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Export and Import Trends for August 2015

Exports: \$39.3 Billion, Imports: \$35.0 Billion, Trade Surplus: \$4.3 Billion

□ Korea's exports fell 14.7 percent to \$39.3 billion and imports decreased 18.3 percent to \$35.0 billion in August from a year earlier, resulting in a trade surplus, for the 43rd consecutive month, of \$4.3 billion.

< Export and Import Results for August >

Preliminary Estimates Based on Customs-Cleared Data

(USD 1 Million, %)

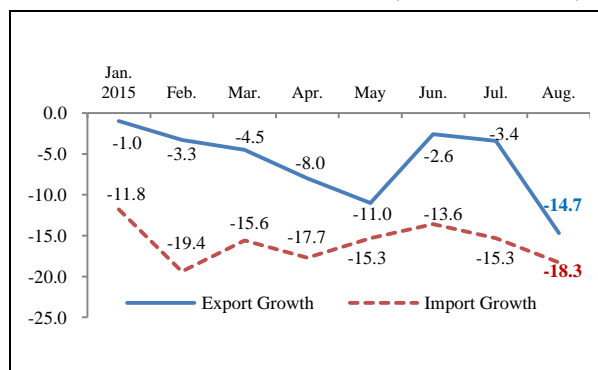
	2014		2015		
	August	Jan.- August	July	August	Jan.- August
Exports (Year-on-Year)	46,100 (-0.4)	377,500 (2.4)	46,600 (-3.4)	39,300 (-14.7)	354,500 (-6.1)
Imports (Year-on-Year)	42,800 (2.9)	352,000 (3.1)	38,800 (-15.3)	35,000 (-18.3)	296,200 (-15.8)
Trade Balance	3,300	25,500	7,700	4,300	58,300

* The overall export and import results are based on customs-cleared data from the Korea Customs Service and trade statistics from the Korea International Trade Agency.

* The results have been compiled based on preliminary figures of customs clearance data through August 31.

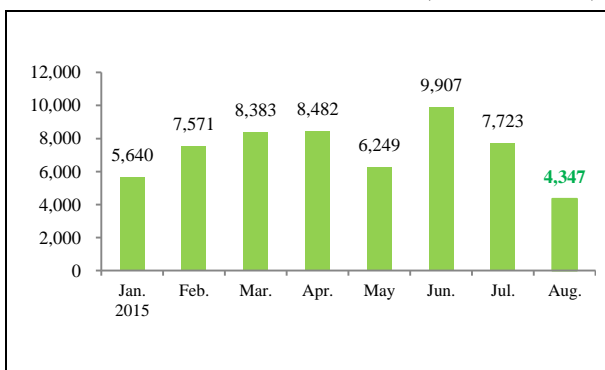
< Monthly Export and Import Growth >

(%, Year-on-Year)



< Monthly Trade Balance >

(USD 1 Million)



Ministry of Trade, Industry and Energy (MOTIE)

<http://english.motie.go.kr>

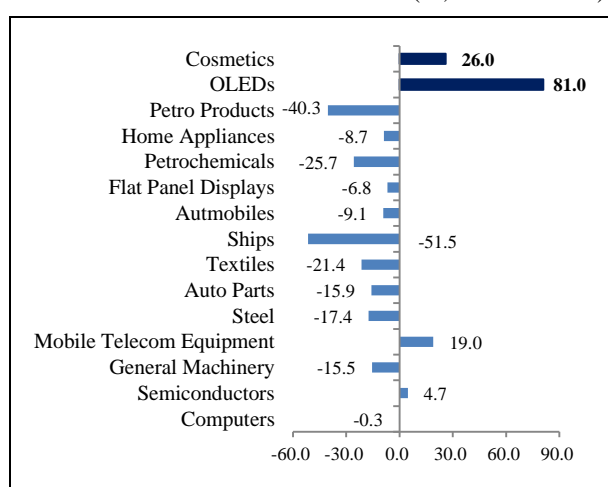
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□ **Exports:** By product, shipments of major export items including those sensitive to oil price changes decreased, while exports of new items increased. Shipments of petrochemical and petro products, ships and automobiles, and general machinery fell. Shipments of mobile telecommunication devices and semiconductors showed an increase, as well as new competitive products such as OLEDs (Organic Light Emitting Diodes) and cosmetics. By region, exports to most regions excluding Vietnam fell.

< Monthly Exports by Product >

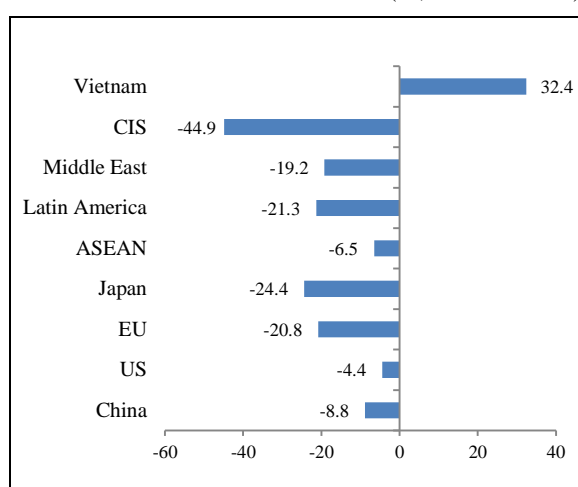
(%, Year-on-Year)



* Compiled from monthly export estimates reviewed by the division in charge of each item at the Ministry of Trade, Industry and Energy (MOTIE)

