Consortia

# Market study: South Korea

KID'S CLUSTER CEIV NOVA CHILD Lifestyle & Design Cluster. kids

Co-funded by the European Union

# Index

# 1. COUNTRY PROFILE AND SOCIO-ECONOMIC TRENDS

South Korea has an area of 100.370 km² and a population of 52 million. South Korea's economy is the fourth largest in Asia and the 13th largest in the world. It is a major trading partner of the world's largest economies.

The Republic of Korea[1], known as South Korea, is a country in East Asia, located in the southern part of the Korean Peninsula. It is bordered to the north by the Democratic People's Republic of Korea (North Korea, or North Korea), with which it formed a single country until 1945. To the east is the Sea of Japan or the East Sea, to the south the Korea Strait, which separates it from Japan, and to the west the Yellow Sea. Its territory comprises the southern half of the Korean peninsula, including some 3,000 islands surrounding it. Approximately half of the country's population lives in its capital, Seoul, or in its metropolitan area.

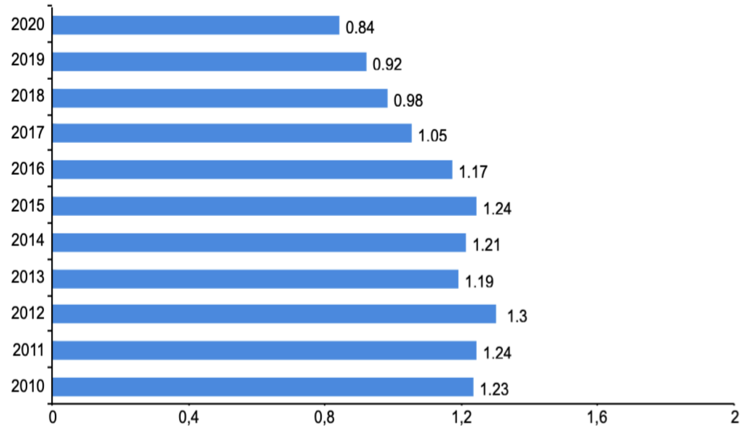
It is considered a resilient economy even in the face of crises, rated as such by major organisations such as the International Monetary Fund. The market is rapidly opening up to the outside world, with growing interest in Europe[2] and quality foreign products. It is bordered to the north by the Democratic People's Republic of Korea (North Korea) and to the south by the Korea Strait, which separates it from Japan.

As for the population, South Korea is a country which has an ageing population with an average age situated at 42 years old. To compare, in 2008, the average was 38 years old. Moreover, the birth rate is 0,84 children per woman, the lowest in the world. This rate is not likely to increase in the coming years because of the economic system that multiplies the excluded.

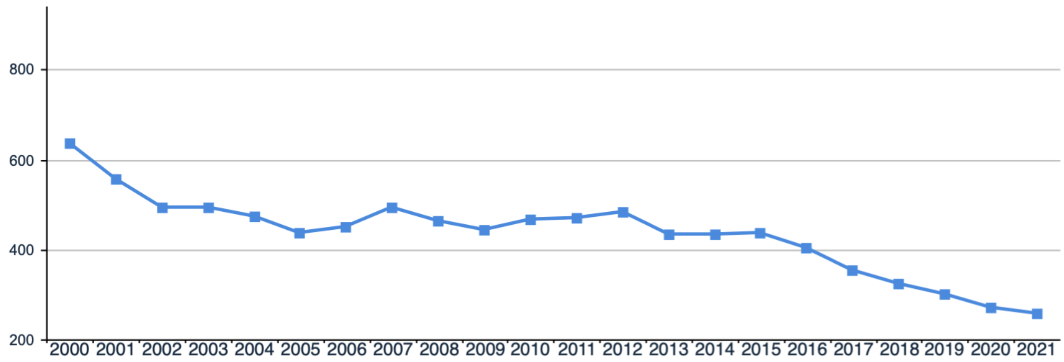
Moreover, Koreans are increasingly lonely and are very pessimistic about the future. This also explains why since 2000 the population has been decreasing.

[1] https://oec.world/en
[2] https://iberglobal.com/index.php?option=com_content&view=article&id=235&Itemid=121

The following graph[3] shows the fertility rate in South Korea between 2010 and 2020[4]:

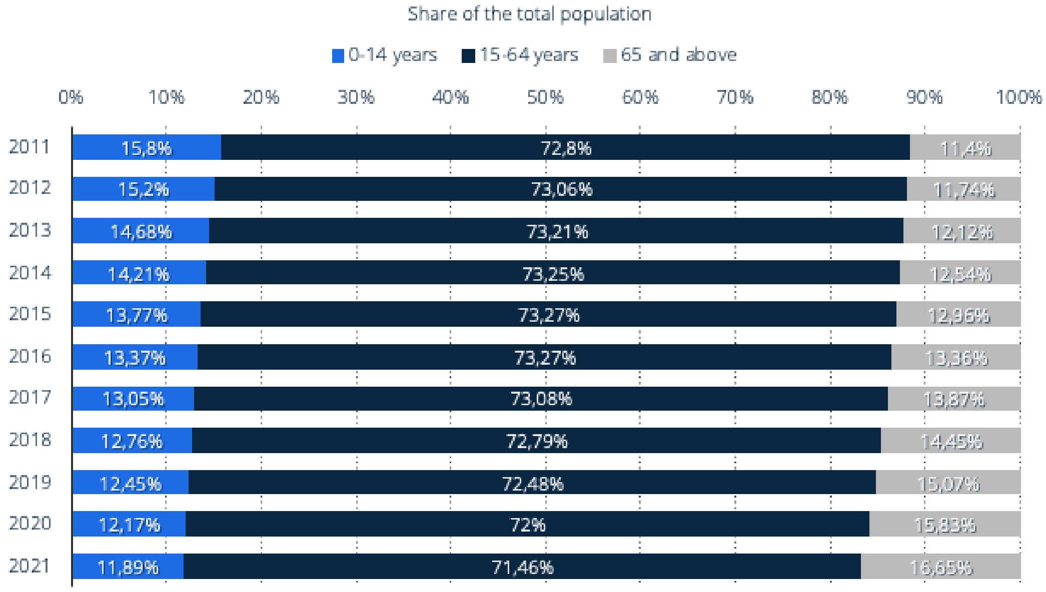



Whilst the following chart shows the number of births in South Korea from 2000 to 2021 (in 1000s)[5].




In the next graph we can see the age distribution in South Korea between 2011 and 2021. We can observe a decline of population between 0-14 of 4% in 10 years[6].

[3] Source(s): Statista
[4] Source(s): Statista
[5] Source(s): Statistics Korea; KOSIS.
[6] Source(s): Statistics Korea, World Bank.




The ageing can also be noticed in the number of children enrolled in kindergarten. The peak in the enrolment was in 2016 with 704.140 children. Nowadays, in 2022 the number has decreased by 21% to reach 552.810 children enrolled. There are many reasons why people who have not married do not want children. The first reason, mentioned by 89.5%, is the economic concerns about child support and the difficulty in work and life balance, followed by a difficulty in work and life balance (68,4%).

Regarding economic facts, public debt was €785.435 billion (up €83,655 billion since 2020) and is among the most indebted countries in the world, with a debt of 15.182€ per capita.

Korea's national currency is the won, which is equivalent to 0,00073 euros and 0,00086 USD.

GDP per capita was $47.770 PPA in 2021, placing Korea among the advanced high-income countries, with a growth forecast (in 1980 it was just over $1.700, compared to the IMF forecast of $35.000 in 2021). The sector that employs the most people is the service sector (70% of workers). The secondary sector employs only 25% of the population and agriculture employs 4.8%.

Its political organisation is a representative democracy, defined as modern and fully functional, and its government is determined by the Constitution of the Republic of Korea.

In terms of relations with other countries, Korea maintains diplomatic relations with 170 countries. It has been a member of the UN since 1991 and has had relations with the EU under a free trade agreement since 2011.[7]

## 2. SECTOR TRENDS

The **declining birth rate** means an **ageing population**, which could be a problem for the market, with children making up only 10% of the population in 2021.

### 2.1. TOY MARKET

Despite this, there is a **tendency for parents to buy quality toys even at a higher price**. In addition, parents like children to learn while having fun, so the importance of this type of product is also increasing.

Given the decline in children, many of the companies will target the **kidult** (adults between the ages of 20 and 45), which is a sector made up of adults who buy things for children. This sector is interesting because it is made up of young adults with purchasing power who see themselves represented in licences that were part of their childhood.

Taking a **popular character** and applying it to toys is also expanding, although if the character's fame is short-lived, the resulting product will have a shorter lifespan. This is the case for seasonal licences related to Squid

[7] Source: Extenda

Game[8] or pop culture products. It is driven by new consumer habits and streaming platforms. This is a more generalist audience that can be reached with more product categories.


In any case, these are also products that can be successful among children. The important thing to bear in mind is that they must awaken the most emotional side of the consumer, who also highly values the fact that they are official products created through licences, which bring immediate recognition from the public, the consolidation of a reliable brand and, with it, a progressive increase in sales. The difficulty in this sector is to differentiate oneself, as there is a lot of competition, and this means that products have to be launched on time and at the same time be diverse and of high quality. [9]

In general, **the most popular toys in South Korea include educational toys such as construction sets, science toys and toys for learning maths and science. Robotics and technology-related toys are also very popular.**

**Toy type per age:**

Some of the toy designed for babies (0 to 2 years) include:

Toys designed for sensory development: colourful, textured rattles, mobiles and teethers; unbreakable mirrors.

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[8] https://www.sears.com/cottoncandy-3-pack-set-masked-man-squid-game/p-A113838518?sid=ISxMP3xSOxGGxDTxSURF

[9] http://www.interempresas.net/Licencias/Articulos/379838-Entrevista-a-Dora-Figueiredo-gerente-de-e-commerce-de-POPBUSTERS.html

Toys that encourage standing, crawling, and cruising; action/reaction toys; stacking, sorting, and building toys.

Easy-to-follow board books and songs; pretend toys: phones, dolls, and doll accessories; toys that encourage muscle use: large-piece puzzles, balls, and toys with knobs and levers.

For kids from 2 to 6 years, we can see the next toys:

Toys that encourage creative thinking and pretend play: battery-powered ride-on toys, dollhouses and accessories, and themed play sets; toys designed for physical play that help with coordination and balance.

Toys that encourage creative and imaginative play: play sets and action figures, dollhouses and accessories, battery-powered ride-on toys, cars and other remote-controlled toys; Learning toys that teach basic skills and encourage a love of learning.

Within each category of toys, we can differentiate that there are types of toys for each age group as can be seen in the next table[10]:

| Toy Category | Age Range |
|---|---|
| **Dolls and Action Figures** | |
| Dollhouses and large doll furniture | 3+ years |
| Dolls and action figures | 3/4+ years |
| Toy trucks | 5+ years |
| Plush dolls | 1+ years |

[10] https://www.groupon.com/articles/recommended-age-guidelines-for-toys

| Arts and Crafts | |
|---|---|
| Play sand and Play-Doh | 3+ years |
| Easels | 3+ years |
| Crayons, colouring books, and kids' paint | 2+ years |
| **Educational** | |
| Interactive toy tablets and smartphones | 2+ years |
| Teaching tablets/electronics | 6+ years |
| Kids' digital cameras | 3+ years |
| **Games and Puzzles** | |
| 4D puzzles | 5+ years |
| **Building Sets and Blocks** | |
| Oversized blocks | 3+ years |
| Small blocks and complicated building sets/models | 6+ years |
| Train and car tracks/sets (non-electric) | 3+ years |
| **Pretend Play** | |
| Kitchens and other household-themed play sets | 3+ years |
| Food | 3+ years |
| Tools and workbenches | 3+ years |

| | |
|---|---|
| Money | 3+ years |
| Cookware and cleaning products | 3+ years |
| Dress-up clothes | 3-4 years |
| **Toddler and Baby** | |
| Rattles and teethers | 3+ months |
| Crib and floor gyms | 0-6 months |
| Mobiles and safety mirrors | 0-6 months |
| Nesting and stacking toys | 6 months-1 year |
| Push/pull and walking toys | 9 months-1+ years |
| Blocks and pop-up toys | 1-3 years |
| **Bikes and Ride-Ons** | |
| Ride-ons and motorbikes | 3-7 years |
| Wagons | 3+ years |
| Wide-platform or three-wheeled scooters | 2-3 years |
| Scooters | 5+ years |
| Rockers | 2+ years |
| Feet-propelled ride-ons | 1-2 years |
| **Electronics** | |

| | |
|---|---|
| Remote-controlled cars, drones, and planes | 8+ years |
| Interactive and remote-controlled animals | 6+ years |
| **Outdoor** | |
| Toy guns/blasters/crossbows | 6+ years |
| Tunnels and tents | 3+ years |

According to a report by Euromonitor International, the South Korean toy market was valued at USD 3.3 billion in 2020, with a forecasted CAGR of 2.2% between 2020 and 2025.

The electronic and tech toy segment is expected to see the highest growth rate, with a CAGR of 4.2% between 2020 and 2025, according to Euromonitor International.

**In a more general perspective, we can look at the revenue by segment[11]:**

[11] Source(s): Statista

**REVENUE BY SEGMENT in billion USD (US$)**

| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Musical Instruments | 4,52 | 3,94 | 4,01 | 4,31 | 4,60 | 4,61 | 4,20 | 4,69 | 4,45 | 5,30 | 5,62 | 5,93 | 6,25 | 6,57 |
| Sports Equipment | 24,05 | 20,80 | 20,64 | 21,74 | 22,91 | 22,69 | 21,81 | 24,21 | 25,36 | 27,26 | 28,48 | 29,73 | 31,04 | 32,31 |
| Toys & Games | 34,46 | 30,37 | 30,61 | 32,70 | 34,74 | 34,47 | 36,87 | 40,47 | 40,40 | 42,15 | 43,98 | 45,95 | 48,03 | 50,11 |
| Total | 63,03 | 55,11 | 55,26 | 58,74 | 62,25 | 61,77 | 62,88 | 69,38 | 70,21 | 74,71 | 78,08 | 81,60 | 85,32 | 88,98 |
| Sources | Statista | | | | | | | | | | | | | |
| Most recent update: | 12/01/2022 | | | | | | | | | | | | | |
| Notes | Data shown is using current exchange rates. Data shown does not yet reflect market impacts of Russia-Ukraine war, we are currently working on an update. | | | | | | | | | | | | | |

**REVENUE CHANGE BY SEGMENT in percent**

| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Musical Instruments | -12,7 | 1,7 | 7,4 | 6,7 | 0,3 | -8,8 | 11,6 | -5,2 | 19,2 | 6,1 | 5,5 | 5,4 | 5,0 |
| Sports Equipment | -13,5 | -0,8 | 5,3 | 5,4 | -1,0 | -3,9 | 11,0 | 4,8 | 7,5 | 4,5 | 4,4 | 4,4 | 4,1 |
| Toys & Games | -11,9 | 0,8 | 6,8 | 6,2 | -0,8 | 7,0 | 9,8 | -0,2 | 4,3 | 4,3 | 4,5 | 4,5 | 4,3 |
| Total | -12,6 | 0,3 | 6,3 | 6,0 | -0,8 | 1,8 | 10,3 | 1,2 | 6,4 | 4,5 | 4,5 | 4,6 | 4,3 |
| Sources | Statista | | | | | | | | | | | | |
| Most recent update: | 12/01/2022 | | | | | | | | | | | | |

**AVERAGE REVENUE PER CAPITA in USD (US$)**

| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Musical Instruments | 5,42 | 4,71 | 4,78 | 5,11 | 5,44 | 5,45 | 4,96 | 5,53 | 5,24 | 6,24 | 6,62 | 6,99 | 7,37 | 7,74 |
| Sports Equipment | 28,83 | 24,85 | 24,58 | 25,81 | 27,13 | 26,80 | 25,72 | 28,52 | 29,86 | 32,09 | 33,54 | 35,02 | 36,57 | 38,09 |
| Toys & Games | 41,29 | 36,28 | 36,46 | 38,82 | 41,14 | 40,72 | 43,48 | 47,68 | 47,57 | 49,63 | 51,80 | 54,13 | 56,60 | 59,06 |
| Total | 75,54 | 65,84 | 65,82 | 69,74 | 73,71 | 72,97 | 74,16 | 81,73 | 82,67 | 87,97 | 91,96 | 96,13 | 100,50 | 104,90 |
| Sources | Statista | | | | | | | | | | | | | |
| Most recent update: | 12/01/2022 | | | | | | | | | | | | | |

The three tables above clearly express the very important weight of the games sector. Indeed, the games sector is more important than musical instruments and sports equipment combined. Moreover, it is a sector that has been much less affected by the Covid-19 crisis and is experiencing a very stable development.

South Korean toy companies are increasingly focused on developing their own intellectual property (IP) and brands, with the IP-based toy market accounting for 21.6% of the total toy market in 2019, up from 19.7% in 2015, according to the Korea Trade-Investment Promotion Agency.

In terms of popular licensed characters, Pororo the Little Penguin is one of the most successful, generating over USD 1 billion in revenue in South Korea and abroad through merchandise sales and licensing, according to the Korea Trade-Investment Promotion Agency.

South Korean toy companies such as Hansol Toys[12], Mimiworld[13], and Young Toys[14] have gained international recognition and are expanding their presence in global markets, particularly in Asia and the Middle East.



According to a study published in 2020, **the toy market in South Korea grew at a compound annual growth rate of 4,4% between 2015 and 2020**, reaching a value of more than USD 2 billion. Educational toys accounted for about 25% of the total market share, while robotics and technology toys were in second place with a 20% share.

In addition, the Korean toy market is expected to grow by about 4% per year until 2027. The market is expected to reach a value of USD 4,300 million by 2027.

We have to keep in mind that in Asian countries like South Korea, most of the family did not have any children and when the case occurred, they will never exceed 3 children in the same household. The greater proportion are families composed without children. For one child, the percentage decreases and it is divided by 2 when we add another child in the household. The proportion of families with 3 or more children is 0.

[12] http://hansol.com/home/
[13] http://www.mimiworld.com/web/ENG/viewpage/company/introduce.php
[14] http://www.youngtoys.com/spa/index.do

## 2.2. APPAREL MARKET

| VOLUME BY SEGMENT in million pieces | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Baby Clothes | 9794,9 | 10031,2 | 10229,2 | 10382,6 | 10632,2 | 10788,8 | 9052,6 | 9610,2 | 9898,7 | 10856,8 | 11028,0 | 11190,6 | 11349,7 | 11510,0 |
| Blazers (children) | 612,2 | 599,1 | 583,8 | 575,2 | 580,9 | 584,5 | 505,9 | 547,3 | 513,7 | 555,6 | 556,6 | 556,8 | 556,7 | 556,8 |
| Clothing Accessories & Other Clothes (children) | 8693,5 | 8672,5 | 8618,8 | 8652,5 | 8892,2 | 9104,8 | 7878,3 | 8400,0 | 8468,0 | 9261,0 | 9387,5 | 9502,0 | 9613,8 | 9726,8 |
| Coats & Jackets (children) | 862,5 | 880,7 | 889,7 | 886,7 | 876,3 | 868,1 | 752,1 | 793,6 | 763,9 | 846,6 | 853,1 | 858,4 | 863,3 | 868,3 |
| Dresses & Skirts (children) | 1921,8 | 1925,6 | 1944,3 | 1950,1 | 1957,6 | 1970,4 | 1685,5 | 1791,3 | 1805,7 | 1984,6 | 2008,8 | 2031,0 | 2052,5 | 2074,1 |
| Jerseys, Sweatshirts & Pullovers (children) | 6653,9 | 6661,1 | 6664,2 | 6690,2 | 6765,1 | 6800,6 | 5843,2 | 6153,3 | 6145,0 | 6699,3 | 6736,3 | 6766,5 | 6794,0 | 6822,5 |
| Night & Underwear (children) | 12188,6 | 12320,9 | 12335,6 | 12282,9 | 12294,0 | 12214,8 | 10404,1 | 10961,3 | 10880,2 | 11883,0 | 11962,7 | 12030,5 | 12093,3 | 12157,8 |
| Shirts & Blouses (children) | 5329,4 | 5226,6 | 5173,8 | 5113,8 | 5150,6 | 5178,3 | 4381,3 | 4568,0 | 4663,9 | 5089,4 | 5120,6 | 5147,5 | 5172,5 | 5198,1 |
| Socks (children) | 4375,4 | 4393,1 | 4392,4 | 4447,8 | 4573,3 | 4676,5 | 4091,3 | 4281,9 | 4227,6 | 4634,0 | 4663,7 | 4687,6 | 4709,5 | 4732,1 |
| Sports & Swimwear (children) | 1317,9 | 1349,6 | 1387,4 | 1424,7 | 1487,8 | 1533,3 | 1374,2 | 1488,1 | 1495,4 | 1671,9 | 1719,3 | 1762,6 | 1805,5 | 1848,6 |
| Suits & Ensembles (children) | 427,4 | 417,8 | 391,9 | 377,6 | 369,5 | 373,7 | 318,4 | 340,0 | 348,7 | 381,0 | 386,0 | 390,8 | 395,5 | 400,2 |
| Tights & Leggings (children) | 2898,9 | 2741,7 | 2673,2 | 2685,9 | 2721,5 | 2752,3 | 2364,2 | 2451,8 | 2318,0 | 2637,7 | 2672,7 | 2704,0 | 2733,7 | 2763,9 |
| Trousers (children) | 6673,9 | 6838,7 | 6972,6 | 7105,7 | 7266,5 | 7370,5 | 6448,2 | 6845,8 | 6730,1 | 7414,4 | 7501,9 | 7580,8 | 7656,5 | 7733,4 |
| T-Shirts (children) | 3612,6 | 3693,2 | 3755,9 | 3800,3 | 3902,7 | 3983,2 | 3397,1 | 3586,0 | 3732,6 | 4085,1 | 4138,4 | 4186,3 | 4233,2 | 4280,6 |
| Total | 65362,9 | 65752,0 | 66012,9 | 66375,9 | 67470,3 | 68199,8 | 58496,4 | 61818,7 | 61991,4 | 68000,5 | 68735,4 | 69395,2 | 70029,6 | 70673,1 |
| Sources | Statista | | | | | | | | | | | | | |
| Most recent update: | 10/01/2022 | | | | | | | | | | | | | |

The table[15] above expresses the volume in millions by segment in the South Korean clothing market. The three most important markets are "Night & Underwear" for children, followed by "baby clothes" and "trousers" for children. Children's and baby products are therefore very popular and sold in very large quantities in South Korea.

With the bar chart below, we can observe the preferred brands for children's clothes in South Korea in 2019. We can see that they prefer to buy famous brands that will be more expensive like Ralph Lauren or Beanpole[16].

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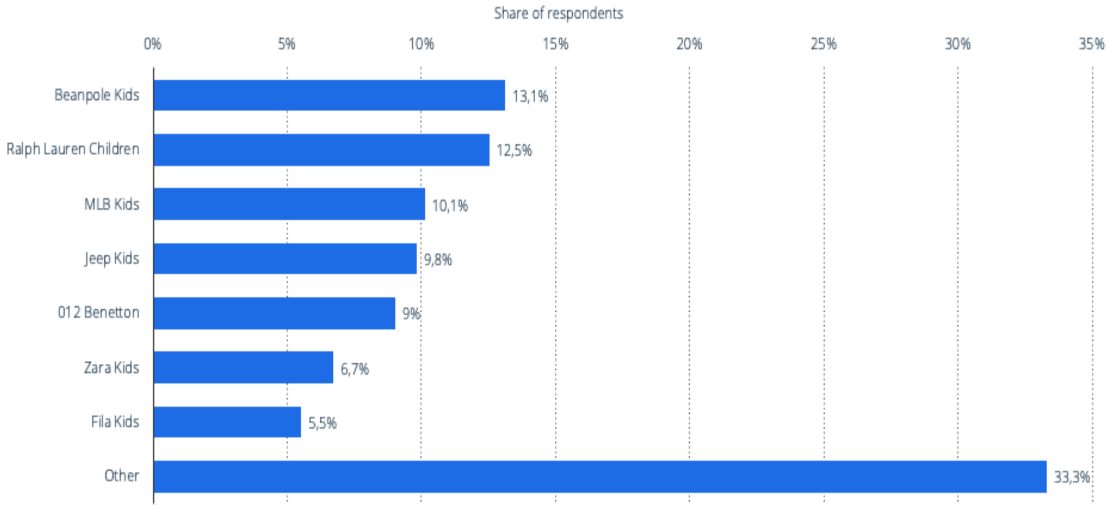
[15] Source(s): Statista

[16] Source(s): Statista: International Textile-and-Fashion News.




| VOLUME GROWTH BY SEGMENT in percent | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 |
| Baby Clothes | 2,4 | 2,0 | 1,5 | 2,4 | 1,5 | -16,1 | 6,2 | 3,0 | 9,7 | 1,6 | 1,5 | 1,4 | 1,4 |
| Blazers (children) | -2,1 | -2,6 | -1,5 | 1,0 | 0,6 | -13,4 | 8,2 | -6,1 | 8,2 | 0,2 | 0,0 | 0,0 | 0,0 |
| Clothing Accessories & Other Clothes (children) | -0,2 | -0,6 | 0,4 | 2,8 | 2,4 | -13,5 | 6,6 | 0,8 | 9,4 | 1,4 | 1,2 | 1,2 | 1,2 |
| Coats & Jackets (children) | 2,1 | 1,0 | -0,3 | -1,2 | -0,9 | -13,4 | 5,5 | -3,7 | 10,8 | 0,8 | 0,6 | 0,6 | 0,6 |
| Dresses & Skirts (children) | 0,2 | 1,0 | 0,3 | 0,4 | 0,7 | -14,5 | 6,3 | 0,8 | 9,9 | 1,2 | 1,1 | 1,1 | 1,1 |
| Jerseys, Sweatshirts & Pullovers (children) | 0,1 | 0,0 | 0,4 | 1,1 | 0,5 | -14,1 | 5,3 | -0,1 | 9,0 | 0,6 | 0,4 | 0,4 | 0,4 |
| Night & Underwear (children) | 1,1 | 0,1 | -0,4 | 0,1 | -0,6 | -14,8 | 5,4 | -0,7 | 9,2 | 0,7 | 0,6 | 0,5 | 0,5 |
| Shirts & Blouses (children) | -1,9 | -1,0 | -1,2 | 0,7 | 0,5 | -15,4 | 4,3 | 2,1 | 9,1 | 0,6 | 0,5 | 0,5 | 0,5 |
| Socks (children) | 0,4 | 0,0 | 1,3 | 2,8 | 2,3 | -12,5 | 4,7 | -1,3 | 9,6 | 0,6 | 0,5 | 0,5 | 0,5 |
| Sports & Swimwear (children) | 2,4 | 2,8 | 2,7 | 4,4 | 3,1 | -10,4 | 8,3 | 0,5 | 11,8 | 2,8 | 2,5 | 2,4 | 2,4 |
| Suits & Ensembles (children) | -2,2 | -6,2 | -3,7 | -2,1 | 1,1 | -14,8 | 6,8 | 2,6 | 9,3 | 1,3 | 1,2 | 1,2 | 1,2 |
| Tights & Leggings (children) | -5,4 | -2,5 | 0,5 | 1,3 | 1,1 | -14,1 | 3,7 | -5,5 | 13,8 | 1,3 | 1,2 | 1,1 | 1,1 |
| Trousers (children) | 2,5 | 2,0 | 1,9 | 2,3 | 1,4 | -12,5 | 6,2 | -1,7 | 10,2 | 1,2 | 1,1 | 1,0 | 1,0 |
| T-Shirts (children) | 2,2 | 1,7 | 1,2 | 2,7 | 2,1 | -14,7 | 5,6 | 4,1 | 9,4 | 1,3 | 1,2 | 1,1 | 1,1 |
| Total | 0,6 | 0,4 | 0,5 | 1,6 | 1,1 | -14,2 | 5,7 | 0,3 | 9,7 | 1,1 | 1,0 | 0,9 | 0,9 |
| Sources | Statista | | | | | | | | | | | | |
| Most recent update: | 10/01/2022 | | | | | | | | | | | | |

The table[17] above expresses the past and expected growth by segment in the clothing sector. In general, the different sectors have been strongly affected by the Covid-19 crisis, but so have almost all industries in the world. The year 2023 should be a period of strong growth due to the full recovery of economic activity. In addition, all types of garments are expected to grow until at least 2027.

[17] Statista

## 2.3. CHILDREN'S FOOTWEAR

The children's footwear market in South Korea is an important sector of the country's fashion and clothing industry. Korean parents are very attentive to the quality and comfort of the shoes for their children, as well as their appearance. Proof[18] of that tendency is the enormous quantity of footwear sold in the Asiatic country:

Market: Footwear, Region: Worldwide, Currency: USD

**VOLUME BY SEGMENT in billion pairs**

| | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Athletic Footwear | 0,43 | 0,46 | 0,40 | 0,40 | 0,42 | 0,42 | 0,42 | 0,43 | 0,44 | 0,44 | 0,45 |
| Leather Footwear | 4,01 | 3,92 | 3,21 | 3,16 | 3,33 | 3,29 | 3,26 | 3,24 | 3,22 | 3,20 | 3,22 |
| Sneakers | 1,20 | 1,29 | 1,12 | 1,14 | 1,18 | 1,18 | 1,21 | 1,24 | 1,27 | 1,30 | 1,34 |
| Textile & Other Footw | 10,46 | 10,16 | 8,16 | 7,99 | 8,60 | 8,64 | 8,61 | 8,61 | 8,61 | 8,61 | 8,72 |
| Total | 16,10 | 15,83 | 12,89 | 12,69 | 13,53 | 13,52 | 13,50 | 13,52 | 13,54 | 13,56 | 13,73 |
| Sources | Statista | | | | | | | | | | |
| Most recent update: | 03/01/2023 | | | | | | | | | | |

**VOLUME CHANGE BY SEGMENT in percent**

| | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 |
|---|---|---|---|---|---|---|---|---|---|---|
| Athletic Footwear | 6,4 | -12,6 | -0,7 | 4,6 | -0,3 | 1,5 | 1,7 | 1,6 | 1,4 | 2,3 |
| Leather Footwear | -2,1 | -18,2 | -1,6 | 5,4 | -1,4 | -0,9 | -0,6 | -0,5 | -0,5 | 0,4 |
| Sneakers | 7,3 | -13,1 | 2,0 | 3,8 | -0,7 | 2,7 | 2,7 | 2,6 | 2,4 | 3,1 |
| Textile & Other Footw | -2,9 | -19,7 | -2,0 | 7,6 | 0,5 | -0,3 | 0,0 | 0,0 | 0,0 | 1,2 |
| Total | -1,7 | -18,6 | -1,6 | 6,6 | -0,1 | -0,1 | 0,1 | 0,1 | 0,1 | 1,3 |
| Sources | Statista | | | | | | | | | |
| Most recent update: | 03/01/2023 | | | | | | | | | |

Children's shoes in South Korea are available in a wide variety of styles and sizes, from sports shoes to dress shoes. Korean brands often offer shoes that are both practical and aesthetically pleasing for children.

