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# Economic Report 2025

# REPUBLIC OF KOREA

30 June 2025

**Executive Summary**

South Korea remains a highly industrialized, high-tech economy with global leadership in sectors such as semiconductors, ICT, shipbuilding, automobiles, chemicals, biopharmaceuticals, and, increasingly, aerospace and defense. In the 2024 Global Innovation Index, Korea ranked 6th globally and 2nd in Asia. R&D intensity reached 5.0% of GDP in 2023—second highest among OECD countries. Much of this investment is government-driven and focused on strategic technology clusters including artificial intelligence, semiconductors, biotech, quantum technologies, and batteries. South Korea's long-term goal is to become a global leader in AI and biotechnology by 2030–2035.

Despite external pressures, the Korean economy has demonstrated resilience. However, growth has slowed due to a combination of weakening global demand, persistent U.S. tariffs and sluggish domestic consumption. The declaration of martial law in late 2024 and subsequent impeachments further eroded investor and consumer confidence. Structural challenges such as high household debt and the world's lowest fertility rate continue to weigh on the country's long-term outlook.

Since assuming office on June 3, 2025, President Lee Jae-myung has launched an ambitious economic agenda focused on fiscal stimulus, regulatory reform, technological competitiveness and public-private coordination. Externally, economic tensions with the U.S. over tariffs and supply chain rules have spurred increased Korean investment in American manufacturing and diplomacy aimed at preserving critical trade flows.

For Swiss companies, South Korea presents a dynamic but complex business environment. Promising opportunities exist in sectors such as biotechnology, medtech, precision instruments, quantum technologies, artificial intelligence, and the green transition. Korea's strong innovation ecosystem, substantial public R&D support, and extensive global manufacturing footprint offer attractive entry points for Swiss SMEs and research institutions. While the current FTA has served Swiss interests well, an update—particularly in areas such as digital trade and sustainability—would help Switzerland keep pace with the more modern agreements Korea has concluded with the EU and other major partners.

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# 1 ECONOMIC OUTLOOK AND ECONOMIC POLICY DEVELOPMENTS

South Korea, officially the Republic of Korea, is currently the world's **12th largest economy** and the 4th largest in Asia[1]. A member of both the OECD and the G20, it has undergone a remarkable economic transformation over the past seven decades. In 1955, South Korea's GDP per capita was just US$ 64, placing it among the world's poorest nations. In 2024 that figure had surged to approximately US$ 36'128[2], with average annual wages of US$ 35'033 in 2023[3]. This ascent is largely attributed to the country's strategic adoption of an export-oriented growth model. Exports of goods and services accounted for 44% of South Korea's GDP in 2023.

Today, South Korea is a **highly industrialized and technology-driven economy** with global leadership in key sectors such as semiconductors, ICT, shipbuilding, automobiles, chemicals, biopharmaceuticals, and, increasingly, aerospace and defense. Its economic structure is dominated by large conglomerates, or chaebols, with Samsung, LG, Hyundai, and SK Group accounting for around 40% of national GDP in 2024[4]. These conglomerates play a central role in driving investment, exports, and research and development.

South Korea also ranks **among the world's most innovative economies**. In the 2024 Global Innovation Index, it placed 6th globally and 2nd in Asia behind Singapore[5]. It had the second-highest R&D spending among OECD countries in 2023—equivalent to 4.96% of GDP (US$ 87 billion)—trailing only Israel.[6] Unlike Switzerland, which relies heavily on private-sector and academia-led innovation, South Korea's innovation model is more government-driven. Its education system is also distinctly oriented toward STEM disciplines, in contrast to Switzerland's dual vocational approach.

South Korea's **economic growth** has decelerated markedly since its post-pandemic rebound. After growing 4.6 % in 2021, GDP growth dropped to 2.7 % in 2022 and further to around 1.4 % in 2023[7]. This slowdown continued into 2024 with annual growth at just 2.0 %. Projections for 2025 now sit at around 1 %[8], a stark decline from the 2–2.5 % typical in the previous decade. The slowdown reflects waning global demand (especially for semiconductors), trade tensions (notably U.S. tariffs), weak domestic consumption, demographic headwinds from a rapidly aging population, and political uncertainty that has dampened investment. Notably, the December 3, 2024 declaration of martial law and subsequent impeachments of President Yoon Suk-yeol and Prime Minister Han Duck-soo further weakened an already fragile economy by undermining both consumer and business confidence.

In 2024, South Korea recorded a **trade surplus** of US$ 51.8 billion, driven by strong export performance—particularly in semiconductors and automobiles—and a modest decline in import[9]. Semiconductor exports alone reached approximately US$ 141.9 billion, including US$ 46.6 billion to China and US$ 10.7 billion to the United States[10]. Despite the introduction of new U.S. tariffs, automobile exports remained resilient, while shipbuilding, especially LNG carrier deliveries, continued to bolster overall export growth. This momentum has carried into 2025, with exports acting as a key stabilizing force amid domestic uncertainty. In the first five months of 2025, total exports reached approximately US$ 275 billion, sustaining a trade surplus of over US$ 25 billion[11]. This solid external position has supported a continued current account surplus and a net foreign asset stock nearing 50% of GDP, highlighting the country's strong external resilience.

In the first months of 2025, South Korea's **private consumption** has shown modest signs of recovery. The Korea Development Institute (KDI) forecasts a 1.1 % increase in private consumption for the year, following a contraction of 0.6 % in 2024, as political conditions begin to stabilize and consumer confidence slowly rebounds[12]. However, household debt remains a key structural vulnerability: in 2023,

[1] IMF, World Economic Outlook (April 2025)
[2] IMF, GDP per capita, current prices (27.06.2025)
[3] OECD, Average annual wages (27.06.2025)
[4] Chosun Biz, Top five conglomerates account for 40% of South Korea's GDP (06.05.2025)
[5] WIPO, Global Innovation Index 2024 (October 2024)
[6] OECD, Main Science and Technology Indicators (27.06.2025)
[7] IMF, World Economic Outlook (April 2025)
[8] KDI, 2025 Economic Outlook (14.05.2025)
[9] MOTIE, Trade Balance (30.06.2025)
[10] Reuters, South Korea unveils 23 billion support package chips amid US tariff uncertainty (15.04.2025)
[11] Reuters, South Korea exports fall tariffs hit US, China shipments (01.06.2025)
[12] KDI, 2025 Economic Outlook (14.05.2025)

South Korea's household debt-to-GDP ratio stood at 93.5%[13]. The Financial Services Commission has set a target to limit household debt growth to under 3.8 % in 2025.

