

South Korea

An overview of the economy and of the business environment



Taekwondo (태권도) is a traditional Korean martial art that serves as both a self-defense system and an Olympic sport. Recognized as South Korea's national sport, Taekwondo boasts global popularity with approximately 70 million practitioners around the world.

The earliest forms of Taekwondo, known as Taekkyon and Subak, date back to around 50 B.C. During this period, Korea was divided into the kingdoms of Silla, Koguryo, and Paekche. Paintings from tombs and caves show Taekkyon practitioners using techniques similar to those in modern Taekwondo. Warriors from these kingdoms used their martial arts skills to defend against invasions from Japanese, Chinese, and Mongolian armies. The Hwarang, an elite group of Sillan warriors, played a significant role in the early growth and spread of Taekkyon and martial arts throughout Korea.



During the Japanese occupation of Korea (1909-1945), Korean martial arts were banned, but practitioners continued in secret. After liberation in 1945, the first Taekwondo school opened in Seoul. By 1955, various schools unified under the name "Taekwondo." The Korea Taekwondo Association (KTA) was established in 1961, and the World Taekwondo Federation (WTF) was created in 1973. Taekwondo became an Olympic sport in 2000 and continues to grow globally.

The South Korean government has officially recognized Taekwondo as a strategic cultural asset, aiming to globalize it further and integrate it into the broader "K-culture" wave. Under the Fourth Basic Plan for Taekwondo Promotion (2024–2028), the country is investing in expanding Taekwondo's reach through international competitions, cultural demonstrations, and new formats like virtual and beach Taekwondo 1.

Economically, the Taekwondo industry contributes through training centers and academies, both domestic and international, manufacturing of uniforms, gear, and equipment, hosting international tournaments, which boost sports tourism, cultural exports, as Taekwondo is a key part of Korea's soft power strategy. This ecosystem supports jobs, attracts foreign students and tourists, and strengthens Korea's global cultural presence.



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Speaking more generally about the economy, South Korea has emerged as a leading economic power in Asia. With a gross domestic product (GDP) of approximately USD 1.8 trillion, it ranks as the fourth-largest economy in the region, following the much more populous nations of China, Japan, and India.



In just a few decades, South Korea has evolved from a country devastated by war into one of the most prosperous and technologically advanced nations in the world. This remarkable progress is the result of export-driven growth, strategic government-led industrialization, and consistent investment in education and innovation.

Despite its limited geographic size, scarce natural resources, and a relatively small labor force (29.58 million out of a population of 51.71 million), the country has prioritized technological advancement and innovation to drive growth. Once a predominantly rural, agricultural society, South Korea has evolved into a highly urbanized and industrialized economy. South Korea has successfully navigated recent global challenges thanks to strong economic fundamentals and sound macroeconomic policies. However, South Korea's potential growth has slowed more rapidly than that of its peers in recent decades.

The country faces structural headwinds, including a rapidly aging population, evolving global trade dynamics, and the transformative impact of AI technologies. In response, the government has introduced the "Dynamic Economy Roadmap," aimed at enhancing quality of life and long-term economic sustainability through structural reforms. Nonetheless, rising domestic political uncertainty poses challenges to the implementation of these reforms.



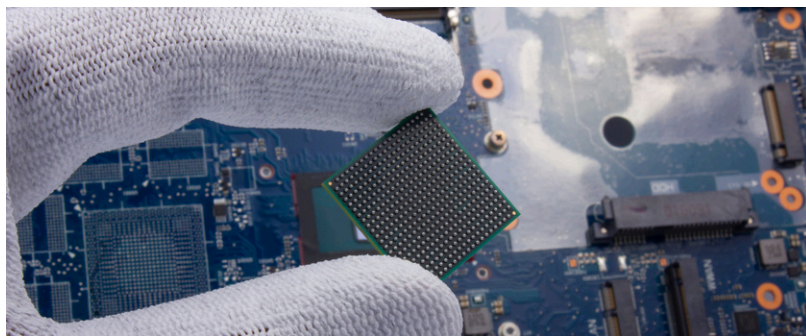
Over the past six decades, South Korea has undergone one of the most remarkable economic transformations globally. Today, industry accounts for 31.6% of GDP and employs 24% of the workforce (World Bank, latest data). Strategic government policies, substantial investments in research and development, and a highly skilled labor force have positioned South Korea as a global leader in several key sectors.

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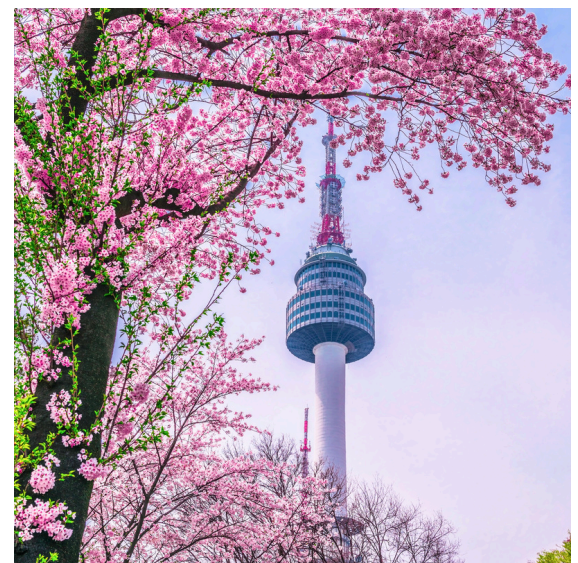
Major industries include textiles, steel (with POSCO among the world's largest producers), automotive manufacturing (Hyundai and Kia are recognized worldwide for their vehicles), shipbuilding, and electronics (while LG maintains a strong presence in the consumer electronics market).



