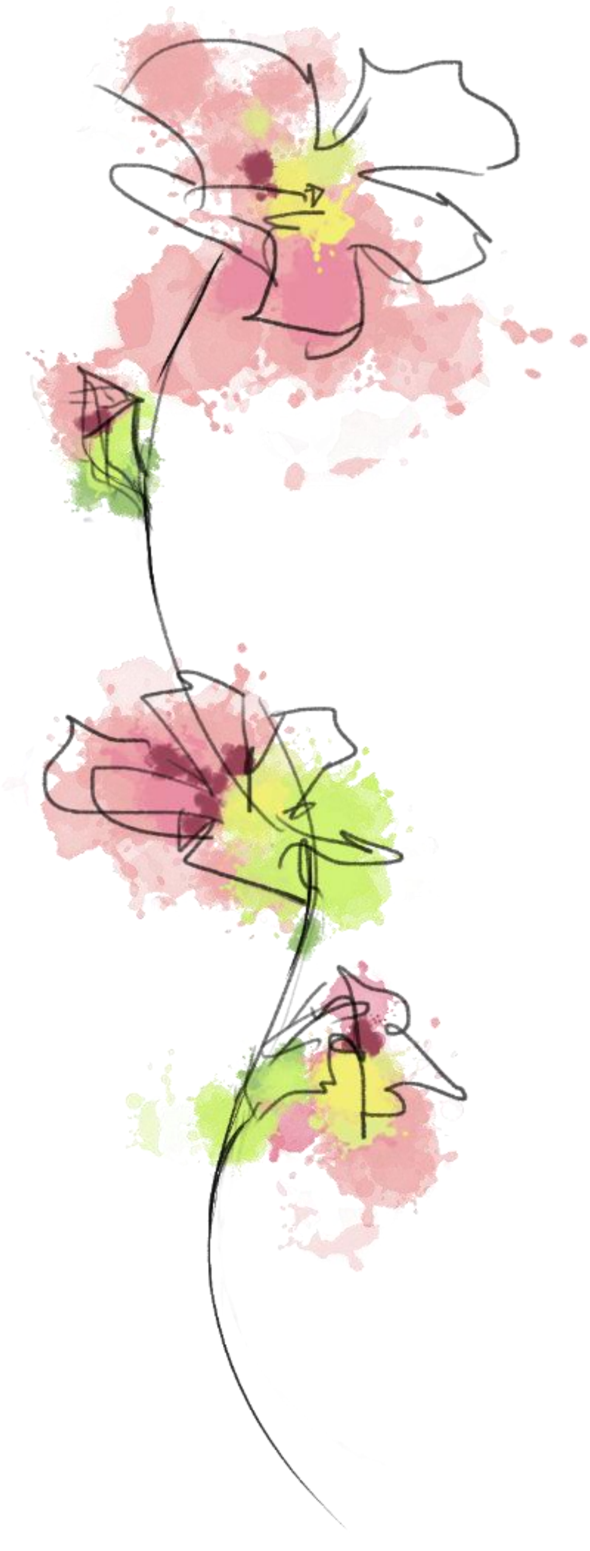
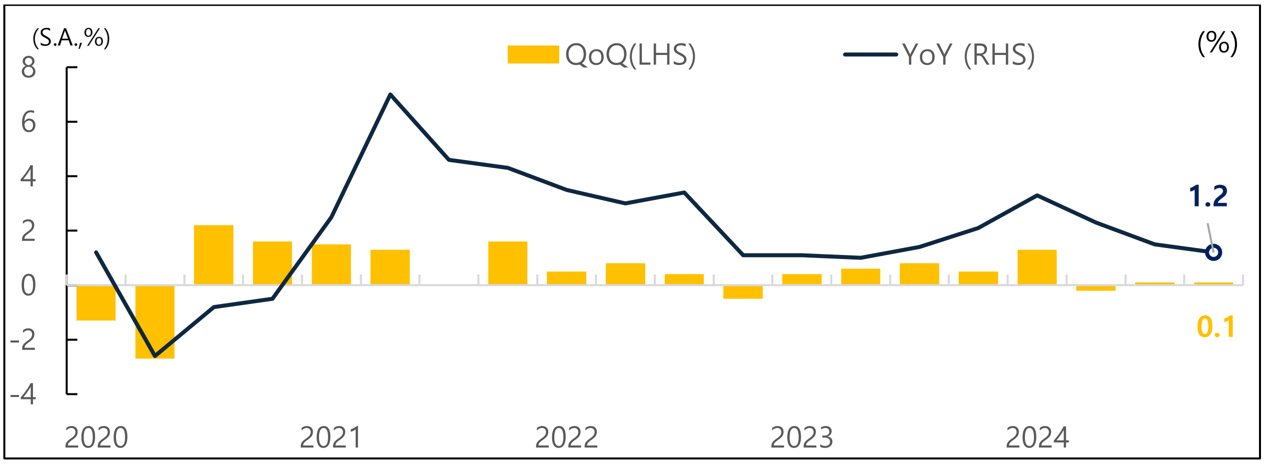


