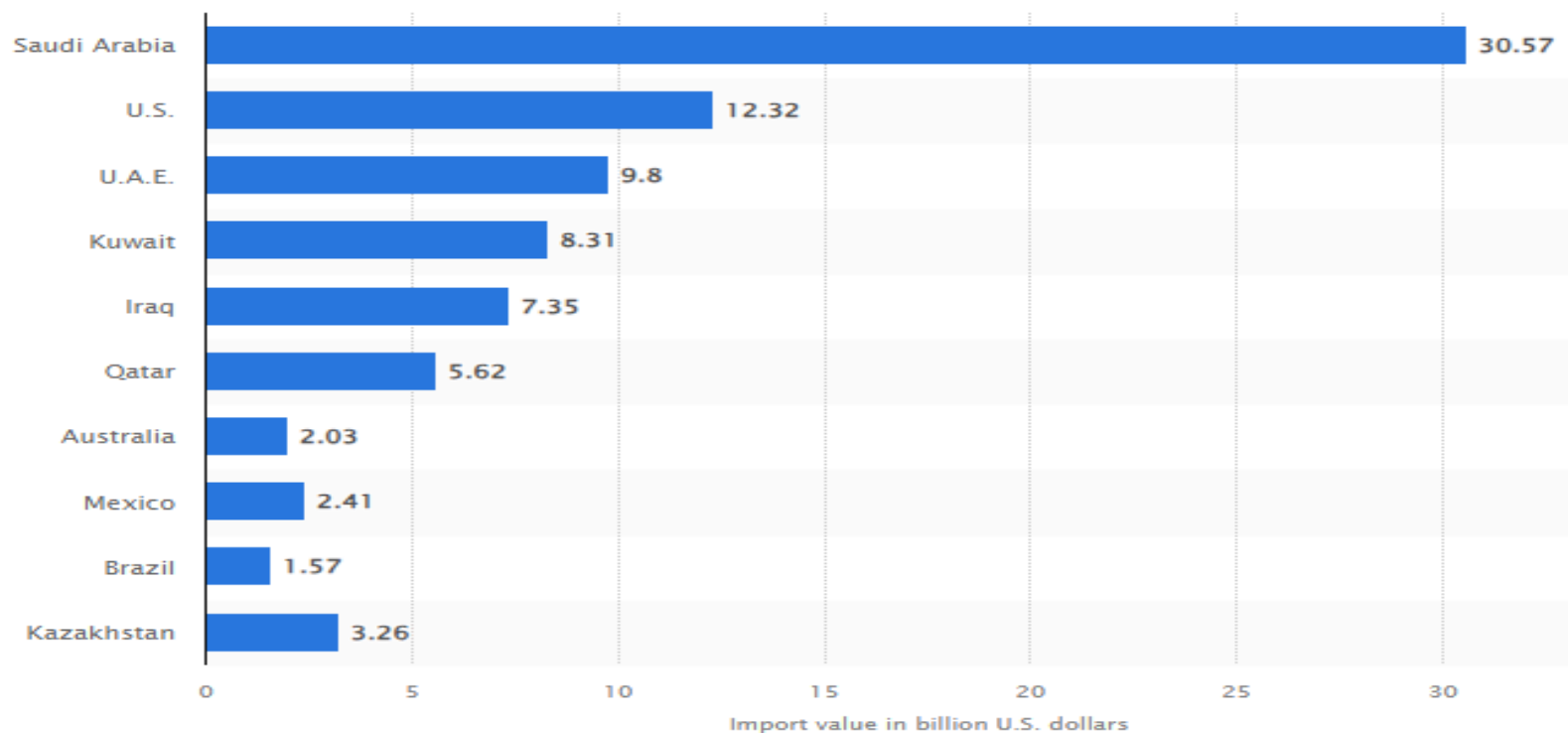
Relationship between education and Korean development

- Education consistently takes the largest share of the state budget (20.4% in 2003, 18% in 2021)
- Korea is 3rd after Canada and Ireland and Japan in percentage of population with tertiary education (40%)
- Among OECD countries, Korea ranks first in terms of students enrolled in higher education (53% of Korean 20-year-olds are in college compared to 34% for the US and 15% for Germany)
- Korea also ranks high in college graduates with degrees in engineering and applied science. 27.2% of all college graduates in Korea earn engineering degrees.

Korea and climate change

- South Korea plans to boost nuclear energy to 32.4% of total power production by 2030, up from 27.4% in 2021, and renewables to at least 21.6% of power output from 7.5%, the commission said.
- In 2009, Korea announced its voluntary mitigation target to reduce greenhouse gas emissions by 30% from the business-as-usual (BAU) level by 2020. It has also enacted the Framework Act on Low Carbon, Green Growth in 2011 to provide the legal basis for climate policies and actions.
- The 10th Basic Plan for Long-Term Electricity Demand and Supply 2023-2036 of MOTIE (2023) revised downwards its renewables target to 22% and 31% of the power mix in 2030 and 2036, respectively (against 40% in 2034 in the previous Basic Plan).

Value of crude oil imported into South Korea in 2023, (in billion U.S. dollars)



Facilitation of Energy Supply through Catch-up Technological Innovation

"Clean technologies"

	Mining	Processing	Battery material	Battery cell/pack	EV deployment
Copper	Chile Peru	China Chile	China Korea Japan	China USA Korea	China USA EU
Lithium	Australia Indonesia	China Chile	Polysilicon	Solar panel	PV installation
Nickel	Indonesia Philippines	China Indonesia	China Korea Germany	China Korea Canada	China EU USA
Cobalt	DRC	China	Wind turbine & components		Wind installation
Rare earths	China	China	China India USA	Spain Germany	China EU USA
Platinum group metals	South Africa	Russia	Electrolyser manufacturing		Electrolyser installation
			China Germany USA	The UK Norway	EU China Canada

※ Source : World Energy Outlook 2022 (FIG 4.18), IEA

"Korea-Central Asia K-Silk Road Initiative"

- Seoul's new regional strategy aimed at creating a new platform for partnerships with South Korea and Central Asian nations.
- enhance cooperation in gas, chemicals, shipbuilding, textiles, information and communications, and environmental protection.

Bilateral trade Greece-Korea 2020-2023

Period	Export Number	Export Value	Import Number	Import Value	Balance of Trade	OIL PRODUCTS	% Imp with oil pr.	% exp	%tr.bal	imp not oil products	% imp
2020	10,445	863,204	5,484	796,066	67,137	600,351				195,715.0	
2021	11,806	2,029,901	6,370	1,308,790	721,111	1,080,793	135.9	39.2	90.7	227,997.0	14.2
2022	12,434	1,232,281	5,714	902,430	329,851	714,142	-64	-45.0	-118.6	188,288.0	-21.1
2023	14,023	1,030,246	5,395	918,349	111,897	703,497	-5.9	1.7	-194.8	214,852.0	12.4

Period	Export Number	Export Weight	Export Value	Import Number	Import Weight	Import Value	Balance of Trade	% EXP	% IMP
2019	9,907,139	202,542,927.2	542,232,610	25,889,882	591,954,912.8	503,342,947	38,889,663		
2020	11,704,320	190,456,384.2	512,498,038	31,283,543	547,505,210.3	467,632,763	44,865,275	-5.5	-8.1
2021	15,105,999	188,154,223.9	644,400,368	39,025,686	572,087,793.0	615,093,447	29,306,921	25.7	4.3
2022	13,453,999	186,024,528.5	683,584,760	40,687,403	566,848,530.4	731,369,657	-47,784,897	6.1	-0.9
2023	11,699,712	188,662,281.3	632,383,935	44,203,603	554,384,470.6	642,592,618	-10,208,683	-7.5	-2.2

Bilateral Trade of Greece-N. Korea 2010-2021 million €

(Hellenic Statistical Service)

BILATERAL TRADE 2010-2021 εκ. € (ELSTAT)						
YEAR	EXPORTS	IMPORTS	% exports	% imports	Trade balance	% trade balance
2010	50,829,768	779,048,836			-728,219,068	
2011	81,508,368	566,368,224	60.4	-27.3	-484,859,856	-33.4
2012	141,385,452	1,879,741,822	73.5	231.9	-1,738,356,370	258.5
2013	199,625,534	208,242,500	41.2	-88.9	-8,616,966	-99.5
2014	269,244,888	262,983,349	34.9	26.29	6,261,539	-173
2015	298,070,130	390,255,806	10.7	48.4	-92,185,676	-1572
2016	133,466,667	358,462,994	-55.2	-8.15	-224,996,327	144.1
2017	192,771,565	290,860,443	44.4	-18.9	-98,088,878	-56.4
2018	113,039,849	278,620,746	-41.4	-4.21	-165,580,897	68.81
2019	156,751,467	618,544,106	38.7	122	-461,792,639	178.9
2020	333,269,084	242,700,511	113	-60.8	90,568,573	-120
2021	917,866,197	324,812,032	175	33.83	593,054,165	554.8
Σύνολο 2010-2021	2,887,828,969	6,200,641,369			-3,312,812,400	

χιλ. εκ. \$	2018	2019	2020	2021	2022
EXPORTS	604,3	528,2	796.1	1.308,8	902,4
IMPORTS	978,4	1.639,6	863,2	2.029,9	1.232,3
TRADE BALANCE	-374,1	-1.111,4	67,1	721,1	-329,9

South Korea's most important export trade destinations 2010-2021

	2017	2018	2019	2020	2021
Total	573,694,421	604,859,657	542,232,610	512,498,038	644,400,368
China	142,120,000	162,125,055	136,202,533	132,565,445	162,912,974
USA	68,609,728	72,719,932	73,343,898	74,115,819	95,901,955
Vietnam	47,753,839	48,622,098	48,177,749	48,510,572	56,728,532
Hong Kong	39,112,281	45,996,441	31,912,876	30,653,790	37,467,077
Japan	26,816,141	30,528,580	28,420,213	25,097,651	30,061,806
Taiwan	14,898,398	20,783,511	15,666,310	16,465,446	24,285,275
India	15,055,543	15,606,221	15,096,302	11,937,316	15,603,258
Singapore	11,651,939	11,782,182	12,768,034	9,828,388	14,148,511

Ranking of major exporting countries to South Korea 2010-2021

ΕΤΟΣ	2010	2011	2012	2013	2014	2015	2016
Total	425,210,624	524,413,090	519,584,473	515,585,515	525,514,506	436,498,973	406,192,887
China	71,573,624	86,432,238	80,784,595	83,052,877	90,082,226	90,250,275	86,980,160
USA	40,402,691	44,569,029	43,340,962	41,511,916	45,283,254	44,024,430	43,215,930
Japan	64,296,117	68,320,170	64,363,080	60,029,355	53,768,313	45,853,834	47,466,592
Australia	20,456,219	26,316,304	22,987,917	20,784,616	20,413,019	16,437,806	15,175,870
Saudi Arabia	26,820,002	26,972,612	39,707,051	37,665,214	36,694,536	19,561,487	15,741,673
Vietnam	3,330,815	5,084,246	5,719,246	7,175,193	7,990,325	9,804,831	12,495,154
Taiwan	13,647,080	14,693,589	14,011,960	14,632,594	15,689,769	16,653,850	16,403,201
Germany	14,304,896	16,962,579	17,645,374	19,335,968	21,298,750	20,956,544	18,917,285
Russia	9,899,456	10,852,171	11,354,318	11,495,500	15,669,238	11,308,287	8,640,613
Qatar	11,915,450	20,749,364	25,504,675	25,873,843	25,723,055	16,474,762	10,081,309
Indonesia	13,985,848	17,216,374	15,676,272	13,189,998	12,266,260	8,850,394	8,285,343
Kuwait	10,850,149	16,959,617	18,297,149	18,725,097	16,892,033	8,973,358	7,262,270

Korean import change (%)

Year	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
% import change	23.3	-0.9	-0.8	1.9	-16.9	-6.9	17.8	11.9	-6.0	-7.1	31.5

