



## **Economy overview:-**

- South Korea over the past four decades has demonstrated incredible economic growth and global integration to become a high-tech industrialized economy. In the 1960s, GDP per capita was comparable with levels in the poorer countries of Africa and Asia. In 2004, South Korea joined the trillion-dollar club of world economies.
- The Asian financial crisis of 1997-98 exposed longstanding weaknesses in South Korea's development model, including high debt/equity ratios and massive short-term foreign borrowing. GDP plunged by 7% in 1998, and then recovered by 9% in 1999-2000. South Korea adopted numerous economic reforms following the crisis, including greater openness to foreign investment and imports. Growth moderated to about 4% annually between 2003 and 2007.
- South Korea's export focused economy was hit hard by the 2008 global economic downturn, but quickly rebounded in subsequent years, reaching over 6% growth in 2010. The US-Korea Free Trade Agreement was ratified by both governments in 2011 and went into effect in March 2012. Between 2012 and 2015, the economy experienced slow growth – 2%-3% per year - due to sluggish domestic consumption and investment. The administration in 2015 faced the challenge of balancing heavy reliance on exports with developing domestic-oriented sectors, such as services.
- The South Korean economy's long-term challenges include a rapidly aging population, inflexible labor market, dominance of large conglomerates (chaebols), and the heavy reliance on exports, which comprise about half of GDP.
- In an effort to address the long term challenges and sustain economic growth, the current government has prioritized structural reforms, deregulation, promotion of entrepreneurship and creative industries, and the competitiveness of small- and medium-sized enterprises.

## **GDP (purchasing power parity):**

- \$1.849 trillion (2015 est.)
- \$1.801 trillion (2014 est.)
- \$1.744 trillion (2013 est.)

## **GDP (official exchange rate):**

\$1.393 trillion (2015 est.)

## **GDP - real growth rate:**

- 2.7%(2015 est.)
- 3.3% (2014 est.)
- 2.9% (2013 est.)

## **GDP - per capita (PPP):**

- \$36,700 (2015 est.)
- \$35,700 (2014 est.)
- \$34,600 (2013 est.)

# Pakistan & Korea



## **GDP - composition by sector:**

- Household consumption: 49%
- Government consumption: 14.8%
- Investment in fixed capital: 27.5%
- Investment in inventories: 0.3%
- Exports of goods and services: 44.2%
- Imports of goods and services: -35.8% (2015 est.)

## **Inflation rate (consumer prices):**

- 0.7% (2015 est.)
- 1.3% (2014 est.)

## **Industries:**

Electronics, Telecommunications, Automobile production, Chemicals, Shipbuilding, Steel

## **Pakistan's exports to Korea:**

<u>Product code</u>	<u>Product label</u>	<u>Pakistan's exports to Korea, Republic of</u>	
		<u>Value in 2013</u>	<u>Value in 2014</u>
<u>TOTAL</u>	<u>All products</u>	<u>397,266</u>	<u>377,892</u>
<u>'01</u>	<u>Live animals</u>	<u>0</u>	<u>0</u>
<u>'02</u>	<u>Meat and edible meat offal</u>	<u>0</u>	<u>0</u>
<u>'03</u>	<u>Fish, crustaceans, molluscs, aquatic invertebrates nes</u>	<u>16,844</u>	<u>18,784</u>
<u>'04</u>	<u>Dairy products, eggs, honey, edible animal product nes</u>	<u>13</u>	<u>3</u>
<u>'05</u>	<u>Products of animal origin, nes</u>	<u>0</u>	<u>3</u>
<u>'06</u>	<u>Live trees, plants, bulbs, roots, cut flowers etc</u>	<u>0</u>	<u>21</u>
<u>'07</u>	<u>Edible vegetables and certain roots and tubers</u>	<u>0</u>	<u>143</u>
<u>'08</u>	<u>Edible fruit, nuts, peel of citrus fruit, melons</u>	<u>92</u>	<u>78</u>
<u>'09</u>	<u>Coffee, tea, mate and spices</u>	<u>298</u>	<u>309</u>
<u>'10</u>	<u>Cereals</u>	<u>69</u>	<u>151</u>
<u>'11</u>	<u>Milling products, malt, starches, inulin, wheat gluten</u>	<u>12</u>	<u>21</u>

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'12	<a href="#">Oil seed, oleagic fruits, grain, seed, fruit, etc, nes</a>	7,944	6,309
'13	<a href="#">Lac, gums, resins, vegetable saps and extracts nes</a>	761	243

### **Exports:**

- \$535.5 billion (2015 est.)
- \$621.3 billion (2014 est.)

### **Exports - commodities:**

Semiconductors, Petrochemicals, Automobile/auto parts, Ships, Wireless communication equipment, Flat display displays, Steel, Electronics, Plastics, Computers

### **Exports - partners:**

China 25.4%, US 12.3%, Japan 5.6%, Hong Kong 4.8%, Singapore 4.2% (2014 est.)

### **Pakistan's imports from Korea:**

Product code	Product label	Pakistan's imports from Korea, Republic of	
		Value in 2013	Value in 2014
TOTAL	All products	858,663	657,583
'01	<a href="#">Live animals</a>	0	2
'02	<a href="#">Meat and edible meat offal</a>	0	0
'03	<a href="#">Fish, crustaceans, molluscs, aquatic invertebrates nes</a>	35	0
'04	<a href="#">Dairy products, eggs, honey, edible animal product nes</a>	0	1
'05	<a href="#">Products of animal origin, nes</a>	0	0
'06	<a href="#">Live trees, plants, bulbs, roots, cut flowers etc</a>	0	0
'07	<a href="#">Edible vegetables and certain roots and tubers</a>	4	4
'08	<a href="#">Edible fruit, nuts, peel of citrus fruit, melons</a>	0	0
'09	<a href="#">Coffee, tea, mate and spices</a>	27	3

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'10	Cereals	6,019	11
'11	<u>Milling products, malt, starches, inulin, wheat gluten</u>	1	2
'12	<u>Oil seed, oleagic fruits, grain, seed, fruit, etc, nes</u>	543	499

### **Imports:**

- \$430.8 billion (2015 est.)
- \$528.6 billion (2014 est.)

### **Imports - commodities:**

Crude oil/petroleum products, Semiconductors, Natural gas, Coal, Steel, Computers, Wireless communication equipment, Automobiles, Fine chemical, Textiles.

### **Imports - partners:**

China 17.1%, Japan 10.2%, US 8.7%, Saudi Arabia 7%, Qatar 4.9%, Germany 4.1% (2014 est.)

## Pakistan & Korea:

- Pakistan – Korea Free Trade Agreement (FTA) is likely to be finalised by 2017.
- Framework arrangement to provide \$500 million in financing for the period from 2015 to 2017 was going to be signed soon at a government level.