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Monthly Economic Trends
Economic News Briefing
Policy Issues
Statistical Appendices

MINISTRY OF FINANCE AND ECONOMY
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Monthly Economic Trends

Executive Summary

Real GDP grew 3.1 percent on-year in 2003 as exports and construction investment performed well, despite sluggish domestic demand. A modest recovery in real GDP growth momentum began in the third quarter of last year, as indicated by the seasonally adjusted on-quarter GDP figures.

On-year industrial production expanded 16.6 percent in February as semiconductor and audio-visual communications output increased.

- Wholesale and retail sales increased 2.4 percent on-year in February as metal product, office & accounting equipment, computer, large discount and department store sales increased.

- Facility investment increased 2.1 percent on-year in February led by an increase in communication equipment and special-purpose industrial machinery investments.

Exports surged 39.5 percent on-year to US$21.45 billion in March, led by an increase in the global demand for such items as semiconductors, automobiles, wireless telecommunication devices, and computers. Imports increased by 20.1 percent on-year in March to US$19.07 billion, to record double-digit growth for seven straight months.

Consumer prices were up 1.0 percent on-month and 3.1 percent on-year in March along with the cost of agricultural, fishery, livestock and industrial products, and service fees.

The unemployment rate fell 0.1 percentage point on-month to 3.8 percent in March as recent college and high school graduates entered the job market and the demand for workers in the agricultural, forestry, fishery, and construction sector increased.

Long-term interest rates on three-year government bonds fell from 4.78 percent at the end of February to finish March at 4.50 percent.

The KOSPI rose and fell in March in sync with the U.S. stock market. All in all, the KOSPI fell 2.92 points or 0.3 percent since the end of February to finish March at 880.50 points.

The won weakened against the U.S. dollar along with a depreciating yen and presidential impeachment. The exchange rate has since reversed course, however, by falling 29.6 won against the greenback to 1,146.6 won compared to the end of February.

1. Real Economy

1.1 Industrial Production, Inventory and Operations

Industrial production expanded 16.6 percent on-year in February as exports continued to be strong and the number of workdays increased. A surge in semiconductor and audio-visual communications output accounted for the strong production performance as printing/publishing, apparel and fur output slowed. Industrial production also grew 2.9 percent on-month led by an increase in automobile and audio-visual communications production.

Although inventory was up 5.0 percent overall on-year in February as more automobiles and chemical products were on hand, audio-visual communication and assembled metal inventories shrank.

Producer shipments were up 14.3 percent overall on-year in February as export shipments surged 27.7 percent. Domestic shipments increased 7.1 percent on-year due largely to strong semiconductor and audio-visual communication performances.

The average manufacturing operation ratio was 83.5 percent in February, a 3.1 percentage point gain from the previous month.

	2003					2004	
	Feb.	3rd Qtr.	4th Qtr.	Annual	Dec.	Jan.P	Feb. P
▪ Industrial Production[1]	9.9	3.2	7.8	5.1	10.9	4.6	16.6
▪ Total Inventory[1]	5.7	8.1	5.7	5.7	5.7	3.4	5.0
▪ Shipments[1]	7.5	2.5	6.8	4.2	9.9	4.0	14.3
▪ Average Operation Ratio[2]	79.0	76.9	80.4	78.3	80.4	80.4	83.5

1) percentage change from the same period of the previous year
2) percent
p: preliminary
Source: Korea National Statistical Office

1.2 Consumption

Wholesale and retail sales increased 2.4 percent on-year in February as metal product, office & accounting equipment, computer, large discount and department store sales increased.

Domestic consumer goods shipments increased 0.8 percent in February led by a 2.7 percent increase in such non-durable goods shipments as medicine and cigarettes, although durable goods shipments including mobile phones and Flat Planel Display TVs were down 2.5 percent.

(percentage change from the same period of the previous year)

	2003					2004	
	Feb.	3rd Qtr.	4th Qtr.	Annual	Dec.	Jan.P	Feb. P
▪ Wholesale & Retail	0.4	-2.5	-2.2	-1.3	-1.2	-2.3	2.4
▪ Domestic Consumer Goods Shipments	-3.0	-7.0	-6.1	-5.9	-2.7	-8.5	0.8
- Durable Goods	-1.8	-14.9	-13.8	-11.5	-10.7	-12.8	-2.5
- Non-Durable Goods	-3.5	-2.8	-2.1	-3.1	1.2	-6.4	2.7

p: preliminary
Source: Korea National Statistical Office

1.3 Investment

Facility investment grew 2.1 percent on-year in February led by an increase in communication equipment and special purpose industrial machinery investments, despite a decline in the automobile manufacturing investment. The current value of domestic machinery orders increased 12.7 percent on-year as orders from both the public and private sectors increased.

The current value of completed construction projects increased 5.4 percent on-year in February due largely to an increase in private sector construction. Domestic construction orders continued to slow, though, slipping 23.9 percent on-year in February, mostly in the private sector.

(percentage change from the same period of the previous year)

	2003					2004	
	Feb.	3rd Qtr.	4th Qtr.	Annual	Dec.	Jan.P	Feb. P
▪ Facility Investment	-3.6	-7.0	-4.6	-4.6	-1.6	-3.2	2.1
▪ Machinery Orders	12.4	-7.5	-5.0	-8.5	-9.1	12.9	12.7
▪ Value of Construction	19.9	17.9	18.6	18.8	24.4	6.1	5.4
▪ Construction Orders	45.0	47.6	2.1	22.5	6.7	-14.3	-23.9

p: preliminary
Source: Korea National Statistical Office

1.4 Service Industry Activity

Service sector activity rebounded in February due largely to additional business days on the calendar, after a weak performance in the previous month. A 2.6 percent increase in on-year growth was led by communications, entertainment, cultural, sports and transportation services, with 2.1 percent growth on-year excluding financial institutions and insurance services.

(percentage change from the same period of the previous year)

	2003					2004	
	Feb.	3rd Qtr.	4th Qtr.	Annual	Dec.	Jan.P	Feb. P
▪ Service Industry	3.5	0.6	0.4	1.1	1.3	-2.4	2.6
Excluding Financial Institutions and Insurance	3.5	0.9	1.0	1.5	1.5	-2.4	2.1

p: preliminary
Source: Korea National Statistical Office

1.5 Business Indexes

The Coincident Composite Index (CI) was up 1.3 percent on-month in February to 123.3 as export volume increased, along with industrial output and the manufacturing operation ratio.

The Cyclical Component of the Coincident CI, a statistical snapshot of current business conditions, also rose to 100.4 in February, up 0.8 point from the preceding month.

The leading CI was up 0.4 percent from the previous month to 111.7 in February thanks largely to increases in the volume of imported capital goods and the number of the employed.

(Base year : 2000)

	2003					2004	
	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.P	Feb. P
▪ Coincident CI	116.4	117.1	118.7	119.7	120.8	121.7	123.3
▪ Cyclical Component	98.0	98.1	98.9	99.1	99.5	99.6	100.4
▪ Leading CI	109.0	109.0	110.0	110.5	111.0	111.2	111.7
- On-Month Change (%)	0.9	0.0	0.9	0.5	0.5	0.2	0.4
- Year-on-Year Change (%)	0.5	0.7	1.8	2.5	3.0	3.2	3.5

p: preliminary
Source: Korea National Statistical Office

National Account in 2003

Real gross domestic product (GDP) grew 3.1 percent on-year in 2003 as exports and construction investment performed well, despite a decrease in private consumption and machinery & equipment investment.

First quarter GDP growth was 3.7 percent and it later slipped to 2.2 percent in the second quarter as private consumption and facility investment remained sluggish. It rebounded to 2.4 percent in the third quarter, however, and climbed to 3.9 percent by the end of the year on the strength of strong export growth and a steady pickup in construction investment.

Although agricultural, forestry and fishing output declined 7.1 percent last year, manufacturing was up 4.8 percent as semiconductor, electronic component, audio-visual communication, and transportation equipment production increased. Construction gained 8.1 percent as residential and non-residential building activity increased significantly.

A 3.6 percent increase in fixed capital investment was fueled mainly by an increase in construction investments and exports surged 18.7 percent, although private consumption was down 1.4 percent last year as household purchases remained sluggish.

(percentage change from the same period of the previous year)

	2002	2003P				
		Annual	1st Qtr.	2nd Qtr.	3rd Qtr.	4thQtr.
▪ GDP	7.0	3.1	3.7	2.2	2.4	3.9
(Seasonally adjusted)*	/	/	-0.1	-0.1	1.6	2.7
- Agriculture, Forestry & Fishing	-3.5	-7.1	-5.1	-1.3	-9.1	-9.1
- Manufacturing	7.6	4.8	5.1	2.6	3.3	8.0
- Electricity, Gas & Water	7.7	5.7	7.1	8.9	3.1	3.7
- Construction	2.8	8.1	8.4	7.7	8.1	8.4
- Services	7.8	1.8	1.9	1.1	1.6	2.4
- Final Consumption Expenditure	7.6	-0.5	0.9	-0.8	-0.9	-1.1
(Private)	7.9	-1.4	0.3	-1.8	-1.9	-2.2
(Government)	6.0	3.7	4.0	3.7	3.5	3.5
- Gross Fixed Capital Formation	6.6	3.6	4.6	3.7	2.6	3.6
(Construction)	5.3	7.6	8.0	7.3	7.9	7.4
(Machinery & Equipment)	7.5	-1.5	1.9	-0.6	-5.0	-2.4
(Intangible Fixed Assets)	14.2	-1.3	-2.3	-3.8	0.2	0.4
- Exports of Goods & Services	13.3	15.7	15.9	8.4	14.9	23.1
(Goods)	16.5	18.7	20.1	10.6	18.4	25.3
- Imports of Goods & Services	15.2	9.7	14.2	5.2	7.7	11.7
(Goods)	15.6	10.8	16.3	6.1	8.2	12.9
▪ GNI	7.0	1.8	0.5	1.5	2.1	3.0

*percentage change from the previous period
p: preliminary
Source: Bank of Korea

Consolidated Fiscal Balance in 2003

The consolidated fiscal balance posted an 8.1 trillion won surplus in 2003, down 14.6 trillion won from 22.7 trillion won the previous year, due in large part to the 7.5 trillion won supplementary budget and 13 trillion won repayment of public funds.

Total consolidated fiscal account revenue reached 171.7 trillion won in 2003, up 13 trillion won from the previous year, while total expenditures were up 27.5 trillion won to 163.6 trillion won. The government budget surplus was up from 10 trillion won the previous year to 15.4 trillion won in 2003. Publicly funded social welfare programs, which include the national pension scheme, incurred a 2.3 trillion won deficit in 2003 compared to a 16 trillion won surplus the previous year. The non-financial public corporation account recorded a 4.9 trillion won deficit, up from 3.2 trillion won one year earlier.

(trillion won)

	2000	2001	2002	2003
▪ Government Budget Account	4.5	1.7	10.0	15.4
▪ Public Fund	3.1	8.5	16.0	-2.3
▪ Non-Financial Public Corporation Account	-0.7	-2.7	-3.2	-4.9
▪ Total Account	6.5	7.3	22.7	8.1
▪ Total Account/GDP(%)	1.1	1.2	3.3	1.1

Source: Ministry of Finance and Economy

2. External Transactions

2.1 Exports and Imports (customs clearance basis)

Exports surged 39.5 percent on-year to US$21.45 billion in March, led by an increase in the global demand for such items as semiconductors, automobiles, wireless telecommunication devices, and computers.

Exports to the U.S. and Japan, which had been growing slowly, surged to 40.6 percent and 51.5 percent respectively in March, while those to China (53.6 percent), EU (36.1 percent) and ASEAN countries (29.2 percent) continued to pick up.

Imports increased 20.1 percent on-year in March to US$19.07 billion, recording double-digit growth for the seventh consecutive month. Although raw material imports increased 7.7 percent on-year, growth slowed from 29.1 percent the previous month as the volume of major energy imports such as oil declined. Capital goods imports such as machinery increased 15.4 percent, while consumer goods imports also increased 13.8 percent as consumer sentiment improved.

	2003					2004	
	Feb.	Mar.	1st Half	2nd Half	Annual	Feb. p	Mar. p
▪ Exports 1)	21.0	16.1	17.4	21.0	19.3	45.9	39.5
▪ Imports 1)	32.3	32.4	21.1	14.5	17.6	25.6	20.1
▪ Trade Balance 2)	-0.5	-0.5	3.2	11.8	15.0	2.1	2.4

1) percentage change from the same period of the previous year 2) US$ billion
p: preliminary
Ministry of Commerce, Industry, and Energy

2.2 Balance of Payments

The current account posted a surplus for the tenth consecutive month in February to end the month with US$3.06 billion in the black.

The goods trade surplus was up US$200 million from the previous month to US$3.18 billion. The service balance deficit narrowed from US$770 million the previous month to US$460 million as the transport account surplus widened and travel account shortfall declined. The income balance surplus was up from US$350 million the previous month to US$590 million as operational gains on

external assets increased. The current transfer balance deficit increased from US$220 million of the previous month to US$240 million.

The capital balance surplus was up from US$200 million the previous month to US$2.22 billion in February on the strength of a net inflow of foreign portfolio investment and an increase in mid- to long-term foreign bond issuances by deposit banks.

(US$ billion)

	2001	2002	2003		2004	
			Feb.	Annual	Jan.	Feb.p
▪ Current Account Balance	8.03	5.39	0.01	12.32	2.34	3.06
- Goods Trade Balance	13.49	14.78	0.50	22.16	2.98	3.18
- Service Balance	-3.87	-8.20	-0.74	-7.61	-0.77	-0.46
- Income Balance	-1.20	0.43	0.45	0.60	0.35	0.59
- Current Transfer	-0.39	-1.62	-0.20	-2.82	-0.22	-0.24
▪ Capital Account Balance	-3.39	6.25	0.34	13.13	-0.02	2.22

p: preliminary
Source: Bank of Korea

2.3 Foreign Exchange Reserves

Foreign exchange reserves were up US$550 million since the previous month to US$163.56 billion at the end of March, as profit taking on foreign currency holdings increased along with commercial deposits at the central bank.

(End of period, US$ billion)

	2002	2003	2004		
			Jan.	Feb.	Mar.
▪ Foreign Reserves	121.4	155.4	157.5	163.0	163.56

Source: Bank of Korea

Overseas Assets and External Liabilities

The value of Korean overseas assets increased US$13.8 billion from the third quarter of 2003 to US$226.6 billion by the close of the year as foreign exchange reserves continued to soar. External liabilities decreased US$1.2 billion to US$159.8 billion at the end of the fourth quarter of last year. Short-term debt was down US$2.3 billion to US$55.3 billion as banks redeemed short-term debts. Long-term debt was up US$1.1 billion to US$104.5 billion, however, as the issuance of foreign currency-denominated securities by domestic firms increased.

The result was foreign Korean assets with a net worth (assets minus liabilities) of US$66.8 billion at the end of 2003, up US$15 billion from the previous quarter. Korea has maintained its position as a net foreign creditor since June 2000.

(End of Period, US$ billion)

	1997	1998	1999	2000	2001	2002	2003 Sept.	2003 Dec.
▪ External Liabilities	174.2	163.8	152.9	148.5	130.8	144.0	161.0	159.8
- Long-Term	110.5	124.9	110.5	99.1	88.9	93.9	103.4	104.5
- Short-Term	63.7	38.9	42.4	49.4	41.9	50.1	57.6	55.3
▪ Foreign Assets	106.1	129.3	146.1	167.4	165.5	186.1	212.8	226.6
▪ Net Foreign Assets	-68.1	-34.5	-6.8	18.9	34.7	42.1	51.8	66.8

Source: Ministry of Finance and Economy

3. Prices and Employment

3.1 Prices

Consumer prices increased 1.0 percent on-month in March and on-year consumer prices rose 3.1 percent as the cost of agricultural, fishery, livestock, and industrial products edged up along with service fees. The core consumer price index, which excludes agricultural and energy products increased 1.1 percent on-month and 2.7 percent on-year in March.