Korea's Major Exporting Countries Change (%)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
China %	16.8	16.5	15.5	16.1	17.1	20.7	21.4	20.5	19.9	21.3	23.3	22.5
USA %	9.5	8.5	8.3	8.1	8.6	10.1	10.6	10.6	11.0	12.3	12.3	11.9
Vietnam %	0.8	1.0	1.1	1.4	1.5	2.2	3.1	3.4	3.7	4.2	4.4	3.9
Taiwan %	3.2	2.8	2.7	2.8	3.0	3.8	4.0	3.8	3.1	3.1	3.8	3.8
Germany %	3.4	3.2	3.4	3.8	4.1	4.8	4.7	4.1	3.9	4.0	4.4	3.6
Japan %	15.1	13.0	12.4	11.6	10.2	10.5	11.7	11.5	10.2	9.5	9.8	8.9
Russia %	2.3	2.1	2.2	2.2	3.0	2.6	2.1	2.5	3.3	2.9	2.3	2.8

10 most important Korean export destinations 2022

Πηγή: Custom Service of S. Korea

rank	country	Bil \$	% in total exports	change in the last 2 years
1	China	155,7	22,8	-4,5%
2	USA	109,8	16,1	12,6%
3	Vietnam	60,9	9	6,9%
4	Japan	30,6	4,5	1,7%
5	Hong Kong	27,6	4	-35,5%
6	Taiwan	26,2	3,8	7,3%
7	Singapore	20,2	3	29,9%
8	India	18,9	2,8	17,4%
9	Australia	18,8	2,7	48%
10	Mexico	12,7	1,9	10,8%
47/37	Greece	1,2	0,18 (0,31 to 2021)	-64%

10 most important importers in Korea 2022

rank	country	Bil \$	% in total imports	Last 2 years change
1	China	154,6	21,1	10,3%
2	USA	81,8	11,2	10,4%
3	Japan	54,7	7,5	0,12%
4	Australia	44,9	6,1	26,7%
5	Saudi Arabia	41,6	5,7	41,7%
6	Taiwan	28,3	3,9	16,9%
7	Vietnam	26,7	3,7	10,3%
8	Germany	23,6	3,2	6,8%
9	Qatar	16,6	2,3	29,9%
10	Indonesia	15,7	2,2	31,8%
56/45	Greece	902,4 εκ. \$	0,1 (0,2 to 2021)	-45%

Customs service of South Korea

10 most important services buyers from Korea (2022)

Rank	Region - country	Bil. \$	% of total	Change the last 2 years
1	N.A Ασία	37,1	28,5	19,1
2	ΗΠΑ	30,5	23,4	14,9
3	Κίνα	19,3	14,9	-18,4
4	ΕΕ	11,1	8,5	4,3
5	Ιαπωνία	8,5	6,6	4,5
6	Μέση Ανατολή	4,3	3,3	14,4
7	Κεντρική & Ν. Αμερική	2,9	2,3	1,8
	Ελλάδα	0,00007	0,05	22,4

Central Bank of Korea

10 most important services providers to S. Korea (2022)

Κατάταξη	Χώρα	Αξία εισαγωγών	% στο σύνολο	Μεταβολή μεταξύ 2 τελευταίων χρόνων
1	ΗΠΑ	32,5	23,9	23,9
2	N.A. Ασία	32,2	23,7	23,7
3	Κίνα	20	14,7	14,7
4	Ε.Ε.	18,9	13,9	13,9
5	Ιαπωνία	6,2	4,5	4,5
6	Μέση Ανατολή	5,3	3,9	3,9
7	Κεντρική και Νότια Αμερική	1,8	1,3	1,3
	Ελλάδα	0,5	0,4	17,5

Central Bank of Korea

FDI from/to S. Korea

bil \$	2017	2018	2019	2020	2021	2022
FDI – total capital – inflows reserves by the end of the year	12,6	13,1	16,7	13,8	30,6	29,1
FDI – total capital outflows by the end of the year	12,5	13,9	12,5	12,4	20,1	17,3

- EU27 is by far the largest source of FDI stock in South Korea (26.7% of total FDI stock), ahead of Japan (22.4%), the US (14.6%) and China (6.0%). In 2021, the EU's FDI stock in South Korea increased by 41% from the previous year, reaching €66 billion.
- South Korea's FDI to the EU increased by 12% year-on-year in 2021, reaching €36 billion. (Meanwhile, recent years have seen a slowdown in EU FDI flows to Hong Kong and an acceleration in South Korean FDI flows to the EU).

Major products imported by South Korea

- According to data from the South Korean Customs Authority, the most important category of imports has always been occupied by the code "27" which refers to fossil fuels and related products.
- The code "27" is in the 2nd position of exported products, in which Greece also records its highest exports to South Korea over time.
- In position 20 we find the first food category in the list of most important imports and it concerns fish. Greece has not recorded any import trade flows in this category!
- We found no significant amount of imports in the HTS categories "42" wines and other spirits and "45" dairy products!

Products showing the highest positive balance for S. Korea

- It is observed from the data of the South Korean Customs Authority that the most important surplus in the trade balance comes from the exports of **electrical appliances, vehicles, plastic goods, ships, iron and steel products.**
- At the same time, exports of chemical products and parts for use in nuclear plants are also very important.

Products showing the most negative balance for S. Korea

- It is clear that South Korea **primarily imports raw materials** to support the production of its industry except of course energy products.
- Furthermore, S. Korea has a negative balance **in all food items as it covers with imports all products** not having domestic production and in order to cover the ever-increasing consumption in all food products, as the demands for high quality food products are evident and arise from upgrading the standard of living of broad groups of the population.

Greece – S. Korea bilateral trade

(Korean Custom Service , th. mil. \$)

Period	Export Value to Gr	Import Value from Gr	Balance of Trade	% exp	% imp
TOTAL	6,795,195	4,453,845	2,341,350		
2019	1,639,553	528,177	1,111,376		
2020	863,204	796,066	67,137	-89.9	33.7
2021	2,029,901	1,308,790	721,111	57.5	39.2
2022	1,232,281	902,430	329,851	-64.7	-45.0
2023	1,030,255	918,382	111,873	-19.6	1.7

Exports of Greece to South Korea (per 4-digit HTS code) 2010-2021

- In the period 2010-2021, Greece's exports to South Korea, as well as in the previous period, are consistently dominated by the CN4 code 2710 oils and petroleum products. In 2019 alone, they were limited to an amount of €534 thousand and do not appear at the top of the products exported to South Korea.
- Over time, no significant commercial flow of exports of the basic Greek food products is recorded, i.e. codes 0302, 0305 which are fresh and preserved fish, 0403, 0406 cheese, 1509 olive oil, 070992 olives (import to S. Korea is generally not recorded). Since 2013 they have started to record significant export flows in the category 2008-fruits which amounted to €3.6 million in 2021.
- **70%-75% of the total value of Greek exports are petroleum products.**
- There are not many codes that have a constant flow with amounts above one million euros with the exception of code 4302 which concerns furskins and that of raw tobacco (2401).
- In the code 3004-drugs, exports of €19.4 million were recorded in 2018, €63 million in 2019, €79 million in 2020 and €94 million in 2021.

Findings of Greece's export effort

- Greece achieved the best export performance in 2021 exceeding \$1.3 billion, ranking 45th among 242 countries that exported goods to South Korea. 92% of the \$1.3 billion involved petroleum products.
- Greece gradually increased its share from 0.019% of total South Korean imports to 0.2% in 2021.
- In the period 2010-2021 the Korean economy registered an increase of 176.7% in imports as from \$160.4 billion in 2010 it imported \$615 billion in 2021.
- Obviously, the Greek export flows to S. Korea could not find a stable reference point in the Korean market during this time and in fact the major share continued to concern the exports of petroleum products.
- According to the data of the South Korean Customs Service, Greek exports occupied the 87th place in 2010 and gradually rising to occupy the 45th place in 2021 (including petroleum products).

Imports of Greece from S. Korea

- The obvious conclusion from the citation of the statistics regarding trade flows from S. Korea to Greece is the dominance of code 8901 which concerns shipbuilding by companies of Greek interests.
- In the period 2010-2021, only in the years 2017, 2018 and 2020 did shipbuilding not occupy the first place in South Korean exports to Greece.
- It should be noted the de-escalation of the specific code as in 2012 it had exceeded €1.6 billion, while in the two years 2020-2021 it was limited to the level of €31 million.
- Exports of passenger vehicles (code 8703) are important

Greek exports to S. Korea 2010-2023 – (HTS)

2020				2021				2022				2023			
H.S Code	Items	Import Weight	Import Value	H.S Code	Items	Import Weight	Import Value	H.S Code	Items	Import Weight	Import Value	H.S Code	Items	Import Weight	Import Value
2710	Petroleum	1,453,144	600,326	2710	Petroleum	1,705,889	1,080,744	2710	Petroleum	966,814.2	714,109	2710	Petroleum	1,030,390	703,309
3004	Medicame	465.7	80,364	3004	Medicame	628.4	136,615	3004	Medicame	530.5	97,625	3004	Medicame	735.5	130,497
2607	Lead ores	10,954.2	22,154	2607	Lead ores	6,454.0	15,571	7407	Copper ba	1,043.7	8,859	2607	Lead ores	2,581.0	6,606
8901	Cruise shi	44,353.0	21,201	2401	Unmanufa	1,091.1	8,894	2401	Unmanufa	896.3	7,708	2008	Fruit, nuts	2,974.4	6,018
2401	Unmanufa	1,664.1	12,193	2008	Fruit, nuts	5,369.9	7,335	8507	Electric ad	1,655.6	5,403	2401	Unmanufa	824.9	5,600
2008	Fruit, nuts	6,440.1	7,538	7407	Copper ba	946.0	6,659	8421	Centrifuge	88.0	4,331	7407	Copper ba	672.0	5,380
6802	Worked m	4,836.2	5,030	1301	Lac; natur	34.0	4,845	6802	Worked m	2,891.2	3,948	4303	Articles of	3.2	4,377
1301	Lac; natur	32.1	4,123	8507	Electric ad	1,520.7	4,701	0403	Yogurt; bu	428.1	3,904	8507	Electric ad	716.3	3,185
8507	Electric ad	1,422.7	4,005	6802	Worked m	3,315.7	3,574	2607	Lead ores	1,827.1	3,706	8421	Centrifuge	51.9	2,998
1207	Other oil s	13,302.5	3,282	7404	Copper wa	341.3	3,112	8479	Machines	60.6	3,626	1301	Lac; natur	19.7	2,693
8479	Machines	89.2	3,272	8421	Centrifuge	52.2	2,101	7404	Copper wa	479.9	3,619	7404	Copper wa	338.2	2,643
7407	Copper ba	575.7	3,132	4811	Paper, pap	393.7	1,701	1301	Lac; natur	27.9	3,533	0403	Yogurt; bu	309.8	2,630
7404	Copper wa	251.4	1,456	0403	Yogurt; bu	181.1	1,681	2008	Fruit, nuts	1,575.6	3,509	1509	Olive oil a	192.2	2,515
7606	Aluminium	298.9	1,328	4303	Articles of	0.9	1,534	4303	Articles of	1.2	2,682	4302	Tanned or	15.1	2,319
1509	Olive oil a	177.0	1,318	1509	Olive oil a	166.1	1,394	1509	Olive oil a	264.0	2,408	0810	Other fruit	1,079.0	2,254
9619	Sanitary t	106.0	1,188	9619	Sanitary t	96.1	1,235	4811	Paper, pap	366.6	1,882	6802	Worked m	1,769.3	2,212
8419	Machiner	66.4	1,162	1207	Other oil s	4,038.2	1,133	3304	Beauty or	61.9	1,438	2404	Products of	19.3	2,197
2309	Preparati	3,852.3	1,119	8708	Parts and	46.7	1,113	2203	Beer made	1,345.1	1,421	8479	Machines	40.6	1,846
3909	Amino-res	419.7	1,075	3304	Beauty or	32.3	1,081	0409	Natural h	68.2	1,240	4811	Paper, pap	293.6	1,668
4811	Paper, pap	253.0	1,008	4707	Recovered	4,616.0	1,058	4707	Recovered	4,188.2	1,170	3304	Beauty or	55.9	1,277
4303	Articles of	0.8	822	2309	Preparati	3,566.1	1,041	2515	Marble, tr	962.6	1,123	2005	Other vege	167.1	1,274
4707	Recovered	7,172.2	818	7204	Ferrous w	453.4	1,040	2309	Preparati	3,741.0	1,053	1905	Bread, pas	270.7	1,259
1905	Bread, pas	158.5	742	9504	Video gam	161.8	1,009	1905	Bread, pas	238.9	1,000	2309	Preparati	4,130.4	1,131
9504	Video gam	119.1	636	2005	Other vege	128.7	901	2005	Other vege	142.1	971	1207	Other oil s	2,652.4	1,117
0403	Yogurt; bu	64.9	631	1905	Bread, pas	153.0	780	9619	Sanitary t	80.7	901	2203	Beer made	903.2	984
2519	Natural m	577.4	556	0406	Cheese an	74.3	716	0810	Other fruit	328.6	847	9028	Gas, liqui	4.2	879
7610	Aluminium	46.5	552	2202	Waters, ir	895.1	672	2202	Waters, ir	1,015.5	733	2202	Waters, ir	924.0	772
8421	Centrifuge	24.7	547	3909	Amino-res	96.8	663	3909	Amino-res	161.5	717	0811	Fruit and	309.6	741
2005	Other vege	82.6	546	7606	Aluminium	136.7	634	7606	Aluminium	98.3	662	6810	Articles of	1,211.5	739
4302	Tanned or	17.4	535	0811	Fruit and	290.3	605	0406	Cheese an	65.5	628	0406	Cheese an	64.8	734
2009	Fruit or nu	383.3	530	2519	Natural m	658.9	591	6810	Articles of	1,025.0	604	9619	Sanitary t	61.9	718
3808	Insecticid	7.3	524	7602	Aluminium	358.8	581	0811	Fruit and	254.7	601	0409	Natural h	37.8	708
8708	Parts and	22.9	489	9028	Gas, liqui	2.3	558	4302	Tanned or	2.2	580	4707	Recovered	2,914.3	662
2202	Waters, ir	589.4	466	7312	Stranded v	28.5	556	2519	Natural m	585.9	578	7606	Aluminium	69.3	643
0406	Cheese an	48.9	461	2203	Beer made	533.3	518	1207	Other oil s	1,371.9	561	2508	Other clay	2,415.0	613
2204	Wine of fr	27.5	231	2009	Fruit or nu	331.0	503	2204	Wine of fr	55.5	475	2204	Wine of fr	40.7	411
				2204	Wine of fr	41.9	354								

