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Republic of Korea
Economic Bulletin

The Green Book: Current Economic Trends

The Green Book

Current Economic Trends

Overview

Second quarter indicators reflecting the real economy showed signs of earlier-than-expected improvement, helped by temporary factors such as the tax break for new car purchase and front-loaded fiscal spending as well as regaining consumer and investment confidence. However, most indicators have not recovered to the pre-crisis level.

In June, month-on-month mining and manufacturing production increased for the sixth straight month, growing 5.7 percent, although on a year-on-year basis, the index contracted 1.2 percent. Service output shifted to an increase by 1.7 percent month-on-month from the previous month's 0.9 percent loss, posting a year-on-year gain of 2.6 percent.

Consumer goods sales rose 1.8 percent month-on-month in June, recording a year-on-year increase of 7.3 percent, thanks to brisk durable goods sales affected by the tax break for new car purchase.

Facilities investment, while posting a year-on-year fall of 5.6 percent, registered a month-on-month gain of 9.5 percent in June, as transportation equipment and machinery investments improved. Construction completed surged 12.1 percent month-on-month, or 14.0 percent year-on-year, thanks to strong performance both in the public and private sectors.

Exports in July deepened its year-on-year decline from the previous month's 12.4 percent to 20.1 percent, due to a slower pace of growth in vessel exports and a high base effect.

The total number of workers hired increased year-on-year in June for the first time since November 2008 from a loss of 219,000 to a gain of 4,000, affected by the government's job creation projects. However, the unemployment rate slightly rose from 3.8 percent a month ago to 3.9 percent.

Consumer prices, despite price rises in oil and agricultural/livestock products, decelerated a year-on-year increase in July from 2.0 percent to 1.6 percent, due to a high base effect.

Although domestic financial markets continue to be stabilized with rising stock prices and falling foreign exchange rates, uncertainties surrounding international financial markets exist, with a possibility of further deterioration in financial institutions' balance sheets in developed countries.

To sum up, despite the domestic economy recovering at a faster pace, it is uncertain that the recovery will continue in the second half when fiscal spending contracts.

The Korean government will continue expansionary macroeconomic policies until clear signs of private sector-led economic recovery are detected, while closely monitoring the changes in economic situation. On the other hand, the government's plans to create jobs, support the working class, and boost consumption and investment will be carried out as are intended, and any causes for instability in domestic economy will be actively responded to, in particular the overheated real estate market.

1. Global economy

The global economy, despite still-languid exports and employment, showed signs of economic recession alleviating, led by major developed countries such as the US and Japan.

US

The US economy slowed its rapid downturn in the second quarter of 2009, as the GDP improved to shrink annualized 0.1 percent from the previous quarter, and industrial production decelerated its fall.

The GDP improvement in the second quarter, despite sluggish private consumption, was contributed by business and housing investments dropping at slower paces and the surging government spending on stimulus packages, which recorded an annualized increase of 5.6 percent from a quarter ago.

In June, both existing home and new home sales rose by 3.6 percent and 11.0 percent, respectively, from the preceding month, raising expectations about housing market recovery.

Job markets in June became worse as non-farm payrolls declined more sharply and the unemployment rate soared to 9.5 percent, while deflation continued.

The Federal Reserve, at the Federal Open Market Committee on July 15, revised up the 2009 growth projection from a contraction between 2.0 and 1.3 percent to between 1.5 and 1.0 percent, reflecting a slow-down in economic slump. However, the Fed commented that fundamentals of the financial market remained weak.

Federal Reserve chairman, Ben Bernanke hinted that there would be no exit strategy for a while, by saying on July 22 that he would carry out contractionary monetary policies when job markets stabilize and the economic recovery gains enough momentum.

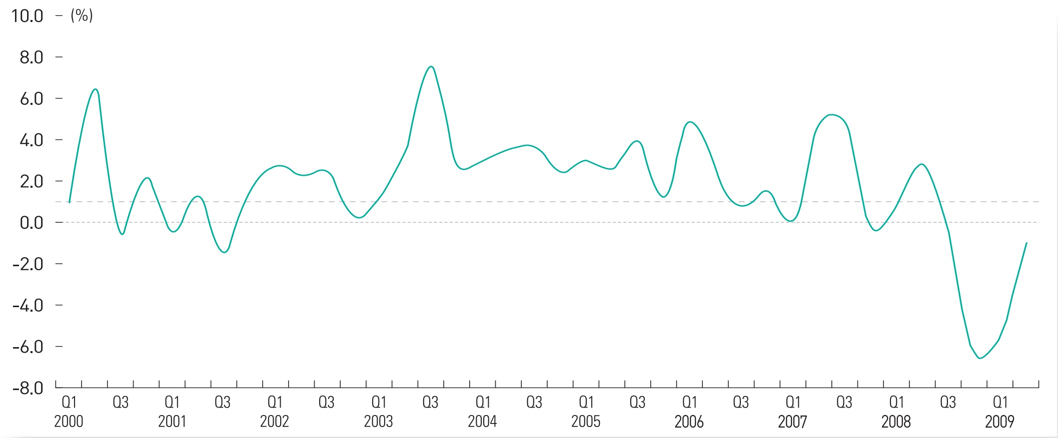
(Percentage change from previous period)

	2008					2009			
	Annual	Q1	Q2	Q3	Q4	Q1	Q2	May	Jun
Real GDP[1]	1.1	0.9	2.8	-0.5	-6.3	-5.5	-1.0	-	-
- Personal consumption expenditure	0.2	0.9	1.2	-3.8	-4.3	1.4	-1.2	-	-
- Corporate fixed investment	1.6	2.4	2.5	-1.7	-21.7	-37.3	-8.9	-	-
- Construction investment for housing	-20.8	-25.1	-13.3	-16.0	-22.8	-38.8	-29.3	-	-
Industrial production	-1.8	0.1	-1.2	-2.3	-3.4	-5.2	-3.1	-1.2	-0.4
Retail sales	-0.7	-0.5	0.4	-1.4	-6.6	-1.4	-0.4	0.5	0.6
New home sales	-37.4	-14.8	-9.6	-9.8	-15.0	-13.2	5.2	2.4	11.0
New non-farm payroll employment (q-o-q, thousand)	-3,078	-338	-458	-624	-1,658	-2,074	-1,308	-322	-467
Consumer prices (y-o-y, %)	3.9	4.2	4.3	5.2	1.5	-0.2	-0.9	-1.3	-1.4

1. Annualized rate (%)

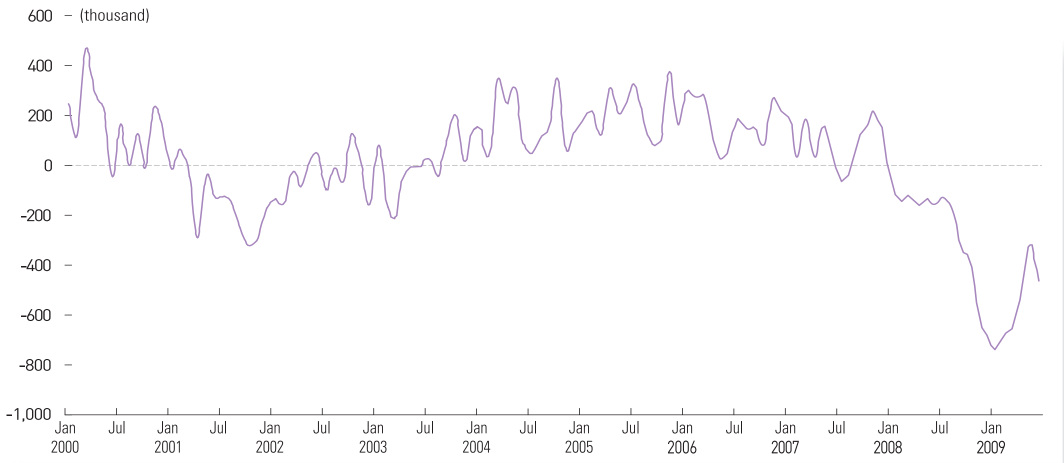
1-1 **US GDP** (q-o-q, annualized rate)

Source: US Department of Commerce



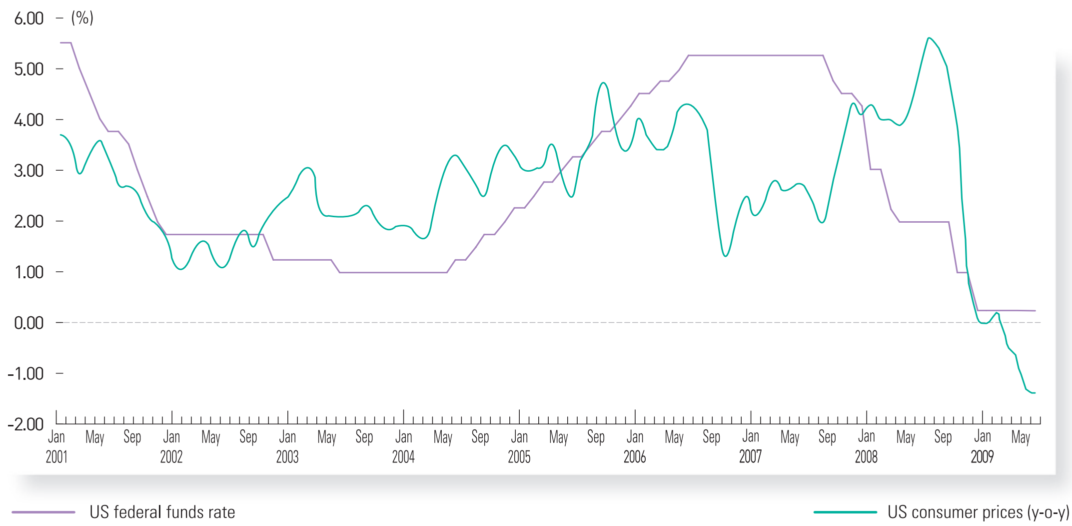
1-2 **US non-farm payroll employment** (m-o-m change)

Source: US Department of Labor



1-3 **US federal funds rate and consumer prices**

Source: US Federal Reserve Board & Department of Labor



China

China's economy, despite sluggish exports, grew 7.9 percent year-on-year in the second quarter, as domestic demand, including investment and consumption, kept burgeoning.

The People's Bank of China projected on July 29 that consumer prices will rise in the second half, although they fell for the fifth straight month in June.

(Percentage change from same period in previous year)

	2007	2008					2009			
	Annual	Annual	Q1	Q2	Q3	Q4	Q1	Q2	May	Jun
Real GDP	13.0	9.0	10.6	10.1	9.0	6.8	6.1	7.9	-	-
Fixed asset investment (accumulated)	25.8	26.1	25.9	26.8	27.6	26.1	28.6	33.6	32.9	33.6
Retail sales	16.8	21.6	20.6	22.2	23.2	20.4	15.0	15.0	15.2	15.0
Industrial production	18.5	12.9	16.4	15.9	13.0	6.4	5.1	9.0	8.9	10.7
Exports	25.7	17.2	21.4	22.4	22.9	4.1	-19.7	-23.5	-26.4	-21.4
Consumer prices	4.8	5.9	8.0	7.8	5.3	2.5	-0.6	-1.5	-1.4	-1.7
Producer prices	3.1	6.9	6.9	8.4	9.7	2.5	-4.6	-7.2	-7.2	-7.8

Japan

Japan's economy saw industrial production rising for the fourth month in a row and exports dropping at a slower rate in June. However, job markets remained weak with an unemployment rate landing at 5.4 percent, and a slump in consumption continued with retail sales accelerating its decline.

(Percentage change from previous period)

	2007	2008					2009			
	Annual	Annual	Q1	Q2	Q3	Q4	Q1	Q2	May	Jun
Real GDP	2.3	-0.7	0.4	-0.6	-0.7	-3.6	-3.8	-	-	-
Industrial and mining production	2.8	-3.4	-0.7	-0.8	-1.3	-12.0	-22.2	8.3	5.9	2.4
Retail sales (y-o-y, %)	-0.1	0.3	1.8	0.2	0.8	-1.5	-3.9	-2.9	-2.7	-3.0
Exports (y-o-y, %)	11.5	-3.5	6.0	1.8	3.2	-23.1	-46.9	-38.5	-40.9	-35.7
Consumer prices (y-o-y, %)	0.0	1.4	1.0	1.4	2.2	1.0	-0.1	-1.0	-1.1	-1.8

Eurozone

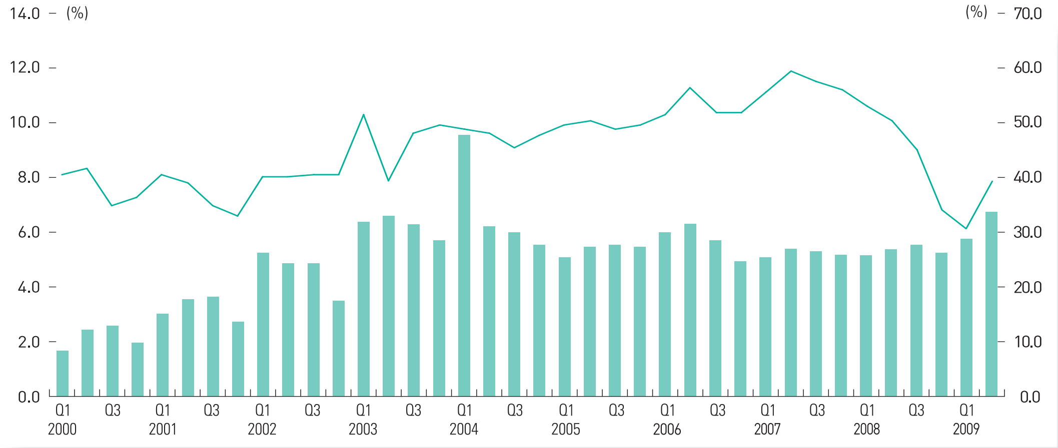
Eurozone's industrial production increased in May for the first time in nine months, but consumption and exports kept falling. However, indicators reflecting economic sentiments such as Business Confidence Index and Purchasing Manager's Index (PMI) improved: the former rising to 76 from the previous month's 73 and the latter hitting 46.8, the highest since September 2008.

