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KOREA ECONOMIC BRIEFING HELD FOR GLOBAL INVESTMENT INSTITUTIONS IN HONG KONG

- Actively Promoting Korea's Growth Strategy and Foreign Exchange and Capital Market Development Policies
- Highlighting Resilience of the Korean Economy and Timely Policy Responses Across Energy, Financial, and Real Sectors Amid Global Uncertainties, including Middle East Tensions.

1. Event Overview

On March 5, Choi Ji-young, Deputy Minister for International Economic Affairs, together with relevant agencies including the Financial Services Commission, held a Korea economic briefing in Hong Kong for major global investment institutions.

* Time/Location: March 5, 10:00 (local time) / Conrad Hong Kong

The event was attended by senior Asia-based executives from leading global financial institutions that play a key role in international capital markets, including major investment banks such as Citi, Goldman Sachs, and HSBC, as well as global asset managers such as JPMorgan, Morgan Stanley, Prudential, and Wellington. In particular, a roundtable session with 16 key participants from 10 institutions enabled in-depth and effective two-way communication.

2. Presentation on the Korean Economy

The event began with presentations covering:

- (1) the current state of the Korean economy,
- (2) key growth drivers,
- (3) government policy directions, and
- (4) measures to enhance investment convenience for foreign investors.

First, recent macroeconomic trends were outlined to explain the current state of the Korean economy. Korea has been showing a recovery in growth since the second half of last year, supported by a low unemployment rate and stable inflation, reflecting overall solid macroeconomic fundamentals.

Next, key growth drivers were introduced, including export competitiveness, innovation capacity in advanced industries such as semiconductors, and the global expansion of K-content. Korea's strong external soundness—supported by ample foreign exchange reserves and a high level of net external assets—was also highlighted.

Deputy Minister Choi then presented government's policy direction to enhance Korea's growth potential. In particular, he emphasized plans to significantly expand investment in artificial intelligence (AI) as a core future growth industry, thereby strengthening Korea's competitiveness in the global AI sector.

Finally, key policy measures aimed at improving market accessibility for foreign investors were introduced. As previously announced in the MSCI roadmap in January, these include extending foreign exchange market trading hours to 24 hours, establishing offshore KRW settlement infrastructure, enhancing settlement convenience, and streamlining real-name verification and KYC procedures as part of broader capital market development efforts.

3. Q&A Session on the Korean Economy

During the Q&A session, Deputy Minister Choi responded to investors' questions regarding Korea's policy responses to recent global economic conditions, foreign exchange and capital market reforms, and measures to strengthen industrial competitiveness.

Regarding heightened tensions in the Middle East and increasing global uncertainty, he explained that the Korean economy maintains sufficient resilience, supported by stable macroeconomic conditions and adequate energy reserves. He noted that Korea has consistently demonstrated strong recovery capabilities in the face of past challenges and remains well-equipped to respond to various external shocks.

On foreign exchange and capital market reforms, he emphasized that the government is fostering the capital market as a key platform to support innovation-driven growth. He noted that the recent upward trend in the KOSPI reflects early progress toward a "Korea premium," built on continued institutional improvements such as corporate governance reforms. He also highlighted plans to expand both the breadth and depth of the foreign exchange market by significantly improving accessibility to the Korean won.

In response to questions on the outlook for Korea's AI and semiconductor industries, he explained that Korea's semiconductor sector has been performing strongly amid growing global demand for AI. Leveraging its world-class semiconductor technology and ICT infrastructure, Korea plans to further strengthen its competitiveness in the AI sector. He also added that Korea will continue to diversify its growth drivers across sectors such as biotechnology and K-content to enhance overall industrial competitiveness.

Participants noted that, amid heightened global uncertainty, the Korean government's direct engagement with overseas investors was both timely and meaningful. They also remarked that the event helped deepen their understanding of Korea's economic conditions and policy direction, and positively evaluated the ongoing foreign exchange and capital market reforms as being aligned with global standards.