



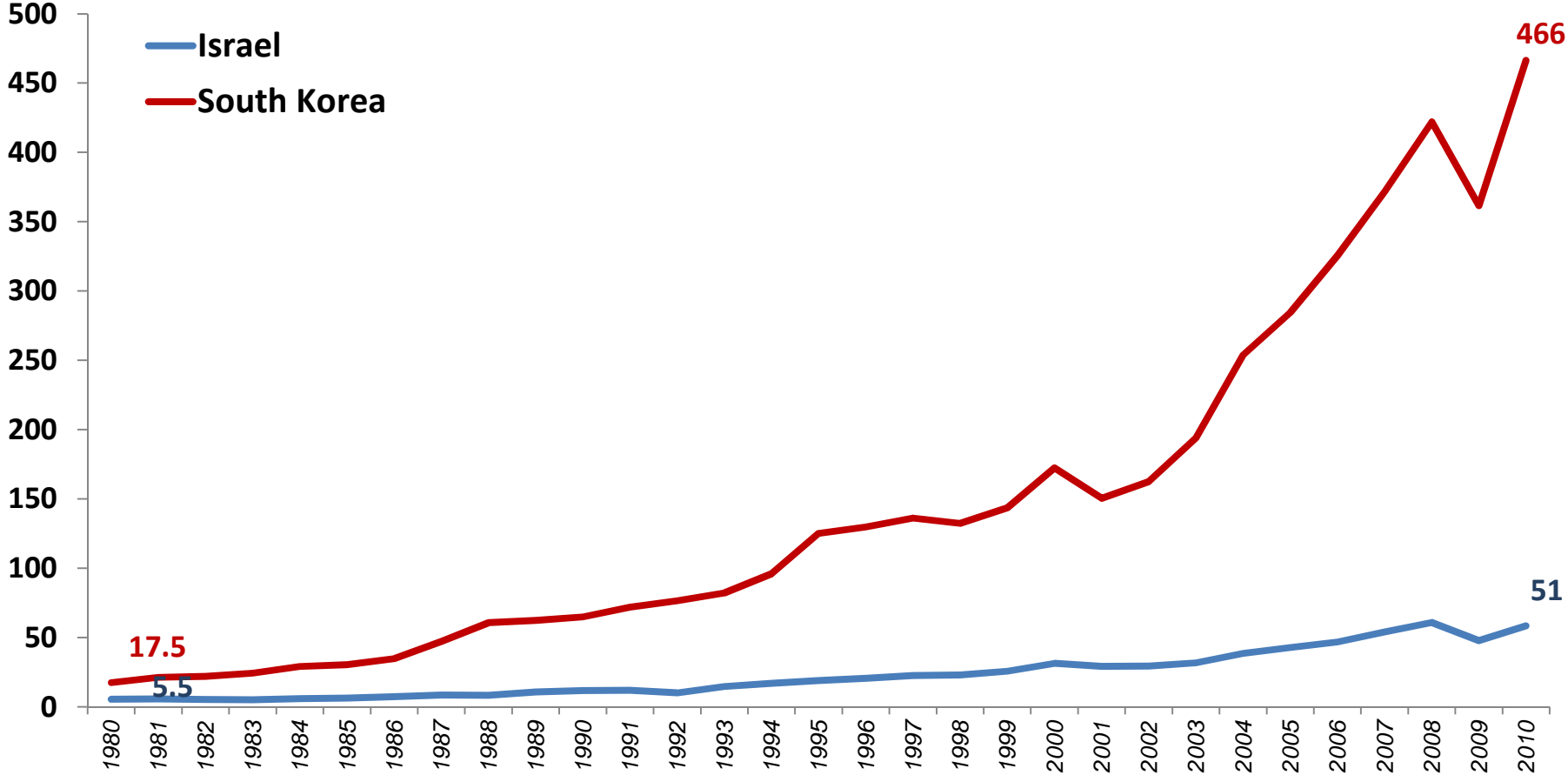
# Why South Korea ?



המכון הישראלי לייצוא ולשיתוף פעולה בין-לאומי  
*The Israel Export & International Cooperation Institute*

Dec .2011

# Historical Comparison-Export of Goods : Israel & South Korea (in B\$)



Source: IMF

# Leading Economies in Asia – Main Indicators

Country	Population M	GDP B\$ (2010)	Average growth rate 2010-2007	Imports of goods and services 2010 (B\$)	Annual average growth rate in imports of goods and services 2011-15
<b>China</b>	1,313	5,926	10.8%	1,521	10.8%
<b>Japan</b>	127	5,460	-0.3%	768	5.6%
<b>Korea</b>	50	1,015	3.5%	503	6.3%
<b>India</b>	1,184	1,721	8.2%	427	11.3%
<b>Singapore</b>	5	223	6.0%	408	7.7%
<b>Taiwan</b>	23	430	3.9%	286	3.1%
<b>Thailand</b>	68	319	3.3%	204	7.5%
<b>Malaysia</b>	28	278	4.2%	189	6.9%
<b>Indonesia</b>	243	706	5.8%	162	12.2%
<b>Vietnam</b>	88	104	6.7%	94	13.3%
<b>Philippines</b>	100	200	5.1%	73	5.9%

