



## **Powered by E-commerce:**

**The Expansion of Beauty & Personal Care  
Exports in South Korea**

February 2026



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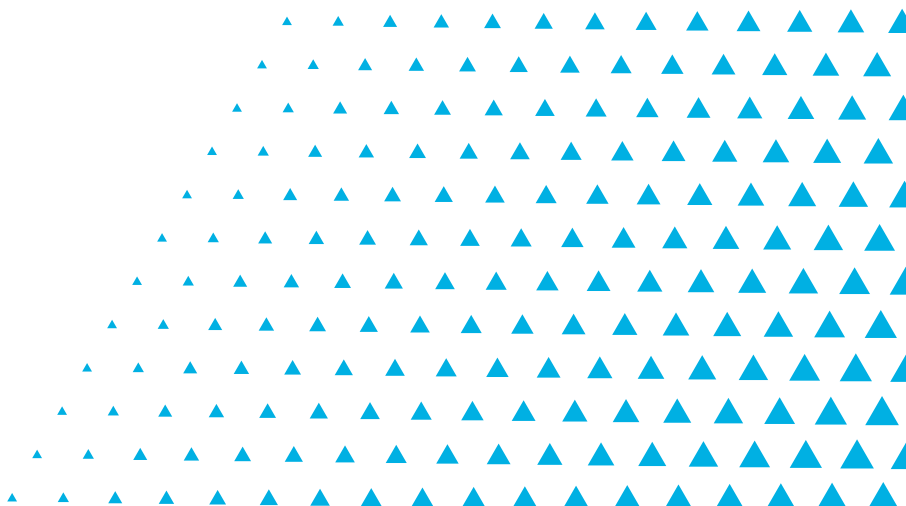
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# E-commerce effect:

## The Beauty and Personal Care Exports Growth in South Korea



### Why beauty and personal care matters for South Korea’s exports

South Korea stands at the forefront of the global beauty and personal care trade, ranking as the world’s second largest exporter.<sup>1</sup> Leveraging its **advanced manufacturing base, strong research and development capabilities, and the expanding global influence of South Korean culture**, the country is well positioned to use e-commerce as a strategic catalyst, enabling its micro, small, and medium-sized enterprises (MSMEs) to reach global consumers and power the next stage of export growth.

### E-commerce expected to accelerate export growth for beauty & personal care products 4X faster than overall exports

Category	Overall export value <sup>2</sup> , 2024 KRW trillion	Overall export value, 2029 KRW trillion	CAGR of overall export value, 2024–29	CAGR of e-commerce export value <sup>3</sup> , 2024–29
Beauty and Personal Care	13.9	18.3	6%	24%

### E-commerce exports are transforming how South Korean MSMEs scale globally

91%

of MSMEs reported that **e-commerce export** is essential for their future growth

92%

of MSMEs reported that engaging in **e-commerce** has made them more globally competitive compared to larger firms

Key Export Destinations

USA

EU

China

### However, MSMEs are facing barriers to exporting via e-commerce today

Top barriers faced by **Beauty & Personal Care** MSMEs

1. Complex **product certification** and **safety compliance** requirements in export destinations
2. High costs associated with **customs clearance and duties** in export destinations

### Policy actions to unlock the e-commerce export opportunity:

Developing an **ecosystem of third-party logistics providers**

**Training sessions** on product compliance and certification requirements

**Government–industry partnerships** to increase awareness of export destinations

**Enabling connections with strategic partners** across the e-commerce value chain

<sup>1</sup> Beauty and personal care products refer to cosmetics, skincare, haircare, personal hygiene items, and grooming tools used for both functional and cosmetic purposes.

<sup>2</sup> Overall export value encompasses the value of all product shipments, covering both business-to-consumer (B2C) and business-to-business (B2B) models, which move through both e-commerce and non-e-commerce channels.

<sup>3</sup> Expected growth rate for South Korea’s B2C e-commerce exports for beauty & personal care products is derived from Access Partnership’s 2025 survey of 300 beauty & personal care MSMEs in South Korea on their projected five-year growth in B2C e-commerce export sales.

Source: Access Partnership analysis; Access Partnership’s survey of 300 MSMEs engaged in e-commerce for beauty & personal care products in 2025.



# 1. South Korea's edge in beauty & personal care exports

South Korea's emergence as an export powerhouse stems from decades of coordinated industrial policy, innovation investment, and a strategic shift toward high-value manufacturing. This enabled the country to move beyond labor-intensive industries into globally competitive consumer industries.<sup>4</sup> The development of advanced manufacturing clusters and strong research and development (R&D) capabilities has created an ecosystem that supports rapid product innovation and consistent quality, strengthening the global competitiveness of South Korean firms.<sup>5</sup>

Building on this foundation, South Korea now leads in the beauty & personal care industry and stands as the world's second largest exporter in the category.<sup>6</sup> Innovative ingredients and distinct product design have helped local brands resonate with consumers worldwide, while cultural influence further amplifies these strengths.<sup>7</sup> The Korean Wave (also known as Hallyu) has expanded global awareness of Korean products, with "K-beauty" among the most-viewed skincare categories across major social media platforms.<sup>8</sup> As a result, international consumers increasingly associate Korean beauty & personal care products with quality and innovation, driving sustained export growth.

E-commerce now marks the next stage in South Korea's beauty & personal care export growth. The country's e-commerce market—one of the largest and fastest-growing in the Asia-Pacific region—provides a strong digital foundation for cross-border growth.<sup>9</sup> This positions local micro, small, and medium-sized enterprises (MSMEs) to scale internationally by leveraging their experience with e-commerce platforms, reaching consumers directly, and testing new products across export destinations.<sup>10</sup> With its advanced manufacturing base, strong R&D capabilities, and growing cultural influence, South Korea is well-positioned to further expand its leadership in beauty & personal care exports.



<sup>4</sup> Sources include: Brookings Institution (2024), "Korea's product diversification model: Insights for developing East Asia." Available at: <https://www.brookings.edu/articles/koreas-product-diversification-model-insights-developing-east-asia/>; Macquarie Group (2025), "From K-pop to the KOSPI: Trends shaping South Korea's economy". Available at: <https://www.macquarie.com/us/en/insights/from-k-pop-to-the-kospi-trends-shaping-south-koreas-economy.html>

<sup>5</sup> Sources include: Frederick et al. (2017), *Chapter 5: GVCs, Industrial Transformation, and Opportunities for Korea*. Available at: <https://www.globalvaluechains.org/wp-content/uploads/GVCs-Industrial-Transformation-and-Opportunities-for-Korea-CH5.pdf>; Jaramillo and Kim (2024), *Innovation Spurred: Evidence from South Korea's Big R&D Push*. <https://cdep.sipa.columbia.edu/sites/cdep.sipa.columbia.edu/files/content/Jaramillo.pdf>

<sup>6</sup> Beauty & personal care products refer to cosmetics, skincare, haircare, personal hygiene items, and grooming tools used for both functional and cosmetic purposes. The Straits Times (2025), "South Korea overtakes US in cosmetics exports, trailing only France." Available at: <https://www.straitstimes.com/life/south-korea-overtakes-us-in-cosmetics-exports-trailing-only-france>

<sup>7</sup> Sources include: Ko et al. (2011), "Korean Beauty in a Global Cultural Context." Available at: [https://www.researchgate.net/publication/271926772\\_Korean\\_Beauty\\_in\\_a\\_Global\\_Cultural\\_Context](https://www.researchgate.net/publication/271926772_Korean_Beauty_in_a_Global_Cultural_Context); Kim (2024), "K-Beauty: Tradition and Transformation". Ministry of Culture, Sports and Tourism. Available at: <https://www.korean-culture.org/eng/webzine/202408/sub01.html>

<sup>8</sup> Harvard Business Review (2024), "Inside the Success of South Korean Brands." Available at: <https://hbr.org/2024/06/inside-the-success-of-south-korean-brands>

<sup>9</sup> Payments and Commerce Market Intelligence (2024), "Key Data on South Korea's Online Shopping Market." Available at: <https://paymentscmi.com/insights/south-korea-e-commerce-market-data/>

<sup>10</sup> Euromonitor (2025), "The Rise of the Cultural Beauty Movement: How E-commerce is Bridging Traditions and Trends Globally." Available at: <https://www.euromonitor.com/article/the-rise-of-the-cultural-beauty-movement-how-e-commerce-is-bridging-traditions-and-trends-globally>

## 2. South Korea’s e-commerce export advantage in beauty & personal care

### 2.1. The overall export revenue for beauty & personal care products from South Korea

In 2024, South Korea’s overall export revenue reached **KRW 13.9 trillion** (USD 10.2 billion) and is projected to grow to **KRW 18.3 trillion** (USD 13.4 billion) by 2029 (Exhibit 1).<sup>11</sup> This momentum is driven by continuous product innovations, including sheet masks and cushion compacts, which sustain global consumer interest and offset price-based competition.<sup>12</sup> Brands such as Innisfree, Sulwhasoo, and Dr. Jart+ have leveraged these innovations to capture international demand, reinforcing the reputation of Korean beauty for quality, creativity, and effectiveness.<sup>13</sup>



<sup>11</sup> Estimates are based on the latest available annual data.