Producer prices rose by 0.9 percent on-month and 4.4 percent on-year in March with the price of agricultural, forestry and fishery products climbing 3.5 percent and the cost of manufactured goods 1.4 percent as international raw materials prices increased.

(percentage change)

		2003					2004		
		Mar.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
▪ Consumer Prices	- Year-on-Year	4.5	3.3	3.7	3.4	3.4	3.4	3.3	3.1
	- On-Month	1.2	0.9	0.1	-0.2	0.4	0.6	0.4	1.0
▪ Core Inflation	- Year-on-Year	3.4	3.1	2.8	2.7	2.8	2.8	2.7	2.7
	- On-Month	1.0	0.2	-0.1	0.1	0.5	0.4	0.1	1.1
▪ Producer Prices	- Year-on-Year	3.3	2.1	2.2	2.4	3.1	3.8	4.5	4.4
	- On-Month	1.0	0.4	0.3	0.4	0.7	1.4	1.2	0.9

Source: Korea National Statistical Office, Bank of Korea

3.2 Employment

The unemployment rate was down 0.1 percentage point on-month to 3.8 percent in March as recently graduated college and high school students were newly employed and the demand for workers in the agricultural, forestry, fishery, and construction sector increased, although the on-year unemployment rate was up 0.2 percentage point.

The number of unemployed workers was down 2.3 percent or 21,000 job seekers for a total of 879,000, while employment was up 1.7 percent to 22,371,000 in March compared to the previous month as 366,000 job seekers found work. The on-year employment rate is growing for the fifth consecutive month.

The economic participation rate increased 0.8 percentage point from the previous month to 61.8 percent.

	2003					2004	
	Mar.	Sept.	Oct.	Nov.	Dec.	Feb.	Mar.
▪ Jobless (thous.)	807	730	765	792	825	900	879
▪ Unemployment Rate (%)	3.6	3.2	3.3	3.4	3.6	3.9	3.8
- Seasonally adjusted (%)	3.2	3.5	3.6	3.6	3.5	3.3	3.4
▪ Employed Persons (thous.)	21,837	22,301	22,452	22,425	22,096	22,005	22,371

Source: Korea National Statistical Office

4. Financial Market

4.1 Interest Rates

Long-term interest rates on three-year government bonds fell from 4.78 percent at the end of February to finish March at 4.50 percent as expectations for an economic recovery receded due to the poor U.S. employment situation in February and increasing geopolitical risks. An early buy-back program scheduled for April raised expectations for bond supply and demand improvements, which was another contributing factor to declining yields. Long-term interest rates rebounded sharply in April, however, as upbeat economic indicators including employment figures and the ISM service index were announced in the U.S.

CD yields were also down in March along with long-term interest rates, while the demand for CDs grew as MMF deposits in the Investment Trust Management Companies (ITMCs) increased.

(End-period percentage)

	2002	2003			2004			
		Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr. 6
▪ Treasury bonds (3 yr.)	5.11	4.48	4.88	4.82	4.94	4.78	4.50	4.63
▪ Corporate bonds (3 yr.)	5.68	5.32	5.60	5.58	5.74	5.56	5.30	5.42
▪ CDs (91 days)	4.90	4.05	4.28	4.36	4.19	4.00	3.90	3.95

Source: Bank of Korea

4.2 Stock Market

After reaching a yearly high in early March, the KOSPI lost ground as the U.S. stock market failed to extend the rally after the February report of sluggish employment figures. The KOSPI rebounded sharply on expectations of a better corporate performance in the first quarter, though, as stock prices in the U.S. gained ground after upbeat economic indicators were released.

The KOSPI fell 2.92 points or 0.3 percent since the end of February to finish March at 880.50 points, while KOSDAQ gained 5.48 points or 1.3 percent since the end of February to finish March at 434.16 points.

The net increase in stock purchases by foreign portfolio investors continued beyond February.

(End-period Indexes)

	2001	2002	2003			2004			
			Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.6
▪ KOSPI	693.70	627.55	782.36	796.18	810.71	848.50	883.42	880.50	906.19
▪ KOSDAQ	72.21	44.36	463.8	458.4	448.7	441.45	428.68	434.16	455.37

Source: Bank of Korea

4.3 Exchange Rates

The won weakened against the dollar as the exchange rate rose from 1,176.2 won at the end of the previous month to 1,180.8 won March 12, 2004. This was the result of the depreciating yen.

The exchange rate has since reversed course, however, by falling 29.6 won against the greenback to 1,146.6 won compared to the end of the previous month as market jitters stemming from the presidential impeachment subdued, and the yen-to-dollar exchange rate rebounded, and the influx of foreign portfolio investment funds continued.

	2002	2003			2004		
		Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
▪ Won/Dollar	1,186.2	1,183.1	1,202.1	1,192.6	1,173.7	1,176.2	1,146.65
▪ Yen/Dollar	118.5	108.9	109.6	106.9	105.9	109.3	104.1
▪ Won/100 Yen	999.9	1,086.4	1,097.9	1,115.4	1,107.7	1,096.3	1,101.3

Source: Ministry of Finance and Economy

4.4 Money Market

Bank deposits declined from 12.7 trillion won the previous month to a negative 9.9 trillion won in March due to corporate tax payments and the shifting of funds to Investment Trust Management Companies (ITMCs) spurred by lower deposit interest rates.

ITMC receipts continued an upward trend, increasing 10.1 trillion won in March as capital flowed to Money Market Fund deposits.

(trillion won)

	2003					2004		
	Annual	1st Qtr.	2nd Qtr.	3rd Qtr.	4rh Qtr.	Jan.	Feb.	Mar.
▪ Bank deposits	3.3	2.8	4.9	-1.0	6.1	-0.3	12.7	-9.9
▪ ITMC Receipts	-2.4	-2.7	-3.0	2.1	-5.9	0.5	6.5	10.1

Source: Bank of Korea

4.5 Money Supply

The on-year M3 growth rate is estimated to have remained in the low-5 percent range in March. Although the money supply from abroad continued to expand, corporate tax payments slowed M3 growth considerably.

The new M1 growth rate is estimated to have risen from 7.5 percent in February to the mid-8 percent range in March as MMF deposits in ITMCs increased.

(percentage change from same period of the previous year)

	2002	2003					2004		
		Annual	1st Qtr.	2nd Qtr.	3rd Qtr.	4rh Qtr.	Jan.	Feb.	Mar.
▪ M3[1]	12.9	8.8	12.4	9.6	8.1	5.4	4.9	5.1p	Low-5
▪ New M2[2]	11.5	7.9	13.1	9.1	6.5	3.3	2.4	2.6	High-2
▪ New M1[3]	22.5	6.9	10.3	5.5	6.6	5.4	6.0	7.5	Mid-8

1) Currency in circulation + deposits at bank and non-bank financial institutions+ bank debentures issued + commercial bills sold + CD + RP + cover bills (includes cover bills since Nov. 1989)

2) Deposits with up to 2-year maturities (excluding life insurance and securities companies)

3) Demand deposits + instant access accounts + deposits in MMFs at ITMCs

p: preliminary

Source: Bank of Korea

4.6 Corporate Financing and Household Loans

Corporate loans in the banking sector increased only 0.1 trillion won in March compared to an increase of 1.4 trillion won the previous month. Loans to large companies decreased 0.5 trillion won, while loans to small- and medium-sized companies (SMEs) increased only 0.6 trillion won in March. Given that the decrease in loans to SMEs is due to technical factors such as the deferred payment of commercial bills and write-off or sale of overdue loans, however, real SME loans continued to increase by approximately two trillion won, a level similar to the previous month.

The issuance of corporate bonds recorded a net increase of 0.6 trillion won for the first time this year as companies hurried to secure long-term loans due to a dramatic decline in interest rates.

Bank lending to individuals increased 2.9 trillion won, maintaining a level similar to the previous month. Loans for overdraft account holders surged as more loans were extended for Youngsan City Park apartment applications.

(trillion won)

	2003					2004		
	Annual	1st Qtr.	2ndQtr.	3rd Qtr.	4rh Qtr.	Jan.	Feb.	Mar.
▪ Corporate Loans	32.1	16.4	11.0	7.4	-2.7	6.6	1.4	0.1
- Large Companies	-2.9	1.8	-1.0	0.1	-3.8	2.7	-0.5	-0.5
- SMEs	35.0	14.7	11.9	7.3	1.1	3.9	1.8	0.6
▪ Corporate Bonds	-4.0	-1.0	-1.0	-3.1	1.2	-1.6	-0.7	0.6
▪ CPs	-2.0	2.5	-3.7	3.1	-3.9	3.3	0.2	-1.2
▪ Household Loans	30.6	4.8	9.1	8.7	8.0	-0.5	2.8	2.9
- Mortgage-based Loans*	20.7	2.3	5.5	6.1	6.8	0.8	1.3	0.9

* Based on loans collateralized by bank accounts and mortgages

Source: Bank of Korea

Economic News Briefing

Korean Economy Investor Road Shows

The Korean government will conduct investor road shows for 200~300 potential foreign investors in the Hong Kong, London and New York financial communities April 23~29, 2004 to increase foreign direct investment by enhancing recognition of and confidence in economic opportunities in Korea.

Deputy Prime Minister and Minister of Finance and Economy Lee Hun-Jai will highlight trends and forecasts for foreign investors, while summarizing the Roh administration's policy stance on major political and economic issues. These presentations will include plans for increasing Korean competitiveness and expanding growth potential in response to a changing global economy; the result of market economy reforms; economic policy coherence in times of political uncertainty; steps taken to resolve credit card delinquency problem; and prospects for resolving the North Korean nuclear issue peacefully.

The Korean Train Express (KTX) Service

The beginning of high-speed Korean Train Express (KTX) service on April 1, 2004 is expected to bring revolutionary changes to Korea since it is now possible to travel anywhere in the country within 2 hours. It is also expected that the high-speed train will help ease overpopulation in metropolitan areas, encourage regional development, and promote tourism and leisure in Korea by making day-trips more attractive.



The nation's new high-speed railroad service, the Korean Train Express (KTX), began service on April 1, 2004.

Given that KTX now makes it possible for more than 3.3 times the number of passengers to commute by rail than prior to its maiden run, it is also expected to ease logistical headaches by reducing traffic congestion on motor routes between Seoul and Busan. As passenger trains disappear from the older tracks, the amount of freight carried by train could increase more than seven-fold to 3 million containers per year. It has been calculated that shorter travel times and lower fares will result in 1.8 trillion won in savings

annually. More importantly, the Korean Express is expected to move Korea a step closer to becoming a business and logistics hub in Northeastern Asia, as will the railway connections between North and South Korea and Eurasia.

The government has also been moving ahead with the second phase of high-speed rail service, which is scheduled to be completed by 2010. Once finished, travel between Seoul and Busan will only take 116 minutes and commuter and freight traffic will increase more than four-fold.

Special Excise Tax Reduction

A resolution was passed on March 23, 2004 during a cabinet meeting to revise the Special Excise Tax Law Presidential Decree. The resolution stipulates a temporary 30 percent reduction in the special excise tax (20 percent for passenger cars). The resolution is designed to boost domestic consumption and revitalize the economy. The lower tax rate will be in effect from March 24 to December 31, 2004.

Major features of the resolution are as follows: The changes will lower the special sales tax on cars with an engine capacity of more than 2 liters from 10 percent to 8 percent. The tax on smaller engine displacement cars will drop from 5 percent to 4 percent. The luxury tax on air conditioners will drop from 16 percent to 11.2 percent, while the tax on projection televisions tumbles from 8 percent to 5.6 percent. The tax on leisure goods will also be brought down from 20 percent to 14 percent.

It is expected that reducing the excise tax will encourage domestic consumption with lower prices on products. Also, the tax cut in tandem with the launch of corporate promotional campaigns and sales are anticipated to improve consumer sentiment. The excise tax reduction will also persuade those consumers delaying purchase decisions that now is the time to buy and price-conscious consumers will be encouraged to buy before the temporary tax reduction expires.

Job Creation Tax Cut

The Finance and Economy Minister Lee Hun-Jai announced job creation incentives March 25 during a meeting of economic ministers held at the Bankers Club in Seoul, such as a 50 percent tax abatement for the first 5 years of operation for business startups that hire 5~10 new employees.

The government is also planning to promote a private equity fund supported by the Federation of Korean Industries and financial institutions that will provide startup and spin-off businesses geared toward creating jobs with financial support.

The result of job creation efforts will be reflected in credit guarantees provided by the Korea Credit Guarantee Fund and Korea Technology Credit Guarantee Fund along with a firm's balance sheet figures. Government financial assistance to small- and medium-sized enterprise startups will increase from 300 billion to 360 billion won and interest rates will be lowered by 1 percentage point to 4.9 percent.

Investment barriers will be eliminated for the 10 next generation growth industries by easing restrictions on affiliate cross-shareholding. There are currently only four exceptions to the prohibition on cross shareholdings, including IT and biological technology. Since it has been determined that the

grace period for spin-off companies receiving support from parent companies is not unfair, it will be extended from 2 to 3 years.

Incentives for Foreign Firms in Korea

The Ministry of Commerce, Industry and Energy (MOCIE) and Gyeonggi Province have designated 200,000 pyong (approximately 163 acres) in Hyungok and Poseung, located in the south of Seoul, as sites for foreign firm industrial parks. The former will spend 40 billion won and the latter 60 billion won to purchase the two parcels of land in Pyongtaek, Gyeonggi.

These foreign firm complexes are within close proximity to Hyundai and Kia auto manufacturing plants in Asan and the LG Philips LCD plants in Paju and Samsung Electronics LCD plants in Giheung and Asan, and as such have received a great number of applications from LCD and auto parts suppliers.

Eleven foreign firms including six LCD parts suppliers such as HOYA from Japan and four auto suppliers have already announced plans to invest 350 million won. Foreign firms that set up shop in these industrial parks will only be required to pay between 0.5 and 1 percent of the actual land value for up to 50 years.

MOCIE announced its selection of the Korea University Graduate School of Business Administration and KDI School of Public Policy and Management to offer a Master of Investment Business Administration (MIBA) program on March 29, to expedite the joint government-private sector foreign direct investment training project.

Government representatives, legal experts and consultants will also contribute to the development of the MIBA curriculum. The first class will consist of 100 students competitively selected to study FDI from a practical and theoretical perspective.

The InvestKorea office, a government-funded foreign investment promotion agency, will provide financial assistance for guest speakers, developing learning materials, providing a computer system, internship programs and an FDI information center, while legal, consulting and accounting firms will make internships available to interested students.

A MOCIE official has indicated that government will give hiring preference to MIBA graduates as FDI officials in the InvestKorea office, as will local autonomous bodies and government-invested organizations.

At a Ministry of Information and Communication press briefing held March 31 it was announced that the government is also providing financial support to foreign companies that open research and development centers in South Korea as an effort to attract multinational firms to the peninsula. Government-arranged funding is now available for example, for the purchase or lease of office space used to set up research laboratories in South Korea.

MOCIE Supports Parts and Materials Manufacturers

The Ministry of Commerce, Industry & Energy (MOCIE) announced a one-year 'Business Plan' on March 25 that will provide support for general parts and materials technologies. Small- and medium-sized parts and materials manufacturers will have access to a 20 billion won fund to spur technological innovation and help resolve the

shortage in technical experts in these industries.

This is the third such plan since 2001 and will involve highly trained consultants from the 16 Korean research institutes working as an 'integrated parts and materials research group' to advise these companies on troubleshooting and how to incorporate advanced technologies controlled by public institutions into their businesses.

Opening of Busan-Jinhae and Gwangyang Port Free Economic Zone Authorites

The Busan and Jinhae Free Economic Zone Authority (FEZA) opened its doors for business March 30 and Finance and Economy Minister Lee Hun-Jai said in a congratulatory speech that the institutional role of Busan-Jinhae Free Economic Zone Authority is extremely important for a country planning to become a Northeast Asian business hub. The purpose and mission of FEZA is to attract foreign investment to the Busan and South Gyeongsang Province areas. Minister Lee continued by saying, “I am confident that Busan-Jinhae Free Economic Zone will prosper given the strong shipbuilding, machinery, automobile parts, steel and footwear industrial base, as well as the increased competitiveness provided by a new seaport.”