# Gross Domestic Product by Sector of Origin

## South Korea & Israel

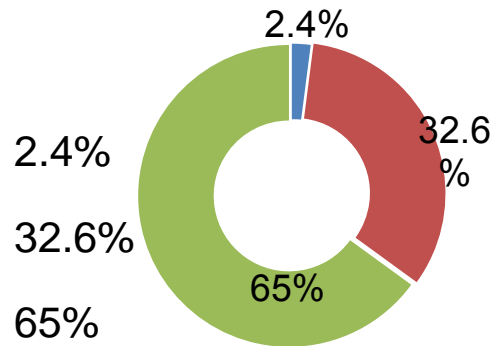
### GDP - composition by sector

Agriculture

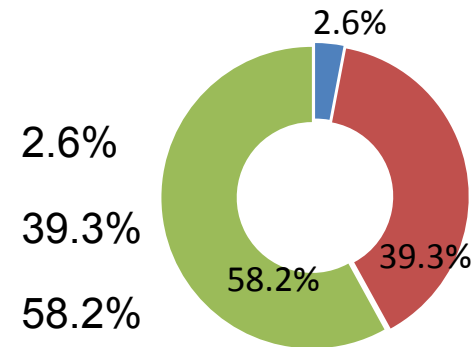
Industry

Services

### Israel



### Korea, Rep.

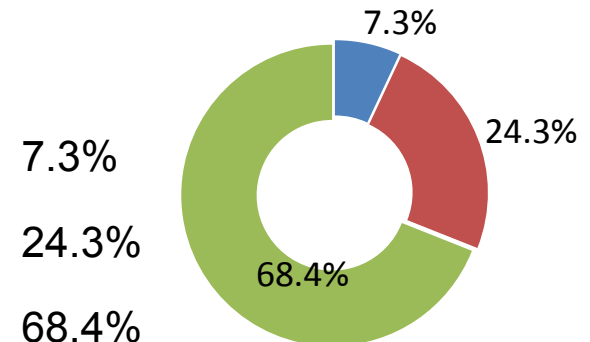
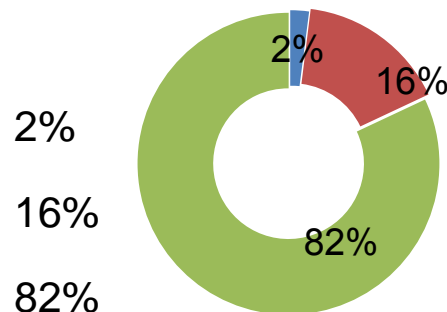


### Labor Force - by sector

Agriculture

Industry










Services



\*Source : CIA, factbook

# 9 Most Densely Populated Countries

(population above 1 million )

Rank	Country/Region	Population	(Area (km <sup>2</sup>	Density (Pop per km <sup>2</sup> )
1	 Singapore	5,183,700	707.1	7,331
2	 Bangladesh	142,325,250	147,570	1,069
3	 Mauritius	1,288,000	2,040	631
4	 Republic of China (Taiwan)	22,955,395	36,190	640
5	 South Korea	48,456,369	99,538	487
6	 Lebanon	4,224,000	10,452	404
7	 Netherlands	16,740,000	41,526	403
8	 Rwanda	9,998,000	26,338	380
9	 Israel	7,697,600	20,770	371

# Social Indicators and Living Standard

	2010	2015	2010	2015
	<u>Korea, Rep.</u>	<u>Korea, Rep.</u>	<u>Israel</u>	<u>Israel</u>
<b><u>Health</u></b>				
Healthcare spending (% of GDP)	6.1	6.7	8	8
Healthcare spending (US\$ per head)	1,250	2,051	2,294	3,071
<b><u>Consumer goods in use (per 1,000 population)</u></b>				
Passengers cars	358	420	277	331
Telephone main lines	375	182	412	357
Mobile phone subscribers	1,016	1,154	1,309	1,343
Television sets	673	772	410	453
Personal computers	656	805	817	881

\*Source : The Economist

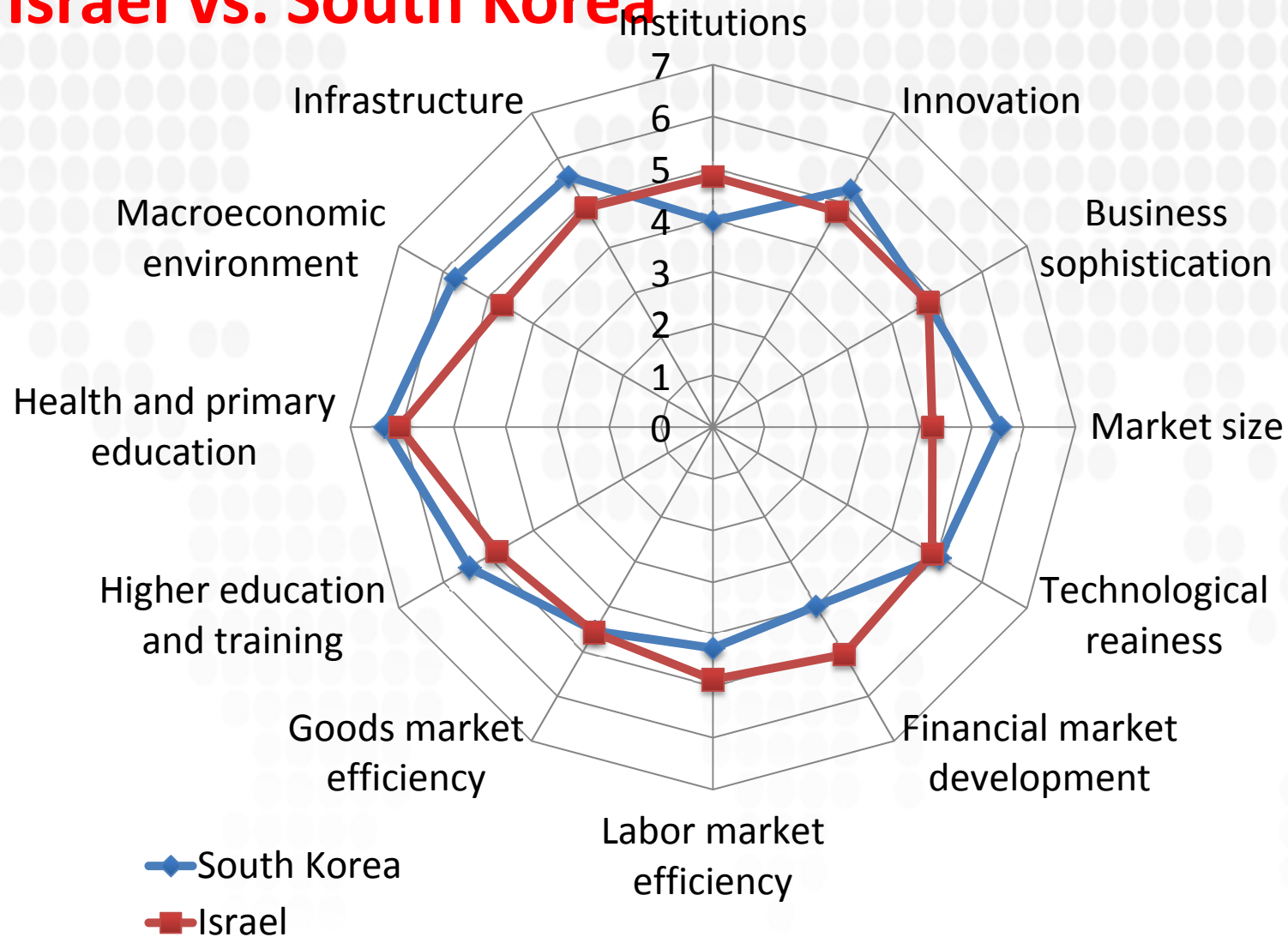
# South Korea and Israel – Indexes Comparison

