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A large, stylized image of the South Korean flag (Taegeukgi) waving in the wind. The flag is white with a red and blue Taegeuk symbol in the center and four black trigrams in the corners.

South Korea An Australian Perspective

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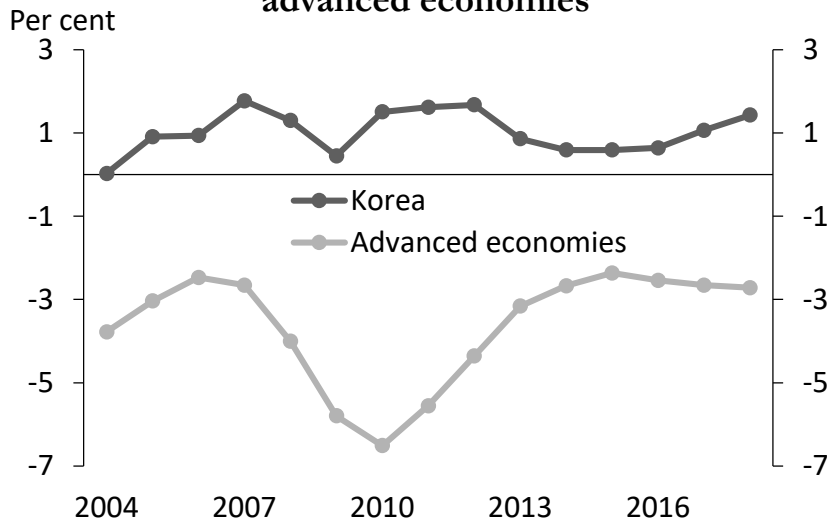
What interest in South Korea's economy?

- South Korea is about to achieve its twentieth straight year of economic growth
- the economy has been the quiet achiever in East Asia
- successful reform initiatives, including through reform-delivering free trade initiatives
- strong growth associated with rapid growth in trade with Australia
- but what of the geo-political and geo-economic uncertainties that South Korea faces now?
- a case for a strategic and more active partnership?

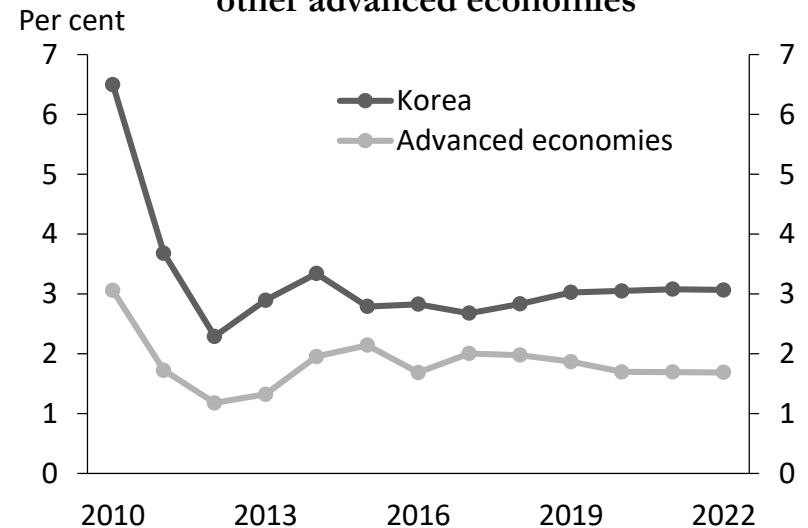
Despite uncertainties, strong economic outlook

- twentieth straight year of economic growth in 2018.
- the economy grew 2.7% in Q2 2018: highest credit rating in the region, highest in the region.
- growth and fiscal balance out-performs OECD economies