< Monthly Exports by Region >

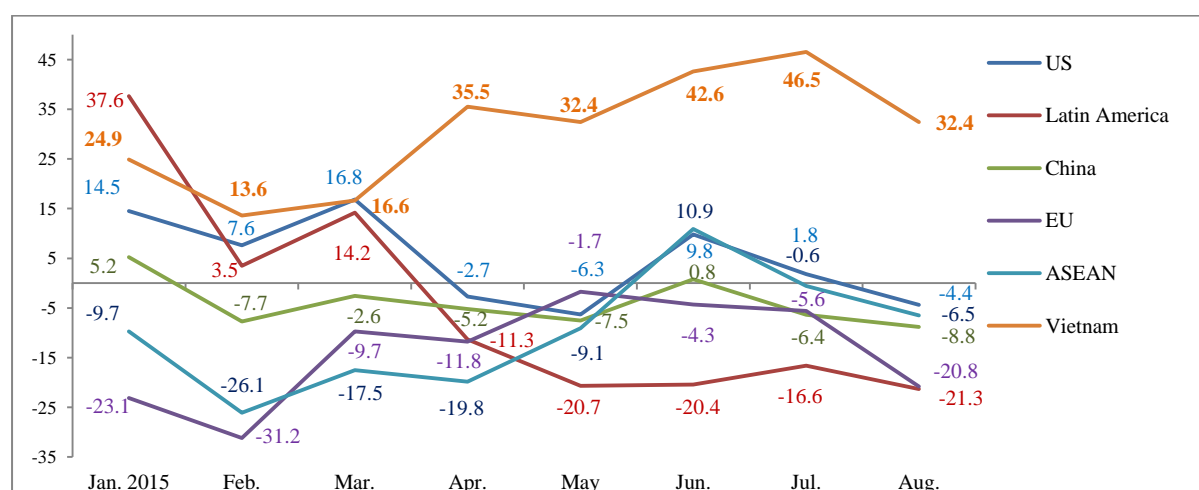
(%, Year-on-Year)



* Compiled from monthly export estimates based on preliminary customs-cleared data for the period between August 1 and August 20 from the Korea Customs Service.

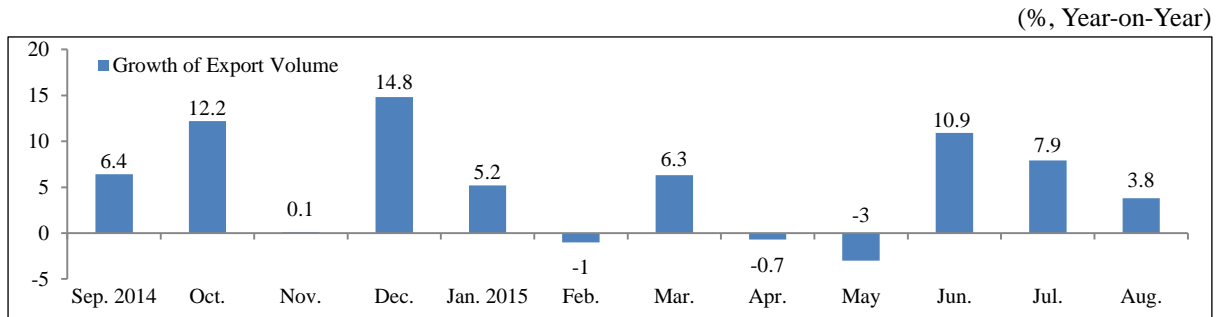
< Monthly Export Trends by Region >

(%, Year-on-Year)



- Exports to Vietnam sharply increased from a year earlier, but those to China decreased as a result of the explosions at the Port of Tianjin and decreased demand for imports.

< Monthly Export Volume >



- The unit prices of major export items fell due to a drop in oil prices and excess supply, while the volume continued to increase for the third consecutive month.

□ **Imports:** The unit prices of major raw materials decreased, but imports of capital and consumer products jumped.

< Imports of Major Raw Materials >

(%, Year-on-Year)

Coal	Steel	Gas	Petro Products	Crude Oil
-25.8	-23.4	-53.2	-51.4	-45.4

< Average Crude Oil Price – Dubai >

	Aug. 2014	Aug. 2015
Unit Price (USD/Barrel)	96.6	47.8
Volume (Million Barrels)	85.7	86.6

< Capital and Consumer Imports >

(%, Year-on-Year)

	Product Category	
Capital Goods	Process Controllers	1.8
	Auto Parts	-6.7
	Semiconductor Manufacturing Equipment	30.0
	Liquid Crystal Devices	21.2
	Mobile Telecommunication Device Parts	70.9
Consumer Goods	Gasoline-Powered Vehicles with Engines of Below 1,500cc	17602
	Gasoline-Powered Vehicles with Engines of Over 1,500cc	52.4
	Diesel-Powered Vehicles with Engines of Below 2,500cc	97.7

* Compiled from monthly export estimates based on preliminary custom-cleared data for the period between August 1 and August 20 from the Korea Customs Service

□ Evaluation and Outlook

- In August, exports showed their biggest monthly decline this year due to the drop in oil prices, a delay in the delivery of drill ships, and the explosions at the Port of Tianjin, China.
 - Further declines in oil prices generated a greater decrease in exports of petrochemicals and petroleum products.
 - Falling oil prices also led to a delay in the delivery of offshore plants for oil development, which caused a significant drop in ship exports.
 - The explosions at the Port of Tianjin, China, caused a temporary suspension of customs clearance, and shipments of items were disrupted while securing a roundabout port.
- The downward trend in oil prices will likely continue in September, leading to a decrease in exports of ships and oil-related products. However, shipments of semiconductors and mobile telecom equipment along with new items such as OLEDs and cosmetics are expected to continue showing robust growth.
- Export growth is expected to improve thanks to increased ship delivery and the launch of new automobiles from the fourth quarter of this year.