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SMEs record annual exports worth USD 117.5 billion in 2022, an increase of 1.7% compared to the previous year

- (Overview)** The annual exports of SMEs in 2022 totalled USD 117.5 billion with an increase of 1.7% compared to the USD 115.5 billion of the previous year
- (Items)** Among the top 10 export items, the exports of four items including automobile components, semiconductor manufacturing equipment, automobiles, and other machinery increased
- (Countries)** Among the top 10 export destinations, the amount of exports rose in five countries: US, Japan, Taiwan, India, and Mexico

The Ministry of SMEs and Startups (Minister LEE Young) has announced the annual export performances of small and medium-sized enterprises in 2022.

① Amount of Exports and Distribution of Enterprises

The annual exports of SMEs in 2022 totalled USD 117.5 billion with an increase of 1.7% compared to the previous year, surpassing USD 110 billion for two consecutive years despite the adverse circumstances caused by the slowdown of global economy, the increased prices of raw materials, and insecure supply chains.

* The amount of exports of SMEs (USD 100 million): (2020) 1,007 (Δ0.2%)→(2021) 1,155 (+14.7%)→**(2022) 1,174.6 (+1.7%)**

The number of exporting SMEs rose slightly to 92,578 companies compared to the previous year (92,114 companies).

The number of enterprises increased in all sections except for the section of those enterprises that recorded annual exports of between USD 5 and 10 million for the year. In particular, the number of enterprises with annual exports of over USD 100 million rose by 12.3% from 57 companies in 2021 to 64 companies in 2022, which was the largest increase on a year on year basis.

【 Number of SMEs by Export Scale in 2022 (companies, %) 】

Export Scale	2021	2022	Proportion	Rate of Change
Below USD 1 million	77,091	77,472	83.7	0.5
USD 1 million~5 million	10,455	10,542	11.4	0.8
USD 5 million~10 million	2,306	2,290	2.5	△0.7
Over USD 10 million	2,262	2,274	2.5	0.5
USD 10 million~50 million	2,026	2,027	2.2	0.05
USD 50 million~100 million	179	183	0.2	2.2
Over USD 100 million	57	64	0.1	12.3
Total	92,114	92,578	100.0	0.5

② Characteristics of Exports of SMEs by Items and Countries

< Major Items >

The items exported by SMEs that recorded high export value included plastic goods, cosmetics, automobile components, synthetic resins, and semiconductor manufacturing equipment. The concentration rate of the top 10 items exported by SMEs was 31.4%, and this figure is lower than the rate of 57.9% for the top 10 items among the total export items of South Korea.

Out of the SMEs' top 10 export items, automobiles (+18.3%) and other machinery (+18.2%) recorded a two-digit increase with the export of automobile components (+6.9%) and semiconductor manufacturing equipment (+6.2%) recording strong performances.

【Top 10 Export Items (USD 100 million, %)】 【SMEs’ Top 10 Export Items (USD 100 million, %)】

Items		Amount	Percentage	Change	Items		Amount	Percentage	Change
1	Semiconductors	1,292	18.9	1.0	1	Plastic goods	51	4.4	△4.9
2	Petroleum goods	629	9.2	65.1	2	Cosmetics	46	3.9	△7.6
3	Automobiles	541	7.9	16.4	3	Automobile parts	44	3.8	6.9
4	Synthetic resins	281	4.1	△ 3.7	4	Synthetic resins	40	3.4	△4.6
5	Automobile parts	233	3.4	2.4	5	Semiconductor manufacturing equipment	39	3.3	6.2
6	Steel plates	224	3.3	△ 0.4	6	Semiconductors	31	2.7	△6.2
7	Flat panel displays & sensors	213	3.1	△ 1.1	7	Automobiles	31	2.7	18.3
8	Precision chemical materials	188	2.7	73.6	8	Medicines	29	2.5	△12.1
9	Vessels	182	2.7	△ 20.9	9	Steel plates	29	2.5	△5.8
10	Wireless communications apparatus	172	2.5	6.5	10	Other Machinery	29	2.4	18.2
Top 10		3,956	57.9	10.3	Top 10		369	31.4	△0.5
Total		6,837	100.0	6.1	Total		1,175	100.0	1.7

The items that made a noticeable increase compared to the previous year included automobiles (+USD 480 million), other machinery (+USD 440 million) and industrial electric machinery (+USD 410 million). The increasing export of second-hand automobiles to Russia and its neighbouring countries contributed to the growth in the export of automobiles for the second straight year.

Other machinery entered the SMEs’ top 10 export item list in 2022 thanks to the favourable markets for automobiles and electric vehicles, with the exports of automobile parts and battery manufacturing equipment for electric vehicles to China, US, and Hungary as well as the exports of display manufacturing equipment to Vietnam increasing.

The export of industrial electric machinery also showed an upward trend for two years in a row because the growing demand for automobiles and electric vehicles has led to the increased exports of electric units, electric-vehicle chargers, and power units for electronic products.

On the other hand, plastic goods ($\Delta 4.9\%$) and cosmetics ($\Delta 7.6\%$), the first and second largest export items of SMEs, recorded a decline in exports from the same period of the previous year due to the economic slowdown of many countries including China which is one of the largest export markets.