**Inflation** has continued to ease, averaging 2.05 % in the first five months of 2025, down from 2.9 % over the same period in 2024[14]. This moderation reflects a steady cooling of price pressures, moving inflation closer to the Bank of Korea's 2 % target, which the central bank expects to achieve sustainably by year-end. Nonetheless, the prolonged **depreciation of the won** against the U.S. dollar (15% since the beginning of the year) has kept import costs elevated, particularly for energy and raw materials. While global oil prices have softened, geopolitical tensions—including continued instability in the Middle East—have continued to bolster import costs. On the other hand, with global supply chains stabilizing and energy markets becoming less volatile, inflation is expected to maintain its downward track into the second half of 2025

The IMF projects South Korea's **national debt**-to-GDP ratio to reach 54.5% in 2025, up from 52.5% in 2024. The IMF further estimates that figure to climb to 55.7 % of GDP by 2026 and 59.2% by 2030. Among OECD peers, South Korea's debt remains moderate but is approaching the OECD average of roughly 60%, while still being lower than Japan (231.7%) or Italy (137.7%)[15].

South Korea saw a **rebound in employment** in May 2025, adding approximately 245'000 jobs—the largest year-on-year increase in 13 months, according to Statistics Korea[16]. However, young people—particularly recent graduates—continue to face significant challenges in securing employment. According to a report by the Korea Economic Institute, cultural norms and societal expectations often discourage young graduates from accepting part-time or lower-status positions, which are perceived as harmful to long-term career prospects and social standing[17]. South Korea's university entry rate of 76.2% is among the highest in the world, resulting in a highly educated workforce—but also intensifying competition for a limited number of high-quality jobs[18].

South Korea's **unresolved demographic challenges** may have serious medium-term consequences for its economy. Persistent factors such as high housing costs, expensive education, long working hours, and gender inequality have discouraged many young Koreans from starting families. In 2025, these demographic pressures remain acute, though there are tentative signs of improvement. After reaching a record low of 0.72 children per woman in 2023, the total fertility rate rose modestly to 0.75 in 2024 and there are signs of a continued rebound in 2025. Despite this rebound, the rate remains well below the replacement level of 2.1, highlighting the scale of the demographic challenge facing the country[19]. Gender dynamics in the labor market also play a significant role in shaping demographic and economic trends. The participation of women in the workforce has increased consistently since the 1990s, reaching 56% in 2024 (compared to 72.5% of men). However, Korean women face the worst gender pay gap among OECD countries, earning approximately 31.2% less than men, and spending around 3.4 times more time on unpaid domestic and care work[20]. While some experts argue that immigration could partially offset population decline, South Korea has so far been slow to adopt a comprehensive immigration strategy, and public attitudes toward large-scale migration remain cautious.

South Korea's **real estate market** in 2025 exhibits a distinct regional divide and cautious stabilization. The national Housing Price Index remains virtually flat, hovering around 93 points, signaling recovery from the post-bubble corrections of 2022–2023[21]. However, growth remains highly concentrated in the Seoul metropolitan area, where prices are up approximately 1.68**%** year-on-year, with central Seoul itself seeing a 3.63% gain. In contrast, most regional cities are still experiencing price declines. Meanwhile, the government has implemented targeted measures, such as permit requirements for apartment transactions in high-demand Seoul districts (Gangnam, Seocho, Songpa, Yongsan) through September 2025, and tighter mortgage rules for multi-home owners to curb speculation. With housing prices well above long-term averages but rising modestly and selectively, most experts now agree the market is

[13] IMF, Household debt, loans and debt securities (30.06.2025)
[14] Rate Inflation, Korea Inflation Rate (03.06.2025)
[15] IMF, General government gross debt (30.06.2025)
[16] Statistics Korea, Employment Trends 2025 (11.06.2025)
[17] KEI, Low Youth Employment in Korea Part 1 (06.01.2025)
[18] Top Universities, QS World University Ranking (19.06.2025)
[19] Statistics Korea, Social Indicators of Korea in 2024 (19.06.2025)
[20] Korea Labor Institute, Wage Information Brief: 2024 No. 6 (Serial No. 92) (20.10.2024)
[21] Cbonds, South Korea Housing Price Index (30.06.2025)

undergoing a controlled soft landing.

Elected on June 3, 2025, following a six-month constitutional impeachment process against former president Yoon, President Lee Jae-myung has moved swiftly to implement a **comprehensive domestic economic agenda** aimed at reviving sluggish growth, alleviating consumer pressures, and repositioning. South Korea as a leader in future industries. His government's first major policy move was a continuation and expansion of fiscal stimulus efforts initiated earlier in the year. Under the slogan "transformative and fair growth" President Lee oversaw the approval of a supplementary budget of about US$ 14.7 billion on June 19, aimed at further boosting consumption, infrastructure investment, and support for SMEs.

The Lee government has also placed significant emphasis on public-private collaboration. Just days into office, President Lee convened a meeting with the leaders of South Korea's major conglomerates—Samsung, Hyundai, SK, LG, and Lotte—where he pledged to eliminate unnecessary regulations introduced for administrative convenience. He proposed establishing a permanent economic security council to coordinate strategies on trade, supply chain resilience, and global competitiveness. Emphasizing that the role of government should be one of "support, not control," Lee promised active backing for businesses, particularly in navigating trade tensions with the United States. He has already signaled intentions to pursue tariff relief on key Korean exports such as semiconductors and automobiles through bilateral discussions with Washington.

At the core of President Lee's economic vision is a bold **push into artificial intelligence and digital infrastructure.** His government has pledged US$ 72.5 billion in AI investment, with the goal of making South Korea one of the top three global AI powers by 2030. The strategy includes next-generation AI semiconductor development, the creation of AI special zones with regulatory exemptions, and the establishment of a national AI data cluster.

In the energy sector, the Lee administration is prioritizing the **transition toward renewables** over nuclear power. A key policy initiative involves phasing out coal-fired power plants by 2040 and attracting renewable energy industries to the regions most affected by the transition. These measures form part of a broader strategy to combine environmental sustainability with regional revitalization and green job creation.

President Lee has committed to **structural reform in governance and capital markets**. His administration aims to enhance investor protection, improve corporate governance, incentivize capital flows through dividend reform, and streamline regulation to foster innovation and competitiveness. These reforms are framed not as market liberalization for its own sake, but as essential tools to make South Korea's economy more resilient and adaptable in an increasingly complex global landscape.

## 2 PRIORITY SECTORS AND OPPORTUNITIES FOR SWISS COMPANIES

The Korean market offers promising opportunities for Swiss SMEs in sectors such as medtech, MEM, precision machinery, cleantech, and digital healthcare. There is also growing interest in emerging ICT fields like blockchain and metaverse applications. Niche opportunities exist in consumer sectors, including food, cosmetics, and high-end beverages. Despite South Korea's reputation for high-tech development, certain regional and sectoral gaps in the value chain create openings for Swiss niche technologies and premium products.

