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Talking Points for: Oh Suktae, Societe Generale

The 2008 global financial crisis actually had negative impacts on the development of financial market in Korea, in my opinion, as it led to more regulations and less risk-taking spirits. The main challenges for developing strong financial market in Korea are of course to reduce regulations and to encourage risk-taking. Unfortunately, current intellectual consensus on the direction of financial market ‘reform’ in Korea appears to be even more regulations and less risk-taking. I get the impression that financial market is not placed in the center stage of President Park’s drive for deregulation. We need a fresh drive to develop the financial market in Korea, perhaps something like “Regional Financial Hub.” Specifically, I hope that Korea’s policymakers should learn from China’s recent experiences to promote offshore transaction of the Chinese Yuan. Offshore trading of the Korean won is one of the key tasks that will further develop Korea’s financial market, but it has been delayed and delayed in last 10 years.

* The views expressed herein do not necessarily reflect the views of the Asan Institute for Policy Studies.