



Press Release

Ministry of Commerce, Industry and Energy

Retail figures for 2005 and 2006

According to a survey¹ by the Ministry of Commerce, Industry and Energy (MOCIE), Korea's retail sector achieved considerable growth in 2005, buoyed by bullish stock market, robust exports, and domestic economic recovery.

The growth in sales was seen in discount outlets (5.8% from a year earlier), department stores (4.8%), TV shopping malls (9.6%), and, notably, online shopping malls (39.8%).

Sales at department stores have been on the upturn since March last year as the stores enhanced marketing efforts, such as remodeling of existing stores. Sales at department stores were up 19% from the previous year in December last year, aided by increased seasonal demand for fur coats and other high-priced clothes and various marketing activities. Sales at discount outlets and TV shopping malls also climbed by 4.8% and by 9.6%, respectively.

In particular, with the emergence of online shopping malls—such as *Interpark*, *G-Market* and *Auction*—which offer an open platform where sellers and buyers can freely trade without additional distribution costs, more and more people are favoring e-commerce over offline shopping.

Meanwhile, the survey found that the nation's retail sales are expected to continuously grow in 2006 on the back of the 2006 World Cup, a recovery in consumer confidence, bullish stock markets, and strong exports.

Sales at department stores and discount outlets are expected to increase this

¹ The discount outlets in the survey are E-Mart, Lotte Mart, and Samsung Tesco TVplus. The department stores surveyed are Hyundai, Lotte, and Shinsegae. In addition, the survey was conducted on five TV shopping malls and 21 online shopping malls.

year by 4.0% to 18 trillion Won and by 8.6% to 26.6 trillion Won, respectively. TV shopping malls are also projected to see an 11% growth in sales, helped by an economic recovery and increased use of credit cards. As for online shopping malls, sales are to increase by 26% from a year ago to 132 billion Korean Won.

<Retail Sales Growth Rate in 2005>

(Unit: %)

	Jan.	Feb.	Mar.	1Q	Apr.	May	Jun.	2Q	Jul.	Aug.	Sep.	3Q	Oct.	Nov.	Dec.	4Q
Discount outlets	-9	26	3	5	3	2	5	3.3	5	3	3	3.7	8	5	8	7
Department stores	-3	6	5	2	4	3	2	3	4	7	9	6.7	6	6	19	10.3
TV shopping malls	7	2	16	13.6	19	17	7	14.3	3	7	9	6.3	9	9	10	9.3
Online shopping malls	36	37	41	38	34	44	33	37	34	40	49	41	42	43	45	43.3

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** Released by Distribution and Logistics Division*