In the **biopharmaceutical sector**, South Korea presents significant potential for Swiss companies. Pharmaceuticals and chemicals are the top traded goods between the two countries. The government is actively working to establish bio-clusters, aiming to emulate Boston's success. In January 2025, it launched the National Bio Committee to position Korea among the top five global bio leaders by 2035 and to attract private investment in biopharma. Songdo (Incheon) hosts the world's largest biopharmaceutical production capacity (1.2 million liters)[22], while Seoul's Hongneung Innopolis supports foreign and local biotech startups. The digital healthcare sector is also expanding, with plans to open integrated healthcare data from 1 million individuals between 2030 and 2032 to the private sector.

[22] Incheon City, IFEZ and Lotte Biologics sign agreement to build a megaplant in Songdo (06.30.2025)

South Korea is also a global leader in **battery production**. Since 2022, it has held the second-largest global market share, behind China. The Korean government and top firms—LG Energy Solution, Samsung SDI, and SK Innovation—have committed US$ 15.1 billion by 2030[23] for advanced battery technologies, including solid-state batteries. In 2023, LG Chemical began mass-producing high-nickel single-crystal cathodes, enhancing EV battery safety and lifespan. Swiss companies involved in next-gen battery technologies, including de-manufacturing and recycling, can explore partnerships through channels like the Swiss Business Hub Korea (SBH), which is facilitating collaboration with Swiss Innovation Parks.

Science and technology cooperation is a central pillar of Swiss–Korean relations. The 2023 science cooperation agreement between the two countries has laid the groundwork for deeper exchanges among universities, research institutions, and innovation stakeholders in key areas such as digital transformation, biotechnology, and quantum technology. Quantum technology, in particular, is emerging as a strategic priority for Korea: in 2023, the Ministry of Science and ICT announced a US$ 2.3 billion investment by 2035 to strengthen national capabilities in quantum computing, communication, cryptography, and sensors[24]. These developments open new opportunities for Swiss firms in joint R&D, especially as bilateral frameworks for collaboration continue to expand.

Korea's **engineering, procurement, and construction** (EPC) firms—Hyundai E&C, Samsung C&T, GS C&T, and SK Ecoplant—are major global players. These firms have expanded from domestic infrastructure into projects across Asia, the Middle East, and the Americas. Their expertise spans renewable and nuclear power, petrochemicals, transportation infrastructure, and large-scale urban development. Swiss firms have already collaborated with Korean EPCs. Demand is growing for low-carbon construction materials and technologies, offering new opportunities for Swiss companies specializing in climate-resilient and green infrastructure.

South Korea is also investing heavily in becoming a "**hydrogen economy**", with Hyundai Motors leading in hydrogen-powered mobility and POSCO and Samsung Heavy Industries developing green and blue hydrogen. Swiss companies active in liquid hydrogen storage, high-pressure components, drones, and cryogenic technologies may find strategic opportunities. The Swiss Business Hub organized the first Swiss Pavilion at the 2024 H2 MEET trade fair, showcasing Swiss expertise to over 41'000 attendees.

In the **shipbuilding sector**, South Korea maintains a global leadership role, particularly in LNG, ammonia, and hydrogen-powered vessels. Sustainability pressures are driving demand for cleaner technologies. The Swiss Pavilion at Kormarine 2025 will promote Swiss marine technologies, including LNG pumps and environmental monitoring solutions.

On the consumer side, South Korea is one of the **world's top spenders per capita on personal luxury goods,** driven by a strong appreciation for quality, design, and social status. Swiss watch and jewelry exports rose by 8.7% in 2024[25], and the expanding affluent middle class presents further potential for Swiss luxury brands. Swiss products in cosmetics, food, and premium beverages are also gaining traction, with a Swiss wine delegation set to visit Korea in 2026 to explore growth opportunities.

South Korea's appeal also extends to the **cultural and creative industries**. With attractive tax policies, strong local demand, and freedom of expression, Seoul has become a hub for the primary art market, hosting major events like the Frieze art fair. It has also emerged as a regional media center, with global outlets such as The New York Times and The Washington Post establishing regional hubs.

Despite these strengths, foreign companies still face **structural challenges** in the Korean market. Barriers include complex administrative processes, language limitations, and protectionist tendencies. These issues have hampered Seoul's ambition to become a fully-fledged regional business hub.

Under the new administration of President Lee Jae-myung, inaugurated in June 2025, South Korea is expected to pursue expansionary industrial and digital policies. This could open new doors for Swiss companies, particularly in medtech, clean technologies, ICT, and precision industries. Ongoing

[23] Reuters, South Korea announces $15 bln investment in advanced battery technologies (20.04.2023)
[24] MSIT, In 2035, Korea Becoming the Global Hub for Quantum Economy! (27.06.2023)
[25] Federation of Swiss Watch Industry, Swiss watch exports in 2024 (30.01.2025)

collaboration through innovation networks and trade events continues to reinforce the potential for Swiss-Korean business cooperation across a broad range of strategic sectors.

# 3 FOREIGN ECONOMIC POLICY

## 3.1 Host country's policy and priorities

South Korea's foreign economic policy is grounded in export-oriented industrialization, robust international trade, and active promotion of foreign direct investment (FDI). The government has prioritized technological innovation and the development of high-value industries by supporting R&D in strategic sectors such as information technology, biotechnology, clean energy, and robotics. At the core of this strategy is the dual objective of fostering innovation and securing global supply chains, while adapting to rising protectionism and a shifting geopolitical landscape.

In recent years, South Korea has sought to **reduce its economic dependence on China** by diversifying its trade portfolio. This shift is part of a broader "de-risking" strategy driven by escalating U.S.-China tensions. While China remains South Korea's largest trading partner, between 2022 and 2024, its share of South Korean exports declined by approximately 15%, falling from US$ 155.8 billion in 2022 to US$ 133 billion in 2024[26]. The semiconductor sector has been particularly affected, with chip exports to China falling nearly 32% year-on-year, largely due to U.S. export controls. Meanwhile, goods exports to China declined by 4-5% in the first half of 2025, and exports to the U.S. dropped by 3-4%, due to new tariffs on automobiles and steel.

To broaden its international trade footprint, South Korea **has actively pursued Free Trade Agreements** (FTAs). It has concluded 22 FTAs with 59 countries, including major economies such as the U.S., EU, China, India, and ASEAN members. The first FTA was signed with Chile, and the agreement with EFTA marked its initial European engagement. Ongoing negotiations or upgrades include FTAs with the UK, Central America, Thailand, and a possible trilateral initiative under RCEP with China and Japan. These efforts reflect Korea's long-term commitment to multilateral trade integration and market diversification.

South Korea's **FTA with the European Union**, in effect since 2011, has nearly doubled bilateral trade to US$ 133.7 billion by 2024[27]. In March 2025, Seoul and Brussels concluded negotiations on a Digital Trade Agreement (DTA), covering data flows, e-signatures, and digital rights. The DTA will be integrated into the existing FTA once ratified, modernizing the agreement to reflect the realities of the digital economy.

