

# TRADEWINDS



## KOREA

### Economy

**Exports and Imports:** Exports in March 2012 decreased 1.4 percent (preliminary) year-on-year to \$47.36 billion. Exports of automobiles (up 35.1%) and petroleum products (up 7.6%) grew year-on-year, while mobile phones (down 32.0%) and vessels (down 27.6%) decreased.

Imports in March, 2012 decreased 1.2 percent (preliminary) year-on-year to \$45.03 billion. Imports went down year-on-year, since high oil prices hampered oil imports, pushing down commodity imports (down 0.1%) and capital goods imports (down 4.1%). The trade balance (preliminary) in March, 2012 posted a surplus of \$2.33 billion.

**Inflation:** Growth in consumer and import prices has slowed in recent months. The consumer inflation rate eased to 2.6% year-on-year in March from 3.4% in January, while import price growth decelerated to 3.5% in March due to the base effect from high agricultural and raw material prices a year earlier.

### Korean Trade

The total external trade of ROK during the last eight years, 2012 is as follows:

YEAR	EXPORTS	GROWTH (%)	IMPORTS	GROWTH (%)	BALANCE
2005	284,419	12.05	261,238	16.39	23,181
2006	325,465	14.4	309,388	18.4	16,077
2007	371,489	14.1	356,846	15.3	14,643
2008	422,007	13.6	435,275	22	-13,268
2009	363,534	-13.9	323,085	-25.8	40,449
2010	466,384	28.3	425,212	31.6	41,172
2011	556,214	19.3	524,413	23.3	30,801
<b>2012 Upto March</b>	<b>134,934</b>	<b>3.0</b>	<b>133,264</b>	<b>7.5</b>	<b>1,669</b>

Source: Korea International Trade Association (KITA)

### Total bilateral trade between India and Korea

Bilateral trade between India and Korea gathered momentum in recent years. During the last five years, Indian

exports have increased at an average annual rate of 33.73%, while Korean exports have increased at an average annual rate of 29.74%. Volume of bilateral trade has increased at an annual average rate of 31% during the period. The trade data is as follows:

Year	Exports to India	Imports from India	Total turnover	Growth (%)
2003	2,853	1,232	4,085	55.2
2004	3,632	1,850	5,482	34.2
2005	4,597	2,112	6,709	22.4
2006	5,532	3,640	9,172	38.4
2007	6600	4624	11,224	22.35
2008	8977	6,581	15,558	39.00
2009	8013	4142	12,155	-21.88
2010	11,435	5674	17,109	40.75
2011	12,686	7,893	20,579	20.28
2012 Upto March	3,030	1,684	4,714	-10.4 In comparison to 2011 (up to March)

Source: Korea International Trade Association (KITA)

**ROK's principal export destinations up to March, 2012:** The principal countries receiving Korean exports are China, USA, Japan, Hong Kong, Singapore, Taiwan and India (9th biggest export destination in 2011).

**ROK's principal import sources up to March, 2012:** The principal countries from where Korea sources its highest imports are China, Japan, USA, Saudi Arabia, Australia and Qatar. India was the 18th biggest source of Imports in 2011.

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Source: Korea International Trade Association (KITA)

### Business Information

#### Korea to slap duties on PET film imports

South Korea's trade commission has said that they had decided to extend anti-

dumping tariffs on Chinese and Indian wrapping film for three more years to protect local manufacturers.

The decision by the Korea Trade Commission calls for anti-dumping duties of 5.87-25.32 percent to be levied on polyethylene-terephthalate film made by the

two Asian countries.

The latest move comes after Seoul imposed anti-dumping duties of 5.67-25.32 percent on PET films from the same countries since October 2008.

#### Rules on rehiring migrant workers eased

The Ministry of Employment and Labour has announced a revision to the Law on Foreign Workers' Employment, which will allow migrant workers who leave Korea after their visa expires to return after three months if a former employer wants to rehire them. The revised law will take effect on July 2, 2012 and is designed to help companies retain skilled workers, while preventing those with expired visas from staying here illegally. With the visas of some 67,000 foreign workers expected to expire this year, there have been lingering worries that companies may lose skilled employees and such workers may refuse to return home and stay here illegally. Now the revision will allow foreign employees to have new visas and return to work after only three months, and without having to take the language test or job training. Employers who want their foreign workers to return should apply to regional job centers before the workers leave Korea. ■