Prior to the opening of Busan-Jinhae FEZA, the Gwangyang Port FEZA began service on March 24. FEZ in Gwangyang Port, South Jeolla province is being dredged to accommodate a greater number of large ships. By 2011 it will be developed along with Busan Port into a Northeast Asian maritime hub equipped with 33 berthing facilities. The geographic location of the port city, which faces the South Sea, makes it an ideal staging base for trade with China and Japan.

For more information about FEZs please visit http://www.fez.go.kr

Encouraging the Economic Participation of Women

In an April 2 report to Acting President Goh Kun, the Ministry of Gender Equality (MOGE) pledged to encourage the economic activity of women this year through job training and employment assistance programs.

MOGE indicated that job training programs will be offered at 51 female labor force development centers for 50,000 women including stay-at-home moms, and employment assistance programs provided at 20 universities across the country to help highly educated young women find jobs. MOGE will also spend 13 billion won this year to help low-income women and those with technological expertise to start businesses. To lead by example, the Ministry is working to increase the female participation rate for government committees to 34 percent this year and the employment rate for female government officials to more than 10 percent by 2006.

MOGE will also be stepping up efforts to eliminate the patriarchal "hoju-je" family registry system by lobbying for the revision of this portion of the civil code once the 17th National Assembly has convened.

Once MOGE assumes responsibility for childcare from the Ministry of Health and Welfare in June 2004 it will begin pushing for policies that make it more convenient and inspire parental confidence in its safety and quality to promote the economic participation of mothers.

Policy Issues

1. Strengthening Service Sector Competitiveness

Ministry of Finance and Economy

Deputy Prime Minister (DPM) and Minister of Finance and Economy Lee Hun-Jai met with economic ministers on March 19 to discuss major economic policies. The first item on the agenda was tax and financial incentives to increase service sector competitiveness by encouraging infrastructure development.

It was decided that more effort is needed to eliminate distinctions that have been made in the past between the manufacturing and service companies to promote new opportunities in the Korean service sector. The government is, therefore, planning to announce in the first half of 2004, steps it will take to increase the competitiveness of twenty-three service sector industries. The Ministry of Finance and Economy will lead these efforts and task forces have already been established at the ministries involved.

Tax Related Improvement Plans

① All service sector companies that build or purchase employee dormitories will be eligible to receive tax benefits equivalent to what is available in the manufacturing sector.

② R&D tax deductions will be made available for companies that contract domestic and foreign research institutions or universities to operate a corporate education program.

③ Eligibility for tax deduction on investments and R&Ds aimed at increasing productivity will be expended to include small- and medium-sized advertising agencies and childcare nurseries.

④ Eligibility for start-up business tax reductions will be expanded to include movie, advertisement, international conference, hotel, and senior care/childcare facilities.

⑤ The tax exemption for foreign engineers will include logistics, market research, management consulting, science and technology, and professional design-related service companies.

⑥ Partners in knowledge-based companies such as consulting firms will be subject to individual rather than corporate taxes.

⑦ Service companies that locate in industrial parks will be eligible for the same local tax reductions as the manufacturing sector.

⑧ Service companies requiring large facilities such as logistical, transportation and wastewater treatment plants will be exempt from acquisition and registration taxes if they relocate to other provinces.

⑨ The government is considering the creation of a 'Comprehensive Real Estate Tax' to minimize distinctions between manufacturing and service sectors.

Finance and Policy Fund System Improvements

① Korea Development Bank – A 'Knowledge-based Service Sector and Technology Promotion Fund' was established in January 2004.

② Industrial Bank of Korea – A 1 trillion won support fund was made available for fifty-three promising service sectors in January 2004.

③ Korea Credit Guarantee Fund - Preferential loan guarantees worth 500 billion won were made available in February 2004 for promising service sector enterprises likely to create a substantial number of jobs.

④ Korean Technology Credit Guarantee Fund – A technological certification system was created for the knowledge-based service sector companies along with an evaluation model that takes into account the unique characteristics of each field.

⑤ The budget allocation for the 'Knowledge-based Service Sector Promotion Fund' was increased from 70 billion won in 2003 to 100 billion in 2004.

⑥ Knowledge-based services, such as design, advertising and convention planning will be designated professional investment associations so they can receive additional government support.

Infrastructure Development

Responsibility for statistical monitoring has been subdivided so that the Korean National Statistical Office will keep track of wholesale and retail sales, and the Bank of Korea compiles service industry figures.

Service sector representation at major economic associations such as the Federation of Korean Industries and Korea Chamber of Commerce and Industry will be expanded and the 'Service Sector Promotion Council' of government, economic, and research experts will meet regularly.

Service-sector support will be ramped up by making industrial sites available to such enterprises in numbers comparable to those set aside for manufacturers.

Service sector specialization will be encouraged at Business Incubation Centers (BICs) along with the ties between universities and BICs.

Service businesses currently considered as miscellaneous enterprises and subject to a flat tax rate will be reclassified into more detailed categories and subject to different tax rates.

2. Policy to Resolve Credit Delinquency Problem

Ministry of Finance and Economy

Given that the credit delinquency problem involves the entire financial system, it cannot be resolved by piecemeal efforts in pursuit of short-term results. This problem will be addressed in a market friendly way based on the premise that credit delinquents are responsible for repaying their own loans.

The fundamental approach to this problem will be to extend the repayment period so credit delinquents can manage to pay off outstanding debts.

Financial institutions will assist credit delinquents willing to repay loans by such efforts as rolling over maturing debts and helping them find jobs. They will also cooperate in a joint collection program to deal with debtors who owe more than one institution.

Delinquent borrowers ineligible for debt workout programs or other creditor support – that is, those unlikely to be able to repay their debts – will be dealt with legally, within either the credit recovery or personal bankruptcy systems.

The government and financial institutions will continue to minimize debtor exposure to moral hazards by improving the credit information management system.

Financial institutions and credit bureaus have already begun to maintain detailed credit histories of individual debtors, which are going to be used for personal credit rating purposes.

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1. National Account

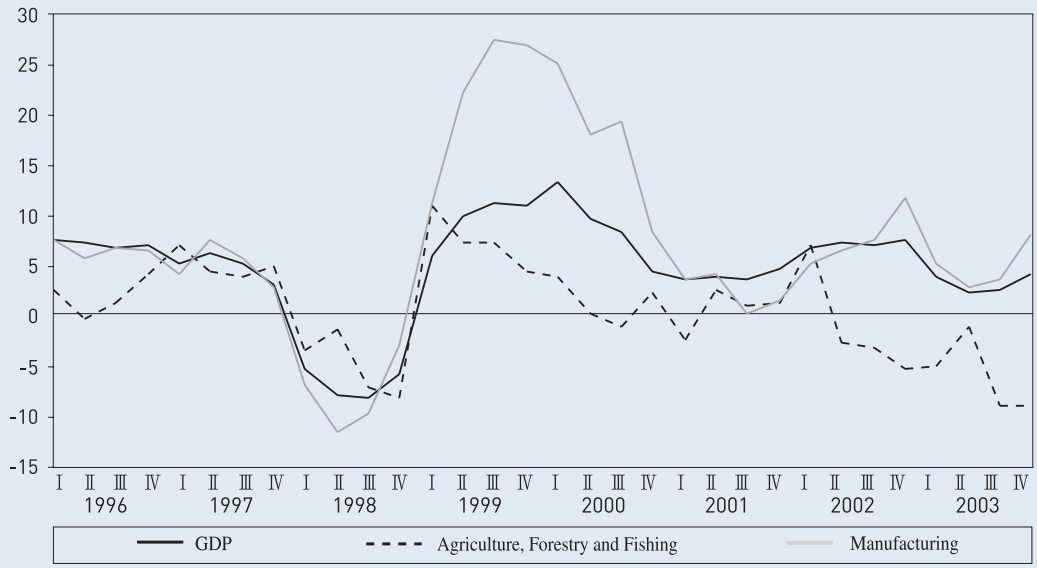
(Year-on-Year Change, %)

Period		Growth rate of real GDP at constant prices				Increase rate of final consumption expenditure	Increase rate of gross fixed capital formation			Growth rate of GNI at constant prices
			Agri.Fores. & fishing	Non-agri. forestry & fishing	Manufac-turing			Construction	Machinery and equipment	
1996		7.0	2.3	7.2	6.4	7.0	8.4	7.5	9.2	5.6
1997		4.7	4.6	4.7	4.9	3.2	-2.3	2.3	-9.6	2.7
1998		-6.9	-6.4	-6.9	-7.9	-10.6	-22.9	-12.4	-42.3	-8.3
1999		9.5	5.9	9.7	21.8	9.7	8.3	-3.7	36.8	9.4
2000		8.5	1.2	8.8	17.0	7.1	12.2	-0.7	33.6	5.5
2001		3.8	1.1	4.0	2.2	4.9	-0.2	6.0	-9.0	2.8
2002		7.0	-3.5	7.4	7.6	7.6	6.6	5.3	7.5	7.0
2003p		3.1	-7.1	3.5	4.8	-0.5	3.6	7.6	-1.5	1.8
2001	I	3.5	-2.4	3.6	3.4	2.2	-3.7	1.0	-9.4	1.1
	II	3.7	2.4	3.7	4.1	4.2	-3.5	0.8	-10.6	2.5
	III	3.4	0.9	3.5	0.0	5.7	-0.5	9.6	-14.2	2.6
	IV	4.6	1.2	4.9	1.3	7.3	6.2	10.7	-1.3	4.8
2002	I	6.5	6.7	6.5	5.2	9.4	7.7	11.0	3.3	7.1
	II	7.0	-2.7	7.4	6.2	8.5	7.3	6.0	8.0	6.8
	III	6.8	-3.2	7.1	7.4	7.3	2.4	-2.4	9.1	6.9
	IV	7.5	-5.5	8.6	11.4	5.3	9.1	8.4	9.6	7.1
2003p	I	3.7	-5.1	3.8	5.1	0.9	4.6	8.0	1.9	0.5
	II	2.2	-1.3	2.3	2.6	-0.8	3.7	7.3	-0.6	1.5
	III	2.4	-9.1	2.8	3.3	-0.9	2.6	7.9	-5.0	2.1
	IV	3.9	-9.1	4.9	8.0	-1.1	3.6	7.4	-2.4	3.0

p: preliminary
source: Bank of Korea

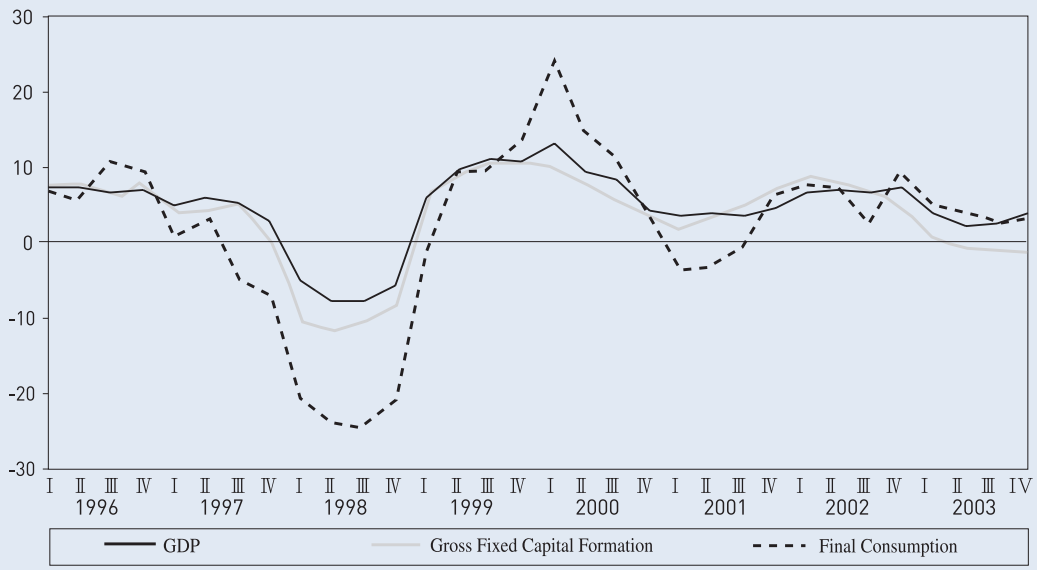
Growth Rate by Kind of Economic Activity

(Year-on-Year Change, %)



Growth Rate by Kind of Expenditure on GDP

(Year-on-Year Change, %)



2. Production, Shipment and Inventory

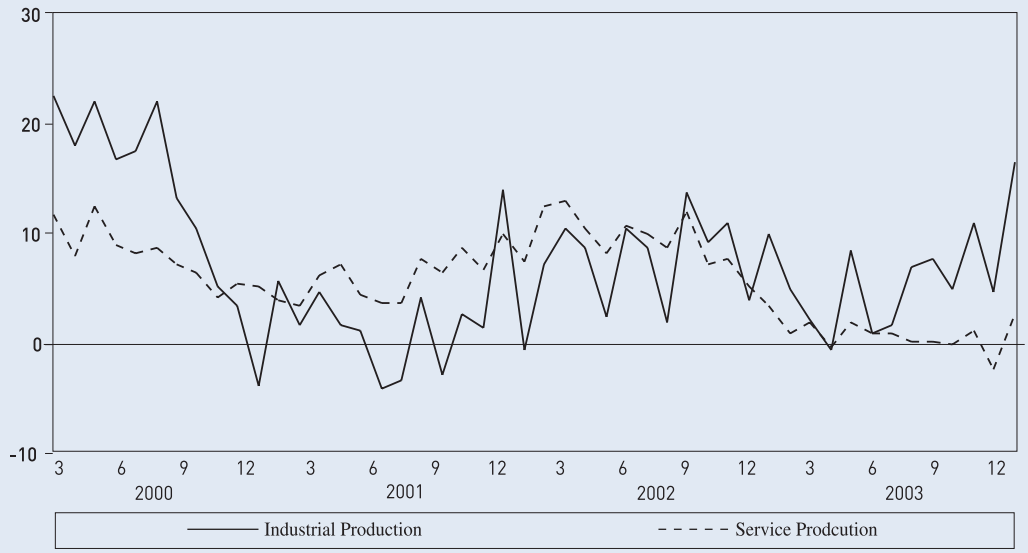
(2000=100)

Period	Production Index	Y-o-Y Change (%)	Shipment Index	Change	Inventory Index	Change	Service Production Index	Change
2000	100.0	16.8	100.0	16.6	104.9	12.6	100.0	8.8
2001	100.7	0.7	101.3	1.3	105.3	0.4	105.6	5.6
2002	108.8	8.0	109.3	7.9	104.5	-0.8	116.0	9.8
2003	114.4	5.1	113.9	4.2	110.5	5.7	117.5	1.3
2001								
I	97.1	1.0	97.7	1.0	111.1	11.0	100.5	4.0
II	101.8	2.4	102.6	2.7	109.3	11.3	105.4	5.9
III	99.3	-1.1	99.0	-0.5	105.6	7.5	106.0	5.0
IV	104.4	0.4	105.0	1.9	105.3	0.4	110.5	7.4
2002								
I	103.7	6.8	104.9	7.4	101.9	-8.9	110.6	10.0
II	109.1	7.2	109.6	6.8	102.8	-5.9	116.6	10.6
III	106.2	6.9	106.2	6.3	102.1	-3.3	116.5	9.9
IV	116.3	11.4	116.4	10.9	104.5	-0.8	120.2	8.8
2003								
I	110.0	6.1	109.6	4.5	111.7	9.6	114.1	3.2
II	112.6	3.2	112.7	2.8	112.3	9.2	117.9	1.1
III	109.6	3.2	108.9	2.5	110.4	8.1	117.2	0.6
IV	125.4	7.8	124.3	6.8	110.5	5.7	120.7	0.4
2003								
1	110.0	3.9	109.0	3.5	109.4	1.3	115.7	5.3
2	103.4	9.9	103.6	7.5	110.4	5.7	108.5	3.5
3	116.6	5.0	116.2	2.8	111.7	9.6	118.0	0.9
4	113.7	2.1	113.7	1.4	113.1	10.0	117.9	1.8
5	111.6	-0.6	111.9	-1.2	113.0	11.3	118.9	-0.4
6	112.4	8.6	112.5	8.9	112.3	9.2	116.9	1.9
7	108.3	1.0	106.8	1.2	113.3	8.7	117.8	0.8
8	108.2	1.6	107.4	1.3	113.0	7.5	106.3	0.8
9	112.3	7.0	112.6	5.2	110.4	8.1	117.4	0.2
10	126.1	7.8	125.5	7.0	109.6	6.1	119.6	0.2
11	122.3	4.9	121.5	3.7	109.4	5.9	117.7	0.0
12	127.8	10.9	126.0	9.9	110.5	5.7	124.9	1.1
2004								
1[p]	115.1	4.6	113.4	4.0	113.1	3.4	112.9	-2.4
2[p]	120.6	16.6	118.4	14.3	115.9	5.0	111.3	2.6

p: preliminary
Source: Korea National Statistical Office

Industrial Production and Service Production

(Year-on-Year Change, %)



