

EU - South Korea Summit

EU27 deficit in trade in goods with South Korea of 14 bn euro in 2008

Surplus of 3 bn in trade in services in 2007

Between 2000 and 2008 **EU27** trade in goods with **South Korea** grew by around 50%, with **EU27** exports to **South Korea** rising to 26 billion euro in 2008 compared with 17 bn in 2000, and imports rising to 39 bn from 27 bn. As a result, the **EU27** trade deficit with **South Korea** increased from 10 bn in 2000 to 14 bn in 2008.

The share of **South Korea** in the **EU27**'s total external trade in goods remained nearly stable between 2000 and 2008. In 2008, **South Korea** accounted for 2.0% of the **EU27**'s total exports and 2.5% of the **EU27**'s total imports. **South Korea** was the **EU27**'s eighth most important trading partner.

On the occasion of the **European Union - South Korea** Summit, which will take place on 23 May in **Seoul** in **South Korea**, Eurostat, the **Statistical Office of the European Communities**, issues data on trade and investments between **South Korea** and the **EU**.

Germany, one third of EU27 exports to South Korea and one fifth of EU27 imports

Among the **EU27** Member States, **Germany** (8.6 bn euro or 34% of EU exports) was by far the largest exporter to **South Korea** in 2008, followed by **France** and the **United Kingdom** (both 3.0 bn or 12%), **Italy** (2.6 bn or 10%) and the **Netherlands**¹ (2.5 bn or 10%). **Germany** (7.9 bn or 20% of EU imports) was also the largest importer, followed by the **United Kingdom** (4.1 bn or 10%) and **Italy** (3.0 bn or 8%). The largest deficits in trade with **South Korea** were observed in **Poland** (-2.6 bn euro), **Slovakia** (-2.5 bn), **Spain** (-2.0 bn) and **Greece** (-1.4 bn), while the largest surplus was recorded in **Germany** (+0.8 bn).

Almost half of **EU27** exports to **South Korea** in 2008 were machinery and vehicles² and around one fifth each were chemicals and other manufactured articles². Machinery and vehicles made up nearly three quarters of **EU27** imports from **South Korea** and a further fifth were other manufactured articles. At the detailed level, the main **EU27** exports to **South Korea** included machines for making integrated circuits, medicines, crude oil, uranium, motor cars and parts, while the main imports included mobile phones, electronic components, ships and motor cars.

EU27 Member States' trade in goods with South Korea
million euro

	Exports		Imports		Balance	
	2000	2008	2000	2008	2000	2008
EU27	16 742	25 646	26 955	39 382	-10 213	-13 736
Belgium ¹	753	1 254	1 083	2 385	-330	-1 130
Bulgaria	9	33	29	73	-20	-41
Czech Republic	59	190	147	556	-87	-366
Denmark	319	517	529	310	-210	207
Germany	4 517	8 648	5 517	7 883	-1 000	766
Estonia	29	11	23	30	6	-19
Ireland	1 052	477	758	259	295	218
Greece	23	28	1 204	1 423	-1 181	-1 395
Spain	274	567	1 765	2 521	-1 491	-1 954
France	2 758	3 014	2 035	2 518	724	496
Italy	1 830	2 607	2 249	3 037	-419	-431
Cyprus	0	2	32	53	-31	-51
Latvia	0	13	7	50	-7	-37
Lithuania	2	7	41	58	-39	-51
Luxembourg	14	39	11	4	3	35
Hungary	52	249	569	1 310	-517	-1 061
Malta	19	39	28	50	-9	-11
Netherlands ¹	1 214	2 479	2 525	2 891	-1 311	-412
Austria	278	666	281	596	-3	70
Poland	37	213	802	2 787	-766	-2 574
Portugal	19	47	456	324	-437	-277
Romania	30	100	229	523	-199	-423
Slovenia	15	23	78	822	-64	-799
Slovakia	7	61	36	2 592	-29	-2 531
Finland	412	567	315	1 359	97	-792
Sweden	537	777	477	905	60	-128
United Kingdom	2 482	3 019	5 728	4 061	-3 247	-1 042
Total Extra-EU27	849 739	1 308 707	992 698	1 551 632	-142 959	-242 925
South Korea / Total	2.0%	2.0%	2.7%	2.5%		

