



## Market profile

South Korea is the 13<sup>th</sup> largest economy in the world and 3<sup>rd</sup> in Asia 2023. It is a member of OECD and G20.

## Economy and business structure

The economy of South Korea is a developed mixed economy. South Korea is notable for its rise from a developing nation to a developed, high-income country. The economy is dominated by large conglomerates known as Chaebols that operate in many industries and are often family owned. The manufacturing sector is relatively large with main export items being semiconductors, cars and ships. Recently the creative industry has risen in music and film.

### FACTS

- GDP: €1.68 trillion (13<sup>th</sup> of world, 2022)
- GDP per capita: 32 410 USD (2022)
- GDP Annual Growth Rate 2023: 1.4%
- GDP Growth rate forecast 2024: 2.2% (Korea Economic Research Institute, KERI, IMF)
- Finland's export to Korea was 1,7 billion euros in 2023 (63% goods, 37% services)
- Currency: WON (1 EURO = 1,350 KRW)
- Population: 51.8 million (2024)

## Key industries and their trends

South Korea's largest industries are electronics, semiconductors, automotives, telecommunications, shipbuilding, chemicals, steel and construction. Korea is at the forefront of digitalization, main challenge for it's large manufacturing sector is decarbonization and sustainability.

### Largest Companies in Korea 2023

- |                        |                       |                        |
|------------------------|-----------------------|------------------------|
| 1. Samsung Group       | 11. Shinsegae Group   | 21. Hyundai Department |
| 2. SK Group            | 12. KT Corporation    | 22. Booyoung Group     |
| 3. Hyundai Motor Group | 13. CJ Group          | 23. NAVER              |
| 4. LG Group            | 14. Hanjin Group      | 24. MIRAE Asset        |
| 5. POSCO Group         | 15. Kakao Corporation | 25. S-Oil              |
| 6. Lotte Group         | 16. LS                | 26. Kumho Asiana Group |
| 7. Hanhwa Group        | 17. DooSan            | 27. Harim              |
| 8. GS Group            | 18. DL                | 28. YoungPoong         |
| 9. HD Hyundai          | 19. HMM               | 29. HDC                |
| 10. NH (NongHyup)      | 20. JungHeung Group   | 30. SM Entertainment   |

Source : Korea Fair Trade Commission

## Important things to consider when doing business in South Korea

**Law** : Property rights and interests are protected and enforced, and there is a reliable system for the registration of mortgages and liens. The judiciary is independent and transparent.

**Corporate TAX Rate** : Corporate tax is applied from 20 to 25%.

**Labor**: The Labor Standards Act applies to all businesses or workplaces ordinarily employing five workers or more. However, some of its provisions (on weekly holiday, recess hours, wages, advance notice of dismissal, retirement benefits, etc.) apply even to businesses or workplaces ordinarily employing four or fewer workers.

**KOREA – EU FTA** : EU has a Free Trade Agreement (FTA) with South Korea. The majority of import duties were removed in 2011, only a limited number of agricultural products still have an import duty. In order to get the FTA benefit companies need to take some administrative actions.

**IPR Protection**: Intellectual property rights are consistent with international standards. The Korean Intellectual Property Office is responsible for all aspects of patents, utility models and industrial designs.

## Market data sources and other useful links

### Country information

- [Invest Korea - InvestKOREA\(ENG\)](#)
- [Business Korea - News](#)
- [KITA – Korea International Trade Association](#)
- [KOTRA – Korea Trade-Investment Promotion Agency](#)
- [KOSIS – Korean Statistical Information Service](#)
- [European Chamber of Commerce in S.Korea ECCK](#)
- [Finnish Chamber of Commerce in S.Korea \(FINNCHAM\)](#)
- [Finland-Korea Trade Association](#)

### Databases with company information

- [DART](#) – Repository of Korea's Corporate Filings
- [KOIMA](#) – Korea Importers Association
- [Korea Chamber of Commerce and Industry \(KCCI\)](#)
- [Statistics Korea](#)

## Business Finland in South Korea

Business Finland offers support for Finnish companies wishing to explore and enter the Korean markets. We follow the markets relevant to Finnish industries, communicate emerging business opportunities, channel direct sales leads as well as match Korean and Finnish companies for future business.

For Finnish companies the best route to Business Finland global services is via your local Business Finland office in Finland. For direct inquiries please contact Country Director Suvi Sundquist.

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