(Percentage change from previous period)

	2007	2008					2009			
	Annual	Annual	Q1	Q2	Q3	Q4	Q1	Q2	May	Jun
Real GDP	2.7	0.8	0.7	-0.3	-0.3	-1.8	-2.5	-	-	-
Industrial production	3.7	-1.8	1.8	-2.2	-2.8	-6.2	-7.4	-	0.5	-
Retail sales	1.5	-0.8	0.1	-0.6	-0.5	-0.7	-0.9	-0.4	-0.5	-0.2
Exports (y-o-y, %)	11.1	3.7	6.8	8.5	5.6	-4.9	-21.3	-	-23.9	-
Consumer prices (y-o-y, %)	2.1	3.3	3.3	3.6	3.8	2.3	1.0	0.2	0.0	-0.1

1-4 **China's GDP and fixed asset investment**

Source: National Bureau of Statistics of China

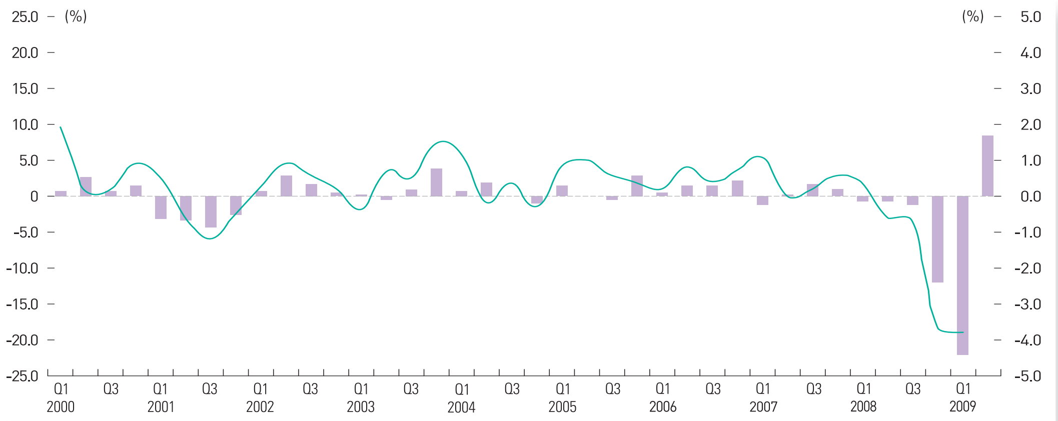


GDP (y-o-y, left)

Fixed asset investment (accumulated, y-o-y, right)

1-5 **Japan's GDP growth**

Source: Cabinet Office & Ministry of Economy, Trade and Industry, Japan

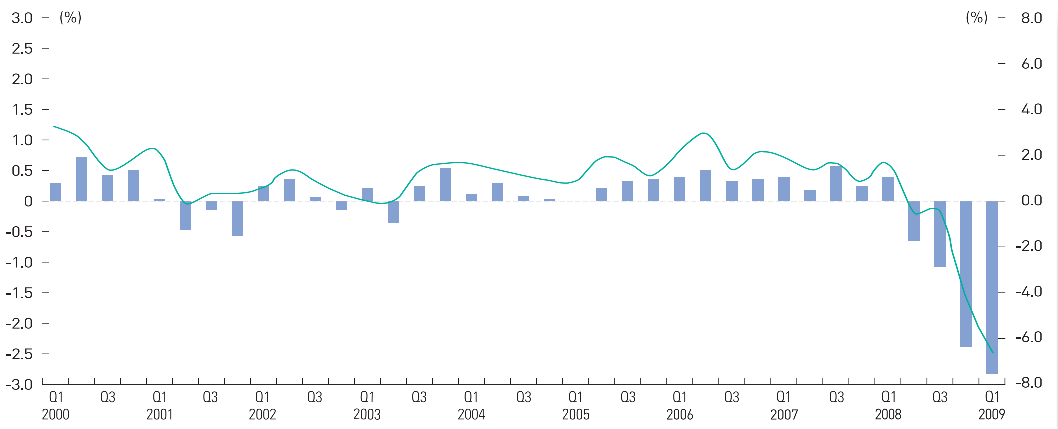


Production in mining and manufacturing industries (seasonally adjusted, q-o-q, left)

GDP (seasonally adjusted, q-o-q, right)

1-6 **Eurozone GDP growth and industrial production**

Source: Eurostat



GDP (seasonally adjusted, q-o-q, left)

Industrial production (seasonally adjusted, q-o-q, right)

2. Private consumption

Private consumption *(advance estimates of GDP)* in the second quarter of 2009 posted a quarter-on-quarter increase of 3.3 percent, and year-on-year decline of 1.1 percent.

(Percentage change from same period in previous year)

	2007			2008[1]					2009[1]	
	Annual	Q3	Q4	Annual	Q1	Q2	Q3	Q4	Q1	Q2
Private consumption[2]	5.1	5.4	4.7	0.9	4.0	2.3	1.4	-3.7	-4.4	-1.1
(Seasonally adjusted)[3]	-	0.9	0.4	-	1.1	-0.2	0.0	-4.6	0.4	3.3

1. Preliminary
2. National accounts
3. Percentage change from previous period

Consumer goods sales in June increased 1.8 percent month-on-month, or 7.3 percent year-on-year, helped by strong durable goods sales such as automobile sales. On a month-on-month basis, durable goods sales surged 8.6 percent, leading an upturn in consumer goods sales, with the sales of semi-durable goods rising 2.1 percent and that of non-durable goods dropping 2.7 percent. On a year-on-year basis, durable goods sales soared 21.3 percent thanks to a 60 percent increase in automobile sales while the sales of non-durable goods grew 3.8 percent.

(Percentage change from same period in previous year)

	2008					2009				
	Annual	Q1	Q2	Q3	Q4	Q1	Q2[1]	Apr	May[1]	Jun[1]
Consumer goods sales	1.0	4.4	2.9	1.4	-4.2	-4.9	1.5	-3.9	1.6	7.3
(Seasonally adjusted)[2]	-	1.1	-1.3	-0.1	-3.5	0.4	4.9	0.6	4.9	1.8
- Durable goods[3]	1.9	9.5	8.7	0.0	-9.9	-13.6	3.8	-12.0	3.8	21.3
· Automobiles	-2.0	9.6	7.1	-4.9	-19.5	-21.3	18.4	-17.6	20.6	60.0
- Semi-durable goods[4]	-2.4	3.8	-2.1	0.6	-9.9	-0.9	0.0	0.7	0.9	-2.0
- Non-durable goods[5]	0.7	1.9	0.3	1.2	-0.4	-1.4	1.1	-1.0	0.7	3.8

1. Preliminary
2. Percentage change from previous period
3. Durable goods: Automobiles, electronic appliances, furniture, telecommunications devices, etc.
4. Semi-durable goods: Clothing, footwear, etc.
5. Non-durable good: Food, medicine, cosmetics, fuel, tobaccos, etc.

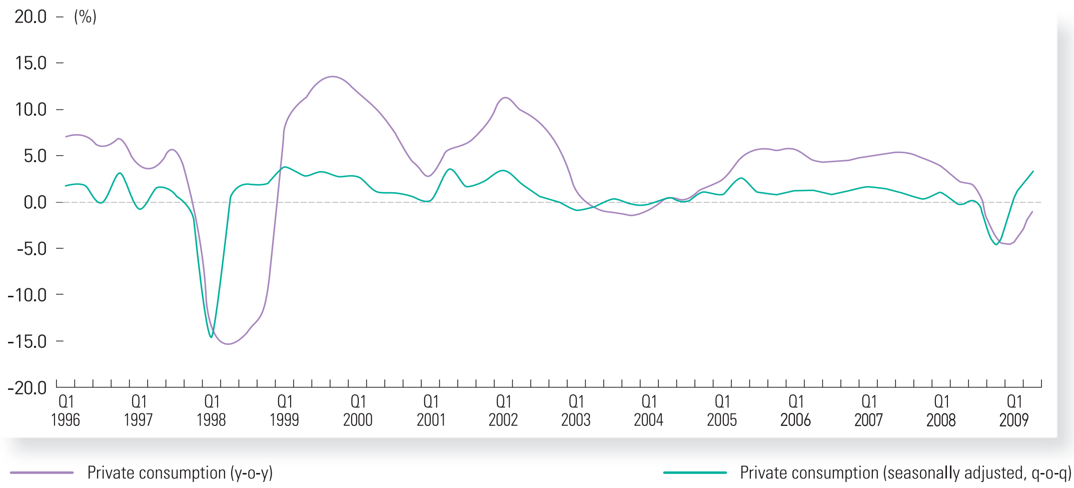
Sales at department stores rose for the fourth straight month, and those at specialized retailers for the second straight month, whereas sales at large discounters slightly declined.

(Percentage change from same period in previous year)

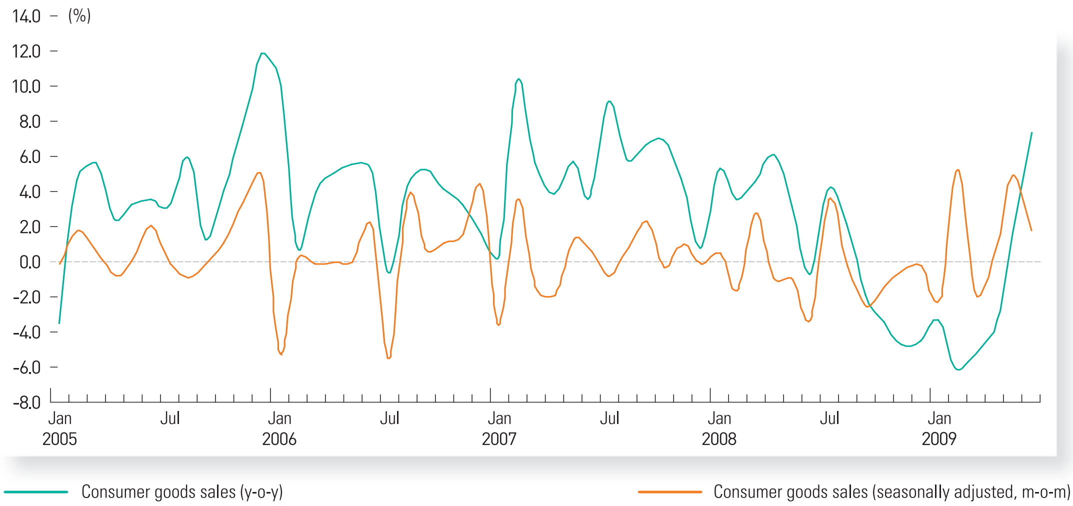
	2008					2009				
	Annual	Q1	Q2	Q3	Q4	Q1	Q2[1]	Apr	May[1]	Jun[1]
- Department stores	0.5	4.3	3.7	0.2	-5.0	1.4	3.0	0.9	4.6	3.3
- Large discounters	2.2	7.6	3.1	-0.2	-1.2	-5.0	-2.8	-4.2	0.2	-4.5
- Specialized retailers[2]	-1.7	2.0	0.7	-1.0	-8.1	-6.9	2.4	-5.4	1.8	11.8

1. Preliminary
2. Specialized retailers are defined as stores carrying a few (1 to 3) specialized items.

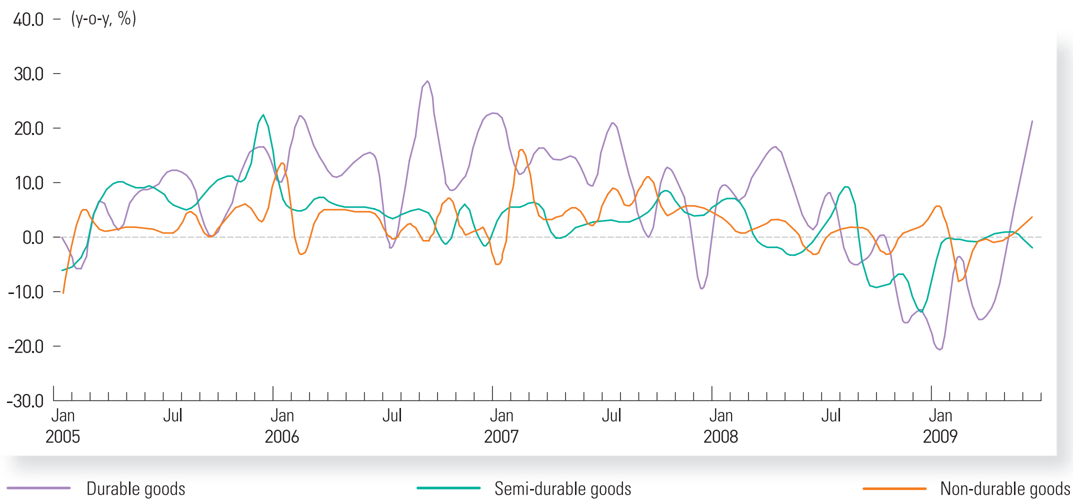
2-1 Private consumption
Source: The Bank of Korea (national accounts)



2-2 Consumer goods sales
Source: Korea National Statistical Office (industrial activity trend)



2-3 Consumer goods sales by type
Source: Korea National Statistical Office (industrial activity trend)



Consumer goods sales in July are expected to grow at a slower rate compared with June, given the advance estimates slowing down and special consumption tax reduction on automobiles expired.