In addition, children's shoes in South Korea are often made of high-quality materials, such as leather, suede and breathable textile, to ensure the comfort of children's feet. Children's shoes in South Korea are also often equipped with non-slip soles to ensure children's safety when playing or running. This leads to the following average prices[19] in different types of footwear products:

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[18] Statista
[19] Statista

Market: Footwear, Region: Worldwide, Currency: USD

**PRICE PER UNIT in USD (US$)**

| | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Athletic Footwear | 114,50 | 112,40 | 112,50 | 115,40 | 121,70 | 127,10 | 130,70 | 133,90 | 137,10 | 140,20 | 143,20 |
| Leather Footwear | 34,58 | 34,35 | 35,99 | 37,09 | 37,43 | 39,35 | 40,67 | 41,84 | 42,97 | 44,13 | 45,16 |
| Sneakers | 54,41 | 54,25 | 56,33 | 57,56 | 61,48 | 64,48 | 66,45 | 68,18 | 69,86 | 71,55 | 73,16 |
| Textile & Other Footw | 13,71 | 13,91 | 14,61 | 14,71 | 15,53 | 16,24 | 16,83 | 17,36 | 17,87 | 18,38 | 18,85 |
| Average | 24,65 | 25,12 | 26,62 | 27,30 | 28,22 | 29,47 | 30,59 | 31,59 | 32,56 | 33,55 | 34,43 |
| Sources | Statista | | | | | | | | | | |
| Most recent update: | 03/01/2023 | | | | | | | | | | |

In addition, fashion also plays an important role in the children's footwear market in South Korea. Korean parents are often concerned about the appearance of their children, and shoes are an important part of their outfit. Korean brands often offer children's shoes with playful patterns, bright colours and original designs to meet this demand.

In summary, the children's shoe market in South Korea offers a wide variety of styles and sizes to meet the needs of Korean parents concerned about the quality, comfort and appearance of their children's shoes. Korean brands often offer practical and aesthetically pleasing shoes for children, with high quality materials and original designs.

## 2.4. FOOD

As it can be deducted, food sector is a key sector in any economy because supplies the necessary goods. In South Korea, these are its dimensions[20]:

[20] Statista

Market: Food, Region: South Korea, Currency: USD

**VOLUME BY SEGMENT in billion kilograms**

| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Baby Food | 0,20 | 0,21 | 0,21 | 0,22 | 0,23 | 0,25 | 0,26 | 0,27 | 0,29 | 0,30 | 0,32 | 0,34 | 0,35 | 0,36 |
| Bread & Cereal Produ | 7,98 | 8,20 | 8,41 | 8,76 | 9,30 | 10,17 | 10,09 | 10,44 | 10,22 | 11,11 | 11,70 | 12,17 | 12,68 | 13,09 |
| Confectionery & Snac | 1,18 | 1,16 | 1,13 | 1,12 | 1,14 | 1,19 | 1,16 | 1,17 | 1,20 | 1,23 | 1,28 | 1,32 | 1,36 | 1,30 |
| Convenience Food | 1,36 | 1,37 | 1,38 | 1,40 | 1,46 | 1,56 | 1,53 | 1,56 | 1,61 | 1,66 | 1,73 | 1,79 | 1,85 | 1,84 |
| Dairy Products & Eggs | 2,47 | 2,48 | 2,47 | 2,53 | 2,60 | 2,76 | 2,72 | 2,79 | 2,90 | 3,00 | 3,13 | 3,24 | 3,36 | 3,31 |
| Fish & Seafood | 0,68 | 0,67 | 0,66 | 0,66 | 0,67 | 0,70 | 0,69 | 0,70 | 0,65 | 0,70 | 0,73 | 0,76 | 0,78 | 0,74 |
| Fruits & Nuts | 2,09 | 2,08 | 2,05 | 2,06 | 2,11 | 2,22 | 2,18 | 2,22 | 2,29 | 2,36 | 2,45 | 2,53 | 2,61 | 2,50 |
| Meat | 1,87 | 1,90 | 1,92 | 1,97 | 2,06 | 2,21 | 2,21 | 2,29 | 2,34 | 2,47 | 2,61 | 2,72 | 2,82 | 2,84 |
| Oils & Fats | 0,16 | 0,16 | 0,16 | 0,17 | 0,17 | 0,18 | 0,18 | 0,19 | 0,15 | 0,17 | 0,18 | 0,19 | 0,19 | 0,19 |
| Pet Food | 0,18 | 0,20 | 0,23 | 0,25 | 0,26 | 0,26 | 0,28 | 0,27 | 0,28 | 0,29 | 0,31 | 0,32 | 0,33 | 0,34 |
| Sauces & Spices | 1,41 | 1,41 | 1,40 | 1,42 | 1,46 | 1,54 | 1,51 | 1,54 | 1,58 | 1,62 | 1,67 | 1,71 | 1,77 | 1,74 |
| Spreads & Sweetener | 0,29 | 0,29 | 0,30 | 0,30 | 0,30 | 0,31 | 0,30 | 0,29 | 0,25 | 0,29 | 0,29 | 0,29 | 0,31 | 0,30 |
| Vegetables | 3,60 | 3,64 | 3,66 | 3,74 | 3,89 | 4,17 | 4,13 | 4,26 | 4,43 | 4,60 | 4,82 | 4,99 | 5,18 | 5,17 |
| Total | 23,45 | 23,77 | 23,97 | 24,59 | 25,64 | 27,52 | 27,24 | 27,99 | 28,19 | 29,79 | 31,21 | 32,37 | 33,58 | 33,72 |
| Sources | Statista | | | | | | | | | | | | | |
| Most recent update: | 03/01/2023 | | | | | | | | | | | | | |

The children's food market in South Korea is a growing sector. Korean parents are increasingly concerned about feeding their children and are looking for healthy and nutritious products to give them a balanced diet. Children's food manufacturers in South Korea have therefore developed a range of products to meet these needs.

Baby food is an important segment of the children's food market in South Korea. Parents are looking for organic products, no additives and no preservatives for their toddlers. Dairy products, cereals, fruit and vegetable purees and baby meats are all available on the Korean market.

For older children, healthy snacks and ready meals are also very popular. Parents are often busy and looking for quick and convenient options to feed their children. Snacks such as dried fruits, nuts and cereal bars are very popular, as are dishes prepared in advance such as soups, stews and pasta dishes.

Prices vary depending on different brands and establishments. However, average prices in Korea are the following[21]:

[21] Statista

| Market: Food, Region: South Korea, Currency: USD | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **PRICE PER UNIT in USD (US$)** | | | | | | | | | | | | | | |
| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 |
| Baby Food | 15,44 | 14,61 | 14,51 | 15,32 | 16,13 | 15,43 | 15,39 | 16,68 | 17,34 | 17,76 | 18,12 | 18,48 | 18,85 | 19,23 |
| Bread & Cereal Products | 1,86 | 1,72 | 1,68 | 1,74 | 1,79 | 1,67 | 1,66 | 1,80 | 1,73 | 1,86 | 1,89 | 1,93 | 1,96 | 1,95 |
| Confectionery & Snacks | 7,60 | 7,38 | 7,54 | 8,18 | 8,83 | 8,63 | 8,78 | 9,67 | 10,08 | 10,35 | 10,62 | 10,89 | 11,10 | 11,46 |
| Convenience Food | 4,04 | 3,81 | 3,78 | 3,99 | 4,19 | 4,00 | 4,03 | 4,39 | 4,56 | 4,67 | 4,76 | 4,86 | 4,95 | 5,05 |
| Dairy Products & Eggs | 3,03 | 2,89 | 2,89 | 3,04 | 3,23 | 3,13 | 3,14 | 3,41 | 3,54 | 3,62 | 3,69 | 3,76 | 3,84 | 3,91 |
| Fish & Seafood | 15,21 | 14,69 | 14,87 | 16,02 | 17,18 | 16,74 | 16,86 | 18,47 | 19,41 | 19,70 | 20,04 | 20,39 | 20,79 | 21,01 |
| Fruits & Nuts | 4,92 | 4,74 | 4,79 | 5,15 | 5,52 | 5,37 | 5,42 | 5,94 | 6,17 | 6,32 | 6,45 | 6,58 | 6,71 | 6,84 |
| Meat | 10,25 | 9,81 | 9,86 | 10,54 | 11,25 | 10,91 | 10,94 | 11,94 | 12,25 | 12,59 | 12,81 | 13,03 | 13,22 | 10,78 |
| Oils & Fats | 4,72 | 4,50 | 4,51 | 4,80 | 5,09 | 4,91 | 4,92 | 5,36 | 5,79 | 5,86 | 5,97 | 6,10 | 6,22 | 6,35 |
| Pet Food | 3,12 | 3,00 | 3,02 | 3,23 | 3,45 | 3,34 | 3,35 | 3,61 | 3,76 | 3,85 | 3,92 | 4,00 | 4,08 | 4,16 |
| Sauces & Spices | 2,90 | 2,74 | 2,72 | 2,87 | 3,01 | 2,88 | 2,87 | 3,12 | 3,24 | 3,32 | 3,39 | 3,46 | 3,53 | 3,60 |
| Spreads & Sweeteners | 2,77 | 2,62 | 2,60 | 2,74 | 2,88 | 2,75 | 2,77 | 3,02 | 3,23 | 3,26 | 3,34 | 3,41 | 3,47 | 3,55 |
| Vegetables | 2,82 | 2,67 | 2,65 | 2,79 | 2,93 | 2,80 | 2,79 | 3,02 | 3,14 | 3,22 | 3,29 | 3,36 | 3,43 | 3,50 |
| Average | 3,21 | 3,01 | 2,93 | 3,11 | 3,30 | 3,18 | 3,21 | 3,53 | 3,64 | 3,76 | 3,82 | 3,90 | 3,96 | 4,78 |
| Sources | Statista | | | | | | | | | | | | | |
| Most recent update: | 03/01/2023 | | | | | | | | | | | | | |

In summary, the children's food market in South Korea is growing due to the growing demand for healthy and nutritious products for toddlers and older children. Children's food manufacturers have responded to this demand by developing a range of products that meet the needs of busy Korean parents.

## 2.5. FURNITURE &LINENS

Furniture sector in South Korea is a relevant and growing part of the economy. Revenue in the following years is expected to increase in every single category, almost doubling its total sales made in 2014 by year 2027[22].

| Market: Furniture, Region: South Korea, Currency: USD | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **REVENUE BY SEGMENT in billion USD (US$)** | | | | | | | | | | | | | | |
| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 |
| Bedroom Furniture | 1,00 | 1,07 | 1,06 | 1,31 | 1,38 | 1,28 | 1,44 | 1,59 | 1,56 | 1,64 | 1,67 | 1,70 | 1,72 | 1,75 |
| Home Décor | 1,16 | 1,25 | 1,33 | 1,40 | 1,46 | 1,50 | 1,62 | 1,82 | 1,95 | 2,08 | 2,22 | 2,36 | 2,52 | 2,68 |
| Home Office Furniture | 0,30 | 0,33 | 0,33 | 0,41 | 0,44 | 0,40 | 0,45 | 0,49 | 0,48 | 0,50 | 0,51 | 0,52 | 0,52 | 0,53 |
| Kitchen & Dining Furn | 0,39 | 0,41 | 0,41 | 0,50 | 0,53 | 0,48 | 0,54 | 0,58 | 0,57 | 0,58 | 0,60 | 0,59 | 0,59 | 0,59 |
| Lamps & Lighting | 0,57 | 0,61 | 0,61 | 0,76 | 0,80 | 0,73 | 0,82 | 0,91 | 0,90 | 0,94 | 0,95 | 0,96 | 0,97 | 0,99 |
| Living Room Furniture | 1,69 | 1,80 | 1,78 | 2,25 | 2,41 | 2,25 | 2,54 | 2,81 | 2,79 | 2,94 | 3,01 | 3,08 | 3,14 | 3,21 |
| Outdoor Furniture | 0,40 | 0,42 | 0,43 | 0,52 | 0,55 | 0,50 | 0,57 | 0,63 | 0,62 | 0,65 | 0,67 | 0,68 | 0,69 | 0,71 |
| Total | 5,52 | 5,89 | 5,94 | 7,18 | 7,61 | 7,26 | 8,09 | 8,84 | 8,89 | 9,35 | 9,64 | 9,92 | 10,19 | 10,50 |
| Sources | Statista | | | | | | | | | | | | | |
| Most recent update: | 11/01/2022 | | | | | | | | | | | | | |
| Notes | Data shown is using current exchange rates and reflects market impacts of the Russia-Ukraine war. | | | | | | | | | | | | | |

The children's home furniture market in South Korea is an important sector of the furniture industry in the country. Korean parents attach great

[22] Statista

importance to the quality and safety of children's furniture, as well as its aesthetics.

Children's furniture in South Korea is available in a wide variety of styles and sizes, from beds to tables and chairs. Korean manufacturers often offer practical and aesthetically pleasing furniture for children, with bright colours and playful designs to meet the demand of Korean parents concerned about the appearance of their interior.

In addition, children's furniture in South Korea is often made from high-quality materials, such as solid wood, plywood and resistant plastic, to ensure the safety and durability of children's furniture. Children's furniture in South Korea also often has special features, such as built-in storage spaces or bunk beds to meet the needs of families with multiple children.

Besides, digitisation in Korea has helped the sector to canalise nearly half of its sales through online sector, as we can see[23]:

Market: Furniture, Region: South Korea, Currency: USD

**ONLINE REVENUE SHARE in percent**

| | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|---|---|---|---|
| Offline | 65 | 62 | 60 | 56 | 53 | 51 | 48 | 46 | 44 |
| Online | 35 | 38 | 40 | 44 | 47 | 49 | 52 | 54 | 56 |
| Sources | Statista | | | | | | | | |
| Most recent update: | 10/01/2020 | | | | | | | | |

Finally, Korean manufacturers of children's furniture often offer matching sets of furniture for a complete children's room. These sets can include a bed, dresser, bedside table and wardrobe, offering a practical and aesthetic solution for parents looking to furnish a complete children's room.

In summary, the children's home furniture market in South Korea offers a wide variety of styles and sizes to meet the needs of Korean parents concerned about the quality, safety and aesthetics of children's furniture. Korean manufacturers often offer practical and aesthetically pleasing

[23] Statista

furniture for children, with high quality materials and special features to meet the needs of families.

## 2.6. CHILDREN’S BOOKS

The children’s book market in South Korea is also an important sector of the publishing industry in the country. Koreans attach great importance to education and literature, and Korean parents look for books that not only entertain but also educate their children.

The children’s book market in South Korea offers a wide range of genres for children, such as picture books, fairy tales, learning books, science books, children’s cookbooks, etc. Children’s books can be found in bookstores, supermarkets, online stores, libraries and schools.

Children’s books in South Korea are also known for their high quality. Illustrations and designs are often very elaborate and appealing to children. Korean publishers are also known for publishing books that reflect Korean culture, such as traditional tales and legends.

In addition, Korean parents often encourage their children to read English books from an early age, so there is also a market for English children’s books in South Korea.

In summary, the children’s book market in South Korea is an important sector of the publishing industry, offering a wide range of genres for children and characterised by a high quality of attractive illustrations and designs for children. Korean parents attach great importance to their children’s education and look for books that not only entertain but also educate their children.

# 3. CONSUMER BEHAVIOUR

The Korea toys market is slated to grow at a highest CAGR of around 4% over the forecast period 2019-2027. This market accounted for a value of around USD 2900 million in the year 2018 and is predicted to reach a value of around USD 4300 million in the year 2027. Additionally, the market is predicted to attain an absolute $ opportunity of around USD 1400 million during the assessment period.

The Korea toys market is segmented based on product into outdoor & sports toys, preschool toys, building sets, action figures, dolls, art & crafts, plush, vehicles and others. The outdoor & sports toy segment, which held a market share of around 31% in the year 2018, is anticipated to grow with a CAGR of around 5% during the forecast period and reach a value of around USD 1300 million by the end of 2027.

The Korea toys market is also segmented based on distribution channel into online and offline. The offline segment is further subdivided into hypermarkets, specialty stores, supermarkets and others. The hypermarket segment held a market share of around 41% in the year 2018.

Regarding retail and wholesale, it is known that figures had been affected by the pandemic situation in 2020, such as in every other country that suffered the Covid-19 virus. However, even though the spending lowered, it did not show a great change and it has totally recovered in a few months period. Therefore, it can be inferred that fashion related sales have maintained significantly constant in these years, resisting all the pandemic measures and restrictions (the revenues of the fashion sector reached 20,58 trillion won in the first half of 2022[24]).

When it comes to books, South Korea shows some reading habits that, even though they have increased in the last years -as we will see later-, do not position the Asian country in the top of the list at a worldwide level. In numbers, data shows that in 2017 only 13% of people surveyed read every

[24]https//www.statista.com/statistics/973358/south-korea-fashion-industry-marketsize/#:~:text=The%20market%20size%20of%20the,the%20first%20half%20of%202022

day/most of the days, at least 24% read once a week and 22% read once a month. In comparison with other countries, we have China and Spain, where 32% of people claimed to read every day.

## 3.1. CONSUMER PROFILE

These are general trends, and it is important to conduct market research to understand the specific preferences and behaviour of your target audience.

Korean consumers' toy behaviour is influenced by several key factors, such as quality and safety, market trends, online shopping and spending more on higher quality toys.

South Korean consumers tend to **prefer locally made** toys over imported products and they **value the quality and cultural significance** of locally produced toys. However, the toy market in Korea is dominated by foreign companies, as imports accounted for almost 70% of the total market size in 2021.

In terms of **quality and safety**, Korean consumers pay close attention to these factors when purchasing toys. A survey revealed that almost 80% of Korean consumers consider quality and safety as the two most important factors when buying toys.

**Market trends** also play a key role in Korean consumers' toy behaviour. For example, when toys related to a popular TV series or a successful movie are released, Korean consumers may be more inclined to buy them because of their popularity.

**Online shopping** also plays an important role in Korean consumers' toy behaviour. About 60% of Korean consumers reported buying toys online in the past 12 months, due to the convenience and ease of purchase. Further information on online shopping can be found in the e-commerce section.

Despite the fact that the online channel continues to gain importance, the channel that represents the most toy sales is hypermarkets.

Finally, Korean consumers may be more likely to spend on high-end toys or toys that match their interests or those of their family. One study found that almost 50% of Korean consumers are willing to spend more on toys that are educational or develop technology skills.

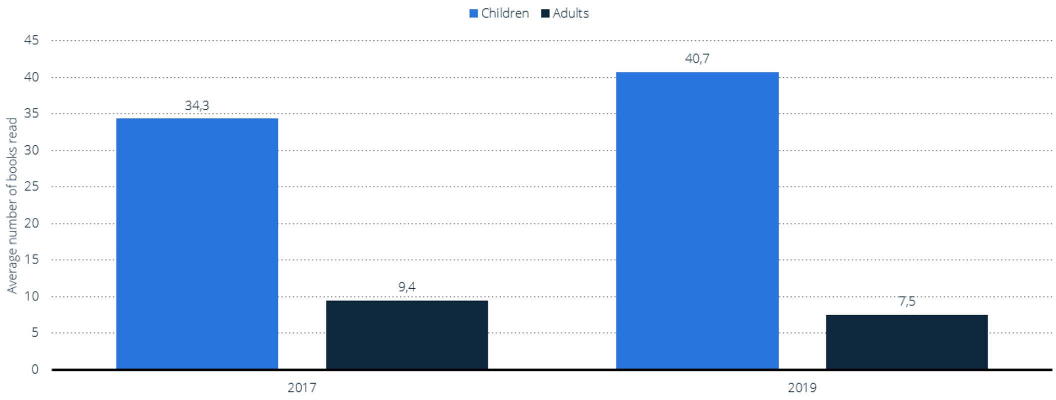
However, global circumstances such as the Covid-19 pandemic may affect consumers' behaviour, and so it has happened in the Asian market of South Korea. Overall, needed to say, the South Korean toy market performed well in 2020. The arrival of COVID-19 in the country led to the temporary closure of schools, with large numbers of students not attending classes for more than seven months. In addition, the number of people working from home soared, while consumers were reluctant to leave the house to socialise due to social distancing, leading to demand for different forms of home entertainment. Sales of traditional toys experienced higher growth than in previous years due to demand among parents for toys to stimulate their children mentally and help them learn while not attending school in person. This increased the growth rate in categories such as science/educational, dress-up, role-play and construction toys. Toys to entertain children at home were also sought, including games and puzzles. However, isolation at home had the opposite impact on outdoor play and sports, as parents prevented their children from playing outside for fear of infection. Preschool toys also suffered a decline, but this is due to the country's trend towards a declining birth rate. The toy sector's biggest concern is the sharp decline in South Korea's birth rate, especially as fewer than 270,000 babies were born in 2021, the lowest number recorded in the review period since 2011. Therefore, in the future, many toy companies will develop and focus on "kidult" toys; they will also try to expand their sales in overseas markets. In addition, traditional toys and games will continue to be challenged by the continued rise of digital formats. However, parents' growing interest in spending more money on products that help their children learn and acquire knowledge, especially educational and other toys, is expected to drive the growth of the Korean toy market.

At the same time, in **other sectors like apparel and footwear**, it is important to take into account the medium size of the South Korean population. Different late studies have revealed that the average height of people in Korea has been increasing in the past decades, reaching in adult men 172,5 cm and in adult women 159,6 cm. Also, weight has increased - which makes sense if we consider that kids are now higher than they were- among the student population. The average weight was slightly over 50 kg at the beginning of the century, whilst nowadays it has increased approximately around 10 kg. However, they are not either obese or overweight, having the lowest rate of the whole OECD. When coming to the **style** (therefore consumer habits), in 2022 a more minimalist fashion was seen in the Asian country. Nonetheless, children often wear layful, colourful and high quality and at the same time affordable clothes.

When it comes to the **furniture and bed linen market**, lately minimalism, just like in fashion, has been a powerful trend in the country, followed massively by a lot of interior designers. These trends come and go in the time, however,

Regarding **books**, the most read genres are novels, poetry, and short stories. Reading habits show a positive tendency since the number of books read per year is increasing lately, as we can see in the following graphic that represents the average number of books read by adult and children in South Korea from 2017 to 2019[25]:

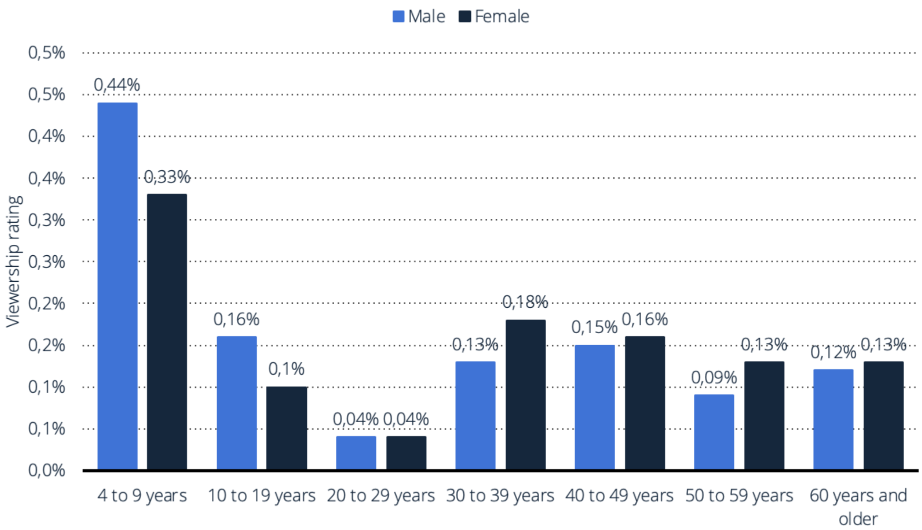
[25] Source(s): Statista




## 3.2. MARKETING

Rising demand for replica of cartoon characters that are being displayed in television shows, as well as for goods whose replica can be made as toys, coupled with the rising influence for toys from social media are some of the factors believed to benefit the expansion of the Korea toys market. Numerous cartoon characters have been shown on television in recent years. The kids, who watch these shows, tend to follow the cartoon characters. As a result, there is a rising demand amongst the parents to purchase such toys for their children, which is anticipated to contribute towards the growth of the Korean toys market. Moreover, with the growing internet penetration and the rising influence of social media, kids are more or less demanding their parents for toys which they find in these social platforms. All this penetration has surpassed the toy market, and other products like books or fashion-related items may find their demand originated in this type of content seen by children.

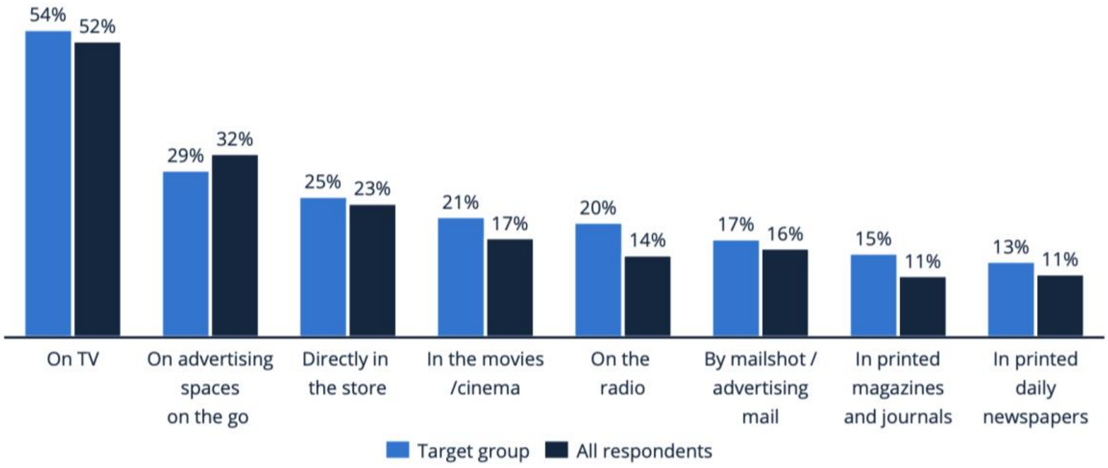
**Regarding television viewing habits**, an important aspect of marketing, he following graph represents television viewership ratings for children's television in South Korea as of October 2022, by age and gender[26]:




The bar chart shows that boys between the ages of 4 and 9 watch more TV than girls, and from the age of 29 onwards the trend is reversed, and women become greater viewers than men. In any case, the age range which compiles a larger rate of TV viewers is between 4 and 9 years old, decreasing until children hit the second decade of their lives.

Also interesting in relation with marketing, a survey was conducted on parents with children under age 14 to determine where they remembered hearing or viewing non-digital ads in the past few weeks, the results are shown in the next graphic[27] .

[26] Source(s): Korea Communications Commission; Total National Multimedia Statistics.
[27] Source(s): Statista Global Survey as of October 2022.




As we can see, the vast majority of ads were seen on TV, both from parents and other respondents to the survey, followed by advertising spaces on the go and directly in stores. The least viewed ads were on printed newspapers, magazines and journals.

## 3.3. BRAND IMPORTANCE

A recent study found that when it comes to purchasing luxury goods in South Korea, design is the leading consideration at 46.7%. This means that Korean consumers place a high value on the aesthetic appeal of luxury products. But design isn't the only factor that matters to them. Purchase price comes in at a close second at 32.5%, which is not surprising considering the high cost of luxury goods. Finally, brand value comes in at 31.1%, showing that Korean consumers value the prestige and reputation of luxury brands.

It's important to note that Korean consumers are very brand conscious, they are very loyal to their favourite brands, and they are always on the lookout for new and exciting luxury brands to try. Korean consumers are also highly influenced when their favourite artists recommend high-end products.

For businesses operating in the Korean market, it's crucial to stay on top of the latest trends and consumer behaviour. Keeping an eye on popular social media platforms, influencers, and market research will help businesses stay ahead of the curve and be able to adapt to new trends as they emerge.

Korean culture is deeply rooted in tradition, and that affects how consumers make their purchasing decisions. Some of the culture's aspects that directly affect the market are: the strong emphasis on respect for elders and authority figures, gift giving is a common practice in Korean culture, the importance of manners and etiquette, and the importance of family in this country.

**Covid crisis:** Like many other industries, the toy industry in South Korea was impacted by the COVID-19 crisis. The pandemic led to changes in consumer behaviour, which affected the demand for toys. With the implementation of social distancing measures and lockdowns, many children were confined to their homes, leading to an increase in demand for toys and games that could keep them entertained and occupied.

However, the pandemic also caused disruptions in the global supply chain, affecting the production and distribution of toys in South Korea. The closure of factories and logistics disruptions led to delays in the delivery of toys to retailers, and many manufacturers experienced difficulties in sourcing raw materials and components.

Regarding payment methods, the pandemic has speeded up digitization and the use of cards and other methods is widespread in Korea. The main method of payment when buying is widespread the use of cards and other methods.

Moreover, with the closure of physical stores and the shift towards online shopping, the retail landscape for toys also changed. E-commerce platforms saw a surge in demand, with many consumers turning to online shopping for convenience and safety.

Overall, the COVID-19 crisis had both positive and negative effects on the toy industry in South Korea, with changes in consumer behaviour, supply chain disruptions, and shifts in the retail landscape all contributing to a complex and evolving situation.

In general, the pandemic has highlighted the importance of resilience and adaptability in the face of unexpected disruptions, which may have prompted some businesses to take a more cautious approach to the future.

It is more interesting how covid affected consumers: Overall, the South Korean toy market performed well in 2020. The arrival of COVID-19 in the country led to the temporary closure of schools, with large numbers of students missing classes for more than seven months. In addition, the number of people working from home soared, while consumers were reluctant to leave the house to socialise due to social distancing, leading to demand for different forms of home entertainment. Sales of traditional toys experienced higher growth than in previous years due to demand among parents for toys to stimulate their children mentally and help them learn while not attending school in person. This increased the growth rate in categories such as science/educational, dress up, role-play and construction toys. Toys to entertain children at home were also sought, including games and puzzles. However, isolation at home had the opposite impact on outdoor play and sports, as parents prevented their children from playing outside for fear of infection. Preschool toys also suffered a decline, but this is due to the country's trend towards a declining birth rate. The toy sector's biggest concern is the sharp decline in South Korea's birth rate, especially as fewer than 270,000 babies were born in 2021, the lowest number recorded in the review period since 2011. Therefore, in the future, many toy companies will develop and focus on "kidult" toys; they will also try to expand their sales in overseas markets. In addition, traditional toys and games will continue to be challenged by the continued rise of digital formats. However, parents; growing interest in spending more money on products that help their children learn and acquire knowledge, especially educational and other toys, is expected to drive the growth of the Korean toy market.

