



Chemicals

South Korea

Chemicals are Korea's third largest industry in the manufacturing sector, accounting for around 10 percent of the total manufacturing sector.

The Chemical industry in South Korea has accomplished tremendously rapid development. Korea has become one of the most prominent market and producers of petrochemicals; the world's 5th biggest market overall, with an overall annual ethylene capacity of 7.6million tonnes and various accompanying downstream plants.

Fine chemicals are seen as the research sensitive part of the chemical industry. The industry focuses on developing chemical compounds to be used in other sectors, using the by-products from the petrochemical sector. Other industries in Korea that work closely with the chemical industry include electronics, information, automobiles, shipbuilding, textile, medicine, environment and energy.

The three main chemical industry complexes in Korea are **Ulsan**, **Yeosu** and **Daesan**. Major chemical and petrochemical process complexes are based in these complexes, however small and medium sized fine chemical companies tend to be concentrated in **Seoul** and the surrounding suburban area.

The Manufacturing process and technology for general purpose chemical products such as dyes, pigments, paints and surfactant are largely equal to those of other advanced countries. However, raw materials and intermediate products are mainly imported from overseas countries such as USA, Japan and Europe.

Chemical materials for the IT and electronics industry, including several key technologies requiring high technology and enormous research costs, are heavily dependent on imports. The recent EU-Korea FTA has helped to secure price competitiveness for these imported products in the market.

South Korea has been positioning itself as a global leader in the chemical sector. However, in order to shift to higher-value-added products and the production of environmentally friendly technologies it is interested in developing advanced chemical materials to apply to the IT, electronics, automotive, etc, industries.



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QR code with your smartphone
+82 (0)2 3210 5629

Opportunity.Korea@fco.gov.uk
www.gov.uk/government/world/south-korea
@UKinKorea



Chemicals – Opportunities for UK companies

South Korea

Market Entry

To compete in the South Korean market UK companies are recommended to have a capable local distributor, licensee or franchise partner who has an established network in the market and extensive market knowledge. A long-term perspective and a reliable partnership between supplier and their local partner is one of the key factors in achieving success.

How can UKTI help?

Some companies find entering South Korea challenging. To address this, the UKTI team in South Korea has actively provided support to UK companies for many years. Some of the assistance we can offer includes:

- providing tailored overviews of the sector
- providing market research and local contacts for your business
- identifying reliable and eligible agents/ distributors/partners
- identifying competitors
- supporting events and your visits
- arranging one-to-one meetings

Jiyoung Lee **Trade Manager**

Advanced Engineering
UK Trade & Investment
British Embassy
South Korea

Tel: +82 2 3210 5629

Email: Jiyoung.Lee@fco.gov.uk

For further information on UK Trade & Investment in South Korea please visit:

www.gov.uk/government/world/south-korea



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