The **Korea-UK FTA**, effective since 2021, was the UK's first post-Brexit agreement with an Asian country. Negotiations to revise the FTA began in late 2023, focusing on digital trade, supply chains, clean energy, and the bio-economy. A fourth negotiation round took place in March 2025 in London, with a fifth round planned for summer 2025 in Seoul.

Korea is also upgrading its **trade relationship with Chile**. Since the 2004 FTA, bilateral trade has grown by about 6% annually[28]. Negotiations launched in 2018 aim to modernize the agreement, particularly in the areas of energy, minerals, and intellectual property. Korea is especially interested in Chilean resources like lithium and copper, vital to green technologies.

In parallel, **Korea and Norway** are deepening economic cooperation through a Trade and Investment Promotion Framework (TIPF). Although non-binding, the framework aims to expand bilateral collaboration in sectors such as offshore wind, hydrogen, and nuclear energy. A June 2025 MOU between their respective wind energy associations and joint AI/hydrogen R&D calls highlight the expanding agenda beyond trade into research and clean-tech innovation.

Under the administration of President Lee Jae-myung, inaugurated in June 2025, South Korea has adopted a foreign policy emphasizing **strategic flexibility**. Lee supports deeper trilateral coordination with the U.S. and Japan, particularly in the context of regional economic security While reaffirming the

[26] Korea Customs Service, Trade Statistics for Export/Import (19.06.2025)
[27] European Commission, Trade and Economic Security, South Korea (19.06.2025)
[28] KIEP, Evolving Trade Agreements: Korea-Chile FTA Upgrade Negotiations (19.06.2025)

U.S.-ROK alliance as central to national security and economic policy, the government is also pursuing pragmatic cooperation with China, advocating for a “balanced diplomacy” approach.

Korea’s **economic ties with Japan** have also improved significantly. In July 2023, Japan reinstated Korea’s favored trade status and lifted restrictions on semiconductor material exports. Bilateral economic talks resumed in December 2023, and a US$ 10 billion currency swap agreement was revived. In March 2025, both sides pledged to advance RCEP implementation and explore a trilateral agreement with China. There is growing political support for a bilateral Korea-Japan FTA, which is under discussion, given the combined GDP of US$ 6 trillion.

South Korea faces **rising trade frictions with the United States** due to protectionist legislation. The U.S. CHIPS Act and Inflation Reduction Act (IRA) have created challenges for Korean firms. The CHIPS Act, while offering U.S. investment incentives, restricts the expansion of Korean semiconductor operations in China. The IRA’s local content requirements for EV tax credits threaten the competitiveness of Korean automakers in the U.S. market. The most immediate impact has come from tariffs imposed under Section 232 of the U.S. Trade Expansion Act. These have severely affected key export sectors, particularly steel and automobiles. In March 2025, Korean steel exports to the U.S. fell by 19.3%, and on June 4, Washington doubled tariffs on steel and aluminum to 50%. Korean car exports dropped by 4.4% in May, following the imposition of a 25% tariff on foreign vehicles[29]. Overall, Korean exports to the U.S. declined by 8.1% in May and 6.8% in April. Nevertheless, South Korea posted a trade surplus of US$ 6.94 billion in May 2025, its highest since June 2024, demonstrating continued resilience.

In response to these pressures, the new administration launched an **inter-ministerial task force** on June 16, 2025, under Trade Minister Yeo Han-koo, to accelerate trade negotiations with the U.S. During technical talks held in Washington on June 24–25, the U.S. requested concessions on beef imports from older cattle, GMO regulations, and Google mapping data exports. Simultaneously, major Korean companies are making strategic adjustments: Hyundai announced a US$20 billion investment plan in the U.S., including a US$ 5.8 billion steel plant, and Samsung is considering relocating manufacturing operations to avoid tariff exposure.

South Korea is also engaging actively in regional and **multilateral economic frameworks**. It participates in the U.S.-led Indo-Pacific Economic Framework (IPEF) and joined Singapore, Chile, and New Zealand in the Digital Economy Partnership Agreement (DEPA) in May 2024 as its first non-founding member[30]. In May 2025, Korea hosted the CPTPP Ministerial meeting in Jeju and formally declared its intention to accede to the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), underscoring its ambition to shape high-standard trade rules in the Indo-Pacific.

### 3.2 Outlook for Switzerland

The Free Trade Agreement (FTA) between the European Free Trade Association (EFTA) and South Korea has been in force since 2006. It covers a broad range of trade domains, including trade in goods and services, intellectual property rights, competition, and technical barriers to trade (TBT). From a Swiss perspective, the agreement has been largely successful. According to Korean trade data, the total trade volume between South Korea and EFTA reached US$ 6.6 billion in 2024—a 4.6% increase compared to 2023. This included US$ 1.7 billion in exports to EFTA and US$ 4.9 billion in imports from EFTA[31].

Since its entry into force, the EFTA–Korea FTA has contributed to a significant rise in bilateral trade flows. Importantly, Swiss companies have traditionally made greater use of the FTA than their Korean counterparts. In 2022, the preference utilization rate for Swiss exports to Korea stood at 77%, while Korean exports to Switzerland utilized preferences at a rate of 66.4%. The agreement resulted in US$ 113.4 million in tariff savings on Swiss exports to South Korea in 2023 alone[32].

EFTA member states—including Switzerland—have actively advocated for the modernization of the EFTA–South Korea Free Trade Agreement (FTA). In addition to improved market access and provisions on non-tariff barriers (NTBs), a modernization could expand the agreement to cover areas such as e-

[29] Reuters, South Korea March exports rise second month misses expectations (01.04.2025)
[30] DEPA is the world’s first standalone digital-only trade agreement, launched in June 2020.
[31] Korea Customs Service, Trade Statistics (30.06.2025)
[32] SECO, Analysis on the Utilization of Free Trade Agreements, FTA Monitor 2023 (03.05.2023)

commerce and sustainable development. On May 18, 2023, Swiss Federal Councillor Guy Parmelin and then South Korean Trade Minister Ahn Duk-geun agreed to pursue consultations aimed at updating the agreement. Although the issue has been raised in multiple high-level diplomatic exchanges since then, concrete progress has remained limited. The current FTA puts Swiss companies at a disadvantage compared to their EU counterparts, due to the absence of robust NTB provisions and less favorable market access for processed agricultural products. Switzerland has also initiated discussions with South Korea on the mutual recognition of data protection standards.

Beyond trade, bilateral cooperation in science and technology has gained momentum. In May 2023, Federal Councillor Guy Parmelin and South Korea's Minister of Science and ICT, Jong Ho Lee, signed a Joint Statement for Cooperation in Research. Building on the 2008 Memorandum of Understanding (MoU), the agreement underscores shared priorities in quantum technology, digital transformation, and biotechnology. The roadmap outlines joint research funding, symposia, scientific mobility, and long-term exchange. An additional result is a joint call for proposals by the Swiss National Science Foundation (SNSF) and the National Research Foundation of Korea (NRF), supporting ten collaborative research projects in quantum science and ethics, each lasting three to four years.