Greek imports to S. Korea 2010-2023 – (HTS)

2020				2021				2022				2023			
H.S Code	Items	Export Weight	Export Value	H.S Code	Items	Export Weight	Export Value	H.S Code	Items	Export Weight	Export Value	H.S Code	Items	Export Weight	Export Value
8901	Cruise ships, e	292,216.0	601,416	8901	Cruise shi	538,429.1	1,643,501	8901	Cruise shi	350,271.4	771,964	8901	Cruise shi	219,054.2	595,784
8703	Motor cars and	3,107.4	31,421	8703	Motor car	6,696.2	62,101	8703	Motor car	7,854.9	73,262	8703	Motor car	7,115.3	82,278
2917	Polycarboxylic	54,801.6	29,776	3901	Polymers	21,621.2	31,598	7208	Flat-rolle	43,774.3	45,690	3901	Polymers	35,875.2	41,722
8507	Electric accum	7,256.6	17,705	2917	Polycarbo	33,789.7	26,644	3901	Polymers	20,001.2	31,089	2917	Polycarbo	26,790.2	23,579
8421	Centrifuges, in	537.5	15,697	3002	Human bl	127.6	25,468	8517	Telephon	12.1	22,164	7208	Flat-rolle	29,476.6	23,296
3901	Polymers of et	12,753.3	13,255	8507	Electric ac	7,778.2	19,742	8421	Centrifug	559.2	20,469	8507	Electric ac	6,734.3	15,633
8409	Parts suitable f	361.1	10,674	3902	Polymers	9,949.0	16,328	2917	Polycarbo	21,277.1	19,893	8409	Parts suita	431.1	14,720
3902	Polymers of pr	7,560.5	7,940	2905	Acyclic alc	6,054.9	13,065	8507	Electric ac	6,744.9	16,706	8421	Centrifug	305.5	12,823
8535	Electrical appa	338.3	7,270	8409	Parts suite	381.1	10,560	7207	Semi-fini	25,112.9	13,566	8517	Telephon	10.3	11,170
3907	Polyacetals, ot	6,190.5	5,591	7208	Flat-rolle	9,297.6	9,804	3907	Polyaceta	7,454.1	12,953	3907	Polyaceta	6,744.8	10,430
9018	Instruments an	37.5	5,536	8421	Centrifug	343.7	9,150	8409	Parts suite	468.5	12,807	3902	Polymers	8,119.1	9,402
4011	New pneumati	1,308.3	4,541	3906	Acrylic po	3,776.1	8,344	7308	Structures	9,495.7	9,807	3909	Amino-re	4,635.8	8,795
2905	Acyclic alcohol	4,838.8	4,481	3903	Polymers	3,852.4	8,320	2905	Acyclic alc	4,562.1	9,758	3903	Polymers	5,193.1	7,719
8479	Machines and	267.3	4,425	9018	Instrumen	47.4	8,155	9018	Instrumen	44.9	8,095	9018	Instrumen	44.2	7,645
3903	Polymers of sty	2,945.1	3,802	3909	Amino-re	2,597.2	6,736	3906	Acrylic po	4,235.7	7,457	2929	Compoun	2,940.8	6,930
3906	Acrylic polyme	2,413.7	3,651	3907	Polyaceta	3,134.7	6,733	3909	Amino-re	3,207.0	7,006	8535	Electrical	320.2	6,834
3002	Human blood;	74.6	3,263	8517	Telephon	4.5	6,013	3902	Polymers	5,189.9	6,700	2905	Acyclic alc	4,219.0	6,702
7208	Flat-rolled pro	5,635.2	3,107	2929	Compoun	2,251.4	5,085	8535	Electrical	311.5	6,136	3917	Tubes, pip	1,355.7	6,384
3909	Amino-resins,	2,002.6	3,101	4011	New pneu	1,215.1	4,294	3903	Polymers	3,023.1	5,910	4810	Paper and	6,279.3	5,522
5407	Woven fabrics	267.2	3,068	8535	Electrical	200.7	4,190	2929	Compoun	1,966.5	5,089	3906	Acrylic po	2,986.1	5,299
3911	Petroleum resi	1,854.6	2,848	3911	Petroleu	2,134.2	4,035	3911	Petroleu	962.6	1,855	3911	Petroleu	1,606.0	2,418

Greek shipping and Korea

- The Greek shipowners were the first to realize the potential of Korea in the shipbuilding industry. Its relationship with Greek shipping began in 1972, when the shipowner Giorgos Livanos ordered two tankers.
- Today, much of the new Greek-owned fleet is being built in South Korea, with the value of Greek shipowners' ships in Korean shipyards amounting to \$18.8 billion. According to Clarkson Research Service, in 2022 Greek shipowners have placed orders with Korean shipyards for 52 vessels amounting to 2.05 million gross tons (CGT), equivalent to 20% of the total orders received by Korean shipyards. this year.
- Greek shipowners remain their biggest customer.
- The construction of modern and high-standard ships from South Korean shipyards is steadily attracting the interest of Greek shipowners. In the last 25 years, on average, almost every 5 days a newly built ship is delivered to Greek shipowners.
- In 2021, newbuilding orders from Greek shipowners amounted to 173 vessels (104 vessels in 2020), corresponding to 17.3 million dwt.
- More than a third of the oil tankers and almost one in six LNG carriers currently being built in the world will be delivered to Greek shipowners from South Korean shipyards.

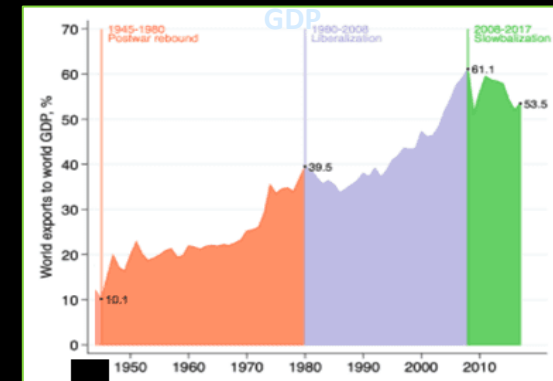
2021 ship orders

Ship Type	Nr of ships	GT	Deadweight
Chemical/Products Tanker	3	89.244	149.400
Container Ship	42	1.722.900	1.973.989
Crude Oil Tanker	21	1.771.824	3.403.136
Crude/Oil Products Tanker	11	625.906	1.134.440
Liquefied Natural Gas (LNG) Carrier	37	4.316.510	3.283.442
Liquefied Petroleum Gas (LPG) Carrier	20	703.800	799.409
Total	134	9.230.184	10.743.816

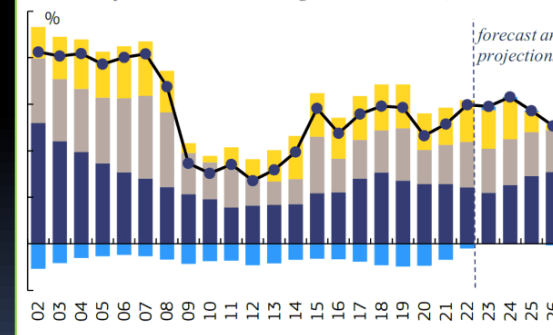
Revisiting Korea-EU FTA: Beyond Traditional Metrics

- Contextual Shift in Trade Analysis
 - Evolving Trade Dynamics: **Significant changes in global trade since the mid-2000s and early period in implementing the Korea-EU FTA (2011-2015).**
 - Qualitative Changes: Need to assess the **impact of the FTA beyond mere export increases**, focusing on how trade relations have evolved within global supply chains.
 - Difficult to expect an increase in export in low growth period
 - Role of tariff reduced
 - New generation of FTAs include many issues beyond tariff, such as labor, environment and regulations
 - Beyond Immediate Effects: **Investigating mid- to long-term trade changes** driven by **industrial restructuring**, changes in trade specialization, and the emergence of new industries.

