

## South-Korea

*Capital:* Seoul  
*Population:* 10,356,000 (2006 estimate)  
*GDP\*:* \$981.900 billion (2007 estimate)  
*Currency:* Won  
*Language:* Korean



### Summary

#### Overview Korea's automotive parts and accessories market

	2,005	2,006	2007 (Estimate)
Total Market Size	39,427	42,639	45,999
Total Local Production	44,873	49,474	54,546
Total Exports	8,452	10,229	12,380
Total Imports	3,006	3,394	3,832

Unit: USD million

Source: Statistics are unofficial estimates based upon Korea Automotive Industry Cooperative Association reports

USD 1=930 Won

In 2007, Korea manufactured 4 million automotive vehicles, making it the fifth largest car manufacturer in the world after Japan, the U.S., China, and Germany. The total size of the automotive parts market was estimated at USD 46 billion in 2007, 8 percent increase from 2006. The OEM market segment accounted for about 94 percent of total market demand and the aftermarket approximately represented remaining 6 percent.

### Current Market Trends

In the era of global competition in the automotive industry, Korean OEMs are expected to expand global outsourcing practices for the procurement of parts and accessories. Industry sources predict that the launch of Hyundai Motors' manufacturing plant in Alabama, and the planned launch of Kia Motors' Georgia plant in 2009 will accelerate this trend.

### Market Entry

U.S. suppliers need to be aware of the competition, and offer products with technological advantages that the competition does not have. They also need to educate end-users about the advanced features of their products. It is strongly recommended to partner with a qualified and capable Korean distributor who maintains its existing sales network to serve end-users. Exhibiting at local automotive trade shows can be a useful platform to explore the market and gain exposure to end-users.

Tapping into the Hyundai plant in the U.S. and U.S. parts suppliers with a manufacturing base in Korea is highly recommended to gain access to the Korean market. Most of the major auto parts suppliers have a manufacturing base in Korea, which include Delphi, Visteon, TRW, Johnson Automotive Controls, etc.

For the aftermarket, U.S. companies are recommended to supply through existing channels that include OEM's after-sales service networks, automotive service franchises, independent auto service shops, etc.

## Main Competitors

Imports increased to USD 3.8 billion in 2007 from 3.4 billion in 2006 to account for 8 percent of the total market demand. Asian countries including Japan are the principal exporters to Korea, accounting for 46 percent of total imports. The EU and North America follow Japan with a 38 percent and 14 percent market share, respectively. CS Korea forecasts that imports will continue to grow over the next two years to reach a value of USD 4.7 billion in 2009.

## Current Demand

### Best Products/Services for OEMs

- leading-edge engine design, engine control units (ECU), electronic engine parts, steering parts
- advanced core parts, including automatic transmissions, gear boxes, anti-lock brake systems and air bags
- hybrid car and pollution-free car related technologies

### Best Products/Services for the aftermarket:

- replacement parts
- spark plugs
- ignition cables
- timing belts
- wiper blades
- high-end car audio systems and components
- high-performance automotive chemicals, such as wax and rust-proofing solutions, and
- accessories like window films.

## Trade Events

### Korea Autoparts & Accessories Show 2008 (KOAAshow 2008)

Nov 20-23, 2008

<http://www.koaashow.com>

## Available Market Research

Automotive After Market (Dec 2006)

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