<sup>12</sup> Sources include: Vogue Business (2025), "Inside K-Beauty's Second Coming." Available at: <https://www.vogue.com/article/inside-k-beautys-second-coming>; Zignify (2025), "Top Manufacturing Countries for Cosmetics (2025 Guide)." Available at: <https://zignify.net/blog/top-manufacturing-countries-for-cosmetics>; Tatler Asia (2016), "7 Things You Need to Know About Cushion Compacts." Available at: <https://www.tatlerasia.com/style/beauty/7-things-you-need-to-know-about-cushion-compacts>; Neo Elegance (2024), "The Rise of Sheet Masks in Korean Beauty Trends." Available at: <https://neoelegance.co.uk/blogs/skin-science/the-rise-of-sheet-masks-in-korean-beauty-trends>

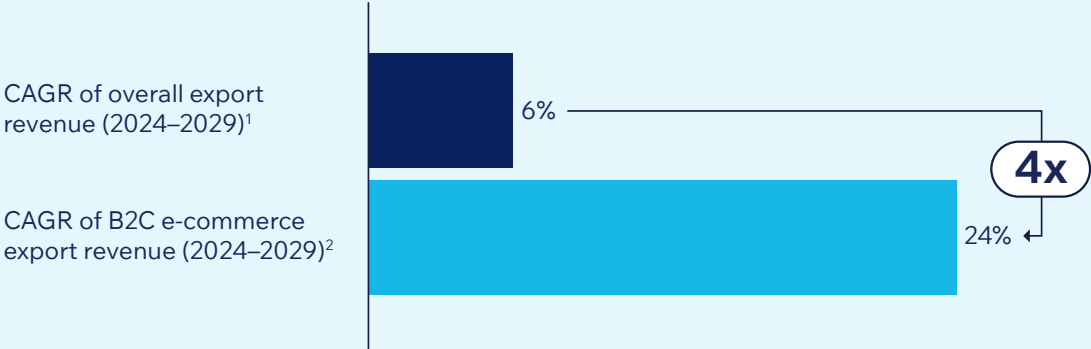
<sup>13</sup> Sources include: Global Cosmetic Industry (2023), "Inside Amorepacific's Expansion in the US, UK and Middle East." Available at: <https://www.gcimagazine.com/consumers-markets/news/22862470/inside-amorepacifics-expansion-in-the-us-uk-and-middle-east>

## 2.2. The B2C e-commerce export opportunity for South Korean beauty & personal care MSMEs

The rise of business-to-consumer (B2C) e-commerce is reshaping South Korea's beauty & personal care exports, enabling direct access to global consumers and new growth channels beyond traditional wholesale. While overall export revenue for beauty & personal care products is projected to grow at a compound annual growth rate (CAGR) of 6% between 2024 and 2029, **B2C e-commerce export revenue is expected to grow four times faster, at 24% annually** (Exhibit 2). This shift is strategically significant for MSMEs, as it enables them to internationalize without heavy investment in distributors or retail infrastructure, test new products directly with overseas consumers, and strengthen brand visibility in high-growth export destinations.<sup>14</sup>

**Exhibit 2: B2C e-commerce exports represent a high-growth opportunity for beauty & personal care exporters and are expected to outpace overall exports by four times**

**Growth potential of South Korea's beauty and personal care products**  
*Expected CAGR of export revenue, 2024 and 2029*



1. Overall export value encompasses the value of all product shipments, covering both business-to-consumer (B2C) and business-to-business (B2B) models, which move through both e-commerce and non-e-commerce channels.

2. Expected growth rate for South Korea's B2C e-commerce exports for beauty & personal care products is derived from Access Partnership's 2025 survey of 300 beauty & personal care MSMEs in South Korea on their projected five-year growth in cross-border B2C e-commerce sales.

Source: Access Partnership survey of 300 MSMEs engaged in e-commerce for beauty and personal care products in South Korea, 2025; Access Partnership analysis.

Surveyed MSMEs cite global interest in South Korean skincare and makeup products (**51%**) and growing consumer preference for online shopping (**47%**) as the leading drivers of the country's B2C e-commerce export growth (Exhibit 3). The global rise of Hallyu is encouraging consumers to seek products that embody the aesthetics and quality associated with K-beauty, while greater online availability of these products and social media trends make them easier for consumers worldwide to discover and purchase.<sup>15</sup> Together, these factors create new opportunities for MSMEs to reach global consumers, strengthen brand visibility, and expand exports through e-commerce.

<sup>14</sup> Sources include: IMARC Group (2025), "K-Beauty Products Market Size, Share, Trends, and Forecast by Product Type, Distribution Channel, End User, and Region, 2025-2033." Available at: <https://www.imarcgroup.com/k-beauty-products-market>; OECD (2019), "Unpacking E-commerce: Business Models, Trends and Policies." Available at: [https://www.oecd.org/content/dam/oecd/en/publications/reports/2019/06/unpacking-e-commerce\\_35b43e2b/23561431-en.pdf](https://www.oecd.org/content/dam/oecd/en/publications/reports/2019/06/unpacking-e-commerce_35b43e2b/23561431-en.pdf)

<sup>15</sup> Sources include: Euromonitor International (2025), "TikTok Sparks 22% Rise in Beauty Product Sales Over Social Media in 2024." Available at: <https://www.euromonitor.com/newsroom/press-releases/april-2025/tiktok-sparks-22-rise-in-beauty-product-sales-over-social-media-in-2024-euromonitor-international>; World Bank (2024), "Individuals Using the Internet (% of Population)." Available at: <https://data.worldbank.org/indicator/IT.NET.USER.ZS>; Harvard Business Review (2024), "Inside the Success of South Korean Brands." Available at: <https://hbr.org/2024/06/inside-the-success-of-south-korean-brands>

**Exhibit 3: Strong demand for skincare and makeup products from South Korea and growing consumer preference for online shopping are driving B2C e-commerce exports**

**Top demand drivers impacting the growth of beauty & personal care B2C e-commerce exports**  
*Percent of surveyed beauty & personal care MSMEs, %*



Source: Access Partnership analysis; Access Partnership's survey of 300 MSMEs engaged in e-commerce for beauty and personal care products in 2025.





# 3. How e-commerce is transforming MSME exports in beauty & personal care

MSMEs form the backbone of South Korea's economy, accounting for 99% of all enterprises and 81% of employment.<sup>16</sup> Their role is particularly vital to South Korea's beauty & personal care export success, as MSMEs accounted for 63% of the sector's total exports in 2023.<sup>17</sup> Furthermore, exporting MSMEs generate higher sales and employment growth than their non-exporting counterparts, underscoring their importance to South Korea's broader trade competitiveness.<sup>18</sup>

With e-commerce reshaping global trade, this chapter draws on a survey of 300 beauty & personal care MSMEs engaged in e-commerce exports in 2025. It analyzes their motivations for adopting e-commerce, the factors driving their global competitiveness, and the export destinations with the strongest growth potential.

## 3.1. Why exporting via e-commerce matters for MSME growth

**Exporting via e-commerce is creating new growth opportunities for South Korea's beauty & personal care MSMEs.** Most surveyed MSMEs (91%) view e-commerce exports as essential for their future growth, and 92% reported that it has increased their global competitiveness by creating a more level playing field with larger brands (Exhibit 4). E-commerce channels also help MSMEs bypass traditional export barriers, such as securing foreign distributors, establishing local presence, or managing many layers of intermediaries.<sup>19</sup> Notably, 94% of MSMEs indicated that their e-commerce activity has boosted offline sales as well, demonstrating how digital engagement enhances brand visibility, drives repeat purchases, and lifts overall sales performance.<sup>20</sup>



<sup>16</sup> Ministry of SMEs and Startups (MSS) (n.d.), "Status of South Korean MSMEs." Available at: <https://www.mss.go.kr/site/eng/contents/view.do?menuCd=2020200000002019110610&siteCd=eng>

<sup>17</sup> Ministry of Health and Welfare (2024), "Ministry of Health and Welfare Introduces K-Beauty to Foreign Media Journalists." Available at: [https://www.mohw.go.kr/board.es?act=view&bid=0032&list\\_no=1482418&mid=a20401000000](https://www.mohw.go.kr/board.es?act=view&bid=0032&list_no=1482418&mid=a20401000000)