We can highlight different steps in the adaptation of the South Korean company as:

- Diversifying their supply chains: To reduce their reliance on a single supplier or region, some toy manufacturers may be exploring ways to diversify their supply chains. This could involve investing in new technologies or processes that can help to increase efficiency or reduce costs or developing closer relationships with suppliers to ensure more reliable access to raw materials and components.

- Increasing their online presence: With the closure of physical stores and the shift towards online shopping, many toy businesses are investing in e-commerce and other digital channels to reduce their reliance on physical stores. This may involve developing new digital marketing strategies, investing in online platforms, or expanding their product lines to better serve online customers.

- Investing in product innovation: To stay ahead of changing consumer preferences and trends, some toy companies may be focusing more on product innovation and development. This could involve investing in new technologies or materials to create toys that are more interactive, educational, or sustainable, or developing new product lines that appeal to a wider range of consumers.

- Developing contingency plans: Some toy businesses may be developing contingency plans to prepare for future disruptions, such as pandemics or natural disasters. This could involve stockpiling critical supplies or developing alternative production and distribution channels to ensure business continuity in the face of unexpected events.

- Enhancing their digital capabilities: With the increasing importance of digital technologies, some toy companies may be investing in their digital capabilities, such as digital marketing, data analytics, and online customer service. This can help them to better understand changing consumer preferences and behaviour and to develop targeted strategies to address them.

Toy brands in Korea are very important to consumers, as they value quality, safety and innovation in the toys they buy for their children. They look for toy brands that they trust and that have an educational interest for their child, and the image of the brand is very important to Korean consumers as it conveys an image of quality and prestige. Korean parents are often willing to pay more for well-known branded toys, as this gives them the feeling of giving their children the best.

Like the toy industry, the textiles industry in South Korea has also been impacted by the COVID-19 crisis, and companies in this sector may be taking similar steps to prepare for future disruptions and changes in consumer behaviour.

One way that the textiles industry in South Korea has responded to the COVID-19 crisis is by pivoting to the production of personal protective equipment (PPE), such as masks, gowns, and gloves. This has allowed some companies to maintain or even increase their production levels during the pandemic, while also contributing to the public health response.

In addition, many textile companies in South Korea have also been investing in digital technologies and e-commerce platforms to adapt to changing consumer behaviour. This may involve developing new online sales channels, such as virtual showrooms or e-commerce marketplaces, and investing in digital marketing and customer service capabilities to better serve online customers. Clear examples of these actions are the different online stores where it can be possible to buy South Korean fashion products, such as **Coupang**, it is a very popular website in South Korea that offers many different items with a section dedicated to the world of children. **Naver shopping** is a search page that offers all the products available online and therefore a lot of children's products including toys, clothes and furniture. here are also fairs where several brands come together to exhibit and sell their new products and meet consumers directly, such as the **Busan Bexvo Baby Salon** which takes place every year. Another examples would be W.Concept, ZIGZAG, BRANDI, Kooding, Stylenanda, MUSINSA, Chuu, Codibook, JogunShop or 29cm.

Other steps that South Korean textiles companies may be taking to prepare for future disruptions and changes in consumer behaviour could include the same basis that we have analysed in with toys, with the substantial difference of the aimed product. Nevertheless, in the apparel sector another action could be addressed so as to adapt to the rising awareness about global warming:

Investing in sustainability: With increasing consumer demand for sustainable and environmentally friendly products, some textiles companies may be investing in sustainable production processes and materials. This can help them to appeal to consumers who are increasingly concerned about the environmental impact of the products they buy.

From a global point of view, the importance of the brand on the Korean market is very important. Indeed, whether it is for toys, clothes or furniture, Korean consumers give particular importance to the brands they buy. Beyond the prestige that some brands can give, as we have seen before, Koreans are very attached to certain values such as safety, quality and innovation. They are responsible consumers who care about the socio- environmental impact that brands generate. This is why the image and therefore the importance of the brand is a point of great importance because customers can identify their search criteria with a brand that groups them together and therefore buy again products from this same brand.

## 4. CORRUPTION INDEX

The Corruption Perceptions Index 2022[28] by Transparency International ranks South Korea 31st out of 180 countries, with a score of 63 out of 100.

This score indicates that corruption is perceived to be moderate in South Korea, which is an improvement from previous years. In 2012, South Korea ranked 45th in the CPI, and it has since implemented various measures to combat corruption, such as the establishment of the Anti-Corruption and Civil Rights Commission. Despite these efforts, there are still some areas of concern, such as political corruption and the influence of wealthy individuals on government decisions. For instance, recent high-profile corruption cases involving politicians and business leaders have highlighted the need for continued efforts to strengthen transparency, accountability, and public trust in South Korea's institutions. Nonetheless, the country's relatively high CPI ranking compared to other countries in the region suggests that it has made progress in combating corruption and promoting good governance.

On the one hand, in comparison with other countries studied, Chile scored 67 out of 100 in 2022, almost leading its region for a second consecutive year (27th worldwide), whilst the United States scored 69 out of 100, being in the top 24 countries in this aspect. Both of them are ahead of South Korea in the ranking, However the score is not far away, and the Asian country can do better in the following years.

On the other hand, in comparison with other countries of its region, South Korea is scoring high. Only Japan (18th in the global ranking), Taiwan (25th) and Hong Kong (12th) are ahead, whilst other surrounding countries like Russia, North Korea, China or the Philippines score lower.

## 5. IMPORTS AND EXPORTS: VOLUMES AND TRENDS

### 5.1. TOY MARKET

[28] https://www.transparency.org/en/cpi/2022

For products under tariff code 95: Toys, games, and sports requisites; parts and accessories thereof, the import data is as follows:

| Exporters | Value imported in 2021 (USD thousand) | Trade balance 2021 (USD thousand) | Share in Korea, Republic of's imports (%) | Growth in imported value between 2017-2021 (%, p.a.) | Growth in imported value between 2020-2021 (%, p.a.) |
|---|---|---|---|---|---|
| World | 2,975,931 | -2,487,936 | 100 | 8 | 26 |
| China | 1,809,662 | -1,731,689 | 60.8 | 10 | 33 |
| Japan | 545,115 | -483,410 | 18.3 | 10 | 15 |
| United States of America | 217,540 | -44,117 | 7.3 | 13 | 30 |
| Taipei, Chinese | 68,086 | -60,685 | 2.3 | 7 | 24 |
| Viet Nam | 65,004 | -51,232 | 2.2 | -8 | 32 |
| Thailand | 62,188 | -59,865 | 2.1 | 2 | 8 |
| Germany | 33,694 | -26,368 | 1.1 | 15 | -24 |
| Italy | 21,745 | -19,623 | 0.7 | 0 | 14 |
| Hungary | 15,072 | -14,887 | 0.5 | 10 | 263 |

*Sources: ITC calculations based on Korea Customs and Trade Development Institute (KCTDI) statistics.*

The value imported in 2021 for the products under this tariff code represented 2.975.931 thousand dollars. Most of these imports come from China (supplier of 60,8% of the total market), followed by Japan (18,3%). For European providers, the first country to appear in the list is Germany (1,1% of the market). Denmark's exportation represents 0,4% of the total importation, 0,2% in the case of France and 0,1% for Spain.

As for exports, represented in the next graph:

| Importers | Value exported in 2021 (USD thousand) | Trade balance 2021 (USD thousand) | Share in Korea, Republic of's exports (%) | Growth in exported value between 2017-2021 (%, p.a.) | Growth in exported value between 2020-2021 (%, p.a.) |
|---|---|---|---|---|---|
| World | 487,995 | -2,487,936 | 100 | 1 | 31 |
| United States of America | 173,423 | -44,117 | 35.5 | 8 | 38 |
| China | 77,973 | -1,731,689 | 16 | 4 | 50 |
| Japan | 61,705 | -483,410 | 12.6 | 2 | 31 |
| Viet Nam | 13,772 | -51,232 | 2.8 | 2 | 16 |
| United Kingdom | 11,862 | 6,394 | 2.4 | -12 | 49 |
| Australia | 11,155 | 6,565 | 2.3 | 2 | 86 |
| Hong Kong, China | 10,047 | 5,571 | 2.1 | -2 | -37 |
| Taipei, Chinese | 7,401 | -60,685 | 1.5 | -12 | 16 |
| Germany | 7,326 | -26,368 | 1.5 | 10 | 8 |
| Canada | 7,047 | 1,986 | 1.4 | 7 | 36 |
| Singapore | 6,944 | 6,221 | 1.4 | 4 | 22 |
| Indonesia | 6,877 | -7,063 | 1.4 | -10 | 31 |

*Sources: ITC calculations based on Korea Customs and Trade Development Institute (KCTDI) statistics.*

Exports in South Korea represent 0,3% of world exports (29th in the global position) The world export value is 487.995 thousand dollars. Exports are mainly to the USA, accounting for 35,5%, followed by China (16%). The share of France is 0,8% Spain is 0,6% and Denmark with just a 0,1%.

Continuing with the tariff code, 9503, corresponding to "tricycles, scooters, pedal cars and similar toy wheels, chairs, carriages...".

| Exporters | Value imported in 2021 (USD thousand) | Trade balance 2021 (USD thousand) | Share in Korea, Republic of's imports (%) | Quantity imported in 2021 | Quantity unit | Unit value (USD/unit) | Growth in imported value between 2017-2021 (%, p.a.) | Growth in imported quantity between 2017-2021 (%, p.a.) | Growth in imported value between 2020-2021 (%, p.a.) |
|---|---|---|---|---|---|---|---|---|---|
| World | 895,221 | -809,241 | 100 | 78,690 | Tons | 11,377 | 1 | -1 | 21 |
| China | 742,962 | -726,104 | 83 | 71,663 | Tons | 10,367 | 4 | 0 | 22 |
| Japan | 34,814 | -22,431 | 3.9 | 941 | Tons | 36,997 | -8 | -11 | 15 |
| Viet Nam | 27,733 | -24,709 | 3.1 | 2,108 | Tons | 13,156 | -22 | -17 | 6 |
| Denmark | 12,508 | -12,459 | 1.4 | 377 | Tons | 33,178 | 7 | 2 | 15 |
| Taipei, Chinese | 11,580 | -8,675 | 1.3 | 306 | Tons | 37,843 | 18 | 6 | 16 |
| Indonesia | 9,337 | -6,454 | 1 | 367 | Tons | 25,441 | -5 | -9 | 23 |
| United States of America | 8,606 | 11,687 | 1 | 270 | Tons | 31,874 | 0 | -12 | 15 |
| Germany | 7,616 | -4,133 | 0.9 | 451 | Tons | 16,887 | 10 | 10 | 24 |
| Czech Republic | 6,489 | -6,242 | 0.7 | 270 | Tons | 24,033 | 14 | 24 | 118 |
| Philippines | 5,945 | -2,648 | 0.7 | 609 | Tons | 9,762 | 1 | -1 | 55 |
| Thailand | 5,126 | -4,639 | 0.6 | 353 | Tons | 14,521 | -16 | -17 | -6 |
| Hungary | 4,402 | -4,292 | 0.5 | 181 | Tons | 24,320 | -9 | -16 | 61 |
| Hong Kong, China | 2,163 | 859 | 0.2 | 22 | Tons | 98,318 | 2 | -12 | 22 |
| Poland | 1,237 | -674 | 0.1 | 52 | Tons | 23,788 | 2 | -8 | 31 |
| Colombia | 1,226 | -1,217 | 0.1 | 60 | Tons | 20,433 | 5 | -3 | 45 |

*Sources: ITC calculations based on Korea Customs and Trade Development Institute (KCTDI) statistics.*

The total number of world imports is 1,5% (18th in world ranking) with a value of USD 895,221. The largest provider is also China (83%) followed by Japan (3.9%). France is the 17 largest providers of this category.

Regarding Denmark, it ends up at the 4th place just behind the Asian countries. It is the best partner in Europe with 1.4 share in Korea's imports. This represents a total of 377 tons and in terms of value, we obtain 12,508 thousand USD in 2021. On the other hand, France and Spain just have a share of 0,1%.

As for South Korea's export data in this category, the numbers are shown in the graph below:

| Importers | Value exported in 2021 (USD thousand) | Trade balance 2021 (USD thousand) | Share in Korea, Republic of's exports (%) | Quantity exported in 2021 | Quantity unit | Unit value (USD/unit) | Growth in exported value between 2017-2021 (%, p.a.) | Growth in exported quantity between 2017-2021 (%, p.a.) |
|---|---|---|---|---|---|---|---|---|
| World | 85,980 | -809,241 | 100 | 5,807 | Tons | 14,806 | -2 | -4 |
| United States of America | 20,293 | 11,687 | 23.6 | 815 | Tons | 24,899 | 11 | 6 |
| China | 16,858 | -726,104 | 19.6 | 1,235 | Tons | 13,650 | -10 | -5 |
| Japan | 12,383 | -22,431 | 14.4 | 284 | Tons | 43,602 | 11 | 0 |
| Germany | 3,483 | -4,133 | 4.1 | 70 | Tons | 49,757 | 13 | -1 |
| Philippines | 3,297 | -2,648 | 3.8 | 1,312 | Tons | 2,513 | -6 | 11 |
| Viet Nam | 3,024 | -24,709 | 3.5 | 232 | Tons | 13,034 | -18 | -22 |
| Hong Kong, China | 3,022 | 859 | 3.5 | 142 | Tons | 21,282 | 2 | -3 |
| Taipei, Chinese | 2,905 | -8,675 | 3.4 | 253 | Tons | 11,482 | -22 | -7 |
| Indonesia | 2,883 | -6,454 | 3.4 | 284 | Tons | 10,151 | -5 | -1 |
| Russian Federation | 2,255 | 1,844 | 2.6 | 132 | Tons | 17,083 | 51 | 33 |
| United Kingdom | 1,779 | 569 | 2.1 | 99 | Tons | 17,970 | 5 | 10 |
| Switzerland | 1,752 | 1,515 | 2 | 12 | Tons | 146,000 | 16 | 18 |
| Canada | 1,338 | 951 | 1.6 | 76 | Tons | 17,605 | 43 | 54 |
| Saudi Arabia | 1,210 | 1,209 | 1.4 | 204 | Tons | 5,931 | 13 | 1 |
| Singapore | 863 | 745 | 1 | 39 | Tons | 22,128 | -9 | -19 |
| Australia | 620 | 387 | 0.7 | 44 | Tons | 14,091 | -7 | 2 |
| France | 582 | -43 | 0.7 | 12 | Tons | 48,500 | -5 | 2 |

*Sources: ITC calculations based on Korea Customs and Trade Development Institute (KCTDI) statistics.*

The value of these exports is 85.980 dollars. The country to which it exports is again the USA (23,6% of exports), followed by China (19,6%). Spain imports more than France with a value of 999 against 582 thousand. Denmark shows no relevant results in this category.

Following tariff code 9504, concerning "video game consoles, machines, articles for society games, table or parlour games, billiards, special tables for casino games and automatic bowling alley games".

| Exporters | Value imported in 2021 (USD thousand) | Trade balance 2021 (USD thousand) | Share in Korea, Republic of's imports (%) | Quantity imported in 2021 | Quantity unit | Unit value (USD/unit) | Growth in imported value between 2017-2021 (%, p.a.) | Growth in imported quantity between 2017-2021 (%, p.a.) |
|---|---|---|---|---|---|---|---|---|
| World | 543,377 | -478,331 | 100 | 12,438 | Tons | 43,687 | 12 | -6 |
| China | 349,842 | -330,118 | 64.4 | 7,456 | Tons | 46,921 | 13 | 0 |
| Japan | 112,151 | -105,083 | 20.6 | 883 | Tons | 127,011 | 32 | -7 |
| United States of America | 46,812 | -30,093 | 8.6 | 2,179 | Tons | 21,483 | 2 | -14 |
| Belgium | 4,657 | -4,609 | 0.9 | 161 | Tons | 28,925 | 13 | 11 |
| Mexico | 4,127 | -4,101 | 0.8 | 470 | Tons | 8,781 | 11 | 10 |
| Italy | 4,041 | -3,943 | 0.7 | 24 | Tons | 168,375 | 18 | -8 |
| Germany | 3,781 | -3,642 | 0.7 | 279 | Tons | 13,552 | 0 | -2 |
| France | 3,749 | -3,546 | 0.7 | 118 | Tons | 31,771 | -12 | -23 |
| Australia | 3,624 | -361 | 0.7 | 29 | Tons | 124,966 | -18 | -8 |
| Israel | 1,384 | -1,317 | 0.3 | 189 | Tons | 7,323 | 4 | 4 |
| Taipei, Chinese | 1,251 | -291 | 0.2 | 53 | Tons | 23,604 | -13 | -21 |
| Hungary | 1,107 | -1,086 | 0.2 | 130 | Tons | 8,515 | 230 | 351 |
| Hong Kong, China | 1,105 | 2,031 | 0.2 | 12 | Tons | 92,083 | -18 | -24 |
| Greece | 1,009 | -1,009 | 0.2 | 162 | Tons | 6,228 | 67 | 58 |
| Spain | 681 | -510 | 0.1 | 18 | Tons | 37,833 | -11 | -49 |

*Sources: ITC calculations based on Korea Customs and Trade Development Institute (KCTDI) statistics.*

The total number of imports are 1,4% (overall position of 15) with a value of $543.377. The largest exporter is China (64,4% of the total), followed by Japan (20,6%). Moreover, for European providers, the first country in the list is Belgium with a value of (0,9%). France is in 8th position with 0,7% of the import's share which represents 3,749 thousand USD, Spain is in 15th with 0,1% share which equals 681 thousand USD. Denmark is further down the ranking.

As for the exports in the same category:

| Importers | Value exported in 2021 (USD thousand) | Trade balance 2021 (USD thousand) | Share in Korea, Republic of's exports (%) | Quantity exported in 2021 | Quantity unit | Unit value (USD/unit) | Growth in exported value between 2017-2021 (%, p.a.) | Growth in exported quantity between 2017-2021 (%, p.a.) |
|---|---|---|---|---|---|---|---|---|
| World | 65,046 | -478,331 | 100 | 4,367 | Tons | 14,895 | -2 | 12 |
| China | 19,724 | -330,118 | 30.3 | 436 | Tons | 45,239 | 33 | 55 |
| United States of America | 16,719 | -30,093 | 25.7 | 827 | Tons | 20,216 | -6 | -5 |
| Japan | 7,068 | -105,083 | 10.9 | 209 | Tons | 33,818 | -8 | 1 |
| Viet Nam | 3,683 | 3,340 | 5.7 | 2,272 | Tons | 1,621 | 27 | 71 |
| Australia | 3,263 | -361 | 5 | 167 | Tons | 19,539 | 7 | 2 |
| Singapore | 3,226 | 3,182 | 5 | 34 | Tons | 94,882 | 38 | 7 |
| Hong Kong, China | 3,136 | 2,031 | 4.8 | 81 | Tons | 38,716 | -14 | 6 |
| Philippines | 1,190 | 1,161 | 1.8 | 10 | Tons | 119,000 | -14 | -25 |
| United Kingdom | 994 | 561 | 1.5 | 40 | Tons | 24,850 | -31 | -28 |

*Sources: ITC calculations based on Korea Customs and Trade Development Institute (KCTDI) statistics.*

The main providers are China (19.724 thousand of US dollars), followed by the United States (16.719) and Japan (7068). The countries geographically located in Europe that import the most are the United Kingdom, the Netherlands and France (203). In addition, the value imported from Spain is 171.

With respect to Spain and in consideration of the evolution of exports: According to the foreign trade database, during the year 2021 a total of 887 operations were carried out (valued at 1.950,25 thousand euros) while in 2022 the number of operations decreased (518) but their profit increased (2.090,67 thousand euros). The month in which most operations were carried out was November (90) and the least in June and April (both 21) although the month in which they had the highest value was May (356.51). Denmark, on the other hand, does not gather the sufficient exports so as to be considered in this classification as one of the principal destinies for South Korean products.

Following tariff code 3503, concerning "Gelatin, whether or not in square or rectangular sheets, whether or not surface-worked or coloured, and gelatin derivatives; isinglass; other glues of animal origin (excluding those packaged as glue for retail sale and weighing net <= 1 kg, and casein glues of heading 3501)"

| Exporters | Value imported in 2021 (USD thousand) | Trade balance 2021 (USD thousand) | Share in Korea, Republic of's imports (%) | Quantity imported in 2021 | Quantity unit | Unit value (USD/unit) | Growth in imported value between 2017-2021 (%, p.a.) | Growth in imported quantity between 2017-2021 (%, p.a.) | Growth in imported value between 2020-2021 (%, p.a.) |
|---|---|---|---|---|---|---|---|---|---|
| World | 51,143 | -14,905 | 100 | 9,575 | Tons | 5,341 | 30 | 24 | -6 |
| China | 24,220 | -24,109 | 47.4 | 4,845 | Tons | 4,999 | 48 | 39 | -29 |
| Viet Nam | 6,472 | -3,302 | 12.7 | 665 | Tons | 9,732 | 98 | 82 | 19 |
| United States of America | 5,511 | 7,497 | 10.8 | 1,468 | Tons | 3,754 | 8 | 15 | 22 |
| India | 2,625 | -2,550 | 5.1 | 323 | Tons | 8,127 | 2 | -3 | -10 |
| Italy | 2,542 | -924 | 5 | 359 | Tons | 7,081 | 36 | 41 | 283 |
| Sweden | 2,518 | -2,518 | 4.9 | 350 | Tons | 7,194 | -1 | -6 | 7 |
| France | 2,444 | -2,444 | 4.8 | 347 | Tons | 7,043 | 51 | 43 | 247 |
| Belgium | 2,407 | -2,407 | 4.7 | 335 | Tons | 7,185 | 4 | -2 | 54 |
| Germany | 1,156 | -1,156 | 2.3 | 93 | Tons | 12,430 | -9 | -5 | 14 |
| Canada | 705 | 842 | 1.4 | 94 | Tons | 7,500 | 165 | 34 | 54 |
| Brazil | 260 | -258 | 0.5 | 40 | Tons | 6,500 | 112 | | |
| New Zealand | 177 | 7,781 | 0.3 | 404 | Tons | 438 | 14 | 14 | 34 |
| Japan | 84 | 664 | 0.2 | 210 | Tons | 400 | -3 | -8 | -3 |
| Australia | 15 | 2,764 | 0 | 40 | Tons | 375 | -5 | -9 | -82 |

*Sources: ITC calculations based on Korea Customs and Trade Development Institute (KCTDI) statistics.*

It is a 51 million USD worth market. China is the main exporter to South Korea, gathering 47,40% of total imports. Vietnam and the US follow China with over 10% of them. The first European country in the list is Italy, which is close to France figures (4,80%). Neither Denmark nor Spain protagonist great export numbers.

| Importers | Value exported in 2021 (USD thousand) | Trade balance 2021 (USD thousand) | Share in Korea, Republic of's exports (%) | Quantity exported in 2021 | Quantity unit | Unit value (USD/unit) | Growth in exported value between 2017-2021 (%, p.a.) | Growth in exported quantity between 2017-2021 (%, p.a.) | Growth in exported value between 2020-2021 (%, p.a.) |
|---|---|---|---|---|---|---|---|---|---|
| World | 36,238 | -14,905 | 100 | 5,407 | Tons | 6,702 | 2 | 0 | 6 |
| United States of America | 13,008 | 7,497 | 35.9 | 1,811 | Tons | 7,183 | 2 | 0 | 1 |
| New Zealand | 7,958 | 7,781 | 22 | 1,168 | Tons | 6,813 | 2 | -1 | 89 |
| Viet Nam | 3,170 | -3,302 | 8.7 | 483 | Tons | 6,563 | 8 | 6 | -19 |
| Australia | 2,779 | 2,764 | 7.7 | 391 | Tons | 7,107 | -12 | -16 | -39 |
| Italy | 1,618 | -924 | 4.5 | 230 | Tons | 7,035 | 7 | -5 | 433 |
| Canada | 1,547 | 842 | 4.3 | 200 | Tons | 7,735 | 147 | 163 | 74 |
| Türkiye | 1,305 | 1,305 | 3.6 | 189 | Tons | 6,905 | 72 | 54 | -28 |
| Thailand | 803 | 803 | 2.2 | 129 | Tons | 6,225 | -3 | -5 | 24 |
| Japan | 748 | 664 | 2.1 | 80 | Tons | 9,350 | -1 | -2 | 4 |
| Philippines | 677 | 677 | 1.9 | 92 | Tons | 7,359 | 9 | 5 | -27 |
| Taipei, Chinese | 674 | 674 | 1.9 | 75 | Tons | 8,987 | 11 | 7 | 3 |
| Greece | 550 | 550 | 1.5 | 72 | Tons | 7,639 | 48 | 45 | 37 |
| Bangladesh | 403 | 403 | 1.1 | 53 | Tons | 7,604 | 5 | 4 | 25 |
| Spain | 331 | 331 | 0.9 | 184 | Tons | 1,799 | | 83 | 17 |
| Switzerland | 233 | 233 | 0.6 | 40 | Tons | 5,825 | | | |

*Sources: ITC calculations based on Korea Customs and Trade Development Institute (KCTDI) statistics.*

When talking about exports, Korea addresses most of its products in this category to the US (35,90% of the total 36 million USD worth). New Zealand is also a big market for the Asian country (22%). In order to find Spain in the list we must go further down in it, since only gathers 0,90% of products. France and Denmark do not qualify in the top 24 countries in the matter.

Following tariff code 3407, concerning "Modelling pastes, incl. those put up for children's amusement; preparations known as ""dental wax"" or as ""dental impression compounds"", put up in sets, in packings for retail sale or in plates, horseshoe shapes, sticks or similar forms; other preparations for use in dentistry, with a basis of plaster ""of calcined gypsum or calcium sulphate".

*Sources: ITC calculations based on Korea Customs and Trade Development Institute*

| Exporters | Value imported in 2021 (USD thousand) | Trade balance 2021 (USD thousand) | Share in Korea, Republic of's imports (%) | Quantity imported in 2021 | Quantity unit | Unit value (USD/unit) | Growth in imported value between 2017-2021 (%, p.a.) | Growth in imported quantity between 2017-2021 (%, p.a.) |
|---|---|---|---|---|---|---|---|---|
| World | 15,623 | -8,533 | 100 | 1,803 | Tons | 8,665 | -4 | -7 |
| China | 3,606 | -3,259 | 23.1 | 1,044 | Tons | 3,454 | -3 | -7 |
| United States of America | 3,249 | -1,167 | 20.8 | 84 | Tons | 38,679 | 1 | -7 |
| Japan | 3,215 | -1,957 | 20.6 | 224 | Tons | 14,353 | -2 | -4 |
| Germany | 3,167 | -3,044 | 20.3 | 212 | Tons | 14,939 | -7 | -9 |
| Romania | 720 | -646 | 4.6 | 23 | Tons | 31,304 | 11 | 17 |
| Netherlands | 601 | -352 | 3.8 | 53 | Tons | 11,340 | -3 | -10 |
| Italy | 556 | -549 | 3.6 | 48 | Tons | 11,583 | -16 | -11 |
| Belgium | 153 | -153 | 1 | 73 | Tons | 2,096 | 0 | 0 |
| Taipei, Chinese | 119 | 88 | 0.8 | 1 | Tons | 119,000 | 9 | -13 |
| Spain | 56 | -55 | 0.4 | 25 | Tons | 2,240 | 8 | 27 |
| United Kingdom | 47 | 33 | 0.3 | 5 | Tons | 9,400 | -11 | -19 |
| Switzerland | 21 | -21 | 0.1 | 0 | Tons | | -13 | |
| Mexico | 18 | -8 | 0.1 | 2 | Tons | 9,000 | 153 | |
| Thailand | 15 | 17 | 0.1 | 3 | Tons | 5,000 | 269 | |

*(KCTDI) statistics.*

In this 15 million USD worth sector, four countries are concentrating most of the South Korean imports in this matter: China, USA, Japan and Germany, with more than 20% of the overall imports.

The rest of the countries gather a few imports, but never getting close not only to that 20% but neither to even a 5% of the imports. In fact, Spain nearly reaches 0,50%, whilst France and Denmark are further down in the ranking.

| Importers | Value exported in 2021 (USD thousand) | Trade balance 2021 (USD thousand) | Share in Korea, Republic of's exports (%) | Quantity exported in 2021 | Quantity unit | Unit value (USD/unit) | Growth in exported value between 2017-2021 (%, p.a.) | Growth in exported quantity between 2017-2021 (%, p.a.) | Growth in exported value between 2020-2021 (%, p.a.) |
|---|---|---|---|---|---|---|---|---|---|
| World | 7,090 | -8,533 | 100 | 602 | Tons | 11,777 | 1 | 0 | 24 |
| United States of America | 2,082 | -1,167 | 29.4 | 126 | Tons | 16,524 | 8 | 26 | 23 |
| Japan | 1,258 | -1,957 | 17.7 | 165 | Tons | 7,624 | 36 | 37 | 60 |
| China | 347 | -3,259 | 4.9 | 24 | Tons | 14,458 | 15 | 11 | 54 |
| France | 317 | 317 | 4.5 | 28 | Tons | 11,321 | -13 | -18 | 43 |
| India | 285 | 285 | 4 | 33 | Tons | 8,636 | 35 | 14 | 175 |
| Hong Kong, China | 269 | 262 | 3.8 | 23 | Tons | 11,696 | -14 | -15 | 57 |
| Netherlands | 249 | -352 | 3.5 | 1 | Tons | 249,000 | -6 | -21 | -48 |
| Australia | 236 | 235 | 3.3 | 5 | Tons | 47,200 | 65 | 34 | 63 |
| Taipei, Chinese | 207 | 88 | 2.9 | 13 | Tons | 15,923 | 12 | -10 | -18 |
| United Arab Emirates | 132 | 132 | 1.9 | 4 | Tons | 33,000 | 22 | -15 | 66 |
| Germany | 123 | -3,044 | 1.7 | 2 | Tons | 61,500 | 9 | -17 | 460 |
| Russian Federation | 121 | 121 | 1.7 | 10 | Tons | 12,100 | -19 | -34 | 29 |
| Chile | 113 | 113 | 1.6 | 2 | Tons | 56,500 | 5 | -31 | 201 |
| Viet Nam | 112 | 104 | 1.6 | 8 | Tons | 14,000 | 13 | 0 | 20 |

*Sources: ITC calculations based on Korea Customs and Trade Development Institute (KCTDI) statistics.*

However, exports show different data. The US is ahead on the ranking with almost 30% of total exports, and Japan is second with over 17%. The rest of the exports is divided among the rest of the countries. Here we see China, France and India gathering more than 4% of total exports. However, Denmark and Spain have no relevant data in this matter.