Complementing these efforts, the Swiss–Korean Life Science Initiative—a public-private partnership supported by Korea's Ministry of Health and Welfare and key Swiss life science companies—aims to strengthen academic–industry collaboration in biotech and medtech. In parallel, Innosuisse assists Swiss startups through dedicated validation and market-entry camps in Korea, while Switzerland Innovation fosters institutional partnerships to promote R&D collaboration in cutting-edge fields.

# 4 FOREIGN TRADE

## 4.1 Developments and general outlook

### *4.1.1 Trade in goods*

South Korea's **total trade volume** in 2024 amounted to US$ 1.32 billion, which represents an increase of 3.2% from 2023. **Exports increased by 8.1%** to US$ 683.6 billion, while **imports decreased by 1.7%** to US$ 631.8 billion. This resulted in a trade surplus of US$ 51.8 billion. In 2023, South Korea recorded a deficit of US$ 10.3 billion[33].

South Korea is the 11th biggest exporting country in the world as of 2023.[34] **China** remained South Korea's biggest export market in 2024 (US$ 133.0 billion, +6.6%), although the trend suggests that it could soon be overtaken by the **United States** (US$ 127.8 billion; +10.4%), which has been closing the gap in recent years. China and the United States are followed as export destinations by the **European Union** (US$ 68.1 billion; -0.2%), **Viet Nam** (US$ 58.3 billion; +9.1%), **Hong Kong** (US$ 35.0 billion; +39.0%) and **Taiwan** (US$ 34.0 billion; +68.3%). Korea's most important export goods in 2024 were Machinery, Appliances & Electronics[35] (US$ 293.4 billion; +20.2%), Vehicles, Aircraft & Transport Equipment[36] (US$ 118.7 billion; +2.8%) and Chemicals & Pharmaceuticals[37] (US$ 63.4 billion; -2.4%).

**China** is by far Korea's biggest source of imports (US$ 139.9 billion; -2.1%), followed by the **United States** (US$ 72.1 billion; +1.2%), the **European Union** (US$ 64.7 billion; -4.6%), **Japan** (US$ 47.6 billion; -0.1%), **Saudi Arabia** (US$ 31.4 billion; -4.0%) and **Taiwan** (US$ 30.2 billion; +24.0%). The most important import goods are Machinery, Appliances & Electronics (US$ 189.8 billion; +4.0%), Minerals, Ores & Fuels[38] (US$ 182.4 billion; -5.1%) and Chemicals & Pharmaceuticals (US$ 53.0 billion; -14.4%)[39].

### *4.1.2 Trade in services*

As of 2023, services account for 58.4% of the Korean economy[40], but Korea suffers from low labor

[33] Korea Customs Service, Trade Statistics for Export/Import (09.06.2025)
[34] World Bank, Exports of goods and services (current US$) (09.06.2025)
[35] H.S Codes 84-85
[36] H.S Codes 86-89
[37] H.S Codes 28-38
[38] H.S Codes 25-27
[39] Korea Customs Service, Trade Statistics for Export/Import (09.06.2025)
[40] KOSIS, GDP and GNI by Economic Activities (not seasonally adjusted, current prices, quarterly & annual) (09.06.2025)

productivity compared to the OECD average. South Korea produces US$ 40.5 worth of GDP per hour worked, while the OECD average lies at US$ 54.5 and Switzerland at US$ 74.4[41]. The OECD notes a "high degree of duality" in Korea's jobs market, where a large share of workers is in non-regular, precarious employment with limited protections—hindering skills development and productivity growth[42].

South Korea is a net consumer of cross-border services. In 2024, South Korea recorded US$ 139.0 billion in service exports[43] and recorded US$ 162.7 billion in service imports[44], resulting in a service trade deficit of US$ 23.7 billion.

South Korea's financial sector remains subject to strict regulatory oversight. Foreign banks are required to set up locally incorporated branches and obtain approval from the Financial Services Commission (FSC) for capital transactions, which continues to present significant barriers to market entry. While several Western banks have scaled back their operations, the presence of Japanese and Chinese financial institutions has increased. HSBC withdrew from Korean retail and wealth management in 2013 and maintained only wholesale services.[45] Citibank Korea began winding down its consumer banking operations in 2021[46]. Goldman Sachs, Royal Bank of Scotland, Barclays left in 2017, followed by Macquarie in 2019[47].

In recent years, the Korean government has taken gradual steps to liberalize the financial services sector, particularly in fintech. In 2019, a financial regulatory sandbox framework was introduced, which exempts promising fintech businesses from existing regulations. In 2023, the Electronic Financial Transactions Act was amended to introduce enhanced regulatory standards for online payment services, including "Buy Now, Pay Later" (BNPL) offerings.

In December 2023, the FSC abolished the foreign investors' prior registration requirement, which had been in place since 1992. This has made it easier for foreign investors to open investment accounts at financial companies and make investments in domestically listed securities[48].

## 4.2 Bilateral trade

### *4.2.1 Trade in goods*

Bilateral trade between Switzerland and South Korea has grown significantly in the past 10 years. Over this period, Swiss exports to South Korea have increased by 20.69%, while Korean exports to Switzerland have grown by 184.42%, resulting in an overall growth in bilateral trade of 49.43%[49].

The **bilateral trade volume in 2024** amounted to a total of **CHF 5.37 billion**, a **6.82% decrease** from 2023. The decline was driven by a sharp drop in imports from South Korea to Switzerland, possibly reflecting a base-year effect following record-high import figures in 2023. Swiss exports to Korea continued to see a positive trend. Pharmaceutical products continue to dominate bilateral trade. Switzerland has consistently recorded a trade surplus with Korea since 1990, with the exception of 1998 and 1999. In 2024, the trade surplus amounted to CHF 1.76 billion (2023: CHF 661 million). Total 1 and 2 (without and with gold) are relatively close, with only a 4.5% difference in 2024.