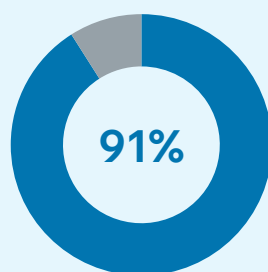
<sup>18</sup> Ministry of SMEs and Startups (MSS) (2024), "MSS to Support AI-based Export Voucher Program for SMEs." Available at: <https://www.mss.go.kr/site/eng/ex/bbs/View.do?bclidx=1056750&cbldx=244>

<sup>19</sup> Sources include: Bai et al. (2020), *Search and Information Frictions on Global E-commerce Platforms: Evidence from AliExpress*. National Bureau of Economic Research Working Paper. Available at: [https://www.nber.org/system/files/working\\_papers/w28100/revisions/w28100.rev0.pdf](https://www.nber.org/system/files/working_papers/w28100/revisions/w28100.rev0.pdf); International Chamber of Commerce (2022), "MSME Digital Exports in Southeast Asia." Available at: <https://iccwbo.org/wp-content/uploads/sites/3/2022/11/icc-msme-digital-exports-in-southeast-asia.pdf>

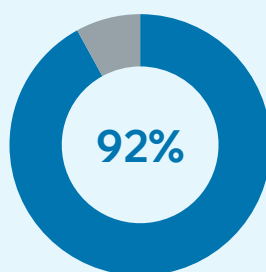
<sup>20</sup> Sources include: Emerald Insight (2024), "Exploring the link between offline and online retail performance". Available at: <https://www.emerald.com/md/article-abstract/doi/10.1108/MD-04-2024-0854/1258238/Exploring-the-link-between-offline-and-online>; Temple University, Fox School of Business (n.d.), "Complementarity and cannibalization of offline to online targeting: A field experiment on omnichannel commerce." Available at: <https://www.fox.temple.edu/sites/fox/files/Complementarity-and-Cannibalization-of-Offline-to-Online-Targeting-A-Field-Experiment-on-Omnichannel-Commerce.pdf>

**Exhibit 4: 91% of MSMEs reported that e-commerce export is essential for their future growth, with 92% stating that it has increased their global competitiveness**

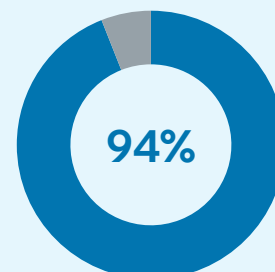
**B2C e-commerce export engagement patterns among South Korean MSMEs**  
*Percent of surveyed beauty & personal care MSMEs, %*



of MSMEs reported that **e-commerce export is essential for their future growth**



of MSMEs reported that engaging in **e-commerce has made them more globally competitive** compared to larger firms



of MSMEs agreed that their **e-commerce activity drive a direct increase in sales through their offline channels**

Source: Access Partnership analysis; Access Partnership's survey of 300 MSMEs engaged in e-commerce for beauty & personal care products in 2025.

**Access to digital tools and analytics is the leading motivation for South Korean beauty & personal care MSMEs engaging in e-commerce exports**, with **42%** citing consumer behavior analysis as their main reason (Exhibit 5). These tools help MSMEs track market trends, assess demand across export destinations, and refine their product offerings in real-time, enabling them to compete more effectively with established global brands.<sup>21</sup>

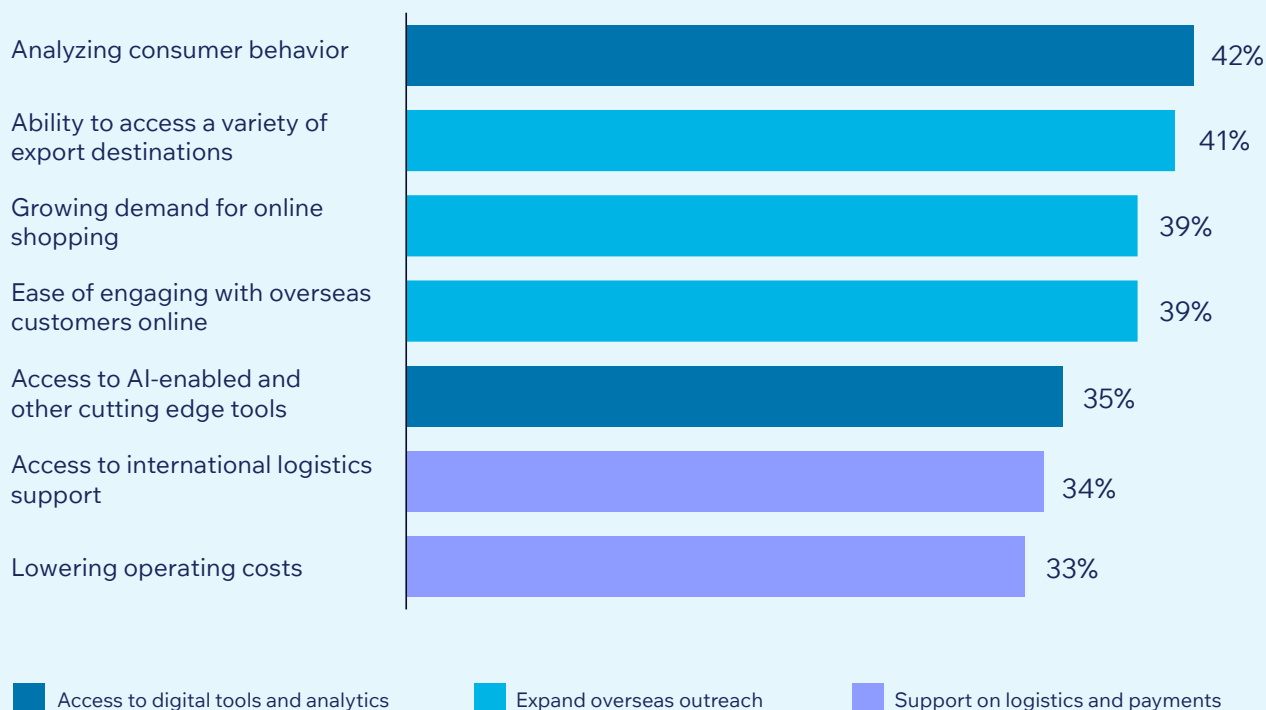


<sup>21</sup> Sources include: Miah (2022), *Impact of Business Analytics and Decision Support Systems on E-commerce in SMEs*. Cornell University. Available at: <https://arxiv.org/abs/2212.00016>; Lee (2023), *An Analysis of E-commerce Exports by SMEs and Policy Implications amid the Transition to Endemic COVID-19*. Korea Institute for Industrial Economics and Trade. Available at: [https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=4315578](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=4315578)

## Exhibit 5: For South Korean MSMEs, access to digital tools and analytics is the primary motivation for exporting via e-commerce

### Reasons for the use of e-commerce to export

Percent of surveyed beauty & personal care MSMEs, %



Source: Access Partnership analysis; Access Partnership's survey of 300 MSMEs engaged in e-commerce for beauty & personal care products in 2025.





## Box 1: South Korean beauty & personal care brands successfully expanding internationally via e-commerce

### Accelerating global expansion by leveraging Amazon as a core growth channel: Haruharu Wonder

**Haruharu Wonder** is a Korean vegan and low-irritation skincare brand built around fermented black rice as its core ingredient, with a strong focus on strengthening the skin barrier and improving fundamental hydration. From its early stages, the brand was developed with global consumers in mind. In particular, Haruharu Wonder identified Amazon as the global e-commerce platform with the greatest scalability and long-term growth potential, and selected it as a key channel for overseas expansion.

Positioning Amazon not merely as a sales channel but as a strategic platform for global growth, Haruharu Wonder has systematically built an Amazon Fulfillment by Amazon (FBA)-based logistics structure and executed step-by-step advertising and marketing strategies, primarily targeting the North American market. However, high upfront costs related to overseas logistics and initial marketing posed structural challenges. Throughout 2025, participation in multiple government-supported programs played a critical role in mitigating these constraints. Support for international logistics costs and Amazon advertising expenses significantly shortened the preparation period for market entry, enabling faster conversion to actual sales performance.

Leveraging the execution capacity secured through government support, Haruharu Wonder has steadily expanded brand awareness and sales performance on Amazon. Looking ahead, the company plans to sustain global revenue growth through aggressive Amazon-centered advertising operations and promotional strategies.