As for products under the code 321310 Sets of artist's, student's or signboard painter's colours, modifying tints, amusement colours and the like, in tablets, tubes, jars, bottles, pans or similar packages, imports are as follow:

*Sources: ITC calculations based on Korea Customs and Trade Development Institute (KCTDI)*

| Exporters | Value imported in 2021 (USD thousand) | Trade balance 2021 (USD thousand) | Share in Korea, Republic of's imports (%) | Quantity imported in 2021 | Quantity unit | Unit value (USD/unit) | Growth in imported value between 2017-2021 (%, p.a.) | Growth in imported quantity between 2017-2021 (%, p.a.) | Growth in imported value between 2020-2021 (%, p.a.) |
|---|---|---|---|---|---|---|---|---|---|
| World | 6,084 | 473 | 100 | 902 | Tons | 6,745 | 25 | 29 | 24 |
| China | 3,890 | -2,430 | 63.9 | 811 | Tons | 4,797 | 29 | 33 | 15 |
| Japan | 826 | 1,167 | 13.6 | 17 | Tons | 48,588 | 18 | 5 | 47 |
| France | 552 | -536 | 9.1 | 35 | Tons | 15,771 | 187 | 73 | 160 |
| Italy | 205 | -198 | 3.4 | 18 | Tons | 11,389 | 6 | 3 | -43 |
| Germany | 188 | 11 | 3.1 | 7 | Tons | 26,857 | 8 | 0 | 57 |
| United States of America | 91 | 317 | 1.5 | 2 | Tons | 45,500 | -27 | -50 | 42 |
| Spain | 70 | -40 | 1.2 | 3 | Tons | 23,333 | 292 | | 22 |
| Russian Federation | 50 | 172 | 0.8 | 1 | Tons | 50,000 | | | -11 |
| Netherlands | 44 | -44 | 0.7 | 1 | Tons | 44,000 | 3 | | 18 |

*statistics.*

As we can see, Korea's main providers are both neighbouring countries: China (63,9% of the market share) and Japan (13,6%). After those, it is important to underline that the third main provider is France (9,1% of total imports). Spain only reaches 1,20% of them, but it is still ahead of Denmark, which is further down in the ranking.

And as for exportations:

| Importers | Value exported in 2021 (USD thousand) | Trade balance 2021 (USD thousand) | Share in Korea, Republic of's exports (%) | Quantity exported in 2021 | Quantity unit | Unit value (USD/unit) | Growth in exported value between 2017-2021 (%, p.a.) | Growth in exported quantity between 2017-2021 (%, p.a.) | Growth in exported value between 2020-2021 (%, p.a.) |
|---|---|---|---|---|---|---|---|---|---|
| World | 6,557 | 473 | 100 | 601 | Tons | 10,910 | 10 | 2 | 9 |
| Japan | 1,993 | 1,167 | 30.4 | 147 | Tons | 13,558 | 40 | 18 | 49 |
| China | 1,460 | -2,430 | 22.3 | 146 | Tons | 10,000 | 37 | 34 | 27 |
| United States of America | 408 | 317 | 6.2 | 32 | Tons | 12,750 | -9 | 7 | -65 |
| Taipei, Chinese | 342 | 342 | 5.2 | 28 | Tons | 12,214 | -17 | -18 | 37 |
| Viet Nam | 240 | 203 | 3.7 | 58 | Tons | 4,138 | 25 | 22 | 50 |
| Czech Republic | 229 | 229 | 3.5 | 25 | Tons | 9,160 | 23 | 18 | 153 |

*Sources: ITC calculations based on Korea Customs and Trade Development Institute (KCTDI) statistics.*

Exports coming from Korea are mostly addressed to markets like the Japanese (30,40%) or the Chinese (22,30%). The rest of the exports are divided among other countries. However, neither France, Denmark nor Spain show significant figures.

## 5.2. APPAREL MARKET

On the one hand, regarding the importations for products under tariff code (T.C.) 61: "Articles of apparel and clothing accessories, knitted or crocheted":

| Exporters | Value imported in 2021 (USD thousand) | Trade balance 2021 (USD thousand) | Share in Corea, República de's imports (%) | Growth in imported value between 2017-2021 (%, p.a.) | Growth in imported value between 2020-2021 (%, p.a.) |
|---|---|---|---|---|---|
| World | 4,382,114 | -3,471,212 | 100 | 7 | 19 |
| China | 1,594,405 | -1,406,616 | 36.4 | 5 | 33 |
| Viet Nam | 1,214,836 | -1,177,882 | 27.7 | 8 | 7 |
| Italy | 290,407 | -282,054 | 6.6 | 17 | 37 |
| Bangladesh | 252,259 | -252,166 | 5.8 | 20 | 34 |
| Indonesia | 207,228 | -191,632 | 4.7 | -4 | -4 |
| Portugal | 127,290 | -127,259 | 2.9 | 30 | 39 |

*Sources: ITC calculations based on Korea Customs and Trade Development Institute (KCTDI) statistics.*

It is seen that the largest exporter to South Korea is China. Their exportations, valued at over 1,5 billion USD, represent 36,40% of total imports. But Vietnam and Italy also have a good part of the exports made to this country.

On the other hand, Spain only has 0,2% of share in Korea's imports, but it is remarkable that Spain's Growth in imported value between 2020-2021 has been 51%. Denmark and France are further down in the list.

On the other hand, regarding the exports in this matter:

| Importers | Value exported in 2021 (USD thousand) | Trade balance 2021 (USD thousand) | Share in Korea, Republic of's exports (%) | Growth in exported value between 2017-2021 (%, p.a.) | Growth in exported value between 2020-2021 (%, p.a.) |
|---|---|---|---|---|---|
| World | 910,902 | -3,471,212 | 100 | 0 | 19 |
| Japan | 233,813 | 195,299 | 25.7 | -1 | -3 |
| United States of America | 198,504 | 176,201 | 21.8 | -4 | 38 |
| China | 187,789 | -1,406,616 | 20.6 | 9 | 50 |
| Hong Kong, China | 47,776 | 45,547 | 5.2 | 16 | 1 |
| Viet Nam | 36,954 | -1,177,882 | 4.1 | -4 | 19 |
| Taipei, Chinese | 31,177 | 20,631 | 3.4 | 8 | 10 |
| Canada | 16,620 | 13,819 | 1.8 | -5 | 37 |
| Indonesia | 15,596 | -191,632 | 1.7 | -12 | 20 |
| Germany | 15,163 | 10,746 | 1.7 | -7 | 1 |
| United Kingdom | 12,143 | -8,343 | 1.3 | -4 | 18 |
| France | 11,088 | -6,766 | 1.2 | -10 | -11 |
| Belgium | 9,822 | 8,992 | 1.1 | -17 | -11 |
| Italy | 8,353 | -282,054 | 0.9 | 10 | 34 |
| Myanmar | 7,892 | -53,472 | 0.9 | 71 | 235 |

*Sources: ITC calculations based on Korea Customs and Trade Development Institute (KCTDI) statistics.*

It is seen that the principal markets where Korean products are addressed are Japan, the US and China, gathering more than 60% of the total exports. France collects 1,20% of them and neither Denmark nor Spain have significant importance in this classification.

To be more exact, for products under the code 6111 Babies' garments and clothing accessories, knitted or crocheted (excluding hats), imports are as shown below:

| Exporters | Value imported in 2021 (USD thousand) | Trade balance 2021 (USD thousand) | Share in Korea, Republic of's imports (%) | Quantity imported in 2021 | Quantity unit | Unit value (USD/unit) | Growth in imported value between 2017-2021 (%, p.a.) | Growth in imported quantity between 2017-2021 (%, p.a.) | Growth in imported value between 2020-2021 (%, p.a.) |
|---|---|---|---|---|---|---|---|---|---|
| World | 40,165 | -33,667 | 100 | 1,361 | Tons | 29,511 | -9 | -12 | 36 |
| Viet Nam | 16,409 | -16,149 | 40.9 | 716 | Tons | 22,918 | -2 | -5 | 62 |
| China | 13,733 | -12,699 | 34.2 | 444 | Tons | 30,930 | -15 | -18 | 14 |
| India | 2,278 | -2,275 | 5.7 | 8 | Tons | 284,750 | 28 | -8 | 617 |
| Indonesia | 1,487 | -1,408 | 3.7 | 48 | Tons | 30,979 | -26 | -33 | 49 |
| Bangladesh | 1,198 | -1,198 | 3 | 48 | Tons | 24,958 | -1 | 0 | 29 |
| Philippines | 985 | -985 | 2.5 | 35 | Tons | 28,143 | 9 | -4 | -40 |
| Cambodia | 808 | -808 | 2 | 17 | Tons | 47,529 | 10 | -1 | 7 |
| Portugal | 782 | -782 | 1.9 | 8 | Tons | 97,750 | 7 | 3 | 23 |
| Spain | 427 | -413 | 1.1 | 4 | Tons | 106,750 | 0 | 0 | 49 |

*Sources: ITC calculations based on Korea Customs and Trade Development Institute (KCTDI) statistics*

Korea's main providers are Vietnam (40,9% of total imports are provided by Vietnam) and China (34,2%). The first European country to provide these products is Portugal, which provided 8 tons in 2021, and Spain (4 tons, equal to 427 thousand USD). On the other hand, France just holds a share of 0,1% and Denmark did not export this kind of product to South Korea.

And as for exports:

| Importers | Value exported in 2021 (USD thousand) | Trade balance 2021 (USD thousand) | Share in Korea, Republic of's exports (%) | Quantity exported in 2021 | Quantity unit | Unit value (USD/unit) | Growth in exported value between 2017-2021 (%, p.a.) | Growth in exported quantity between 2017-2021 (%, p.a.) | Growth in exported value between 2020-2021 (%, p.a.) |
|---|---|---|---|---|---|---|---|---|---|
| World | 6,498 | -33,667 | 100 | 165 | Tons | 39,382 | -21 | -26 | -18 |
| United States of America | 2,025 | 1,937 | 31.2 | 60 | Tons | 33,750 | -8 | -7 | -26 |
| China | 1,034 | -12,699 | 15.9 | 12 | Tons | 86,167 | 5 | -19 | 24 |
| United Arab Emirates | 528 | 528 | 8.1 | 14 | Tons | 37,714 | -45 | -48 | -52 |
| Sweden | 434 | 428 | 6.7 | 11 | Tons | 39,455 | -19 | -21 | 50 |
| Taipei, Chinese | 325 | 255 | 5 | 4 | Tons | 81,250 | 22 | 8 | -44 |
| Hong Kong, China | 279 | 274 | 4.3 | 4 | Tons | 69,750 | -1 | -3 | -18 |
| Canada | 265 | 264 | 4.1 | 6 | Tons | 44,167 | 6 | -2 | -5 |
| Viet Nam | 260 | -16,149 | 4 | 15 | Tons | 17,333 | 73 | 92 | -50 |

*Sources: ITC calculations based on Korea Customs and Trade Development Institute (KCTDI) statistics*

Korea's destinations are varied (US, China, United Arab Emirates and Sweden). In 2021, exports value was worth 6.498 thousand USD. France and Spain, each one holds 0,2% Share in Korea's exports, and Korea did not export any of this product to Denmark.

Regarding the importations for products under tariff code (T.C.) 62: "Articles of apparel and clothing accessories, not knitted or crocheted":

| Exporters | Value imported in 2021 (USD thousand) | Trade balance 2021 (USD thousand) | Share in Corea, República de's imports (%) | Growth in imported value between 2017-2021 (%, p.a.) | Growth in imported value between 2020-2021 (%, p.a.) |
|---|---|---|---|---|---|
| World | 6,151,644 | -5,099,829 | 100 | 0 | 14 |
| Viet Nam | 2,079,830 | -1,728,139 | 33.8 | -1 | 8 |
| China | 1,947,327 | -1,636,348 | 31.7 | -4 | 17 |
| Italy | 461,354 | -453,688 | 7.5 | 11 | 31 |
| Indonesia | 299,513 | -245,717 | 4.9 | -3 | 0 |
| Myanmar | 258,335 | -241,358 | 4.2 | -6 | 5 |
| Bangladesh | 192,923 | -190,898 | 3.1 | 14 | 43 |

*Sources: ITC calculations based on Korea Customs and Trade Development Institute (KCTDI) statistics.*

It is seen that the largest exporters to South Korea are Vietnam and China, their imports represent 64,7% of total imports. Italy has a representative participation in the imports being the main European exporter to this country of this kind of product. France holds a share of 1,2% in Korea's exports, being the 8th country with most exports to Korea. Spain just holds 0,1% of share in the Korea's exports. While Denmark has no relevant participation.

## 5.3. FOOTWEAR MARKET

Regarding the importations[29] for products under tariff code (T.C.) 64: "Footwear, gaiters and the like; parts of such articles":

| Exporters | Value imported in 2021 (USD thousand) | Trade balance 2021 (USD thousand) | Share in Corea, República de's imports (%) | Growth in imported value between 2017-2021 (%, p.a.) | Growth in imported value between 2020-2021 (%, p.a.) |
|---|---|---|---|---|---|
| World | 3,421,004 | -2,983,368 | 100 | 4 | 11 |
| China | 1,194,993 | -1,063,947 | 34.9 | 0 | 23 |
| Viet Nam | 975,126 | -903,788 | 28.5 | 5 | -4 |
| Italy | 564,835 | -560,495 | 16.5 | 14 | 14 |
| Indonesia | 363,553 | -327,740 | 10.6 | 1 | 25 |
| Cambodia | 54,130 | -46,926 | 1.6 | 22 | 13 |
| United States of America | 31,585 | 37,235 | 0.9 | 8 | 44 |
| India | 28,030 | -27,840 | 0.8 | -10 | -6 |
| Spain | 22,112 | -21,350 | 0.6 | -4 | 29 |

*Sources: ITC calculations based on Korea Customs and Trade Development Institute (KCTDI) statistics.*

China and Vietnam have the biggest participation in the imports made by Korea, followed by Italy and Indonesia, these countries together represent more than 90% of the imports. Spain only represents 0,6% of total imports but is the 8th country with highest participation. France and Denmark are behind these figures. Denmark and France are further down in the list.

| Importers | Value exported in 2021 (USD thousand) | Trade balance 2021 (USD thousand) | Share in Corea, República de's exports (%) | Growth in exported value between 2017-2021 (%, p.a.) | Growth in exported value between 2020-2021 (%, p.a.) |
|---|---|---|---|---|---|
| World | 437,636 | -2,983,368 | 100 | -4 | 7 |
| China | 131,046 | -1,063,947 | 29.9 | 2 | 1 |
| Viet Nam | 71,338 | -903,788 | 16.3 | -13 | -2 |
| United States of America | 68,820 | 37,235 | 15.7 | 9 | 43 |
| Japan | 38,590 | 29,025 | 8.8 | -14 | -8 |
| Indonesia | 35,813 | -327,740 | 8.2 | -6 | 22 |
| Hong Kong, China | 21,152 | 20,370 | 4.8 | 20 | 10 |
| Cambodia | 7,204 | -46,926 | 1.6 | 10 | 28 |
| Taipei, Chinese | 6,534 | 5,671 | 1.5 | 40 | -25 |

*Sources: ITC calculations based on Korea Customs and Trade Development Institute (KCTDI) statistics.*

The exports in this same category are mainly to China, Vietnam and USA, these exports represent 0.3% of world exports for this product, its ranking

[29] https://www.trademap.org/Country_SelProductCountry.aspx?nvpm=1%7c152%7c%7c%7c%7c64%7c%7c%7c2%7c1%7c1%7c1%7c1%7c1%7c2%7c1%7c1%7c1

in world exports is number 35. But comparing this number with the number of imports it is very little, being the imports more than 7 times larger than exports. None of Spain, Denmark nor France have significant numbers in this section.

Under the tariff code 6402, concerning "Footwear with outer soles and uppers of rubber or plastics (excluding waterproof footwear of heading 6401, orthopaedic footwear, skating boots with ice or roller skates attached, and toy footwear)".

| Exporters | Value imported in 2021 (USD thousand) | Trade balance 2021 (USD thousand) | Share in Korea, Republic of's imports (%) | Quantity imported in 2021 | Quantity unit | Unit value (USD/unit) | Growth in imported value between 2017-2021 (%, p.a.) | Growth in imported quantity between 2017-2021 (%, p.a.) | Growth in imported value between 2020-2021 (%, p.a.) |
|---|---|---|---|---|---|---|---|---|---|
| World | 788,777 | -736,430 | 100 | 47,155 | Tons | 16,727 | 3 | 0 | 10 |
| China | 434,224 | -405,909 | 55.1 | 35,899 | Tons | 12,096 | 0 | -2 | 22 |
| Viet Nam | 229,397 | -228,036 | 29.1 | 8,072 | Tons | 28,419 | 11 | 12 | -5 |
| Indonesia | 52,063 | -51,548 | 6.6 | 1,460 | Tons | 35,660 | -6 | -4 | 11 |
| Italy | 21,891 | -21,852 | 2.8 | 85 | Tons | 257,541 | 24 | -1 | 50 |
| Cambodia | 12,599 | -12,550 | 1.6 | 528 | Tons | 23,862 | 35 | 45 | 120 |
| India | 6,325 | -6,310 | 0.8 | 310 | Tons | 20,403 | 45 | 61 | -55 |
| Germany | 6,221 | -6,046 | 0.8 | 137 | Tons | 45,409 | 4 | -14 | -31 |
| Bangladesh | 5,728 | -5,725 | 0.7 | 183 | Tons | 31,301 | 99 | 75 | 58 |
| Brazil | 4,799 | -4,795 | 0.6 | 185 | Tons | 25,941 | 12 | 14 | 0 |
| Bosnia and Herzegovina | 3,560 | -3,560 | 0.5 | 10 | Tons | 356,000 | 20 | 7 | -28 |
| United States of America | 2,016 | 5,708 | 0.3 | 23 | Tons | 87,652 | 0 | -1 | 59 |
| Japan | 1,667 | 3,274 | 0.2 | 23 | Tons | 72,478 | -6 | -21 | -11 |
| Myanmar | 1,388 | -1,384 | 0.2 | 39 | Tons | 35,590 | 21 | -2 | -64 |
| Romania | 1,335 | -1,335 | 0.2 | 29 | Tons | 46,034 | -4 | -16 | -5 |
| Spain | 894 | -886 | 0.1 | 26 | Tons | 34,385 | -21 | -26 | 0 |
| Morocco | 785 | -785 | 0.1 | 41 | Tons | 19,146 | 200 | | 389 |
| Thailand | 566 | 728 | 0.1 | 25 | Tons | 22,640 | -31 | -31 | -40 |
| France | 481 | -461 | 0.1 | 8 | Tons | 60,125 | 25 | 15 | 112 |

*Sources: ITC calculations based on Korea Customs and Trade Development Institute (KCTDI) statistics.*

This is a 778 million USD worth market headered by China, who produces more than 55% of the goods under this tariff code that South Korea imports. It is followed by Vietnam, who is the second largest producer in this matter (29,20%). There are no other large exporters to South Korea, hence the rest of the market is very segmented among different countries. Actually, only 3 countries are between 7% and 1% of total imports (Italy, Cambodia and India).

The rest of them gather a minimum share, as it is the case with Spain (894 000 USD in 2021) or France (481 000 USD). Denmark is further down in the ranking.

| Importers | Value exported in 2021 (USD thousand) | Trade balance 2021 (USD thousand) | Share in Korea, Republic of's exports (%) | Quantity exported in 2021 | Quantity unit | Unit value (USD/unit) | Growth in exported value between 2017-2021 (%, p.a.) | Growth in exported quantity between 2017-2021 (%, p.a.) | Growth in exported value between 2020-2021 (%, p.a.) |
|---|---|---|---|---|---|---|---|---|---|
| World | 52,347 | -736,430 | 100 | 1,545 | Tons | 33,882 | 10 | -10 | 26 |
| China | 28,315 | -405,909 | 54.1 | 449 | Tons | 63,062 | 16 | 19 | 19 |
| United States of America | 7,724 | 5,708 | 14.8 | 310 | Tons | 24,916 | 12 | 8 | 155 |
| Japan | 4,941 | 3,274 | 9.4 | 182 | Tons | 27,148 | -5 | 1 | -2 |
| Hong Kong, China | 3,352 | 3,340 | 6.4 | 126 | Tons | 26,603 | 71 | 47 | 121 |
| Taipei, Chinese | 1,578 | 1,556 | 3 | 46 | Tons | 34,304 | 46 | 28 | -33 |
| Viet Nam | 1,361 | -228,036 | 2.6 | 51 | Tons | 26,686 | 24 | -2 | 1 |
| Thailand | 1,294 | 728 | 2.5 | 50 | Tons | 25,880 | -10 | -57 | 5 |
| Singapore | 936 | 902 | 1.8 | 43 | Tons | 21,767 | 26 | 29 | 40 |
| Indonesia | 515 | -51,548 | 1 | 14 | Tons | 36,786 | 100 | 113 | -41 |
| Malaysia | 333 | 165 | 0.6 | 14 | Tons | 23,786 | 8 | 3 | 14 |
| Macao, China | 289 | 289 | 0.6 | 5 | Tons | 57,800 | 158 | 57 | 53 |
| Lao People's Democratic Republic | 243 | 172 | 0.5 | 118 | Tons | 2,059 | | | |
| Australia | 214 | 163 | 0.4 | 12 | Tons | 17,833 | 5 | 10 | 30 |
| Germany | 175 | -6,046 | 0.3 | 5 | Tons | 35,000 | -58 | -67 | 196 |

*Sources: ITC calculations based on Korea Customs and Trade Development Institute (KCTDI) statistics.*

When it comes to exports, China is again in the top of the ranking, receiving 54,10% of total Korean exports. The US collects almost 15% of them and Japan nearly reaches 9,50% of the total. None of the countries we are interested in gather any significant value in this category.

Following the tariff code 6403, concerning "Footwear with outer soles of rubber, plastics, leather or composition leather and uppers of leather (excluding orthopaedic footwear, skating boots with ice or roller skates attached, and toy footwear)"

| Exporters | Value imported in 2021 (USD thousand) | Trade balance 2021 (USD thousand) | Share in Korea, Republic of's imports (%) | Quantity imported in 2021 | Quantity unit | Unit value (USD/unit) | Growth in imported value between 2017-2021 (%, p.a.) | Growth in imported quantity between 2017-2021 (%, p.a.) | Growth in imported value between 2020-2021 (%, p.a.) |
|---|---|---|---|---|---|---|---|---|---|
| World | 1,276,772 | -1,205,389 | 100 | 26,355 | Tons | 48,445 | 6 | 2 | 15 |
| Italy | 395,919 | -393,792 | 31 | 1,339 | Tons | 295,683 | 10 | -1 | 12 |
| China | 292,507 | -268,365 | 22.9 | 10,638 | Tons | 27,496 | 6 | 6 | 39 |
| Viet Nam | 258,270 | -257,968 | 20.2 | 6,249 | Tons | 41,330 | 6 | 3 | 3 |
| Indonesia | 169,975 | -169,939 | 13.3 | 4,632 | Tons | 36,696 | 4 | 1 | 19 |
| Cambodia | 27,135 | -27,120 | 2.1 | 1,094 | Tons | 24,803 | 12 | 6 | -13 |
| India | 19,911 | -19,888 | 1.6 | 531 | Tons | 37,497 | -16 | -19 | 68 |
| Portugal | 16,699 | -16,693 | 1.3 | 167 | Tons | 99,994 | 2 | -2 | 7 |
| Thailand | 14,602 | -14,343 | 1.1 | 301 | Tons | 48,512 | -3 | -9 | -2 |
| United States of America | 11,984 | -4,465 | 0.9 | 129 | Tons | 92,899 | 5 | 0 | 13 |
| Spain | 11,667 | -11,466 | 0.9 | 108 | Tons | 108,028 | -7 | -13 | 19 |
| Bangladesh | 8,321 | -8,319 | 0.7 | 214 | Tons | 38,883 | 32 | 15 | 55 |
| Germany | 6,569 | -3,662 | 0.5 | 91 | Tons | 72,187 | -19 | -28 | 35 |
| France | 5,783 | -5,584 | 0.5 | 33 | Tons | 175,242 | -3 | -11 | 18 |
| Philippines | 4,968 | -4,759 | 0.4 | 217 | Tons | 22,894 | 40 | 36 | -13 |

*Sources: ITC calculations based on Korea Customs and Trade Development Institute (KCTDI) statistics.*

The biggest exporter to Korea of this product is Italy, which accounts 31% of the total Korean imports. In this market of more than a billion USD worth, China and Vietnam are following the list with more than 20% of the overall imports each. In order to find a European country, we must look up to Portugal, where 1,30% of total imports are produced. Spain is the origin of 0,90% of them, whilst France is for 0,50% and Denmark does not show large enough figures to be mentioned.

| Importers | Value exported in 2021 (USD thousand) | Trade balance 2021 (USD thousand) | Share in Korea, Republic of's exports (%) | Quantity exported in 2021 | Quantity unit | Unit value (USD/unit) | Growth in exported value between 2017-2021 (%, p.a.) | Growth in exported quantity between 2017-2021 (%, p.a.) | Growth in exported value between 2020-2021 (%, p.a.) |
|---|---|---|---|---|---|---|---|---|---|
| World | 71,383 | -1,205,389 | 100 | 1,380 | Tons | 51,727 | -2 | -5 | -5 |
| China | 24,142 | -268,365 | 33.8 | 408 | Tons | 59,172 | 24 | 10 | -2 |
| Japan | 12,789 | 10,586 | 17.9 | 200 | Tons | 63,945 | -25 | -20 | -13 |
| Hong Kong, China | 10,703 | 10,396 | 15 | 132 | Tons | 81,083 | 48 | 22 | 25 |
| United States of America | 7,519 | -4,465 | 10.5 | 176 | Tons | 42,722 | 12 | 7 | -20 |
| Germany | 2,907 | -3,662 | 4.1 | 63 | Tons | 46,143 | -5 | -5 | -4 |
| Italy | 2,127 | -393,792 | 3 | 16 | Tons | 132,938 | 4 | 3 | 4 |
| Canada | 1,624 | 1,466 | 2.3 | 40 | Tons | 40,600 | 23 | 14 | 36 |
| United Kingdom | 1,487 | -3,226 | 2.1 | 22 | Tons | 67,591 | -18 | -30 | -8 |
| Russian Federation | 938 | 843 | 1.3 | 5 | Tons | 187,600 | 63 | 11 | 96 |
| Sweden | 908 | 799 | 1.3 | 24 | Tons | 37,833 | 9 | 7 | -19 |
| Taipei, Chinese | 808 | 763 | 1.1 | 21 | Tons | 38,476 | 27 | 15 | -47 |
| Netherlands | 645 | 332 | 0.9 | 19 | Tons | 33,947 | -4 | -12 | 121 |
| Switzerland | 525 | -1,654 | 0.7 | 7 | Tons | 75,000 | -5 | -4 | 18 |
| Australia | 409 | 241 | 0.6 | 2 | Tons | 204,500 | 20 | -8 | 58 |
| Denmark | 364 | 182 | 0.5 | 11 | Tons | 33,091 | -43 | -47 | 73 |

*Sources: ITC calculations based on Korea Customs and Trade Development Institute (KCTDI) statistics.*

When talking about exports, the 71 million USD worth market is headered by China (33,80% of total exports are addressed to this country), followed by the Japanese market (17,90%) and Hong Kong. Denmark only reaches 0,50% of total exports. However, is ahead of both Spain and France, which collect 0,30% of total exports each.

## 5.4. FOOD

Products under tariff code (T.C.) 19: "Preparations of cereals, flour, starch or milk; pastrycooks' products"

As for imports, data is reflected on the next graph:

| Exporters | Value imported in 2021 (USD thousand) | Trade balance 2021 (USD thousand) | Share in Korea, Republic of's imports (%) | Growth in imported value between 2017-2021 (%, p.a.) | Growth in imported value between 2020-2021 (%, p.a.) |
|---|---|---|---|---|---|
| World | 943,259 | 709,550 | 100 | 6 | 18 |
| China | 208,215 | 134,519 | 22.1 | 8 | 22 |
| United States of America | 112,697 | 232,688 | 11.9 | 3 | 14 |
| France | 72,839 | -62,463 | 7.7 | 13 | 78 |
| Germany | 68,472 | -44,040 | 7.3 | 6 | 13 |
| Malaysia | 61,989 | -18,940 | 6.6 | -2 | -5 |
| Italy | 58,920 | -54,363 | 6.2 | 6 | 13 |
| Viet Nam | 45,850 | 29,891 | 4.9 | 11 | 26 |
| Indonesia | 33,533 | -9,925 | 3.6 | 5 | 9 |
| Thailand | 30,875 | 13,270 | 3.3 | 4 | 26 |
| Japan | 29,142 | 129,235 | 3.1 | -16 | 51 |
| Belgium | 28,448 | -26,588 | 3 | 17 | 36 |
| New Zealand | 25,994 | -12,023 | 2.8 | 12 | 9 |

*Sources: ITC calculations based on Korea Customs and Trade Development Institute (KCTDI) statistics.*

Its largest exporter is China (22,1% of imports), followed by the U.S. (11,9%). Also, France (7,7%) and Germany (7,3%) have a representative participation in the imports of this kind of product. Spain has a share of 1,3% and Denmark only has a 0,6% of participation in the imports of Korea.

And regarding exports:

| Importers | Value exported in 2021 (USD thousand) | Trade balance 2021 (USD thousand) | Share in Korea, Republic of's exports (%) | Growth in exported value between 2017-2021 (%, p.a.) | Growth in exported value between 2020-2021 (%, p.a.) |
|---|---|---|---|---|---|
| World | 1,652,809 | 709,550 | 100 | 15 | 17 |
| United States of America | 345,385 | 232,688 | 20.9 | 20 | 9 |
| China | 342,734 | 134,519 | 20.7 | 10 | 19 |
| Japan | 158,377 | 129,235 | 9.6 | 21 | 23 |
| Viet Nam | 75,741 | 29,891 | 4.6 | 19 | 20 |
| Taipei, Chinese | 70,488 | 47,701 | 4.3 | 13 | 22 |
| Hong Kong, China | 64,700 | 59,375 | 3.9 | 11 | -1 |
| Australia | 58,976 | 50,387 | 3.6 | 8 | 2 |
| Philippines | 52,203 | 47,273 | 3.2 | 15 | 14 |
| Thailand | 44,145 | 13,270 | 2.7 | 16 | 25 |
| Malaysia | 43,049 | -18,940 | 2.6 | 11 | 31 |
| Canada | 40,633 | 34,983 | 2.5 | 12 | 1 |
| Netherlands | 33,292 | 7,343 | 2 | 31 | 50 |

*Sources: ITC calculations based on Korea Customs and Trade Development Institute (KCTDI) statistics.*

When talking about exports, the U.S. and China are the countries where more South Korean products are addressed (20,9% and 20,7%). Neither Spain, France or Denmark qualify into the top 24 countries in this category.