Index	Israel	Korea
Enabling Trade Index	26	27
GCI	24	22
Doing Business	34	8
Corruption Perception Index	36	43

The Enabling Trade Index -ETI  
GCI – The Global Competitiveness  
Doing business  
CPI 2011

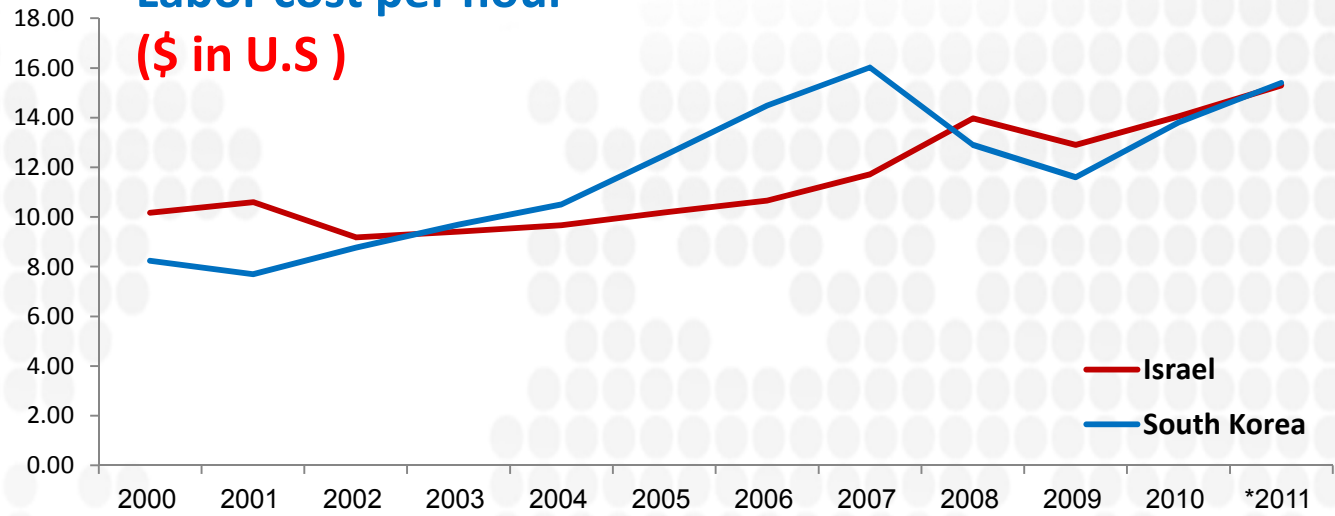
# Leading GCI Indicators

## Israel vs. South Korea

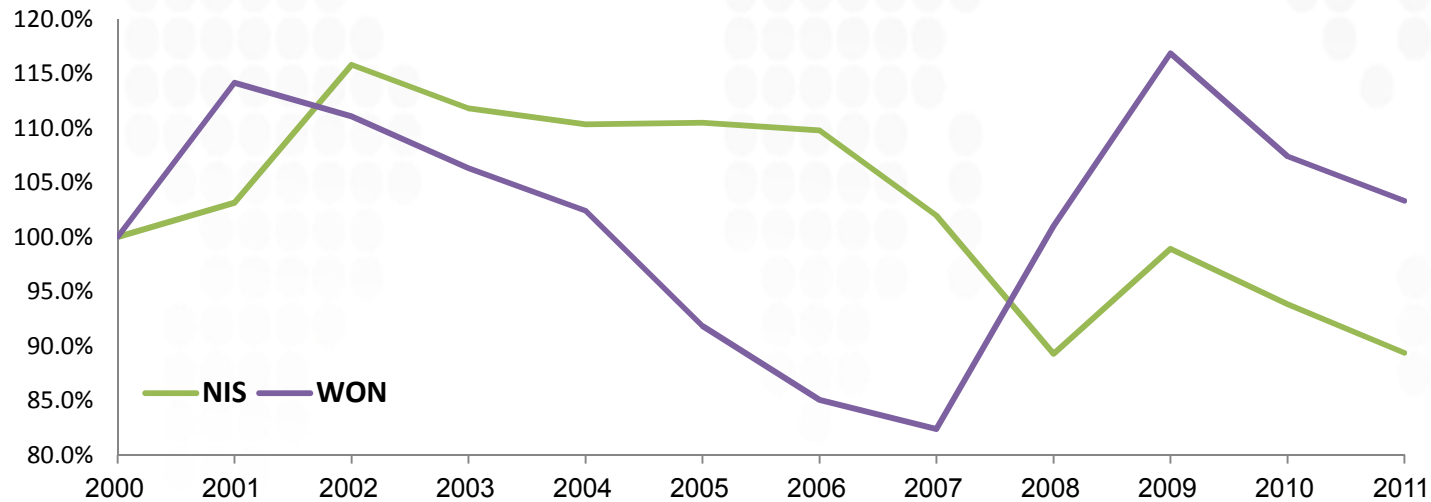


Source :Global Competitiveness Index

## Labor cost per hour (\$ in U.S )

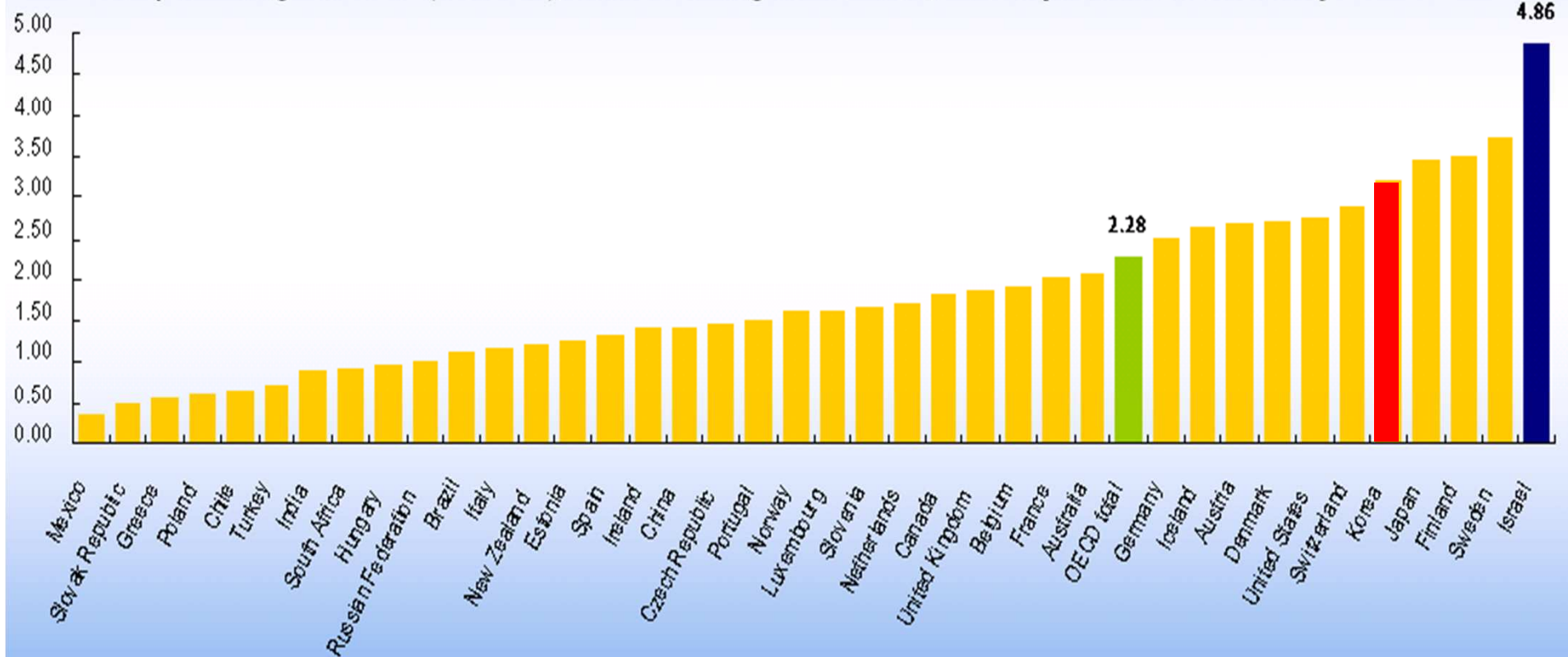


## Av. Change in Exchange Rate (Base = 2000)



# (Expenditure on R&D (as % of GDP,2008

Israel is ranked **1<sup>st</sup>** of all