

South Korea's Global Financial Diplomacy: Navigating Trade, Investment, and

Global Finance · Answer Key · 18 Questions

1. As of early 2026, what is the primary focus of South Korea's renewed economic cooperation efforts with China, particularly concerning critical minerals?

- A) Joint development of new rare earth extraction technologies
- B) Stabilizing supply chains for critical minerals, including rare earths**
- C) Establishing a joint Sino-Korean rare earth processing facility
- D) Implementing retaliatory tariffs on critical mineral exports

2. In March 2026, South Korea's exports to China saw a significant increase. What was the approximate percentage increase compared to the previous year?

- A) 25.5%
- B) 43.2%
- C) 64.5%**
- D) 10.1%

3. Which of the following agreements was finalized between South Korea and China in December 2015 to reduce tariffs on various products?

- A) The Regional Comprehensive Economic Partnership (RCEP)
- B) The ASEAN-Korea Free Trade Area (AKFTA)
- C) The China-South Korea Free Trade Agreement**
- D) The Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP)

4. South Korea's Outbound Foreign Direct Investment (FDI) in 2024 showed a significant increase compared to 2023. By what percentage did it grow?

- A) 10.5%
- B) 31.8%
- C) 51.03%**
- D) 25.5%

5. Which sector saw a substantial surge in FDI pledges to South Korea in 2024, with an increase of 52.7%?

- A) Semiconductors
- B) Bio-health
- C) Materials, parts, and equipment**
- D) Real estate

6. As part of efforts to liberalize its foreign exchange market, South Korea planned to allow offshore foreign institutions to participate in which market starting from July 2024?

- A) The stock market
- B) The bond market
- C) The currency spot market**
- D) The derivatives market

7. What is the Korea Investment Corporation (KIC)?

- A) A private equity firm focused on venture capital
- B) South Korea's wholly government-owned sovereign wealth fund**
- C) A regulatory body for the Korean stock market
- D) An international development aid agency

8. Which of the following countries is South Korea seeking to establish a bilateral free trade agreement with, having resumed negotiations in March 2024?

- A) Japan
- B) China
- C) Malaysia**
- D) United States

9. The Philippines Senate ratified a free trade agreement with South Korea on September 23, 2024. What percentage of Philippine exports to South Korea will have tariffs eliminated under this agreement?

- A) 50.2%
- B) 75.8%
- C) 94.8%**
- D) 100%

10. In April 2026, South Korea and France held a seminar discussing the impact of digital assets. Which two types of digital assets were central to these discussions regarding the international financial system?

- A) Cryptocurrencies and NFTs
- B) Stablecoins and Central Bank Digital Currencies (CBDCs)**
- C) Initial Coin Offerings (ICOs) and Security Tokens
- D) DeFi tokens and Metaverse coins

11. South Korea's "Value-Up" program, launched in February 2024, aims to enhance corporate governance and market practices primarily to achieve what objective?

- A) Reduce foreign investment
- B) Increase shareholder value**
- C) Nationalize key industries
- D) Limit executive compensation

12. As of early 2026, South Korea and Japan have agreed to expand cooperation in which key energy sectors amidst global disruption concerns?

- A) Coal and nuclear power
- B) Natural gas and crude oil**
- C) Renewable energy and hydrogen
- D) Biofuels and solar power

13. What is a significant goal of South Korea's semiconductor cooperation with Japan, as discussed in May 2026?

- A) To focus solely on memory chip production
- B) To build a new supply chain ecosystem combining Korea's manufacturing with Japan's materials and equipment technologies**
- C) To limit production of AI-related chips
- D) To establish independent semiconductor research facilities

14. In what year did South Korea and ASEAN elevate their relationship to a Comprehensive Strategic Partnership (CSP)?

- A) 2023
- B) 2024**
- C) 2025
- D) 2026

15. Which of the following countries is South Korea's largest trading partner?

- A) United States
- B) Japan
- C) China**
- D) ASEAN

16. South Korea's Minister of Trade, Industry and Energy (MOTIE) proposed plans in 2023 to promote foreign investment through tax incentives and cash grants for investments in which types of sectors?

- A) Agriculture and tourism
- B) Critical supply chains and strategic technologies**
- C) Entertainment and media
- D) Traditional manufacturing and textiles

17. What was the approximate bilateral trade in goods and services between the United States and South Korea in 2024?

- A) \$100 billion
- B) \$150 billion
- C) \$240 billion**
- D) \$300 billion

18. The Korea Investment Corporation (KIC) primarily manages assets entrusted by which two entities?

- A) The Ministry of Trade, Industry and Energy and the Bank of Korea
- B) The Ministry of Economy and Finance and the Bank of Korea**
- C) The Financial Services Commission and the Ministry of Economy and Finance
- D) The Export-Import Bank of Korea and the Ministry of Finance