Regarding the importations for products under tariff code (T.C.) 21: "Miscellaneous edible preparations":

| Exporters | Value imported in 2021 (USD thousand) | Trade balance 2021 (USD thousand) | Share in Korea, Republic of's imports (%) | Growth in imported value between 2017-2021 (%, p.a.) | Growth in imported value between 2020-2021 (%, p.a.) |
|---|---|---|---|---|---|
| World | 2,812,154 | -1,347,239 | 100 | 15 | 14 |
| United States of America | 1,363,356 | -1,165,109 | 48.5 | 15 | 13 |
| China | 223,507 | 29,104 | 7.9 | 10 | 19 |
| Germany | 214,168 | -206,589 | 7.6 | 52 | 32 |
| Japan | 116,956 | 58,219 | 4.2 | 1 | 14 |
| New Zealand | 109,575 | -102,597 | 3.9 | 4 | 6 |
| Canada | 102,159 | -70,001 | 3.6 | 18 | 6 |
| Australia | 78,749 | -45,547 | 2.8 | 12 | 5 |
| Thailand | 64,169 | -29,040 | 2.3 | 16 | 21 |
| Singapore | 60,643 | -14,782 | 2.2 | 19 | 12 |

*Sources: ITC calculations based on Korea Customs and Trade Development Institute (KCTDI) statistics.*

South Korea's imports represent 2,9% of world's imports of this product. Its main exporter is the U.S (48,5% of imports). The only European country with significant presence in this category is Germany, gathering 7,6% of South Korea's imports, ahead of Japan and New Zealand. Spain does not show relevant data, such as France or Denmark.

| Importers | Value exported in 2021 (USD thousand) | Trade balance 2021 (USD thousand) | Share in Korea, Republic of's exports (%) | Growth in exported value between 2017-2021 (%, p.a.) | Growth in exported value between 2020-2021 (%, p.a.) |
|---|---|---|---|---|---|
| World | 1,464,915 | -1,347,239 | 100 | 2 | 18 |
| China | 252,611 | 29,104 | 17.2 | 7 | 17 |
| United States of America | 198,247 | -1,165,109 | 13.5 | 0 | 8 |
| Japan | 175,175 | 58,219 | 12 | -9 | 18 |
| Viet Nam | 99,173 | 70,914 | 6.8 | 24 | 25 |
| Russian Federation | 91,383 | 90,934 | 6.2 | 0 | 36 |
| Indonesia | 70,170 | 64,233 | 4.8 | 2 | 44 |
| Taipei, Chinese | 64,631 | 11,470 | 4.4 | -3 | 19 |
| Hong Kong, China | 60,649 | 37,543 | 4.1 | 1 | 30 |
| Malaysia | 56,645 | 16,809 | 3.9 | 21 | 75 |
| Singapore | 45,861 | -14,782 | 3.1 | 20 | 8 |
| Philippines | 45,266 | 43,914 | 3.1 | 0 | 3 |
| Thailand | 35,129 | -29,040 | 2.4 | 19 | 21 |

*Sources: ITC calculations based on Korea Customs and Trade Development Institute (KCTDI) statistics.*

When talking about exports, China is the country where more South Korean products are addressed (17,20%), ahead of the USA (13,50%) and Japan (12%). They do not export large quantities to Europe, therefore neither Spain, Denmark nor France are in the list.

## 5.5. FURNITURE & LINENS

For products under the code 6301 Blankets and travelling rugs of all types of textile materials (excluding table covers, bedspreads ...), imports are shown below:

| Exporters | Value imported in 2021 (USD thousand) | Trade balance 2021 (USD thousand) | Share in Korea, Republic of's imports (%) | Quantity imported in 2021 | Quantity unit | Unit value (USD/unit) | Growth in imported value between 2017-2021 (%, p.a.) | Growth in imported quantity between 2017-2021 (%, p.a.) | Growth in imported value between 2020-2021 (%, p.a.) |
|---|---|---|---|---|---|---|---|---|---|
| World | 41,189 | -22,775 | 100 | 6,556 | Tons | 6,283 | 4 | 0 | 40 |
| China | 34,358 | -34,089 | 83.4 | 6,264 | Tons | 5,485 | 3 | 0 | 44 |
| Italy | 1,550 | -1,541 | 3.8 | 25 | Tons | 62,000 | 29 | 35 | 57 |
| Viet Nam | 1,284 | -655 | 3.1 | 92 | Tons | 13,957 | 60 | 44 | -13 |
| United Kingdom | 807 | -799 | 2 | 3 | Tons | 269,000 | 21 | 1 | 66 |
| India | 727 | -360 | 1.8 | 65 | Tons | 11,185 | 12 | 6 | 4 |
| United States of America | 711 | 968 | 1.7 | 22 | Tons | 32,318 | 0 | -1 | 40 |
| Latvia | 643 | -643 | 1.6 | 22 | Tons | 29,227 | 159 | 146 | 36 |
| Indonesia | 280 | -267 | 0.7 | 21 | Tons | 13,333 | 36 | 89 | 449 |
| Japan | 195 | 957 | 0.5 | 24 | Tons | 8,125 | -16 | -1 | 118 |
| Nepal | 63 | -34 | 0.2 | 0 | Tons |  | 16 |  | 39 |
| Germany | 58 | -16 | 0.1 | 1 | Tons | 58,000 | -26 | -29 | 5 |

*Sources: ITC calculations based on Korea Customs and Trade Development Institute (KCTDI) statistics*

Their main provider is by far China (83,4% of the total). This being said, there is also a large number of European countries that export these products, since Italy was the second biggest provider (3,8%). France and Spain have each one a little share of 0,1%, while Denmark did not export this kind of product to South Korea.

And as for exports:

| Importers | Value exported in 2021 (USD thousand) | Trade balance 2021 (USD thousand) | Share in Korea, Republic of's exports (%) | Quantity exported in 2021 | Quantity unit | Unit value (USD/unit) | Growth in exported value between 2017-2021 (%, p.a.) | Growth in exported quantity between 2017-2021 (%, p.a.) | Growth in exported value between 2020-2021 (%, p.a.) |
|---|---|---|---|---|---|---|---|---|---|
| World | 18,414 | -22,775 | 100 | 7,307 | Tons | 2,520 | -10 | -6 | 74 |
| Saudi Arabia | 6,341 | 6,341 | 34.4 | 1,494 | Tons | 4,244 | -4 | -11 | 43 |
| Philippines | 5,486 | 5,478 | 29.8 | 4,891 | Tons | 1,122 | 7 | 2 | 150 |
| United States of America | 1,679 | 968 | 9.1 | 113 | Tons | 14,858 | 16 | 6 | 17 |
| Japan | 1,152 | 957 | 6.3 | 39 | Tons | 29,538 | 25 | 13 | 99 |
| Taipei, Chinese | 774 | 768 | 4.2 | 139 | Tons | 5,568 | -4 | -4 | 238 |
| Viet Nam | 629 | -655 | 3.4 | 58 | Tons | 10,845 | 60 | 57 | 162 |
| United Arab Emirates | 462 | 462 | 2.5 | 64 | Tons | 7,219 | -56 | -57 | 65 |
| India | 367 | -360 | 2 | 254 | Tons | 1,445 | -9 | 55 | |
| China | 269 | -34,089 | 1.5 | 22 | Tons | 12,227 | -26 | -12 | 50 |

*Sources: ITC calculations based on Korea Customs and Trade Development Institute (KCTDI) statistics*

Korea's main destination was Arabia Saudi and Philippines. In total, the country exported 18.414 thousand USD worth of product, the equivalent to 7.307 tons. Exports addressed to Denmark, Spain or France are under 1% of the total exports.

As for the products under the code 6302 Bedlinen, table linen, toilet linen and kitchen linen of all types of textile materials (excluding floorcloths, polishing cloths, dishcloths and dusters), imports are as follows:

| Exporters | Value imported in 2021 (USD thousand) | Trade balance 2021 (USD thousand) | Share in Korea, Republic of's imports (%) | Quantity imported in 2021 | Quantity unit | Unit value (USD/unit) | Growth in imported value between 2017-2021 (%, p.a.) | Growth in imported quantity between 2017-2021 (%, p.a.) | Growth in imported value between 2020-2021 (%, p.a.) |
|---|---|---|---|---|---|---|---|---|---|
| World | 152,674 | -141,062 | 100 | 18,411 | Tons | 8,293 | 8 | 7 | 17 |
| China | 79,091 | -78,492 | 51.8 | 9,371 | Tons | 8,440 | 14 | 14 | 26 |
| Viet Nam | 45,934 | -45,159 | 30.1 | 6,523 | Tons | 7,042 | 4 | 1 | 5 |
| India | 6,083 | -6,074 | 4 | 713 | Tons | 8,532 | 4 | 5 | 11 |
| Indonesia | 5,687 | -5,551 | 3.7 | 833 | Tons | 6,827 | 61 | 61 | -1 |
| Germany | 2,497 | -2,466 | 1.6 | 367 | Tons | 6,804 | 7 | 6 | 51 |
| Italy | 2,406 | -2,387 | 1.6 | 47 | Tons | 51,191 | -17 | -25 | 78 |
| Portugal | 2,054 | -2,054 | 1.3 | 64 | Tons | 32,094 | 5 | 0 | 3 |
| Türkiye | 1,948 | -1,948 | 1.3 | 132 | Tons | 14,758 | 9 | 9 | 43 |
| Bangladesh | 1,045 | -1,044 | 0.7 | 122 | Tons | 8,566 | -2 | 2 | 23 |
| Japan | 1,029 | 1,367 | 0.7 | 45 | Tons | 22,867 | 12 | 5 | 48 |
| France | 990 | -866 | 0.6 | 22 | Tons | 45,000 | -4 | 3 | -16 |

*Sources: ITC calculations based on Korea Customs and Trade Development Institute (KCTDI) statistics*

Just as with many other products, their main providers are neighbouring countries. The first European country to export products is Germany (1,6% of the total, same as Italy), followed by Portugal (1,3%). France has a little share of 0,6% and Spain of 0,1% in total of South Korea's imports.

And as for exports:

| Importers | Value exported in 2021 (USD thousand) | Trade balance 2021 (USD thousand) | Share in Korea, Republic of's exports (%) | Quantity exported in 2021 | Quantity unit | Unit value (USD/unit) | Growth in exported value between 2017-2021 (%, p.a.) | Growth in exported quantity between 2017-2021 (%, p.a.) | Growth in exported value between 2020-2021 (%, p.a.) |
|---|---|---|---|---|---|---|---|---|---|
| World | 11,612 | -141,062 | 100 | 938 | Tons | 12,380 | -10 | -23 | -3 |
| United States of America | 3,209 | 2,800 | 27.6 | 133 | Tons | 24,128 | -24 | -49 | 35 |
| Japan | 2,396 | 1,367 | 20.6 | 99 | Tons | 24,202 | 4 | -16 | -36 |
| Australia | 1,597 | 1,574 | 13.8 | 96 | Tons | 16,635 | 19 | 17 | 18 |
| Viet Nam | 775 | -45,159 | 6.7 | 77 | Tons | 10,065 | 40 | 20 | -41 |
| Philippines | 627 | 618 | 5.4 | 364 | Tons | 1,723 | 41 | 14 | 104 |
| China | 599 | -78,492 | 5.2 | 31 | Tons | 19,323 | -25 | -27 | -15 |
| Mongolia | 247 | 245 | 2.1 | 38 | Tons | 6,500 | 24 | -12 | 12 |
| Russian Federation | 207 | 179 | 1.8 | 11 | Tons | 18,818 | -1 | -1 | 44 |
| Taipei, Chinese | 201 | 83 | 1.7 | 8 | Tons | 25,125 | -13 | -27 | 42 |
| Hong Kong, China | 188 | 170 | 1.6 | 9 | Tons | 20,889 | -11 | -10 | -2 |

*Sources: ITC calculations based on Korea Customs and Trade Development Institute (KCTDI) statistics*

Korea exported worth 11.612 thousand USD, being its main destinations the US (27,6% of total exports) and Japan (20,6%). Again, exports with European destinies are reduced and hence the countries we are interested in do not appear in the list.

For products under the code 6307 Made-up articles of textile materials, incl. dress patterns, n.e.s., imports are shown below:

| Exporters | Value imported in 2021 (USD thousand) | Trade balance 2021 (USD thousand) | Share in Korea, Republic of's imports (%) | Quantity imported in 2021 | Quantity unit | Unit value (USD/unit) | Growth in imported value between 2017-2021 (%, p.a.) | Growth in imported quantity between 2017-2021 (%, p.a.) | Growth in imported value between 2020-2021 (%, p.a.) |
|---|---|---|---|---|---|---|---|---|---|
| World | 430,518 | -49,434 | 100 | 49,354 | Tons | 8,723 | 28 | 12 | -47 |
| China | 327,152 | -310,793 | 76 | 41,173 | Tons | 7,946 | 34 | 14 | -52 |
| Viet Nam | 44,323 | -28,279 | 10.3 | 5,445 | Tons | 8,140 | 18 | 6 | -33 |
| Japan | 15,546 | 52,641 | 3.6 | 405 | Tons | 38,385 | 11 | 8 | 57 |
| United States of America | 8,623 | 83,047 | 2 | 367 | Tons | 23,496 | 18 | 21 | -27 |
| Myanmar | 5,398 | -4,710 | 1.3 | 728 | Tons | 7,415 | 26 | 36 | 17 |
| Singapore | 4,087 | 726 | 0.9 | 90 | Tons | 45,411 | 29 | 16 | -52 |
| Germany | 3,031 | 31,797 | 0.7 | 137 | Tons | 22,124 | -8 | -29 | 11 |
| Italy | 2,908 | 497 | 0.7 | 55 | Tons | 52,873 | 27 | 13 | 0 |
| Taipei, Chinese | 2,702 | 2,582 | 0.6 | 130 | Tons | 20,785 | -4 | -3 | -6 |
| Philippines | 2,354 | 3,822 | 0.5 | 38 | Tons | 61,947 | -4 | -15 | -13 |
| Thailand | 2,013 | 6,605 | 0.5 | 101 | Tons | 19,931 | -15 | -14 | -5 |
| Spain | 1,352 | 901 | 0.3 | 6 | Tons | 225,333 | 66 | 19 | 0 |
| France | 1,143 | 7,316 | 0.3 | 14 | Tons | 81,643 | 6 | 12 | -35 |

*Sources: ITC calculations based on Korea Customs and Trade Development Institute (KCTDI) statistics*

Once again, the country's main providers are neighbouring countries (China, Vietnam and Japan). In this case, the first European countries are once again Germany and Italy, with 0,7% share of total imports each. In case of Spain, the country provided 6 tons (worth 1.352 thousand USD) and France 14 tons (worth 1.143 thousand USD). At the same time, Denmark does not export enough products to be on the list.

Whilst exports:

| Importers | Value exported in 2021 (USD thousand) | Trade balance 2021 (USD thousand) | Share in Korea, Republic of's exports (%) | Quantity exported in 2021 | Quantity unit | Unit value (USD/unit) | Growth in exported value between 2017-2021 (%, p.a.) | Growth in exported quantity between 2017-2021 (%, p.a.) | Growth in exported value between 2020-2021 (%, p.a.) |
|---|---|---|---|---|---|---|---|---|---|
| World | 381,084 | -49,434 | 100 | 16,756 | Tons | 22,743 | 39 | 25 | -50 |
| United States of America | 91,670 | 83,047 | 24.1 | 3,086 | Tons | 29,705 | 75 | 42 | -37 |
| Japan | 68,187 | 52,641 | 17.9 | 2,693 | Tons | 25,320 | 42 | 30 | -41 |
| Germany | 34,828 | 31,797 | 9.1 | 1,253 | Tons | 27,796 | 34 | 23 | 67 |
| China | 16,359 | -310,793 | 4.3 | 775 | Tons | 21,108 | 21 | 11 | -92 |
| Hong Kong, China | 16,119 | 15,864 | 4.2 | 1,108 | Tons | 14,548 | 58 | 50 | -64 |
| Viet Nam | 16,044 | -28,279 | 4.2 | 1,053 | Tons | 15,236 | -3 | 9 | 16 |
| Mexico | 10,457 | 9,966 | 2.7 | 531 | Tons | 19,693 | 48 | 62 | 52 |
| Indonesia | 9,920 | 9,160 | 2.6 | 606 | Tons | 16,370 | 5 | 12 | 41 |
| Thailand | 8,618 | 6,605 | 2.3 | 450 | Tons | 19,151 | 29 | 27 | 123 |
| France | 8,459 | 7,316 | 2.2 | 225 | Tons | 37,596 | 31 | 15 | 50 |

*Sources: ITC calculations based on Korea Customs and Trade Development Institute (KCTDI) statistics*

Were worth 381.984 thousand USD, being the main destination the US and Japan. The countries we are interested in are led by France, which gathers 2,20% of total Korean exports. Spain and Denmark are further down in the ranking.

Regarding products under the code 9403 Furniture and parts thereof, n.e.s. (excluding seats and medical, surgical, dental or veterinary furniture), imports are shown below:

| Exporters | Value imported in 2021 (USD thousand) | Trade balance 2021 (USD thousand) | Share in Korea, Republic of's imports (%) | Quantity imported in 2021 | Quantity unit | Unit value (USD/unit) | Growth in imported value between 2017-2021 (%, p.a.) | Growth in imported quantity between 2017-2021 (%, p.a.) | Growth in imported value between 2020-2021 (%, p.a.) |
|---|---|---|---|---|---|---|---|---|---|
| World | 1,201,120 | -998,055 | 100 | 444,322 | Tons | 2,703 | 9 | 8 | 11 |
| China | 777,399 | -767,112 | 64.7 | 334,573 | Tons | 2,324 | 12 | 10 | 19 |
| Viet Nam | 151,728 | -148,163 | 12.6 | 63,986 | Tons | 2,371 | 6 | 7 | -9 |
| Italy | 69,077 | -67,386 | 5.8 | 6,184 | Tons | 11,170 | 15 | 7 | 8 |
| Germany | 41,703 | -39,725 | 3.5 | 5,413 | Tons | 7,704 | 1 | 7 | -5 |
| Indonesia | 30,110 | -29,178 | 2.5 | 7,772 | Tons | 3,874 | -3 | -6 | 3 |
| Denmark | 12,580 | -12,564 | 1 | 1,046 | Tons | 12,027 | 20 | 2 | 68 |
| Taipei, Chinese | 12,340 | -5,760 | 1 | 2,736 | Tons | 4,510 | -4 | -5 | -6 |
| Poland | 11,715 | -10,611 | 1 | 3,884 | Tons | 3,016 | -1 | -5 | -10 |

*Sources: ITC calculations based on Korea Customs and Trade Development Institute (KCTDI) statistics*

The main providers were China (64,7%), Vietnam (12,6%) and Italy (5,8%). Germany was once again also an important provider (3,5%). In total, 1.201.120 thousand USD were imported in 2021. Denmark has a share of 1% (1046 tons) in total of exports, while France has a little share of 0,4% (334 tons) and Spain 0,3% (227 tons).

And as for exports:

| Importers | Value exported in 2021 (USD thousand) | Trade balance 2021 (USD thousand) | Share in Korea, Republic of's exports (%) | Quantity exported in 2021 | Quantity unit | Unit value (USD/unit) | Growth in exported value between 2017-2021 (%, p.a.) | Growth in exported quantity between 2017-2021 (%, p.a.) | Growth in exported value between 2020-2021 (%, p.a.) |
|---|---|---|---|---|---|---|---|---|---|
| World | 203,065 | -998,055 | 100 | 48,563 | Tons | 4,181 | 4 | 4 | 3 |
| United States of America | 87,723 | 78,368 | 43.2 | 18,584 | Tons | 4,720 | 14 | 16 | -1 |
| Japan | 18,944 | 14,200 | 9.3 | 5,786 | Tons | 3,274 | -8 | -12 | 10 |
| Canada | 12,382 | 11,906 | 6.1 | 3,826 | Tons | 3,236 | 4 | 0 | 90 |
| China | 10,287 | -767,112 | 5.1 | 1,755 | Tons | 5,862 | -2 | -9 | -17 |
| Taipei, Chinese | 6,580 | -5,760 | 3.2 | 1,334 | Tons | 4,933 | 36 | 39 | 31 |
| Philippines | 5,964 | 4,267 | 2.9 | 5,778 | Tons | 1,032 | 11 | 11 | -33 |
| Spain | 4,551 | 1,170 | 2.2 | 650 | Tons | 7,002 | 29 | 51 | 741 |
| Australia | 3,791 | 3,707 | 1.9 | 549 | Tons | 6,905 | 1 | 1 | 16 |
| Hong Kong, China | 3,677 | 3,572 | 1.8 | 414 | Tons | 8,882 | 9 | 10 | 50 |
| Viet Nam | 3,565 | -148,163 | 1.8 | 517 | Tons | 6,896 | -17 | -16 | -34 |

*Sources: ITC calculations based on Korea Customs and Trade Development Institute (KCTDI) statistics*

203.065 thousand USD were exported, the equivalent of 48.563 tons. The main destinations were once again the US and Japan. They also exported to Spain, worth 650 tons of product. Denmark and France are further down in the list.

Finally, for products under the code 9404 Mattress supports (excluding spring interiors for seats); articles of bedding and similar furnishing, e.g. mattresses, quilts, eiderdowns, cushions, pouffes and pillows, fitted with springs or stuffed or internally filled with any material or of cellular rubber or plastics, whether or not covered (excluding pneumatic or water mattresses and pillows, blankets and covers), these are the imports:

| Exporters | Value imported in 2021 (USD thousand) | Trade balance 2021 (USD thousand) | Share in Korea, Republic of's imports (%) | Quantity imported in 2021 | Quantity unit | Unit value (USD/unit) | Growth in imported value between 2017-2021 (%, p.a.) | Growth in imported quantity between 2017-2021 (%, p.a.) | Growth in imported value between 2020-2021 (%, p.a.) |
|---|---|---|---|---|---|---|---|---|---|
| World | 543,240 | -481,320 | 100 | 77,317 | Tons | 7,026 | 9 | 8 | 15 |
| China | 356,415 | -352,808 | 65.6 | 65,084 | Tons | 5,476 | 11 | 11 | 16 |
| Denmark | 48,366 | -48,365 | 8.9 | 1,457 | Tons | 33,196 | 25 | 16 | 31 |
| Viet Nam | 44,351 | -40,891 | 8.2 | 3,849 | Tons | 11,523 | 12 | 1 | 15 |
| Italy | 19,945 | -19,112 | 3.7 | 1,710 | Tons | 11,664 | -3 | -8 | -5 |
| United States of America | 16,785 | 9,587 | 3.1 | 977 | Tons | 17,180 | -9 | -14 | -12 |
| Germany | 15,364 | -14,947 | 2.8 | 630 | Tons | 24,387 | 5 | 9 | 3 |
| Hungary | 11,468 | -11,401 | 2.1 | 544 | Tons | 21,081 | 10 | 5 | 9 |
| Malaysia | 7,027 | -6,457 | 1.3 | 1,348 | Tons | 5,213 | -5 | -2 | 14 |
| Sweden | 2,870 | -2,791 | 0.5 | 35 | Tons | 82,000 | 128 | 76 | 52 |
| Bangladesh | 2,554 | -2,399 | 0.5 | 331 | Tons | 7,716 | 28 | 23 | 66 |
| United Kingdom | 2,511 | -2,311 | 0.5 | 105 | Tons | 23,914 | 19 | 24 | 61 |
| Spain | 1,764 | -1,626 | 0.3 | 135 | Tons | 13,067 | 34 | 55 | 16 |
| India | 1,719 | -1,519 | 0.3 | 233 | Tons | 7,378 | -12 | -17 | 22 |
| Japan | 1,610 | 3,850 | 0.3 | 81 | Tons | 19,877 | -16 | -17 | 74 |
| Portugal | 1,352 | -1,352 | 0.2 | 33 | Tons | 40,970 | 10 | 14 | 14 |
| France | 1,327 | -971 | 0.2 | 18 | Tons | 73,722 | 17 | 10 | 80 |

*Sources: ITC calculations based on Korea Customs and Trade Development Institute (KCTDI) statistics*

China, Vietnam, Germany and Italy continue raking as ones of the biggest providers. In this case it is important to underline that the second biggest provider, after China, is Denmark (8,9% of the total, 48.366 thousand USD). Spain exported products worth 1.764 thousand USD and France for 1.327 thousand USD.

Whilst exports are shown below.

| Importers | Value exported in 2021 (USD thousand) | Trade balance 2021 (USD thousand) | Share in Korea, Republic of's exports (%) | Quantity exported in 2021 | Quantity unit | Unit value (USD/unit) | Growth in exported value between 2017-2021 (%, p.a.) | Growth in exported quantity between 2017-2021 (%, p.a.) | Growth in exported value between 2020-2021 (%, p.a.) |
|---|---|---|---|---|---|---|---|---|---|
| World | 61,920 | -481,320 | 100 | 9,713 | Tons | 6,375 | 4 | 10 | 31 |
| United States of America | 26,372 | 9,587 | 42.6 | 1,436 | Tons | 18,365 | 19 | 12 | 83 |
| Taipei, Chinese | 5,971 | 5,874 | 9.6 | 451 | Tons | 13,239 | 23 | 32 | 27 |
| Japan | 5,460 | 3,850 | 8.8 | 263 | Tons | 20,760 | 17 | 11 | 3 |
| Philippines | 3,719 | 3,713 | 6 | 4,381 | Tons | 849 | 7 | 25 | 52 |
| China | 3,607 | -352,808 | 5.8 | 531 | Tons | 6,793 | 3 | 27 | 0 |
| Viet Nam | 3,460 | -40,891 | 5.6 | 207 | Tons | 16,715 | 2 | 2 | -2 |
| Australia | 1,668 | 717 | 2.7 | 217 | Tons | 7,687 | 34 | 42 | 76 |
| Hong Kong, China | 1,136 | 1,129 | 1.8 | 78 | Tons | 14,564 | 3 | 8 | 17 |
| Thailand | 1,127 | 122 | 1.8 | 76 | Tons | 14,829 | 26 | 28 | 91 |
| Russian Federation | 975 | 970 | 1.6 | 45 | Tons | 21,667 | -11 | -15 | 1 |
| Italy | 833 | -19,112 | 1.3 | 30 | Tons | 27,767 | -18 | -21 | 97 |

*Sources: ITC calculations based on Korea Customs and Trade Development Institute (KCTDI) statistics*

The main destinations in 2021 were the US, Taipei and Japan. In total, 9.713 tons were exported, the equivalent to 61.920 thousand USD. There is not relevant data for the countries we are interested in.

## 5.6. CHILDREN'S BOOKS

Regarding the importations for products under tariff code (T.C.) 49: "Printed books, newspapers, pictures and other products of the printing industry; manuscripts, typescripts and plans":

| Exporters | Value imported in 2021 (USD thousand) | Trade balance 2021 (USD thousand) | Share in Korea, Republic of's imports (%) | Growth in imported value between 2017-2021 (%, p.a.) | Growth in imported value between 2020-2021 (%, p.a.) |
|---|---|---|---|---|---|
| World | 317,902 | 110,494 | 100 | 3 | 25 |
| China | 84,410 | -43,491 | 26.6 | 14 | 21 |
| United States of America | 82,804 | 37,715 | 26 | 1 | 24 |
| Japan | 30,217 | 48,241 | 9.5 | -16 | 31 |
| United Kingdom | 28,735 | -25,887 | 9 | -1 | 8 |
| Germany | 15,890 | -13,552 | 5 | -7 | 38 |
| Malaysia | 15,301 | -14,170 | 4.8 | 54 | 53 |
| Singapore | 12,327 | -11,415 | 3.9 | 7 | 58 |
| Ireland | 9,427 | -9,333 | 3 | 83 | 110 |

*Sources: ITC calculations based on Korea Customs and Trade Development Institute (KCTDI) statistics.*

Its largest exporters are China (26,60%) and the USA (26%), followed by Japan (9,50% of imports) and UK (9%). Germany is again the largest exporter to the Asian country (5%). France has a share of 1,7% in Korea's exports, Spain just holds 0,3% and Denmark 0,2%.

| Importers | Value exported in 2021 (USD thousand) | Trade balance 2021 (USD thousand) | Share in Korea, Republic of's exports (%) | Growth in exported value between 2017-2021 (%, p.a.) | Growth in exported value between 2020-2021 (%, p.a.) |
|---|---|---|---|---|---|
| World | 428,396 | 110,494 | 100 | 18 | 24 |
| United States of America | 120,519 | 37,715 | 28.1 | 13 | 42 |
| Thailand | 109,448 | 108,759 | 25.5 | 152 | -17 |
| Japan | 78,458 | 48,241 | 18.3 | 21 | 63 |
| China | 40,919 | -43,491 | 9.6 | 32 | 201 |
| Viet Nam | 10,981 | 9,663 | 2.6 | 41 | 14 |
| Australia | 6,197 | 4,965 | 1.4 | -2 | 21 |
| Taipei, Chinese | 5,236 | 4,510 | 1.2 | 12 | 25 |
| Indonesia | 3,999 | 3,518 | 0.9 | -3 | 15 |

*Sources: ITC calculations based on Korea Customs and Trade Development Institute (KCTDI) statistics.*

Regarding world exports from South Korea for products under this code, its world position is 18 and its main destinations are the USA with 28,10% of exports and Thailand with 25,50%. Any of the countries we are interested in reach 1% of Korean exports in this matter.

## 6. IMPORT POTENTIAL

**Almost 70% of Korea's toys are imported** from other countries. China is Korea's largest merchandise trade partner. It is Korea's largest provider in the toy industry and is Korea's second largest general provider after the US. Europe cannot compete with the prices of these products but can carve a niche for itself in the market by taking advantage of the quality and safety that the CE marking provides.