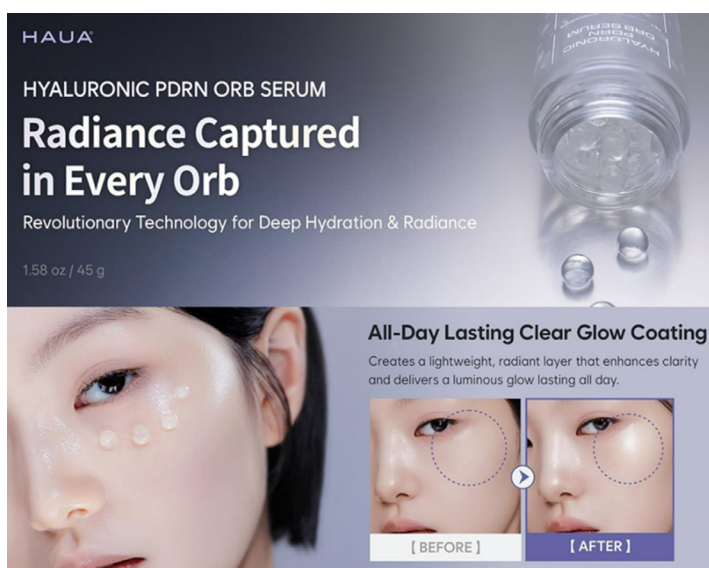
haruharu wonder®  
gentle yet effective everyday



### A multi-brand beauty company achieving 270% year-on-year growth in North American sales through government support: Hemeko Co., Ltd.

**Hemeko Co., Ltd.** is a multi-brand beauty startup that operates a review-driven commerce platform and offline retail stores, centered on its proprietary private-label beauty products. The company manages a portfolio of competitive K-beauty brands, including AOU, a makeup brand directed by an idol makeup artist; HAUA, a high-performance skincare brand; and ANAZE, a haircare brand developed in collaboration with top Korean hair artist “Kiu.”

As part of its global expansion strategy, Hemeko identified North America—where demand for K-culture and K-beauty has been rapidly increasing—as its primary target market. The company selected Amazon as its core channel due to its extensive global customer base and market reach. Participation in a government-supported Amazon program became a decisive turning point in establishing a foothold in the North American market. Early access to strategic account services and





hands-on support from a dedicated account manager enabled Hemeko to quickly define and execute a clear Amazon channel operation strategy, which directly translated into tangible performance outcomes on the platform.

As a result, by Q4 2025, Hemeko achieved a 270% year-over-year increase in North American sales. In particular, the initial four months of financial support served as more than just assistance; they served as a catalyst that significantly accelerated execution, enabling rapid brand awareness and market expansion in North America.

Building on its success in the North American market, Hemeko is now accelerating expansion into Europe, the Middle East, and other global regions. The company plans to further strengthen its brand competitiveness through localized product development and social media-driven marketing strategies. To sustain this growth trajectory, Hemeko intends to continue actively participating in relevant government support programs.

## 3.2. Key export destinations: current and future outlook

South Korean MSMEs exporting beauty & personal care products are prioritizing large, mature economies both regionally and beyond. **Over the next five years, they expect the United States of America (USA), the European Union (EU), China, and Japan to remain their top export destinations**, consistent with current trends (Exhibit 6). These export destinations combine digital maturity, well-developed fulfillment networks, reliable cross-border payment systems, and growing demand for K-beauty, offering MSMEs both strong consumer interest and favorable conditions for brand building.<sup>22</sup>

Access to these export destinations is further supported by trade agreements that lower costs and reduce export timelines. The U.S.–Korea Free Trade Agreement (KORUS FTA) and the EU–South Korea FTA eliminate most tariffs and simplify customs documentation, saving exporters time and administrative expenses.<sup>23</sup> These frameworks enhance price competitiveness and allow MSMEs to reinvest resources in innovation and marketing rather than compliance processes.<sup>24</sup> Looking ahead, these mature economies will serve as a key test of whether South Korean MSMEs can sustain their competitiveness amid rising regulatory requirements, increasing logistics costs, and intensifying competition in global e-commerce.







<sup>22</sup> Sources include: FedEx (2024), "Unlocking Japan's E-Commerce Potential." Available at: <https://www.fedex.com/content/dam/fedex/apac-asia-pacific/downloads/fedex-ecommerce-ebook-en-jp.pdf>; Stripe (2024), "Cross-Border E-Commerce Market Size: Japan." Available at: <https://stripe.com/en-sg/resources/more/cross-border-ec-market-size-japan>; European Commission (2024), "Logistics." Available at: [https://transport.ec.europa.eu/transport-themes/logistics-and-multimodal-transport/logistics\\_en](https://transport.ec.europa.eu/transport-themes/logistics-and-multimodal-transport/logistics_en); European Court of Auditors (2025), "Digital Payments in the EU." Available at: <https://www.eca.europa.eu/en/publications?ref=SR-2025-01>; Mintel (2024), "Korean Beauty Trends Continue to Capture Consumers in APAC." Available at: <https://www.mintel.com/insights/beauty-and-personal-care/korean-beauty-trends-continue-to-capture-consumers-in-apac/>

<sup>23</sup> Sources include: U.S. Customs and Border Protection (n.d.), "Korea Free Trade Agreement (KORUS)." Available at: <https://www.cbp.gov/trade/free-trade-agreements/korea>; European Union (n.d.), "EU–South Korea Free Trade Agreement." Available at: <https://eur-lex.europa.eu/EN/legal-content/summary/eu-south-korea-free-trade-agreement.html>

<sup>24</sup> Sources include: U.S. Trade Representative (n.d.), "Benefits of the U.S.–South Korea Free Trade Agreement to Small Business." Available at: [https://ustr.gov/uskoreaFTA/small\\_business](https://ustr.gov/uskoreaFTA/small_business); SSRN (2021), "The Effects of Free Trade Agreements on SMEs' Direct and Indirect Exports." Available at: [https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=3820215](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3820215)

## Exhibit 6: The USA, the EU, and China are identified as the top export destinations for South Korean beauty & personal care MSMEs exporting via e-commerce

Ranking	Top export destinations identified by MSMEs today and in five years <sup>1</sup>	
1 <sup>st</sup>	USA	
2 <sup>nd</sup>	EU	
3 <sup>rd</sup>	China	
4 <sup>th</sup>	Japan	

1. Top destination is calculated using the share of total respondents that selected the export destination within their first ranking out of 5.

Source: Access Partnership analysis; Access Partnership's survey of 300 MSMEs engaged in e-commerce for beauty & personal care products in 2025.



## 4. Key challenges for South Korea's beauty & personal care MSMEs

The survey of South Korean beauty & personal care MSMEs examined the main obstacles they face when exporting through e-commerce channels. These challenges fall into four broad categories:

- **Regulatory barriers** stem from complex or inconsistent legal and compliance requirements across export destinations. This includes managing export documentation and determining which products comply with export destination regulations.
- **Cost barriers** capture the financial pressures of selling abroad via e-commerce, ranging from high logistics expenses to compliance fees and staffing and fulfillment costs.
- **Knowledge barriers** reflect gaps in MSMEs' understanding of export destinations and service providers, such as limited awareness of consumer preferences or international shipping options.
- **Capability barriers** arise from limited staffing, partnerships, and resources that restrict firms from engaging overseas buyers. For example, firms cite difficulties in hiring skilled talent and negotiating favorable arrangements with manufacturers and suppliers.

### 4.1. Barriers to exporting beauty & personal care products via e-commerce





**Regulatory barriers are the most significant constraint limiting the ability of South Korean beauty & personal care MSMEs to expand through e-commerce exports. 87% of surveyed MSMEs cited navigating complex and changing regulations in export destinations as a major barrier, largely due to product certification and safety compliance requirements in export destinations (61%) and the high costs of regulatory compliance (48%) (Exhibit 7).** These pressures have intensified as key export destinations have introduced new and more stringent rules, such as the USA's Modernization of Cosmetics Regulation Act (MoCRA) and amendments to the EU's Cosmetics Regulation in 2025.<sup>25</sup> Meeting these requirements often involves additional testing, documentation, and labelling updates, which increase administrative costs and lengthen export timelines, limiting MSMEs' ability to enter new export destinations and scale competitively.