Inventory and Shipment

(Year-on-Year Change, %)



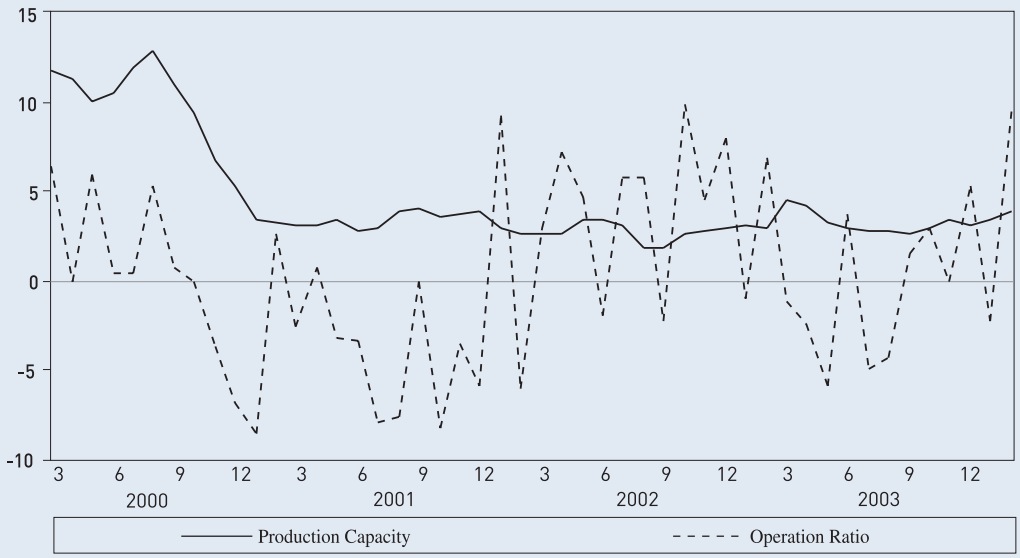
3. Production Capacity and Operation Ratio

Period	Production Capacity Index (2000=100)	Y-o-Y Change (%)	Operation Ratio Index (2000=100)	Change	Average Operation Ratio (%)
2000	100.0	10.4	100.0	2.4	78.6
2001	103.5	3.5	95.9	-4.1	75.3
2002	106.3	2.7	99.7	4.0	78.4
2003	109.8	3.3	99.7	0.0	78.3
2001					
I	102.2	3.3	94.1	-3.1	76.3
II	102.8	3.2	99.2	-2.0	75.8
III	104.2	3.7	94.7	-5.3	75.3
IV	104.8	3.8	95.7	-5.9	73.8
2002					
I	105.0	2.7	96.0	2.0	77.9
II	106.0	3.1	102.5	3.3	78.3
III	106.6	2.3	97.5	3.0	78.9
IV	107.7	2.8	102.9	7.5	78.5
2003					
I	108.8	3.6	97.2	1.3	78.5
II	109.7	3.5	100.9	-1.6	77.3
III	109.6	2.8	95.0	-2.6	76.9
IV	111.2	3.2	105.7	2.7	80.4
2003					
1	108.2	3.2	96.9	-0.1	78.7
2	108.2	3.0	91.9	6.9	79.0
3	110.0	4.5	102.9	-1.2	77.9
4	109.8	4.2	103.0	-2.4	77.7
5	109.8	3.3	99.7	-5.9	76.3
6	109.5	2.9	99.9	3.8	78.0
7	109.5	2.8	94.0	-5.0	74.7
8	109.6	2.8	93.7	-4.3	77.2
9	109.6	2.7	97.3	1.6	78.9
10	110.7	3.0	109.2	3.0	81.1
11	111.4	3.4	103.0	-0.1	79.6
12	111.4	3.2	104.9	5.4	80.4
2004					
1[p]	112.0	3.5	94.7	-2.3	80.4
2[p]	112.5	4.0	100.7	9.6	83.5

p: preliminary
Source: Korea National Statistical Office

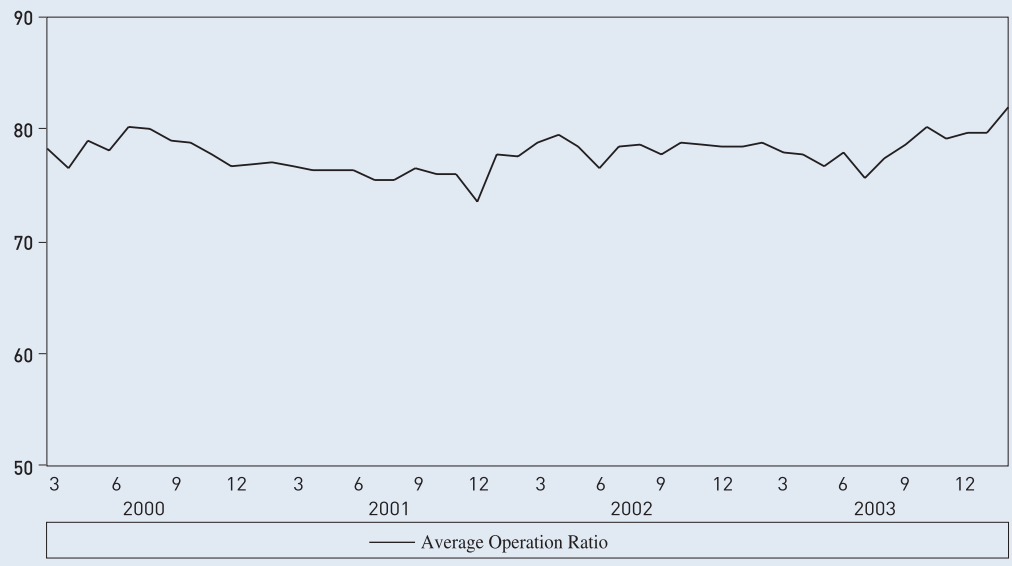
Production Capacity and Operation Ratio

(Year-on-Year Change, %)



Average Operation Ratio

(%)



4. Wholesale and Retail Trade

(2000=100)

Period	Wholesale and Retail Trade	Y-o-Y Change (%)	Wholesale	Change	Retail	Change	Vehicles and Fuel	Change
2000	100.0	9.8	100.0	9.1	100.0	11.0	100.0	9.3
2001	106.6	6.6	106.4	6.4	107.0	7.0	106.4	6.4
2002	115.4	8.3	113.6	6.8	115.8	8.2	121.7	14.4
2003	113.9	-1.3	113.6	0.0	113.1	-2.3	117.2	-3.7
2001								
I	101.4	4.1	102.9	4.6	101.9	6.3	93.9	-2.9
II	106.3	6.2	105.9	6.6	105.3	4.8	110.5	7.8
III	105.8	7.2	105.1	7.7	105.2	7.3	110.5	5.1
IV	112.7	8.6	111.5	6.6	115.6	9.5	110.8	15.8
2002								
I	111.7	10.2	110.6	7.5	113.6	11.5	112.2	19.5
II	115.4	8.6	113.9	7.6	115.3	9.5	122.0	10.4
III	113.6	7.4	110.6	5.2	113.4	7.8	126.2	14.2
IV	120.7	7.1	119.3	7.0	120.8	4.5	126.5	14.2
2003								
I	113.4	1.5	113.0	2.2	112.6	-0.9	116.9	4.2
II	113.4	-1.7	113.1	-0.7	110.9	-3.8	121.1	-0.7
III	110.8	-2.5	110.3	-0.3	110.7	-2.4	112.9	-10.5
IV	118.1	-2.2	118.1	-1.0	118.2	-2.2	117.8	-6.9
2003								
1	118.8	6.4	116.9	5.0	121.5	7.6	120.3	9.2
2	105.3	0.4	105.5	3.0	102.8	-6.8	110.8	8.5
3	116.0	-2.2	116.6	-1.2	113.6	-3.3	119.6	-3.7
4	112.8	-2.8	111.9	-1.4	110.3	-5.2	122.6	-3.1
5	115.6	-1.9	114.0	-1.3	114.8	-3.0	124.4	-1.5
6	111.9	-0.4	113.4	0.5	107.7	-3.1	116.2	2.7
7	109.8	-1.9	109.0	0.9	109.1	-4.5	114.7	-6.4
8	108.8	-2.6	109.9	0.5	105.6	-1.1	112.1	-16.3
9	113.7	-2.9	112.0	-2.3	117.3	-1.5	111.9	-8.4
10	117.4	-1.6	117.4	0.8	115.7	-3.4	121.4	-6.3
11	115.9	-3.7	114.5	-3.6	118.4	-3.1	115.7	-5.2
12	121.0	-1.2	122.5	-0.1	120.4	0.1	116.4	-8.9
2003								
1[p]	116.1	-2.3	116.9	0.0	118.7	-2.3	106.2	-11.7
2[p]	107.8	2.4	110.7	4.9	104.2	1.4	104.9	-5.3

p: preliminary
Source: Korea National Statistical Office

Wholesale and Retail Trade

(Year-on-Year Change, %)



Wholesale and Retail Trade, and Vehicles and Fuel Trade

(Year-on-Year Change, %)



5. Consumer Goods Shipment Index and Consumer Sentiment Index

Period	Domestic Consumer Goods Shipment Index (2000=100)	Y-o-Y Change (%)	Durable	Change	Nondurable	Change	Consumer Sentiment Index	
							Consumer expectation Index	Consumer present situation Index
2001	102.8	2.8	103.0	3.0	102.7	2.7	-	-
2002	111.3	8.3	120.6	17.1	106.9	4.1	-	-
2003	104.5	-5.9	106.6	-11.5	104.4	-3.1	-	-
2001								
I	96.7	-4.3	87.4	-14.3	101.0	0.5	-	-
II	104.1	5.6	109.4	6.9	101.7	5.0	-	-
III	104.3	5.4	107.5	8.6	102.8	3.7	-	-
IV	106.1	4.6	107.6	11.3	105.4	1.8	-	-
2002								
I	108.1	11.8	114.9	31.5	105.0	4.0	-	-
II	111.5	7.1	125.2	14.4	105.1	3.3	-	-
III	109.2	4.7	118.3	10.0	104.9	2.0	-	-
IV	116.2	9.5	123.8	15.1	112.7	6.9	-	-
2003								
I	106.4	-1.6	109.8	-4.4	104.9	-0.1	-	-
II	103.2	-7.4	109.4	-12.6	100.3	-4.6	-	-
III	101.6	-7.0	100.6	-14.9	102.9	-2.8	-	-
IV	108.5	-6.1	106.7	-13.8	109.7	-2.1	-	-
2002								
1	111.9	16.7	110.2	40.7	112.7	8.3	106.7	97.4
2	100.7	8.4	108.5	25.1	97.0	1.3	107.7	100.5
3	111.8	10.5	125.9	29.4	105.2	2.0	109.7	105.9
4	111.7	8.2	124.5	16.8	105.7	4.0	109.4	107.2
5	117.4	11.1	134.7	22.2	109.3	5.4	109.1	107.6
6	105.4	1.9	116.4	4.5	100.2	0.5	110.6	108.1
7	105.8	6.2	117.1	10.8	100.6	4.0	107.8	105.2
8	111.2	9.1	124.5	21.5	105.0	3.2	106.2	102.1
9	110.5	-0.8	113.4	-0.8	109.1	-0.8	103.9	97.2
10	117.1	10.9	127.3	12.3	112.3	10.2	97.1	86.8
11	114.7	7.6	124.6	13.5	110.1	4.8	93.4	80.9
12	115.0	8.4	119.5	19.9	112.9	3.5	94.8	81.2
2003								
1	111.5	-0.4	111.2	0.9	111.5	-1.1	96.4	79.6
2	97.7	-3.0	106.6	-1.8	93.6	-3.5	96.1	73.5
3	106.0	-5.2	111.5	-11.4	103.4	-1.7	90.4	63.9
4	104.1	-6.8	112.2	-9.9	100.2	-5.2	94.5	64.7
5	103.5	-11.8	112.1	-16.8	99.5	-9.0	94.5	67
6	100.2	-4.9	104.2	-10.5	98.4	-1.8	91.7	62.7
7	101.2	-4.3	102.7	-12.3	100.5	-0.1	90.8	62.1
8	100.2	-9.9	94.6	-24.0	102.8	-2.1	92.0	63.9
9	103.4	-6.4	104.8	-7.6	102.7	-5.9	90.4	59.9
10	109.6	-6.4	109.4	-14.1	109.7	-2.3	91.5	62.7
11	104.1	-9.2	104.0	-16.5	104.1	-5.4	94.6	68.4
12	111.9	-2.7	106.7	-10.7	114.3	1.2	96.0	69.2
2004								
1p	102.0	-8.5	96.9	-12.8	104.5	-6.4	98.0	72.6
2p	98.5	0.8	-	-2.5	-	2.7	96.3	71.9
3p	-	-	-	-	-	-	94.4	68.5

p: preliminary
Source: Korea National Statistical Office

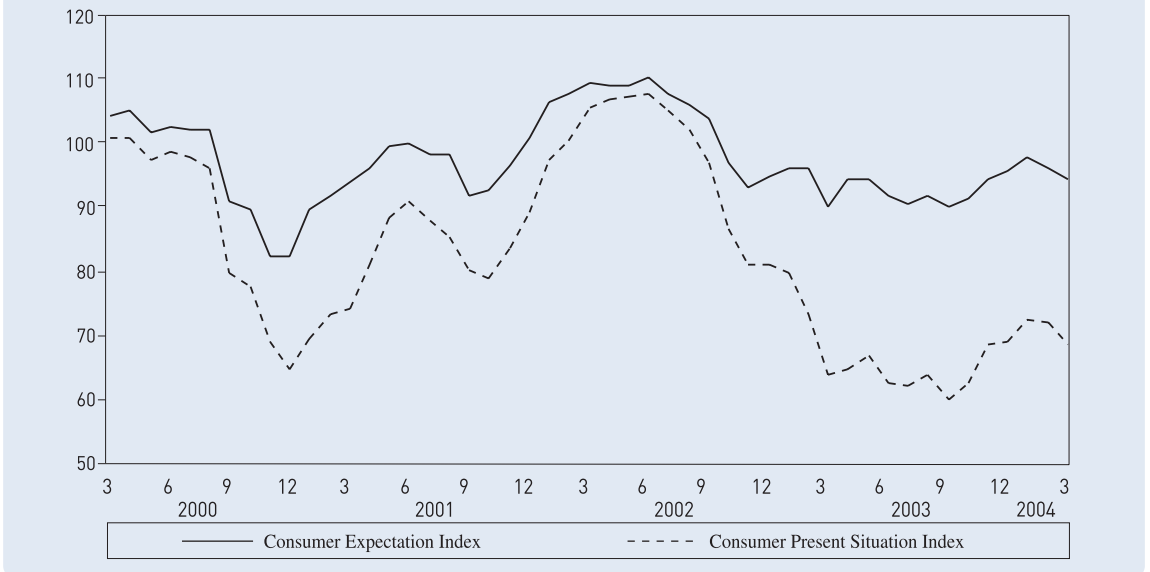
Consumer Goods Shipment

(Year-on-Year Change, %)