Korea's GDP forecasts compared to other advanced economies



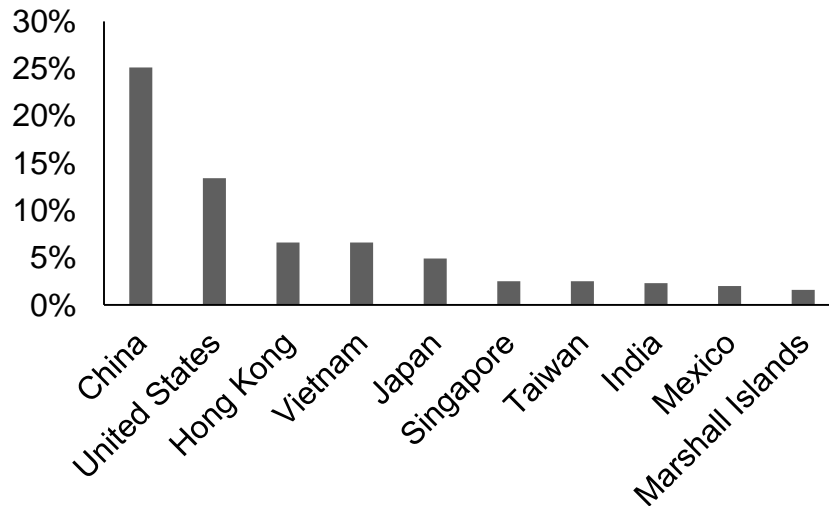
Korea's structural fiscal balanced the envy of other advanced economies



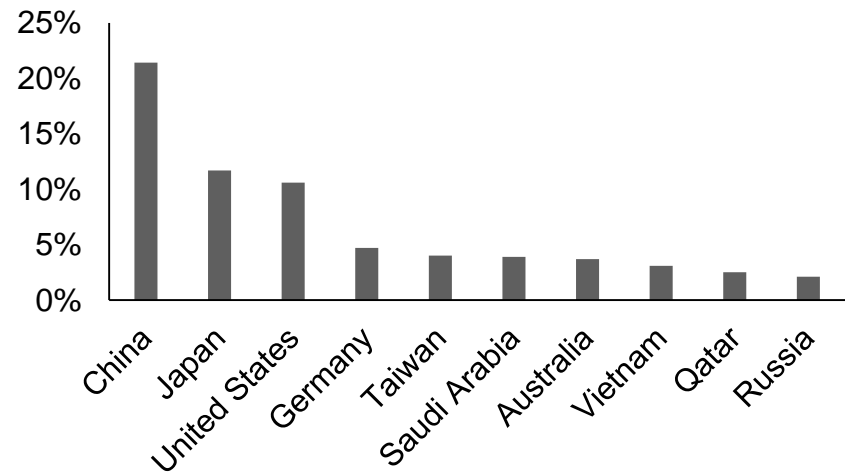
Investment and trade

- 5th on the World Bank's Ease of Doing Business indicators
- better than the rest of the OECD in most the services sectors on restrictiveness.
- diversified economy and trade
- negotiation of over 50 FTAs to push reform

