

South Korea's Global Financial Diplomacy: Key Deals, Investments, and Crypt

Global Finance · Answer Key · 12 Questions

1. In the first quarter of 2026, South Korea's Foreign Direct Investment (FDI) reached a record high for that quarter, continuing a growth trend despite a global investment downturn. What was the reported FDI amount for this period?

- A) \$6.41 billion**
- B) \$15.18 billion
- C) \$7.14 billion
- D) \$36.05 billion

2. What is the primary reason cited for the significant decline in South Korea's overseas direct investment in the third quarter of 2026, marking the fourth consecutive quarterly decrease?

- A) Increased domestic investment opportunities
- B) Global economic uncertainties and tightened monetary policies**
- C) A strategic shift towards regional trade agreements
- D) Reduced demand for South Korean technology exports

3. South Korea's 2025 foreign direct investment (FDI) set a record. Which of the following sectors saw the largest investment in that year, contributing to this record?

- A) Finance and Insurance
- B) Manufacturing and Services**
- C) Real Estate
- D) Mining and Technology

4. As of April 2026, South Korea's foreign exchange reserves stood at approximately \$427.88 billion. Which position did this place South Korea in globally regarding foreign reserve holdings?

- A) 1st
- B) 5th
- C) 12th**
- D) 20th

5. The Chiang Mai Initiative Multilateralisation (CMIM) is a regional financial safety net for ASEAN+3 countries, including South Korea. What is a key recent development in the restructuring of CMIM to enhance its effectiveness?

- A) Transitioning to a commitment-based funding structure
- B) Reducing the total funding limit to \$120 billion
- C) Transitioning to a Paid-in Capital (PIC)-based funding structure**
- D) Limiting financial support to only IMF-linked portions

6. South Korea has implemented significant regulatory changes for virtual asset service providers. What is a key requirement mandated by the amendment to the Act on the Reporting and Use of Specific Financial Transaction Information, which went into effect in March 2021?

- A) Mandatory registration with the Financial Services Commission
- B) Requirement to acquire an Information Security Management System (ISMS) certification
- C) Provision of real-name bank accounts for customers
- D) All of the above**

7. In March 2026, South Korean lawmakers passed a special act pledging a significant investment in the United States. What is the total amount pledged for investment in U.S. strategic industries and shipbuilding cooperation?

- A) \$20 billion
- B) \$150 billion
- C) \$350 billion**
- D) \$517 billion

8. Which of the following sectors in South Korea saw a decline in investments in the third quarter of 2026, despite overall global economic uncertainties?

- A) Manufacturing
- B) Science and Technology**
- C) Finance and Insurance
- D) North America

9. South Korea's ESG finance market has grown significantly, surpassing KRW2,000 trillion (US\$1.5 trillion) by the end of 2024. What is the dominant category within this ESG finance market?

- A) Environmental (E)
- B) Social (S)**
- C) Governance (G)
- D) Integrated ESG

10. To strengthen economic cooperation and potentially alleviate tariff risks, South Korea passed a special act in March 2026 to facilitate investments in the United States. This act established a specific corporation to implement a Memorandum of Understanding (MOU). What is the name of this corporation?

- A) Korea-U.S. Strategic Investment Fund
- B) Korea-U.S. Economic Cooperation Agency
- C) Korea-U.S. Strategic Investment Corporation**
- D) U.S.-Korea Trade Facilitation Entity

11. In the context of regional financial cooperation, which initiative was established in August 2003 to focus on local currency bonds and developing the bond market infrastructure within ASEAN+3 economies?

- A) Chiang Mai Initiative (CMI)
- B) ASEAN+3 Macroeconomic Research Office (AMRO)
- C) Asian Bond Markets Initiative (ABMI)**
- D) Chiang Mai Initiative Multilateralisation (CMIM)

12. South Korea's approach to regulating virtual assets, including strengthening investor safeguards and defining market parameters, is seen as a potential model for other nations. What is a key aspect of South Korea's proposed virtual asset legislation?

- A) A complete ban on all decentralized finance (DeFi) activities
- B) Focus on investor protection and compliance with DeFi standards**
- C) Elimination of all regulatory oversight for cryptocurrency exchanges
- D) Prioritizing offshore companies over domestic players