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In one line: Korean export growth picks up a notch, as chip shipments roar

- Korea: Exports grew 5.8% y/y in the first 20 days of November, after rising 4.6% in the full month October. Bloomberg reports no market consensus.

Headline Korean export growth rose to 5.8% y/y in the first 20 days of November, from 4.6% in the full month of October and -2.9% in the first 20 days of October. The acceleration is more impressive when adjusting for the number of working days, which was the same in the first 20 day of November as last year, 15 1/2 days. Working-day adjusted (WDA) export growth climbed to 5.8% from 0.8% in the previous month.

By region, WDA shipments to Taiwan continued to lead the way, soaring 96.9% y/y in the first 20 days, and contributing 2.9pp to overall headline export growth. Shipments to China rose 3.5%, after 1.0% in the previous month. Export growth reached double digits to Vietnam, at 16.3%, Hong Kong, 10.5%, and India, 11.1%, but shipments fell 8.9% to Singapore. Shipments to the EU rose 7.5%, the first increase in three months, after declining 8.9% in the prior month. But exports to the US extended their drop

for a third straight month, dipping 2.5%.

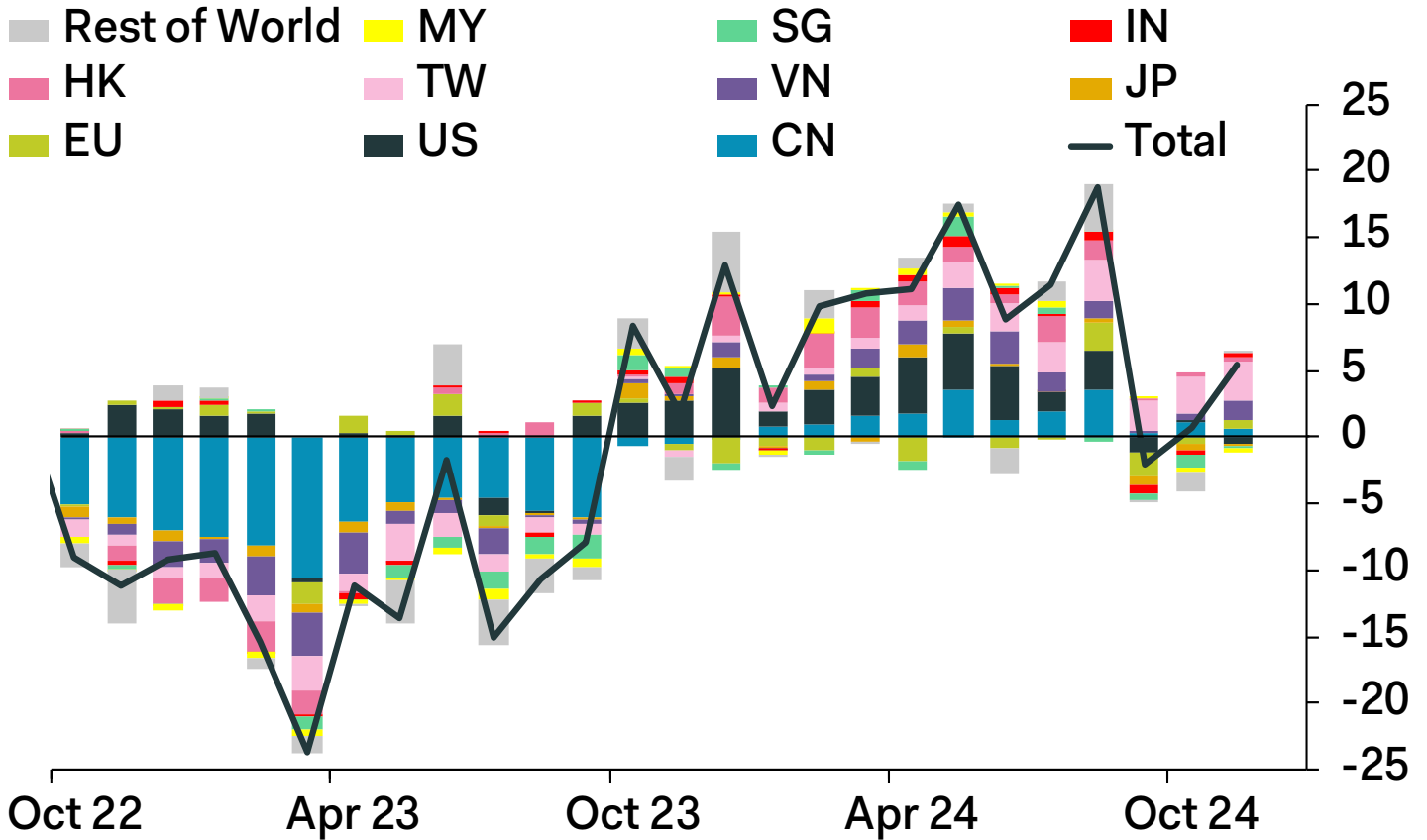
By product, semiconductor exports shone brightly, rocketing 42.5% WDA y/y, and contributing 6.7pp to overall WDA-export growth, after having posted similar growth rates for most of the year. Korea's other traditional mainstay exports, car sank 17.7%, worsening from a 3.4% drop in the previous month. Elsewhere volatile ship exports surged 77.1%, after dropping 16.0% in the previous month,

while computer exports vaulted 73.5%. But mobile phone shipments slumped 12.2%, and precision equipment, household electronics and oil product exports all fell by double digits.

Korean exports should continue to ride the AI-related chip boom, evident in robust shipments to Taiwan in particular, likely reflecting high-end HBM memory chips going to Taiwan's chip foundries for production into AI chips. Without semiconductor exports, overall exports would be falling,

illustrating Korea's current reliance on chip exports, especially with weak car shipments. Still Korea's chipmakers report strong order books for HBM chips and are investing in capacity expansion, so semiconductor exports are likely to lift overall exports going into 2025.

Korea 20 day exports (WDA), contribution to annual growth pp.



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