Domestic credit card spending continued the upward trajectory, but at a slower pace, from the previous month's 12.4 percent to 7.3 percent.

Sales at department stores increased 3.8 percent, posting an increase for the fifth consecutive month, whereas those at large discounters dropped 5.8 percent

Domestic sales of Korean cars rose at a far slower rate than the previous month due to the special consumption tax reduction on automobiles expired as of the end June, while gasoline sales saw double digit growth for the second straight month, up 15.9 percent.

Value of credit card use (y-o-y, %)
6.7 (Feb 2009) 6.2 (Mar) 7.0 (Apr) 8.7 (May) 12.4 (Jun) 7.3 (Jul)

Department store sales (y-o-y, %)
-0.3 (Feb 2009) 4.5 (Mar) 2.8 (Apr) 5.4 (May) 3.6 (Jun) 3.8 (Jul)

Discount store sales (y-o-y, %)
-20.3 (Feb 2009) -0.8 (Mar) 0.1 (Apr) 1.6 (May) -1.4 (Jun) -5.8 (Jul)

Domestic sales of Korean automobiles (y-o-y, %)
-4.7 (Feb 2009) -15.4 (Mar) -14.9 (Apr) 15.3 (May) 46.0 (Jun) 10.8 (Jul)

Domestic sales of gasoline (y-o-y, %)
-1.8 (Feb 2009) 3.7 (Mar) 0.1 (Apr) 9.7 (May) 11.1 (Jun) 15.9 (Jul)

Source: Ministry of Knowledge Economy
The Credit Finance Association
Korea Automobile Manufacturers Association
Korea National Oil Corporation
Ministry of Strategy and Finance (for July data)

The consumer spending increase is not likely to greatly slow down, given job markets positively affected by government measures, stabilizing prices and financial markets, and improving consumer sentiment.

Employment (y-o-y, thousand)
-142 (Feb 2009) -195 (Mar) -188 (Apr) -219 (May) 4 (Jun)

Consumer prices (y-o-y, %)
4.1 (Feb) 3.9 (Mar) 3.6 (Apr) 2.7 (May) 2.0 (Jun) 1.6 (Jul)

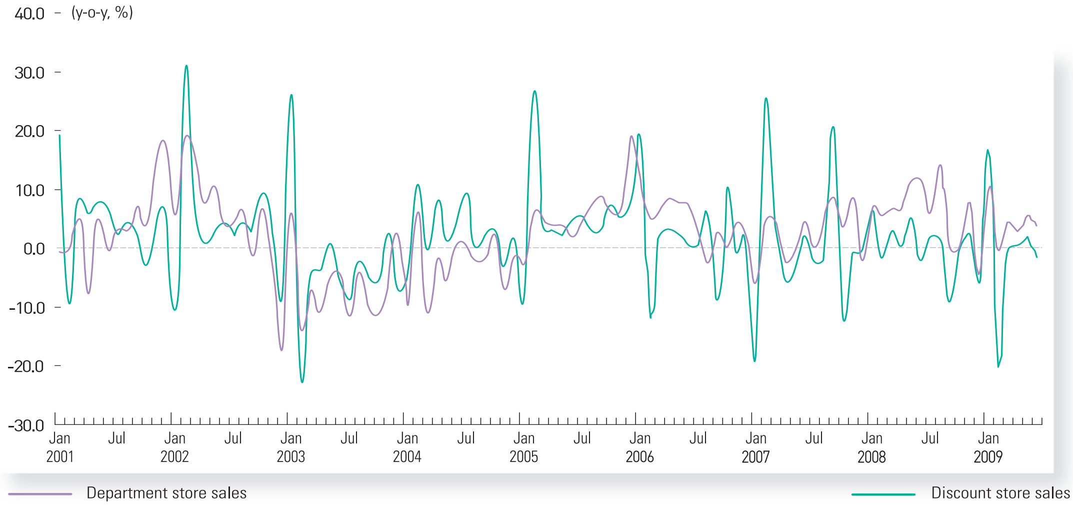
The won/dollar exchange rate (monthly average)
1,429 (Feb 2009) 1,462 (Mar) 1,342 (Apr) 1,259 (May) 1,261 (Jun) 1,264 (Jul)

KOSPI (monthly average)
1,140 (Feb 2009) 1,140 (Mar) 1,322 (Apr) 1,401 (May) 1,395 (Jun) 1,460 (Jul)

Consumer Sentiment Index (CSI)
84 (Jan 2009) 85 (Feb) 84 (Mar) 98 (Apr) 105 (May) 106 (Jun) 109 (Jul)

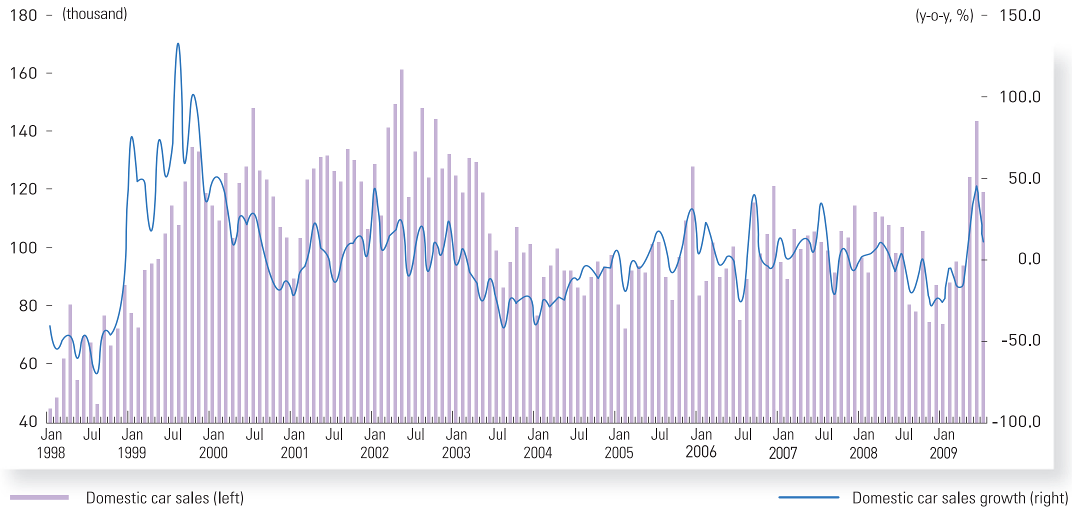
2-4 **Department store and discount store sales** (current value)

Source: Ministry of Knowledge Economy (monthly retail sales)



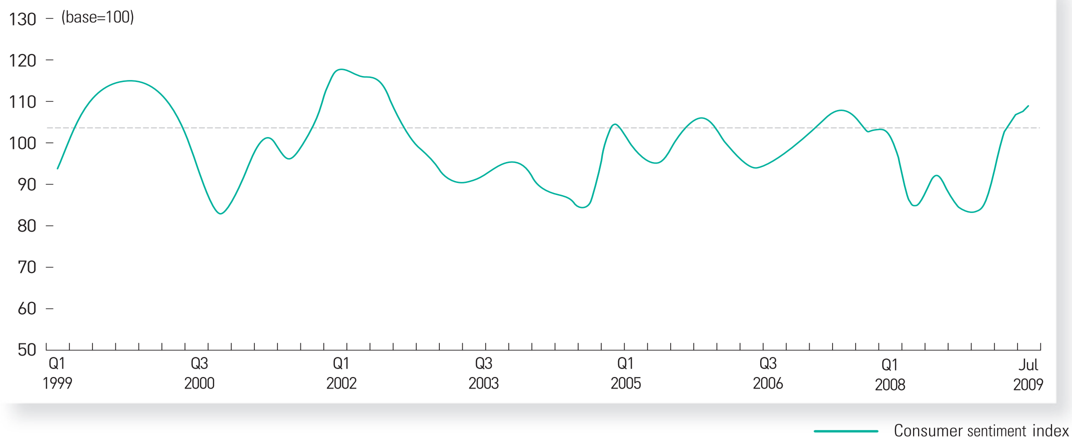
2-5 **Domestic automobile sales**

Source: Korea Automobile Manufacturers Association (monthly automobile industry trend)



2-6 **Consumer sentiment index**

Source: The Bank of Korea



3. Facility investment

Facility investment *(advance estimates of GDP)* in the second quarter of 2009 posted a year-on-year loss of 17.2 percent and a quarter-on-quarter gain of 8.4 percent *(seasonally adjusted)*.

(Percentage change from same period in previous year)

	2007		2008[1]					2009[1]	
	Annual	Q4	Annual	Q1	Q2	Q3	Q4	Q1	Q2
Facility investment[2]	9.3	8.0	-2.0	1.5	1.1	4.3	-14.0	-23.5	-17.2
(Seasonally adjusted)[3]	-	3.8	-	-0.4	0.4	0.2	-14.2	-11.2	8.4
- Machinery	9.2	8.5	-2.7	-1.2	-0.1	6.5	-15.3	-24.0	-
- Transportation equipment	9.6	5.8	0.4	12.2	5.1	-3.6	-9.9	-21.8	-

1. Preliminary
2. National accounts
3. Percentage change from previous period

Facility investment in June rose 9.5 percent month-on-month, while cutting a year-on-year loss at 5.6 percent, an improvement from the previous month's 16.2 percent decline, thanks to an investment increase in transportation equipment affected by the tax break for new car purchase and a rise in machinery investment.

(Percentage change from same period in previous year)

	2007	2008		2009				
	Annual	Annual	Q4	Q1	Q2[1]	Apr	May[1]	Jun[1]
Facility investment (estimated)	8.2	-4.3	-13.4	-17.7	-13.7	-18.9	-16.2	-5.6
(Seasonally adjusted)[2]	-	-	-9.3	-11.6	6.3	1.8	7.3	9.5
- Machinery	7.5	-5.7	-14.5	-21.9	-19.8	-22.7	-22.2	-14.3
- Transportation equipment	11.3	1.5	-9.0	0.4	11.3	-3.4	7.2	31.8
Domestic machinery orders	21.1	-5.5	-39.5	-36.0	-11.2	-25.8	-16.1	7.8
- Public	-11.2	4.9	-3.5	150.5	30.8	-2.5	8.9	45.5
- Private	24.2	-6.2	-43.9	-43.1	-14.0	-26.6	-16.9	2.7
Machinery imports	22.1	6.4	-11.5	-28.0	-27.5	-32.6	-28.1	-21.0
Facility investment adjustment pressure[3]	1.7	-2.2	-15.6	-18.9	-8.6	-11.0	-11.0	-3.7

1. Preliminary
2. Percentage change from previous period
3. Production growth rate minus production capacity growth rate in the manufacturing sector (%p)

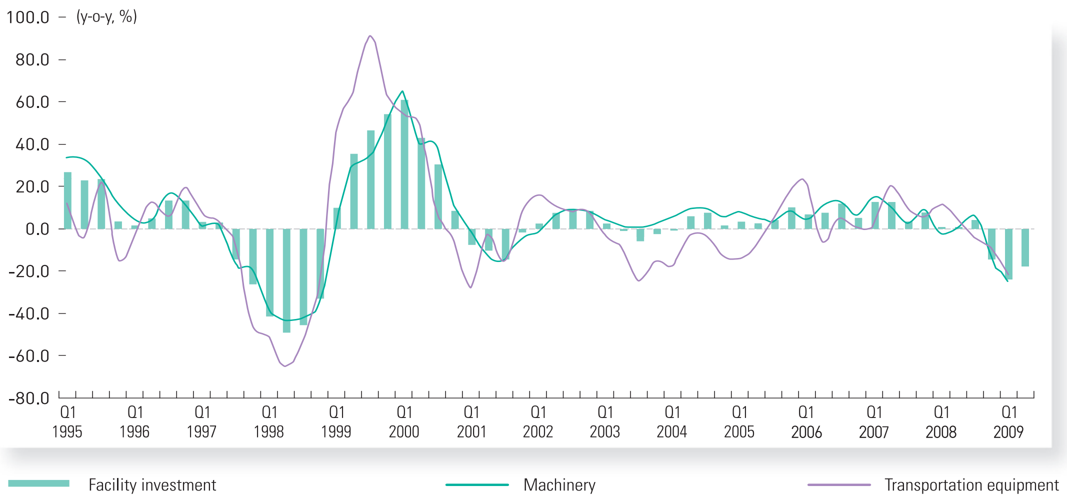
Although facility investment in July is expected to slow the growth rate due to a high base effect from the previous month, a month-on-month increase is projected to continue considering domestic machinery orders, machinery imports and the business survey index (BSI) for facility investment.