OECD countries by expenditure on R&D (research & development) as percentage of GDP (4.864 %), demonstrating **innovation, development and creativity.**



Source: Ministry of Finance

## South Korea and Israel – Innovation Sub Index Comparison

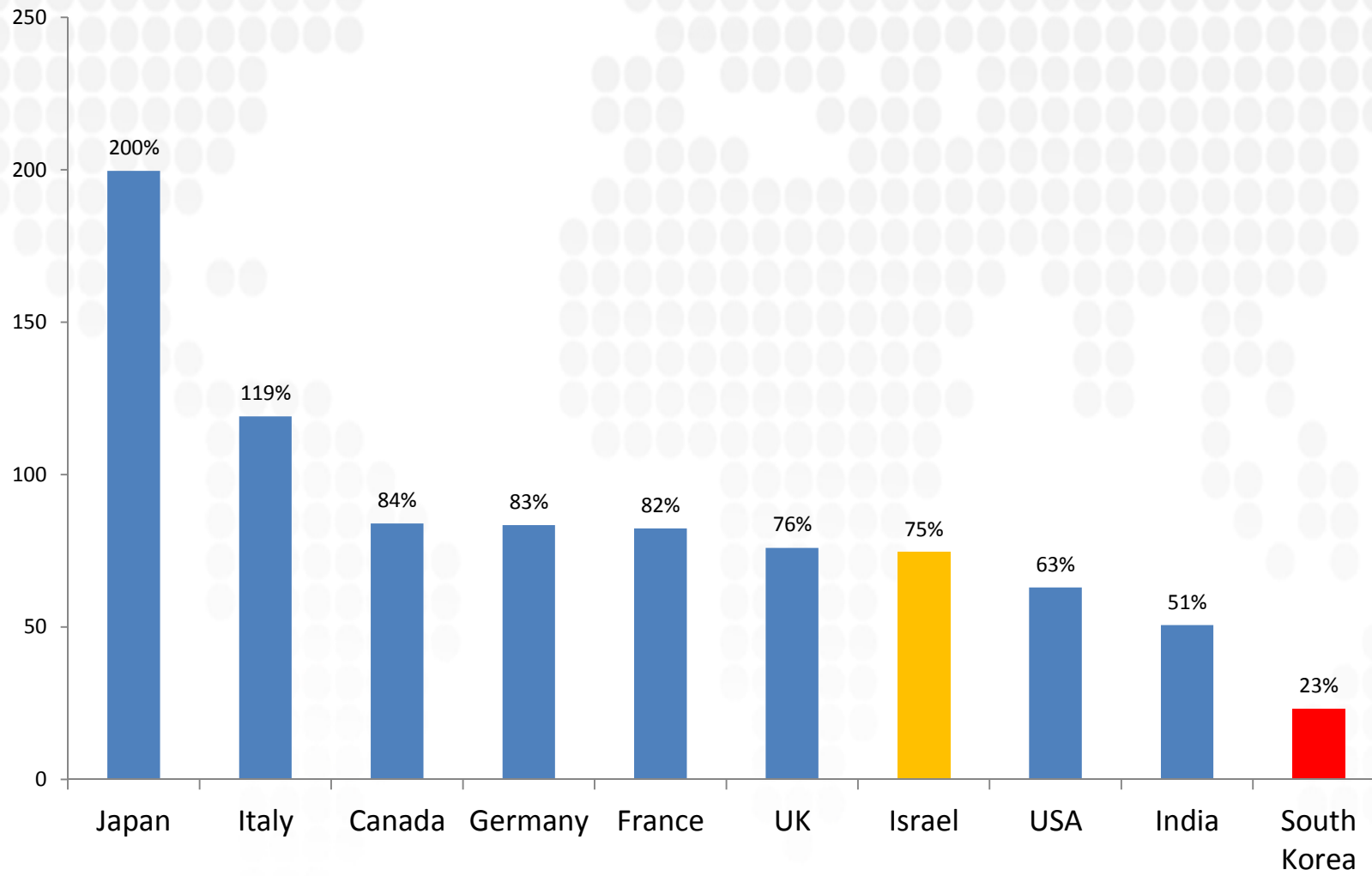
Index	Israel	Korea
Capacity for innovation	6	20
Quality of scientific research institutions	1	25
Company spending on R&D	8	11
University-industry collaboration in R&D	7	25
Gov't procurement of advanced tech products	6	31
Availability of scientists and engineers	10	23
Utility patents granted/million pop	4	5