<sup>25</sup> Sources include: European Union (2025), "Regulation (EC) No 1223/2009 of the European Parliament and of the Council of 30 November 2009 on cosmetic products." Available at: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:02009R1223-20190813>; U.S. Food and Drug Administration (2024), "Modernization of Cosmetics Regulation Act (MoCRA)." Available at: <https://www.fda.gov/cosmetics/cosmetics-laws-regulations/modernization-cosmetics-regulation-act-2022>



## Exhibit 7: Navigating product certification and safety compliance requirements are the top barriers constraining South Korean beauty & personal care MSMEs

Barriers type	Top barrier faced by MSMEs Percent of surveyed beauty & personal care MSMEs, %	Underlying causes of the top barrier faced Percent of surveyed beauty & personal care MSMEs, %
<b>Regulatory barriers</b> 	Complex and changing regulations in export destinations ( <b>87%</b> )	<ul style="list-style-type: none"> <li>Product certification and safety compliance requirements in export destinations (<b>61%</b>)</li> <li>High costs of regulatory compliance (<b>48%</b>)</li> </ul>
<b>Cost barriers</b> 	High costs of cross-border logistics ( <b>86%</b> )	<ul style="list-style-type: none"> <li>Costs associated with customs clearance and duties in export destinations (<b>51%</b>)</li> <li>Costs from warehousing, storage, and fulfilment in export destinations (<b>43%</b>)</li> </ul>
<b>Knowledge barriers</b> 	Limited knowledge on various aspects of exporting via e-commerce ( <b>83%</b> )	<ul style="list-style-type: none"> <li>Lack of understanding of cross-border logistics (<b>45%</b>)</li> <li>Lack of knowledge on regulatory requirements (<b>45%</b>)</li> </ul>
<b>Capability barriers</b> 	Shortage in manpower, skills, and partnerships ( <b>82%</b> )	<ul style="list-style-type: none"> <li>Lack of workers with technical operations and e-commerce platform integration expertise (<b>51%</b>)</li> <li>Lack of workers with supply-chain and logistics expertise (<b>47%</b>)</li> </ul>

Source: Access Partnership analysis; Access Partnership's survey of 300 MSMEs engaged in e-commerce for beauty & personal care products in 2025.

Cost barriers are similarly widespread, with **86%** of beauty & personal care MSMEs citing high cross-border logistics costs as a key obstacle. These are primarily driven by costs associated with **customs clearance and duties, warehousing, storage, and fulfilment in export destinations**. Compliance costs are particularly elevated for beauty & personal care products due to stricter inspection and documentation checks at customs, which could pose a challenge for MSMEs, given their lower capacity to absorb costs as compared to larger firms.<sup>26</sup> Moreover, in major export destinations for South Korean MSMEs, such as the USA, annual warehouse occupancy costs exceed KRW 27,300 (USD 20) per square foot, among the highest globally.<sup>27</sup> These structural cost pressures significantly constrain South Korean MSMEs' ability to compete in price-sensitive e-commerce environments.

Knowledge barriers further compound these challenges, with **83%** of beauty & personal care MSMEs reporting limited understanding of various aspects of exporting via e-commerce. **45%** of beauty & personal care MSMEs reported that these knowledge gaps are primarily due to a **lack of understanding of cross-border logistics and regulatory requirements**. These factors, in turn, make it difficult for MSMEs to navigate compliance procedures, prepare accurate documentation, and respond to destination-specific rules. Combined with high cross-border logistics and compliance costs, these knowledge gaps create a reinforcing cycle that limits MSME export readiness.

Lastly, **82%** of beauty & personal care MSMEs reported shortages in manpower, skills, and partnerships needed to manage e-commerce operations effectively. These capability gaps center on **technical operations expertise, e-commerce platform integration capabilities, supply-chain and logistics skills**, as reported by around one in two beauty & personal care MSMEs. Existing research echoes these findings, highlighting persistent labor shortages among South Korea's MSMEs, particularly in digitally oriented operational roles critical for e-commerce exports.<sup>28</sup>

<sup>26</sup> Svensk Handel Swedish Commerce (2025). "The Cost of Compliance – Uneven Playing Field in the EU." Available at: <https://via.tt.se/files/1718444/3780896/145844/sv>

<sup>27</sup> Sources include: Savills Singapore (2025), "Warehousing Costs: A Global Perspective." Available at: [https://www.savills.com/research\\_articles/255800/378038-0](https://www.savills.com/research_articles/255800/378038-0); Brown West Logistics (2025), "Average Warehouse Cost per Square Foot In the U.S." Available at: <https://brownwestlogistics.com/blog/us-average-warehouse-cost-per-square-foot>

<sup>28</sup> Sources include: OECD (2020), "Enhancing Training Opportunities in SMEs in Korea." Available at: [https://www.oecd.org/content/dam/oecd/en/publications/reports/2020/06/enhancing-training-opportunities-in-smes-in-korea\\_b6cf8a06/7aa1c1db-en.pdf](https://www.oecd.org/content/dam/oecd/en/publications/reports/2020/06/enhancing-training-opportunities-in-smes-in-korea_b6cf8a06/7aa1c1db-en.pdf); Korea Science (2023), "Changes in the Employment Environment of the Beauty Industry in Republic of Korea." Available at: <https://www.koreascience.kr/article/JAKO202318136551694.page>



Overall, these findings highlight that regulatory, cost, knowledge, and capability barriers hamper the participation in global e-commerce for South Korean beauty & personal care MSMEs. Addressing these challenges through targeted policy measures and coordinated export support will be critical to enabling them to scale participation in global e-commerce.

### Box 2: Brand protection challenges increasingly faced by South Korean MSMEs

South Korean beauty & personal care MSMEs have seen significant growth in e-commerce exports, but a growing number of them face escalating challenges in protecting their brands. Counterfeit products, often visually indistinguishable from genuine items, have surged, resulting in estimated losses of KRW 22 billion (USD 16.1 million) in 2025, a 24-fold increase from 2024.<sup>29</sup> These counterfeit products bypass regulatory and quality controls, often containing inferior ingredients that pose health risks to unaware users, which can damage consumer trust when adverse effects are mistakenly attributed to legitimate South Korean brands.<sup>30</sup> MSMEs are particularly vulnerable, as they often lack the resources to monitor global markets for imitation products or manage the high costs of international dispute litigation and preemptive trademark applications.<sup>31</sup>

To address this, the South Korean government plans to enhance counterfeit monitoring and brand protection through a new public-private task force for K-beauty trademarks in 2026.<sup>32</sup> This initiative will foster collaboration between customs authorities, the Korean Intellectual Property Office, and overseas e-commerce platforms.<sup>33</sup> Additionally, the government is developing a guidebook to help agencies identify intellectual property infringements involving K-beauty products.<sup>34</sup> Together, these measures aim to help MSMEs protect their brand reputation and maintain consumer trust while scaling exports internationally.



<sup>29</sup> The Korea Herald (2025), "Counterfeit K-beauty floods the market, most shoppers can't tell the difference." Available at: <https://www.koreaherald.com/article/10611397>

<sup>30</sup> Sources include: Information Technology & Innovation Foundation (2025), "Protecting Authenticity in the Global K-Beauty Market." Available at: <https://itif.org/publications/2025/08/22/protecting-authenticity-in-the-global-k-beauty-market/>; Chosun Biz (2025), "K-beauty exports exceed \$10 billion amid rising counterfeit product challenges." Available at: <https://biz.chosun.com/en/en-industry/2025/02/02/5632PILTIVBRBJ7ININ2VEYOHM/>

<sup>31</sup> Insight Korea (2025), "K-beauty, which is thriving overseas, is suffering from the rise of brokers targeting trademark rights." Available at: <https://www.insightkorea.co.kr/news/articleView.html?idxno=233440>

<sup>32</sup> Ministry of SMEs and Startups (2025), "Korea Unveils Comprehensive Strategy to Strengthen the Global Standing of K-Beauty." Available at: <https://www.mss.go.kr/site/eng/ex/bbs/View.do?cbldx=244&bclidx=1063672>

<sup>33</sup> Korea JoongAng Daily (2025), "K-beauty counterfeits cause \$15 million in damage this year, customs reports." Available at: <https://koreajoongangdaily.joins.com/news/2025-11-07/business/industry/Kbeauty-counterfeits-cause-15-million-in-damage-this-year-customs-reports/2439210>

<sup>34</sup> Korea JoongAng Daily (2025), "K-beauty counterfeits cause \$15 million in damage this year, customs reports." Available at: <https://koreajoongangdaily.joins.com/news/2025-11-07/business/industry/Kbeauty-counterfeits-cause-15-million-in-damage-this-year-customs-reports/2439210>

## 5. Policy support to boost e-commerce export growth

South Korea is scaling up support for MSMEs in e-commerce exports through financial support, training programs, and international expansion initiatives. For instance, the Korea Trade-Investment Promotion Agency (KOTRA), supported by the Ministry of Trade, Industry and Energy (MOTIE), operates an AI-enabled export platform that helps MSMEs identify high-potential export destinations, enhance customer service, and access tailored export consulting online.<sup>35</sup> Complementing this, the Korea SMEs and Startups Agency (KOSME) and KOTRA deliver targeted training, export subsidies, and matchmaking opportunities to connect MSMEs with foreign buyers.<sup>36</sup>

Recognizing the strategic importance of beauty & personal care, the government has launched sector-specific efforts to reduce export barriers. The Korean Intellectual Property Office (KIPO) and the Korean Intellectual Property Protection Agency (KOIPA) are strengthening global brand protection for K-beauty exporters through overseas Intellectual Property (IP) safeguards and anti-counterfeit enforcement.<sup>37</sup> Looking ahead, the planned K-Beauty Integrated Cluster—a one-stop hub for manufacturing, marketing, and retail—aims to streamline operations and accelerate growth for beauty & personal care MSMEs.<sup>38</sup> Collectively, these initiatives signal South Korea's growing commitment to strengthening MSME competitiveness and positioning the country's beauty & personal care exports for global success.