South Korea's major export markets



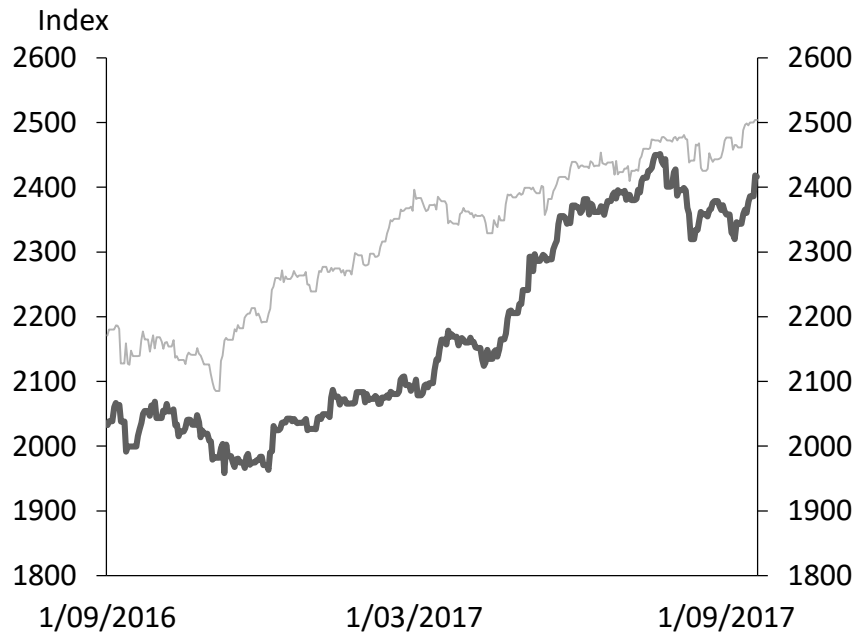
South Korea's major import markets



Resilience to risk

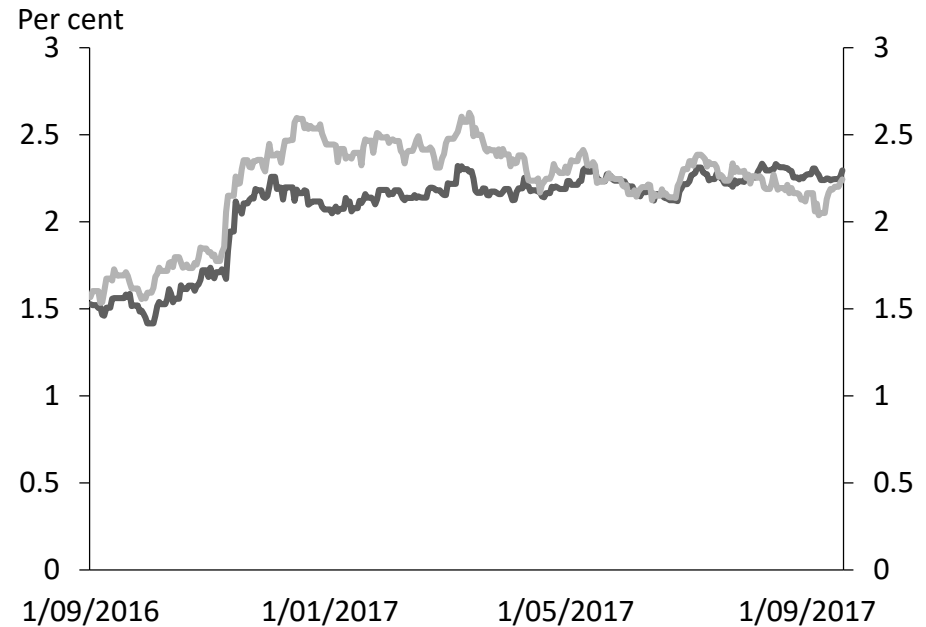
- financial markets resilience to geopolitical risks

South Korean equities (KOSPI Index) against the US S&P 500 index



— US S&P 500 Index (RHS)
— South Korean equities - KOSPI Index...