< Export Destinations >

The amount of exports to five countries including US, Japan, Taiwan, India, and Mexico that belong to the top 10 export destinations all increased, and the exports to four of these countries except for Japan recorded the highest ever performances.

【 Top 10 Export Destinations for SMEs in 2022 】

Category	China	US	Vietnam	Japan	Taiwan	India	Hong Kong	Indonesia	Russia	Mexico
Amount (USD 100 million)	219	171	112	109	35.0	33.3	30.9	29.3	27.1	26.8
Change (USD 100 million)	-19.5	24.2	-0.8	2.2	1.9	3.2	-5.9	-0.1	-0.4	2.4
Rate of Change(%)	$\Delta 8.2$	16.5	$\Delta 0.7$	2.1	5.7	10.6	$\Delta 15.9$	$\Delta 0.5$	$\Delta 1.6$	10.0

As for US (+16.5%), the exports of automobile components which were the top export item to US increased, taking advantage of the positive market for automobiles. In addition, the newly adopted manufacturing industry promotion policy propelled a two-digit growth in the export of machinery such as applied electronics, mechanic elements, and industrial electric machinery.

Exports to India (+10.6%) showed an increase for two consecutive years due to the favourable export market for machinery in the wake of the Indian government's expansion of investment in infrastructure, along with the increased exports of automobile components as a result of the additional construction of automobile factories.

As for exports to Mexico (+10.0%), a hub for automobile production in North America, items relating to automobile manufacture such as automobile components, industrial electric machinery, and molds witnessed a massive growth in export volume.

The export of COVID-19 test kits to Taiwan (+5.7%) increased by nearly 18 times and a stable upward trend in the export of semiconductor manufacturing equipment to the country was also recorded.

On the other hand, the slowdown of production and consumption as well as the delayed recovery of the economies in China (Δ 8.2%) and Hong Kong (Δ 15.9%) caused by the strict COVID-19 lockdown measures imposed resulted in an overall reduction in the export of major items and this led to a decline of total exports compared to the same period of the previous year.

The concentration rate of the top 10 export destinations for SMEs was 67.6%, and this figure is lower than the rate of 70.4% for the top 10 export destinations among all the export destinations of the country.

In addition, the proportion of enterprises that exported to a single country (one country) was 55.5% while those enterprises with ‘multiple export markets’ that exported to more than two countries accounted for 44.5%. The results are similar to the previous year. The major export destinations for enterprises with a single export market included China, Japan, and US.

< Online Exports >

The amount of SMEs’ online exports in 2022 totalled USD 710 million (+8.5%), and exports increased for countries such as US and Southeast Asian nations.

This took up 78.4% of the total amount (USD 910 million) of online exports of the country, and the proportion increased from the previous year (76.7%), which demonstrates the strength of SMEs in the online export sector.

With regard to particular items, audio equipment (such as records, +38.0%) and computers (such as photo printers, +101.2%) demonstrated solid growth. Those countries where public recognition of Korea is high thanks to Hallyu and which have developed online malls such as US, Japan, China, Singapore, and Malaysia were the major export destinations of these items.

The number of online exporting SMEs increased by 670 companies from 3,148 companies in the previous year to 3,818 companies (+21.6%).

【 Top 5 Online Export Items (USD 1 million, %) 】				【 Top 5 Online Export Destinations (USD 1 million, %) 】			
Item	2021	2022	Rate of Change	Country	2021	2022	Rate of Change
Cosmetics	261.1	242.4	△7.1	US	205.5	250.0	21.6
Clothing	100.6	96.8	△3.8	Japan	231.8	195.5	△15.7
Audio Equipment	56.9	78.6	38.0	China	109.7	112.7	2.7
Computer	26.5	53.2	101.2	Singapore	19.0	19.5	2.5
Stationery & Toys	23.0	26.6	15.8	Malaysia	7.9	14.2	79.1
Total	468.1	497.6	6.3	Total	573.9	591.8	3.1
Amount of Online Exports	658.3	714.4	8.5	Amount of Online Exports	658.3	714.4	8.5

Meanwhile, CHOI Won-young, Director General for Global Growth Policy, Ministry of SMEs and Startups, stated “Despite the continued growth in SMEs’ exports in 2022 for the second straight year, adverse circumstances are expected to persist in 2023 because of factors that caused the beginning of a drop in exports in the second half of the year.”

CHOI added, “The Ministry of SMEs and Startups announced the 「Export Support Policy for SMEs」 on January 26 in a bid to boost export vitality and identify growth engines of SMEs. The ministry will push ahead with the policy so that exporting SMEs can grow and develop to be the country’s mainstay of exports.”

- This trend data is based on the data provided by the Korea Customs Service and the analysis of the exports of SMEs in 2022
- The number of exporting enterprises was calculated according to the number of exporting businesses (owners), and the scales of enterprises (large, medium, small) were determined in consideration of the latest changes in business scale as of the date of announcement
 - * (Large Enterprises) reflecting a group of large-scale enterprises announced by the Fair Trade Commission in November 2022, (Medium Enterprises) based on the settlement of accounts in 2020 (Ministry of Industry)
- Some of the figures may be subject to correction once the annual trade statistics of the Korea Customs Service are confirmed (in February 2023) and the scales of enterprises are adjudicated by the Ministry of SMEs and Startups (in April 2023)