Yet despite this momentum, beauty & personal care MSMEs see the need for more coordinated policy action. **92%** of surveyed MSMEs believe the government should introduce a national strategy and long-term plan for e-commerce exports. **A comprehensive B2C e-commerce export framework for K-Beauty products could unify existing programs, set clear export targets, and enhance cooperation between government, industry, and partners.** Aligning funding, training, and digital infrastructure under one strategic direction will streamline MSME access to export resources, strengthen inter-agency coordination, and ensure consistent long-term policy direction. Implemented at the national level, such a strategy would accelerate e-commerce export growth and solidify South Korea's position as a leader in B2C e-commerce exports.

### 5.1. Lessons from South Korea and peer economies

While South Korea has made significant progress in enabling MSME participation in e-commerce exports through its various support programs, further alignment with global best practices could help unlock additional export growth. **South Korean MSMEs emphasized that public-private partnerships and targeted training programs on regulatory compliance are crucial to addressing their barriers to exporting via e-commerce** (Exhibit 8). Across the Asia-Pacific region and beyond, governments are implementing focused measures to help MSMEs overcome the most common obstacles to e-commerce exports, including capability shortcomings, high logistics costs, limited knowledge on key aspects of exporting via e-commerce, and complex regulatory requirements. Examining these initiatives provides valuable lessons on policy approaches that can be adapted to enable MSME export growth in South Korea.









<sup>35</sup> Invest Korea (2025), "KOTRA to Enhance Export Support System Using AI technology." Available at: [https://www.investkorea.org/ik-en/bbs/i-5073/detail.do?ntt\\_sn=493026](https://www.investkorea.org/ik-en/bbs/i-5073/detail.do?ntt_sn=493026)

<sup>36</sup> Sources include: GoBizKorea: Online Marketplace for Korean SMEs. Available at: <https://www.gobizkorea.com/user/main.do>; Korea SMEs and Startups Agency (KOSME) (2024), "KOSME Export Support and Global Expansion Programs." Available at: <https://www.kosmes.or.kr/sbc/SH/EHP/SHEHP013M0.do>

<sup>37</sup> Sources include: Korean Intellectual Property Office (2024), "Annual Report 2024." Available at: [https://www.kipo.go.kr/upload/en/download/Annual\\_Report\\_2024.pdf](https://www.kipo.go.kr/upload/en/download/Annual_Report_2024.pdf); Korea Intellectual Property Protection Agency (2025), "Overseas IP Protection Support." Available at: 해외지식재산센터 운영(해외IP센터) - 주요사업 - 한국지식재산보호원 [https://www.koipa.re.kr/home/content.do?menu\\_cd=000121](https://www.koipa.re.kr/home/content.do?menu_cd=000121)

<sup>38</sup> Ministry of SMEs and Startups (2025), "美 상호관세 시행에 따른 수출 중소기업 지원방안 발표." Available at: <https://www.mss.go.kr/site/smba/ex/bbs/View.do?bclidx=1061452&cbldx=86>

### Exhibit 8: South Korean MSMEs seek targeted support to address the top barriers to exporting via e-commerce

Barriers targeted	Best practice policy approaches <i>Percent of surveyed beauty &amp; personal care MSMEs, %</i>	Exemplary solution adopted in peer economies
Regulatory barriers 	Training and information-sharing sessions on product compliance and certification requirements <b>(86%)</b>	Business Academy 
Cost barriers 	Developing an ecosystem of third-party logistics providers <b>(87%)</b>	Cross-Border E-commerce Comprehensive Pilot Zones 
Knowledge barriers 	Government-industry partnerships to increase awareness of export destinations <b>(87%)</b>	Made in Italy Program 
Capability barriers 	Connecting MSMEs with strategic partners along the e-commerce value chain <b>(88%)</b>	Enterprise Europe Network 

Source: Access Partnership analysis; Access Partnership's survey of 300 MSMEs engaged in e-commerce for beauty & personal care products in 2025.

### 5.1.1. Addressing regulatory barriers

## South Korea's current approach

**South Korea's approach to helping beauty & personal care MSMEs navigate export regulations focuses on training and certification support is enabled by the Korea Cosmetic Industry Institute (KCII) and the Korea Testing and Research Institute (KTR).** These institutions guide beauty & personal care MSMEs through international compliance requirements and safety assessments for key export destinations such as the USA and the EU, while also providing domestic testing and certification services recognized across multiple countries.<sup>39</sup> For instance, through its global network of laboratories and 241 institutional partnerships across 52 countries,<sup>40</sup> KTR supports MSMEs' export compliance processes, assisting MSMEs with securing permits and the necessary certifications through a single domestic interface, reducing processing times and administrative costs. This includes assistance with China's National Medical Products Administration (NMPA) hygiene permits and registrations under the EU's Cosmetic Products Notification Portal (CPNP).<sup>41</sup> Despite these efforts, complex and changing regulations in export destinations remain the top regulatory barrier for MSMEs in South Korea (87%). Accordingly, 86% express the need for continued training and information-sharing sessions on compliance and product standards.

### Exemplary initiative in the United Kingdom (UK)

The UK's Business Academy (previously the Export Academy) provides practical, hands-on training that empowers MSMEs to independently navigate the full spectrum of export compliance.<sup>42</sup> The initiative covers customs procedures, documentation, rules of origin, labeling, and duty calculations through its live online sessions and recorded modules.<sup>43</sup> Operated by the Department of Business and Trade, the program has supported over 30,000 businesses since its launch in 2020, strengthening compliance capabilities and

<sup>39</sup> Sources include: Korea Cosmetic Industry Institute (2024). “KCII Leads a Big Shift of Paradigm in Cosmetic Industry.” Available at: <https://www.kcii.re.kr/kcii2018/eng/instruction.html>; CIRS Group (2025). “CIRS Group Korea Selected as an Implementing Agency for the 2025 KCII Overseas Cosmetics Licensing Support Program.” Available at: <https://www.cirs-group.com/en/cirs-group-korea-selected-as-an-implementing-agency-for-the-2025-kcii-overseas-cosmetics-licensing-support-program>; Korea Testing and Research Institute (2024). “KTR Global Certification Brochure.” Available at: [220427\\_KTR글로벌인증서비스영역\\_v1r.pdf](https://www.ktr.or.kr/eng/20240217_KTR%20글로벌인증서비스영역_v1r.pdf)

<sup>40</sup> Korea JoongAng Daily. 2024. "KTR Eyes Overseas Expansion by Giving Exporters a Helping Hand." Available at: <https://koreajoongangdaily.joins.com/news/2024-12-17/business/industry/KTR-eyes-overseas-expansion-by-giving-exporters-a-helping-hand/2202705>

41 Korea Testing and Research Institute (2024). "KTR Global Certification Brochure." Available at: [220427 KTR국내외인증브로슈어영어\\_v7.pdf](#)

<sup>42</sup> UK Department for Business and Trade (2025). "Business Academy." Available at: <https://www.great.gov.uk/export-academy/>

<sup>43</sup> UK Department for Business and Trade (2025). "Business Academy." Available at: <https://www.great.gov.uk/export-academy/>

reducing export documentation errors.<sup>44</sup> The program is designed to help MSMEs apply these learnings to their own products, ensuring they can independently complete end-to-end compliance tasks for international shipments. This model illustrates how South Korea could build on KCI and KTR's efforts with comprehensive skills-based training that enables MSMEs to manage compliance more effectively when exporting via e-commerce.

## 5.1.2. Alleviating cost barriers

### South Korea's current approach

**South Korea addresses cost barriers primarily through initiatives that subsidize costs and connect MSMEs with logistics service providers.** Initiatives led by MOTIE and KOTRA aim to ease cost pressures through programs such as the Export Voucher Program, which subsidizes up to 70% of expenses related to international shipping, logistics, marketing, and certification.<sup>45</sup> Operating since 2017, the program has expanded to include partnerships with national carriers such as Hyundai Merchant Marine (HMM) to secure shipping capacity during peak periods, and budget allocation has increased to KRW 61.1 billion (USD 44.8 million) to support around 1,300 firms in 2025.<sup>46</sup> Upcoming initiatives, such as the Ministry of SMEs and Startups (MSS) plans to establish two warehouses in the USA dedicated to South Korean beauty & personal care exports, also aim to improve fulfillment efficiency and alleviate logistics costs.<sup>47</sup> However, despite existing efforts, the high cross-border logistics costs remain the top cost barrier for South Korean MSMEs (86%). Accordingly, 87% of them seek further support in developing a network of third-party logistics providers to further reduce expenses.

