Ministry of SMEs and Startups

Press Release

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Korean SME Exports Top USD 64 Billion in the First Half – a Record, Led by K-Beauty

Korean SME exports reached USD 64 billion in the first half of 2026, up 11.6 percent from a year earlier and the highest first-half figure on record, the Ministry of SMEs and Startups (MSS) announced on July 23. The number of exporting SMEs also rose to a record 80,490 companies, up 2.4 percent. (Figures are provisional.)

The previous first-half records were USD 59.1 billion in 2022 and USD 57.4 billion in 2025.

A Broadening Export Mix

Korea's SME exports are growing more diverse. The top ten items made up just 36.2 percent of total SME exports – against 67.7 percent for the country's exports overall – showing how widely SME shipments are spread. Cosmetics led at 7.9 percent, followed by automobiles at 5.2 percent.

Cosmetics, the main driver of SME export growth, reached a record USD 5.07 billion, up 30.7 percent. Europe (up 62.4 percent) and North America (up 36.8 percent) led the way, while Latin America surged 131.9 percent as an emerging market. Middle East shipments turned positive again in the second quarter (up 9.9 percent), leaving the region close to flat for the half (down 0.6 percent).

Semiconductors (USD 2.28 billion, up 48.3 percent) and semiconductor manufacturing equipment (USD 2.03 billion, up 33.2 percent) both hit first-half records, on the back of the global AI-chip boom and higher prices. Growth was especially strong to Hong Kong and Vietnam – major hubs for chip distribution and packaging – with exports to Hong Kong up 168.5 percent.

Measuring and analysis instruments (USD 1.28 billion, up 30.2 percent) also set a first-half record, driven by Vietnam (up 58.8 percent, on demand from Korean-owned display plants) and Taiwan (up 66.1 percent, on demand for semiconductor inspection equipment).

Automobiles (USD 3.31 billion) were the exception, falling 15.2 percent. The sector leans heavily on the Commonwealth of Independent States (CIS, 52.1 percent of its exports) and the Middle East (21.1 percent), and took a hit from logistics disruptions caused by the Middle East conflict.

Export Destinations: Nine of the Top Ten Grew

Among the top ten SME export destinations, nine – including China and the United States – grew year-on-year.

China (USD 10.48 billion, up 14.4 percent) was the largest, buoyed by semiconductor manufacturing equipment (USD 850 million, up 19.3 percent), fine chemical materials such as precious-metal inputs (USD 390 million, up 121.0 percent), and apparel (USD 340 million, up 45.1 percent).

The United States (USD 9.96 billion, up 3.2 percent) set a first-half record despite trade headwinds, including tariffs and the end of the de minimis exemption. Cosmetics drove the gain, lifted by expanding online and offline channels such as content commerce and local retail pop-ups – U.S. cosmetics exports rose 34.5 percent to USD 960 million.

Middle East exports fell 12.6 percent to USD 2.72 billion amid the regional conflict, with declines across automobiles (down 10.6 percent), auto parts (down 14.5 percent), and cosmetics (down 0.6 percent). The trend improved as the year went on: monthly exports to the region swung from a 48.9 percent drop in March to an 8.1 percent gain in June, as shipments tied to Saudi infrastructure and industrial projects picked up.

Online Exports Set a Record

Online exports rose 48.6 percent to USD 740 million, with the number of SMEs selling online up 30.5 percent to a record 4,051 companies. SMEs made up 74.1 percent of all online exports – a sign that online channels are lowering the barrier to entry and giving smaller companies an easier route into overseas markets.

Online cosmetics exports were the standout, jumping 85.3 percent to a record USD 520 million, with sharp gains in the United States (up 57.4 percent), China (up 75.6 percent), the Netherlands (up 416.1 percent), and the United Kingdom (up 230.4 percent).

“Despite an unstable external environment, including war, our SMEs are performing well – on the back of K-beauty and a range of other products, and their push into emerging markets like Latin America,” said Shim Jae-Yoon, Director General for Global Growth Policy at MSS. “It’s a reminder that diversifying both products and markets is what keeps growth going.”

“MSS will help domestic-focused companies become exporters and strengthen those already exporting, so that K-beauty’s success can carry over to other products,” he added. “We will focus the government’s resources on helping SMEs grow into a mainstay of Korea’s exports.”

Export figures are based on Korea Customs Service clearance data for the first half of 2026. Company size classifications reflect the most recent data available at the time of publication. Some figures may be revised after annual trade statistics are finalized in February 2027 and MSS updates its company size classifications in April 2027.

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