

Business in South Korea

As the 12th largest economy worldwide and the 4th largest in Asia, South Korea is a dynamic and vibrant place to do business. Despite the global economic slowdown, South Korea's economy grew by 3.6 per cent in 2011, the fastest in the OECD (Organisation for Economic Co-operation and Development). Its 50 million strong domestic population is wealthy and out to buy the best. With the introduction of the [EU-South Korea Free Trade Agreement](#) and a passion for UK goods, the country ranks among the most lucrative and exciting overseas markets for British companies with numerous and varied opportunities for export.

Market overview

South Korea has a GDP of over US\$1 trillion – just less than the size of the entire Association of Southeast Asian Nations (ASEAN) and equal to 2 per cent of global GDP. Per capita purchasing power is some US\$30,000. Over the next five years, the South Korean economy is set to make the 10th-largest contribution to world growth; equal to the UK and more than France or Italy. Despite the global slowdown, South Korea's economy grew by 3.6 per cent in 2011, the fastest in the OECD (Organisation for Economic Co-operation and Development).

Biotechnology and Pharmaceuticals sector in South Korea

Biotechnology

The biotech industry is one of the fastest growing industries in Korea and has grown rapidly with a constant annual growth rate in excess of 10%. Korea is the 8th strongest biotechnology nation globally with particular technology advantages and skills in stem cell research. The Korean government considers biotechnology as the next new growth engine for the nation. Thus, there is strong government support for the acquisition of core technologies and the development of biotechnology infrastructure. The South Korea bio pharmaceutical market is forecasted to reach a value of £1.1 billion during 2013, with further growth expected.

Pharmaceuticals

Korea is the 13th largest international pharmaceuticals market, accounting for some 1.5% of global market share in 2012. By 2020, the Korean government aims to become the 7th largest pharmaceutical producing nation, accounting for 4.5% of the total global market. The Korean pharmaceuticals market has traditionally been generics-oriented, but recent industrial investments have enabled an increased focus on new drug discovery. The market was worth around £10.9 billion in 2012 with an annual growth rate of around 8%. Since 1999, Korea has developed 19 unique new drugs.

Medical Devices

The Korean medical device market accounts for 1.3% of global market share. The market was worth around £2.3 billion in 2012 with an annual growth rate of around 7%. The market is mainly serviced by imports, accounting for 65% of the total market, largely from the US, Germany and Japan.

Opportunities for UK companies

Biotechnology and Pharmaceuticals

There is a growing demand for drugs to treat lifestyle related diseases such as hypertension, diabetes, and cancer. Korean companies are looking for overseas technology and experience, which they can license in and further develop. The clinical trials are becoming more commonplace locally but there is high demand for International partnerships to conform to global standards. There is a strong demand for both licensing in and out of pharmaceutical products/technology. Korea has strong credentials in the traditional fermentation, antibiotics and diagnostic industries. Global outsourcing, partnerships and M&A are also becoming a more accepted approach to R&D and product development in Korea.

Medical Devices

There is a strong demand for imported medical devices such as dental equipment (especially dental implants), radiotherapy/imaging equipment, and orthopaedic equipment.

Source: UK Trade & Investment (<http://www.ukti.gov.uk>)

View content: <http://bit.ly/17Ejlc2>, <http://bit.ly/17jILO8>

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