### Exemplary initiative in China

**China's Cross-Border E-Commerce Pilot Zones integrate logistics services and purpose-built infrastructure, creating scalable cost reductions for exporters.**<sup>48</sup> The zones achieve sustained cost reductions for MSMEs by developing smart logistics hubs operated by major providers such as Alibaba's logistic arm — Cainiao.<sup>49</sup> Established in over 160 cities, these hubs are warehouse clusters providing one-stop solutions for customs clearance, warehousing, and last-mile delivery.<sup>50</sup> Many zones also host export service centers that support customs brokerage, packaging, product inspection, and marketplace onboarding, allowing MSMEs to manage multiple export tasks in one location.<sup>51</sup> These zones enable real-time customs declaration and automated sorting, cutting average export clearance times to about one hour.<sup>52</sup> By streamlining compliance and fulfillment within established warehouse clusters, China's model demonstrates how South Korea could pair financial support and overseas warehouse initiatives with integrated logistics infrastructure to enhance MSME trade efficiency.

## 5.1.3. Closing knowledge gaps

### South Korea's current approach

**South Korea is enhancing export readiness among beauty & personal care MSMEs through targeted programs that strengthen knowledge of export destinations and e-commerce operations.** For instance, the K-Beauty 100-UP Project, launched by the MSS in 2024, is a flagship initiative designed to help cosmetics MSMEs acquire practical skills in overseas marketing, branding, and e-commerce operations.<sup>53</sup> In conjunction with Amazon, COSMAX, and Kolmar Korea, it offers tailored mentoring, product assessments, and opportunities to connect with major domestic and international distributors.<sup>54</sup> In its first round, the project

<sup>44</sup> UK Department for Business and Trade (2025). "Business Academy." Available at: <https://www.great.gov.uk/export-academy/>

<sup>45</sup> Invest Korea (2024). "Korea Gov't's Export Voucher Program Benefits Over 1,000 SMEs." Available at: [https://www.investkorea.org/ik-en/bbs/i-465/detail.do?ntt\\_sn=492747](https://www.investkorea.org/ik-en/bbs/i-465/detail.do?ntt_sn=492747)

<sup>46</sup> KOTRA (2025). "Gov't to Provide 61.1 bln Won Worth of Export Vouchers to SMEs this year." Available at: [https://www.investkorea.org/ik-en/bbs/i-465/detail.do?ntt\\_sn=492866](https://www.investkorea.org/ik-en/bbs/i-465/detail.do?ntt_sn=492866)

<sup>47</sup> Ministry of SMEs and Startups (2025). "美 상하관세 시행에 따른 수출 중소기업 지원방안 발표." Available at: <https://www.mss.go.kr/site/smba/ex/bbs/View.do?bclidx=1061452&cbldx=86>

<sup>48</sup> The State Council of the People's Republic of China (2023). "Chinese Customs Offices See Substantial Results in Facilitating Cross-Border Trade." Available at: [https://english.www.gov.cn/news/pressbriefings/202303/01/content\\_WS63fea411c6d0a757729e766a.html](https://english.www.gov.cn/news/pressbriefings/202303/01/content_WS63fea411c6d0a757729e766a.html)

<sup>49</sup> Alibaba (2021). "Cainiao and Hainan Government Enter Strategic Partnership to Develop Hainan Global Smart Supply Chain Pilot Zone." Available at: <https://www.alibabagroup.com/en-US/document-1491558564857118720>

<sup>50</sup> The State Council of the People's Republic of China (2022). "China Expands Pilot Zones for Promoting Cross-Border E-commerce." Available at: [https://english.www.gov.cn/news/topnews/202211/26/content\\_WS6381cd6ec6d0a757729e3b30.html](https://english.www.gov.cn/news/topnews/202211/26/content_WS6381cd6ec6d0a757729e3b30.html)

<sup>51</sup> The State Council of the People's Republic of China (2023). "Chinese Customs Offices See Substantial Results in Facilitating Cross-Border Trade." Available at: [https://english.www.gov.cn/news/pressbriefings/202303/01/content\\_WS63fea411c6d0a757729e766a.html](https://english.www.gov.cn/news/pressbriefings/202303/01/content_WS63fea411c6d0a757729e766a.html)

<sup>52</sup> The State Council of the People's Republic of China (2023). "Chinese Customs Offices See Substantial Results in Facilitating Cross-Border Trade." Available at: [https://english.www.gov.cn/news/pressbriefings/202303/01/content\\_WS63fea411c6d0a757729e766a.html](https://english.www.gov.cn/news/pressbriefings/202303/01/content_WS63fea411c6d0a757729e766a.html)

<sup>53</sup> Ministry of SMEs and Startups (2024). "Calling Promising SMEs for K-Beauty Exports! Ministry of SMEs and Startups Launches 'K-Beauty 100-UP Project' in Collaboration with the Private Sector." Available at: <https://mss.go.kr/site/eng/ex/bbs/View.do?bclidx=244&bclidx=1053680>

<sup>54</sup> Sources include: Ministry of SMEs and Startups (2025). "MSS Invites SMEs to Join the '2025 K-Beauty Creator Challenge.'" Available at: <https://www.mss.go.kr/site/eng/ex/bbs/View.do?bclidx=1062545&cbldx=244>; Ministry of SMEs and Startups (2024). "Calling Promising SMEs for K-Beauty Exports! Ministry of SMEs and Startups Launches 'K-Beauty 100-UP Project' in Collaboration with the Private Sector." Available at: <https://mss.go.kr/site/eng/ex/bbs/View.do?bclidx=244&bclidx=1053680>



attracted over 500 MSMEs nationwide, providing them with guidance on consumer targeting, packaging adaptation, and online sales strategies for export destinations. Despite these efforts, limited knowledge of various aspects of exporting via e-commerce, such as managing online listings and online customer service, remains a key constraint for most MSMEs (**83%**). Consequently, **87%** of South Korean MSMEs reported that stronger government–industry partnerships would better equip them with the practical know-how needed for exporting via e-commerce.

### Exemplary initiative in Italy

**Italy's Made in Italy program demonstrates how long-term collaboration between government agencies and private-sector partners can effectively address MSMEs' knowledge gap.** Launched in 2015 by Amazon and the Italian Trade Agency, the program promotes certified Italian products through dedicated online storefronts and training for artisans and MSMEs.<sup>55</sup> It relies on sustained strategic partnerships with private-sector platforms like Amazon, combining global reach, data insights, and continuous skills development. The program also helps participating MSMEs enhance digital marketing and brand positioning for overseas customers, supported by targeted visibility campaigns on Amazon marketplaces across the EU and North America. Beyond visibility, the program also provides workshops and webinars on e-commerce exports, listing optimization, and export logistics, helping MSMEs adapt their online presence, pricing, and fulfillment strategies for exporting. 2,800 Italian MSMEs have joined the program, selling more than 700,000 new Italy-made products since 2019.<sup>56</sup> For MSS and KOTRA, adopting a similar approach could provide South Korean MSMEs with ongoing guidance, helping them maintain competitiveness and scale sustainably in e-commerce exports.

## 5.1.4. Addressing capability barriers

### South Korea's current approach

**South Korea's approach to building MSME export capabilities focuses on developing public-private partnerships and connecting businesses with partners across the e-commerce value chain.** Through initiatives such as the GoBizKOREA platform, operated by KOSME since 1996, MSMEs are matched with international buyers and receive trade advisory, translation, and logistics support to simplify cross-border transactions.<sup>57</sup> In 2024, KOSME also connected MSMEs with online influencers to promote their products and boost online sales both domestically and overseas.<sup>58</sup> The Seoul Economic Promotion Agency (SBA) has complemented these efforts through a partnership with Amazon to offer free onboarding and operational training for Seoul-based MSMEs preparing to export via Amazon.<sup>59</sup> Since 2023, the program has supported 488 MSMEs, with participating beauty & personal care firms reporting sales growth of more than 40% in the first half of 2025 compared with the previous year.<sup>60</sup> Despite these efforts, shortages in manpower, skills, and partnerships remain a major capability barrier reported by MSMEs (**82%**). In fact, **88%** of South Korean MSMEs surveyed reported that stronger support in connecting with strategic partners would help them overcome these constraints.

