Korea Business Expansion Opportunities | Insights

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Korea's global influence is on the rise. Korean brands are household names in many industries – including cosmetics, transport and electronics – while K-pop and K-dramas have become a global phenomenon in their own right. More than 18 million people streamed K-pop group BTS's comeback concert in Seoul in March 2026.[1]

International businesses are taking notice too. As global connectivity deepens, Korea's business landscape is emerging as an increasingly attractive source of growth and opportunity.

Diverse opportunities

At a time of rapid technological change, international businesses can find attractive opportunities in Korea across a range of high-value and strategically important industries, as well as among the country's affluent and digitally connected consumers.

Korea is deeply embedded in global supply chains across a number of fast-growing industries. It has a key role in semiconductors, batteries and energy infrastructure, and is a leading manufacturer of high-value, technologically advanced and environmentally friendly ships. In addition, a global boom in AI and data-centre investment is providing a powerful tailwind for the country's chip sector and wider technology ecosystem.2

Korea's opportunities extend beyond its industrial strengths. Its affluent consumer base is an important source of demand for global brands, particularly in the luxury goods and hospitality sectors. Korea is also a global leader in the beauty industry3, supported by strong domestic demand and an expanding beauty tourism sector.

These opportunities are reinforced by Korean consumers' willingness to embrace technological change. Consumers are typically quick to adopt new technologies, and this tech savvy consumer base is helping to power the country's digital and e-commerce businesses. For example, in the first half of 2025, mobile payments averaged more than KRW1 trillion (USD746 million) per day across nearly 34 million transactions—an increase of more than 11% year on year.4

Open to investment, with strong government support

Strong investment inflows underline Korea's international appeal. Foreign direct investment (FDI) reached a record USD36.1 billion in 2025, up 4.3% from 2024 and marking the fifth successive record year.5

While the government has tightened its screening of foreign investment in certain strategic industries, the door remains open to international businesses. Almost 700 foreign-invested companies operate across Korea's nine free economic zones (FEZs), which were established to help attract foreign investment through tax incentives and streamlined regulation.6

The government is also strengthening its support for foreign investors. In January 2026, Korea's Ministry

of Trade, Industry and Resources announced that it would expand incentives for foreign investment and continue working towards a more predictable and stable investment environment.7

Alongside long-established agencies such as InvestKOREA, the government has launched a new FDI support team to help foreign entities with all aspects of investment and overcome challenges as they arise8. It is also actively supporting strategic industries through the KRW150 trillion National Growth Fund, launched in December 2025.9 Priority industries include AI, semiconductors, biotech, robotics, batteries and future mobility.

Understanding the market

Despite these opportunities, Korea can be a complex market for international businesses. Many sectors of the economy are dominated by strong incumbents, and supplier networks can be difficult to enter. Differences in communication styles and cultural expectations, including business etiquette, ethics and consumer behaviour, must also be approached thoughtfully. Local language capabilities can therefore be highly advantageous for day-to-day operations.

Hierarchy and seniority are highly important in Korean business culture, and an appreciation of Korea's historical relationships with China and Japan is also essential for navigating cultural sensitivities effectively.

How HSBC can help

HSBC has been a trusted global financial partner to clients in Korea since 1897. Today, we support multinational clients in Korea, leveraging our extensive global network and deep market expertise to help them achieve their growth objectives.

We recently helped a leading European beauty company expand in Korea through an acquisition by navigating regulatory requirements and providing financing to support the purchase of a Korean beauty brand. Similarly, a French chemical company turned to HSBC for acquisition financing to expand its existing footprint in Korea.

HSBC helps businesses reduce friction and manage cross-border payments. Our payments and collections offering in Korea includes a leading virtual network collection solution, as well as domestic and cross-border cash-concentration services. We were recently named Best Cash Management Bank in Korea in the Euromoney Cash Management Survey 2026 — an award we have won for 17 consecutive years.

In trade finance, HSBC helps clients in Korea manage the financial and operational demands of cross-border trade across the full trade cycle — from transaction structuring and documentation to risk mitigation and working capital optimisation. HSBC We have been recognised as a leading provider of trade finance in the Euromoney Trade Finance Survey six times since 2020, earning the title of Best Trade Finance Provider in Korea in both 2025 and 2026.

Our Korea business can also draw on its top-three FX franchise and its position as a leading market-maker in the USD/KRW spot and forward markets to help businesses manage their foreign exchange exposure.

Sources

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