March 2025
Economic Snapshot

Council on International Financial Cooperation

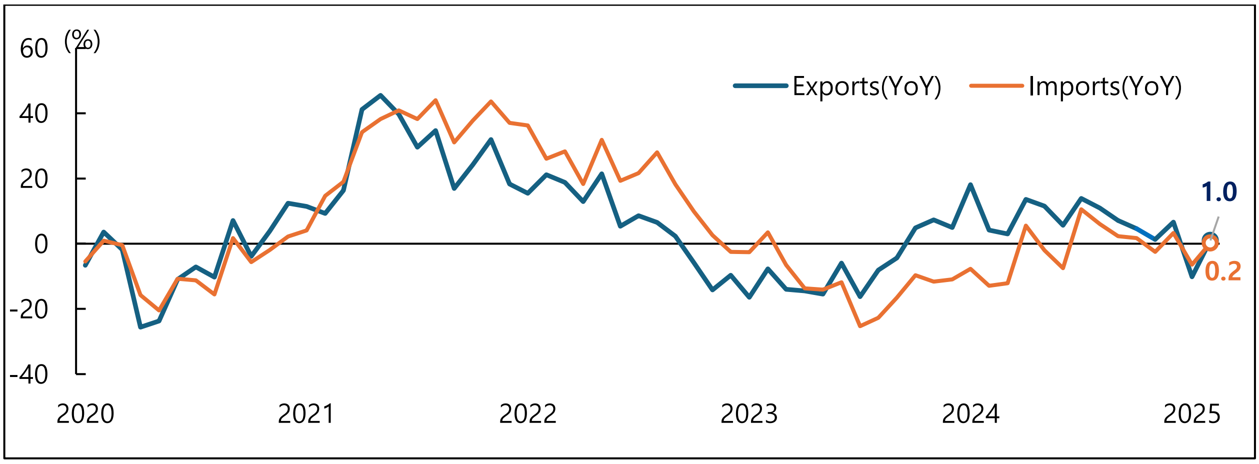
Monthly Korean Economic Snapshot

Real GDP Growth Rate



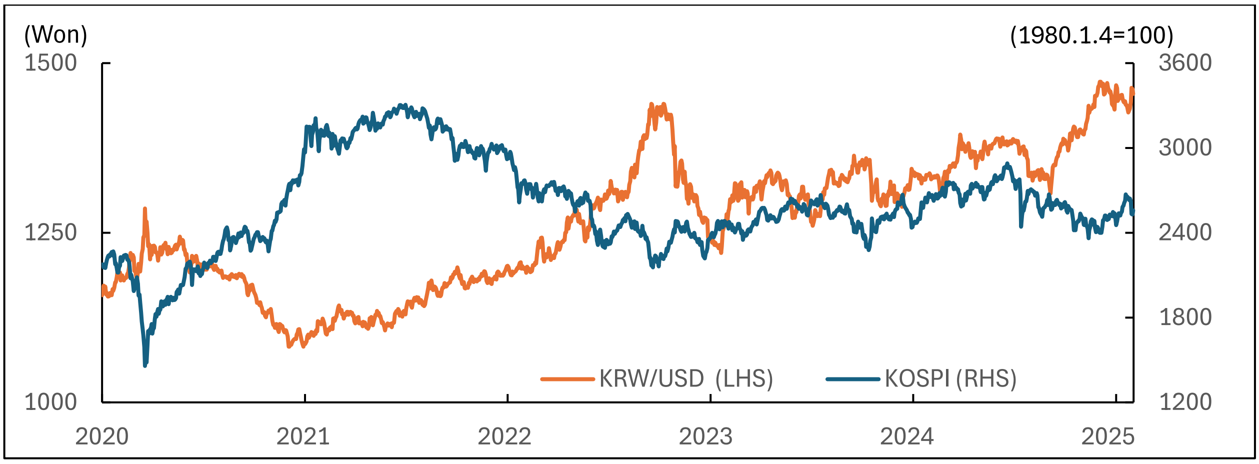
☐ Real GDP grew by 0.1% QoQ and 1.2% YoY in 24 Q4