### Exemplary initiative in the EU

**The EU's Enterprise Europe Network (EEN) demonstrates how MSMEs seeking to export via e-commerce can be connected with strategic partners at scale.** EEN operates as an international matchmaking and advisory network that links MSMEs with logistics and technology partners, certification bodies, and other specialized service providers required for cross-border operations.<sup>61</sup> Launched in 2008, the network now spans over 560 partner organizations in 56 countries globally that support more than 260,000 MSMEs each year, with 83% of participating MSMEs reporting that EEN played a key role in helping them expand globally.<sup>62</sup> By integrating partner-matching with export advisory services, and enabling access to strategic partners across various domains, EEN demonstrates how South Korea could further strengthen MSME access to strategic partners and enhance their readiness to participate in e-commerce exports.

<sup>55</sup> Amazon EU (2025), "10 Years of Italian Excellence: Amazon's Made in Italy Programme." Available at: <https://www.aboutamazon.eu/news/empowering-small-business/10-years-of-italian-excellence-amazons-made-in-italy-programme>

<sup>56</sup> Amazon EU (2025), "10 Years of Italian Excellence: Amazon's Made in Italy Programme." Available at: <https://www.aboutamazon.eu/news/empowering-small-business/10-years-of-italian-excellence-amazons-made-in-italy-programme>

<sup>57</sup> GoBizKOREA (2024), "GoBizKOREA: Online Marketplace for Korean SMEs." Available at: <https://www.gobizkorea.com/user/main.do>

<sup>58</sup> KBE (2024), "Korea SMEs and Startups Agency (KOSME) Completes E-commerce D2C Training for 227 Participants." Available at: <https://ai.thebk.co.kr/news/articleView.html?idxno=476>

<sup>59</sup> Seoul Economic Promotion Agency (2025), "SBA provides free training for Amazon in preparation for overseas expansion in 2026." Available at: <https://blog.naver.com/seoulsba/224018932473>

<sup>60</sup> Seoul Economic Promotion Agency (2025), "SBA provides free training for Amazon in preparation for overseas expansion in 2026." Available at: <https://blog.naver.com/seoulsba/224018932473>

<sup>61</sup> Enterprise Europe Network (n.d.), "Enterprise Europe Network." Available at: <https://een.ec.europa.eu/about-enterprise-europe-network>

<sup>62</sup> Enterprise Europe Network (2025), "Enterprise Europe Network." Available at: <https://een.ec.europa.eu/>

## 6. The way forward

In the years ahead, South Korea can strengthen its position as a global leader in beauty & personal care exports by using B2C e-commerce as a catalyst for inclusive and more competitive export growth. With its advanced manufacturing base, strong R&D capabilities, and the expanding global influence of Korean culture, the country is uniquely positioned to capture the next wave of e-commerce export opportunities. The next phase of progress will hinge on translating policy support into measurable outcomes for MSMEs. This requires expanding partnerships to export capabilities, reducing logistics costs through public-private initiatives, closing knowledge gaps via deeper industry collaboration, and simplifying regulatory compliance through digitalized processes. By aligning these efforts under a coordinated national strategy for e-commerce exports, South Korea can enable beauty & personal care MSMEs to capture greater global demand, broaden participation in export success, and reinforce its global leadership.

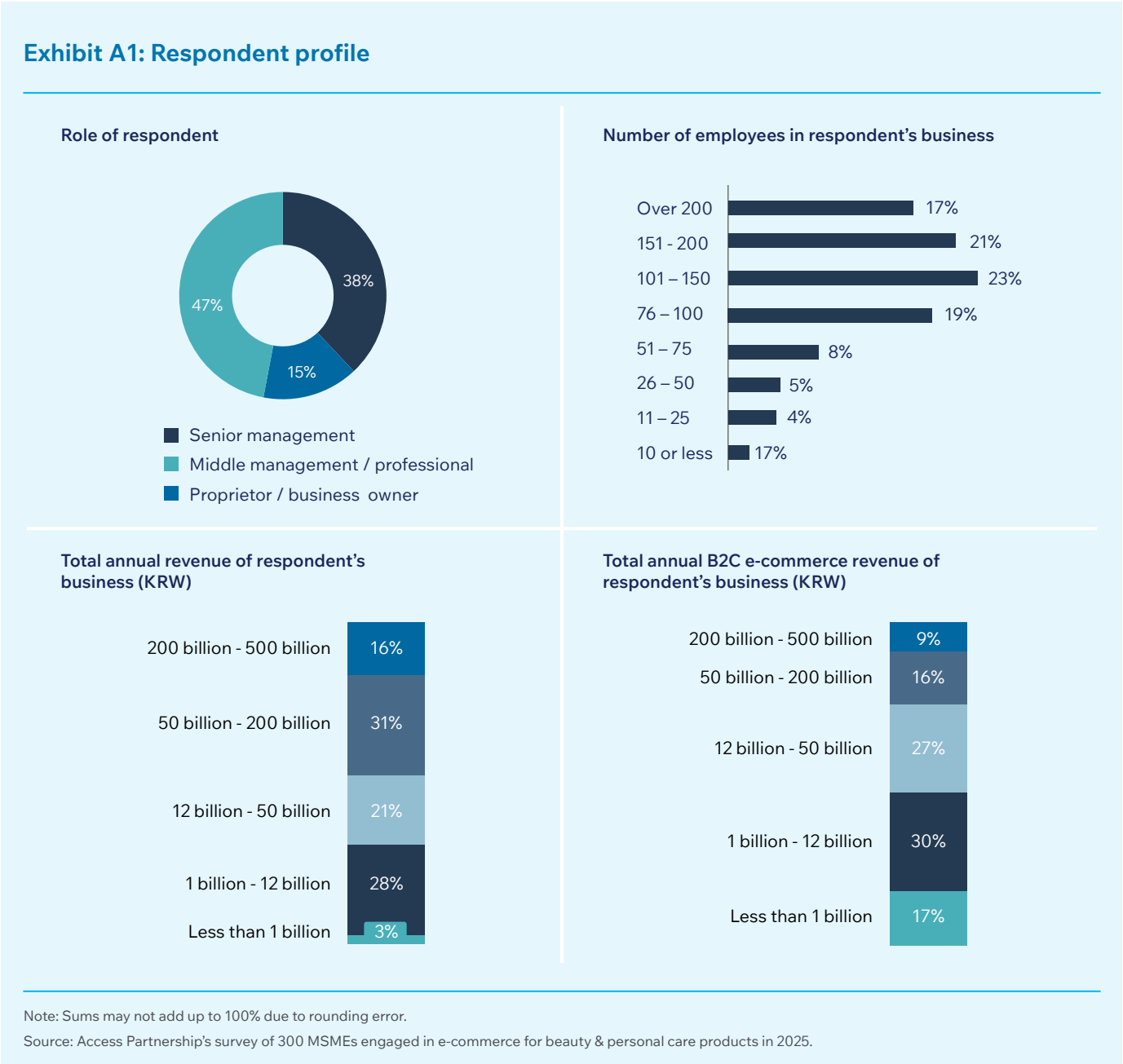


# 7. Appendix: Methodology and data sources

## 7.1. Access Partnership survey of MSMEs on e-commerce

Access Partnership conducted a survey of 300 MSMEs engaged in e-commerce for beauty & personal care products in South Korea in September 2025. The survey was designed to capture participation trends, key motivations, barriers, and desired policy solutions related to e-commerce exports. Exhibit A1 showcases the detailed respondent profile.

The survey results are statistically significant at a 95% confidence level with a 6% margin of error, providing robust insights into how South Korean MSMEs are using e-commerce to export beauty & personal care products.



## 7.2. Export value by product category in 2024 and 2029

The export revenue estimates for beauty & personal care products were developed using UN Comtrade data at the Harmonized System (HS) 4 level.<sup>63</sup> The modelling followed three steps:

- Step 1: South Korea's five-year export data (2019–2024) was tagged to categorize products that fall under “beauty & personal care” and to the category's share of total exports.
- Step 2: The 2024 export revenue for beauty & personal care products was estimated using South Korea's total annual export revenue and the share calculated in Step 1.
- Step 3: Projections for 2029 were made by applying the historical five-year CAGR from the 2019–2024 period to the 2024 revenue figure.

This approach produced the modelled estimates for the total export revenues of beauty & personal care products in 2024 and 2029.

## 7.3. Projected growth for the B2C e-commerce export revenue from beauty & personal care products from 2024 to 2029

Projected growth rate for the B2C e-commerce export revenue from beauty & personal care products was derived from Access Partnership's MSME survey, where respondents indicated their expected five-year growth in e-commerce export sales. The resulting product category-level growth rate was validated against historical export trends to ensure that the results are realistic.

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<sup>63</sup> United Nations Comtrade Database (n.d.), “Trade Data.” Available at: <https://comtradeplus.un.org/TradeFlow>



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