Ratio of world exports to world GDP



Graph 1.4.1: Potential GDP growth breakdown, EU



Global Trade: Expansion to Protectionism

- Global trade landscape in **mid-2000s** Overview (when negotiating Korea-EU FTA)
 - Expansion Era: Driven by a **global economic boom**, **China's entry to WTO**, open trade policies of the US, EU, and **proliferation of free trade agreements**
 - Europe's Structural Changes: Introduction of the **euro** and **EU enlargement** reshape trade-investment dynamics, EU's **Global Europe initiative** for FTAs
 - Korea's trade policy: **comprehensive FTAs with trading partners (US, EU, ASEAN, China etc)**
- Post-2008 Global Financial Crisis: **Shift towards protectionist policies** as global economic challenges mount.
 - US-China Competition**
 - From **trade conflict** to **hegemonic competition**
 - Position of US** concerning **China**: **competition**, **cooperation**, and **confrontation**
 - Alliances** under **geopolitical dynamic**: Quad, AUKUS, Indo-Pacific Economic Framework



New Challenges and Trade Agreement Dynamics

- **Changing Perceptions of Globalization in developed countries**
 - **Who benefits from globalization?** Developed countries versus Emerging countries
 - Perception on **China: State capitalism** surrounded by **market economies**
- **COVID-19 and Global Supply Chain Shock**
 - **Supply chain disruption** and reassessment of **global value chains (GVCs)**
 - Shift of priority from **economic efficiency** to **economic security** in managing global value chains (GVCs), resulting in higher awareness over **non-economic risks**
- **Russia-Ukraine War and its Implications**
 - Interdependence through **international economic exchange** may not fosters **peace**.
 - Concerns about **potential weaponization of interdependence** → Economic security



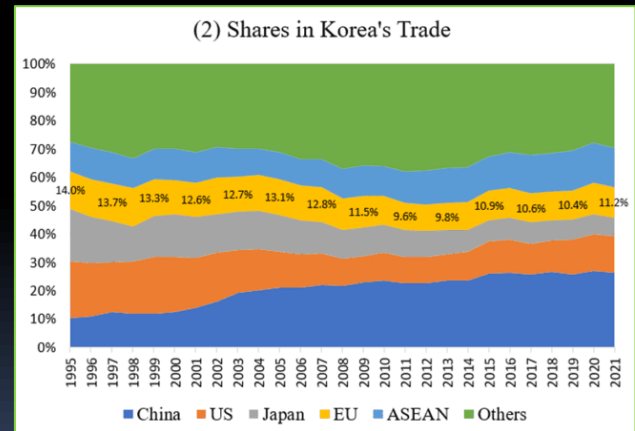
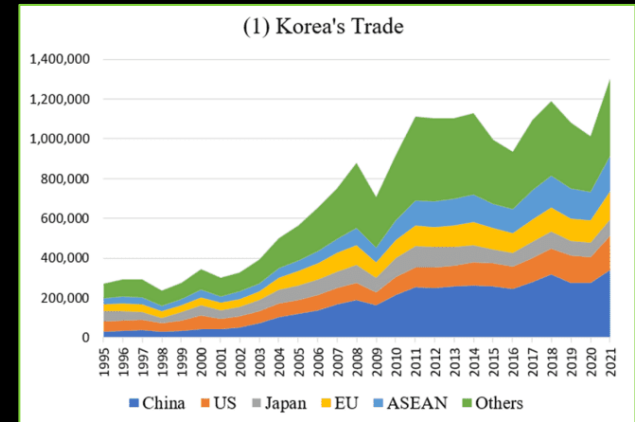
Structural Changes and GVC Integration

- Research questions
 - GVC Perspective: Analyzing **Korea-EU trade relations in the context of the global value chain**, focusing on how these relations affect and integrate with broader industrial ecosystems.
 - How do **Korea's exports contribute to the industrial production of European countries** through direct and indirect involvement in GVCs?
 - Explore Korea's contribution to and participation in the EU's industrial ecosystem, **highlighting the qualitative, interconnected nature of modern international trade.**
- Changes in global supply chains in economic security paradigm
 - The US-China competition, the COVID-19 pandemic, and the war in Ukraine have caused a need to act for economic security.
 - Economic security refers to a comprehensive set of policies designed to protect the domestic economy from unpredictable external circumstances while ensuring policy autonomy.
 - How do **trade and industrial policies under economic security affect global supply chains**, particularly **trade between Korea and the EU?**

Trends and Shifts in Korea-EU Trade (2001-2021)

- **Early Growth (2001-2008):**
 - Trade with the EU grew by an average of **15.2% per year**.
 - Even higher than trade with the US (6.8%) and Japan (10.9%).
 - Economic Drivers: Introduction of the euro, EU enlargement and a booming European economy.
- **Decline, Stagnation and Diversification (2010-2021):**
 - Slower Growth: Average annual growth rate of trade with the EU dropped to 3.9% and even lower
 - Lower than trade growth rates with the US (5.9%), ASEAN (5.6%), and China (4.4%).
 - Economic Challenges: Impacted by the **economic recession in Europe** and a shift in trade focus to faster-growing regions.
- Trade Share Dynamics:
 - From 13.1% of Korea's total trade in 2005 to **9.4% in 2012**, stabilizing at 10-11% thereafter.
 - Contextual Considerations: The share is low relative to the **EU's global economic share (20%)**.

Korea's Trade with its Partners



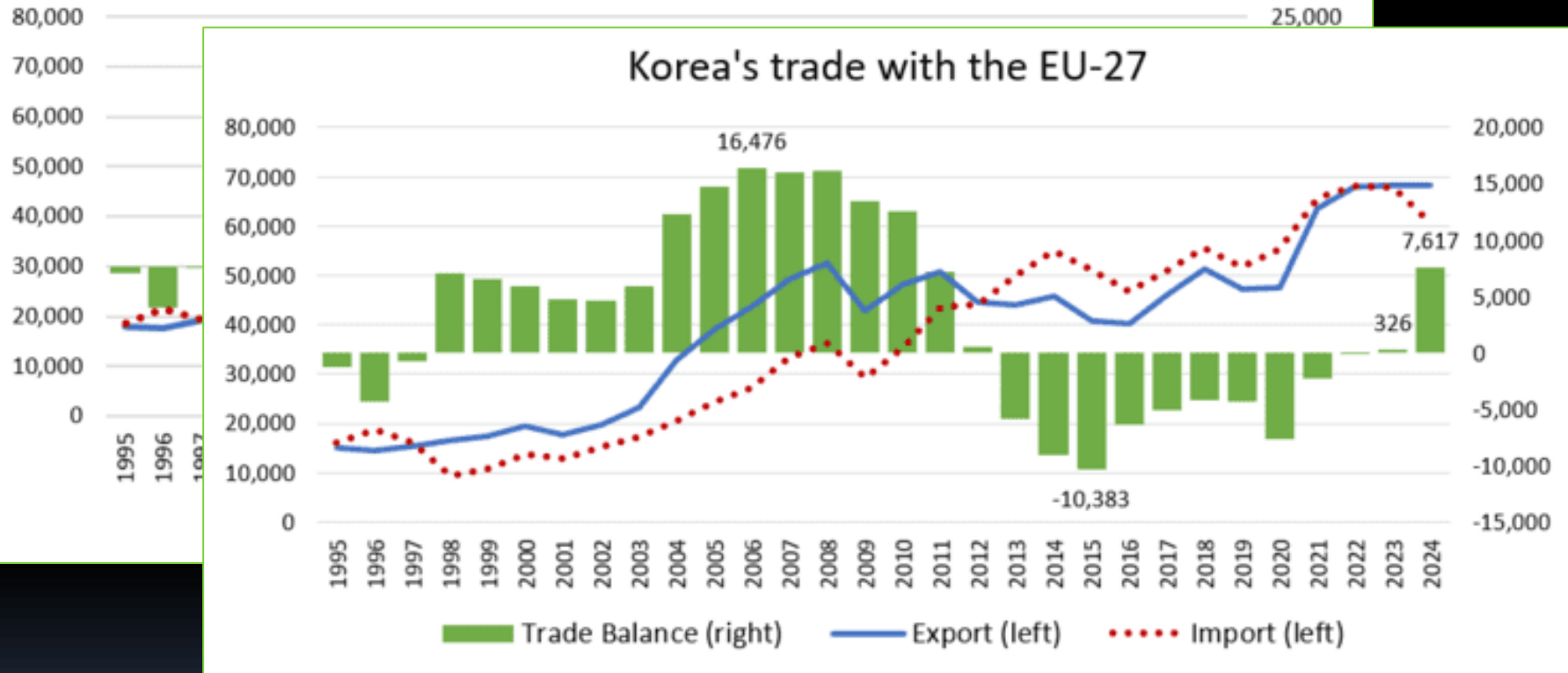
Note: Million US dollars.

Source: Author's elaboration based on the KITA data.

한-EU 무역관계 추이

- Trade Shifts:
 - Before 2010: **Trade surplus with the EU.**
 - Post-FTA: **Shifted to a deficit**, which widened but has recently approached **balanced trade account.**
- Exports:
 - Peaked at USD 58.38 billion **in 2008** and decreased by 20% during the 2008-09 financial crisis, recovered in 2011, followed by yearly fluctuations.
- Imports:
 - Deficit started at USD 970 million in 2012, expanding to **USD 10.74 billion** in 2014.
 - Later years saw a consistent deficit of about 3 to 5 billion USD annually.
- Recent and Future Outlook: 2020 Onward: Significant export growth, reducing the deficit and recently **record a small surplus** with the EU
- Expected surplus with the EU in 2024: trade surplus 2.539 billion USD from Jan to April.

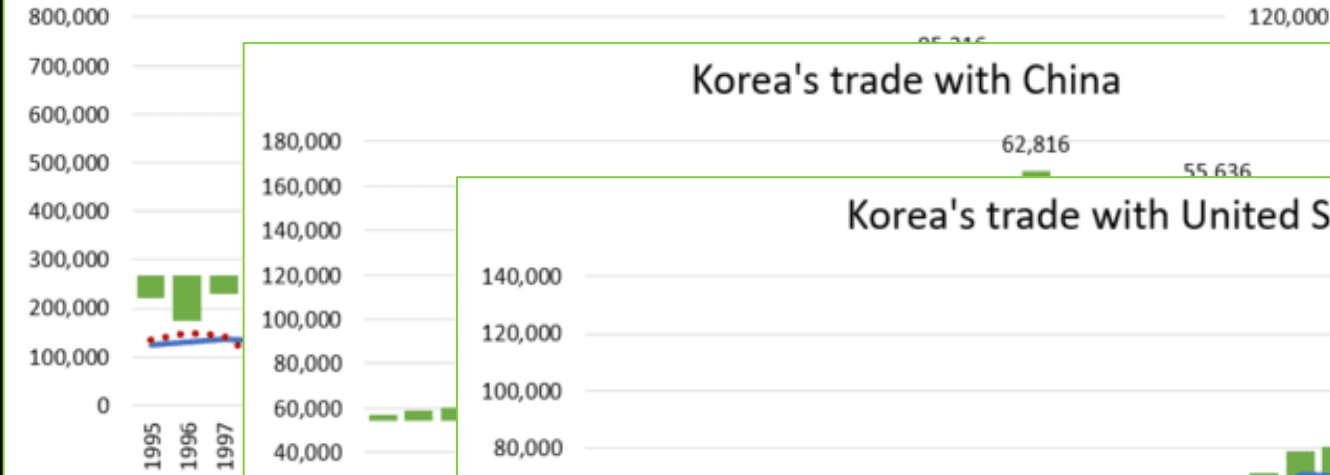
Korea's trade with the EU-28



Note: Million US dollars. Trade data for the year 2024 is calculated by multiplying the data from the first four months (January to April) by three.

Source: Author's elaboration based on the KITA data.

