



JINSUNG INTERNATIONAL



Snapshot at Korean market

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10 June 2024



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Supply & Demand update

CUSTOMS STATISTICS IMPORT & EXPORT GOLD KOREA

source: <https://tradedata.go.kr/cts/index.do>

HS CODE 7108 : Gold

Measurement: TON

Year	HS CODE	Export Quantity	Import Quantity
2020	7108	32.8	18.7
2021	7108	14.1	47.0
2022	7108	23.9	22.0
2023	7108	50.9	18.7
as of Feb 2024	7108	5.8	14.2
Total		128	121
	Average for past 4 years	30	27

- Korea is a net-import country for gold whereas Gold export has been mainly driven by gold price surge and weak currency in recent years.
- Gold export occurs inconsistently and opportunistically.
- The total demand for gold : around 100mt yearly
The import for gold : around 25mt yearly
The balance is supplied by local producers and recycling.
- * No GST (Government Service Tax) levied on imports for gold, but with 3% import duty.

Supply & Demand update

CUSTOMS STATISTICS

IMPORT & EXPORT SILVER KOREA

source: <https://tradedata.go.kr/cts/index.do>

HS CODE 7106 : Silver

Year	HS CODE	Export Quantity	Import Quantity
2020	7106	3,574.3	901.7
2021	7106	3,628.7	997.4
2022	7106	3,204.6	802.0
2023	7106	2,943.9	805.8
as of Feb 2024	7106	994.3	279.4
Total		14346	3786
	Average for past 4 years	3338	877

- For silver, Korea is producing huge surplus after meeting local demand.
- The total demand for silver : around 500mt yearly
The export for silver : around 3,300mt yearly.
The exported silver is highly refined and applicable to solar and IT industry-oriented market .
- * Recently recycled silver - export is growing to respond to market requirements under ESG environment
Silver is recycled mainly from spent catalyst in petro-chemical industry.

Transitions in Korean gold market

- Late 1980 s
 - Started to be imported officially with GST 10% + 3% import duty
 - Mainly smuggled from HK to meet local demand (Local gold price soared with high sea waves)
 - Strong demand from traditional preference for jewelry gift (1 year-old birthday rings) and growing IT industries (Semi-conductors, electric appliances)
- Mid - late 1990 s
 - Massive demand to use gold as financing vehicle, led by Chaebol trading houses(conglomerates)
 - Korea financial crisis (IMF) led to Gold collection/donation campaign for massive export, even driven by weak currency (devalued down to half in 3 months: 1US\$ (850 Won) => 1US\$ (1,800 Won))

Transitions in Korean gold market

- Early 2000 ~ 2010s
 - GST(10%) was removed but without sophisticated taxation control , resulted in a lot of distorted transactions (Huge tax evasion scandal produced an array of convictions)
 - GST- removal policy was revamped (GST-deposit account policy , but still with import duty)
 - Wholesale market was made transparent comparativey with new major players appearing.
- 2020s
 - IT industry (Electro- application) still strongly growing but with comparative less consumptions
 - More awareness of gold investing with rising price & weak Korean Won (currency) but with limited liquidity (resale without GST refund against with GST on ultimate end-users/or investors)
 - More attentions drawn to urban mining for green requirements with prospective growth