# Economic Indicators

## Israel V.S S.Korea

<i>% GDP</i>	<b>Israel</b>	<b>S.Korea</b>
Exports of Goods & Services	36.9	52.4
Budget expenditure	31.7	21.7
Budget Balance	-3.7	+1.4
Public debt	74.6	23.1
Gross national savings ratio	18.9	31.9
<b>Military expenditure</b>	<b>6.9</b>	<b>2.9</b>

# Public Debt (%GDP)



# Investments

## South Korea vs. Israel

*Av. 2005-2010*

**Israel**

**Korea, Rep.**

**Gross fixed investment (% of GDP)**

**17.6**

**28.9**

**Inward FDI flow/GDP (%)**

**4.78**

**0.3**

**Inward FDI stock/GDP (%)**

**33**

**12.2**

# Productivity Rate

*Av. 2005-2010*

**Israel**

**Korea, Rep.**

**GDP (% real change)**

**4.25**

**3.87**

**Labour productivity growth (%)**

**0.8**

**2.87**

**Total factor productivity growth (%)**

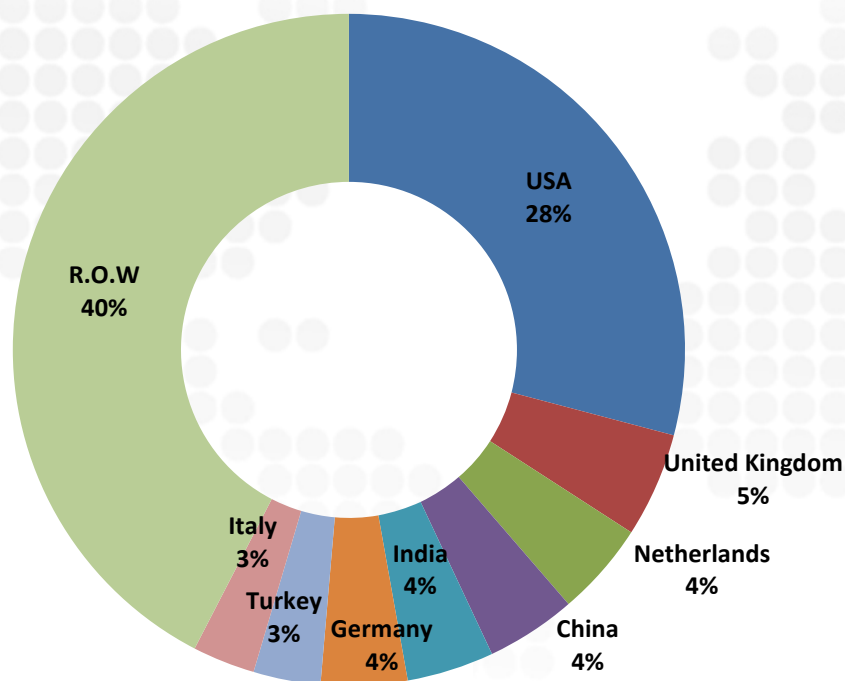
**1.15**

**1.8**

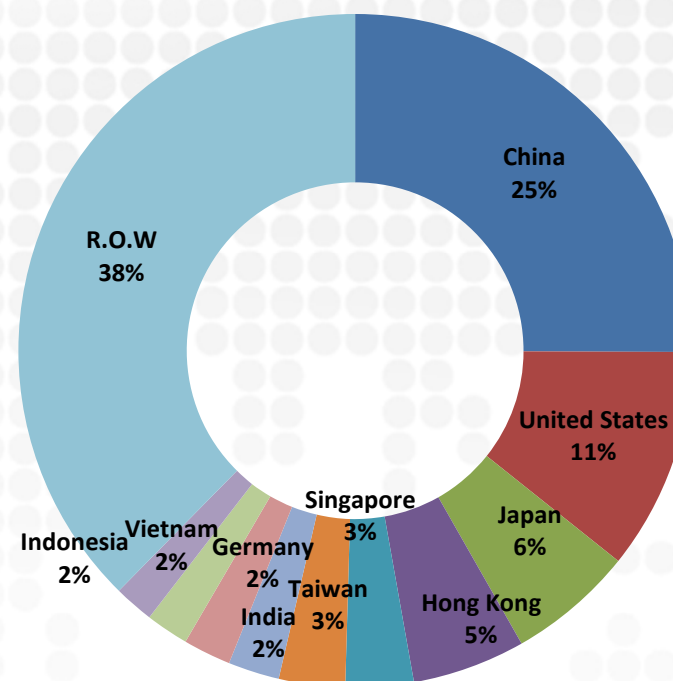
# Exports of Goods by Countries, 2010

Unlike Israel, South Korea's big advantage lies in the fact that it still enjoys rapid growth of surrounding states and less influenced by problems in Europe.