Exports and Imports



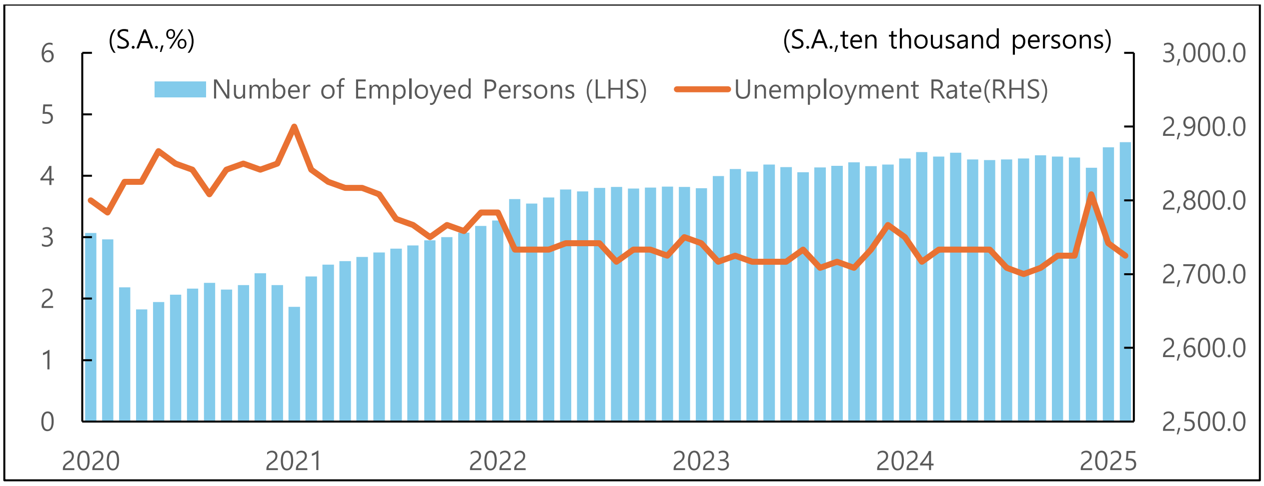
☐ Exports increased by 1.0% YoY while imports increased by 0.2% YoY in February 2025.

Exchange Rates and Stocks



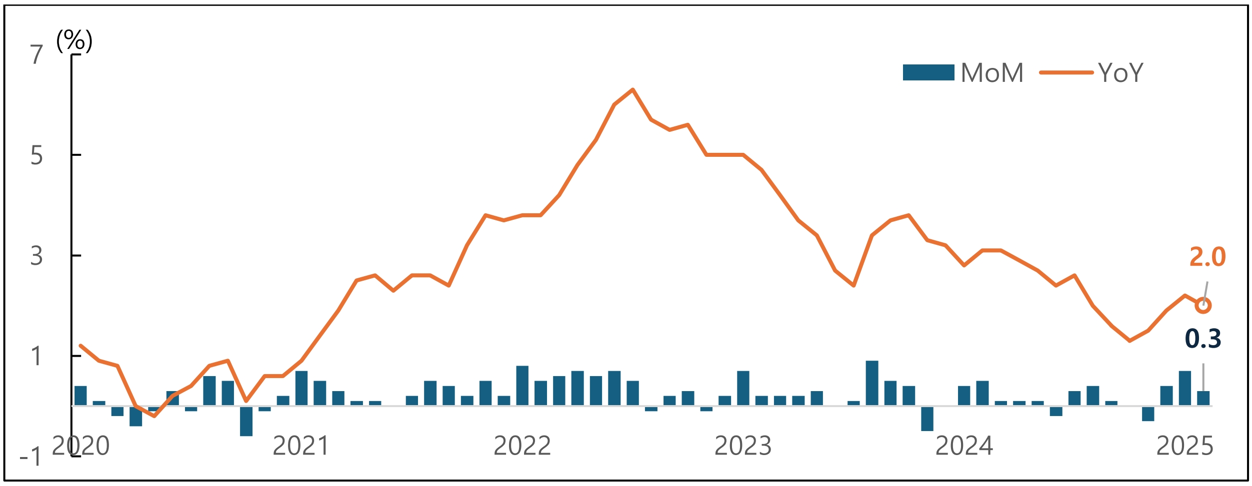
☐ (Exchange rate) KRW 1,462 in January → KRW 1,463 in February (KOSPI) 2,481 in January → 2,558 in February