As the demand cannot be covered by the country's reduced production, South Korea is a net importer of toys, with a deficit trade balance of 684 million euros in 2021. Imports of toys come mainly from China (83%), Japan (3.9%) and Vietnam (3.1%). Only 20% of Korean production ends up being exported, and its main destinations are the US, China and Japan (regarding TC 95).

Total imports for products under this tariff code in 2021 were over 2 billion USD which represent 0,1% of total imports.

The European countries, despite a significant difference in terms of export with China or the United States, try to export to Korea. The largest European toy exporters to Korea are Germany, Italy and Hungary. European toys are often perceived in Korea as being of superior quality due to several factors. Firstly, the design of European toys is often very careful, with great attention to detail and aesthetics. The materials used to make the toys are also of high quality, making them more durable and robust.

In addition, European toys are often considered to be high-end products, which may increase their appeal to Korean consumers. European toys are often associated with prestigious brands and a certain image of luxury, which may make them attractive to consumers wishing to buy higher quality products.

However, the perception of the quality of European toys can vary between brands and products. Some European toys may be considered too expensive or irrelevant to the Korean market, which may limit their appeal. Others may be perceived as being of lower quality if Korean consumers are used to different quality standards or more culturally appropriate designs.

In general, European toys may be valued for their quality, originality and diversity, but their appeal in Korea will ultimately depend on their relevance to the local market and individual consumer preferences. Toys that meet the needs and preferences of Korean consumers and are competitively priced are more likely to be successful in the Korean market.

For **children's clothing** (taking in account tariff codes 61, 62 and 64) the main exporters to South Korea are China and Vietnam. Total imports of these products amounted over 13 billion USD in 2021, which represents a small portion of the overall imports considering all other goods imported by South Korea in 2021. However, South Korea is one of the top 10 clothing importers in the world, therefore it is a market with high potential. Their figures are close to the importations made by Hong Kong, and a third of total Japanese imports in the matter[30].

When talking about European exporters of this type of goods, Italy, Portugal and Spain ought to be mentioned.

**For children's books** including colouring books (under tariff code 49) the total imports represent in 2021 over 319 million USD with once again China which is the main exporter. For products under this code, imports were close than 0% of overall imports.

UK, Germany and Ireland were the main European exporters.

Finally, on **furniture and linens** it has been seen (under the tariff codes 63 and 94) that it is a market that amounts over 5 billion and a half USD per year, being China, Vietnam, Japan and the US the main exporters in this area. However, European countries like Italy or Germany do well in this category and are positioned high in the rankings. Other main European exporters are Spain and Denmark.

## 7. DISTRIBUTION CHANNELS

[30] https://www.modaes.com/entorno/la-moda-se-globaliza-los-diez-mayores-importadores-ya-copan-solo-el-70-de-las-compras

The difficulty of the Korean market makes it advisable to use a local partner to enter the market, which is commonly established through **licensing or franchising**.

E-commerce distribution is growing at a very high rate, as we'll see later.

Moreover, the distribution channels of the toys market in Korea are both online and offline retail channels.

**Offline retail channels** include:

-Department Stores: Department stores in South Korea such as Shinsegae Centum City and Lotte Department Store offer a wide variety of toys in dedicated sections of the store. These stores provide a physical shopping experience where customers can touch and play with the toys before making a purchase. For clothing products there are many companies that offer their distribution services, such as Shine-art or PFD[31].

-Specialty Stores: Toy specialty stores like Toy-R-Us Korea are dedicated solely to selling toys. These stores provide a large selection of toys in a range of categories, including action figures, board games, dolls, and more. Similar phenomena can be seen with bookstores in Korea, which is a country with quite a big number of libraries and bookstores[32]. Big firms also have specialised stores for their products (Inditex group, etc.) and the main channel for furniture is still the offline[33]

-Supermarkets: Supermarkets such as E-Mart and HomePlus sell a range of products, including toys, clothing and stationery items. These stores offer a more limited selection of toys, but they are easily accessible and provide a convenient shopping option for consumers.

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[31] https://www.solostocks.com/empresas/distribuidores-de-ropa_b:corea-del-sur
[32] https://koreabyme.com/es/smart-shopping-a-trip-to-koreas-largest-bookstore/
[33]http://www.ivace.es/Internacional_Informes-Publicaciones/Pa%C3%ADses/Corea/Coreamuebleicex2020.pdf

-Convenience Stores: Convenience stores like 7-Eleven and GS25 carry a limited selection of toys, but they are often located in high-traffic areas and provide a convenient option for last-minute purchases. It is also possible to find books there.

**Online retail channels** include:

-E-Commerce Websites: E-commerce websites such as Coupang, Gmarket, and Naver Shopping provide consumers with a wide selection of products that can be purchased from the comfort of their own homes. These websites offer competitive pricing and often have sales and promotions to entice customers to make a purchase.

-Social Commerce Platforms: Social commerce platforms like WeMakePrice and Ticket Monster (TMON) offer a combination of social media and e-commerce, allowing customers to purchase toys through a trusted network of friends and family. These platforms often offer unique promotions and discounts not available on other e-commerce sites. Referring to apparel and footwear products for kids, the most used sales channel is these types of platforms, gathering more than 28% of the overall sales[34]. Books are usually sold in platforms like Gmarket, which is widely known[35].

## 8. COST OF ESTABLISHMENT

The following table[36] shows the different aspects to have into account when talking about establishing a company in South Korea.

[34] Source(s): KOFOTI; MOTIE (South Korea); Korea Fashion Association
[35] https://www.ivisitkorea.com/es/where-to-buy-korean-books-online/
[36] Own creation based on the information found in ICEX.

| Corporate Tax | Income Tax | Price to constitute a company (€) | Min. Capital Shares (€) | Term (days) | Legal Advice (€) | Min wage |
|---|---|---|---|---|---|---|
| 10-25% | 6-42% | 12.178,99€ | 74.284,22€ | 28 days | 11.291,29€ | 1.059,2€ |

Visa

Concerning the visa, South Korea fees vary depending on the length of stay. Here are the visa types and the fees for them:

- **Single Entry Visa up to 90 days:** USD 40
- **Single Entry Visa more than 90 days:** USD 60
- **Double Entry Visa:** USD 70
- **Multiple Entry Visa:** USD 90

The processing time for the application is approximately 1 to 4 weeks from the date of submission.

# 9. TARIFFS AND OTHER BARRIERS TO THE ENTRY OF FOREIGN GOODS

## 9.1. ENTRY RATE AND REQUIREMENTS, PER PRODUCT

The **custom rates**[37] applicable per product, necessary to enter the country can be found in the following table. Because of the large amount of tariff codes used by the companies, we have applied a few which encompass a wide number of products:

| Tariff Code | Product Name | General Duty Rate (%) | MFN Rate* | EU Preferential Rate |
|---|---|---|---|---|
| 32131010 | Sets of artist's, student's or signboard painter's colours, modifying tints, amusement colours and the like, in tablets, tubes, jars, bottles, pans or similar packages | 8% | 6,5% | 0% |
| 392410 | Tableware and kitchenware, of plastics | 8% | 6,5% | 0% |
| 4420 | Wood marquetry and inlaid wood; caskets and cases for jewellery or cutlery, and similar articles of wood; statuettes and other ornaments of wood; wooden articles of furniture not falling in chapter 94 | 8% | 8% | 0% |
| 610452 | Women's or girls' skirts and divided skirts | 13% | 13% | 0% |

[37] Own creation based on information found in https://trade.ec.europa.eu/access-to-markets/es/home (European Union).

| | | | | |
|---|---|---|---|---|
| | of cotton, knitted or crocheted (excluding petticoats | | | |
| 610610 | Women's or girls' blouses, shirts and shirt-blouses of cotton, knitted or crocheted (excluding T-shirts and vests) | 13% | 13% | 0% |
| 61112010 | Babies' garments and clothing accessories of cotton, knitted or crocheted (excluding hats) | 8% | 8% | 0% |
| 620442 | Women's or girls' dresses of cotton (excluding knitted or crocheted and petticoats) | 13% | 13% | 0% |
| 63021010 | Bedlinen, knitted or crocheted | 13% | 13% | 0% |
| 640220 | Footwear with upper straps or thongs assembled to the sole by means of plugs | 13% | 13% | 0% |
| 64039110 | Footwear with outer soles of rubber, plastics or composition leather, with uppers of leather, covering the ankle (excluding incorporating a protective metal toecap, sports footwear, orthopaedic footwear and toy footwear) | 13% | 13% | 0% |

| | | | | |
|---|---|---|---|---|
| 94036010 | Wooden furniture (excluding for offices, kitchens and bedrooms, and seats) | 8% | 0% | 0% |
| 9503 | Tricycles, scooters, pedal cars and similar wheeled toys; dolls carriages; dolls, other toys; reduced-size (`scale`) models, working or not; puzzles of all kinds. | 8% | 0% | 0% |
| 95049020 | Tables for casino games, automatic bowling alley equipment, and other funfair, table or parlour games, incl. pintables (excluding operated by any means of payment, billiards, video game consoles and machines, and playing cards) | 8% | 0% | 0% |

Due to the large amount of tariff codes to analyse and, in case of wanting to research a specific code not included in the table, further information can be found at: https://trade.ec.europa.eu/access-to-markets/en/home, provided by the European Commission.

*MFN (Most Favoured Nation): is a principle in international trade that requires countries to extend equal trade advantages and benefits to all trading partners, without discriminating between them. Essentially, it means that if a country grants preferential treatment (such as lower tariffs) to one trading partner, then it must also extend the same treatment to all other trading partners who are also part of the MFN agreement. The goal of MFN is to promote fairness, non-discrimination, and mutual benefits in global trade.

**Because the tariff code 61 is too general, there isn't information on a general rate applicable to these products, since so many are included. This is why, as an example we used tariff code 61 01 20: Men's or boys' overcoats, car coats, capes, cloaks, anoraks (including ski jackets), windcheaters, wind-jackets and similar articles, knitted or crocheted, other than those of heading 6103.

***Because the tariff code 62 is too general, there isn't information on a general rate applicable to these products, since so many are included. This is why, as an example we used tariff code 62 01 90 90: Men's or boys' overcoats, car-coats, capes, cloaks, anoraks (including ski-jackets), windcheaters, wind-jackets and similar articles, other than those of heading 6203.

****Because the tariff code 64 is too general, there isn't information on a general rate applicable to these products, since so many are included. This is why, as an example we used tariff code 64 05 90: Another footwear.

## 9.2. IMPORT PROCEDURE. GENERAL INSIGHT.

There are a number of **general requirements**[38] for the entry of foreign goods into Korea, applicable to any good that enters the territory:

- **The entry declaration** notifies the Korean authorities of the arrival of goods.
- **The customs import declaration** - official form for the customs clearance of goods.
- **The customs value declaration**.
- **Commercial invoice** - a document containing the details of the shipment and serving as a basis for the custom treatment of goods. Required for customs clearance. An original invoice and two copies must be presented with the shipping documents.

[38] https://trade.ec.europa.eu/access-to-markets/es/home

- **Packing list** - a document containing the details of the shipment and serving as a basis for the customs treatment of goods. Required for customs clearance. It includes details of the content of the packages, description of the goods, marks and numbers. Two copies are required.

- **Non-preferential certificate of origin** - a document certifying the non-preferential origin of the goods to be imported. Only required in case of particular kinds of goods (e.g. in case of wine imports if mandated by the exporting country such as Canada, France, Ireland, Jamaica, Mexico, Portugal, Spain or the United Kingdom). It may furthermore be required if specifically requested by the importer, by the customs authorities or by other authorities involved in import procedures. In particular, the customs authorities may demand the provision of the certificate if they have any doubt as to the origin of the goods. The certificate is to be submitted by the exporter.

- **Proof of preferential origin** - a document confirming the preferential origin of the goods to be imported. Only required if preferential treatment under a free trade agreement or arrangement is claimed. Goods may be eligible for preferential treatment if they have been either wholly obtained or preferential origin has been conferred by sufficient working or processing as per the product-specific rules of origin. The Proof of Preferential Origin is to be submitted by the exporter.

- **Air waybill** - a document containing the details of the international transportation of goods by air and proving the transport contract between the consignor and the carrier's company. Required for customs clearance. To be prepared by the carrier or his agent.

- **Bill of lading** - a document identifying the name of the shipper, the name and address of the consignee, the name of the port of destination, description of the cargo, a price list of freight and insurance charges (CIF), and attestation of carrier's acceptance on board for the goods. There are no regulations pertaining to the form of the bill of lading nor the number of bills of lading required to clear customs. As bills of lading are for ocean and overland cargos, the airway bill of lading replaces the bill of lading for air cargo shipments.

## 9.3. COMMERCIAL OBSTACLES

If we look at some more specific restrictions[39] and barriers that may apply to foreign goods entering South Korea, we should consider:

-Registration requirements: Some products may require registration with the South Korean government before they can be sold in the market. This can involve a lengthy and bureaucratic process that can delay entry to the market.

-Certification requirements: South Korea may require foreign products to be certified by local authorities to ensure that they meet certain quality and safety standards. This can be time-consuming and expensive for foreign companies.

-Language requirements: In some cases, foreign products may need to have labels and instructions in Korean in order to be sold in the market.

-Intellectual property protection: South Korea has strong intellectual property laws, which can make it difficult for foreign companies to enter the market if their products infringe on existing patents or trademarks.

-Cultural barriers: The Korean market may have unique cultural preferences and expectations that foreign companies need to understand and adapt to in order to be successful.

In addition to the various regulations and taxes that we have mentioned, the potential barriers to the entry of a foreign company into this

[39] https://trade.ec.europa.eu/access-to-markets/es/home

market are similar to those mentioned for the other three markets. The cultural and linguistic barrier applies once again to this market because the culture is very different from that in Europe. In addition, in terms of competition, the Korean market, which is in full expansion, is seeing an increase in the number of local and international companies in the various sectors, so the competition is getting tougher despite the protectionist policy that the country is putting in place by trying to favour its local companies. Finally, operating costs are once again high, which can be a brake on the strategy adopted by the company.

## 9.4. STRATEGIES TO BEAR WITH THE BARRIERS PRESENT IN THE KOREAN MARKET

As a foreign company looking to enter the South Korean market and overcome the various barriers and restrictions. They may vary depending on the exact product is been tried to commercialise in the Asian country, but in general, foreign companies might have to cope with the following:

- Scale economies. Some of the local producers (also other foreign companies) will benefit from large productions, reducing costs and therefore prices.
- Product differentiation. South Koreans may not differentiate the product, hence the company would be losing one of their competitive advantages. Also, it is possible that, since it is a different culture, they value certain aspects over others, and they could be different to the most valued in European markets.
- Necessary big investments. Some industries may require big investments in capital.
- Access to distribution channels. Already placed businesses may have power into the distribution chain, which could increase costs to the foreign companies.

However, these hypothetic barriers are not unbearable. Here are some strategies you could consider so as to deal with them:

-Research the market: Conduct thorough market research to understand the cultural and linguistic differences, as well as regulatory requirements and consumer preferences. This can help you tailor your products and marketing strategies to better fit the Korean market.

-Build relationships: Establish relationships with local partners and stakeholders who can help you navigate the market and understand local regulations and customs.

-Obtain necessary certifications: Ensure that your products meet South Korean safety and quality standards and obtain any necessary certifications to streamline the entry process.

-Utilise free trade agreements: South Korea has signed several free trade agreements that can provide tariff reductions or exemptions for certain products from partner countries. Utilise these agreements to your advantage to reduce costs.

-Seek government assistance: The South Korean government offers various support programs for foreign companies looking to enter the market. Research and apply for relevant programs to receive assistance with registration, certification, and other bureaucratic processes.

-Patience and persistence: Successfully entering the South Korean market can take time and persistence. Be prepared to invest resources and build relationships over the long-term to achieve success.

By adopting these strategies, you should increase your chances of successfully entering and thriving in the South Korean market.

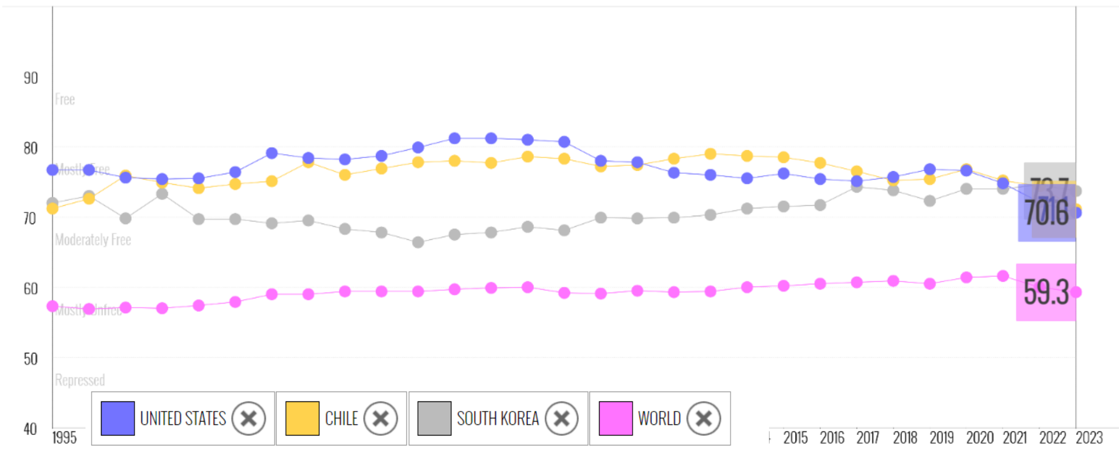
## 10. ECONOMIC FREEDOM INDEX

The economic freedom index of South Korea is relatively high. According to the Heritage Foundation's 2021 Index of Economic Freedom[40], **South Korea ranks 26t**h globally in terms of economic freedom, with an overall **score of 76,7 out of 100**. South Korea's score has improved in recent years, reflecting its openness to foreign investment, low levels of corruption, and its well-developed legal framework.

A higher economic freedom score can lead to greater economic growth and development, as it allows for greater competition, innovation, and entrepreneurship. Countries with higher economic freedom scores often have stronger economies, higher standards of living, and greater opportunities for their citizens. However, it is important to note that economic freedom is just one factor among many that can affect a country's economic performance, and other factors such as political stability, access to resources, and cultural values can also play important roles.[41]

Overall, South Korea's high ranking on the economic freedom index indicates that it is a favourable market for foreign investment and trade, particularly in the areas of technology, services, and manufacturing.

According to the Index of Economic Freedom report (2023), here are the key figures and rankings of the United States, Chile, and South Korea[42].




40 https://www.heritage.org/press/2021-index-economic-freedom-global-economic-freedom-remains-all-time-high-us-drops-all-time

41 https://indexdotnet.azurewebsites.net/index/visualize

42 https://indexdotnet.azurewebsites.net/index/visualize

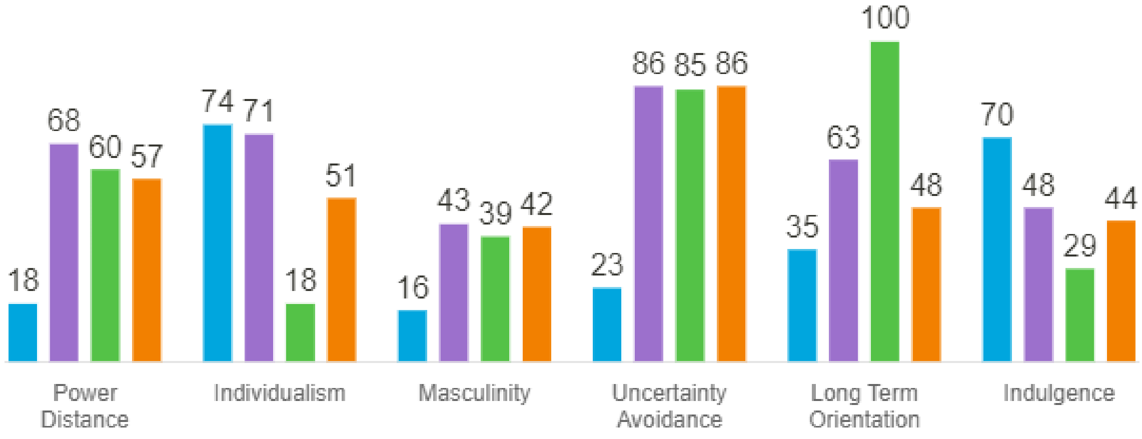
As we can see on the chart, the US ranked as being mostly free, closely followed by Chile. Meanwhile, South Korea varies between being considered mostly free and moderately free. In any case, the three countries ranked above world average (which is 59,30%).

It's important to note that the Index of Economic Freedom is not a comprehensive measure of a country's economic health or social well-being, and it has its own limitations and critiques. For example, it may not capture the distributional effects of economic policies or the impact of external factors such as global trade or climate change. Additionally, different countries may have different priorities or interpretations of economic freedom.

## 11.CULTURAL DISTANCE ANALYSIS

Hofstede's method[43] is a way to compare the cultural distance between two countries. In the following graph**,** each country is associated with a different colour: South Korea is in green, Spain - orange, France - purple and Denmark is shown in blue. South Korea and Europe have distinct cultural differences despite both being highly developed regions. Some of these differences include the ones explained below.

[43] https://www.hofstede-insights.com/country-comparison/




1. Power distance: Denmark is a low power distance society, which means that people are more likely to question authority and favour a more egalitarian approach in work relationships. Spain, France and South Korea have a higher power of distance, which means that authority is more valued and respected. In these countries, hierarchies and titles are more important in professional relationships. South Korea is a collectivist society, which places a strong emphasis on group harmony and interdependence. On the other hand, Europe encompasses a range of cultures, but individualism is generally more valued in many Western European countries.

2. Individualism: Denmark is a very individualistic society, followed by France, Spain and South Korea, respectively. This means that the Danes value personal independence, autonomy and individual responsibility, while the other countries place more importance on community and interpersonal relationships.

3. Masculinity: Denmark and Sweden are the most feminine countries in the world, which means that cooperation, consensus and harmony are valued in professional relationships. France and Spain are moderately feminine societies, while South Korea is a masculine society, which means that competition and success are more valued.

4. Uncertainty avoidance: Denmark, Spain and France are societies with high uncertainty avoidance, which means that people prefer clear rules and predictable situations. While South Korea has lower uncertainty avoidance, which means that people are more willing to take risks and adapt to unexpected situations.

5. Long term orientation: France, Spain and Denmark have a short-term/medium-term orientation, which means that they are more oriented towards immediate satisfaction and tradition. South Korea is a society with a strong long-term orientation, which is reflected in their commitment to education, innovation and long-term investment. More specifically, this means that they value long-term planning, perseverance and investment in the future.

In summary, Hofstede's dimensions help to understand the cultural differences between countries and their impacts on professional relationships and international business. As we have seen in the comparison between Denmark, Spain, France, and South Korea, these countries have significant cultural differences that can influence professional behaviour, attitudes towards authority, decision-making, communication, and negotiation.

For example, in countries with higher power distance, it is important to respect hierarchies and adapt communications based on the status of the person. In more individualistic countries, people may be more direct and less concerned with interpersonal relationships. In countries with high uncertainty avoidance, it is important to provide clear instructions and minimise risks and ambiguity.

Therefore, it is crucial to take these cultural differences into account when negotiating and collaborating with business partners from these countries.

## 12. BEST LOCATIONS FOR MARKETING

**Most of the population lives in the capital Seoul or its metropolitan area** (about half of the population). Busan (3,5 million inhabitants), Incheon (2,9 million), Daegu (2,4 million), Daejon (1,45 million), Gwangju (1,4 million) and Ulsan (1,1 million) are also important.[44]


In the following paragraph, some additional information for Seoul, Busan, Incheon, Daegu and Ulsan will take place as follows:

- **Seoul -** The major business hub and the capital of South Korea is Seoul. It is one of the biggest cities in the globe with a population of roughly 10 million. The second-largest metropolitan region in the world is the

[44] Extenda

Seoul National Capital Area, also known as Sudogwon. Its population of nearly 24.5 million includes the Incheon metropolitan area and the majority of Gyeonggi province. Outside of Seoul, there are numerous industrial hubs, including the first bio cluster in South Korea located 170 kilometres south of Seoul in **Osong Bio-Technopolis.** Osong has received US $260 million in foreign direct investment after being designated as a special zone. For five to seven years, foreign businesses looking to invest in the complex will not be required to pay rent or corporate taxes, and the local government will also provide additional tax advantages.[45]

**Osong Bio Technopolis**

**Osong (Location)**


- **Busan -** The second-largest metropolis in South Korea after Seoul is Busan (formally known as Busan Metropolitan City; originally named Pusan). It is the fifth-biggest port in the globe and the largest port city in the entire nation. Many high-profile international commercial and sporting events, like the APEC Economic Leaders Conference have been held in Busan. The largest department store in the world, Shinsegae Centum City, is located here and Busan is building many super-skyscrapers, including the 110-floor Lotte Super Tower.

[45] http://www.southkorea.doingbusinessguide.co.uk/the-guide/choosing-the-right-location/

**Shinsegae Centum City**

**Lotte Super Tower**

- **Incheon -** The first Free Economic Zone in South Korea was in Incheon, which offered a range of government services to encourage foreign investment. For instance, English is the official language of the government in this region, and the first international school in the area, the Chadwick International School, opened its doors in the Songdo district in September 2010. Three of Incheon's districts, Songdo, Yeongjong, and Cheongna, are intended to become the Northeast Asia region's logistics, leisure & tourism, and international commercial hubs. The Asian Games were held in Incheon in 2014 from September 19 through October 4. It is the third South Korean city following Seoul (1986) and Busan (2002) to host the Asian Olympics.

**Incheon Business District (Songdo)**

**Asian Olympics (2014)**

- **Daegu -** With more than 2.5 million residents, Daegu (officially the Daegu Metropolitan City) is one of South Korea's largest metropolitan districts. The city is situated 80 kilometres inland in southeast South Korea. It is a hub for the high-tech, textile, and fashion sectors.

**Daegu Samsung Creative Campus** **EXCO (a leading exhibition centre)**


- **Ulsan -** By utilising IT and biotechnology, Ulsan is expanding its major businesses, including automotive, shipbuilding, and petrochemistry. In order to create novel materials for upcoming industries, Ulsan is encouraging fine chemistry and enhancing petrochemical processes. In order to lighten the weight of vehicle parts and enhance shipbuilding and energy components, it is also working to lay the groundwork for 3D printing. Finally, with its genome-based biomedical industry, it is concentrating on creating future foods.[46]

**Ulsan National Institute of Science and Technology** **Ulsan (Location)**


[46] https://www.ulsan.go.kr/u/english/contents.ulsan?mId=001003002003000000

# 13. E-COMMERCE

A tech-savvy population with mature digital and logistics infrastructures and one of the most advanced in terms of online sales. It is one of the six largest trading markets globally, with a total market volume of 92 billion USD.

The pandemic has favoured digitalisation and online commerce has come to play a major role. Face-to-face sales of toys are mainly made in hypermarkets (37% of sales).[47]

According to eShopWorld, **fashion is the leading category in this type of retailing**, followed by toys, hobbies and DIY.

In this sales mode, it makes a difference to have good customer service, accessible when it comes to answering their questions and able to adapt to their language.

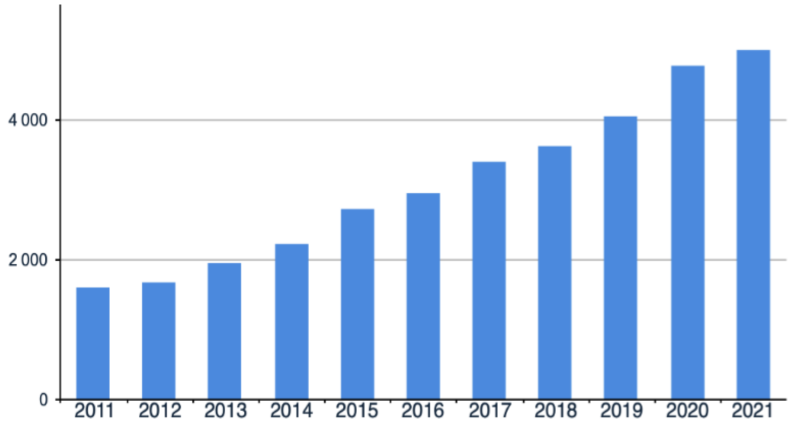
The biggest player in South Korean eCommerce is coupang.com. Coupang.com is followed by ssg.com and hmall.com as the second and third-largest stores.

The following graph[48] shows the transaction value of online baby and children's goods sales in South Korea from 2011 to 2021 (in billion South Korean won).

[47] Emarketservices
[48] Source(s): KOSIS

The table below shows the importance of online revenues, which doubled from 2013 to 2019 and in 2021 were close to reach 5,000 billion Korean won.

Between 2017 and 2022[49] the rate of online purchases rose from 18,9%



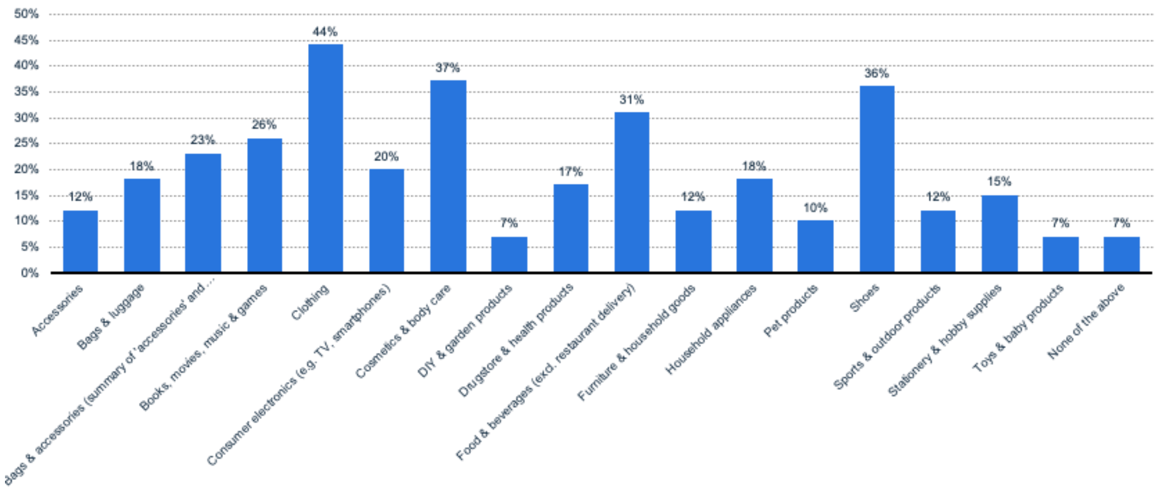

to 32,5%, as the following table shows.

| ONLINE REVENUE SHARE in percent | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
| Offline | 81,1 | 79,4 | 77,5 | 72,2 | 68,7 | 67,5 | 65,2 | 62,3 | 59,5 |
| Online | 18,9 | 20,6 | 22,5 | 27,8 | 31,3 | 32,5 | 34,8 | 37,7 | 40,5 |
| Sources | Statista | | | | | | | | |
| Most recent update: | 10/01/2021 | | | | | | | | |

Furthermore, online shopping is expected to rise to 40,5% by 2025. E-commerce is therefore becoming a necessity for businesses as this market becomes more and more important.