## Israel



## South Korea

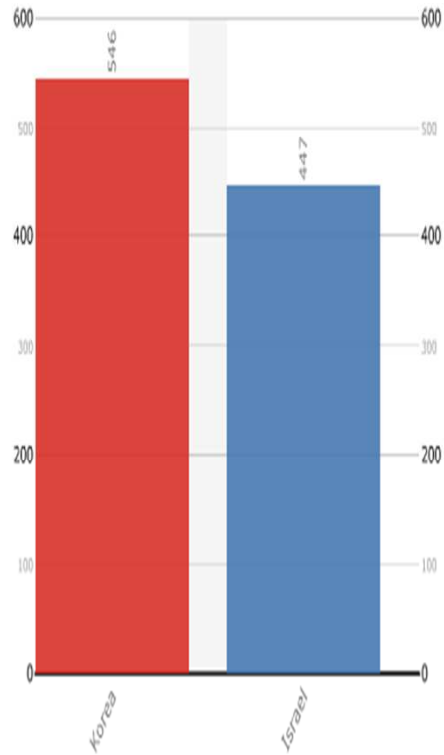


*\*Excluding Diamonds*

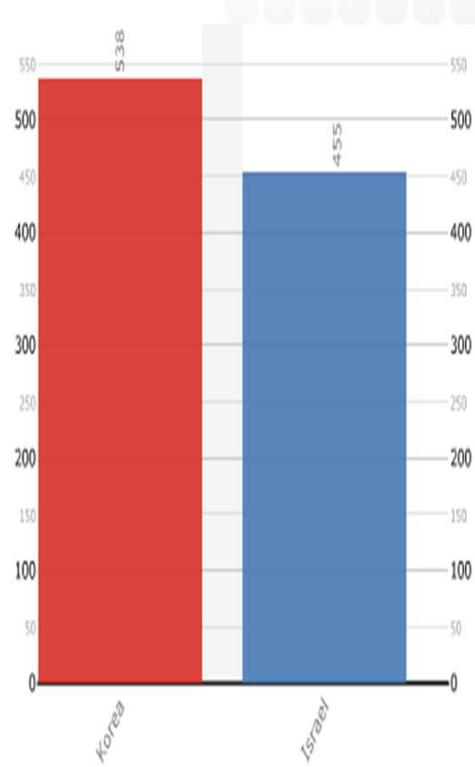
Source: Central Bureau of Statistics, GTIS

# The PISA 2009

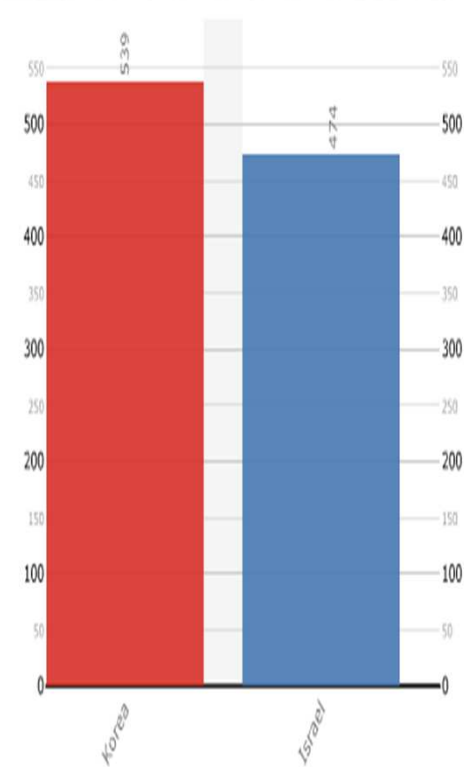
## Math Score



## Science Score



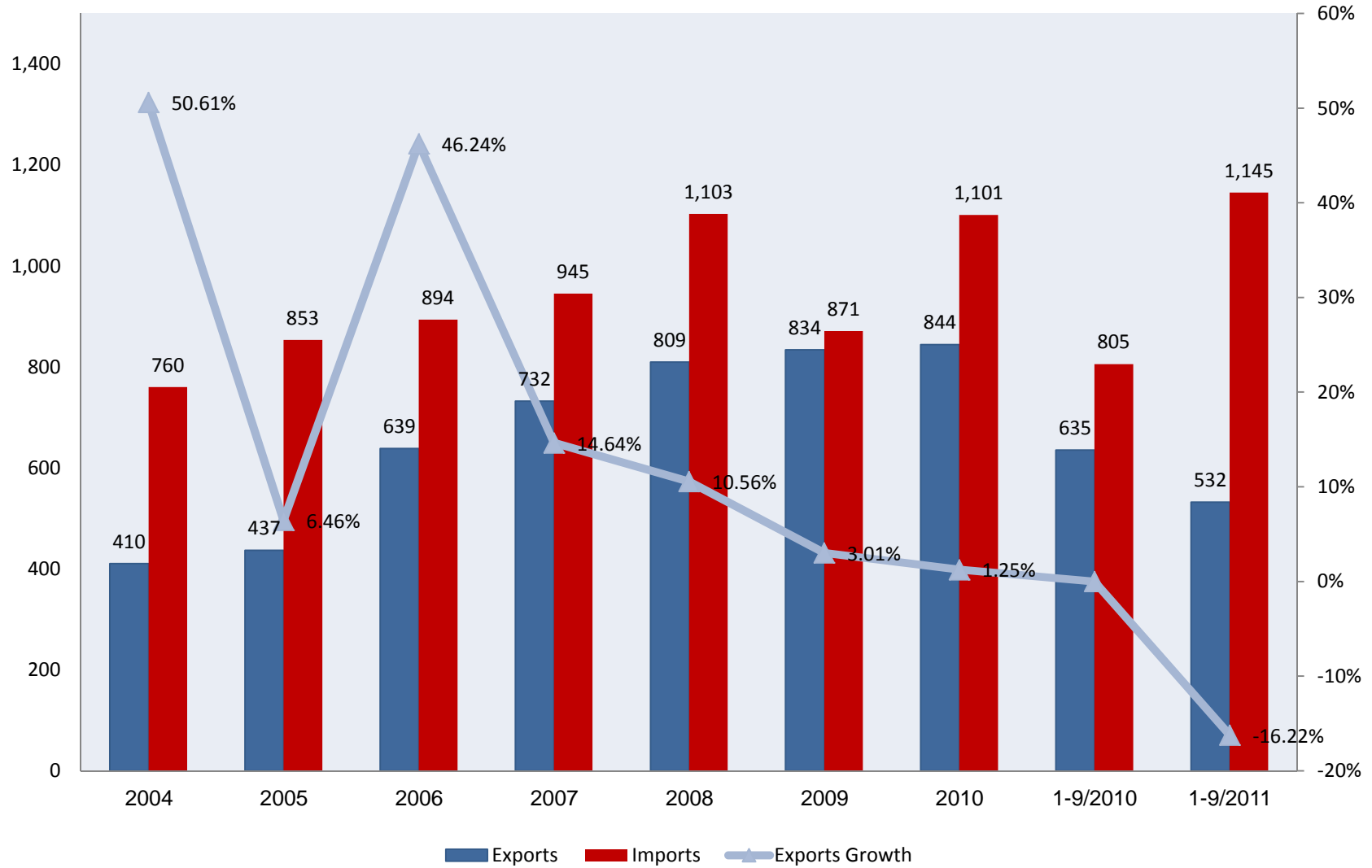
## Reading Score



**Korea**

**Israel**

# (Israel – South Korea Trade 2003-10 (M\$, ex diamonds



## Israel Exports to South Korea – Main Sectors, 2010-2009

SECTOR	M\$	% change 10/9	% of total
Electronic Components	255	-45%	30%
Devices for Measurement, Testing and Navigation	241	177%	29%
Basic Metal	90	135%	11%
Chemicals	84	29%	10%
Telecommunication	47	30%	6%
Machinery and Equipment	41	-18%	5%
Other	86	-10%	9%
<b>Total Export</b>	<b>844</b>	<b>1%</b>	<b>100%</b>