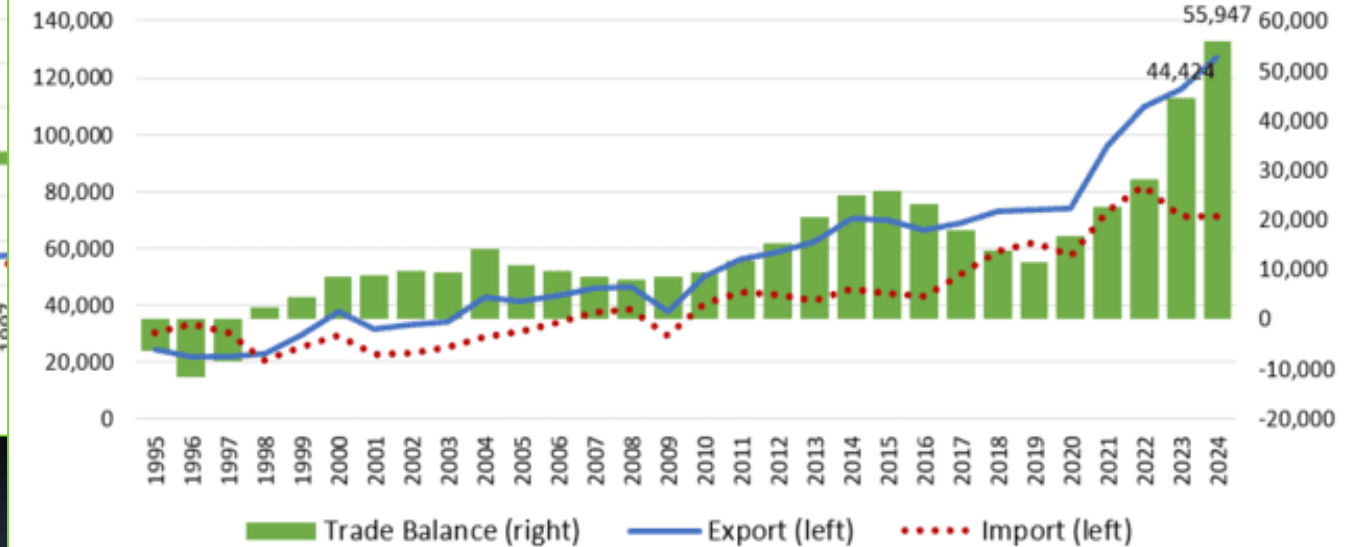
Korea's trade with the World



Korea's trade with China



Korea's trade with United States

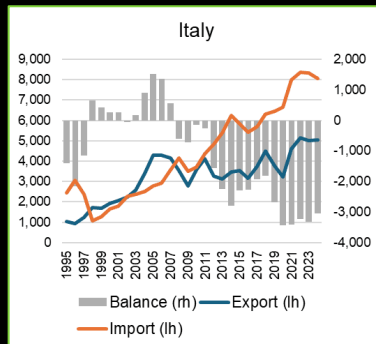
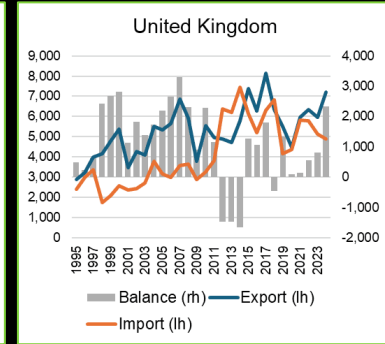
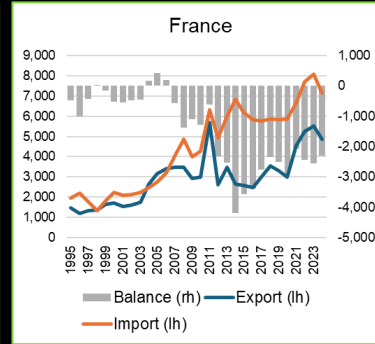
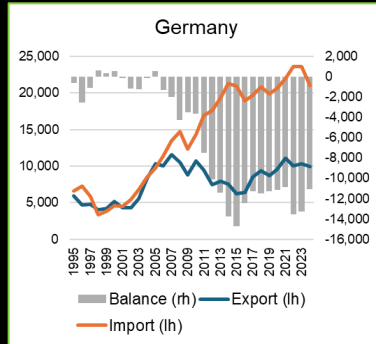


Note: Million US dollars. Trade data for the year 2024 is calculated by multiplying the data from the first four months (January to April) by three.

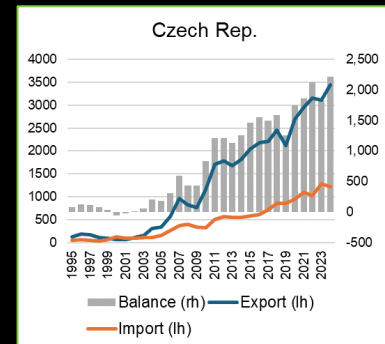
Source: Author's elaboration based on the KITA data.

Korea's trade by MS

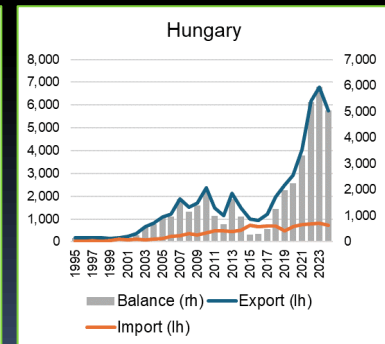
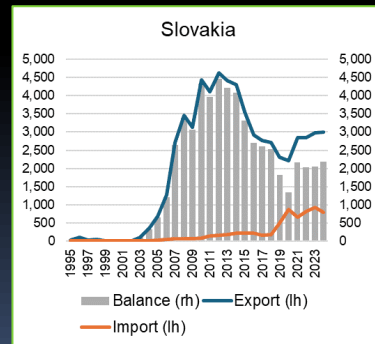
- Trade Deficits with large EU countries:
 - Germany: **Increasing deficit** due to increased imports of automobiles and mechanical equipment.
 - France: **Growth in imports of aircraft, parts, and high-end consumer goods.**
 - Italy: **Rise in imports of high-end consumer goods.**
 - United Kingdom: Influenced by imports of North Sea crude oil.
- Surplus with Central and Eastern Europe (V-4):
 - Preceded by **significant Korean investments** in these countries 2-3 years before 2005.
 - Trade Growth (2005-2009): Rapid increase in exports, especially intermediate goods like automobile parts and electronic/mechanical parts.
- Goods are assembled in factories in Central and Eastern Europe and then exported back to Western European markets.
- Flow of Trade: Korea → Central and Eastern Europe → Western Europe



Korea's trade with EU L-4



Korea's trade with EU V-4



Korea's export by product

- **2011 Export Highlights:**
 - **Ships:** 22.7% of total exports to the EU.
 - **Automobiles and LCDs:** Large proportions, reflecting strong industrial output in these sectors.
- **2023 Export Composition:**
 - **Ships:** Decreased to 5.3% of total exports.
 - **Automobiles:** Increased proportion, indicating sustained demand.
 - **LCDs:** Significant drop from \$5.47 billion in 2010 to \$419 million in 2023.
 - **Wireless Communication Devices:** Decline due to the relocation of production.
- **Emerging Export Sectors:**
 - **Chemical materials:** 10-fold increase
 - **Pharmaceuticals:** Steady growth, with a surge due to the pandemic.
 - **Batteries:** Marked increase, driven by the rise of electric vehicles and local production by Korean firms.
- **Decreased concentration of export items,** indicating a broader spread across different industries.

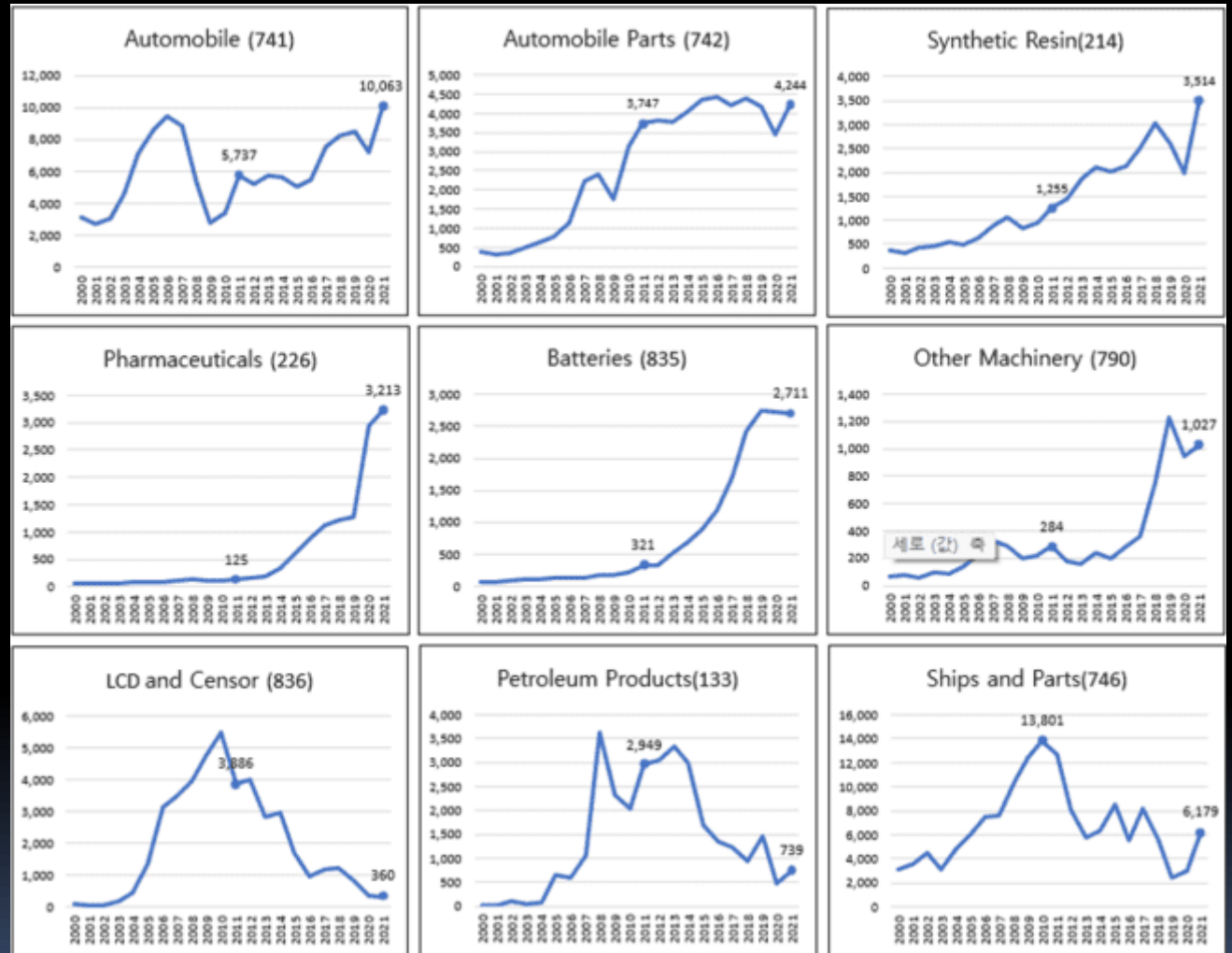
Korea's top 20 export items to the EU (2011 vs. 2023)

Year 2011					Year 2023				
	MTI	Items	Amount	Share (%)		MTI	Items	Amount	Share (%)
1	746	Ships and parts	12,665	22.7	1	741	Automobile	13,175	17.8
2	741	Automobile	5,737	10.3	2	228	Fine chemical raw materials	6,243	8.4
3	836	LCD and sensor	3,886	7.0	3	742	Automotive Parts	4,317	5.8
4	742	Automotive Parts	3,747	6.7	4	746	Ships and parts	3,936	5.3
5	133	Petroleum products	2,949	5.3	5	613	Steel plate	3,327	4.5
6	812	Wireless communication device	2,810	5.0	6	214	Synthetic resin	3,143	4.2
7	831	Semiconductor	2,547	4.6	7	226	Pharmaceuticals	2,752	3.7
8	613	Steel plate	1,609	2.9	8	831	Semiconductor	2,703	3.6
9	214	Synthetic resin	1,255	2.2	9	835	Batteries and storage batteries	2,045	2.8
10	813	Computer	1,210	2.2	10	812	Wireless communication device	1,915	2.6
11	725	Construction, mining machinery	1,016	1.8	11	133	Petroleum products	1,912	2.6
12	821	Video equipment	972	1.7	12	725	Construction, mining machinery	1,293	1.7
13	320	Rubber products	932	1.7	13	320	Rubber products	1,229	1.7
14	711	Prime movers and pumps	712	1.3	14	842	Industrial electrical equipment	1,225	1.7
15	310	Plastic products	630	1.1	15	310	Plastic products	1,221	1.6
16	228	Fine chemical raw materials	537	1.0	16	711	Prime movers and pumps	1,218	1.6
17	723	Metal machine tools	471	0.8	17	813	Computer	1,138	1.5
18	751	Machine elements	465	0.8	18	790	Other machinery	1,115	1.5
19	614	Steel pipes and steel wires	419	0.8	19	747	Airplane and parts	1,051	1.4
20	715	Optical equipment	417	0.7	20	814	Electronic application equipment	914	1.2
		Total of 20 items	44,986	80.6			Total of 20 items	55,872	75.4
		Total exports	55,806	100			Total exports	74,147	100

Note: Million US dollars. Source: Author's elaboration based on the KITA data.

By product

Korea's Export to the EU by Product Group



Note: Million US dollars.
 Source: Author's elaboration based on the KITA data.

