Ministry of SMEs and Startups

Press Release

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SME Exports Hit Record High in 2025, Led by Cars, Cosmetics and a Rebound in China

Korea's small and medium-sized enterprises (SMEs) posted their strongest performance on record in 2025, with overseas shipments reaching USD 118.6 billion, up 6.9% from the previous year, according to provisional figures released by the Ministry of SMEs and Startups (MSS).

Both the total value of SME exports and the number of exporting firms reached all-time highs, underscoring the growing role of smaller businesses in Korea's trade recovery and global market diversification.

A year of momentum, especially in the second half

Exports gathered pace as the year progressed. While growth in the first half was modest, shipments surged in the second half, with quarterly exports from the second through fourth quarters all marking historic highs. The second half alone recorded a 10.8% increase, nearly four times the growth rate of the first half.

By the end of the year, 98,219 SMEs were engaged in exporting – up 2.5% from 2024. New exporters and firms that continued exporting both increased, while the number of companies that stopped exporting declined, pointing to broader and more stable participation in global markets.

Cars and cosmetics drive growth, diversification strengthens resilience

Among export items, automobiles and cosmetics once again stood out, each setting new records for the third consecutive year. SME automobile exports surged 76.3%, while cosmetics rose 21.5% together leading overall export growth. Electronics-related products, including semiconductor manufacturing equipment and electronic devices, also showed solid gains.

Notably, SME exports remain far less concentrated than Korea's overall exports. The top 10 SME export items accounted for 36.1% of total SME exports, compared with 60.9% for national exports overall. This broader mix helped cushion SMEs against global demand swings and trade uncertainties.

Rising used-car demand in Central Asia – including Kyrgyzstan and Kazakhstan, as well as the Middle East – boosted automotive exports. Meanwhile, the global appeal of K-beauty continued to expand beyond traditional markets. Cosmetics exports reached USD 8.3 billion, the highest on record, with shipments spreading to 204 countries, including sharp growth in the European Union and the Middle East.

China regains top spot: U.S. exports hold steady despite tariff pressures

By destination, China reclaimed its position as the largest export market for Korean SMEs, returning to growth after three consecutive years of decline. Strong demand for consumer goods such as cosmetics and apparel – amplified by Chinese social media platforms – combined with solid performance in industrial products to lift exports.

The United States remained the second-largest market. Despite tariff-related uncertainties, SME exports to the U.S. were broadly stable, supported by record shipments of cosmetics and electrical equipment such as transformers. While steel exports declined amid weaker local demand, aluminum exports increased as Korean suppliers filled gaps left by other exporters.

Other Asian markets, including Japan, Hong Kong, and Taiwan, also recorded growth. By region, exports to the Middle East rose 14.1%, while shipments to the CIS region jumped 37.3% driven by consumer goods aligned with shifting global consumption trends and the spread of Korean cultural content.

Online exports reach new high, SMEs lead digital trade

SMEs also strengthened their presence in digital trade. Online exports reached USD 1.1 billion, up 6.3% year on year, marking another record. SMEs accounted for 75.6% of Korea's total online exports, confirming their leading role in e-commerce.

Cosmetics led online exports, with particularly sharp growth in the United Kingdom and the Netherlands, while apparel sales expanded in Greater China, offsetting slower demand in the U.S. and Japan. The number of SMEs engaged in online exporting rose sharply to 4,392, signaling a renewed growth trend after a brief slowdown in 2024.

Building on a record year

MSS evaluates that 2025 results reflect the growing competitiveness, adaptability and global reach of Korean SMEs. With diversified products, expanding markets and a strong digital presence, SMEs are increasingly positioned as a stabilizing force in Korea's export economy – one capable of navigating both geopolitical uncertainty and shifting global demand.

For more news and updates on Korea's SME and startup policies, follow the Ministry's official **LinkedIn** page:
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