South Korean 10-year bond yield against the US Treasury 10-year yield

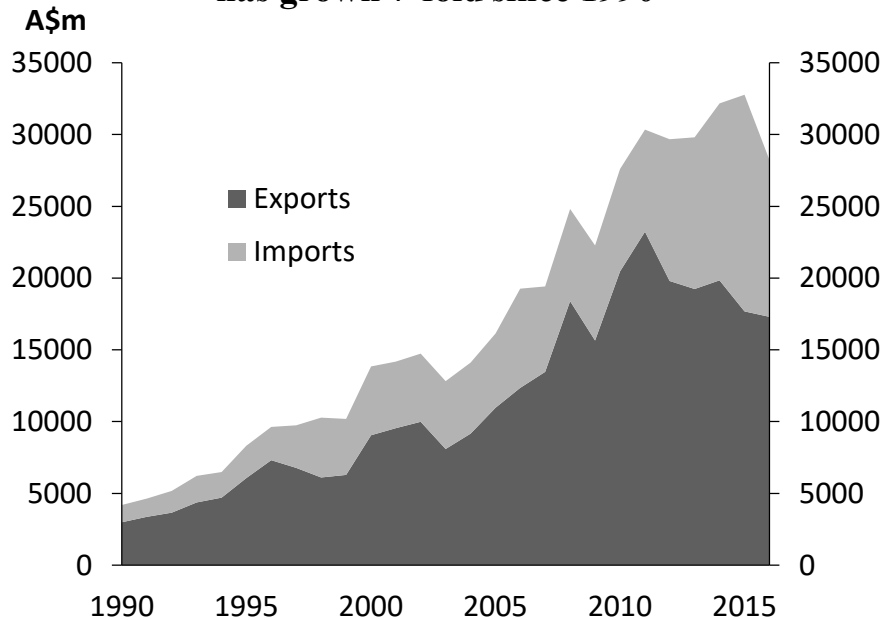


— South Korea Treasury Bond 10 Year Yield (%)
— US Generic Govt 10 Year Yield (%)

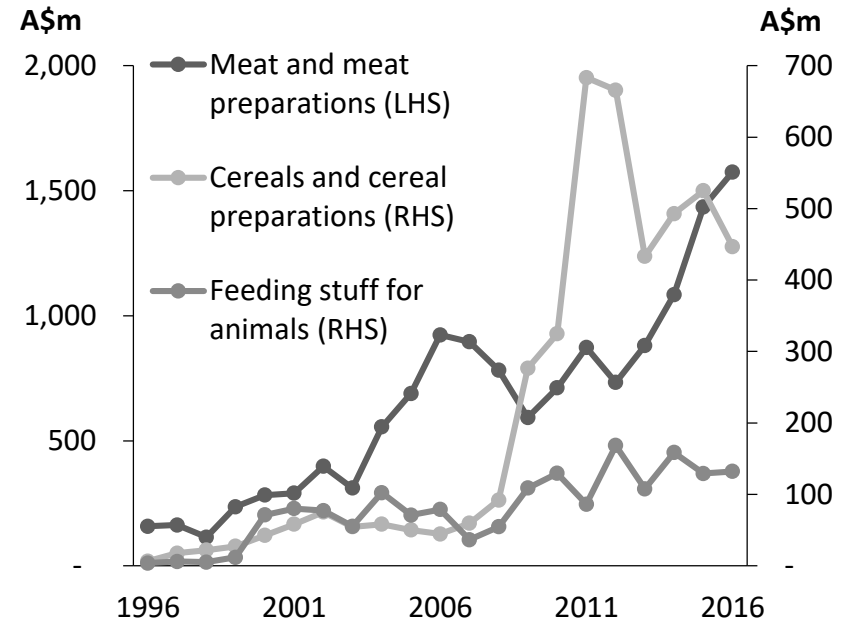
Growing Australian connection

- Merchandise trade growth more than 7-fold since 1990: from A\$4 to A\$29 billion.
- Australia's third largest export market; fourth largest two-way trading partner; 6% of Australia's total trade; Australia over 60 per cent of strategic resource imports

