

RETAIL

South Korea sees greatest retail growth in two years

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South Korea is seeing great momentum in retail sales, despite the challenges of the global pandemic. Image credit: Getty

By LUXURY DAILY NEWS SERVICE

South Korea Ministry of Trade, Industry and Energy announced a 10 percent overall increase in February retail sales

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Sales at both brick-and-mortar stores and ecommerce sites were up 14.3 percent and 5.5 percent, respectively. The Ministry releases monthly retail sales figures based on surveys of 26 major retailers, including physical stores and online retailers.

Positive growth

Offline retailers saw a 14.3 percent growth due to stronger demand for holiday gift sets and new semester items as well as a base effect from COVID-19's impact on sales.

Sales at department store chains jumped 39.6 percent, as sales of high-priced goods went up. Food products (+66 percent), kids/sports (+54.4 percent) and global brands (+45.7 percent) expanded significantly.

Hypermarkets experienced a 15 percent rise in sales as people chose to spend money on holiday gift sets instead of visiting family members due to social distancing rules. Items in clothing (+32.5 percent) and sports (+16.8 percent) categories led to this growth.

Despite decreases in daily necessities (-23.6 percent) and miscellaneous goods (-15.9 percent) due to consumer preferences for online purchasing, beverages and processed foods (+8.9 percent) and cigarettes (+1.3 percent) showed growth.



Consumers shopping. Image credit: Agility

Meanwhile, sales at super supermarkets (SSM) fell 19.2 percent. Non-food products such as daily necessities (-33.5 percent) and miscellaneous goods (-26.2 percent) contracted.

Food products such as fresh and prepared foods (-21.7 percent) and processed foods (-20.1 percent) saw declines as well.

Sales at online stores continued to advance. Food products (+16.7 percent), services (+13.4 percent) and home appliances (+10.9 percent) gained momentum.

South Korea proved to be a bright spot for luxury throughout 2020, despite the pandemic. According to a report from Agility Research and Strategy released in May 2020, during the early virus outbreak in January and February 2020, the top three local department stores in Seoul had a surplus in sales, as compared to the same period in 2019.

South Korea has contributed to the rise in demand for luxury goods in Asia in recent years. In 2019, the luxury goods market in South Korea was valued at around \$13 billion, one of the fastest-growing luxury markets globally, according to Agility's Trend Lens 2020 Wave 1 report ([see story](#)).

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