Business survey indices (base=100)	2009				
	Apr	May	Jun	Jul	Aug
Manufacturing facility investment results	89	91	93	95	-
Manufacturing facility investment projections	85	89	91	94	97

Source: The Bank of Korea

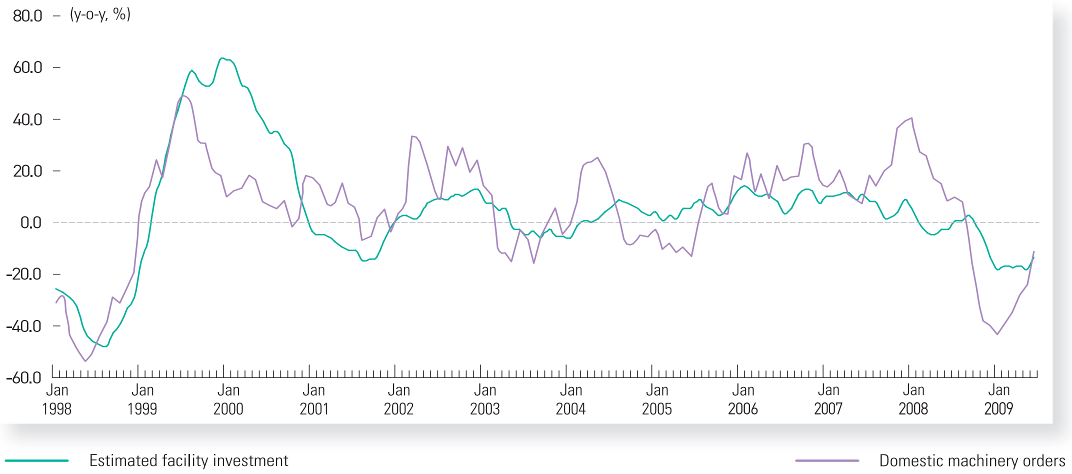
3-1 **Facility investment by type**

Source: The Bank of Korea (national accounts)



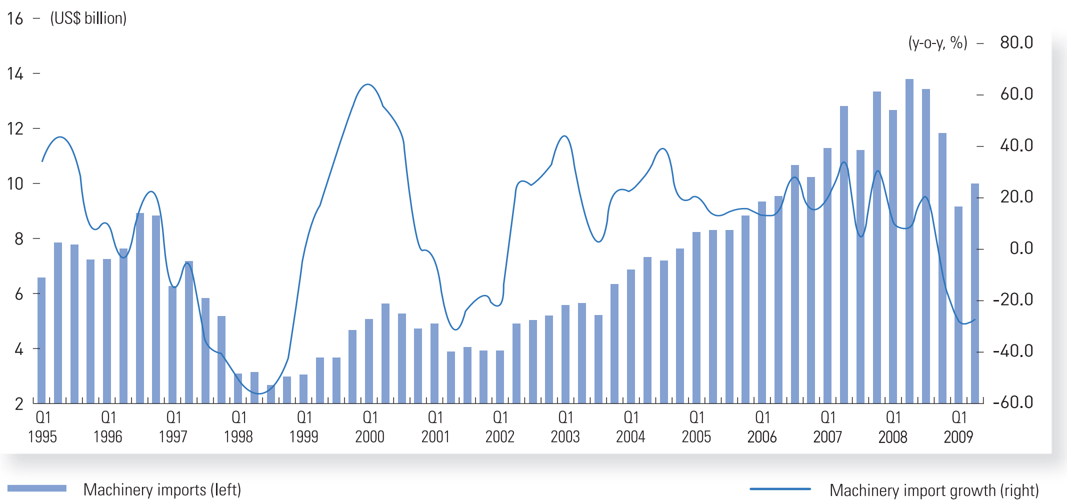
3-2 **Machinery orders and estimated facility investment** (3-month average)

Source: Korea National Statistical Office (industrial activity trend)



3-3 **Machinery imports**

Source: Korea International Trade Association (KITA)



4. Construction investment

Construction investment *(advance estimates of GDP)* in the second quarter of 2009 rose 2.4 percent year-on-year, or 0.4 percent quarter-on-quarter.

(Percentage change from same period in previous year)

	2007		2008[1]					2009[1]	
	Annual	Q4	Annual	Q1	Q2	Q3	Q4	Q1	Q2
Construction investment[2]	1.4	0.4	-2.1	-1.9	-0.3	0.2	-5.6	1.6	2.4
(Seasonally adjusted)[3]	-	2.9	-	-2.5	-0.3	0.1	-3.0	5.2	0.4
- Building construction	-0.0	0.7	-4.3	-1.2	-0.1	-0.1	-14.3	-11.1	-
- Civil engineering works	3.8	-0.1	1.3	-3.2	-0.7	0.7	5.7	24.9	-

1. Preliminary
2. National accounts
3. Percentage change from previous period

In June, construction completed *(current value)* rose 14.0 percent year-on-year, or 12.1 percent month-on-month, thanks to healthy increases in both public civil engineering works and private building construction. Construction completed in the public sector soared 41.8 percent, while that in the private sector fell 1.0 percent.

(Percentage change from same period in previous year)

	2007	2008		2009				
	Annual	Annual	Q4	Q1	Q2[1]	Apr	May[1]	Jun[1]
Construction completed	6.6	4.7	-2.2	4.5	6.6	6.0	-0.7	14.0
(Seasonally adjusted)[2]	-	-	4.8	7.7	1.9	5.7	-3.2	12.1
- Building construction	6.2	1.7	-10.6	-6.0	-3.5	-4.4	-6.8	0.4
- Civil engineering works	6.9	10.6	13.6	24.8	26.1	27.1	11.0	39.8

1. Preliminary
2. Percentage change from previous period

Construction investment in July is expected to increase slower than the previous month, as new investment in the public sector will be limited, affected by front-loaded fiscal spending in the first half.

Two leading indicators of construction orders, civil engineering orders and building construction orders, rose 146.7 percent and fell 35.8 percent, respectively. The business survey index (BSI) for construction continued to improve, but still stood below 100.

(Percentage change from same period in previous year)

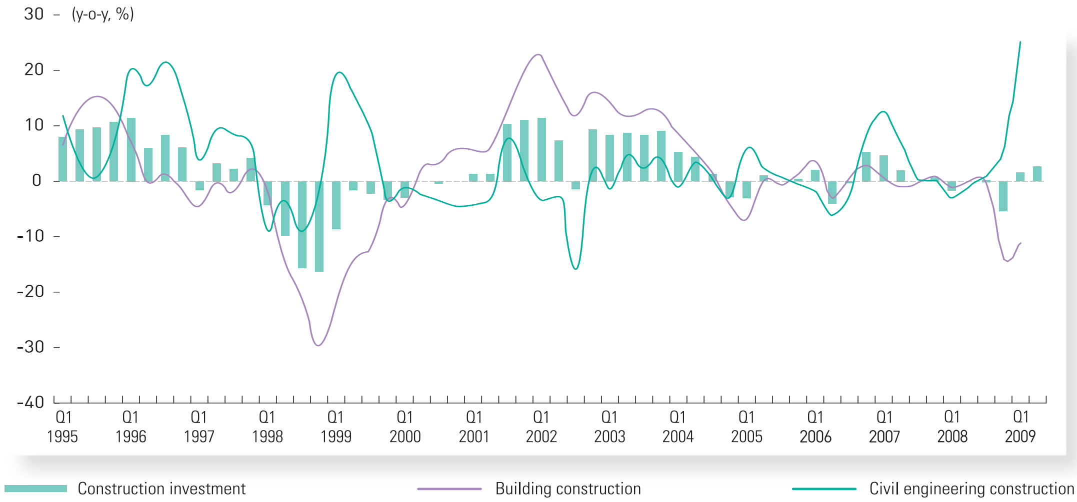
	2007	2008		2009				
	Annual	Annual	Q4	Q1	Q2[1]	Apr	May[1]	Jun[1]
Construction orders	23.6	-9.0	-6.5	-16.5	-2.0	-8.0	-18.5	17.9
- Public	40.3	9.1	5.0	22.0	186.5	221.8	71.9	310.3
- Private	16.5	-15.8	15.3	-38.4	-62.4	-78.8	-56.3	-54.2
Building permit area	13.3	-20.1	-41.9	-31.6	-	-49.0	-37.1	-

1. Preliminary

Business survey index for construction (base=100)
50 (Feb 2009) ➜ 72.3 (Mar) ➜ 80 (Apr) ➜ 86.6 (May) ➜ 92.2 (Jun)
Source: The Construction and Economy Research Institute of Korea

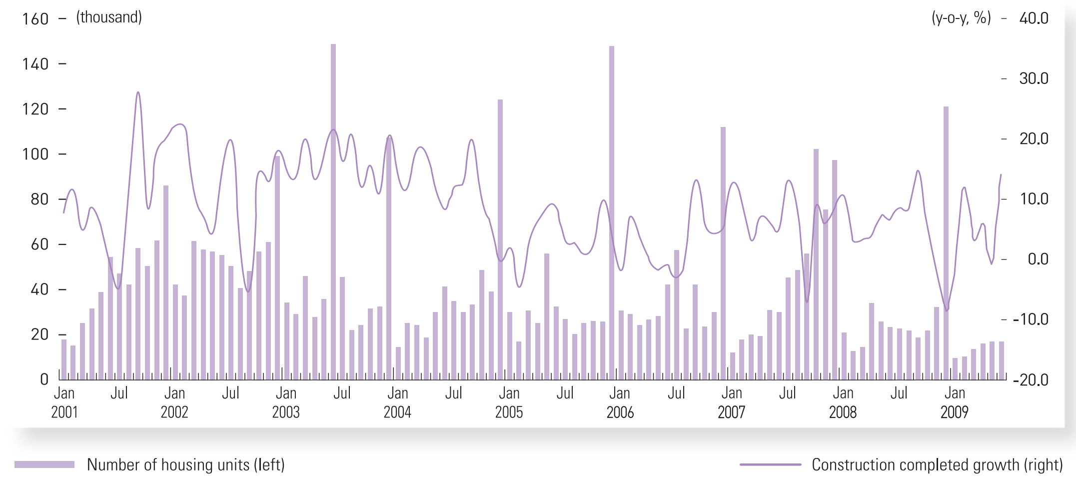
4-1 **Construction investment**

Source: The Bank of Korea (national accounts)



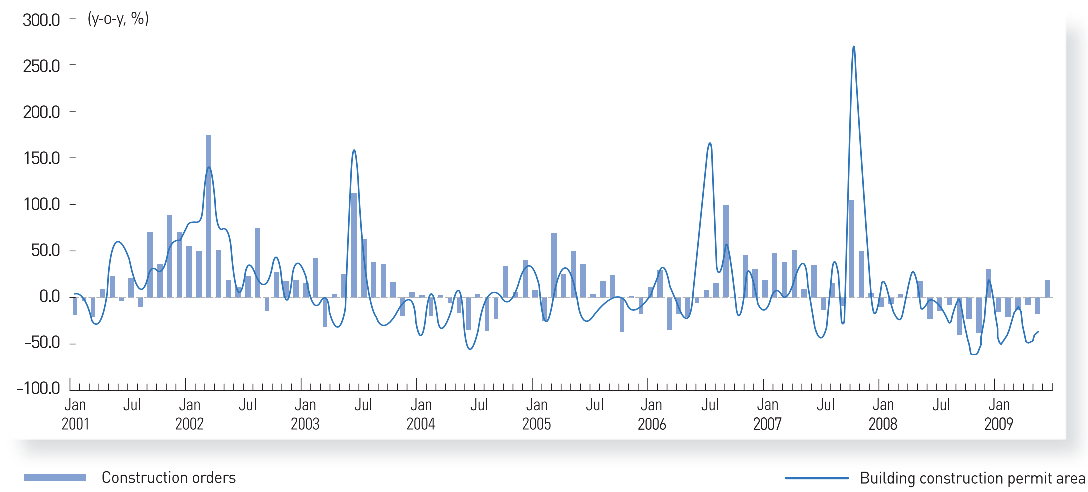
4-2 **Construction completed and housing construction**

Source: Korea National Statistical Office (construction completed)
Kookmin Bank (housing construction)



4-3 **Leading indicators of construction investment**

Source: Korea National Statistical Office (construction orders)
Ministry of Land, Transport and Maritime Affairs (building construction permit area)



5. Exports and imports

Exports in July dropped 20.1 percent year-on-year to US$32.72 billion, deepening its fall from the previous month's 12.4 percent, mainly as vessel exports *(preliminary)* reduced to US$3.83 billion from the previous year's US$5.20 billion decelerating the year-on-year increase to 7.6 percent from 73.8 percent a month earlier. Weaker exports were also attributed to a high base effect from the same month of the previous year when exports increased 35.6 percent, the highest since July 2004, affected by exports transferred from the previous month due to the cargo union's strike.