Consumer Sentiment Index

(Base = 100)



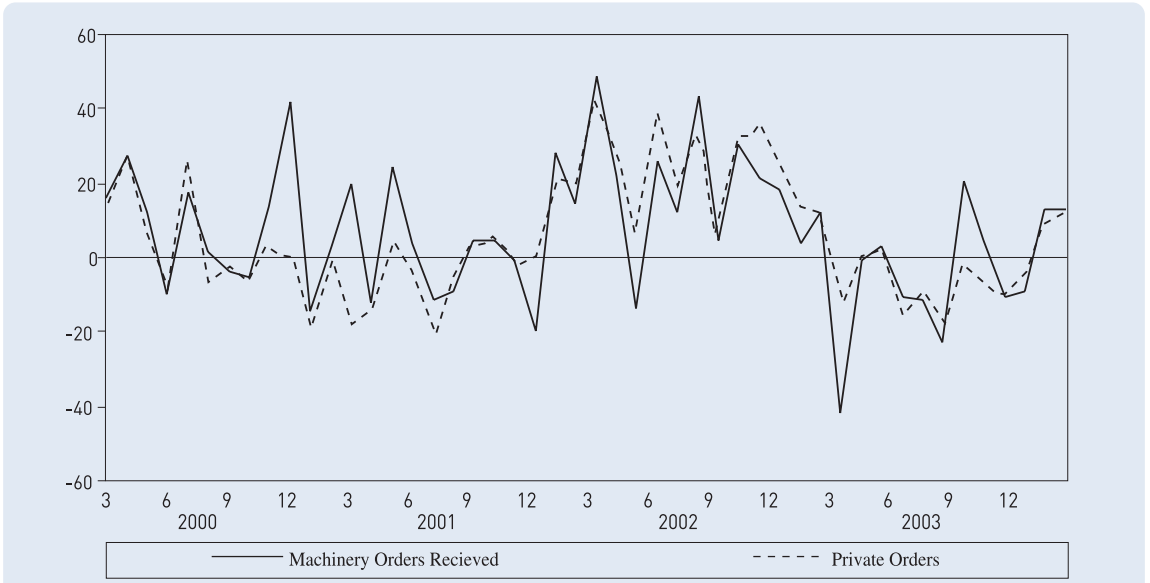
6. Machinery Orders Received, Domestic Machinery Shipment and Estimation Index of Equipment Investment

Period	Domestic Machinery Orders Received (Billion Won)				Estimation Index of Equipment Investment (1995=100)	Machinery shipment excluding ship (2000=100)
	Total	Public	Private	Mfg.		
2002						
I	6,705	1,666	5,039	1,952	124.5	98.0
II	5,964	378	5,586	2,000	125.8	107.1
III	5,904	614	5,290	1,815	116.8	98.6
IV	5,942	571	5,372	2,161	125.0	110.6
2003						
I	5,577	374	5,203	2,148	120.3	100.8
II	5,777	446	5,331	2,418	121.1	107.6
III	5,513	730	4,782	1,956	108.6	95.8
IV	5,662	652	5,010	2,205	119.3	105.9
2003						
1	1,815	112	1,703	676	103.6	93.6
2	1,833	119	1,714	730	113.9	96.6
3	1,928	143	1,785	741	143.3	112.1
4	1,928	102	1,826	830	126.2	106.9
5	1,941	123	1,818	822	115.5	107.8
6	1,908	222	1,686	767	121.7	108.1
7	1,649	98	1,551	655	104.7	93.4
8	1,768	148	1,620	682	104.5	93.4
9	2,096	484	1,612	618	116.4	100.5
10	2,074	347	1,727	744	119.7	99.8
11	1,707	92	1,615	700	115.1	102.3
12	1,881	212	1,669	761	123.2	115.7
2004						
1[p]	2,208	179	2,030	923	100.3	86.6
2[p]	2,066	130	1,936	909	116.3	97.8
Year - on - Year Change (%)						
2002						
I	33.2	50.9	28.3	12.7	2.7	10.0
II	9.2	-59.4	23.2	1.3	0.0	6.9
III	19.8	20.8	19.7	-1.6	0.4	8.6
IV	22.9	-20.1	30.3	24.5	3.1	12.3
2003						
I	-16.8	-77.6	3.3	10.0	-3.4	2.9
II	-3.1	18.0	-4.6	20.9	-3.7	0.5
III	-7.5	15.9	-10.3	7.8	-7.0	-2.8
IV	-5.0	14.2	-7.1	2.1	-4.6	-4.2
2003						
1	4.1	-55.8	14.3	4.7	-7.7	0.8
2	12.4	12.3	12.4	17.2	-3.6	7.1
3	-42.1	-89.1	-11.8	8.4	0.1	1.2
4	-0.8	-7.9	-0.3	13.3	-4.6	-0.7
5	3.3	5.7	3.2	24.8	-8.8	-3.6
6	-11.0	46.3	-15.3	26.0	2.7	6.3
7	-11.5	-35.1	-9.4	11.0	-11.1	-8.4
8	-23.1	-58.2	-16.7	11.1	-7.8	-3.2
9	20.4	348.2	-1.3	1.3	-2.2	3.4
10	4.8	153.9	-6.2	6.7	-3.8	-1.5
11	-10.8	-29.9	-9.4	-4.4	-8.3	-7.5
12	-9.1	-29.8	-5.5	4.1	-1.6	-3.6
2004						
1[p]	12.9	60.3	9.8	36.4	-3.2	-8.8
2[p]	12.7	9.3	12.9	24.6	2.1	0.7

p: preliminary
Source: Korea National Statistical Office

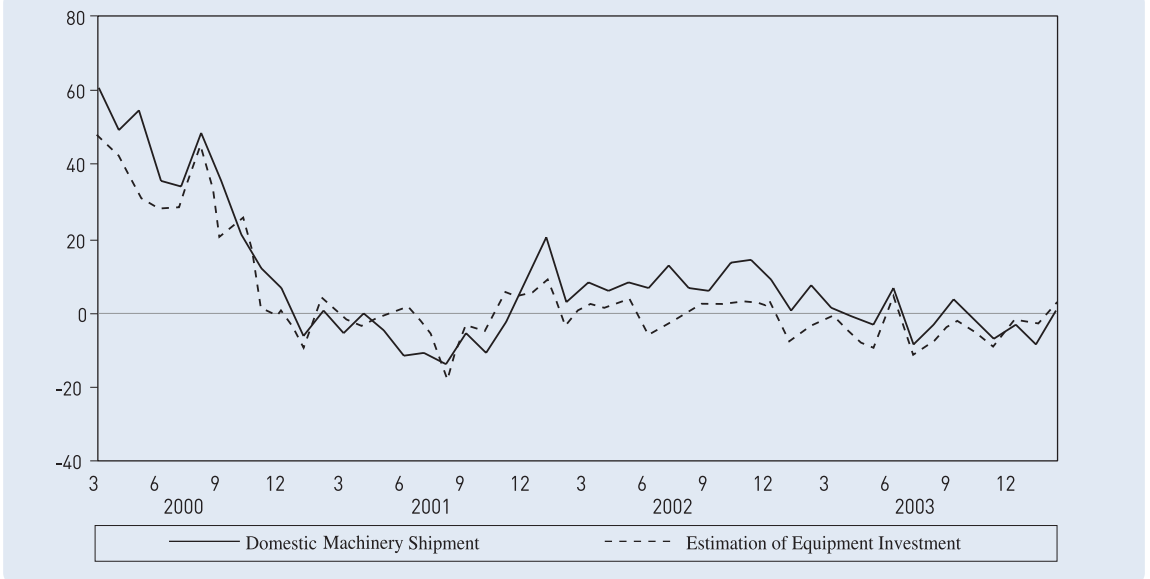
Machinery Orders Received

(Year-on-Year Change, %)



Domestic Machinery Shipment and Estimation of Equipment Investment

(Year-on-Year Change, %)



7. Value of Construction Completed and Domestic Construction Orders Received

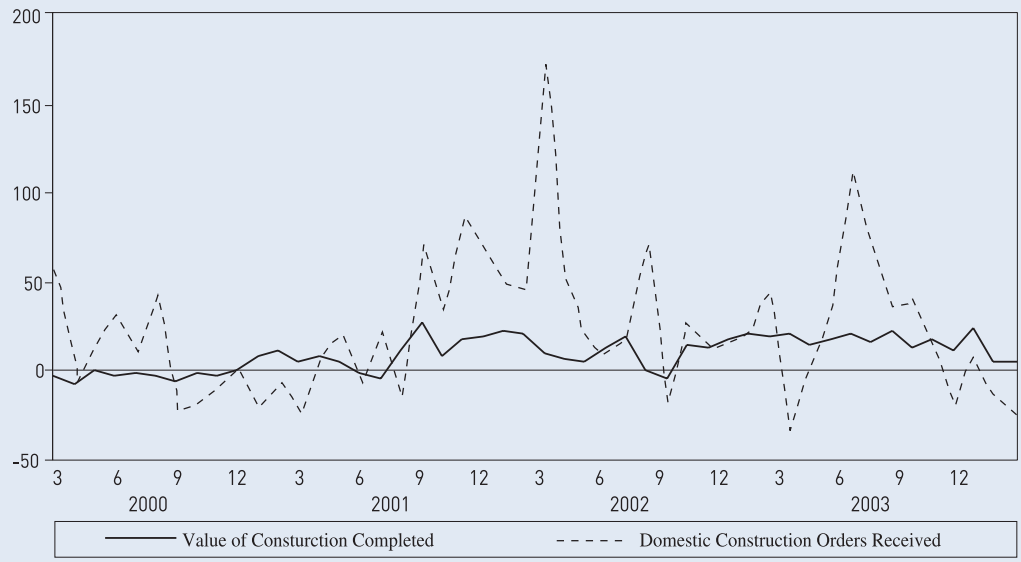
(Billion Won)

Period	Value of Construction Completed (Total)	Type of Order		Domestic Construction Orders Received (Total)	Type of Order	
		Public	Private		Public	Private
2002						
I	11,632	4,321	6,959	15,998	3,404	12,359
II	13,936	5,213	8,260	16,161	3,863	11,952
III	13,642	4,921	8,243	12,745	3,064	9,223
IV	17,006	6,125	10,238	22,930	9,064	12,121
2003						
I	14,035	4,912	8,683	16,520	2,969	13,168
II	16,497	5,689	10,316	24,320	4,863	18,210
III	16,082	5,611	10,008	18,814	4,010	14,483
IV	20,161	7,417	12,168	23,418	8,096	14,207
2003						
1	4,536	1,713	2,683	5,243	934	4,297
2	4,482	1,520	2,820	5,951	1,128	4,513
3	5,016	1,679	3,180	5,326	907	4,358
4	5,156	1,796	3,205	5,783	1,129	4,603
5	5,403	1,836	3,409	7,370	1,755	5,574
6	5,938	2,057	3,702	11,166	1,979	8,033
7	5,274	1,802	3,223	6,336	1,063	5,181
8	5,417	1,844	3,417	6,846	1,234	5,524
9	5,391	1,965	3,269	5,632	1,713	3,778
10	5,916	2,031	3,683	6,200	2,084	3,967
11	6,193	2,157	3,858	6,261	1,714	4,321
12	8,053	3,228	4,627	10,958	4,298	5,918
2004						
1[p]	4,812	1,533	3,137	4,492	1,274	3,126
2[p]	4,725	1,455	3,155	4,529	1,475	3,044
Year - on - Year Change (%)						
2002						
I	17.6	-0.6	30.4	93.1	48.4	121.2
II	8.4	-7.8	19.6	25.2	-11.8	69.8
III	4.3	-13.5	15.7	19.6	8.0	21.4
IV	15.3	-8.5	32.9	19.8	-10.3	43.4
2003						
I	20.7	13.7	24.8	3.3	-12.8	6.6
II	18.4	9.1	24.9	50.5	25.9	52.4
III	17.9	14.0	21.4	47.6	30.9	57.0
IV	18.6	21.1	18.9	2.1	-10.7	17.2
2003						
1	21.5	26.4	17.3	23.6	7.3	28.1
2	19.9	7.8	26.4	45.0	10.3	46.5
3	20.6	7.9	30.3	-30.4	-40.0	-26.4
4	15.5	6.6	22.3	8.1	28.8	3.8
5	18.5	10.2	24.0	32.6	5.2	46.3
6	20.9	10.5	28.1	112.7	50.1	116.6
7	17.1	11.8	21.1	68.2	-5.5	98.4
8	23.2	19.8	26.5	38.6	32.6	53.3
9	13.7	11.0	16.8	39.5	69.7	25.6
10	18.0	21.0	17.6	16.7	-5.0	28.3
11	12.2	16.3	11.7	-14.8	-15.7	4.2
12	24.4	24.5	26.7	6.7	-11.1	21.2
2003						
1[p]	6.1	-10.5	16.9	14.3	36.4	-27.2
2[p]	5.4	-4.3	11.9	-23.9	30.8	-32.6

p: preliminary
Source: Korea National Statistical Office

Value of Construction Completed and Domestic Construction Orders Received

(Year-on-Year Change, %)



Domestic Construction Orders Received

(Year-on-Year Change, %)



8. Composite Indexes of Business Cycle Indicators and BSI

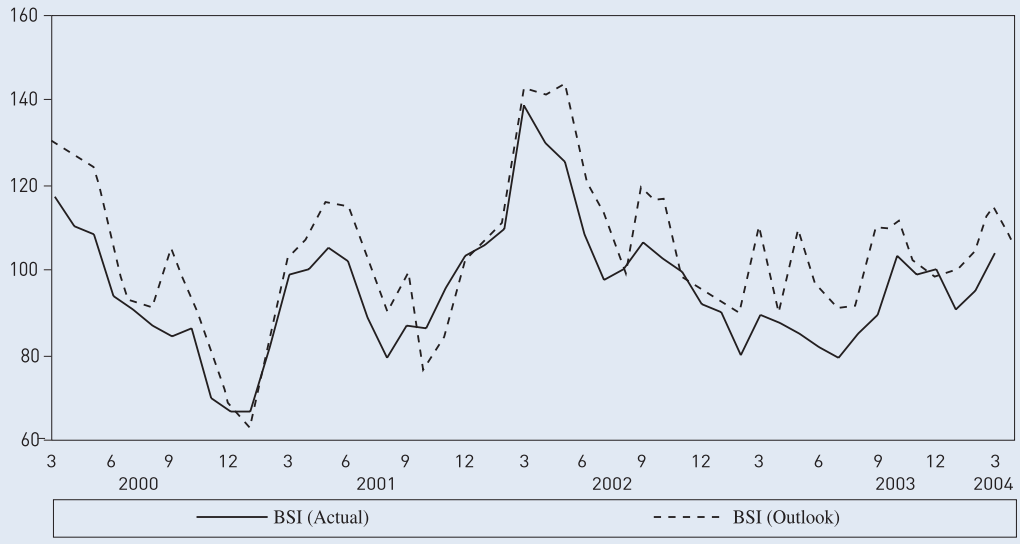
Period	Leading Index (2000=100)	Y-o-Y Change (%)	Coincident Index (2000=100)	Cycle of Coincident Index (2000=100)	BSI (Actual)	BSI (Outlook)
2001						
1	96.5	-4.4	101.2	101.8	66.3	114.5
2	97.1	-3.8	101.6	101.6	81.5	110.2
3	97.6	-3.3	102.0	101.5	98.7	131.0
4	97.6	-3.2	102.1	101.0	100.4	127.9
5	98.0	-2.6	102.5	100.8	105.4	123.3
6	98.6	-1.7	102.7	100.5	101.8	103.8
7	98.6	-1.2	102.8	100.0	88.9	91.4
8	98.6	-1.0	103.3	99.9	79.0	91.1
9	98.7	-0.5	104.2	100.2	87.0	104.7
10	99.7	0.7	105.3	100.7	85.9	91.8
11	100.8	2.1	105.8	100.6	95.9	81.0
12	101.9	3.3	105.6	99.8	103.0	68.0
2002						
1	103.6	5.2	106.6	100.1	105.6	105.1
2	105.5	7.4	107.7	100.6	109.7	110.7
3	107.7	10.0	109.3	101.6	138.9	141.9
4	109.0	11.2	110.1	101.7	129.8	140.8
5	109.2	11.1	110.5	101.5	125.9	143.0
6	108.4	9.7	110.6	101.0	108.4	121.8
7	107.9	8.4	111.2	100.9	97.3	114.6
8	107.5	7.2	111.9	101.0	100.2	100.4
9	108.0	6.7	112.8	101.2	106.2	118.5
10	108.1	5.9	113.0	100.9	102.7	115.1
11	108.7	5.5	113.6	100.8	99.6	98.6
12	109.0	4.9	114.3	100.8	91.9	95.6
2003						
1	108.9	4.0	115.2	101.0	90.2	91.9
2	108.2	2.6	115.3	100.5	79.8	89.3
3	107.1	0.9	115.4	100.1	89.3	109.0
4	106.5	-0.4	115.2	99.3	87.7	90.2
5	106.2	-1.2	115.2	98.7	84.7	108.1
6	107.5	-0.6	115.4	98.4	81.5	96.4
7	108.0	-0.2	115.6	98.0	79.1	90.3
8	109.0	0.5	116.4	98.0	85.1	91.4
9	109.0	0.7	117.1	98.1	89.4	109.6
10	110.0	1.8	118.7	98.9	103.4	110.3
11	110.5	2.5	119.7	99.1	98.9	102.8
12	111.0	3.0	120.8	99.5	100.4	98.7
2004						
1[P]	111.2	3.2	121.7	99.6	90.7	99.8
2[P]	111.7	3.5	123.3	100.4	95.3	104.9
3[P]	-	-	-	-	104.2	113.6
4[P]	-	-	-	-	-	104.3

p: preliminary
Source: Korea National Statistical Office, The Federation of Korean Industries