Korea's import by product

- **Automobiles:**
 - Proportion increased from 6.6% to 13.9% of total imports.
- **Semiconductor Manufacturing Equipment:**
 - More than doubled, reflecting growth in Korea's tech manufacturing sector (NE ASML, lithography machine).
- **Pharmaceuticals:**
 - Recorded 3-fold increase, boosted by healthcare demands and innovations.
- **Growth in Luxury and Consumer Goods:**
- **Trends in Import Product Concentration:**
 - **Increasing Concentration:** Notable rise in the proportion of certain products over the decade.
 - **Contrast in Trade Dynamics:** **The trend of product concentration contrasts with the diversification seen in exports.**

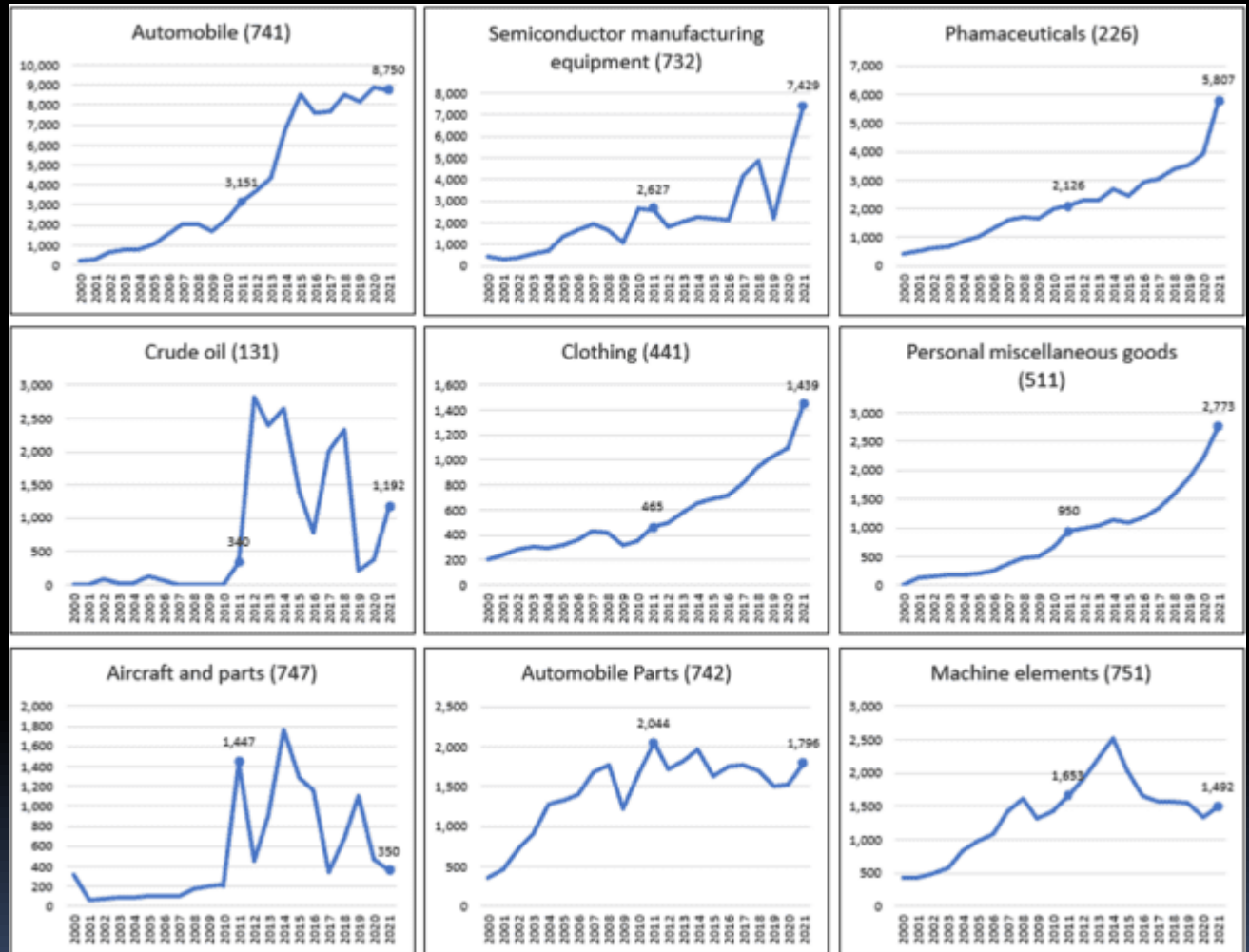
Korea's top 20 import items to the EU (2011, 2023)

Year 2011					Year 2021				
	MTI	Items	Amount	Share (%)		MTI	Items	Amount	Share (%)
1	741	Automobile	3,151	6.6	1	741	Automobile	10,153	13.9
2	732	Semiconductor manufacturing equipment	2,627	5.5	2	732	Semiconductor manufacturing equipment	6,632	9.1
3	226	Pharmaceuticals	2,126	4.5	3	226	Pharmaceuticals	6,265	8.6
4	742	Automotive Parts	2,044	4.3	4	511	Personal miscellaneous goods	2,561	3.5
5	711	Prime movers and pumps	1,870	3.9	5	831	Semiconductor	2,146	2.9
6	751	Machine elements	1,653	3.5	6	815	Instrument for metering or controlling analysis	2,055	2.8
7	815	Measurement control analyzer	1,526	3.2	7	711	Prime movers and pumps	1,875	2.6
8	747	Aircraft and parts	1,447	3.0	8	441	Clothes	1,787	2.4
9	228	Fine chemical raw materials	1,359	2.9	9	747	Airplane and parts	1,784	2.4
10	831	Semiconductor	1,251	2.6	10	742	Automotive Parts	1,641	2.2
11	746	Ships and parts	964	2.0	11	751	Machine elements	1,640	2.2
12	511	Personal miscellaneous goods	950	2.0	12	842	Industrial electrical equipment	1,524	2.1
13	790	Other machinery	926	2.0	13	24	Processed livestock products	1,464	2.0
14	618	Alloy pig iron and scrap metal	782	1.6	14	133	Petroleum products	1,285	1.8
15	721	Textile and chemical machinery	747	1.6	15	15	Food	1,249	1.7
16	133	Petroleum products	739	1.6	16	814	Electronic application equipment	1,198	1.6
17	214	Synthetic resin	734	1.5	17	518	Fashion item	1,026	1.4
18	22	Meat	715	1.5	18	22	Meat	969	1.3
19	811	Wired communication equipment	708	1.5	19	228	Fine chemical material	921	1.3
20	814	Electronic application equipment	705	1.5	20	13	Vegetable elements	887	1.2
		Total of 20 items	27,024	57.0			Total of 20 items	49,062	67.2
		Total imports	47,444	100			Total imports	73,011	100.0

Note: Million US dollars. Source: Author's elaboration based on the KITA data.

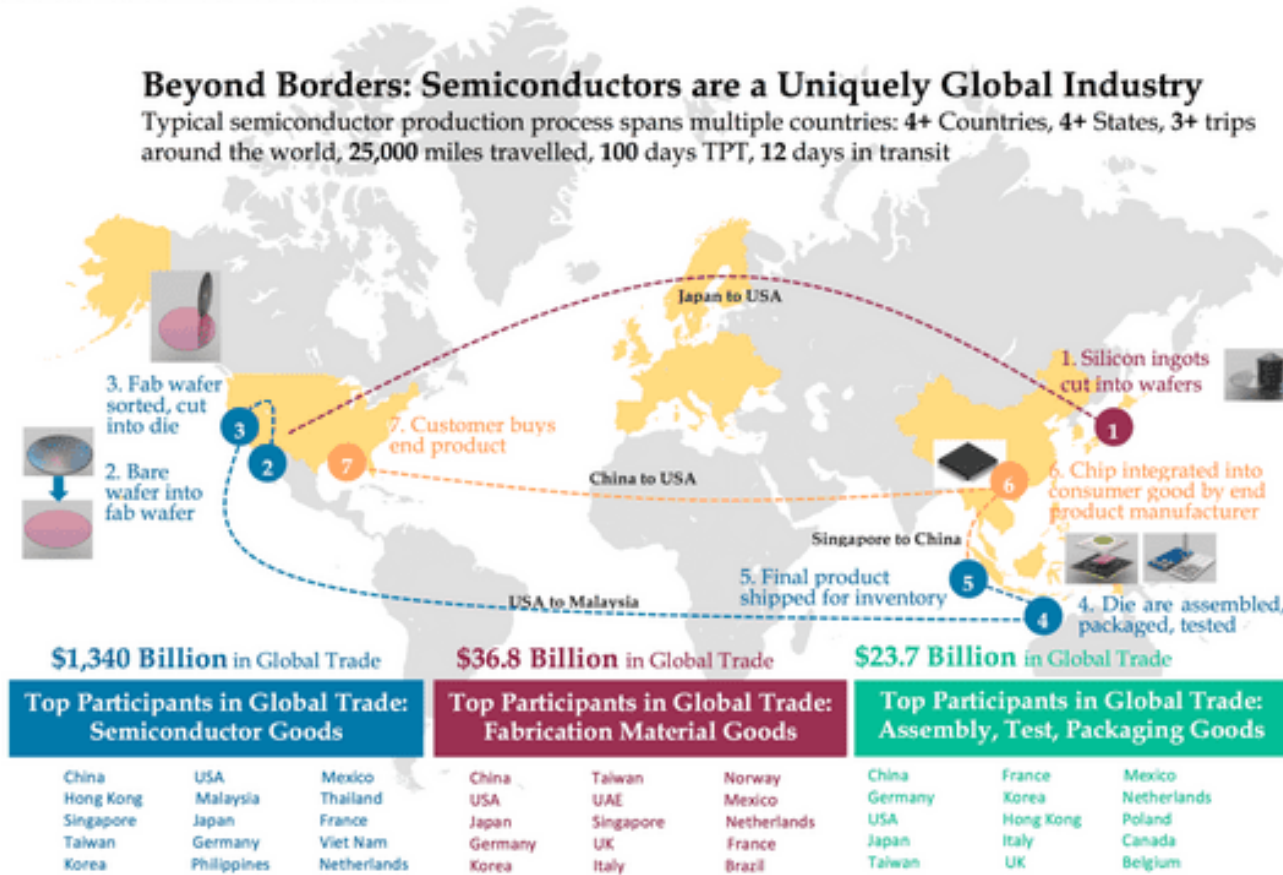
By product

Korea's Import from the EU by Product Group



Note: Million US dollars.
 Source: Author's elaboration based on the KITA data.