Most products excluding vessels *(up 7.6%)* and liquid crystal devices *(up 33.6%)* fell, while semiconductors *(down 15.5%)* and automobiles *(down 18.1%)* showed a slight improvement from the first half.

By regional category, exports to most regions continued the downward trajectory, while exports to China largely decelerated the decline from the first half's 22.5 percent to 12.1 percent.

(US$ billion)

	2008			2009						
	Annual	Jun	Jan-Jul	Q1	Q2	Apr	May	Jun	Jul	Jan-Jun
Exports	422.01	40.96	254.9	74.57	91.10	30.42	28.15	32.63	32.72	198.39
(y-o-y, %)	13.6	35.6	22.6	-25.0	-20.4	-19.6	-28.5	-12.4	-20.1	-22.2
Average daily exports	1.53	1.64	1.07	1.10	1.31	1.27	1.28	1.39	1.31	1.23
Imports	435.27	42.93	263.8	71.29	73.28	24.63	23.09	25.36	27.59	172.16
(y-o-y, %)	22.0	47.0	32.3	-32.8	-36.2	-35.6	-40.3	-32.9	-35.8	-34.7
Average daily imports	1.58	1.72	1.65	1.05	1.05	1.03	1.05	1.08	1.10	1.06
Trade balance	-13.27	-1.99	-8.90	3.27	17.82	5.79	5.06	7.27	5.14	26.23

Imports in July plunged 35.8 percent year-on-year to US$27.59 billion. Imports of raw materials, capital goods, and consumer goods all declined, with capital goods narrowing its fall.

Raw materials (y-o-y, %)
-39.8 (Mar 2009) → -40.7 (Apr) → -48.2 (May) → -42.0 (Jun) → -41.9 (Jul 1-20)

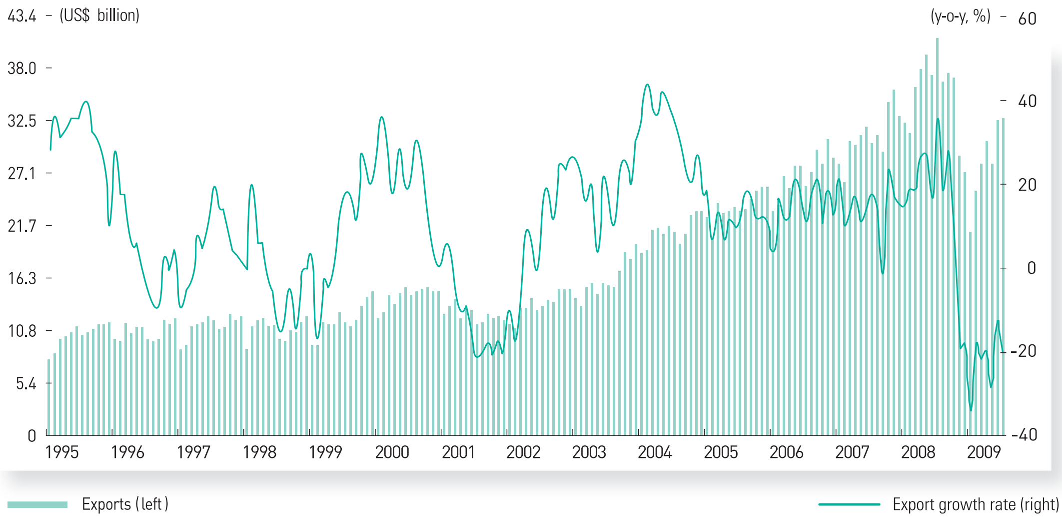
Capital goods (y-o-y, %)
-30.2 (Mar 2009) → -27.0 (Apr) → -24.7 (May) → -18.9 (Jun) → -13.1 (Jul 1-20)

Consumer goods (y-o-y, %)
-27.1 (Mar 2009) → -29.5 (Apr) → -29.6 (May) → -13.4 (Jun) → -18.8 (Jul 1-20)

July trade posted a surplus of US$5.14 billion, staying in the black for six straight months since February 2009.

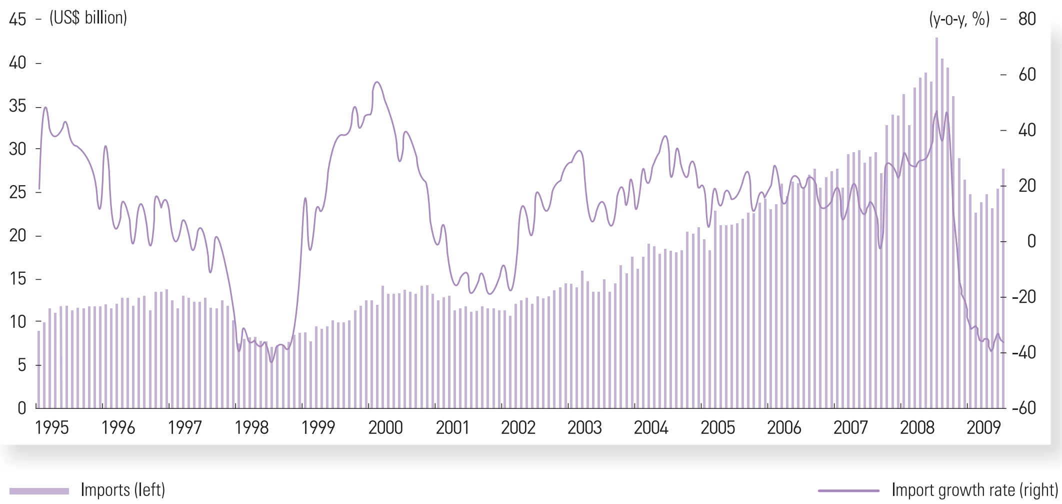
5-1 **Exports** (customs clearance basis)

Source: Korea Customs Service & Ministry of Knowledge Economy (export and import trend)



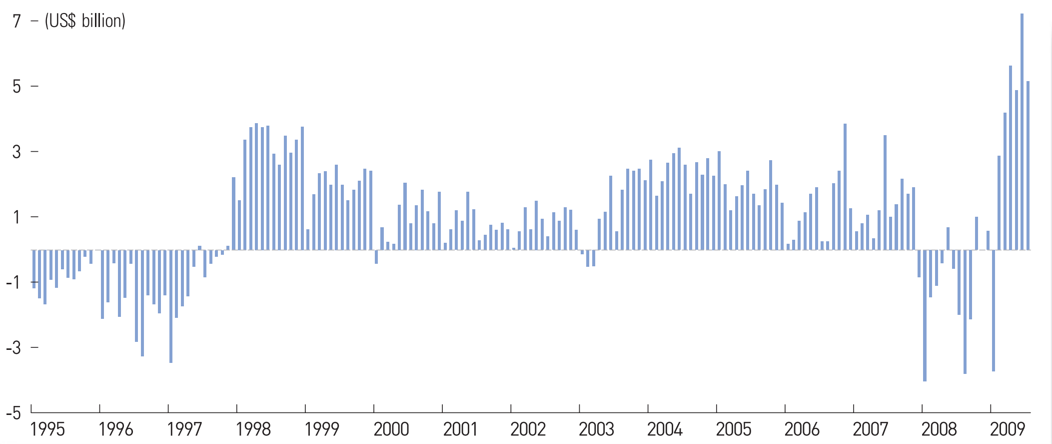
5-2 **Imports** (customs clearance basis)

Source: Korea Customs Service & Ministry of Knowledge Economy (export and import trend)



5-3 **Trade balance**

Source: Korea Customs Service & Ministry of Knowledge Economy (export and import trend)



6. Mining and manufacturing production

In June, production in mining and manufacturing fell at a much slower pace year-on-year from the previous month's 9 percent to 1.2 percent. On a month-on-month basis however, the production rose 5.7 percent, continuing an increase since January 2009.

By business category, semiconductors and parts *(up 6.1%)*, automobiles *(up 12.8%)*, and machinery *(up 10.8%)* contributed to a month-on-month increase in output.

Shipments decreased at a much slower pace year-on-year from 8.7 percent a month ago to 0.5 percent, along with the level of inventory declining faster from the previous month's 13.5 percent fall to 16.7 percent drop.

By business category, shipments of semiconductors and parts *(up 6.6%)*, transportation devices *(up 18.5%)* and chemical products *(up 5.6%)* posted a year-on-year increase. The inventory decrease was mainly due to drops in semiconductors and parts *(down 40.0%)*, automobiles *(down 30.7%)*, and machinery *(down 21.8%)*.

Judging from the shipment/inventory cycle and inventory to shipment ratio, the economy is entering a recovery phase with inventory adjustment nearing an end.

(Percentage change from same period in previous year)

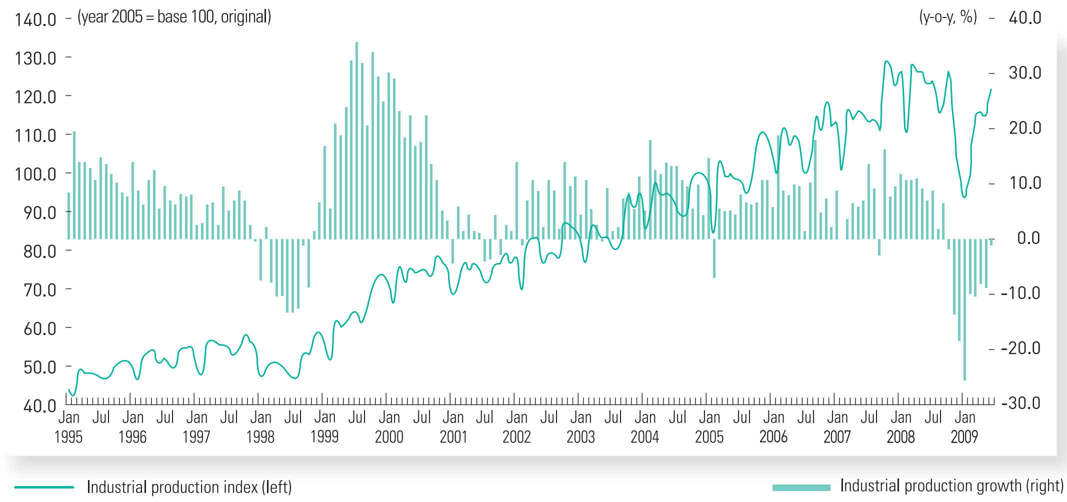
		2008			2009				
		Annual	Q2	Jun	Q1	Q2[1]	Apr	May[1]	Jun[1]
Mining and manufacturing activity[2]	Production (q-o-q, m-o-m)	-	0.1	-0.1	-2.7	11.4	2.6	1.5	5.7
	(y-o-y)	3.0	8.9	7.0	-15.5	-6.2	-8.2	-9.0	-1.2
	- Manufacturing	3.0	9.3	7.2	-16.4	-6.6	-8.8	-9.5	-1.5
	· Heavy chemical industry	4.1	11.6	9.2	-17.0	-6.2	-8.8	-9.1	-0.8
	· Light industry	-2.2	-1.2	-1.7	-13.5	-8.6	-8.8	-11.6	-5.4
	Shipment	2.4	6.6	4.7	-14.7	-5.8	-8.0	-8.7	-0.5
	- Domestic demand	-0.7	1.7	0.2	-16.3	-6.6	-9.5	-9.7	-0.3
	- Exports	7.1	14.3	11.5	-12.4	-4.7	-5.8	-7.3	-0.8
	Inventory[3]	7.3	16.2	16.2	-5.8	-16.7	-9.8	-13.5	-16.7
Manufacturing activity	Average operation ratio (%)	77.2	80.4	80.2	65.8	73.6	71.5	72.9	76.5
	Production capacity	5.2	6.5	6.2	2.5	2.0	2.2	1.5	2.2

1. Preliminary
2. Including mining, manufacturing, electricity and gas industry
3. End-period

Mining and manufacturing production is likely to continuously increase in July due to a production increase caused by inventory adjustment.