**Swiss export volume increased by 11.56%** compared to 2023, totaling CHF 3.58 billion (with gold). The most important categories of export goods were watches (CHF 773 million), pharmaceuticals (CHF 725 million), jewelry, gems and precious metals (CHF 557 million), non-electrical machinery (CHF 406 million), and optical, medical and precision instruments (CHF 261 million). Particularly notable is that watches ranked above pharmaceuticals. In addition, there were significant increases in the export of jewelry, gems and precious metals (+50.70%), organic chemicals (+61.47%), essential oils and

[41] OECD, OECD Productivity Statistics 2020 (23.04.2021)
[42] OECD, Enhancing Training Opportunties in SMEs in Korea, (20.06.2020); OECD, OECD Economic Surveys: Korea 2024, (11.7.2024)
[43] KNOEMA, Republic of Korea – Service exports in current prices (09.06.2025)
[44] KNOEMA, Republic of Korea – Service imports in current prices (09.06.2025)
[45] Reuters, HSBC to exit from retail banking wealth management in Korea (30.06.2025)
[46] Reuters, Citigroup flags up 15 bln charge South Korea retail banking exit (30.06.2025)
[47] Pulse, Canada's Bank of Nova Scotia to leave Korean market (06.30.2025)
[48] Financial Services Commission, Market Access Improved for Foreign Investors with Abolishment of Investment Registration Certificates (21.06.2024)
[49] Federal Office for Customs and Border Security FOCBS, Swiss-Impex (30.06.2025)

cosmetics (+33.74%) and coffee, tea and spices (+50.19%).

**Imports from South Korea decreased by 29.94%** in 2024, amounting to CHF 1.79 billion. Pharmaceuticals remain by far the most important import product, being responsible for 46.26% of the total import volume (CHF 827 million). The next largest import products in 2024 were motor vehicles (CHF 308 million), electrical machinery (CHF 95 million), jewelry, gems and precious metals (CHF 93 million) and organic chemicals (CHF 89 million). The decline in imports was driven by a decrease in imports of pharmaceuticals by CHF 572 million (-40.86%) and jewelry, gems and precious metals by CHF 121 million (-56.59%) compared to 2023. Meanwhile, despite the overall negative year, Switzerland imported significantly more essential oils and cosmetics (+65.71%).

Between **January and April 2025**, the positive trend in Swiss exports continued with a 4.54% increase year-on-year. Meanwhile, imports from Korea appeared to rebound from the slump in 2023 and increased by 44.61% year-on-year.

Notably, trade statistics do not include the import of Korean cars and electronics from third countries (e.g., Eastern Europe and Viet Nam), nor the deliveries of ships to Swiss shipping companies.

In terms of trade volume, **Switzerland is of limited significance for the Korean economy**. According to Korean statistics, Switzerland ranked 52$^{nd}$ among importers of Korean goods (2023: 45$^{th}$) and 30$^{th}$ among exporters to South Korea (2022: 31$^{st}$) in 2024[50].

It is important to note that the Korean trade numbers significantly deviate from the Swiss numbers. This is the case especially concerning Korean exports to Switzerland, where Switzerland indicates a much larger trade volume than South Korea (see Annexes 3 and 4). This significant difference may lead to a mismatch in perception regarding the importance of Switzerland as an export destination for Korean goods.

#### *4.2.2 Trade in services*

Figures on bilateral trade in services were not available.

## 5 DIRECT INVESTMENTS

### 5.1 Developments and general outlook

South Korea is a significant global player in foreign direct investment (FDI), both as a recipient and as a source of capital. As of 2025, the country ranks 10th among the world's top FDI outflow economies[51]. In 2024, South Korea's outbound FDI totaled US$ 63.95 billion, a slight decline of 1.8% from the previous year. Korean investments were primarily directed to North America (40.5%), Europe (21.7%), and Asia (19.5%), with Europe showing a notable rebound— after a 32% drop in 2023, investment there rose by 25.5% in 2024[52]. Key sectors for outbound FDI include finance, manufacturing, real estate, mining, and ICT.

South Korean conglomerates have accelerated their global expansion in response to geopolitical risks and trade tensions. The government has supported this shift by deregulating outbound FDI, while firms seek to adapt to global supply chain restructuring—particularly amid rising U.S. protectionism. Korean companies have pledged over US$ 102 billion in investments in the United States[53], notably in manufacturing and high-tech sectors. This trend reflects a broader strategy to boost international competitiveness through overseas R&D and production capacities.

On the inbound side, South Korea expanded incentives for foreign investors in 2024, aiming to attract advanced technologies and high-value investment. While general FDI procedures have been

[50] Korea Customs Service, Trade Statistics (12.06.2025)
[51] UNCTAD, World Investment Report 2025 (19.06.2025)
[52] Ministry of Economy and Finance, Korea's OFDI, 2024 Full Year (14.03.2025)
[53] The Chosun Daily, Trump tariffs, home pressures push Korean firms to invest $102 bn in the US (26.03.2025)

streamlined, tighter regulations now apply to transactions involving strategic technologies—specifically those designated as National Core Technologies (NCTs) or National High-Tech Strategic Technologies (NHTSTs)[54]. These developments underscore South Korea's dual approach: liberalizing its outward investment environment while selectively managing inward flows to safeguard critical national interests.

### 5.2 Bilateral investment

South Korea's foreign direct investment (FDI) inflow decreased by 22.3%, from US$ 19.57 billion in 2023 to US$ 15.20 billion in 2024. Despite this downward trend, Swiss investment in South Korea rose modestly by 2.2%, reaching US$ 137 million in 2024. Switzerland ranked as the 15th largest investor in South Korea[55].

As of 2025, approximately 120 Swiss companies operate in South Korea, supporting an estimated 10,000 jobs—many of them in high-skilled sectors such as life sciences, automation, and consumer goods. In parallel, the presence of Korean firms in Switzerland has expanded significantly, from just 10 in 2010 to over 45 today. These companies are mainly active in research and development, particularly in mechanical and electrical engineering, information and communication technologies, life sciences, and financial services.

The biopharmaceutical sector is emerging as a key area of bilateral interest. Valued at roughly US$ 22 billion, South Korea's biopharma market ranks 13th globally[56]. The Korean government is implementing a long-term strategy to position the country among the world's top five biopharma producers by 2035. This includes fostering biotech startups, investing in AI and digital innovation, increasing production capacity, and facilitating international cooperation. Plans call for the creation of 1'000 new biotech ventures annually through 2030.

Institutional cooperation between the two countries in this field is deepening. Korean pharmaceutical firms – through their industry associations – have partnered with innovation clusters in Switzerland to utilize facilities and expand their presence. In 2022, the Korea Pharmaceutical and Bio-pharma Manufacturers Association (KPBMA) and Basel Area Business & Innovation, with its biotech accelerator BaseLaunch, signed an agreement to support Korean biopharmaceutical companies in entering European markets. Two years later, in 2024, a Memorandum of Understanding was signed between the Korea Biotechnology Industry Organization (Korea BIO) and the Switzerland Innovation Park West EPFL, marking a further step toward institutional collaboration. These initiatives have resulted in increased interest from Korean biotech and pharmaceutical companies in Switzerland as a base for R&D and market access. Swiss and Korean biotech actors are also increasingly engaging in technology licensing and joint ventures, reinforcing the strategic complementarities between both ecosystems. In April 2025, S-GE and the Korea Trade-Investment Promotion Agency (KOTRA) signed an MoU to enhance bilateral cooperation in trade, investment and innovation.