EU27 trade in goods with South Korea by product
million euro

	Exports		Imports		Balance	
	2000	2008	2000	2008	2000	2008
Total	16 742	25 646	26 955	39 382	-10 213	-13 736
Primary products:	1 310	2 127	407	2 219	903	-92
<i>Food & drink</i>	827	968	122	123	705	845
<i>Crude materials</i>	474	667	277	436	197	231
<i>Energy</i>	9	492	8	1 661	1	-1 168
Manufactured goods:	14 538	22 691	26 409	36 980	-11 872	-14 289
<i>Chemicals</i>	2 475	4 508	1 160	1 701	1 315	2 807
<i>Machinery & vehicles</i> ²	8 027	12 332	20 233	28 373	-12 206	-16 041
<i>Other manuf'd articles</i> ²	4 035	5 852	5 016	6 906	-981	-1 054
Other	894	827	139	183	756	645

Growth in EU27 exports of services to South Korea

In 2007, the **EU27** exported 7.2 bn euro of services to **South Korea**, while imports from **South Korea** amounted to 4.0 bn, meaning that the **EU27** had a surplus of 3.3 bn in trade in services with **South Korea**, compared with +2.4 bn in 2005 and +2.8 bn in 2006. The surplus in 2007 was mainly due to other business services³ (+1.1 bn), transport (+0.8 bn) and royalties & license fees (+0.6 bn). **South Korea** accounted for just over 1% of total extra-EU27 trade in services.

EU27 trade in services with South Korea

million euro

	Credit			Debit			Net		
	2005	2006	2007	2005	2006	2007	2005	2006	2007
Total	5 912	6 759	7 212	3 484	3 973	3 961	2 428	2 786	3 251
of which:									
Transportation	2 230	2 622	3 007	1 925	2 165	2 163	305	457	844
Travel	430	590	583	236	310	170	194	280	413
Other services	3 251	3 550	3 619	1 319	1 497	1 626	1 932	2 053	1 993
of which:									
<i>Communications services</i>	47	61	59	25	44	43	22	17	16
<i>Construction services</i>	244	210	153	198	298	327	46	-88	-175
<i>Insurance services</i>	83	104	95	37	61	56	46	43	39
<i>Financial services</i>	364	409	535	143	152	203	221	258	332
<i>Computer and information services</i>	102	118	132	19	38	35	83	80	97
<i>Royalties and license fees</i>	444	595	712	122	109	134	322	487	578
<i>Other business services</i> ³	1 906	1 978	1 851	718	747	787	1 188	1 231	1 065
<i>Personal cultural and recreational services</i>	38	53	62	34	20	11	4	33	51
<i>Government services other</i>	23	21	21	23	29	31	-0	-8	-10
Total extra-EU27	403 396	447 080	498 523	349 282	378 555	414 399	54 114	68 525	84 124
South Korea / total extra-EU27	1.5%	1.5%	1.4%	1.0%	1.0%	1.0%			

EU27 net investor in South Korea

EU27 Foreign Direct Investment (FDI) into **South Korea** fell from 5.0 bn in 2005 to 1.7 bn in 2007, while **South Korean** direct investment into the **EU27** decreased from 1.3 bn in 2005 to 0.3 bn in 2007.

EU27 FDI flows with South Korea

(million euro)

	2005	2006	2007
EU27 FDI in South Korea (outward)	4 951	1 958	1 652
South Korean FDI in the EU27 (inward)	1 334	931	329
Net EU27 FDI flows (outward minus inward)	3 617	1 027	1 323

1. Dutch imports and therefore the trade deficit are over-estimated because of the "Rotterdam effect" where goods destined for the rest of the EU arrive and are recorded in harmonised EU external trade statistics in Dutch ports. This then has a positive effect on the external trade balances with South Korea of those Member States to which the goods are re-exported as these shipments would be recorded as intra-EU trade with the Netherlands rather than extra-EU trade with South Korea. To a lesser extent, Belgian trade figures are similarly over-estimated.
2. **Machinery and vehicles** includes power generating and industrial machinery, computers, electric and electronic parts and equipment, road vehicles and parts, ships, airplanes and railway equipment.
Other manufactured articles include leather, rubber, wood, paper, textiles, metals, building fixtures and fittings, furniture, clothes, shoes and accessories, scientific instruments, clocks, watches and cameras.

3. **Other business services** comprise merchanting and other trade-related services, operational leasing services and miscellaneous business, professional and technical services.

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