

Macro Roundup Article

Headline: [Is South Korea's Economic Miracle Over?](#)

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Tweet: The Bank of Korea is forecasting South Korean GDP growth of 2.1%/yr this decade, down from 6.4% from 1970-2022, as “Chinese companies that were once customers or suppliers have become rivals.” @FT

Summary: Seungheon Song, managing partner of McKinsey's practice in Seoul, notes that South Korea made two great leaps — one between the 1960s and the 1980s, when the country moved from basic goods to petrochemicals and heavy industry, and the second between the 1980s and 2000s when it moved to high-tech manufacturing. Between 2005 and 2022, however, only one new sector — displays — entered the country's list of top ten export products. Park argues that the present model reached its apogee in 2011, after a decade during which Korean tech exports were driven by the related twin demand shocks of the rise of China and the global technology boom, as well as by massive investments by Samsung and LG to seize control of the global display industry from their Japanese counterparts. Since then, however, Chinese tech companies have caught up with their Korean competitors in almost every area except the most advanced semiconductors, meaning that Chinese companies that were once customers or suppliers have become rivals. Related: \$75,000 for a Baby? South Korean Businesses Float Incentives As Demographic Crisis Looms and The Neoclassical Growth of China and The Wealth of Working Nations

Primary Topic: Growth

Topics: Database, GDP, Growth, News article

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