Beyond life sciences, Korea's interest in Switzerland extends to fintech, information and communication technologies, and digital industries. The Korean government has prioritized digital exports—including AI and metaverse technologies—as part of its national growth strategy. This creates further opportunities for collaboration with Swiss research institutions and innovation platforms.

## 6 ECONOMIC AND TOURISM PROMOTION

### 6.1 Swiss foreign economic promotion instruments

The **Swiss Business Hub Korea** (SBH Korea), established in 2010 as part of Switzerland Global Enterprise (S-GE), promotes Swiss exports and investment in South Korea. It supports Swiss and Liechtenstein SMEs across sectors such as MEM, CleanTech, FinTech, MedTech, food, and e-commerce. Since 2020, it also promotes inbound investment, helping Korean firms—especially in advanced manufacturing, healthtech, robotics, AI, and blockchain—expand to Switzerland. These efforts align with Switzerland's 2024–27 National Investment Promotion Strategy, focused on the "future of

[54] Korea.net, Trade Minister chairs 58th Industrial Technology Protection Committee meeting (27.12.2024)
[55] Ministry of Trade, Industry and Energy, 외국인투자통계 (05.06.2025)
[56] Intralink group, South Korea: a new global hub for biopharma (12.02.2025)

automation" and "future of health."

The **Science & Technology Office** (STO), part of the Swissnex network and the Swiss Embassy in Seoul, strengthens bilateral cooperation in education, research, and innovation. It connects Swiss and Korean universities, research institutes, startups, and R&D-driven firms. Under Innosuisse's mandate, the STO also runs market validation and entry programs for Swiss startups in Korea.

**Switzerland Tourism Korea**, active since 2005, promotes Switzerland as a premium, sustainable travel destination to Korean audiences. Its current campaigns focus on long stays, off-season travel, and regional diversity. Core partners include Jungfrau, Lake Lucerne, Zermatt, and Zurich regions.

The **Swiss-Korean Business Council** (SKBC), founded in 1993, supports Swiss-Korean business ties by offering tailored consulting, partner matchmaking, and network-building services to member companies.

The **European Chamber of Commerce in Korea** (ECCK) represents companies from EU and EFTA states. It facilitates business and regulatory engagement with Korean authorities.

Finally, the **Swiss-Korean Innovation Week**, organized annually by the Swiss Embassy, fosters interdisciplinary collaboration in science, technology, design, and business—strengthening bilateral partnerships and visibility.

### 6.2 The host country's interest in Switzerland

South Korea has shown strong interest in Switzerland's advanced technologies, particularly in life sciences, automation, and digital innovation. Recognized as a global innovation leader, Switzerland enjoys a solid reputation among Korean institutions, with active exchanges across academia, startups, and government.

Quantum technology is a growing area of bilateral cooperation. In January 2023, former President Yoon visited ETH Zurich's Quantum Center, underscoring Korea's strategic commitment to this sector. Korea aims to develop a quantum computer by 2026 and other quantum applications by 2027. In June 2025, the Swiss Business Hub Korea and the Science & Technology Office jointly hosted a Swiss booth at Quantum Korea to showcase Swiss capabilities and attract investment[57].

Digital transformation is another shared priority. Following a Swiss delegation visit during the 2024 Swiss-Korean Innovation Week (SKIW), dialogue has focused on AI, blockchain, and cybersecurity.

In biotech, Korea seeks closer ties with Switzerland, a recognized leader in biopharmaceuticals. Korea is developing a K-Bio Lab Hub in Songdo, modeled on Boston's LabCentral, to support startups and R&D. Swiss strengths in biomedical innovation align well with Korea's ambitions in this sector[58].

Tourism is also a dynamic area. Switzerland remains a top destination for Korean travelers, especially in summer. The launch of a direct Zurich–Seoul route by SWISS in May 2024, alongside Korean Air service, boosted visitor numbers: Korean arrivals rose by 7.9% to 255,666 in 2024, with overnight stays up 4.5%. South Korea now ranks 10th globally for arrivals and is the third-largest Asian market after China and India[59].

[57] ETH Zurich, Visit of the President of the Republic of Korea to ETH Zurich (20.01.2023)
[58] Maeil Business Newspaper, The Korea Technology and Information Promotion Agency for SMEs to support early settlement of the Korean version of LabCentral, "K-Bio Lab Hub" (13.02.2025)
[59] Federal Statistical Office, Hotels und Kurbetriebe: Ankünfte und Logiernächte in der Schweiz nach Gästeherkunftsland (kumulierte Ergebnisse) (16.06.2025)

ANNEX 1 – Economic structure

## Economic structure of the host country

| | 2019 | 2024 |
|---|---|---|
| **Gross value added at basic prices[60]** | | |
| Agriculture, Forestry, and Fishery | 1.82% | 1.56% |
| Mining and Quarrying | 0.11% | 0.09% |
| Manufacturing | 27.54% | 28.90% |
| Electricity, Gas, and Water | 2.08% | 2.55% |
| Construction | 5.95% | 5.46% |
| Services | 62.50% | 61.45% |

| | 2019[61] | 2023[62] |
|---|---|---|
| **Distribution of employment** | | |
| Agriculture | 5.4% | 5.2% |
| Industry | 24.6% | 22.8% |
| Services | 70.0% | 72.0% |

[60] KOSIS, GDP and GNI by Economic Activities (not seasonally adjusted, current prices, quarterly & annual) (02.06.2025)
[61] Statista, South Korea: Distribution of employment by economic sector from 2012 to 2022 (27.06.2024)
[62] Statistics Korea, Economically Active Population Survey (January-December 2024)

ANNEX 2 – Main economic data

## Host country's main economic data

| | 2022 | 2023 | 2024 |
|---|---|---|---|
| **GDP** (US$ bn, current)* | 1'798.7 | 1'839.4 | 1'868.9 |
| **GDP per capita** (US$, current)* | 34'808.8 | 35'569.9 | 36'113.0 |
| **Growth rate** (% of GDP, constant)* | 2.7% | 1.4% | 2.0% |
| **Inflation rate** (%)** | 5.1% | 3.6% | 2.3% |
| | | | |
| **Unemployment rate** (%)*** | 2.9% | 2.7% | 2.8% |
| **Fiscal balance** (% of GDP)**** | - 3.0% | -1.64% | - 1.90% |
| **Current account balance** (% of GDP)***** | 1.4% | 1.9% | 4.2% |
| | | | |
| **Total external debt** (% of GDP)***** | 39.7% | 36.6% | 37.3% |
| **Debt-service ratio** (% of exports) | n/a | n/a | n/a |
| **Gross international reserves** (US$ bn)***** | 418.4 | 415.4 | 411.1 |

* Source: KOSIS, Main Annual Indicators (reference year 2020), (02.06.2025)