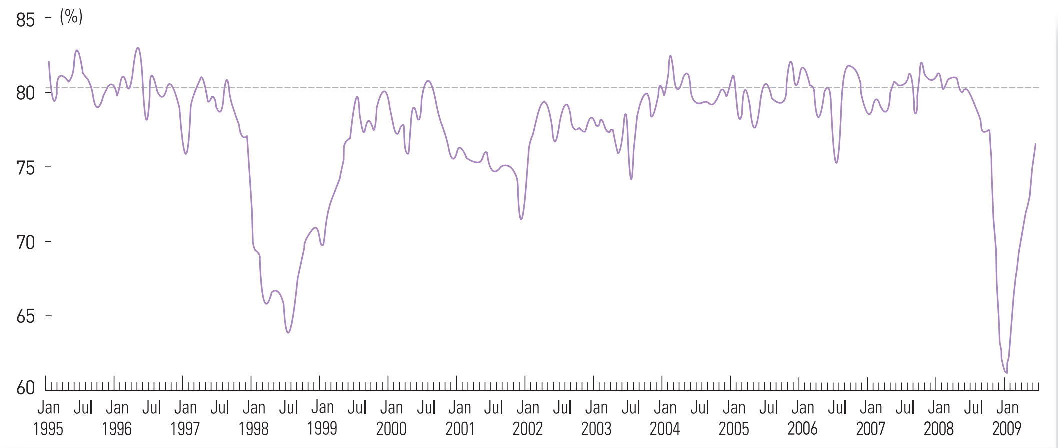
6-1 **Industrial production**

Source: Korea National Statistical Office (industrial activity trend)



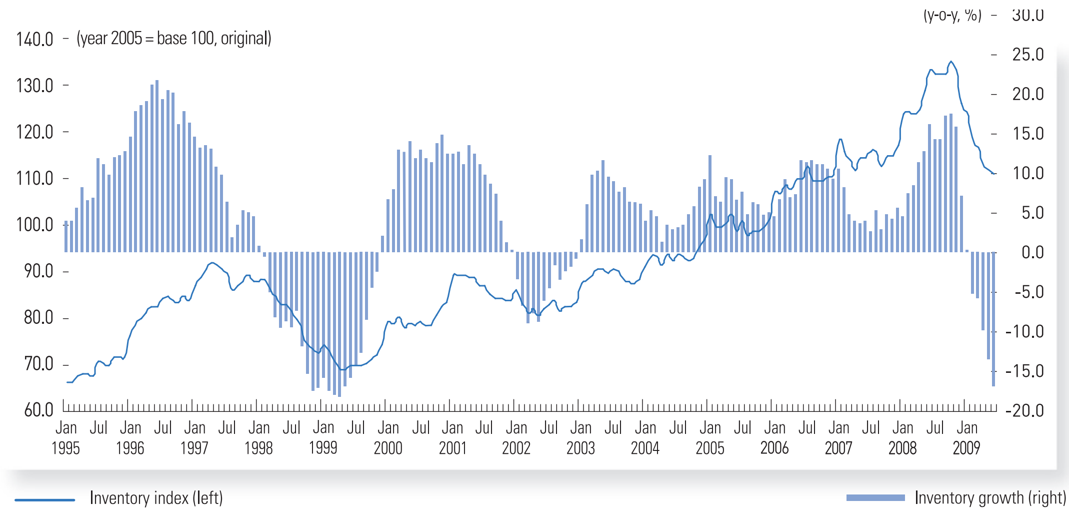
6-2 **Average manufacturing operation ratio**

Source: Korea National Statistical Office (industrial activity trend)



6-3 **Inventory**

Source: Korea National Statistical Office (industrial activity trend)



7. Service sector activity

Service activity in June shifted to a month-on-month increase of 1.7 percent from the previous month's 0.9 percent decline. From a year earlier, it was up 2.6 percent.

By business category, real estate & renting services *(up 8.6%)* and healthcare & social welfare services *(up 8.5%)* led the year-on-year increase in the service sector.

Meanwhile, transportation services *(down 7.1%)* and business services *(down 6.1%)* were down from a year earlier.

(Percentage change from same period in previous year)

	Weight	2008					2009				
		Annual	Q1	Q2	Q3	Q4	Q1	Q2[1]	Apr	May[1]	Jun[1]
Service activity index	100	3.4	6.7	4.8	3.2	-0.4	-0.4	1.6	1.9	0.5	2.6
- Wholesale & retail	22.0	1.4	4.0	3.1	3.6	-4.6	-4.0	-2.3	-4.1	-3.7	1.0
- Transportation services	9.0	4.3	8.1	8.2	4.3	-3.2	-10.8	-9.0	-11.1	-8.6	-7.1
- Hotels & restaurants	7.8	0.7	3.6	0.6	1.7	-3.0	-2.4	-0.7	0.3	-1.7	-0.4
- Information & communication services	8.4	3.5	6.0	5.5	3.4	-0.2	-1.9	0.7	0.1	0.7	1.2
- Financial & insurance services	15.3	9.7	16.1	9.8	9.6	4.5	6.6	9.8	12.8	9.3	7.4
- Real estate & renting	6.3	-2.1	5.7	2.7	-8.4	-7.5	-3.1	1.6	-2.1	-1.6	8.6
- Professional, scientific & technical services	4.8	2.0	4.2	1.5	1.8	0.9	-1.9	3.3	1.5	0.0	8.5
- Business services	2.9	4.6	8.0	7.7	3.2	0.1	-4.8	-6.7	-7.3	-6.7	-6.1
- Educational services	10.8	1.8	3.4	1.9	-0.5	2.3	3.7	6.9	13.2	4.5	2.6
- Healthcare & social welfare services	6.0	6.3	6.1	6.8	6.1	6.5	8.6	8.1	8.1	7.9	8.5
- Entertainment, cultural & sports services	2.9	2.2	2.5	0.4	1.7	4.3	1.5	1.2	3.1	0.9	-0.4
- Membership organizations	3.8	0.1	1.9	1.0	-1.4	-1.0	-3.4	-4.7	-6.2	-7.0	-0.9
- Sewerage & waste management	0.4	5.8	8.9	6.9	3.9	4.0	0.5	8.8	4.9	1.6	20.5

1. Preliminary

Service activity in July is expected to stay on an upward track although the pace of increase is likely to slow down slightly from the previous month.

Recent improvements in employment and consumer sentiment have boosted service activity.

Employment (y-o-y, thousand)
173 (Q2 2008) ➲ -147 (Q1 2009) ➲ -219 (May) ➲ 4 (Jun)

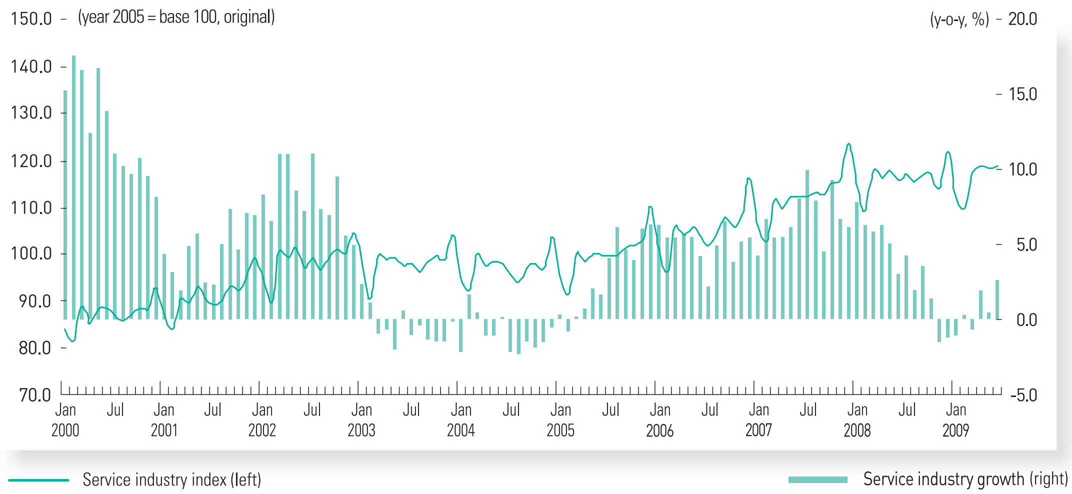
Consumer sentiment index (base=100)
84 (Mar 2009) ➲ 98 (Apr) ➲ 105 (May) ➲ 106 (Jun) ➲ 109 (Jul)

Source: The Bank of Korea

Service output, however, may be restrained by reduced tax incentives for car purchases. The rainy reason and the lower temperature might also drag down service activity, weakening seasonal demand during the summer vacations.

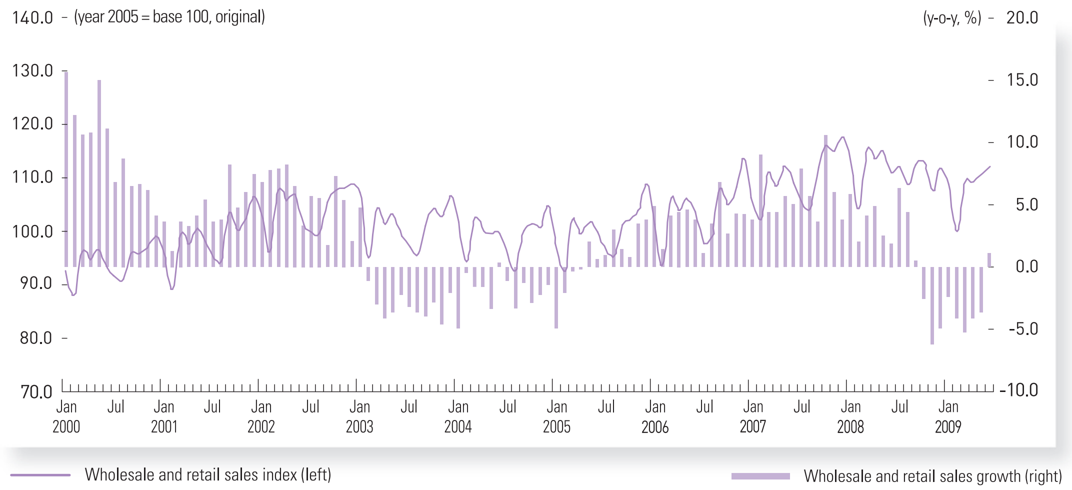
7-1 Service industry

Source: Korea National Statistical Office (service industry activity trend)



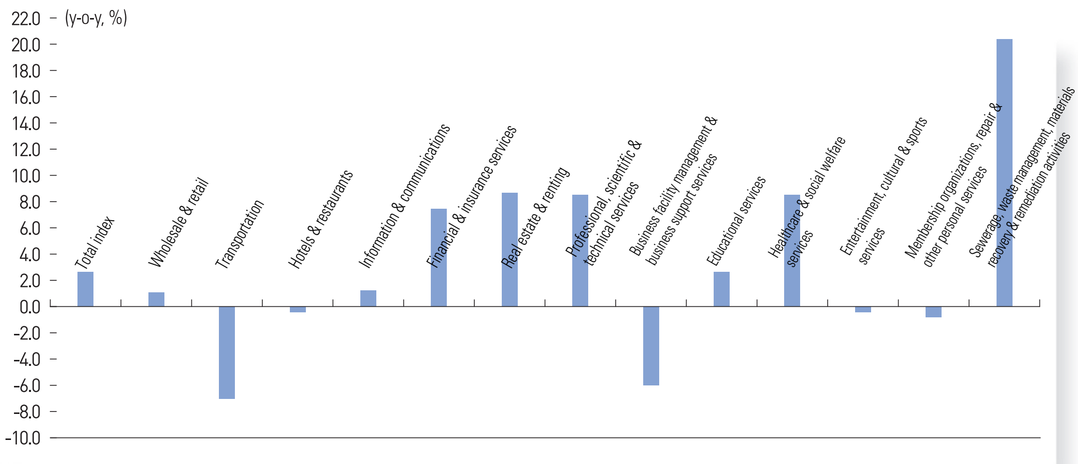
7-2 Wholesale and retail sales

Source: Korea National Statistical Office (service industry activity trend)



7-3 June 2009 service industry by business

Source: Korea National Statistical Office (service industry activity trend)



8. Employment

The number of workers on payroll in June increased by 4,000 year-on-year on the back of the government's policy measures to create jobs.

Employment in the manufacturing sector stayed on a downward track declining by 157,000, mainly due to sluggish domestic demand and falling exports. Hiring in the construction sector continued to fall with an 88,000 decrease as the private construction sector remained weak. Employment in the service sector soared by 271,000 driven by the government's job creation policies.

(Change from same period in previous year, thousand)

	2008						2009				
	Annual	Jun	Q1	Q2	Q3	Q4	Q1	Q2	Apr	May	Jun
Employment growth	145	147	209	173	141	54	-146	-134	-188	-219	4
- Manufacturing	-52	-46	-18	-34	-52	-103	-163	-151	-155	-140	-157
- Construction	-37	-69	-22	-46	-40	-41	-43	-113	-128	-125	-88
- Services	263	313	307	300	262	187	47	155	95	95	271
- Agriculture, forestry and fishery	-37	-57	-63	-54	-38	8	14	-25	0	-49	-25

By status of workers, non-wage workers including self-employed workers plunged by 347,000 from a year earlier. Meanwhile, wage workers rose by 351,000 led by an increase of 301,000 in regular workers and 149,000 in temporary workers, although the number of daily workers shrank by 99,000.

