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Oil Refining Industry of Korea

According to the Korea Petroleum Association, the export of refined petroleum products has reached \$34.4 billion USD from January to October 2008. It's more than the export of shipbuilding (\$34.2 billion USD), cellular phones (\$31.4 billion USD) and even semi-conductors (\$29.3 billion USD).

As a country with no crude extraction, it's a big achievement by oil companies in Korea including SK Energy, GS Galtex, Hyundai Oilbank and S-Oil.

The amount of refined oil production by Korean companies is at around 2.85 million barrels per day, which is 5th largest production capacity in the world. 50 countries are importing refined oils from Korea including US and Canada.

The investments by oil companies in Korea are core drivers of this export boom. SK Energy, one of the biggest subsidiaries of SK Corporation, recently completed its third heavy oil upgrading unit (HOU) last September. This HOU produces about 60,000 barrels per day and the entire production is being exported to other countries.

As a result, the company celebrated about 14 trillion won of sales for 3rd quarter of 2008. It translated to 733 billion won of operating profit and to 471 billion won of net income.



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SK Energy is now shifting its strategy toward alternative energy sector due to uncertainty of oil industry and current global financial crisis. SK Energy indicated that the company will invest about 1 trillion won by 2010 to its R&D and commercialization activities on alternative fuel development.

GS Caltex has been focusing its R&D resources and activities on fuel cell battery technology since 1989 by the company's new energy development center.

Source: The Alberta Korea Office

For more on the latest developments in the Korean marketplace, please [contact the Alberta Korea Office](#).