# Israel Exports to South Korea – Main Sectors, 01-09.2009-2011

SECTOR	2009 (M\$)	2010 (M\$)	2011 (M\$)	Change 09/11 (%)	% of Total 2011
Devices for Measurement, Testing and Navigation	49	195	129	162%	24%
Electronic Components	341	189	111	-68%	21%
Basic Metal	21	63	80	282%	15%
Chemicals	43	62	64	50%	12%
Machinery and Equipment	39	30	40	2%	7%
Telecommunication	27	35	22	-18%	4%
Other	73	65	91	25%	17%
<b>Total Export</b>	<b>592</b>	<b>639</b>	<b>536</b>	<b>-9%</b>	<b>100%</b>

# IEICI- Countries Attractiveness Score Model



## South Korea— Potential Sectors Market Size (B\$)

Index	2010	2011
Automotive Parts and Accessories	35	36
Drugs and Pharmaceuticals	13.7	15
Pollution Control Equipment	8.5	8.8
Defense Industry Equipment	8.1	8.7
Renewable Energy	4.6	6.6
Healthcare Technology and Medical Devices	3.6	4
Computer Software	2.6	2.8
Wireless Broadband Equipment and Services	0.5	0.5

## South Korea— Potential Sectors Total Imports(B\$)

Index	2010	2011
Automotive Parts and Accessories	4.1	4.2
Drugs and Pharmaceuticals	2.2	2.5
Pollution Control Equipment	0.8	0.8
Defense Industry Equipment	1.9	2
Renewable Energy	1.4	1.5
Healthcare Technology and Medical Devices	2	2.2
Computer Software	0.6	0.6
Wireless Broadband Equipment and Services	0.2	0.2

# Main Barriers in Doing Business

*World Bank, Doing Business Report*

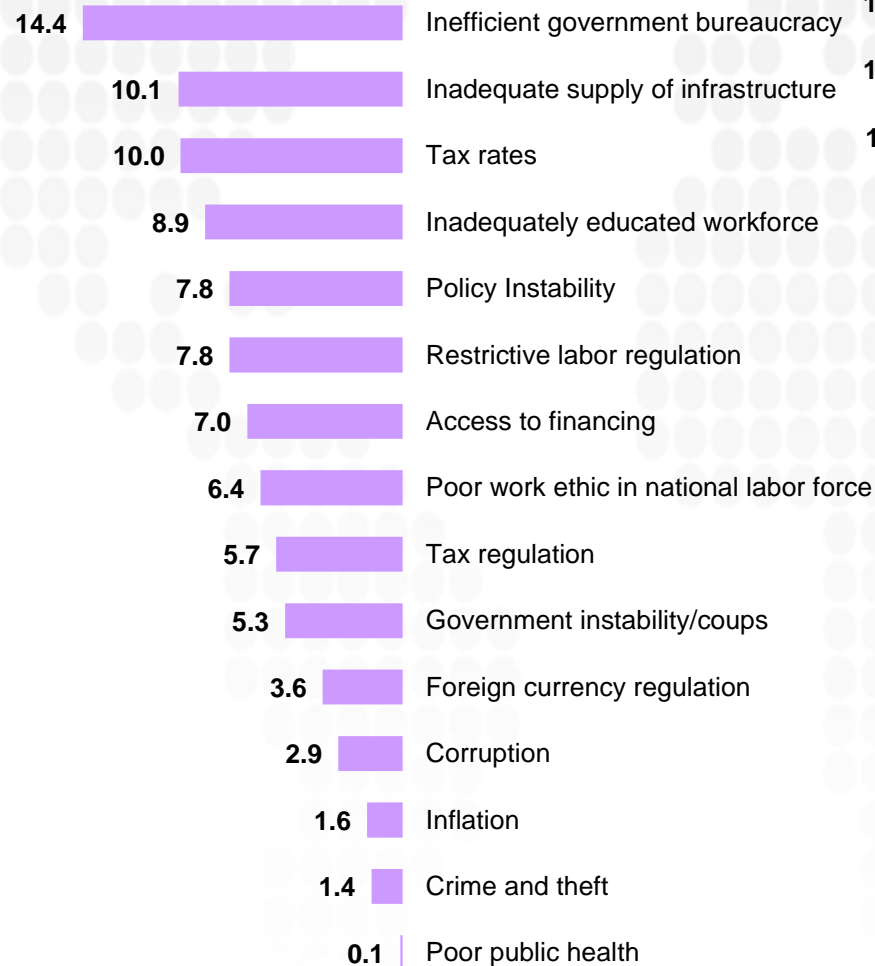
	Korea, Rep.	Israel
Starting Business	24	43
Dealing with Construction Permits	26	137
Getting Electricity	11	93
Registering Property	71	147
Getting Credit	8	8
Protecting Investors	79	5
Paying Taxes	38	59
Trading Across Borders	4	10
Enforcing Contracts	2	94
Resolving Insolvency	13	45