(Change from same period in previous year, thousand)

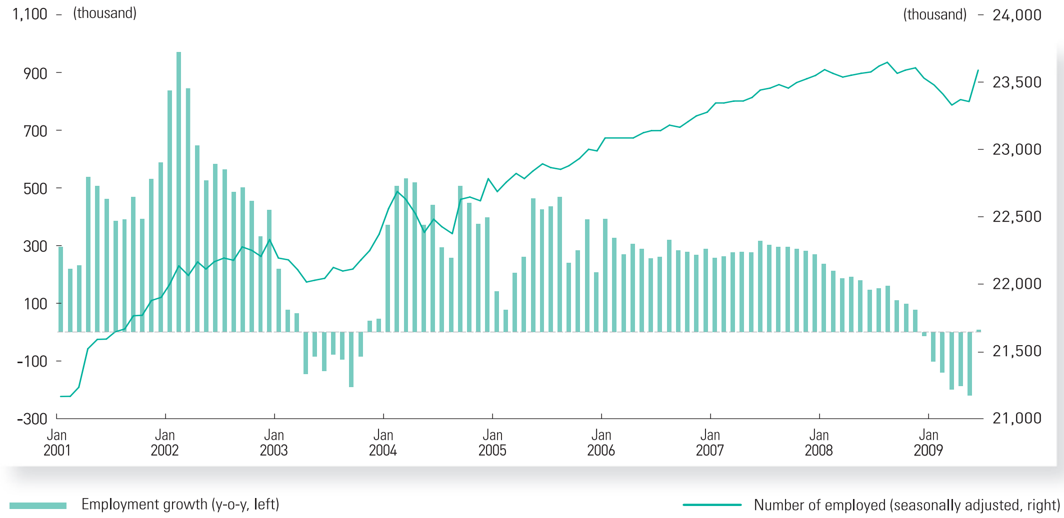
	2008						2009				
	Annual	Jun	Q1	Q2	Q3	Q4	Q1	Q2	Apr	May	Jun
Employment growth	145	147	209	173	141	54	-146	-134	-188	-219	4
- Wage workers	236	261	312	289	208	137	73	175	95	79	351
· Regular workers	386	422	435	448	347	316	318	313	333	306	301
· Temporary workers	-93	-85	-98	-96	-83	-94	-136	-5	-76	-89	149
· Daily workers	-57	-76	-25	-63	-56	-85	-108	-133	-162	-139	-99
- Non-wage workers	-92	-114	-102	-115	-66	-83	-220	-309	-282	-298	-347
· Self-employed workers	-79	-100	-79	-67	-76	-95	-197	-286	-269	-301	-287

The employment rate stood at 59.8 percent, down 0.7 percentage points compared to the same month of the previous year. The unemployment rate rose 0.8 percentage points year-on-year to 3.9 percent, while that of youths aged 15 to 29 was up 0.6 percentage points from a year earlier to 8.4 percent.

	2008						2009				
	Annual	Jun	Q1	Q2	Q3	Q4	Q1	Q2	Apr	May	Jun
Unemployment rate (%)	3.2	3.1	3.4	3.1	3.1	3.1	3.8	3.8	3.8	3.8	3.9
Employment rate (%)	59.5	60.5	58.5	60.3	59.9	59.4	57.4	59.3	58.8	59.3	59.8

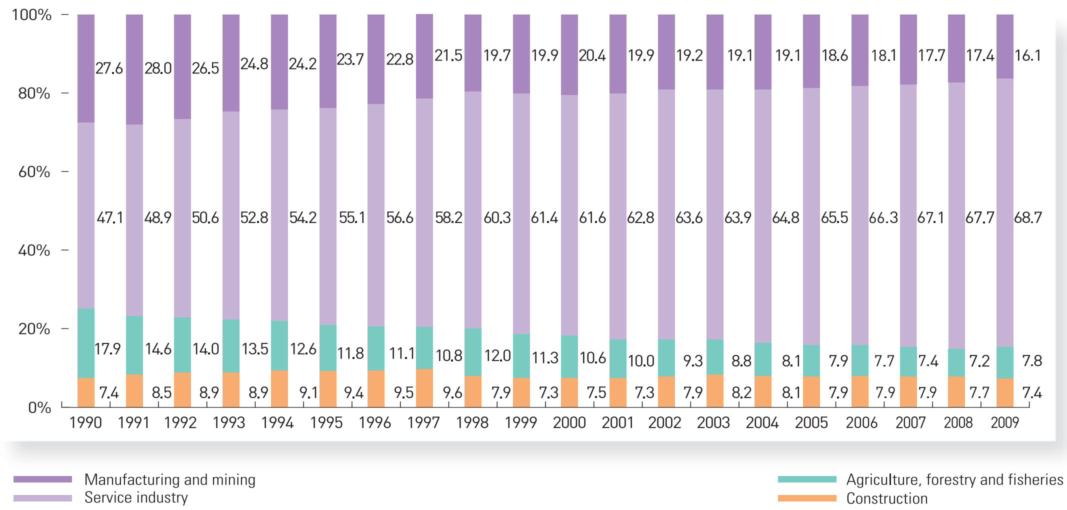
8-1 **Number of employed and employment growth**

Source: Korea National Statistical Office (employment trend)



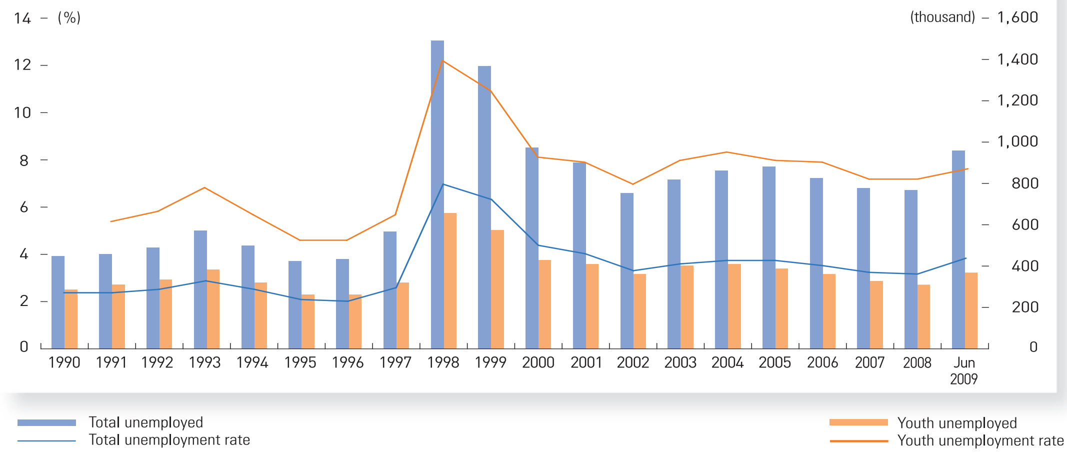
8-2 **Share of employed by industry**

Source: Korea National Statistical Office (employment trend)



8-3 **Unemployment rate and number of unemployed**

Source: Korea National Statistical Office (employment trend)



9. Financial market

9.1 Stock market

The Korean stock market in July reached the highest point this year as expectations over an economic recovery were higher with healthy economic indicators and improved corporate profits. The KOSPI exceeded 1,500 points for the first time in 10 months in line with global market rallies amid upgraded economic outlook on the Korean economy by the Bank of Korea and the IMF.

Foreign investors maintained their net-buying position in the Korean stock market since March with the amount of net-buying posting a huge 5.6 trillion won in July.

Net buying of Korean shares by foreign investors in the KOSPI market (trillion won)
2.6 (Apr 2009) ➔ 3.0 (May) ➔ 1.6 (Jun) ➔ 5.6 (Jul)

(End-period, point, trillion won)

	KOSPI			KOSDAQ		
	2008	Jul 2009	Change[1]	2008	Jul 2009	Change[1]
Stock price index	1,124.4	1,557.2	432.8 (+38.5%)	332.0	504.3	172.3 (+51.9%)
Market capitalization	576.9	807.9	231.0 (+40.0%)	46.1	77.7	31.6 (+68.5%)
Average daily trade value	5.1	5.4	0.3 (+5.9%)	1.2	2.0	0.8 (+67.0%)

1. Change from the end of the previous year

9.2 Exchange rate

The won/dollar exchange rate in July fell to the 1,220 won range affected by stock market rallies at home and abroad, robust current account surpluses and continued net-purchasing of Korean shares by foreign investors.

The exchange rate dropped steadily in July after rising up to 1,315 won on July 13, to wrap up the month at 1,228 won, 45 won lower than the previous month's closing rate of 1,273 won.

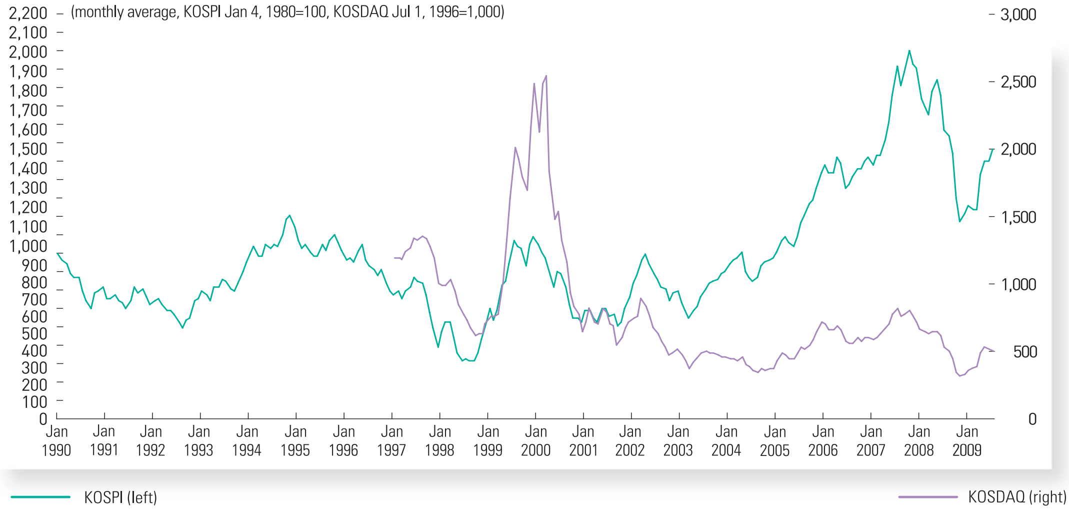
The won's value against 100 yen fell to the 1,200 won range amid the won's appreciation.

(End-period)

	2006	2007	2008	2009		
	Dec	Dec	Dec	Jun	Jul	Change[1]
Won/Dollar	929.8	936.1	1,259.5	1,273.9	1,228.5	2.5
Won/100Yen	783.4	828.6	1,396.8	1,329.6	1,288.8	8.4

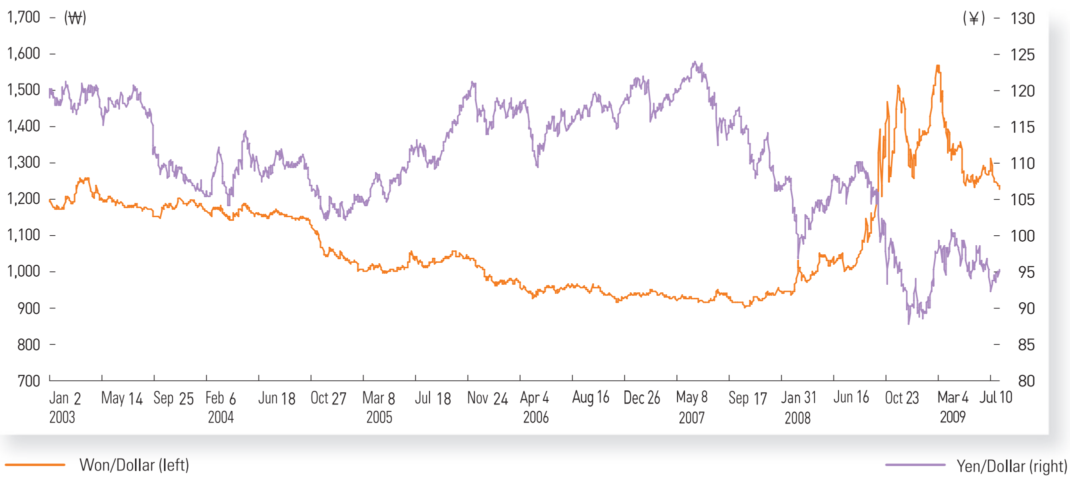
1. Appreciation from the end of the previous year (%); the exchange rate is based on the closing price at 3:00 p.m., local time.

9-1 Stock prices



9-2 Foreign exchange rate (month-end)

9-3 Recent foreign exchange rate



9.3 Bond market

Major bond yields jumped in July as the Bank of Korea upwardly revised its economic growth forecast for this year from minus 2.4 percent to minus 1.6 percent while better economic indicators spurred optimism over the economic recovery.

The pace of increase, however, has moderated as demand for bonds increased after a short-term surge of the yields. The FOMC's decision to freeze the policy rate at 2 percent also boosted bond demand.

(End-period)

	2005	2006	2007	2008	2009			
	Dec	Dec	Dec	Dec	May	Jun	Jul	Change[1]
Call rate (1 day)	3.76	4.60	5.02	3.02	1.96	1.96	1.95	-107
CD (91 days)	4.09	4.86	5.82	3.93	2.41	2.41	2.41	-152
Treasury bonds (3 yrs)	5.08	4.92	5.74	3.41	3.83	4.16	4.26	85
Corporate bonds (3 yrs)	5.52	5.29	6.77	7.72	4.98	5.39	5.68	-204
Treasury bonds (5 yrs)	5.36	5.00	5.78	3.77	4.67	4.64	4.76	99

1. Basis point changes in July 2009 from end December 2008

9.4 Money supply & money market

The M2 (monthly average) in May expanded 9.9 percent from a year earlier. Although the current account posted a surplus during the month, the M2 growth continued to slow down with a decelerated increase of credit in the private sector including bank loans.