Notably, South Korea is the world's second-largest producer of semiconductors—its leading export. Companies like Samsung, which alongside Taiwan's TSMC leads in advanced chip production, are central to the global tech supply chain.

The agricultural sector plays a minimal role in the economy, contributing just 1.6% to GDP and employing 5% of the workforce (World Bank). Rice remains the primary crop, alongside barley, wheat, corn, soybeans, and sorghum. The sector also includes large-scale livestock farming. With less than one-quarter of land under cultivation, South Korea relies heavily on imports, sourcing approximately 70% of its food and agricultural products from abroad. Mineral resources are limited, primarily to gold and silver.

The service sector is the largest and fastest-growing segment of the economy, contributing 58.4% of GDP and employing 71% of the workforce (World Bank). Tourism is a key component, accounting for approximately 3.8% of total economic output (WTTC). In 2024, South Korea welcomed 16.37 million foreign visitors—a 48.4% increase from 2023—reaching 94% of pre-pandemic levels. The country also boasts a highly developed financial services industry, home to Asia's third-largest insurance and banking markets. In 2024, service sector output rose by 1.4% in transportation, warehousing, finance, and insurance.



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The South Korean economy relies heavily on exports, which make up nearly half of its GDP. This dependence on global trade makes it sensitive to shifts in international demand and trade dynamics. In 2025, South Korea's exports are dominated by high-tech and industrial goods. Semiconductors, especially memory chips, remain the country's top export, driven by global demand in AI and electronics. Automobiles—particularly electric and hybrid models—also play a major role, alongside refined petroleum products. The country continues to lead in shipbuilding, exporting large vessels like LNG carriers. Other significant exports include machinery, plastics, iron and steel, organic chemicals, medical instruments, and auto parts.



In 2025, South Korea exports the majority of its goods to China, which remains its largest trading partner, particularly for semiconductors and industrial components. The United States follows closely, importing high-value products like cars, electronics, and machinery. Vietnam and Hong Kong are also key destinations, serving as important hubs for electronics and re-exports. Other major export partners include Japan, India, and Germany, reflecting South Korea's strong ties with both regional neighbors and global industrial economies.

South Korea's imports are largely driven by its industrial needs and energy demands. The country's top import is mineral fuels, including crude oil and natural gas, which are essential for its energy-intensive industries. Following that, electrical machinery and equipment—such as semiconductors and components for tech manufacturing—make up a significant portion of imports. South Korea also brings in large volumes of machinery, including computers and industrial equipment.

Other key imports include vehicles, medical and optical instruments, inorganic and organic chemicals, ores and metals (like iron and steel), and plastics. These imports support South Korea's manufacturing, automotive, and high-tech sectors, reflecting its role as a global production hub.

In 2025, South Korea imports most of its goods from China, followed by the United States and Japan, which supply key components, machinery, and high-tech equipment. Other significant import partners include Germany, known for industrial and automotive products, and Saudi Arabia, which remains a major source of crude oil. Countries like Australia, Vietnam, and Taiwan also play important roles, particularly in providing raw materials and electronic components.

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South Korea's strong integration into global trade and finance makes it particularly vulnerable to external economic and geopolitical disruptions. Consequently, it becomes essential for businesses to rely on trustworthy business information providers to accurately assess potential partners based in Korea, ensuring informed decisions and minimizing risk in such a dynamic environment.

SkyMinder provides the most reliable business credit information on companies based in South Korea, thanks to partnerships with the country's most trusted and competent local information providers.

A team of highly skilled local experts accesses official entities and a wide range of sources to gather comprehensive data. This information is then analyzed using proven, sophisticated risk assessment models to ensure accuracy, depth, and actionable insights.



SkyMinder Full Reports include the following information:

- Complete company identification details: correct company name, adresse(s), contact details such as phone, fax, email, webs, etc.
- Company registration details: our local providers try to access local registries and to get registration number, company id, fiscal code, and any information that can be retrieved at the local registry
- Directors and company structure: board of directors, shareholders and related companies
- Financials: if available, the reports include all officially available data
- Credit rating and suggested credit limit
- Number of employees
- Activity details: sector and industry of the company
- Legal and negative information on the company
- Banks information

Of course the availability of each single details depends on the company type and on other contingent factors, but SkyMinder always guarantees that all the information included in a report is the result of the best expertise and efforts and that the details included are the best available on the company at the time of the search.

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In addition to the Full Report including all complete details on South Korean companies, on SkyMinder it is possible to order other type of reports allowing you to get an in-depth and exhaustive knowledge of your business partners:

- Slim Report: a short report including all crucial information to evaluate the credit situation of a company
- Verification Report focusing on the shareholding structure of a company.
- Compliance Check Report and Extended Check Report: Through SkyMinder you can access the Lexis Nexis Risk Solutions platform and check if a business partner is involved in financial crimes, bribery, corruption and money laundering actions.
- Cyber Risk Report: thanks to the test performed to a company website and related domains and emails, you can understand in advance if a partner or potential partner is vulnerable to a cyber-attack.
- Company profile and shareholder list from the Legal Entity Identifier official registry

SkyMinder also guarantees some of the fastest delivery times in the industry, providing highly accurate and up-to-date credit reports within just a few working days.

These reports are comprehensive, current, and easy to interpret. Thanks to the combination of SkyMinder's reliable credit data and the expertise of trusted local providers, businesses can confidently establish secure and profitable partnerships with any company in South Korea.



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