Figure 7
Example of the Global Nature of the Semiconductor Value Chain



Source: UN Comtrade and Taiwan Customs Administration, Ministry of Finance; Year of 2014

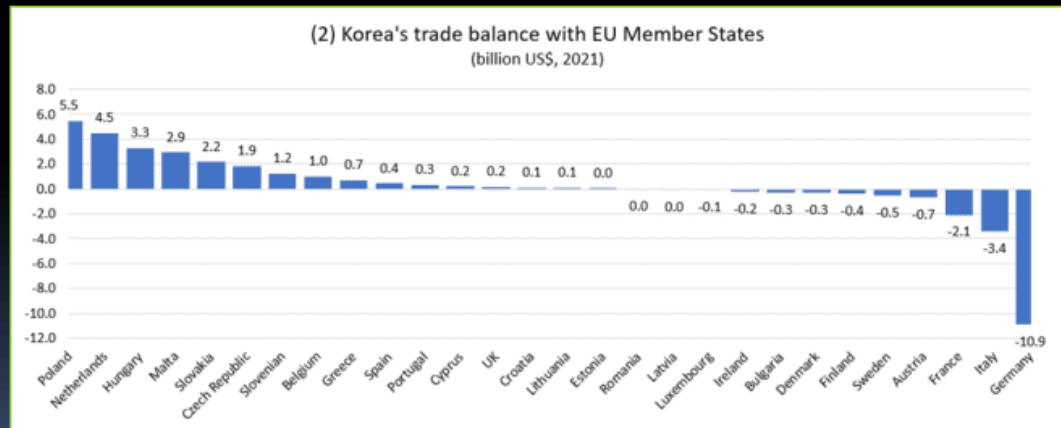
Semiconductor goods defined by HS Codes: 8541 (Diodes, Transistors, and Similar Semiconductors); 8542 (Electronic Integrated Circuits)

<https://www.semiconductors.org/wp-content/uploads/2018/06/SIA-Beyond-Borders-Report-FINAL-June-7.pdf>

- Semiconductor production requires 1,000 process steps and over 300 types of intermediate inputs.
- Trade needs to cross borders 70 times. Large semiconductor manufacturers rely on up to 16,000 suppliers scattered around the world.
- However, due to the high geographical concentration, there are about 50 choke points

Traditional approach vs. GVC approach

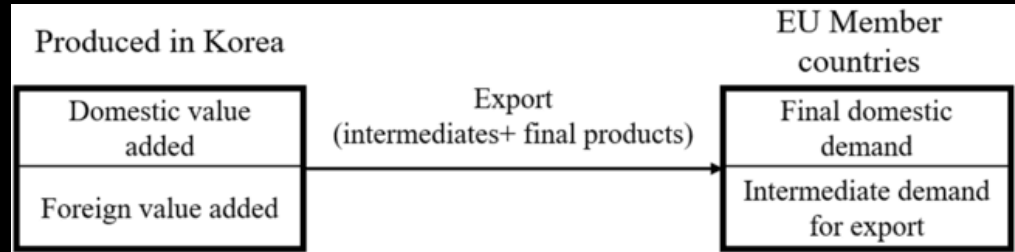
- Korea's trade with the EU primarily involves Western European countries with large economies.
- In 2021, trade with Germany accounted for 24.8% of Korea's total trade with the EU, which is more than the combined trade with 11 Central and Eastern European countries.
- German imports alone constitute 34.4% of Korea's imports from the EU.
- Korea records a significant trade deficit with Western European countries, with the deficit with Germany exceeding \$10 billion annually.
- In contrast, a trade surplus is recorded with Central and Eastern European countries, largely due to investments by Korean companies.



Traditional approach vs. GVC approach

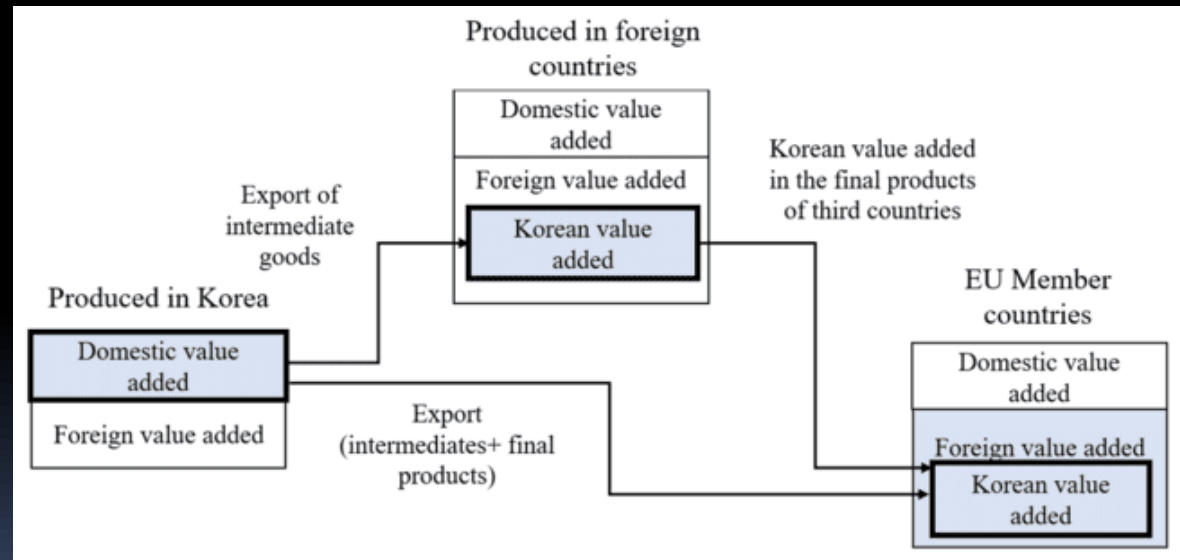
Exports Based on Customs Clearance:

- Includes all exported goods, irrespective of their domestic or overseas production origins.
- Does not differentiate between value added domestically or overseas.
- Does not categorize exports into final goods and intermediate goods.



Exports Based on Value Added:

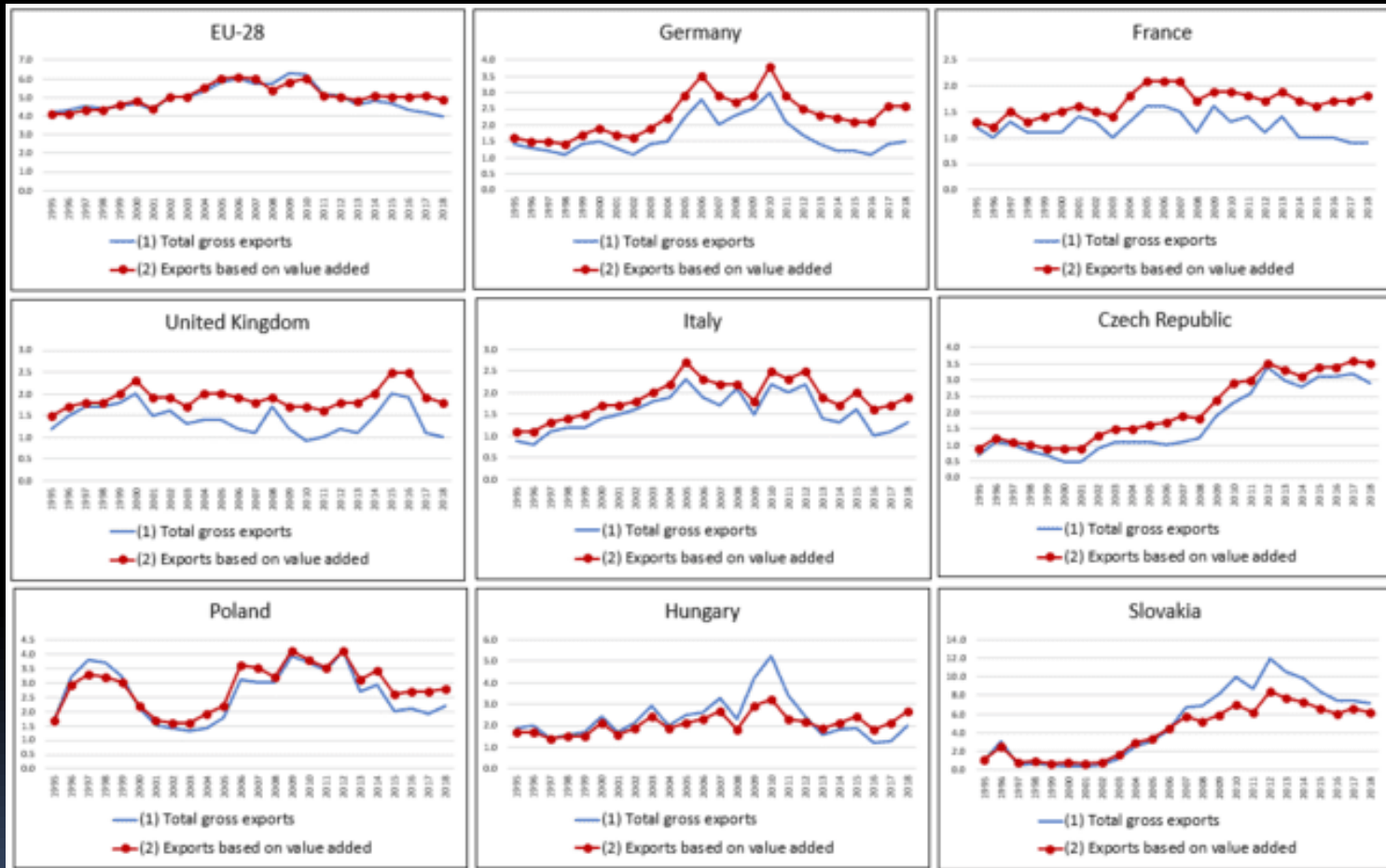
- Objective: Determines the contribution of **Korea's domestic value-added production** to the final demand of EU member states.
- Inclusion of Direct and Indirect Exports:
 - **Direct Export:** Directly from Korea to an EU member state.
 - **Indirect Export:** From Korea to a third country, then to an EU member state.



Comparison of Korea's Exports to the EU

- Total Exports vs. Value-Added Exports:
 - From 1995 to 2012, shares were nearly identical.
 - Since 2013, **value-added exports have surpassed total exports**, with the gap widening to 0.9 percentage points by 2017.
- Western vs. Central and Eastern Europe:
 - Western Europe: **Value-added exports exceed total exports, with Germany showing a 0.8 to 1.1 percentage point difference.**
 - Central and Eastern Europe: In the Czech Republic and Poland, total exports slightly exceed value-added exports, while the opposite is true for Hungary and Slovakia.
- Implications:
 - **High overseas added value (Germany)** or low indirect exports via third countries (CEE) contribute to these trends.
- Export Patterns:
 - **Higher shares of value-added exports to Western Europe are due to significant use of third countries for processing and assembly.**

Changes in Korea's exports to the EU by product: total exports and exports based on added value



Review over main industries

- Using the ISIC Rev. 4 categories utilized by OECD TiVA data:
 - *Automobiles (D29), Computers, Electronic and Optical Products (D26), Electrical Equipment (D27), Other Transportation Equipment (D30, mainly ships), Machinery and Equipment (D28)*
- Export Market Share Analysis:
 - Central and Eastern Europe (CEE) vs. Western Europe (WE): **The export market share is significantly larger in CEE than in WE.**
 - In the automobile sector, the market share in Western Europe (2018) ranges from 1.5 to 2.0%, compared to 1.4 to 8.4% in Central and Eastern Europe.
 - Temporal Trends: Between 2000 and 2010, **there was a general increase in market share in Western European countries.**
 - In Central and Eastern European countries, the market share started to rise around 2004-05, with a noticeable delay of 3-4 years in their full-scale rise, peak, and decline compared to Western Europe.
- Notable Examples:
 - **Germany shows a high export market share** among Western European countries.
 - **Slovakia stands out in Central and Eastern Europe**, indicating a closer industrial network between Korea and Slovakia.

Summary of review results

- Reassessing Korea-EU Trade Deficit Over the Past Decade:
 - **The actual trade deficit with the EU, particularly with Germany, is overstated** when only direct trade is considered.
 - When accounting for indirect exports, **the deficit is significantly smaller.**
 - Exports to Western Europe are **substantially higher on a value-added basis** than what customs clearance data suggest, often by up to five times, especially with Germany.
- **Korea's Import Dynamics from Germany:**
 - Industry Competitiveness: Limited strength in materials, parts, and equipment sectors.
 - Intermediate Goods: High volume of imports.
 - Customs Data vs. Actual Consumption: **Actual imports for final consumption are lower than reported by customs clearance.**
- Sector-Specific Dynamics:
 - In sectors like computers, **electronics, and optical products, the share of value-added exports to Western Europe is increasing**, even as the share based on total exports declines. This suggests a growing trend of indirect exports.

Summary of review results

- Trade Utilization of Global Supply Chains:
 - Expansion through Third Countries: **The active use of global supply chains, including third countries, is more evident in trade with Western Europe.**
 - Export Market Shares: Despite low direct export shares to countries like France, the UK, and Italy (1.9% and 1.0% respectively), **value-added shares are much higher (6.7%, 5.8%, and 5.4%),** indicating significant indirect exports.
- Diverging Trade Patterns with Eastern Europe:
 - Exports to Central and Eastern Europe **increase following Korean investments,** with a strong alignment between total exports and value-added exports.
 - However, except for machinery and equipment, the market share of exports tends to decrease over time, tied to the diminishing returns of initial investments.
 - As income levels in Central and Eastern Europe improve, **exports of final goods are expected to rise,** potentially **mirroring the current trade patterns with Western Europe.**

Implications and suggestions

- Beyond Direct Trade:
 - **'Korea ↔ third country ↔ EU triangular' structures within the GVC network.**
 - **Countries with FTAs with both Korea and the EU** (e.g., Vietnam, Singapore, Turkey, EFTA, Canada) play crucial roles in this dynamic.
- Holistic Trade Policies:
 - **Recent FTAs do not guarantee the trade increases** once expected in the 2000s.
 - For instance, the **Korea-EU FTA has not significantly improved Korea's trade balance**, contrasting with trade dynamics with the United States during the same period.
 - Develop **bilateral trade policies that consider GVC implications**, moving beyond mere bilateral exports/imports and trade balances.

