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## **HSBC forecasts Korea's high tech exports should help shield the economic growth**

HSBC predicted that Korea should be able to shield the economic growth from increasing global trade tensions, thanks to Korea's global position as a supplier of high tech goods to the world economy. The bank also anticipated that despite some challenges, the potential inflows of global investors could serve as a positive sign for the Korean won.

These projections were presented at the 2025 Global Economic and FX Seminar held at the Plaza Hotel, Seoul on 13 March. HSBC Korea holds this annual seminar for its corporate and institutional clients.

Frederic Neumann, Chief Asia Economist, Co-head of Global Research Asia, HSBC, predicted, "Korea's unique position as a supplier of high-tech goods to the world economy, including semiconductors fuelling the AI boom, should help shield the growth from increasing global trade tensions. Interest rate cuts, meanwhile, will also help to support household consumption and investment."

Joey Chew, Head of Asia FX Research, HSBC, analyzed, "The Korean won/ US dollar exchange rate has come off its high reached in late December. However, the Korean won still faces some challenges such as potential US tariffs on Asia, volatile equity market conditions globally, lower interest rates compared to the US dollar and Koreans' investments in overseas bond and equity markets and Korean companies' foreign direct investments".

She added, "The silver lining for the won is that there could be inflows from global investors in the latter part of the year with the inclusion of Korean Treasury Bonds in the World Government Bond Index."

In his opening speech, Peter Kim, CEO and Head of Banking, HSBC Korea, stated, "Escalating geopolitical and economic tensions are reshaping the international order. With external factors such as a changing security framework, conflicts over tariffs and FX volatility affecting our economy, it is crucial to properly assess global economic trends and identify opportunities."

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