Leading Index and Coincident Index



Business Survey Index



9. Balance of Payments (I)

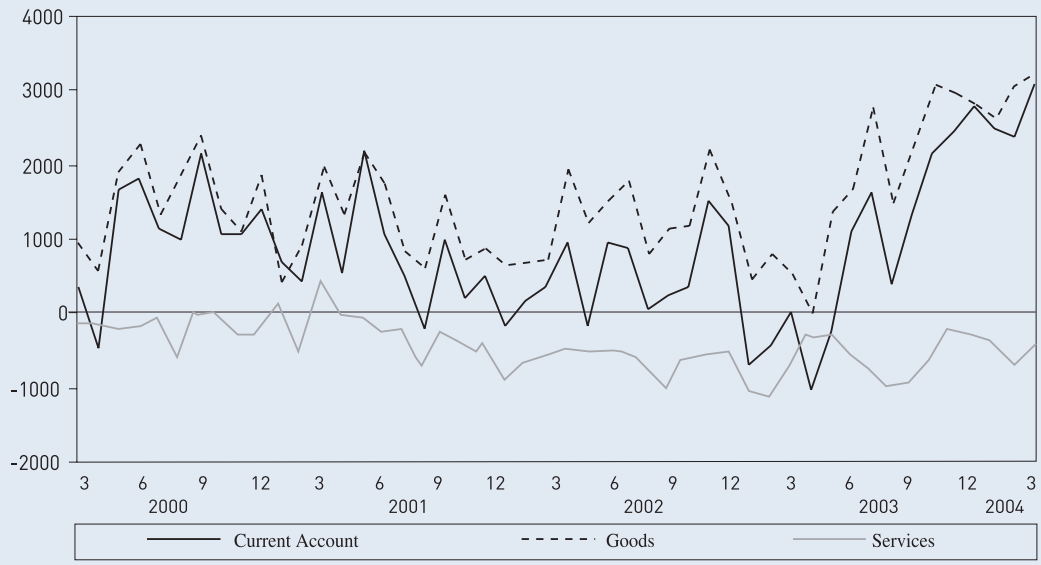
(Million Dollar)

Period	Current Balance	Goods Trade Balance	Exports	Imports	Services Trade Balance	Income Trade Balance	Current Transfers
2000	12,250.8	16,953.6	176,220.5	159,266.9	-2,847.8	-2,421.3	566.3
2001	8,032.6	13,488.0	151,478.3	137,990.3	-3,872.1	-1,198.1	-385.2
2002	5,393.9	14,777.4	163,414.0	148,636.6	-8,197.5	432.3	-1,618.3
2003P	12,320.7	22,161.3	197,637.2	175,475.9	-7,611.2	595.4	-2,824.8
2001							
I	2,666.9	3,224.8	36,029.1	32,910.1	-253.7	-382.8	78.6
II	3,738.2	5,127.9	38,634.6	33,549.4	-425.0	-850.5	-114.2
III	1,185.3	2,964.9	36,227.1	33,247.4	-1,320.1	-123.2	-354.3
IV	442.2	2,170.4	35,777.0	33,571.8	-1,891.3	158.4	4.7
2002							
I	1,400.6	3,259.9	36,029.1	32,910.1	-1,789.4	40.6	-110.5
II	1,569.7	4,450.7	40,573.5	36,204.0	-1,642.3	-859.3	-379.4
III	547.2	3,012.2	40,913.0	38,087.0	-2,464.9	582.1	-582.2
IV	1,876.4	4,054.6	45,038.1	41,172.8	-2,300.9	668.9	-546.2
2003							
I	-1,523.7	1,241.9	44,501.3	43,275.2	-2,295.4	254.6	-724.8
II	2,426.1	5,756.4	46,472.1	40,774.9	-1,674.9	-1,039.8	-615.6
III	3,757.7	6,818.0	49,064.6	42,005.4	-2,648.7	478.9	-890.5
IV	7,660.6	8,345.0	45,038.1	41,172.8	-992.2	901.7	-593.9
2003							
1	-460.3	771.3	14,319.9	14,495.0	-1,178.3	257.0	-310.3
2	5.2	499.2	13,337.1	13,858.3	-740.2	447.7	-210.5
3	-1,068.6	-28.6	15,378.9	15,870.2	-376.9	-450.1	-213.0
4	-257.8	1,357.4	15,720.6	14,758.7	-305.4	-1,215.2	-94.6
5	1,080.6	1,646.6	14,676.1	13,523.6	-536.0	211.5	-241.5
6	1,603.3	2,752.4	15,656.3	13,428.1	-833.5	-36.1	-279.5
7	345.7	1,461.6	15,431.7	14,898.0	-1,027.4	162.8	-251.3
8	1,302.6	1,289.2	15,373.3	13,541.4	-977.0	266.7	-276.3
9	2,109.4	3,067.2	17,021.1	14,531.4	-644.3	49.4	-362.9
10	2,436.5	2,940.6	18,929.7	16,536.6	-261.2	-10.1	-232.8
11	2,771.8	2,795.4	18,241.1	15,760.8	-302.3	446.4	-167.7
12	2,452.3	2,609.0	19,728.9	17,624.5	-428.7	465.4	-193.4
2004							
1P	2,343.7	2,975.5	18,999.2	16,121.6	-766.2	352.6	-218.2
2P	3,063.9	3,176.3	19,460.3	17,409.3	-463.8	594.0	-242.6

Source: Bank of Korea

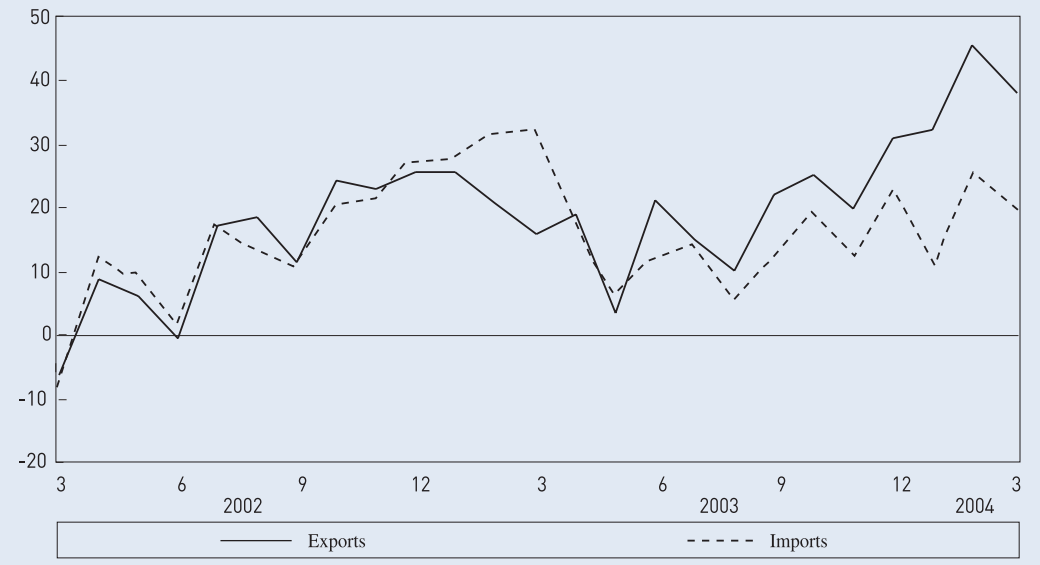
Balance on Current Account

(Million $)



Imports and Exports

(Year-on-Year Change, %)



10. Balance of Payments (II)

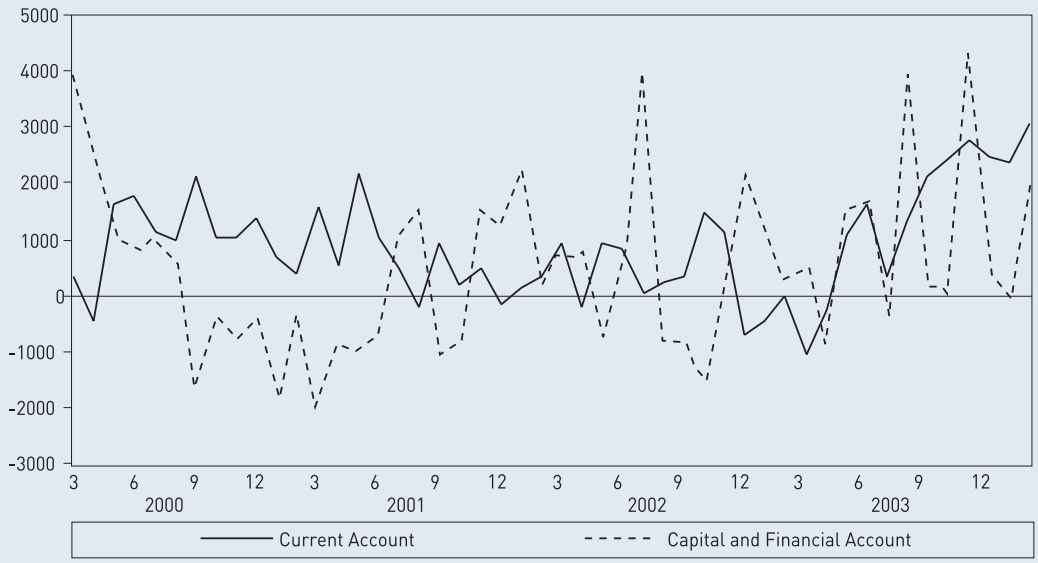
(Million Dollar)

Period	Capital & Financial Account	Financial Account	Direct Investment	Portfolio Investment	Other Investment	Capital Account	Changes in Reserve Assets	Errors and Omissions
2000	12,110.0	12,725.2	4,284.5	11,997.5	-3,556.8	-615.2	-23,771.2	-589.6
2001	-3,390.8	-2,659.8	1,107.6	6,583.4	-10,350.8	-731.0	-7,575.8	2,934.0
2002	6,251.5	7,338.3	-224.2	708.7	6,853.8	-1,086.8	-11,799.4	154.0
2003	13,128.3	14,530.4	-207.2	17,959.4	-3,221.8	-1,402.1	-25,849.5	400.5
2002								
I	2,922.3	3,096.0	21.2	-1,229.3	4,304.1	-173.7	-3,284.0	-1,038.9
II	424.1	782.2	-500.6	-3,665.2	4,348.0	-358.1	-2,079.7	85.9
III	2,142.1	2,376.8	-144.5	1,275.3	1,246.0	-234.7	-4,305.4	1,616.1
IV	763.0	1,083.3	399.5	4,327.9	-3.644.3	-320.3	-2,130.3	-509.1
2003								
I	1,996.8	2,312.4	-431.3	-1,121.9	3,865.6	-315.6	-926.3	453.2
II	2,496.5	2,883.0	-193.8	3,801.8	-725.0	-386.5	-5,720.0	797.4
III	3,759.5	4,141.9	-439.9	7,724.4	-3,142.6	-382.4	-8,516.7	999.5
IV	4,875.5	5,193.1	-857.8	7,555.1	-3,219.8	-317.6	-10,686.5	-1,849.6
2003								
1	1,202.7	1,301.2	110.0	771.9	419.3	-98.5	-206.7	-535.7
2	337.3	433.2	-233.8	-1,547.2	2,114.2	-95.9	-986.0	643.5
3	456.8	578.0	-307.5	-346.6	1,232.1	-121.2	266.4	345.4
4	-748.1	-611.3	-81.0	-1,575.7	1,045.4	-136.8	1,139.4	-133.5
5	1,570.2	1,684.5	-74.7	974.6	784.6	-114.3	-2,668.7	17.9
6	1,674.4	1,809.8	-38.1	4,402.9	-2,555.0	-135.4	-4,190.7	913.0
7	-279.1	-137.3	-205.1	2,527.6	-2,459.8	-141.8	-1,333.4	1,266.8
8	3,907.5	4,029.8	151.3	2,215.4	1,603.1	-122.3	-4,054.5	-1,155.6
9	131.1	249.4	-386.1	2,981.4	-2,345.9	-118.3	-3,128.8	888.3
10	123.5	227.2	1,079.9	4,193.9	-5,046.6	-103.7	-1,269.9	-1,290.1
11	4,287.2	4.383.8	-28.0	7.0	1,654.8	-96.6	-6,372.4	-686.6
12	464.8	582.1	-194.1	604.2	172.0	-117.3	-3,044.2	127.1
2004								
1	-22.9	74.1	-255.3	4,129.4	-3,800.0	-97.0	-2,156.8	-164.0
2[p]	2,216.0	2,322.0	-303.0	3,268.6	-643.6	-106.0	-5,745.0	465.1

Source: Bank of Korea

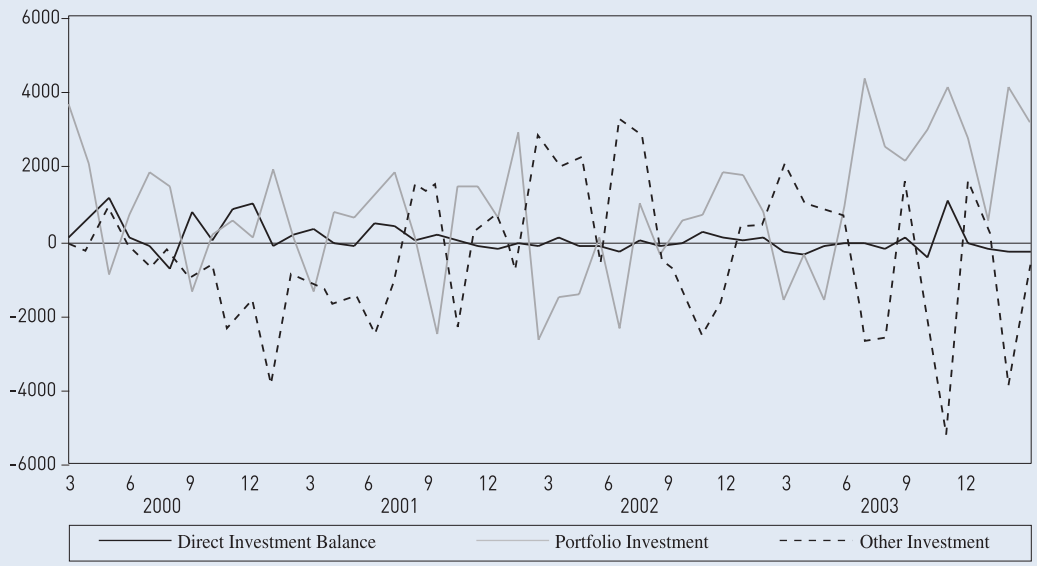
Current and Capital Balance

(Million $)