Unemployment rate



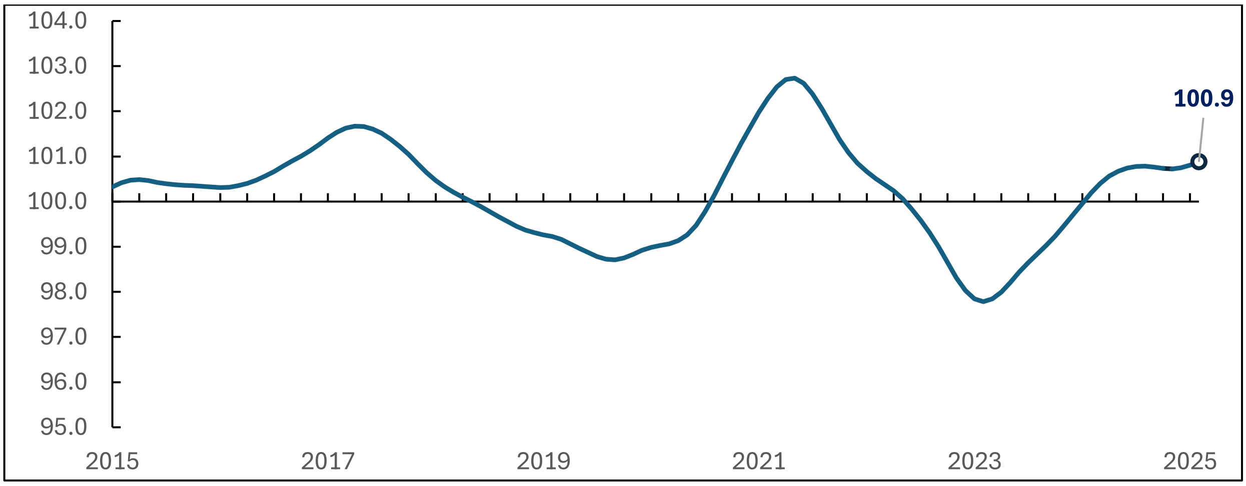
☐ (Unemployment rate) February unemployment rate is 3.2%, down 0.5%P from 3.7% in January. 28.18M employed persons in February, up from 27.87M in January.

CPI



☐ CPI increased by 0.3% MoM and 2.0% YoY in February from last month.

Composite Leading Indicator



☐ The Feb leading indicator is 100.9 and continues to remain above 100 since Jan 2024.

CIFC

2025 Visiting Professionals Program (ViPP) selection process begins

CIFC's call for applications for the 2025 Visiting Professionals Program ends on 15 March. ViPP offers public officials and policymakers the opportunity for joint research and knowledge exchange with Korean counterparts. Participants will collaborate with experts from CIFC's member institutions, take part in discussions, visit financial institutions, and write research papers on financial stability, digital transformation, insurance industry development and climate finance. Selected candidates will be notified in April.

FSC strengthens financial cooperation with Southeast Asia with emphasis on CIFC

In his visit to Southeast Asia, he met Asian Development Bank (ADB) to reaffirm its commitment in strengthening financial cooperation through knowledge sharing and capacity building programs, highlighting Council on International Financial Cooperation as a key platform. During his visit, he also discussed financial stability and deposit protection with Bangko Sentral ng Pilipinas.

CIFC Members

KOTEC to establish technology evaluation and guarantee system in Costa Rica

Korea Technology Finance Corporation (KOTEC) partnered with Inter-American Development Bank to provide technology assistance to establish a technology evaluation and guarantee system in Costa Rica. In a close collaboration with Sistema de Banca para el Desarrollo, Promotora del Comercio Exterior de Costa Rica (PROCOMER), Proinnova and other local institutions, KOTEC will support local SMEs' innovation and growth by developing a Costa Rica-specific technology assessment system, conducting capacity-building training and designing a tailored guarantee scheme.

Korea Exchange to cooperation with Istanbul Exchange in derivatives market

Korea Exchange signed an MOU with Istanbul Exchange to enhance cooperation in derivatives market. Areas of cooperation include the joint development of new products and businesses, improvement of IT infrastructure, enhancement of member trading environments, and personnel exchanges.

Korea Asset Management Corporation discusses collaboration with Mongolian counterpart

Mr. Lkhagvasuren Byadran, Governor of the Central Bank of Mongolia (BoM), and Mr. Enkhtur Minjuur, CEO of the Mongolia Asset Management Corporation (MAMCO), visited Korea Asset Management Corporation on February 17 to explore and discuss potential collaboration in NPL management.

Korea Asset Management Corporation and National Bank of Cambodia to strengthen cooperation

KAMCO signed an MOU with the National Bank of Cambodia (NBC) to enhance cooperation for financial stability, with NBC expressing particular interest in dedollarization, distressed asset resolution, and the development of a crisis management framework. Amid ongoing efforts in Cambodia to establish a comprehensive framework to curb the rise of non-performing loans (NPLs), these initiatives are deemed vital for ensuring sustainable economic growth while preserving an unconstrained credit environment.