As for the most popular products online, the following chart[50] shows what were the online vs offline purchases made in 2022, per category.

[49] Statista
[50] Statista Global Consumer Survey




Some sectors are very present online, such as clothing and cosmetics, with 44% and 37% of the overall sales, respectively. The "**toys and baby products" sector is only at 7%.** This is a sector that can increase very strongly in the next few years thanks to the development of E-commerce.  However, as we have previously mentioned, **sectors like footwear** conduct their sales through online channels, being this online channel the most preferred in South Korea[51]. **Books**, on the other hand, are nowadays in a hybrid environment, combining platforms like Gmarket and traditional libraries as sale places.

In conclusion, the toys market in South Korea is served by a combination of both online and offline retail channels, each with its own strengths and benefits.

There are several ways to develop e-commerce in different sectors. Here are some strategies to take into account if you want to get the greater potential of the e-commerce:

Build an e-commerce website: Create an online store where customers can easily browse and purchase products. Use social media platforms such as Facebook and Instagram to showcase products and interact with potential customers. Optimize the e-commerce website for search engines to rank

[51] Source(s): KOFOTI; MOTIE (South Korea); Korea Fashion Association

higher in search results thanks to SEO. Offer competitive pricing and promotions to attract customers to the website.

It can also be a great idea to collaborate with parenting bloggers or social media influencers who have a large following in the baby products niche to promote products and drive traffic to the website. In addition, using email marketing to keep customers informed of new products, promotions, and discounts is one of the key to be proficient in the E-commerce sector.

By implementing these strategies, your activity can increase its online presence and attract more customers, leading to increased sales and revenue.

Summing up in other sectors, we can say that Ecommerce is certainly already developed for the fashion sector in Korea; hence no further actions must be made more than continuing with the ones already present; and books are starting to show new tendencies due to globalisation and changes in the relationship between businesses and consumers, therefore it is necessary to attend those variations without forgetting about the cultural/traditional role that libraries and bookstores play in Korea.

## 14. CIRCULAR ECONOMY

The Circular Economy is an economic model that aims to use resources efficiently and sustainably, making the most of them through avoiding producing waste in the extent possible. It is based on principles of reusing, repairing, recovering, and recycling products and raw materials. The goal of the Circular Economy is to replace linear systems (extraction, production, consumption, disposal) with circular systems, to reduce negative impacts on the environment and natural resources, while ensuring sustainable economic growth.

In South Korea, the government has been actively promoting the Circular Economy as part of its green growth strategy. This includes implementing policies and programs aimed at reducing waste, increasing resource efficiency, and promoting recycling and reuse. South Korea has also established partnerships with other countries and international organisations to share knowledge and promote the development of the Circular Economy globally. However, there is still room for improvement, and South Korea continues to work towards a more sustainable and efficient economy.

Toys sector: In the toys sector, the government is promoting the use of recycled materials for toy production, such as recycled plastics and paper. Additionally, some companies have developed rental services for toys, which promotes the reuse of toys and reduces waste. The government has also established regulations to limit the use of hazardous chemicals in toys, which helps to protect the environment and public health.

Clothing sector: In the clothing sector, the government has been promoting sustainable fashion and circular economy practices. Some companies have developed rental services for clothing, which allows consumers to use clothing for a limited time and then return it, reducing the demand for new clothing and reducing waste. Additionally, some companies have developed recycling programs for clothing, which enables the collection of used clothing for recycling and reduces the amount of textile waste sent to landfills.

Furniture Market: The circular economy is beginning to emerge as an important trend in the Korean furniture market, as consumers are increasingly aware of the environmental impact of the products they buy. In this sector several companies have started to embrace the circular economy by offering new services such as renting furniture or recovering and recycling it to create new ones. The emergence of this economy is a response to consumer demand, but also offers opportunities for some companies to save money by working more locally with existing resources.

Footwear Market: Once again the circular economy is on the rise in the children's footwear sector in the Korean market. This phenomenon, which applies to many sectors as we have seen, responds to a real demand from Korean consumers. In this sector, the circular economy is illustrated using sustainable and environmentally friendly materials such as vegetable or recycled leather. There is also a local production accompanied by the recycling of used shoes.

Overall, the South Korean government is making efforts to promote circular economy practices in the toys and clothing sector. This not only helps to reduce waste and protect the environment but also creates new business opportunities and jobs in the sustainable products and services industry.

Many companies in South Korea are using the circular economy such as:

- **Samsung Electronics:** The company has launched its "Galaxy Upcycling" programme which involves turning old smartphones into connected objects for the home such as light sensors or security cameras.
- **LG Chem:** This company produces batteries for electric cars and has developed a recycling programme to recover valuable materials such as lithium, cobalt and nickel from used batteries.
- **POSCO:** The steel manufacturer has implemented a waste heat recovery system in its industrial facilities to heat nearby buildings.
- **SK Innovation:** The company produces batteries for electric cars and has announced plans to invest in recycling facilities to recover valuable materials from used batteries.
- **Lotte Chemical:** The company has launched a plastic bottle recycling programme that recovers used bottles for use as polyester fibres in the production of clothing.

Companies in the toy or clothing sector are also involved in the circular economy:

- **Mimi & Lula:** This South Korean company produces children's accessories, such as backpacks, barrettes and scarves, from recycled materials such as plastic bottles and fabric scraps.
- **Rubato:** This South Korean fashion company uses sustainable textiles and recycled fabrics to create clothing for men and women.
- **Muzenik:** This South Korean company makes musical instruments for children from recycled materials such as plastic bottles and cans.
- **DearLoa:** This South Korean company produces wooden toys for children, using recycled materials and sustainable production techniques.

## RELATIVE INTERNATIONAL POSITION

South korea has been considered one of the leading countries in the field of recycling and sustainability over the last decades. It was therefore logical to expect that they would also strive to lead the transition to a circular economy. While the leading exponents of these trends may be the European Union and countries such as the United Kingdom, South Korea is developing measures that bring it closer to the front runners. However, there is still room for improvement, and it is still lagging behind countries such as France and the Netherlands, which, for example, are leading negotiations for an international ISO certification for the Circular Economy[52].

[52] https://www.kiep.go.kr/galleryDownload.es?bid=0007&list_no=10266&seq=1

## 15. SUSTAINABILITY

Technology Institute in 2020, **over 70% of South Korean consumers consider environmental and social impact when making purchasing decisions**, and almost 60% are willing to pay more for sustainable products. The same survey found that the sales of eco-friendly products in South Korea increased by an average of 20% annually between 2015 and 2019.

Another survey conducted by the Korea Consumer Agency in 2019 showed that the proportion of **South Korean consumers who purchased eco-friendly products increased from 35,5% in 2016 to 44,9% in 2019**. In the same period, the proportion of companies that adopted eco-friendly practices also increased, from 33,6% to 44,9%.

These findings demonstrate that there is a **growing demand** for sustainable products in South Korea, both among consumers and businesses. This trend is expected to continue as awareness of environmental and social issues continues to rise, and as the government continues to promote sustainable practices.

In South Korea there are more and more companies that develop eco-friendly products through 3 main processes: the use of eco-friendly materials, the repair and recycling of toys and the manufacture of toys created from recycled materials. For example, Plantoys is an eco-friendly toy retailer and specialises in selling wooden interior items for the nursery. The largest trend in the Korean toy market is the repairing and recycling of already produced toys. Every city has their own toy rental and repair centre. This project is officially sponsored by one of Korea's largest enterprises, Hyundai Motor Group. Social Workers of the "Green Move Workshop" disinfect and repair recycled toys to then distribute them amongst day care and children's centres within the metropolitan area. As environmental issues affect and concern every individual, this project hopes to raise awareness by recycling and reusing toys. To conclude, the bar chart below shows the growing interest of companies in sustainability.

When considering the sustainability of the toy and clothing sectors in South Korea, it is important to take into account both the recycling and reuse rates of these products. The recycling rate of plastic toys in South Korea was relatively high at 58.2% in 2018, suggesting that a significant portion of plastic toys are being diverted from landfills and recycled into new products.

In contrast, the reuse rate of clothing in South Korea was estimated to be around 20% in 2018, indicating that there is significant room for improvement in this area. Businesses and consumers can work to increase the reuse rate of clothing by participating in initiatives such as clothing swaps and charity donations, and by choosing to buy from businesses that prioritise sustainability. Talking about clothing, the Korean government is also encouraging the development of sustainable materials for clothing production, such as recycled fabrics and natural fibres. However, another trend has been introduced in the Korean market: upcycling[53]. Upcycling is about not only creating a new good or product from an old one, but creating a new one with even more value. This has created opportunities for companies in the Asian country, like Young N Sang[54], which manufactures stylish urban clothes from recycled materials like, among others, fishing nets.

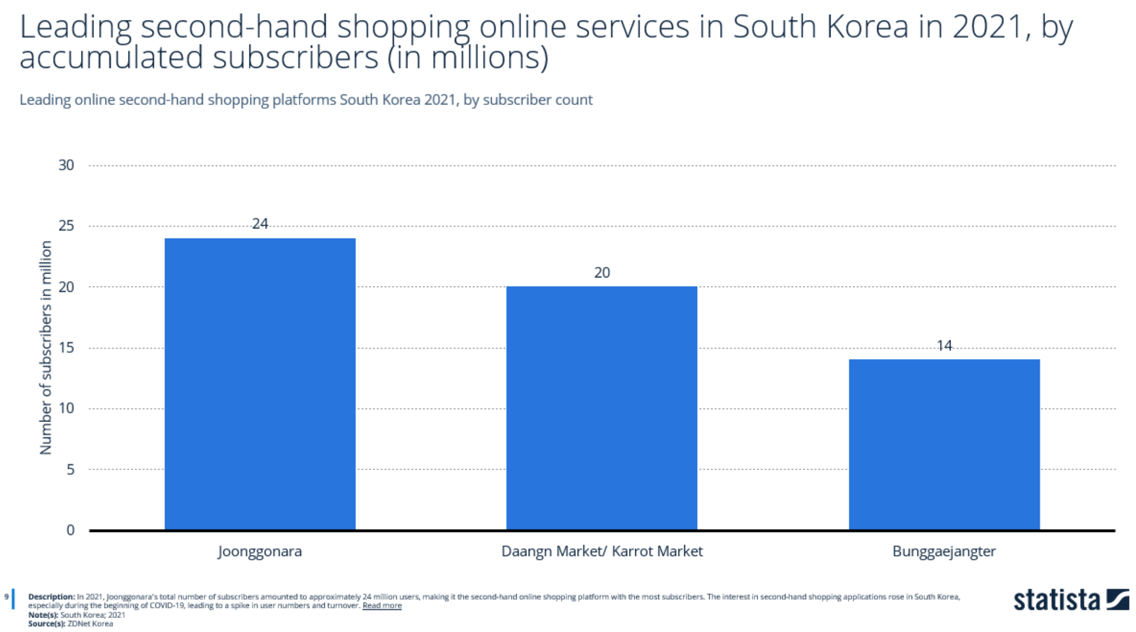
By focusing on both the recycling and reuse rates of toys and clothing in South Korea, businesses and consumers can work towards creating a more sustainable future for these sectors. Initiatives that promote recycling and reuse can help to reduce waste and conserve resources, while also creating economic opportunities for businesses and communities.

In fact, reuse increased in the last years in South Korea in the clothing sector, since nowadays (2022) 11% of total Korean population has bought

[53] https://spanish.korea.net/NewsFocus/HonoraryReporters/view?articleId=204666
[54] https://youngnsang.com/

second-hand clothes in the last year, survey says[55]. Nonetheless, data could improve in the next decades due to the concern about sustainability and the potential margin in an actual 25 trillion won worth[56] market (63% of total population did not buy anything second-handed last year).

When shopping in the second-hand market, a bunch of applications are available for South Koreans. Among them, *Jooggonara* is the application with more subscribers (2021), while *Daangn Market* is the application with more active users[57].




Nevertheless, the application where more money is made is *Bungaejangter*, making almost 17 billion Korean won in 2021. *Daagn Market* and *Jooggonara* revenue are after these figures[58].

In recent years, there has been a growing awareness of sustainability issues in South Korea, with an increasing number of consumers and businesses looking for ways to reduce their environmental impact. This is reflected in the Korean government's policy initiatives, such as the 2030

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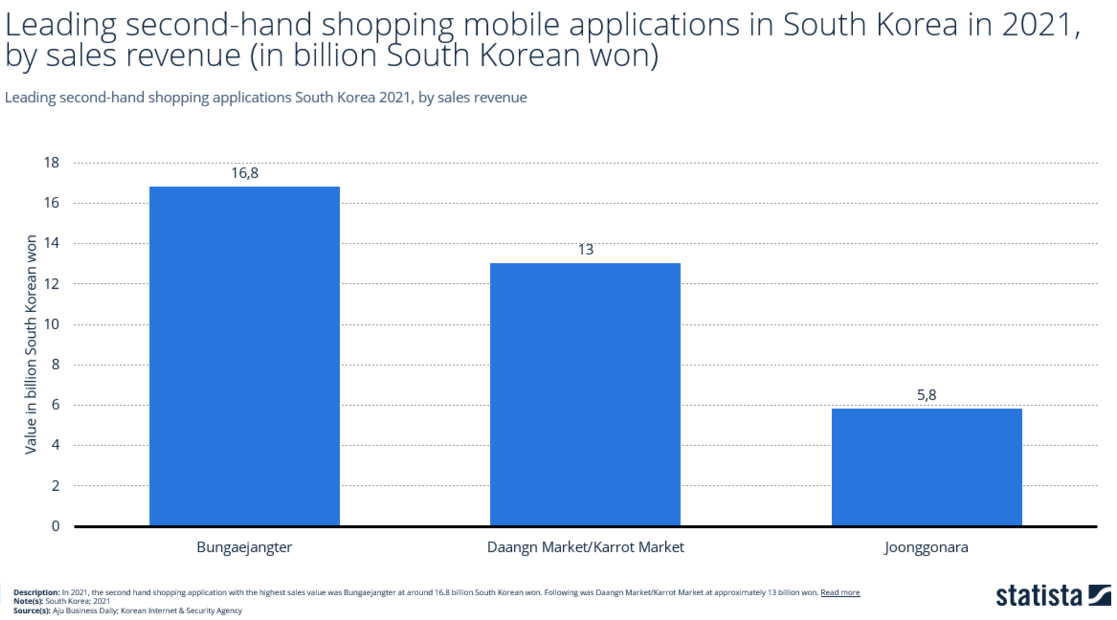
[55] Source(s): Statista
[56] Statista: Hana Financial Investment; Maeil Business Newspaper
[57] Statista: ZDNet Korea
[58] Statista: Aju Business Daily; Korean Internet & Security Agency

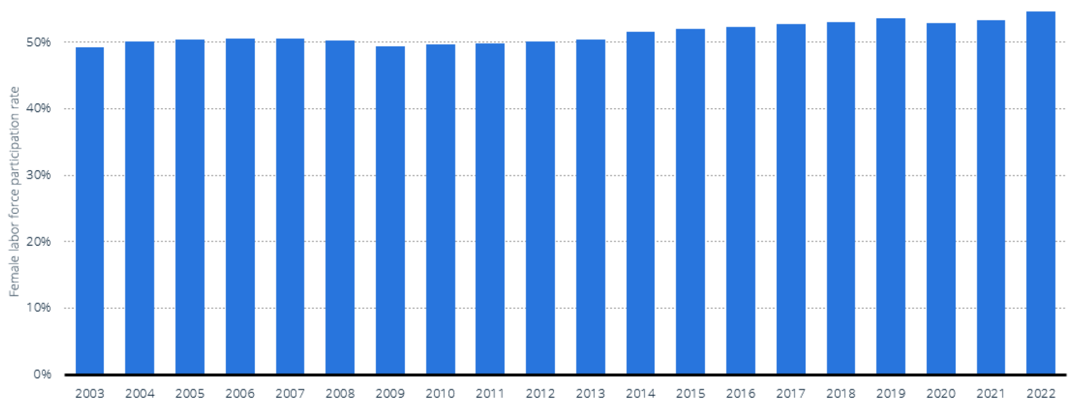
Green New Deal, which aims to promote sustainable growth and reduce carbon emissions.

Consumers can also play a role in promoting sustainability in these sectors by choosing to buy from businesses that prioritise sustainability and by participating in initiatives such as clothing swaps and charity donations. By working together, businesses and consumers in South Korea can create a more sustainable future for the toy and clothing sectors.



## 16. GENDER

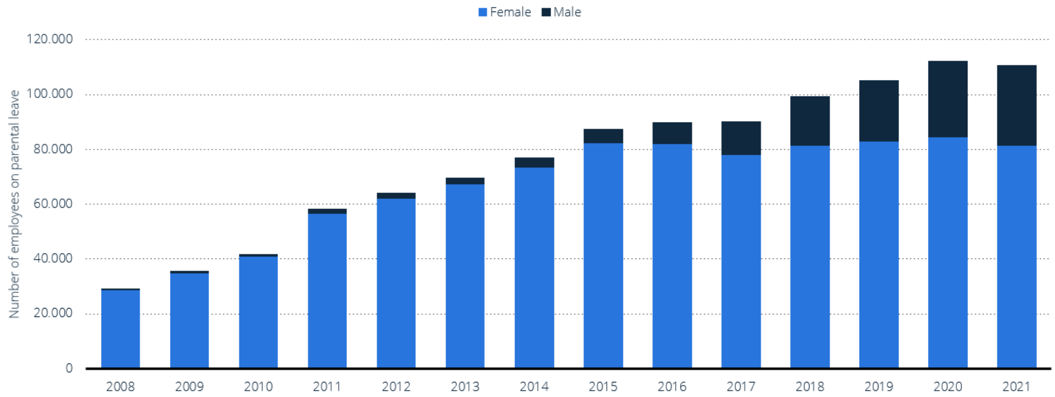
In South Korea, gender roles in the workplace have been changing, with women making gains in professional fields. However, there remains a wage gap between men and women and some industries, such as technology, remain male-dominated. Additionally, women may face challenges balancing work and family life, due to societal pressure towards motherhood and child-rearing. Governments and companies are taking steps to promote gender equality and inclusion, but there is still work to be done to achieve true gender equality in the South Korean workforce.




**Female labour force participation rate in South Korea from 2003 to 2022**[59]

In 2022 around 54.6% of the female population in South Korea aged 15 years and older participated in the labour force, showing a slight increase from the previous year. The female labour force participation rate in South Korea has risen steadily in recent years but is still far below the average of the member countries of the Organization for Economic Co-operation and Development (OECD).

[59] Source(s): Ministry of Gender Equality and Family (South Korea). Statista.

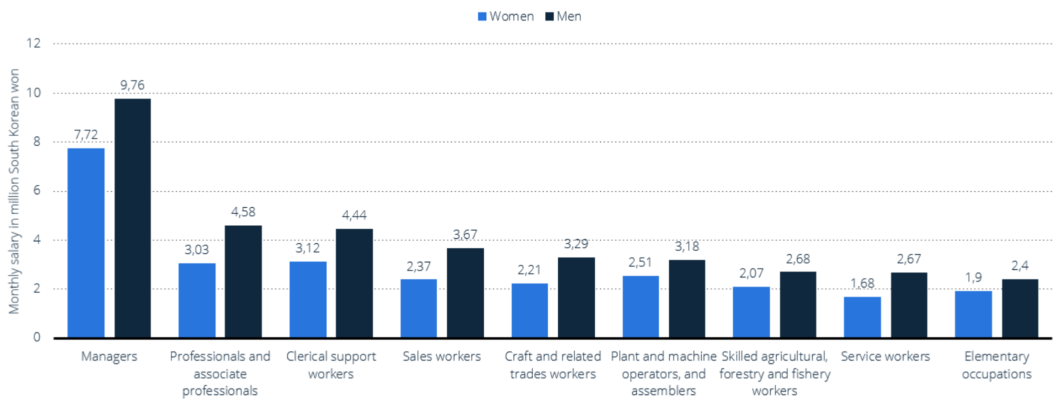



**Number of employees on parental leave in South Korea from 2008 to 2021, by gender[60]**

Most of the employees on parental leave are females. Even though paternity leave in Korea is one of the longest in the world: 52 weeks.

**Gender pay gap South Korea 2021, by occupation[61].**

More and more women in South Korea are actively participating in the labour market, yet they are still severely underrepresented. The comparatively low proportion of female managers, female workers in legal professions, and female lawmakers illustrates the deep-rooted gender inequality in this society that is also reflected in pay, for example, in the significantly lower female to male earnings ratio.




60 Source(s) MOEL (South Korea); Ministry of Gender Equality and Family (South Korea). Statista.
61 Source(s) KOSIS; MOEL (South Korea). Statista.

## 16.1. APPLICABLE TO THE TOY SECTOR

Regarding the **toy industry**, while there is no specific data on gender equality in this sector in South Korea, it is common in many countries for the toy industry to be dominated by men in leadership positions, with few women in top executive roles. However, initiatives aimed at promoting diversity and inclusion in the industry have been emerging in recent years, which may lead to greater representation of women in the future.

In South Korea, like in many other countries, there is generally a distinction between toys for girls and toys for boys.

Boy sections usually contain miniature cars, action figures, and prop toys from various movies and TV series, building sets, strategy games, etc. Some of the popular toy franchises for boys come from Korean animated TV series, such as Turning Mecard and Tobot. Nerf guns are also incredibly popular among Korean kids.

On the other hand, for girls there is an overload of cuteness and colours. They have all the essentials such as dolls and plushies, there is also a great deal of prop make-up accessories and mock home appliances. Toys for girls often include dolls, pretend play sets, kitchen sets, and more.

However, there is also a growing trend towards more inclusive toys, which are not specific to one gender. More and more toys are being designed to be played with by children of all genders, without distinction. Educational and creative toys, such as building blocks and art sets, can be considered inclusive toys.

Generally speaking, the impetus for implementing gender-neutral toys comes either from companies or from states. For example, in California it is mandatory that non-gender specific areas be set up in stores. On the other hand, LEGO promotes inclusive play and removes gender messages from their products. However, this society is divided over these changes. Indeed, some people are for and others are against.

However, gender-neutral toys have gained popularity in South Korea in recent years, as parents and children have become more open to toys that are not traditionally associated with specific genders. This trend has been driven in part by changing social attitudes towards gender roles and the increasing awareness of gender diversity.

One example of a South Korean company that has embraced gender-neutral toys is TOYKING Co., Ltd., which produces a range of toys that are designed to be inclusive and appeal to both boys and girls. The company's products include building blocks, puzzles, and educational toys that are free from gender stereotypes and encourage creativity and imagination.

Another South Korean company that has been at the forefront of the gender-neutral toy trend is Wonderlab, which produces a range of toys that are designed to be both fun and educational, without being tied to traditional gender roles. Wonderlab's products include coding toys, DIY kits, and science kits that are designed to be gender-neutral and appeal to children of all ages and interests.

The South Korean government has also taken steps to promote gender equality in the toy industry. In 2019, the Ministry of Gender Equality and Family launched a campaign to promote gender-neutral toys, with the aim of challenging gender stereotypes and promoting more inclusive play.

Overall, the trend towards gender-neutral toys in South Korea reflects a broader shift towards more diverse and inclusive forms of play and suggests that the toy industry is evolving to better reflect the changing social attitudes and values of consumers.

In recent years, South Korea has seen a significant increase in feminist activism, with campaigns and protests calling for an end to gender discrimination, sexual harassment, and other forms of gender-based violence. These movements have raised awareness of the ways in which gender stereotypes can limit opportunities and perpetuate inequality and have inspired many people to challenge these norms in their own lives and communities.

In the context of the toy industry, feminist activists and advocates have called for greater diversity and inclusivity in the types of toys that are marketed to children, arguing that traditional gender stereotypes can limit children's opportunities and perpetuate inequality. This has helped to drive demand for gender-neutral toys, as parents and children seek out products that promote more inclusive and diverse forms of play.

While the trend towards gender-neutral toys in South Korea has been driven by a range of factors, including changing social attitudes and consumer demand, it has also been shaped by feminist movements and calls for greater gender equality in all aspects of society.

In conclusion, the toy market in South Korea is served by a combination of gender-specific and inclusive toys, but there is a growing trend towards more inclusive toys that are not limited by gender.

## 16.2. APPLICABLE TO CHILDREN'S CLOTHING AND FOOTWEAR

In general, Korean outfits are simple and with neutral colours. Korean kids wear simple, sporty, and comfortable outfits. Korean kids' fashion offers many options to style the young ones. In boys' clothing, you can select tight-fit bottoms with loose-fitting shirts, loose pants with sweatshirts, cardigans, and jackets with jeans. For girls, you can choose tulle skirts, legging skirts, with loose-fitting or tight tops, floral dresses, or t-shirts with frills. Kids mostly wear top and bottom sets when they are at home[62].

Unisex fashion is a trend in South Korea. Nike decided to launch a gender-fluid store, the first such store worldwide, in Hongdae. Lately, the number of fashion-related companies that have been jumping on the non-binary bandwagon has increased. One example of that model could be Ohora, a local gel nail brand best known for its nail stickers, which teamed up with domestic contemporary fashion brand Wooyoungmi to create an "androgynous" gel nail capsule collection.

Other similar areas have seen the gender lines start to blur as well. Shinsegae International's lifestyle brand Jaju and domestic underwear company SBW each launched a series of trunks for females.

The gender-inclusive fashion trends are each day being more accepted for the public, but it is indeed commonplace for celebrities. BTS is a worldwide famous band from Korea, its members usually wear no gender clothes.

As for fashion, it tends to be more initiating and progressive than other fields, including gender. So, a lot of stereotypes are starting to disappear, such as, blue for kids and pink for girls. Nowadays it is more about the comfort you feel wearing the clothes than the "gender" for the one it was designed to[63].

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62 https://ozkizglobal.com/blogs/ozkiz-blog/what-do-korean-kids-wear
63 https://koreajoongangdaily.joins.com/2022/07/26/culture/lifeStyle/korea-genderless-gender-fluid/20220726150716059.html

## 17. SDG

The Sustainable Development Goals (SDGs) are a set of seventeen global goals adopted by the United Nations in 2015 as part of the 2030 Agenda for Sustainable Development. The SDGs are meant to serve as a universal call to action to end poverty, protect the planet, and ensure peace


and prosperity for all people by 2030.[64]

As we can see, for all the goals a certain level of challenge remains. In case of SDG such as gender equality or climate action, there is still a major challenge in South Korea; in cases such as responsible consumption and good health and wellbeing there is still a significant challenge, and in cases like quality education, industry, innovation and infrastructure the challenge has gotten better, but still remains.

The only goal on track to maintain its achievement is the one related to clean water and sanitation, whilst goals such as reduced inequalities are stagnating. The only one decreasing is related with life below water. In any case, Korea scored 27 out of a 163 countries in the general SDG index rank, positioning itself even before the US.

In Korea, the government has been actively working to achieve the SDGs, recognizing the important role they play in promoting sustainable development. The Korean government has set its own national targets and

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[64] https://dashboards.sdgindex.org/profiles/korea-rep

indicators aligned with the SDGs and established a comprehensive plan to implement them. The country has also established several initiatives to promote sustainable development, such as the "Green Growth Strategy" and the "Creative Economy Initiative". The early and proactive engagement of the Korean government and civil society with sustainable development has created a favourable environment for building systems for the implementation of the SDGs. For example, in case of Korea, the last time the government completed a voluntary national review was in 2016 and it has issued an official statement endorsing the implementation of the SDG, which are also being integrated into sectorial action plans. In addition, there have been national indicators that monitor the implementation and there is a designed lead government unit for the coordination and implementation of the SDG, all of which are lacking in the case of the US.

Korea is also a signatory to the Paris Agreement on Climate Change and is working to reduce its greenhouse gas emissions, promote renewable energy, and improve energy efficiency, which are all in line with SDG 7 (Affordable and Clean Energy) and SDG 13 (Climate Action). Additionally, the country is investing in research and development to promote innovation, which is aligned with SDG 9 (Industry, Innovation, and Infrastructure).

Korea is making efforts in several specific areas to achieve the Sustainable Development Goals (SDGs).

**Health:** Korea has made significant progress in health and has put in place programmes to improve access to health care for all citizens, in line with MDG 3 (Good health and well-being). The country has also put in place initiatives to improve the prevention and treatment of chronic diseases, such as diabetes and cardiovascular disease.

According to the UN, "Life expectancy has increased significantly, and some of the common causes of infant and maternal death have been reduced. Significant strides have also been made in expanding access to sanitation and clean water, as well as in lowering rates of polio, TB, malaria, and HIV/AIDS transmission. Therefore, much more work is required to regulate a wide range of illnesses and deal with a wide range of ongoing and new health problems."


Sporty toys can be manufactured by companies, whilst the apparel and footwear sector can design products that help people to exercise. Other sectors like books can work on spreading a healthy lifestyle in the South Korean population.

**Education:** Korea is working to improve access to quality education for all people in the country, in line with SDG 4 (Quality Education). In particular, the Korean government has implemented programmes to improve the equity and quality of education in rural and low-income areas.


The UN clarifies: "A number of important development drivers are supported by receiving a high-quality education. Major achievements have been made in improving women's and girls' access to education at all levels.

Although basic reading levels have significantly increased worldwide, more ambitious efforts are still required to meet the goals of universal education for all. For instance, the globe has achieved gender equality in primary education, but just a few nations have reached that goal at all educational levels."

Some companies all over the world fund university studies of their employees and their relatives with scholarships.

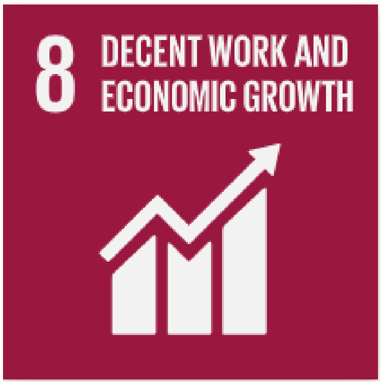
**Clean energy:** Korea is a leader in clean energy and is working to promote the use of renewable energy, in line with MDG 7 (Affordable and Clean Energy) and MDG 13 (Climate Action). In particular, the country has invested in renewable energy projects such as wind and solar power.