Financial Account

(Million $)



11. Prices

(2000 = 100)

Period	Consumer Prices				Producer Prices		Export & Import Prices	
	All Items	Commodity	Service	Core	All Items	Commodity	Export	Import
1998	97.0	96.1	97.9	97.9	100.1	99.9	124.5	105.7
1999	97.8	98.4	97.2	98.2	98.0	97.9	101.0	92.9
2000	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
2001	104.1	103.5	104.6	103.6	99.5	98.9	96.2	103.5
2002	106.9	106.4	107.5	106.7	99.2	97.7	89.5	97.1
2003	100.7	109.8	111.4	110.0	101.4	99.7	87.5	98.9
2003 1	109.0	108.8	109.2	108.4	100.5	98.8	86.9	98.0
2	109.6	109.9	109.3	108.6	101.1	99.5	89.0	101.4
3	110.9	110.9	110.9	109.7	102.1	100.9	91.4	103.2
4	110.7	109.8	111.4	109.8	101.5	100.1	88.4	98.5
5	110.5	109.2	111.6	110.0	101.0	99.3	86.3	96.4
6	110.2	108.3	111.7	110.2	100.5	98.5	86.2	96.6
7	110.1	108.0	111.9	110.1	100.7	98.7	85.8	96.6
8	110.6	109.0	112.0	110.3	101.1	99.2	86.2	97.2
9	111.6	110.9	112.1	110.5	101.5	99.7	85.2	95.6
10	111.7	111.2	112.1	110.4	101.8	100.0	86.2	98.4
11	111.5	110.5	112.3	110.5	102.2	100.5	88.4	101.1
12	112.0	111.3	112.6	111.0	102.9	101.2	90.3	103.4
2004 1	112.7	112.3	112.9	111.4	104.3	102.8	91.8	105.3
2	113.2	113.1	113.2	111.5	105.6	104.6	91.2	105.1
3	114.3	114.2	114.5	112.7	106.6	106.0	-	-
Year - on - Year Change (%)								
1998	7.5	9.8	5.2	5.9	12.2	13.5	31.3	28.2
1999	0.8	2.3	-0.8	0.3	-2.1	-2.0	-18.9	-12.1
2000	2.3	1.7	3.0	1.9	2.0	2.1	-1.0	7.7
2001	4.1	3.5	4.5	3.6	-0.5	-1.1	-3.8	3.5
2002	2.7	2.8	2.8	3.0	-0.3	-1.2	-7.0	-6.2
2003	3.6	3.2	3.6	3.1	2.2	2.0	-2.2	1.8
2003 1	3.8	4.8	2.9	3.1	2.8	2.8	-4.3	2.5
2	3.9	4.3	3.4	3.0	2.8	3.0	-3.6	5.2
3	4.5	5.5	3.7	3.4	3.3	3.7	-3.9	2.8
4	3.7	3.6	3.9	3.2	1.9	2.0	-7.1	-3.4
5	3.2	2.3	3.8	3.1	1.0	0.6	-5.1	-2.4
6	3.0	1.8	3.9	3.3	1.1	0.6	-0.9	1.2
7	3.2	2.2	4.0	3.1	1.6	1.2	0.5	3.2
8	3.0	2.0	3.9	3.2	1.9	1.5	-0.1	2.6
9	3.3	2.5	3.9	3.1	2.1	1.9	-2.6	-1.5
10	3.7	3.7	3.7	2.8	2.2	2.1	-3.4	-0.8
11	3.4	3.2	3.7	2.7	2.4	2.4	1.9	6.4
12	3.4	3.2	3.5	2.8	3.1	3.2	3.3	6.5
2004 1	3.4	3.2	3.4	2.8	3.8	4.0	5.7	7.4
2	3.3	2.9	3.6	2.7	4.5	5.1	2.4	3.7
3	3.1	3.0	3.2	2.7	4.4	5.1	-	-

Source: Korea National Statistical Office, Bank of Korea, Kookmin Bank

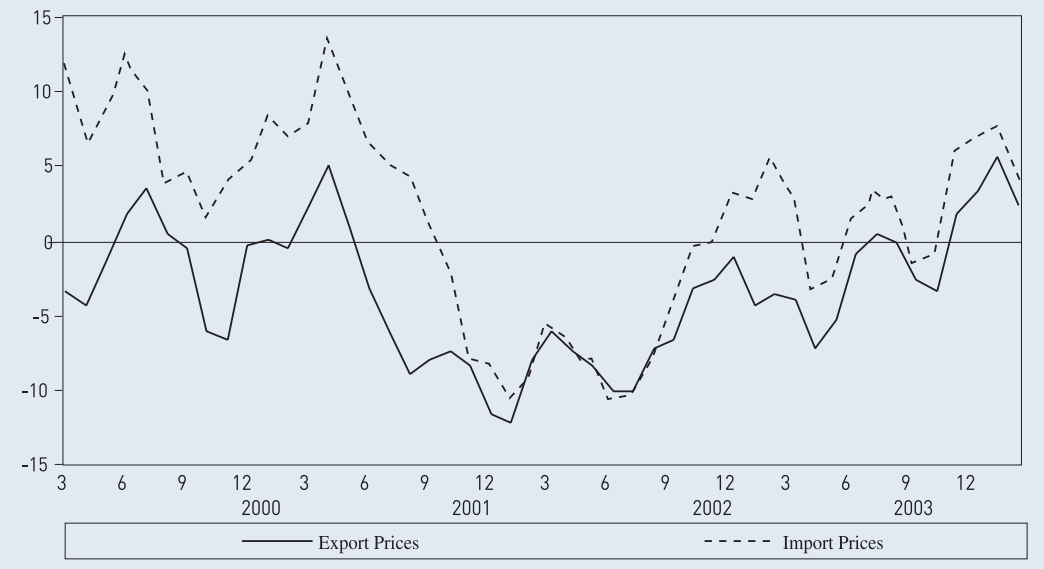
Consumer and Producer Prices

(Year-on-Year Change, %)



Export and Import Prices

(Year-on-Year Change, %)



12. Employment and Earnings

Period	Economically Active Persons	Employed Persons			Unemployment (%)	All Industry Earnings (Won) (Base year = 2000)	Manufacturing
		All Industry	Manufacturing	S.O.C & Service			
2000	22,069	21,156	4,293	14,603	4.1	1,727,338	1,601,468
2001	22,417	21,572	4,267	15,139	3.8	1,824,826	1,702,350
2002	22,877	22,169	4,241	15,841	3.1	2,036,207	1,907,117
2003	22,916	22,139	4,205	15,967	3.4	2,228,491	2,073,992
2003							
1	22,352	21,562	4,144	15,807	3.5	2,511,545	2,387,360
2	22,320	21,498	4,152	15,685	3.7	2,053,000	1,876,980
3	22,644	21,837	4,209	15,756	3.6	2,049,389	1,850,907
4	22,912	22,156	4,238	15,825	3.3	2,110,473	1,932,985
5	23,114	22,370	4,252	15,948	3.2	1,935,255	1,741,462
6	23,138	22,383	4,225	15,988	3.3	2,273,793	2,090,913
7	23,238	22,456	4,220	16,116	3.4	2,157,598	2,011,279
8	22,883	22,126	4,115	15,917	3.3	2,247,760	2,114,594
9	23,031	22,301	4,164	16,030	3.2	2,386,405	2,198,409
10	23,218	22,452	4,236	16,088	3.3	2,126,587	2,017,836
11	23,218	22,425	4,246	16,205	3.4	2,017,523	1,819,736
12	22,922	22,096	4,257	16,245	3.6	2,870,292	2,837,319
2004							
1	22,790	21,936	4,254	16,173	3.7	-	-
2	22,906	22,005	4,272	16,158	3.9	-	-
				Year - on - Year Change (%)			
2000	1.9	4.3	5.9	4.4	-	8.0	8.5
2001	1.6	2.0	-0.6	3.7	-	5.6	6.3
2002	2.1	2.8	-0.6	4.6	-	11.6	12.0
2003	0.2	-0.1	-0.8	0.8	-	9.4	8.8
2003							
1	0.7	1.0	-2.4	2.3	-	37.4	42.8
2	0.3	0.4	-1.9	1.0	-	-2.9	-6.0
3	0.3	0.3	-0.9	1.1	-	9.2	9.3
4	-0.5	-0.7	-0.6	-0.1	-	8.2	8.0
5	-0.1	-0.4	-0.4	0.4	-	9.0	6.5
6	-0.1	-0.6	-0.4	0.1	-	8.1	6.9
7	0.2	-0.3	0.2	0.4	-	6.7	4.9
8	-0.1	-0.4	-1.8	0.9	-	13.0	13.0
9	-0.3	-0.8	-1.8	0.4	-	6.9	6.1
10	0.2	-0.4	-0.4	0.6	-	7.9	6.8
11	0.8	0.2	-0.3	1.2	-	9.1	11.2
12	0.7	0.2	0.4	1.4	-	5.5	3.1
2004							
1	2.0	1.7	2.7	2.3	-	-	-
2	2.6	2.4	2.9	3.0	-	-	-

Source: Korea National Statistical Office

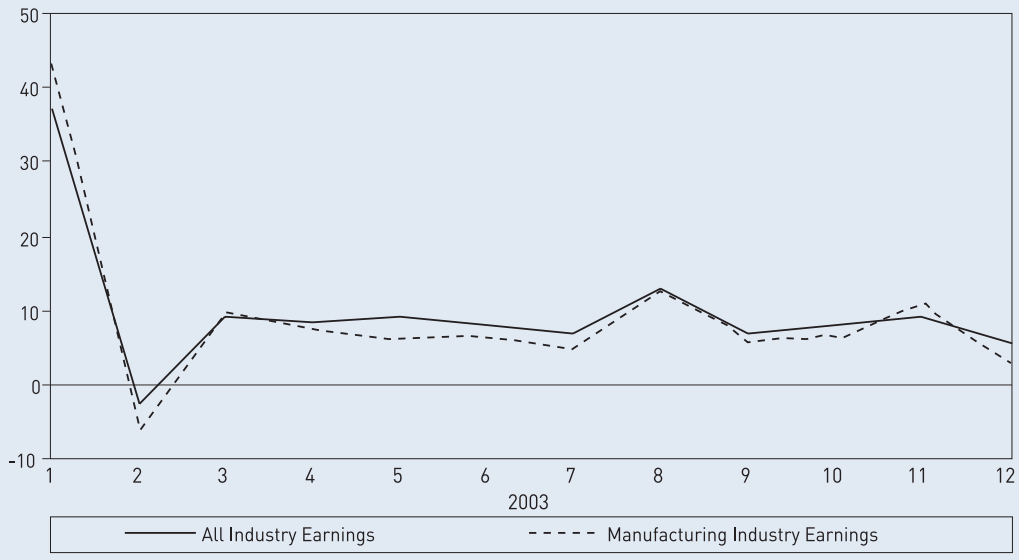
Unemployment Rate and Growth Rate of the Employed

(%)



Earnings

(Year-on-Year Change, %)



13. Financial Indicators

Period		Yields(%)				Stock	
		1 Day Call Rate	3 Month CD	3 Year Corporate Bonds	3 Year Treasury Bonds	Stock Price Index (Kospi)	Trading Value (Bill. Won)
2001	1	5.3	6.4	7.8	6.0	585.0	53,510.5
	2	5.1	5.7	6.8	5.4	593.4	39,362.5
	3	5.0	5.7	7.2	5.8	543.9	16,145.4
	4	5.0	5.8	7.9	6.6	530.3	32,657.6
	5	5.0	5.9	7.7	6.5	600.7	49,230.6
	6	5.0	5.6	7.2	6.0	602.9	36,365.8
	7	4.8	5.3	7.0	5.8	554.1	24,586.3
	8	4.6	4.9	6.5	5.2	567.1	34,078.0
	9	4.3	4.7	6.3	4.9	504.0	34,479.2
	10	4.0	4.4	6.3	4.7	523.3	31,176.4
	11	4.0	4.5	6.8	5.3	604.9	61,929.8
	12	4.0	4.8	7.1	5.9	666.0	60,082.6
2002	1	4.0	4.8	7.1	6.1	739.0	90,300.4
	2	4.0	4.5	6.9	5.9	774.4	59,861.7
	3	4.0	4.6	7.1	6.3	864.7	87,336.1
	4	4.0	4.8	7.2	6.5	894.0	84,815.2
	5	4.2	4.8	7.1	6.3	842.2	69,981.5
	6	4.3	4.9	6.8	5.9	784.3	43,623.7
	7	4.3	4.9	6.6	5.7	753.7	65,903.3
	8	4.3	4.8	6.2	5.4	713.2	51,164.5
	9	4.3	4.8	6.1	5.4	703.0	42,706.4
	10	4.3	4.9	6.0	5.4	642.2	54,392.1
	11	4.3	4.9	5.9	5.3	679.7	51,474.5
	12	4.3	4.9	5.9	5.3	699.8	40,590.6
2003	1	4.3	4.7	5.5	5.0	631.0	36,144.8
	2	4.3	4.5	5.3	4.7	591.6	29,335.7
	3	4.3	4.8	5.4	4.8	550.8	39,090.8
	4	4.2	4.6	5.4	4.6	585.9	54,875.7
	5	4.1	4.4	5.3	4.3	613.5	40,840.8
	6	4.0	4.3	5.3	4.1	663.2	47,946.6
	7	3.8	4.2	5.7	4.4	703.5	49,483.9
	8	3.7	3.9	5.9	4.6	731.7	46,450.9
	9	3.7	3.8	5.2	4.3	742.3	42,642.3
	10	3.7	3.9	5.2	4.3	756.5	52,947.7
	11	3.8	4.2	5.5	4.8	789.1	53,972.5
	12	3.8	4.3	5.6	4.8	801.2	51,330.4
2004	1	3.8	4.3	5.7	4.9	845.5	49,491.6
	2	3.8	4.1	5.6	4.8	867.5	52,324.1
	3	3.8	-	5.4	4.6	875.6	56,186.2

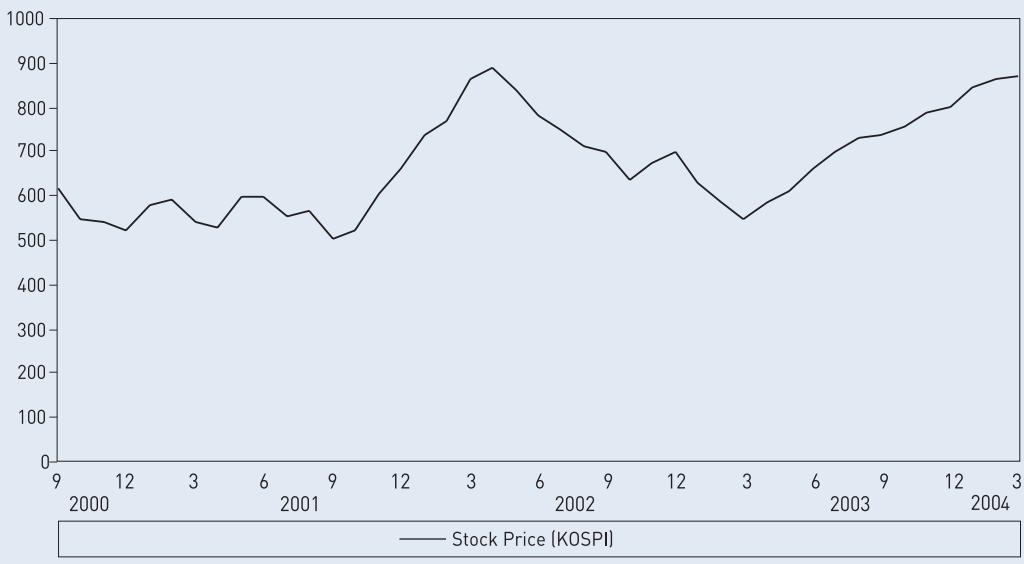
Source: Bank of Korea

Corporate Bonds Yield and 1 Day Call Rate

(%)