Conclusion and Implications

- It is inappropriate to assess the FTA based solely on changes in exports, imports, or trade balance.
 - We have transitioned from a **phase of trade expansion (globalization)** to a period characterized by **potential stagnation (slowalization)**.
 - The **resilience of supply chains** has emerged as a critical concern.
 - There is a need to focus on managing bilateral trade relationships to **ensure the stable operation of GVCs and economic resilience**.

De-risking Strategy of the EU and US

- Presented by EU Commission President in March 2023**
 - “I believe it is **neither viable** – nor in Europe's interest – **to decouple from China**. Our relations are **not black or white** – and our response cannot be either. This is why we need to focus on **de-risk** – **not de-couple**.” (Von der Leyen, March 30, 2023)
- The US supports a similar concept emphasizing de-risking over decoupling.**
 - “As President von der Leyen put it recently, we are for **de-risking** and **diversifying**, **not decoupling**. We'll keep investing in our own capacities, and in secure, resilient supply



[Speech by President von der Leyen on EU-China relations](https://ec.europa.eu/commission/presscorner/detail/en/speech_23_2063) (22:20 부터 볼 것)

https://ec.europa.eu/commission/presscorner/detail/en/speech_23_2063



[Remarks by National Security Advisor Jake Sullivan on Renewing American Economic Leadership](https://www.youtube.com/live/A2sap2whkk?si=Ns4M-J8hQxpV6SC7) (38:00 부터 볼 것)

<https://www.youtube.com/live/A2sap2whkk?si=Ns4M-J8hQxpV6SC7>

De-risking Strategy of the EU and US

	U.S.	European Union
Target country	China (specifically pointed)	China, Russia (maintain anonymity)
Field	Comprehensive: diplomatic and security, military, technology, economy	Mainly focused on economic sector (supply chain)
Stance to China	Cooperation, competition, confrontation	Partner, competitor, rival
Military competition	Geopolitical Conflict and Military Technology Competition Exist	Diplomatic and security considerations with no evident military competition
Domestic Policy Instruments	Export controls, industrial policy	Export controls, industrial policy, regulation (Brussels effects)
External Cooperation	Led by a club-type alliance, cooperation with likely-minded countries and friend-shoring	Trade agreements (FTAs), cooperation with likely-minded countries and participation in club-type consultative bodies

Business Confidence Survey 2023 (June 2023), EU Chamber of Commerce in China

- The 2023 survey results indicate that **the business environment for European companies in China is worsening.**
- **64% of responding companies reported that doing business in China has become more difficult over the past year, marking an all-time high.**
- **30% stated that their profits had decreased compared to the previous year, the highest ever recorded.**
- 11% have moved existing investments out of China, and 8% have decided to relocate future investments they had planned for China elsewhere.
- The number of respondents who view China as a top three destination for future investments decreased by 13% compared to the previous year.
- 75% of responding companies have reviewed their supply chain strategy in the past two years. Of these, 24% plan to partially relocate to mainland China, and 12% have already relocated outside of China.

https://www.eurochamber.com.cn/en/press-releases/3529/european_chamber_report_finds_significant_deterioration_of_business_confidence_in_china

Figure 1: Two thirds report doing business in China became more difficult

How has your industry's business environment changed over the past year?

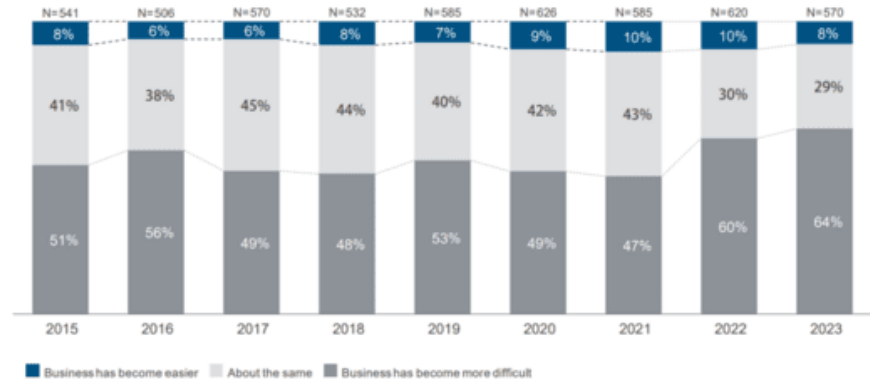
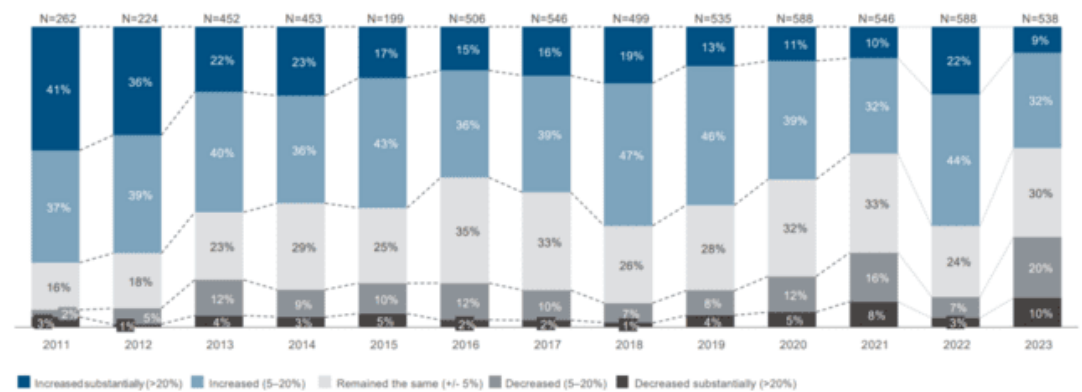
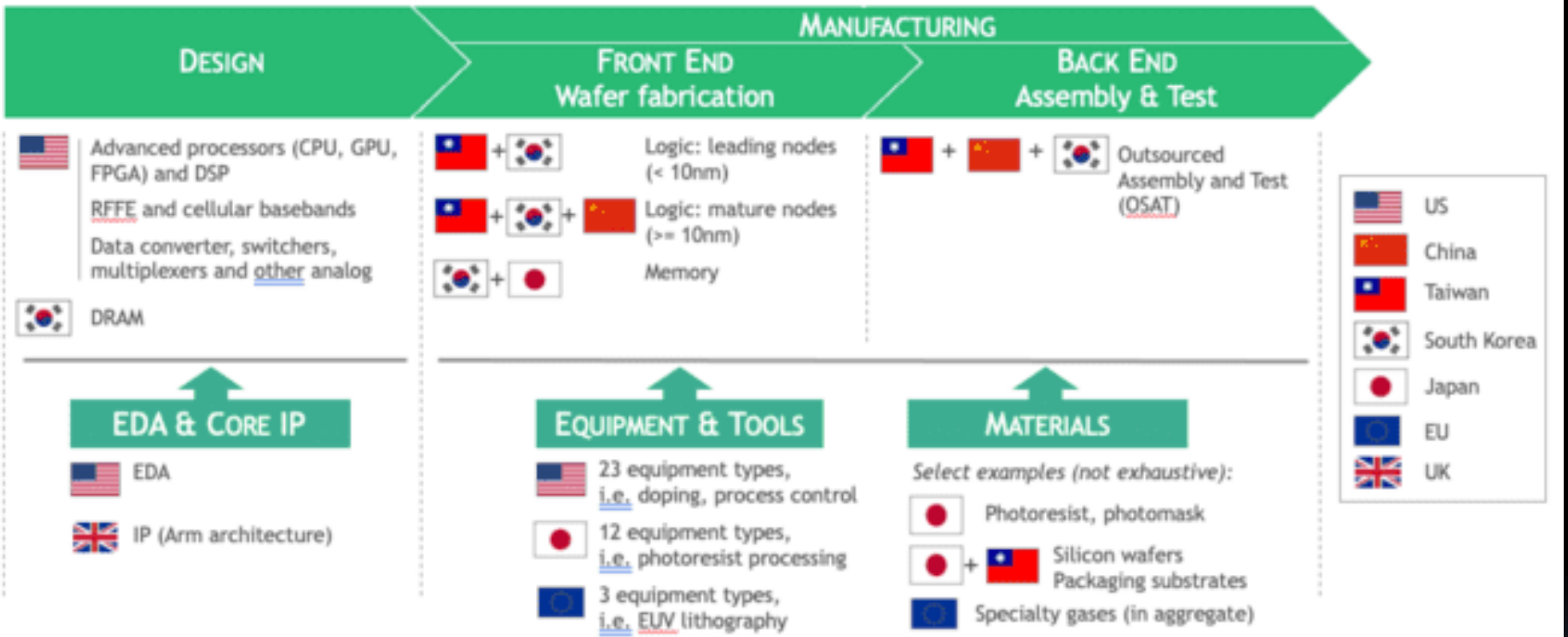


Figure 3: Record number report revenue decreases

How has your industry's business environment changed over the past year?



VALUE CHAIN ACTIVITIES WHERE ONE SINGLE REGION ACCOUNTS FOR ~65% OR MORE OF GLOBAL SHARE¹



1. For Design, EDA & Core IP, Equipment & Tools and Raw Materials: global share measured as % of revenues, based on company headquarter location. For Manufacturing (both Front End and Back End) measured as % of installed capacity, based on location of the facility

Sources: BCG analysis with data from Gartner, SEMI, UBS; SPEEDA



NEWS

EU 'stepping up its game' on battery gigafactories in Europe

By Cameron Murray
March 12, 2024

Europe | Grid Scale, Connected Technologies, Distributed, Off Grid | Materials & Production, Business, Policy, Technology

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Northvolt chief supply chain officer Dennis van Schie speaking at Giga Europe this morning. Image: Cameron Murray / Solar Media

Europe can still catch up and be a major player, Charlotte LeJon, Swedish Energy Agency systems innovation expert said. Image: Cameron Murray / Solar Media

EU announces €4bn state aid to back battery and green tech factories

Support aims to stop production being lured overseas with promise of bigger foreign subsidies

Northvolt's gigafactory in Sweden. The battery producer will receive €902m to build a new factory in Heide in Germany. Photograph: Northvolt

Korean food and delicacies

- Boiled rice, main course, and side dishes 3-12 side dishes
- Kimchi: pickled vegetable existing fermentation with or without hot pepper, hundreds of variations
- Basic ingredients in cooking: Soy sauce, soy paste (dyon-jang similar to miso) hot pepper paste (go-chu-jang), Sesame oil, Plenty of vegetables



01

KIMCHI



<https://images.app.goo.gl/wFuZf8oPJTA7m4y5>

03

BIBIMBAB



<https://images.app.goo.gl/TzMU332pP3KC9VpJ>

02

KIMBAP



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<https://images.app.goo.gl/qmox8G6tPmwqauGc6>

04

RAMYEON

LETS GO – ΠΡΟΣΩ ΟΛΟΤΑΧΩΣ!

- Korea can vindicate entrepreneurs who will undertake systematic initiatives to promote extroversion.
- The Office of Economic Diplomacy is on the side of these businessmen and for this reason a constant effort is made to upgrade our services.

Thank you for your attention!

- Address: 27th Fl., Hanwha Bldg., 86 Cheonggyecheon-ro, Jung-gu, 04541 Seoul
- Office phone +82-2-7291397
- Mobile cell +82-1058166628 (viber & WhatsApp)
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