Two-way trade between Australia and South Korea has grown 7-fold since 1990



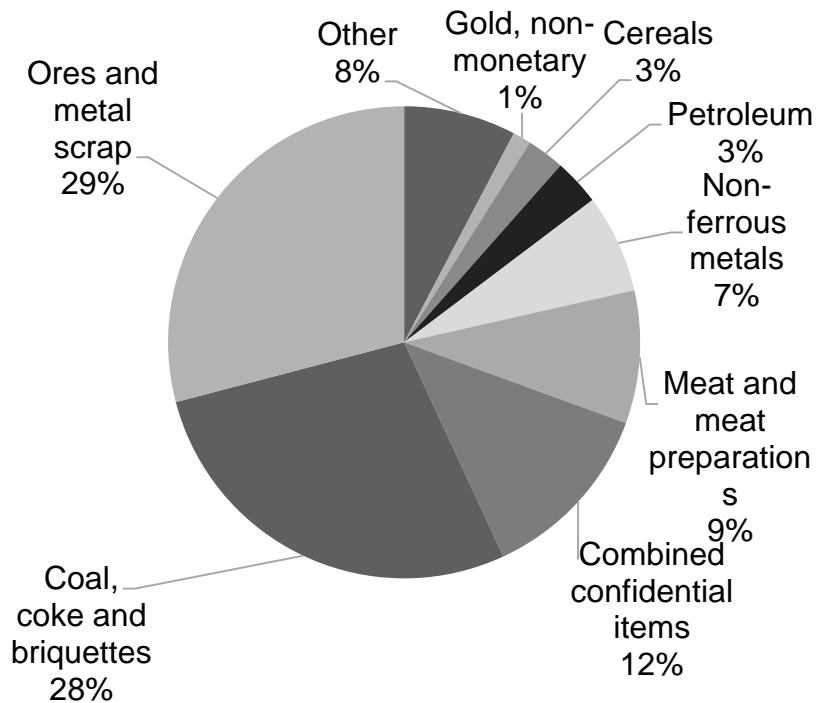
New growth sectors: meat, cereals and animal feed



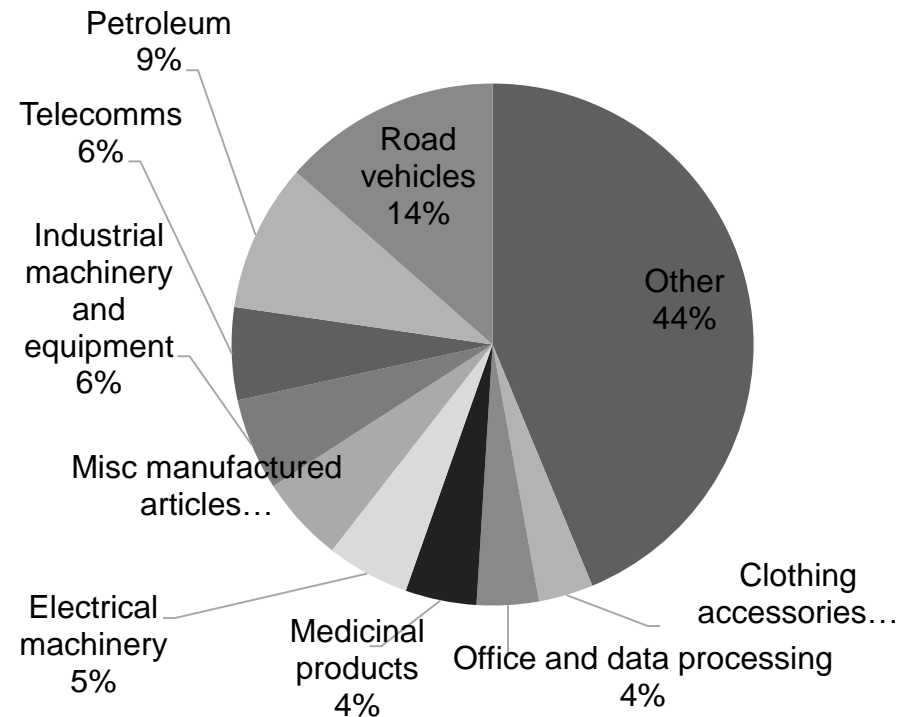
Bilateral trade structure

- Australia's role in Korean and regional resource security: 57% of total trade
- Korea's diverse and complex market penetration

Australian goods exports to Korea



Korean goods exports to Australia



Shared policy challenges and choices

- dealing with Trump's America: geo-political and geo-economic uncertainties
- what underpins South Korean resilience to heightened tensions?
- Trump delivers ANZUS on steroids: helpfulness to Northeast Asian interests?
- threat global trade regime
- KORUS on notice
- what role for Australia-Korea strategic and economic cooperation
- beyond the bluster to political resolution and an end-point
- anchor points in regional economic strategy with global objectives