According to the UN, "Almost every significant challenge and opportunity the world faces today revolve around energy. Access to energy for everyone is crucial for improving earnings, securing jobs, combating climate change, and producing more food. One of our biggest problems in the future decades will be shifting the global economy toward clean and sustainable energy sources. Sustainable energy is a chance since it improves people's lives, economies, and the environment."

Applying all this I+D to the production chain of the different products would align companies to the SDG.

**Economic development:** Korea strives to promote sustainable and inclusive economic development in line with MDG 8 (Decent Work and Economic Growth). The Korean government has put in place programmes to improve job creation and economic growth in rural and low-income areas.

According to the UN, "Over half of the world's population still makes less than $2 each day. And in far too many locations, getting a job doesn't mean you can get out of poverty. We must reconsider and rework our economic and social policies targeted at reducing poverty in light of this poor and uneven development".




Placing different production zones in the rural area and providing good working conditions to their employees can be some options companies could consider. Examples of them are setting the wage over the average in the sector or promoting flexible conditions so as to favour domestic conciliation.

Overall, South Korea's commitment to achieving the SDGs is a positive development and demonstrates the country's efforts towards sustainable development. Continued efforts will be needed to address the remaining challenges and ensure that the benefits of sustainable development are enjoyed by all.

## 18. DIGITISATION

South Korea is one of the most advanced countries in terms of business digitalisation. According to the latest data**, about 90% of Korean companies are digitised**, which is very high compared to other countries in the region.

The Korean government is committed to helping businesses to become digital by providing a wide range of services and resources. The "Digital Transformation Support Programme" is one of the most important programmes set up by the government to help businesses go digital. It aims to help businesses adopt digital technologies to improve their competitiveness in the marketplace. The programme offers a variety of services, including subsidies for hardware and software acquisition, employee training and digital strategy consulting.

The Korean government has also invested in digital infrastructure to help businesses access the latest technologies. Korean companies benefit from access to high quality networks, data centres, cloud computing platforms and other technologies that enable them to digitise more effectively.

In terms of how companies are digitalising, most Korean companies are adopting technologies such as cloud computing, mobile applications, cyber security, voice and image recognition, robotics and artificial intelligence. Korean companies are also using these technologies to automate certain tasks, improve collaboration with employees and customers, obtain information more quickly and accurately, and offer better products and services.

The digitalization has had a significant impact on the toy market in South Korea. Digital toys are becoming increasingly popular among consumers, leading to an increase in demand for products such as video games, children's tablets, and interactive robots. In addition, many toy companies in South Korea have turned to technology to improve their marketing and online purchasing strategy, making it easier for consumers to find and purchase their desired toys.

Digital toys are often designed to be interactive and fun, with features such as voice recognition, shape recognition, and augmented reality games. They also often allow children to connect online with other children to play together or share creative activities. The main games are league of legends, TFT, FIFA or Lineage 2M. The Koreans are very keen on these world-famous video games. Moreover, online educational games are rarely played as opposed to non-online games such as construction games. However, educational games like Geoguessr are increasingly played by Koreans.

In addition to digitalizing toy products, toy companies in South Korea also use technologies such as data analysis and social media to better understand consumer preferences and to more effectively promote their products.

In conclusion, digitalization has played an important role in the toy market in South Korea, by offering new interactive products and facilitating online shopping for consumers. Toy companies are also using technology to better understand consumer preferences and to more effectively promote their products.

**South Korean companies, incorporating digitisation.**

- **Robobloq**: A business called **Robobloq** focuses on producing robotics kits for children that are instructive. Their items are designed to make learning about robotics, engineering, and programming entertaining and engaging for kids. By developing programs that enable students to operate their robots using their smartphones or tablets, they have incorporated digitization.[65]

**Robobloq Coopers 6 in 1**

- **Yoto**: A toy firm called **Yoto** makes interactive audio players for kids. Children are encouraged to listen to stories, music, and instructional material through the utilisation of their goods. By developing an app that enables parents to manage what their children listen to and to monitor their usage, they have incorporated digitization.[66]

**Yoto Player**

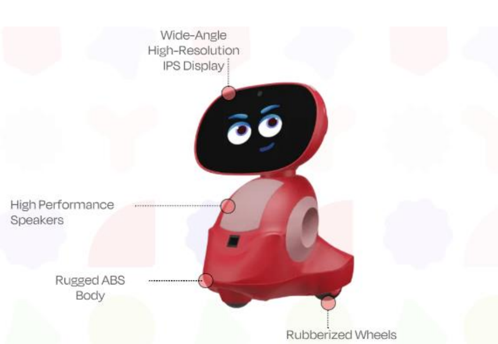


- **MIKO**: A firm called **MIKO** makes robots and interactive toys for kids. Their goods are made to aid kids in learning computer

[65] https://juguetecnic.com/juguetes-para-ninos/regalos-ninos-11-anos/robotica-para-ninos-de-11-anos/robobloq-qoopers-6-en-1-kit-robotica-programable-para-ninos?gclid=CjwKCAiAjPyfBhBMEiwAB2CCIuKd1EO11BAExjyXHekKplfTLDJxErEX61JkCOhh17Dc6uTtpNjk5RoC2lQQAvD_BwE
[66] https://www.amazon.com/Yoto-Player-Bestselling-All-One/dp/B088MLVZ81

science and programming. By developing programs that let kids use their smartphones or tablets to operate their toys and robots, they have incorporated digitalization.[67]

**Miko 3**




- **DITTO**: A firm called **DITTO** makes sophisticated educational toys for kids. Children can learn about STEM (science, technology, engineering, and maths) subjects with the use of their goods. By developing apps that let kids use smartphones or tablets to interact with their toys and games, they have incorporated digitalization.[68]

**Ditto Talking Robot**



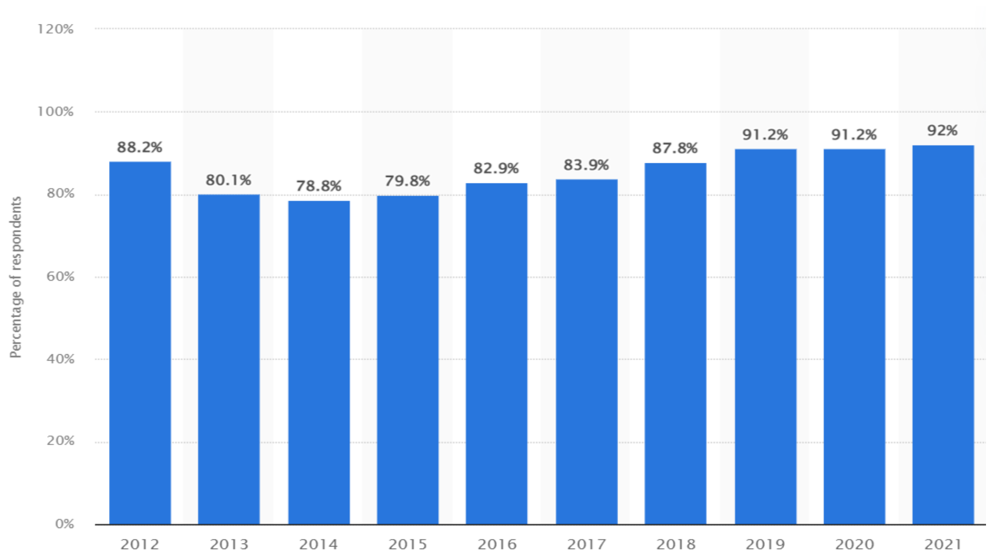
Referring to other markets like **clothing, footwear or furniture**, digitisation is being implemented in the production chain, so as to understand trends, infer the following consumer behaviour or analysing the production

[67] https://miko.ai/store/miko3
[68] https://www.amazon.com/Force1-Ditto-Voice-Changer-Robot/dp/B07CTHCNV6

chain itself, finding inefficiency points and other production methods that reduce waste or increase benefits for companies. In these aspects, big data analysis reveals fundamental.

Big data has wide applications and almost every aspect of the market can be analysed, inferring patterns and underpinning the different corporate strategies that attack the market searching for sales, increments of the revenue or build loyalty in their current clients. **Books** sector also benefit from these corporate practices, besides the increasing usage of e-books (their revenue is projected to grow in the following years[69]).

One example of data that could be analysed is the following graph, where it can be seen that between the period 2014-2021, there is a continuous increasing trend of internet usage of children aged 3 to 9 in South Korea. The percentage of recipients using Internet has increased from 2014 (78.8%) to 2021 (92%) by slightly more than 13%[70].




**Internet usage rate of young children aged 3 to 9 in South Korea from 2012 to 2021**

According to The Korea Times (2018), more than 95% of secondary school pupils own smartphones and use them for more than 2 hours each day.

69 Statista: Statista Digital Market Insights
70 https://www.statista.com/statistics/226730/internet-usage-of-young-children-in-south-korea-since-2006/

As of 2018, 95.9% of middle school students and 95.2% of high school students in Korea own cell phones, according to a report by the government-run Korea Information Society Development Institute. The percentages increased from 86.6% for middle school students and 90.2% for high school students in 2015. Also, the results estimated in 2018 outperform the 87.2% global average for smartphone penetration among all age categories. For elementary schoolchildren, the smartphone penetration rate was 37.8 percent for first to third graders, and 81.2 percent for fourth to sixth graders — also up from 2015's 25.5 percent and 59.3 percent, respectively.

Middle schoolers used the devices the most - 144 minutes per day - followed by high schoolers who used them for 135 minutes per day. The two Korean age categories spent more time on their smartphones than the average of all age groups - 113 minutes.

98.9% of high school pupils who possess a smartphone reported using mobile messaging services such as "KakaoTalk". The rate was also high among middle schoolers (94.5%), while fourth to sixth graders in elementary school ended up with 88.8%. First to third graders in elementary school contributed 76.8%.

Games, messaging applications and video platforms were the most popular apps among elementary school students, while middle school students preferred games, messaging apps and webtoons. Finally, high school students' choices included games, messaging apps and social networking.[71]

## 19. CLUSTERS. ASSOCIATIONS. ALLIES

| COMPANY AND COMMENTS | CONTACT DETAILS |
|---|---|
| GENERAL | |
| **Spanish chamber of commerce.** The Spanish Chamber of | +34 91 590 69 00 |

[71] https://www.koreatimes.co.kr/www/nation/2019/10/113_277023.html

| | |
|---|---|
| Commerce coordinates the network of Chambers of Commerce in Spain and acts as its representative before national and international governing bodies, as well as providing advisory services to the Spanish government. Its mission is to promote and defend the general interests of trade, industry, services and maritime navigation. | https://www.camara.es/en |
| **Chambre de commerce des États-Unis.** CCI France International brings together and manages 119 French Chambers of Commerce and Industry (CCI FI) in 94 countries. | https://www.ccifrance-international.org/notre-reseau/les-cci-fi/amerique-du-nord/les-cci-fi-aux-etats-unis.html |
| **Danish-American chamber of commerce**. The Danish-American Chamber of Commerce in New York (DACC) is a not-for-profit corporation, independent of any other non-profit, commercial or governmental organizations. Its mission is to further the business interests of our members and to help promote trade relations between Denmark and the United States. | https://daccny.com/ |
| **Lotte.** Lotte Department Store could be an option for a foreign company looking to distribute its products in South Korea. | (+82)-2-772-2500<br><br>https://www.lotte.co.kr/global/en/main.do#none |
| **-Ministry of Trade, Industry and Energy** | https://english.motie.go.kr/ |
| **TOY MARKET** | |
| **TOYTRON.** Company specialised in products for infants. | +82-02-3471-1454<br>http://www.toytron.co.kr/eng/index/ |
| **E-mart.** Digital market and platform where retail and wholesale can be developed. | 02-380-5678<br>https://store.emart.com/main/main.do |
| **Gmarket.** Digital market and platform where retail and wholesale can be developed. | global@corp.gmarket.co.kr<br>220-81-83676 |

| | |
|---|---|
| | http://gcategory.gmarket.co.kr/Listview/Category?GdlcCd=100000042 |
| **HomePlus.** Digital market and platform where retail and wholesale can be developed. | onlinemart@homeplus.co.kr<br>https://front.homeplus.co.kr/ |
| **Korea International Trade Association**. Represents Korean toy manufacturers and can help establish contacts with foreign toy manufacturers and facilitate trade. | 1566-5114<br>http://www.kita.org/index.do |
| **Korea Creative Content Agency.** The government agency that supports and promotes the Korean creative industry, including the toy industry. | yoosunghoon@kocca.kr<br>+33-1-42-93-02-84<br>https://www.kocca.kr/en/main.do |
| **-Young Toy**s. A Korean toy company that produces a variety of children's toys: educational toys, construction toys and branded toys. | webmaster@youngtoys.com<br>02-557-8330<br>http://www.youngtoys.com/eng/index.do |
| **-Korea Toy Association** | http://www.koreatoy.or.kr |
| **-K BIZ Toy** | http://www.kotoy.or.kr/ |
| **-Asia Toy & Play Association** | https://www.atpa.asia |
| **APPAREL AND FOOTWEAR MARKET** | |
| **Korea Federation of Textile Industries (KOFOTI).** The South Korea Textile Industry Federation is an organisation that represents textile manufacturers in South Korea. | http://www.kofoti.or.kr/eng/ |

| | |
|---|---|
| **Digital-Ro, Geumcheon-Gu** | https://www.edresearch.co.kr/main/index.html# |
| **Technology center** | https://kiat.or.kr/eng/user/main.do |
| **BABY FOOD MARKET** | |
| **GS25.** GS Retail provides differentiated goods and service such as the product development for high quality food, for example safe and delicious fresh-food goods etc., the rational price of PB brand 'YOUUS' | 82 1644-5425<br>https://www.gs25.com.vn/ |

## 20. MAIN ASPECTS RELATED TO ENTER THE MARKET

There are several important aspects related to implantation in South Korea, including:

1. **Understanding the market: S**outh Korea has a highly developed and sophisticated market, so it's essential to have a thorough understanding of the local market, consumer behaviour, and competition.

2. **Regulatory compliance**: South Korea has strict regulations for businesses operating in the country, including labour laws, taxes, and environmental regulations. It's important to ensure that all regulatory requirements are met before implementation.

3. **Cultural differences**: South Korea has a distinct cultural heritage and values, so it's important to understand and respect these cultural differences in order to be successful in the market.

4. **Networking**: Building a network of business contacts and partners is crucial in South Korea, as personal connections and trust are important factors in business dealings.

5. **Technological infrastructure**: South Korea is a highly technologically advanced country, so it's important to have the necessary technology and infrastructure in place to succeed in the market.

6. **Localization**: To be successful in the South Korean market, it's important to localise products and services to meet the specific needs and preferences of local consumers.

7. **Partnering with local companies**: Partnering with local companies can provide valuable support and resources for successful implementation in South Korea, as well as access to local networks and expertise.

By taking these factors into consideration, companies can increase their chances of success in the South Korean market.

The following table shows the **differences between a foreign-owned company and a branch office:**

| | **Companies with foreign capital** | **Branches of foreign companies** |
|---|---|---|
| **Applicable law** | Foreign Investment Promotion Act | Foreign Exchange Transaction Act |
| **Nature of the company** | Local (Korean) company | Foreign company |
| **Relationship between the foreign investor and the local company** | The investee is a different entity from the foreign investor. The accounting and balance sheet are different. | Head office and branch are one and the same entity. Single accounting and balance sheet. |
| **Minimum capital** | 100 million won | It does not exist |
| **Application of corporate tax** | To all profits earned both in Korea and abroad. It will apply to 10% and 22% if they exceed 200M won. | Only on profits made in Korea. 10% and 22% will be applied in the case of profits exceeding 100 million won. |

## 20.1. SWOT STUDY

| STRENGTHS | WEAKNESSES |
|---|---|
| -Highly educated and skilled workforce with strong work ethic.<br><br>-Advanced technology and infrastructure<br><br>-Strategic location in Northeast Asia<br><br>-Well-established and advanced logistics and transportation networks<br><br>-Strong government support for business | -High cost of living and doing business<br><br>-Strict regulations and bureaucracy<br><br>-Limited natural resources and dependence on imports for many key industries<br><br>-Aging population and low birth rate could lead to labour shortages in the future<br><br>-The environment can be complicated to understand for foreigners |
| **OPPORTUNITIES** | **THREATS** |
| -Increasing interest in Korean culture and products in global markets<br><br>- Dynamic economy with a growing middle class and increasing demand for foreign products and services<br><br>- The country is also known for its expertise in technology, which offers opportunities for foreign companies to benefit from new technologies to develop new products<br><br>-Growing emphasis on sustainability and eco-friendliness, creating opportunities for companies in these areas | -Political and economic tensions with North Korea, which could impact business and investment confidence in the region<br><br>-Intense competition from other countries such as China and Japan<br><br>-Vulnerability to natural disasters<br><br>-Risk of a trade war or protectionist policies from other countries, which could negatively impact South Korean exports |

| |
|---|
| -Potential for increased cooperation and trade with neighbouring countries, including China, Japan…<br><br>-Strong government emphasis on innovation and research and development, with generous funding for startups and small businesses |

# 21. MAIN EVENTS IN SOUTH KOREA

| Fair | Description | Web | Additional info |
|---|---|---|---|
| **BeFe Baby Fair** | Products related to pregnancy, childbirth and childcare.<br>14-17 September | https://www.befe.co.kr/kr/?ckattempt=2 | Held twice a year in Seoul, 'BeFe BABYFAIR' is the first exhibition of baby products in Korea, which attracts 150 exhibitors with their famous brands from 20 countries around the world |
| **COBE Baby Fair** | Exhibition for maternity, parenting and education.<br>23-26 February (always in February) | http://cobe.co.kr/__songdo.php | COBE Baby Fair provides information on pregnancy, childbirth, education and childcare. It is an exhibition to promote products and develop the market by meeting industries and consumers. |
| **EDUCARE & KIDSFAIR - Coex** | Toys, games, education & baby care.<br>Organiser: Sege Fairs<br>6-9/07/2023<br>2-5/11/2023 | http://www.segefairs.co.kr/en/ | 1000 booths from approximately 30 different countries participate in the exhibition, and about 1,000 new products are launched. |

| | | | |
|---|---|---|---|
| **Edu Plus Show** | International Children Education & Products Expo 10-12/08/2023 | http://eduplusshow.com/ | |
| **Seoul POPCON** | Video games, comics, toys, plush dolls, animation. 25-27/08/2023 | https://en.seoulpopcon.org/ | Seoul POPCON (Seoul Pop Culture Convention) is a global pop culture exhibition in Korea which presents industry leaders from Broadcast, Cinema, Games, Comics, Animation, Music, and Art. |
| **Daegu Baby & Kids Fair** | Baby food, clothes, toys, children's furniture. 15-18/06/2023 | https://cobe.co.kr/__exco.php | Exhibitors from all over the world will gather at Daegu Baby & Kids Fair to showcase a wide range of products and services such as various baby products and equipment, clothes and many other related products. |
| **Mom & Baby Expo - Kintex** | Toys, clothes, products related to pregnancy. 23-26/11/2023 | http://www.momnbabyexpo.co.kr/ | Exposition where 250 companies and more than a thousand stands with maternity and baby related products are held. |

## 22. CONCLUSION

In the latest years, just as it has been the case with the US and Chile, Korea has suffered a declining birth rate and ageing population.

Regarding the toy market, Korean consumers have shown a tendency to buy quality toys, even at a higher price. The most popular toys in South Korea include educational toys such as construction sets, science toys and toys for learning maths and science. Robotics and technology-related toys are also very popular. In any case, the Korea toys market is slated to grow at a highest CAGR of around 4% over the forecast period between 2019 and 2027.

Just as with toys, parents value high quality materials when buying shoes or clothing. In this sector, fashion also plays an important role, as well as appearance and products that are aesthetically pleasing. This is also applicable for furniture, which must look nice, at the same time that it guarantees security and the use of high quality materials.

In case of children's food, this sector has been experimenting a continuous growth in the last years, especially for organic and healthy products. Regarding books, Korean publishers are also known for publishing books that reflect Korean culture, such as traditional tales and legends.

As for marketing, popular characters are highly valued, for example in toys and clothing, driven by new consumer's habits and streaming platforms. Design of a product is also a leading consideration when contemplating buying a product, which means consumers place a high value on the aesthetic appeal of a product.

It's important to note that Korean consumers are very brand-conscious, they are very loyal to their favourite brands, but also easily influenced by their favourite artists. Korean artists have also been an important influence regarding gender neutral clothing, a common aspects for celebrities such as

BTS which has influenced the population in such a way that even Nike has launched its first ever gender fluid store in South Korea.

Ecommerce has played an important part as a retail channel, with 60% Korean consumers reporting having bought toys online in the last 12 months. Fashion is the leading category for this type of retailing.

Regarding sustainability, over 70% of South Korean consumers consider environmental and social impact when making purchasing decisions, and almost 60% are willing to pay more for sustainable products. In fact, South Korean consumers who purchased eco-friendly products increased from 35,5% in 2016 to 44,9% in 2019. In the same period, the proportion of companies that adopted eco-friendly practices also increased, from 33,6% to 44,9%. It is also relevant to take into account that Korean government has shown interest towards the implementation of SDG, even if most goals are not achieved and a certain level of challenge remains.

Finally, the opportunities in the Korean market are numerous. South Korea has a dynamic economy with a growing middle class and increasing demand for foreign products and services. The country is also known for its expertise in technology, which offers opportunities for foreign companies to benefit from new technologies to develop new products. The country's strategic location allows it to have close trade relations with Asia. Finally, from a governmental point of view, the South Korean government is business-friendly and offers tax incentives and other advantages to encourage foreign investment. Finally, Korean consumers are known to be sophisticated and have high purchasing power.

## ANNEX. LEGISLATIVE FRAMEWORK

*Here you could find some specific laws and decrees related to children's toys in South Korea:*

**The Special Act on Safety Management of Children's Products:** This law regulates the safety of children's products, including toys, and establishes safety standards for manufacturers and importers. It also includes provisions for recall and disposal of unsafe products. (Source: Ministry of Trade, Industry and Energy).

- Article 5 (Safety Standards for Children's Products)
- Article 8 (Prohibition of Sales of Unsafe Children's Products)
- Article 12 (Recall and Disposal of Unsafe Children's Products)

**The Consumer Product Safety Act:** This law sets out general safety standards for consumer products, including children's toys. It establishes the Consumer Product Safety Commission to oversee product safety and enforcement. (Source: Korea Consumer Agency).

- Article 5 (General Safety Standards for Consumer Products)
- Article 12 (Prohibition of Sales of Unsafe Consumer Products)
- Article 17 (Recall and Disposal of Unsafe Consumer Products)

**The Safety Standards for Children's Products:** This decree establishes specific safety standards for children's toys in South Korea, covering topics such as mechanical hazards, chemical hazards, and flammability. (Source: Korea Consumer Agency).

- Article 2 (General Safety Standards for Children's Products)
- Article 4 (Safety Standards for Toys)
- Article 7 (Labelling Requirements for Toys)

**The Act on the Registration and Evaluation of Chemicals (REACH):** This law regulates the use of chemicals in consumer products, including children's toys. Manufacturers and importers must comply with REACH requirements to ensure the safety of their products. (Source: Ministry of Environment)

**The Industrial Design Protection Act:** This law protects the designs of industrial products, including toys. It establishes the Korea Intellectual Property Office to oversee design registration and enforcement. (Source: Korea Intellectual Property Office)

**Safety Standards**: The Korean government has strict safety standards that must be met before a toy can be sold in the country. This includes regulations for choking hazards, lead content, and other potential dangers. Companies that want to sell toys in South Korea must ensure that their products comply with these regulations.

Article of law: The Toy Safety Act (제조·판매 등에 관한 안전규격에 관한 법률)$

- Article 2: Definitions
- Article 5: Safety Standards for Toys
- Article 6: Testing and Certification of Toys
- Article 7: Safety Marking and Labelling of Toys

**Age Recommendations**: Toys must have age recommendations that indicate the appropriate age range for children who can play with them. This is to ensure that younger children are not exposed to toys that could be dangerous or inappropriate for their age.

Article of law: The Fair Labelling and Advertising Act (공정거래에 관한 법률)

- Article 7: Safety Standards for Consumer Products

This article establishes safety standards for consumer products, including toys, and requires that products be labelled with age recommendations and other safety information.

- Article 9: Safety Certification of Consumer Products

  This article requires certain consumer products, including toys, to be certified as safe by a designated safety certification agency before they can be sold in South Korea.

- Article 3: Regulations on Children's Products

  This article sets regulations for the safety and labelling of children's products, including toys, and requires that age recommendations and other safety information be provided on product packaging.

- Article 5: Obligations of Businesses

  This article requires businesses that manufacture, import, or sell children's products, including toys, to ensure that their products comply with safety regulations and that they are labelled appropriately.

- Article 6: Standards for Age Recommendations and Safety Information

  This article establishes standards for age recommendations and safety information on children's products, including toys.

**Import Restrictions**: South Korea has restrictions on the importation of certain types of toys. This includes toys that contain hazardous materials, as well as toys that are designed to be used for gambling or other illegal activities.

Article of law: The Customs Act (관세법)

- Article 65: Prohibition of Importation of Certain Goods: This article prohibits the importation of certain goods, including toys that are deemed to be dangerous or harmful to public health.

- Article 66: Inspection and Disposition of Goods Suspected of Infringing Intellectual Property Rights: This article allows customs officials to inspect and dispose of goods that are suspected of infringing on intellectual property rights, such as counterfeit toys.
- Article 67: Provisional Seizure of Goods: This article allows customs officials to provisionally seize goods that are suspected of being subject to seizure under the Customs Act, including toys that are deemed to be dangerous or harmful.
- Article 68: Determination of Customs Value
- This article establishes the procedures for determining the customs value of imported goods, including toys.

**Advertising Regulations:** Companies that sell toys in South Korea must comply with advertising regulations that are designed to protect children from potentially harmful or deceptive advertising.

Article of law: The Fair Labelling and Advertising Act (공정거래에 관한 법률)

- Article 3: Prohibition of False and Misleading Representations
- Article 6: Requirements for Labelling and Advertising of Goods
- Article 8: Standards for Labelling and Advertising of Goods

**Intellectual Property:** Toy manufacturers must ensure that their products do not infringe on the intellectual property rights of others, such as patents, trademarks, or copyrights.

Article of law: The Intellectual Property Rights Protection Act (지적재산권보호법)

- Article 2: Definitions
- Article 24: Infringement of Patents
- Article 34: Infringement of Trademarks
- Article 41: Infringement of Copyrights

**Fair Labelling and Advertising Act** (공정거래에 관한 법률)

- Article 3: Prohibition of False and Misleading Representations
- Article 6: Requirements for Labelling and Advertising of Goods
- Article 8: Standards for Labelling and Advertising of Goods

*Regarding some specific laws and regulations related to children's food in South Korea:*

**The Special Act on Safety Management of Children's Dietary Life:** This law regulates the safety of children's food and dietary life and establishes safety standards for manufacturers and importers. It also includes provisions for recall and disposal of unsafe products. (Source: Ministry of Food and Drug Safety).

- Article 3 (Safety Standards for Children's Food)
- Article 7 (Prohibition of Sales of Unsafe Children's Food)
- Article 9 (Recall and Disposal of Unsafe Children's Food)

**The Food Sanitation Act:** This law sets out general safety standards for food products, including those intended for children. It establishes the Food and Drug Safety Ministry to oversee food safety and enforcement. (Source: Ministry of Food and Drug Safety).

- Article 7 (General Safety Standards for Food)
- Article 8 (Inspection of Food)
- Article 13 (Prohibition of Sales of Unsafe Food)

**The Standards and Specifications for Foods and Food Additives:** This regulation establishes specific standards and specifications for food products, including those intended for children. It covers topics such as food additives, contaminants, and nutritional value. (Source: Ministry of Food and Drug Safety).

- Article 3 (Specifications for Food Additives)
- Article 5 (Maximum Residue Limits for Pesticides)
- Article 7 (Nutritional Labelling Requirements)

**The Health Functional Food Act:** This law regulates the safety and labelling of health functional foods, including those intended for children. Manufacturers and importers must comply with this law to ensure the safety and quality of their products. (Source: Ministry of Food and Drug Safety).

- Article 8 (Safety Standards for Health Functional Foods)
- Article 9 (Labelling Requirements for Health Functional Foods)
- Article 13 (Prohibition of Sales of Unsafe Health Functional Foods)

**The Infant Formula and Follow-up Formula Act:** This law regulates the safety and labelling of infant and follow-up formula products, including those intended for children. It establishes specific safety and nutritional requirements for these products. (Source: Ministry of Food and Drug Safety).

- Article 5 (Safety Standards for Infant and Follow-up Formula)
- Article 7 (Labelling Requirements for Infant and Follow-up Formula)
- Article 10 (Prohibition of Sales of Unsafe Infant and Follow-up Formula)

*About the regulations related to importation and exportation of products in South Korea:*

**The Customs Act:** This law sets out the customs procedures for importing and exporting products in South Korea. It covers topics such as tariff classification, valuation, and inspection requirements. (Source: Korea Customs Service)

- Article 10 (Tariff Classification)
- Article 23 (Valuation)
- Article 28 (Inspection of Goods)

**The Foreign Trade Act:** This law regulates foreign trade activities in South Korea, including import and export procedures. It establishes the Ministry of Trade, Industry and Energy to oversee foreign trade policy and enforcement. (Source: Ministry of Trade, Industry and Energy).

- Article 7 (Duty to Report Foreign Trade Activities)
- Article 8 (Import and Export Restrictions)
- Article 16 (Foreign Trade Policy)

**The Export Control Act**: This law regulates the export of certain goods, including strategic items and dual-use goods, which have potential military or security applications. It establishes the Korea Trade-Investment Promotion Agency to oversee export control policy and enforcement. (Source: Korea Trade-Investment Promotion Agency)

- Article 7 (Export Control)
- Article 9 (Licensing and Approval)
- Article 15 (Enforcement)

**The Imported Food Act:** This law regulates the import of food products into South Korea, including safety standards and labelling requirements. It establishes the Ministry of Food and Drug Safety to oversee importation and enforcement. (Source: Ministry of Food and Drug Safety)

- Article 3 (Imported Food Safety Standards)

- Article 5 (Imported Food Labelling Requirements)
- Article 13 (Imported Food Inspection)

**The Foreign Investment Promotion Act**: This law regulates foreign investment in South Korea and establishes procedures for obtaining approval for foreign investment projects. It also includes provisions for dispute resolution and protection of intellectual property rights. (Source: Korea Trade-Investment Promotion Agency)

- Article 4 (Approval of Foreign Investment)
- Article 10 (Intellectual Property Rights Protection)
- Article 16 (Dispute Resolution)