Stock Price



14. Monetary Indicators

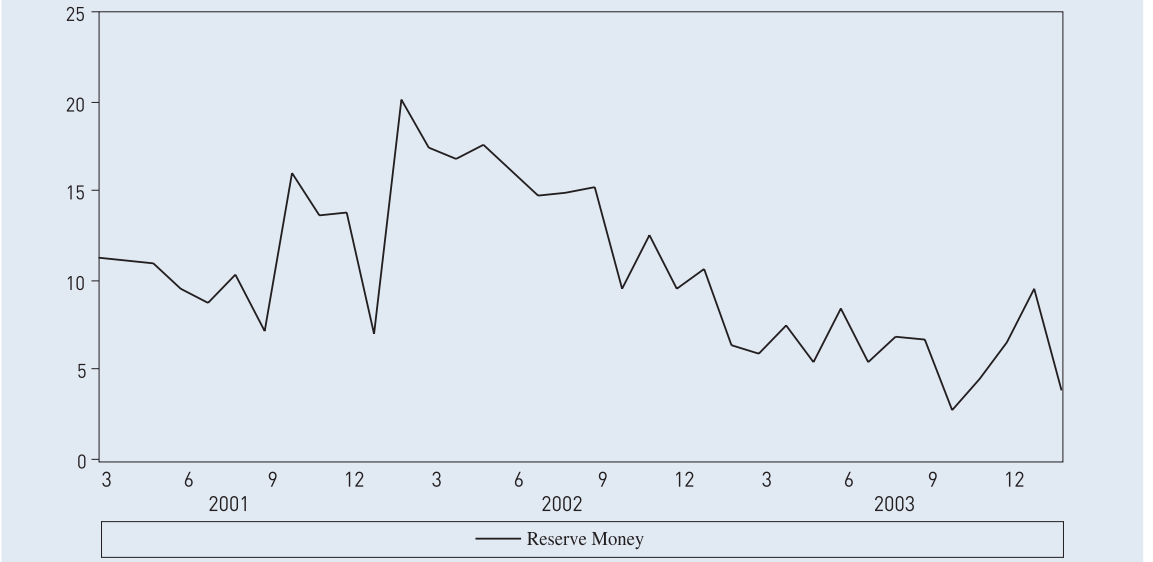
(Period Average) (Billion Won)

Period	Reserve Money	New M1	New M2	M3
2000	26,357.0	183,349.9	691,393.5	882,764.3
2001	29,375.9	216,442.4	739,337.0	967,324.9
2002	33,579.3	265,042.4	824,227.8	1,092,168.8
2003	35,754.7	283,397.4	888,988.6	1,187.839.8
2002 5	33,342.4	262,936.9	812,805.7	1,076,229.2
6	32,613.9	262,948.0	822,108.1	1,085,397.9
7	33,129.4	261,444.5	827,976.7	1,095,821.5
8	33,242.9	261,835.5	831,521.4	1,103,157.4
9	34,487.4	268,114.5	842,512.0	1,117,925.4
10	34,554.2	271,961.4	853,092.8	1,131,444.3
11	34,779.8	275,624.4	868,756.6	1,149,973.2
12	34,785.2	280,864.0	875,405.5	1,156,429.1
2003 1	35,464.6	285,581.0	880,250.7	1,162,240.3
2	36,200.9	282,153.5	883,643.0	1,168,118.1
3	34,854.8	282,509.9	892,494.8	1,177,872.1
4	35,625.4	277,971.1	890,351.6	1,177,246.3
5	35,162.7	276,666.5	886,410.8	1,177,553.5
6	35,412.2	278,561.3	886,769.4	1,183,812.6
7	34,976.9	277,602.5	886,242.9	1,191,441.2
8	35,544.9	279,840.7	886,880.8	1,190,755.5
9	36,836.1	286,407.1	890,673.1	1,201,779.7
10	35,519.3	286,354.8	885,171.7	1,198,490.1
11	36,377.7	291,032.3	896,674.7	1,210,856.4
12	37,080.9	296,103.4	901,818.6	1,213,911.2
2004 1	38,875.0	302,742.1	901,048.5	1,219,445.1
2[p]	37,664.5	-	906,803.8	-
Year - on - Year Change (%)				
2000	20.0	24.5	2.2	5.6
2001	11.5	18.0	6.9	9.6
2002	14.3	22.5	11.5	12.9
2003	6.5	6.9	7.9	8.8
2002 5	17.8	28.4	12.4	13.7
6	16.3	26.4	12.5	13.5
7	14.9	22.6	11.5	13.0
8	15.1	20.3	10.7	12.4
9	15.3	18.0	10.6	12.4
10	9.7	16.9	11.6	12.5
11	12.7	16.1	13.3	13.7
12	9.7	15.2	14.1	13.3
2003 1	10.7	13.7	13.9	13.1
2	6.5	9.5	13.3	12.5
3	6.0	7.8	11.9	11.7
4	7.6	5.3	10.3	10.2
5	5.5	5.2	9.1	9.4
6	8.6	5.9	7.9	9.1
7	5.6	6.2	7.0	8.7
8	6.9	6.9	6.7	7.9
9	6.8	6.8	5.7	7.5
10	2.8	5.3	3.8	5.9
11	4.6	5.6	3.2	5.3
12	6.6	5.4	3.0	5.0
2004 1	9.6	6.0	2.4	4.9
2[p]	4.0	-	2.6	-

p: preliminary
Source: Bank of Korea

Reserve Money

(Year-on-Year Change, %)



Monetary Trends

(Year-on-Year Change, %)



15. Exchange Rates

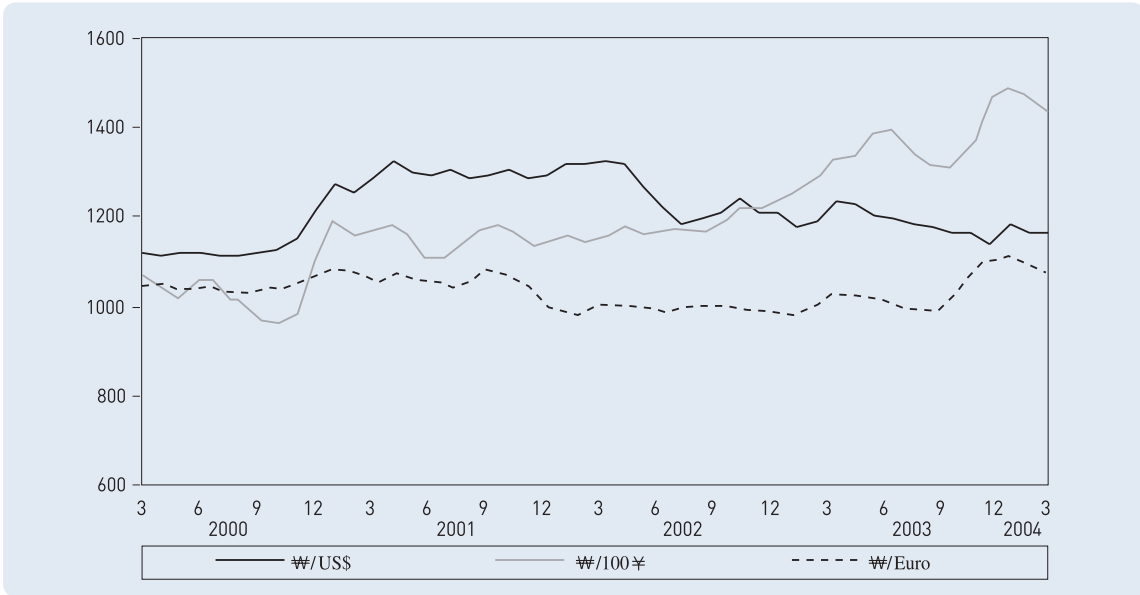
(Billion Won)

Period		₩/US$		₩/100 ¥		₩/Euro	
		End-of-Period	Average	End-of-Period	Average	End-of-Period	Average
2001		1,326.1	1,291.0	1,009.4	1,062.7	1,172.6	1,156.6
2002		1,200.4	1,251.5	1,012.9	999.5	1,257.4	1,180.2
2003		1,197.8	1,088.4	1,119.6	934.3	1,502.6	1,226.8
2002	1	1,314.8	1,317.9	989.7	993.6	1,133.3	1,165.9
	2	1,327.7	1,318.7	988.4	987.5	1,149.6	1,146.2
	3	1,326.4	1,322.3	999.0	1,009.4	1,156.0	1,158.6
	4	1,292.2	1,318.4	1,008.3	1,007.7	1,167.3	1,167.7
	5	1,233.3	1,266.9	998.5	1,002.2	1,155.1	1,162.0
	6	1,201.8	1,223.9	1,004.5	992.5	1,190.7	1,168.2
	7	1,197.0	1,184.3	994.4	1,004.7	1,177.1	1,175.8
	8	1,200.8	1,195.6	1,013.9	1,003.7	1,178.6	1,169.2
	9	1,225.5	1,208.5	998.4	1,001.3	1,202.3	1,184.2
	10	1,233.4	1,241.2	1,003.5	1,001.1	1,214.0	1,217.3
	11	1,208.0	1,212.1	986.3	997.6	1,202.1	1,214.4
	12	1,200.4	1,208.6	1,012.9	993.2	1,257.4	1,233.2
2003	1	1,170.5	1,179.8	987.1	994.0	1,265.7	1,251.4
	2	1,186.8	1,191.2	1,008.5	996.8	1,275.6	1,283.1
	3	1,252.9	1,234.1	1,044.7	1,038.4	1,351.1	1,331.3
	4	1,213.1	1,230.7	1,014.0	1,027.0	1,348.3	1,337.3
	5	1,205.3	1,200.0	1,010.7	1,022.4	1,420.5	1,391.5
	6	1,193.1	1,194.5	996.4	1,008.5	1,362.3	1,393.7
	7	1,180.0	1,181.6	980.9	997.0	1,338.4	1,346.1
	8	1,178.5	1,178.3	1,009.6	992.1	1,294.6	1,313.7
	9	1,150.2	1,166.0	1,028.9	1,015.3	1,331.2	1,311.5
	10	1,177.3	1,166.4	1,083.5	1,065.3	1,369.0	1,365.5
	11	1,202.6	1,184.9	1,100.7	1,085.2	1,432.8	1,385.5
	12	1,197.8	1,138.6	1,119.6	1,106.1	1,502.6	1,464.0
2004	1	1,173.6	1,184.3	1,107.9	1,112.7	1,461.7	1,472.9
	2	1,174.5	1,166.7	1,072.5	1,095.7	1,461.0	1,473.9
	3	1,153.6	1,166.3	1,090.0	1,073.1	1,404.8	1,430.0
Year - on - Year Change (%)							
2001		5.3	14.2	-8.4	1.3	-1.2	10.7
2002		-9.5	-3.1	0.3	-5.9	7.2	2.0
2003		-0.2	-13.0	10.5	-6.5	19.5	3.9
2002	1	3.9	3.5	-9.5	-8.7	-3.4	-2.6
	2	6.6	5.3	-7.8	-8.4	0.5	-0.7
	3	-0.1	2.6	-5.1	-4.8	-1.0	-1.1
	4	-2.5	-0.6	-5.6	-5.9	-1.1	-1.5
	5	-4.6	-2.4	-7.0	-5.9	4.4	2.2
	6	-7.6	-5.4	-3.7	-6.2	7.8	5.8
	7	-8.0	-9.1	-4.3	-4.1	3.5	4.8
	8	-7.8	-7.0	-2.5	-4.9	0.2	1.0
	9	-6.4	-6.6	-8.9	-8.2	0.9	1.0
	10	-4.8	-4.7	-5.4	-6.8	3.4	0.3
	11	-5.2	-5.6	-4.1	-4.9	6.4	3.2
	12	-9.5	-6.3	0.3	-2.0	7.2	6.5
2003	1	-11.0	-10.5	-0.3	0.0	11.7	7.3
	2	-10.6	-9.7	2.0	0.9	11.0	11.9
	3	-5.5	-6.7	4.6	2.9	16.9	14.9
	4	-6.1	-6.7	0.6	1.9	15.5	14.5
	5	-2.3	-5.3	1.2	2.0	23.0	19.8
	6	-0.7	-2.4	-0.8	1.6	14.4	19.3
	7	-1.4	-0.2	-1.4	-0.8	13.7	14.5
	8	-1.8	-1.4	-0.4	-1.2	9.8	12.4
	9	-6.1	-3.5	3.1	1.4	10.7	10.7
	10	-4.5	-6.0	8.0	6.4	12.8	12.2
	11	-0.4	2.3	11.6	8.8	19.2	14.1
	12	-0.2	-5.8	10.5	11.5	19.5	18.8
2004	1	0.3	-0.4	12.2	12.0	15.1	19.3
	2	-1.0	2.1	6.3	9.9	14.5	14.9
	3	-7.9	-5.4	4.3	3.3	4.0	7.4

Source: Bank of Korea

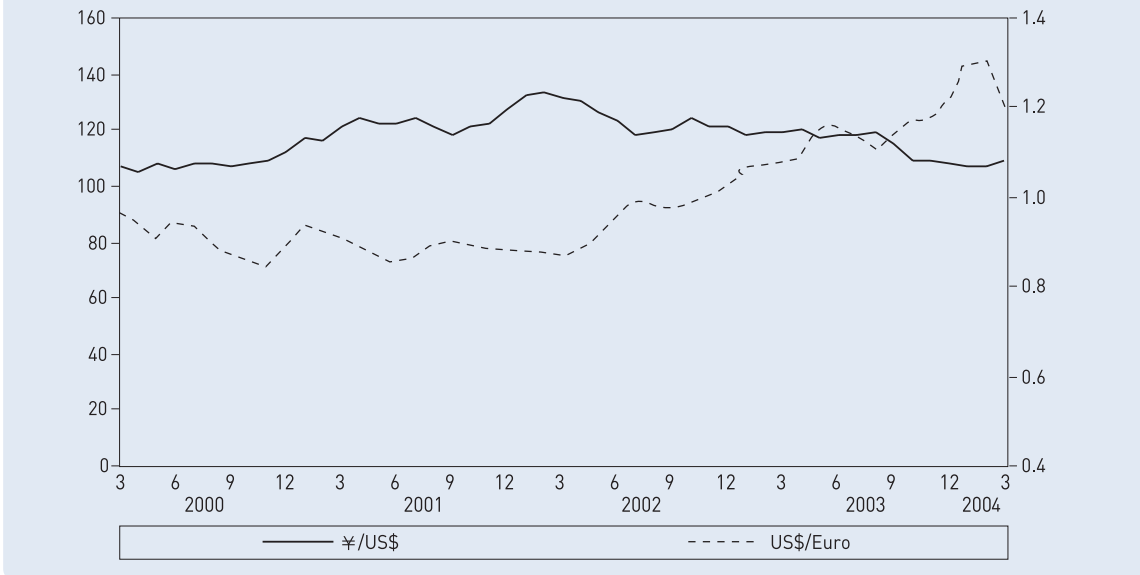
Won's Exchange Rates to Major Foreign Currencies

(Average)



Exchange Rates of Major Currencies

(Average)



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