** Source: KOSIS, Annual Movements Of the CPI (31.12.2024)

*** Source: KOSIS, Unemployment rate by gender/age group (14.05.2025)

**** Sources: Ministry of Economy and Finance, 2022 Government Financial Statement (03.04.2023)
Ministry of Economy and Finance, Economic Bulletin Vol. 47 No. 1 (January 2025)
Ministry of Economy and Finance, Economic Bulletin Vol. 47 No. 6 (June 2025)

***** Source: IMF, Republic of Korea: 2024 Article IV Consultation (07.02.2025)

*Note: Data with a light blue background are estimates or projections.*

## ANNEX 3 – Trade partners

### Trade partners of the Republic of Korea — Year: 2024

| | Economy | Exports (US$ million) | Share | Change (from 2023) | | Economy | Imports (US$ million) | Share | Change (from 2023) |
|---|---|---|---|---|---|---|---|---|---|
| 1 | China | 133’011 | 19.5% | +6.6% | 1 | China | 139’878 | 22.1% | -2.1% |
| 2 | USA | 127’761 | 18.7% | +10.4% | 2 | USA | 72’132 | 11.4% | +1.2% |
| 3 | Viet Nam | 58’322 | 8.5% | +9.1% | 3 | Japan | 47’593 | 7.5% | -0.1% |
| 4 | Hong Kong (+1) | 29’607 | 5.1% | +39.0% | 4 | Saudi Arabia (+1) | 31’449 | 5.0% | -4.0% |
| 5 | Taiwan (+1) | 33’969 | 5.0% | +68.3% | 5 | Taiwan (+2) | 30’224 | 4.8% | +24.0% |
| 6 | Japan (-2) | 29’607 | 4.3% | +2.1% | 6 | Australia (-2) | 29’954 | 4.7% | -8.7% |
| 7 | India (+1) | 18’696 | 2.7% | +4.2% | 7 | Viet Nam (-1) | 28’443 | 4.5% | +9.6% |
| 8 | Singapore (-1) | 18’224 | 2.7% | -2.8% | 8 | Germany | 22’292 | 3.5% | -5.6% |
| 9 | Australia | 15’597 | 2.3% | -12.3% | 9 | UAE | 17’930 | 2.8% | 9.2% |
| 10 | Mexico | 13’604 | 2.0% | -11.3% | 10 | Qatar (+1) | 14’208 | 2.2% | -5.3% |
| | EU | 68’080 | 10.0% | -0.2% | | EU | 64’749 | 10.3% | -4.6% |
| **52** | **Switzerland (-7)** | **1’160** | **0.2%** | **+3.2%** | **30** | **Switzerland (+1)** | **3’507** | **0.6%** | **+8.4%** |
| | **Total** | **683’609** | **100%** | **+8.1%** | | **Total** | **631’767** | **100%** | **-1.7%** |

Source: Korea Customs Service, Trade Statistics (05.06.2025)

ANNEX 4 – Bilateral trade

## Bilateral trade between Switzerland and the host country

| | **Export** (CHF million) | Change (%) | **Import** (CHF million) | Change (%) | **Balance** (CHF million) | **Total** (CHF million) |
|---|---|---|---|---|---|---|
| 2019 | 3'662.6 | +4.2 | 863.6 | +9.4 | 2'799.0 | 4'526.2 |
| 2020 | 2'935.5 | -19.8 | 991.7 | +14.8 | 1'943.8 | 3'927.3 |
| 2021 | 3'331.5 | +13.5 | 2'058.3 | +107.5 | 1'273.3 | 5'389.8 |
| 2022 | 3'606.9 | +8.3 | 2'219.9 | +7.9 | 1'386.9 | 5'826.9 |
| 2023 | 3'213.3 | -10.9 | 2'552.4 | +15.0 | 660.9 | 5'765.8 |
| **2024** *(Total 1)** | **3'584.3** *(3'424.8)* | **+11.6** *(+7.5)* | **1'788.5** *(1'706.4)* | **-29.9** *(-27.4)* | **1'795.8** *(1'718.4)* | **5'372.8** *(5'131.1)* |
| **2025**** | **1'343.0** | **+4.5** | **723.9** | **+44.6** | **619.1** | **2066.9** |

| **Exports** | **2024** (% of total) | **2025**** (% of total) |
|---|---|---|
| 1. Chemicals and Pharmaceuticals (HS 28-38) | 31.4 | 28.6 |
| 2. Optical, Medical & Precision Instruments and Watches (HS 90-92) | 28.9 | 24.9 |
| 3. Jewelry, Gems & Precious Metals (HS 71) | 15.6 | 26.0 |
| 4. Machinery, Appliances & Electronics (HS 84-85) | 14.9 | 13.6 |

| **Imports** | **2024** (% of total) | **2025**** (% of total) |
|---|---|---|
| 1. Chemicals and Pharmaceuticals (HS 28-38) | 53.6 | 67.6 |
| 2. Vehicles, Aircraft & Transport Equipment (HS 86-89) | 17.3 | 11.4 |
| 3. Machinery, Appliances & Electronics (HS 84-85) | 10.0 | 8.7 |
| 4. Jewelry, Gems & Precious Metals (HS 71) | 5.2 | 1.5 |

**) 'Economic' total (total 1): not including gold bars and other precious metals, currencies, previous stones and gems, works of art and antiques*

***) Data includes trade between January and April 2025, change in % compares to the same period in the previous year.*

Source: Federal Office for Customs and Border Security FOCBS, Swiss-Impex (04.06.2025)

ANNEX 5 – Main investing countries

**Main investing countries in the host country** **Year: 2024**

| Rank | Country | Actual Inflow 2023 (US$ Million) | Actual Inflow 2024 (US$ Million) | Change (%) |
|---|---|---|---|---|
| 1 | Malta | 1'654.6 | 2'520.7 | +52.3% |
| 2 | Singapore | 2'107.4 | 2'212.8 | +5.0% |
| 3 | Japan | 861.0 | 1'803.6 | +109.4% |
| 4 | United States | 2'399.3 | 1'792.5 | -25.3% |
| 5 | Cayman Islands | 3'883.3 | 1'428.3 | -63.2% |
| 6 | United Kingdom | 1'637.6 | 854.7 | --47.8% |
| 7 | Hong Kong | 334.0 | 720.6 | +115.8% |
| 8 | France | 953.0 | 621.6 | -34.8% |
| 9 | Netherlands | 983.7 | 559.8 | -43.1% |
| 10 | China | 305.0 | 521.3 | +70.9% |
| | | | | |
| - | EU | 7'360.8 | 5'757.1 | -21.8% |
| **15** | **Switzerland** | **134.1** | **137.0** | **+2.2%** |
| | | | | |
| | **Total** | | **15'199.7** | **-22.3%** |

Source: Ministry of Trade, Industry and Energy, 외국인투자통계 (05.06.2025)