\* Source : world bank

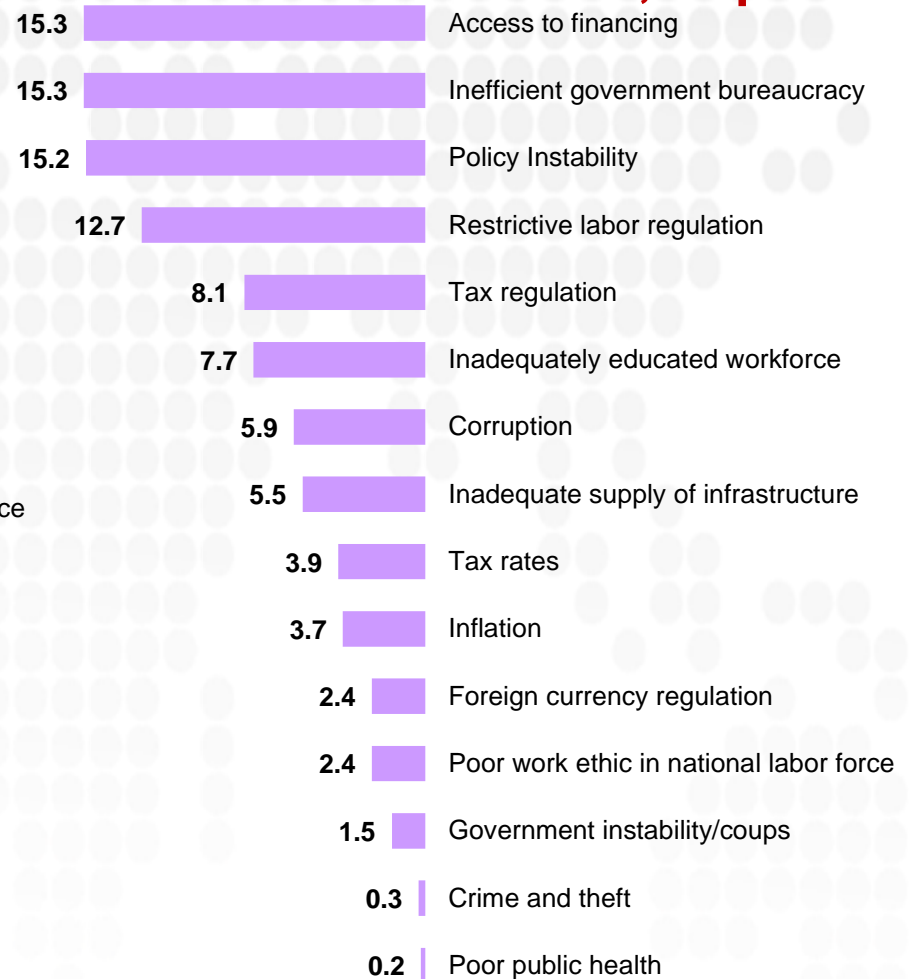
# Main Barriers in Doing Business

## Global Competitiveness Index

### Israel

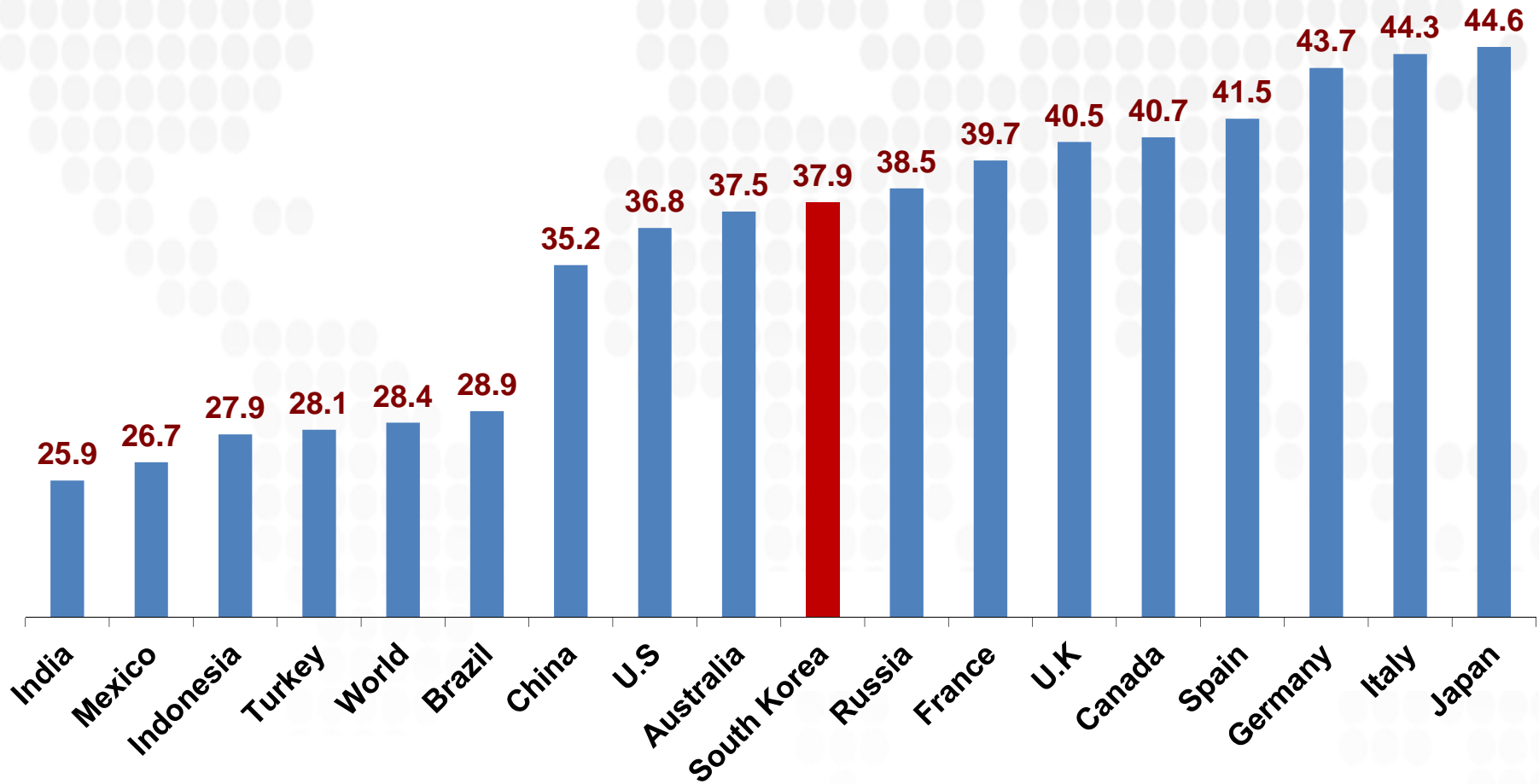


### Korea, Rep.



*From a list of 15 factors, respondents were asked to select the five most problematic for doing business in their country and to rank them between 1 (most problematic) and 5. The bars in the figure show the responses weighted according to their rankings.*

# World Population by Age Median



Source: CIA, World Factbook

# Opportunities- South Korea

- **15<sup>th</sup> among world largest economies.**
- **rapid growth** of Southeast Asia: 6.2% growth In 2010 And 4% average forecast growth rate in 2011-15.
- **World's 11th largest Importer:** Ahead of the Canada, India and Russia.
- The Korean government has announced several plans to **develop future industries**, including **telecommunications and IT, environmental technology and life sciences.**
- **Great interest in technology and innovation.**
- **World's largest shipbuilder:** including world's largest shipyard run by Hyundai Heavy Industries.
- **World's 5th largest automobile manufacturer:** including world's largest automobile assembly plant (Hyundai Motors).
- **Largest electronics manufacturing firm:** Samsung Electronics.



**Thank you.**

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