Korea Exchange (KRX)'s trading system expected to be operational in Vietnam

The State Securities Commission (SSC) of Vietnam plans to implement the KRX trading system in May or June 2025 to enhance foreign investor participation and facilitate the country's stock market upgrade. Key measures include legal amendments, aligning with international market classification criteria, and adjusting disclosure requirements for foreign institutional investors.

Korea Insurance Development Institute to cooperate with Laos for insurance developments

KIDI and Insurance Regulator of Cambodia (IRC) have signed an MoU to strengthen bilateral cooperation through personnel exchanges, cross-visits, and the joint organization of events such as seminars, conferences, and industry training programs. They will also share information related to the insurance industry, with a focus on areas such as insurance statistics management, IT infrastructure development, and other mutually agreed areas of cooperation.

Financial Authorities & Markets

FSC to fully support corporate value-up with tax incentives

Financial Services Commission pledged full support for the corporate value-up policy with tax incentives and benefits to boost Korea's capital markets. Recently, the government proposed a revised bill that includes provisions for corporate tax reductions for high-performing companies and a separate taxation scheme for dividend income earned by investors in such firms.

FSC plans to provide 122 trillion Won in policy financing by April

The Financial Services Commission plans to supply policy finance of 122 trillion KRW by end-April through policy financing institutions including Korea Development Bank, Industrial Bank of Korea, Korea Credit Guarantee Fund, Korea Technology Finance Corporation, and Korea Export-Import Banks.

FSC plans to allow virtual assets transactions by corporates

The Financial Services Commission (FSC) is preparing a roadmap to allow corporate transactions of virtual assets to accommodate growing demand for blockchain-related businesses. A total of 3,500 corporates will participate in the pilot test while financial companies are excluded. The FSC will strengthen safeguard measures.

FSS expands its English corporate disclosure system

Financial Supervisory Services (FSS) enhanced an English DART to allow for a greater access to Korean corporates for the foreign investors. Dart (Data Analysis, Retreval and Transfer System) is an electronic disclosure system that allows companies to submit disclosures, where it becomes immediately available to all internet-users including investors. The new DART provides more comprehensive information on corporate disclosures than before.

Ambassador for International Financial Cooperation briefed on the Korean Economy in HK and Singapore

Choi Jong-gu, Ambassador for International Financial Cooperation, briefed on the status of the Korean economy in Hong Kong and Singapore on the 11th and 14th. During the briefing, Ambassador Choi emphasized Korean economic fundamentals remain solid, citing the country's stable foreign exchange reserves and record-high net external financial assets. He also met executives from global credit rating agencies and major global asset managers such as BlackRock and exchanged views on the country's economic outlook.

Shinhan Bank strengthens presence in Uzbekistan

Shinhan Bank and Central Bank of Uzbekistan discussed on privatization of state-owned banks and the regulatory requirements for opening banks in the country in hope of strengthening its presence in Uzbekistan's financial markets. Shinhan Bank is one of Korea's oldest commercial banks with proven track records of global businesses.

KEB Hana Bank expands its Eastern Europe business

KEB Hana Bank plans to expand its Eastern European businesses by establishing a branch in Warsaw, Poland in 2025. Warsaw branch will be the Bank's third foothold in the region after the Czech Republic and Hungary. The Bank initially planned to open a liaison office in the city but decided to establish a branch after careful review due to escalating economic ties between Poland and Korea.

Korean banks' presence is growing in Indonesia (Korean)

According to OJK, Hana Bank's Indonesian subsidiary has seen a 12.46% loan growth as of January, surpassing the local industry's average of 10% with their assets now totaling approximately 4.41 trillion KRW. Another Korean bank, OK Financial's Indonesian branch also reports growth, with assets reaching about 1.07 trillion KRW and loans increasing by 11.75%. Both banks plan to continue expanding corporate and retail lending in Indonesia.

KakaoBank is expanding businesses in Southeast Asia (Korea)

KakaoBank is expanding its presence in Southeast Asia, particularly in Thailand and Indonesia. The internet bank entered Indonesian market by acquiring a 10% stake in Superbank, formerly Bank Fama International, as part of its strategy to expand its digital banking services in Southeast Asia. In Thailand, it partnered with SCBX - local financial group - to apply for an internet banking license. The Thai government will issue digital banking licenses in 2025, with operations expected to begin within one year. These moves align with KakaoBank's strategy to strengthen its presence in the fast-growing digital banking sector in the region.

March 2025

Connect for Shared Prosperity

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