

Solid Economic Fundamentals of Korea

South Korea has leaped to the economic level of developed countries thanks to several decades of sustained growth called the **“Miracle on the Han River”**

Korea's economic growth rate forecast

Population	5,1821,669 (2021)
Area	103,637km ² (2017)
GDP	USD 1.63T (2020)
Per capita GDP	USD 31,495 (2020)
GDP growth rate	-1.0% (2020)
CPI (Consumer Price Index)	0.5% (2020)

* Source: Statistics Korea

Sound Economy

Korea has the 12th largest economy in the world, with a value of USD 1.6 trillion. Korea's economic fundamentals are solid, with its trade volume having reached USD 1 trillion for three consecutive years, ranking 8th in the world, and with 9th largest foreign exchange reserves in the world.

The country's economy is stable and capable of supporting continuous business operation and growth. Despite the effects of the COVID-19 pandemic, the 2020 growth outlook of Korea was among the highest of OECD member countries.



* Source: IMF, KITA, BOK, Korea Exchange

Major global credit appraisers classify South Korea's credit rating as the highest, and expect the Korean economy to remain stable in the future. Moody's announced in May that it would maintain Korea's credit rating of Aa2, the third highest, and explained, "The result reflects the very strong fundamentals that have underpinned its resilient recovery from the COVID-19 pandemic."

South Korea's credit rating status

Agency	Moody's	S&P	Fitch
Credit Rating	Aa2	AA	AA-
Outlook	Stable	Stable	Stable

* Source: Moody's, S&P, Fitch

Economic Outlook

International economic institutions such as the OECD and the IMF expect the Korean economy to grow by around 3% in 2021. In particular, in March, the OECD predicted Korea's economic growth rate in 2021 to be 3.3%, and predicted that Korea would be one of the four OECD member states (Korea, the United States, Turkey and Australia) to restore pre-COVID-19 economic levels in 2021.

Korea's state-run institute, the Korea Development Institute (KDI), predicted that exports would lead the recovery of the Korean economy in 2021, and that private consumption would lead the growth of the Korean economy by 3.0%.

Korea's economic growth rate forecast

Institution	Announcement	Growth Rate	
		2021	2022
OECD	Mar 2021	3.3%	3.1%
IMF	Apr 2021	3.6%	2.8%
KDI	May 2021	3.8%	3.0%

* Source: OECD, IMF, KDI