(Percentage change from same period in previous year, average)

	2006	2007	2008		2009					
	Annual	Annual	Annual	May	Jan	Feb	Mar	Apr	May	May[1]
M1[2]	9.1	8.1	4.1	2.1	9.0	11.1	15.2	17.4	17.0	407.4
M2	8.3	11.2	14.3	14.9	12.0	11.4	11.1	10.6	9.9	1,491.5
Lf[3]	7.9	10.2	11.9	12.7	9.2	8.8	8.4	7.7	Around 7	1,897.9[4]

1. Balance at end May 2009, trillion won
2. M1 excluding corporate MMFs and individual MMFs while including CMAs
3. Liquidity aggregates of financial institutions (mostly identical with M3)
4. Balnace at end April 2009, trillion won

In June, bank deposits continued to climb on the back of expanded fiscal spending. The government's net expenditure registered 13.3 trillion won in June, up from the previous month's 4.5 trillion won.

Asset management companies (AMC) deposits plunged, as yields on money market funds (MMFs) were down and the government withdrew money from the accounts for the purpose of securing funds to redeem maturing Treasury bonds.

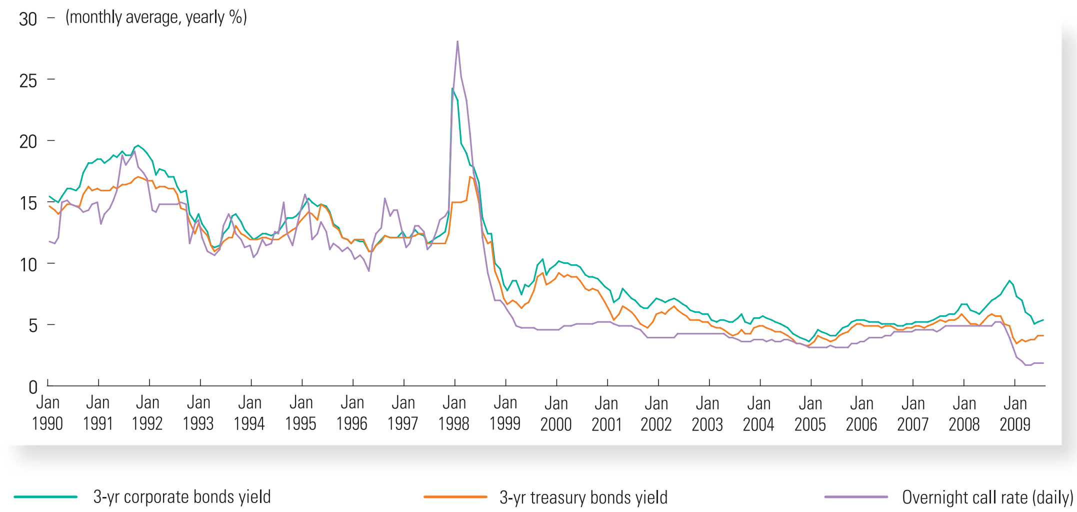
(Monthly change, end-period, trillion won)

	2007		2008		2009			
	Annual	Jun	Annual	Jun	Apr	May	Jun	Jun[1]
Bank deposits	59.6	12.4	104.3	5.2	7.4	10.4	7.7	991.7
AMC deposits	61.8	13.6	63.0	-1.0	2.2	-2.2	-11.5	374.1

1. Balance at end June 2009, trillion won

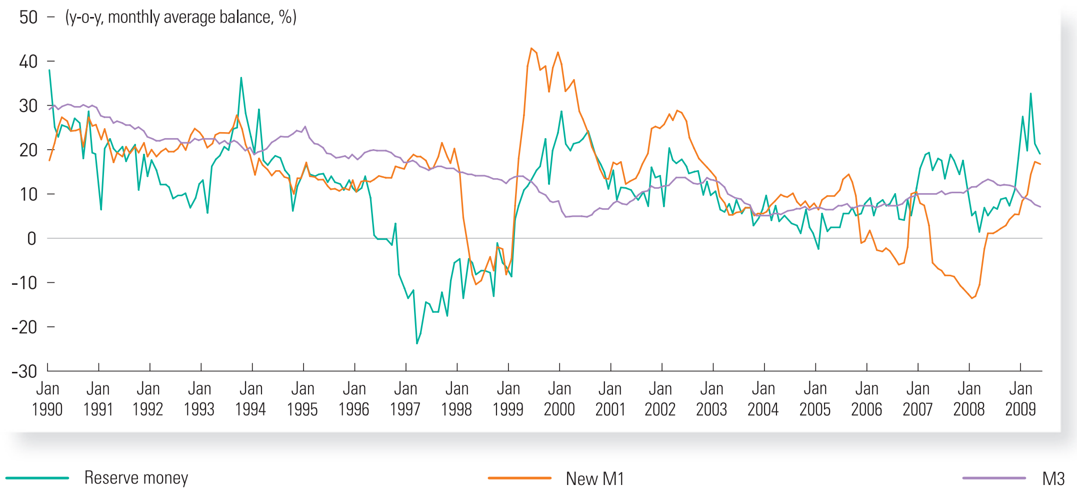
9-4 **Interest rates**

Source: The Bank of Korea



9-5 **Total money supply**

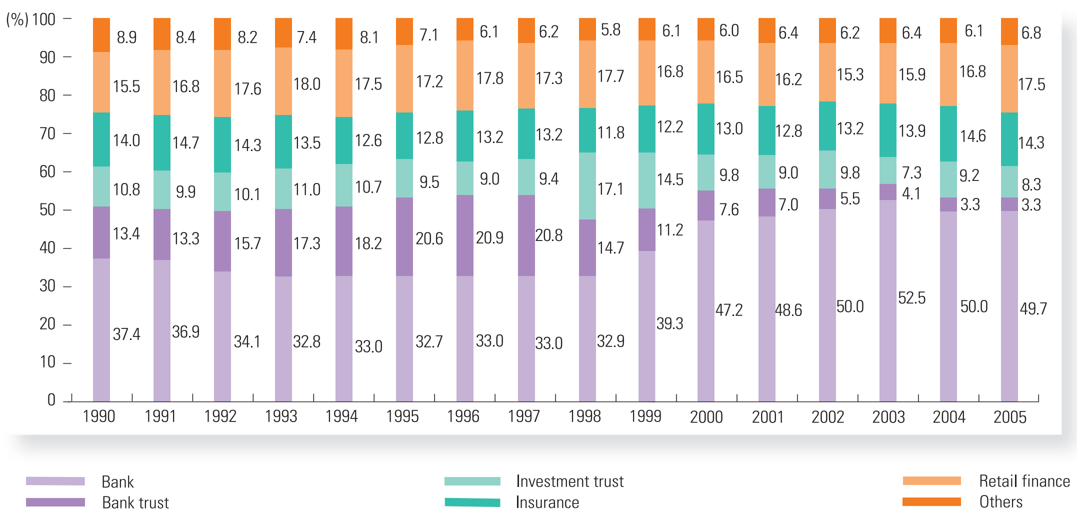
Source: The Bank of Korea



9-6 **Share of deposits by financial sector** (M3 as of year-end)

Source: The Bank of Korea

** Retail finance: Mutual savings banks & National Credit Union Federation of Korea, Others: Investment banks, post office savings, etc.*



10. Balance of payments

The current account surplus expanded to US$5.43 billion in June from US$3.5 billion in May.

The goods account surplus widened from the previous month to US$6.61 billion. The service account remained at the similar level to the previous month, posting a US$1.45 billion deficit as the transportation account surplus narrowed and the travel account deficit expanded while the business service account deficit decreased.

The income account surplus grew to US$680 million from the previous month, thanks to increased dividend and interest income.

The current transfer account posted a deficit of US$410 million due to the contributions to international organizations.

(US$ billion)

	2008					2009				
	Annual	Q1	Q2	Q3	Q4	Q1	Q2	May	Jun	Jan-Jun
Current account	-6.41	-5.21	-0.13	-8.58	7.52	8.58	13.17	3.50	5.43	21.75
- Goods balance	5.99	-1.22	5.72	-3.48	4.97	8.35	17.63	4.88	6.61	25.98
- Service balance	-16.73	-5.07	-4.27	-5.69	-1.70	-1.88	-4.02	-1.47	-1.45	-5.90
- Income balance	5.11	1.69	-0.65	1.36	2.71	0.83	0.18	0.36	0.68	1.01
- Current transfers	-0.77	-0.61	-0.94	-0.77	1.55	1.28	-0.61	-0.28	-0.41	0.67

The capital and financial account in June turned to post a net outflow of US$400 million from the previous month's net inflow of US$7.02 billion.

Capital & financial account balance (US$ billion)
5.14 (Jan 2009) ➡ -2.98 (Feb) ➡ -2.71 (Mar) ➡ 2.16 (Apr) ➡ 7.02 (May) ➡ -0.40 (Jun)

The direct investment account shifted to a net inflow of US$220 million from the previous month's net outflow of US$260 million as foreign direct investment (FDI) into Korea increased.

The portfolio investment account expanded the net inflow to record US$5.34 billion from US$4.26 billion a month earlier as foreigners' investments in the Korean bond market increased.

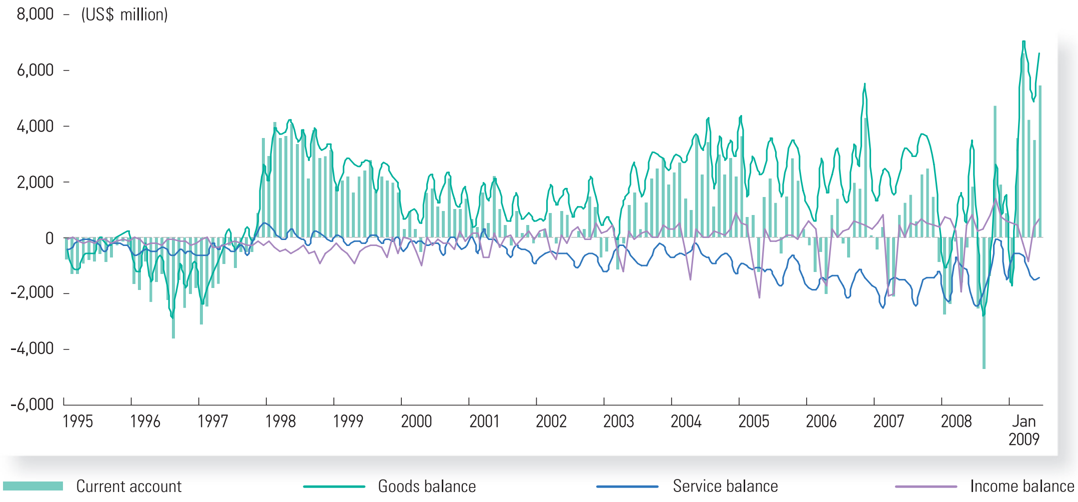
The financial derivatives account turned to register a net outflow of US$1.28 billion from the previous month's net inflow of US$1.34 billion as payments related to overseas financial derivatives transactions expanded.

The other investment account shifted from a US$1.59 billion surplus in the previous month to a US$4.73 billion deficit as domestic financial institutions have temporarily increased foreign currency deposits and have repaid short-term borrowings from abroad.

The current account is likely to record a surplus of around US$4.5 billion in July as the trade balance posted a surplus of US$5.1 billion.

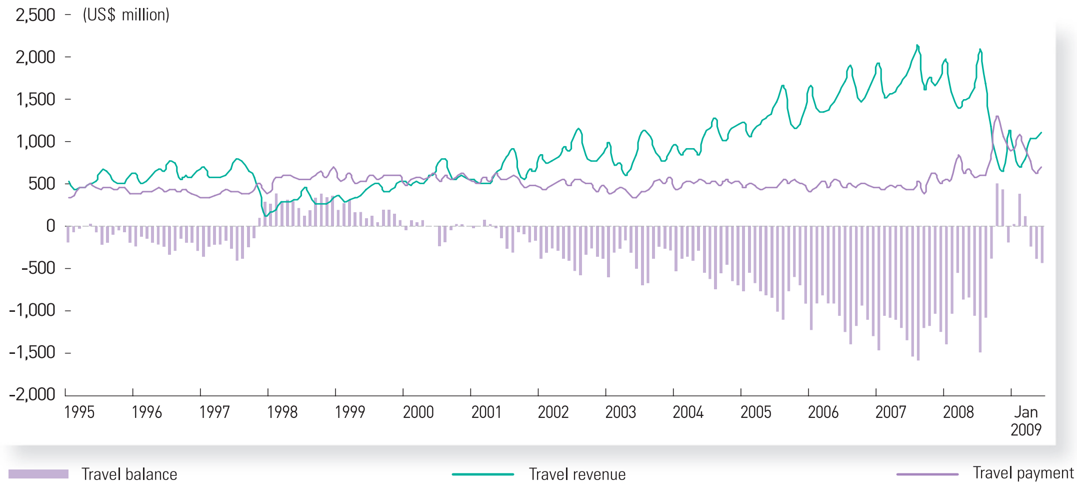
10-1 Current account balance

Source: The Bank of Korea (balance of payments trend)



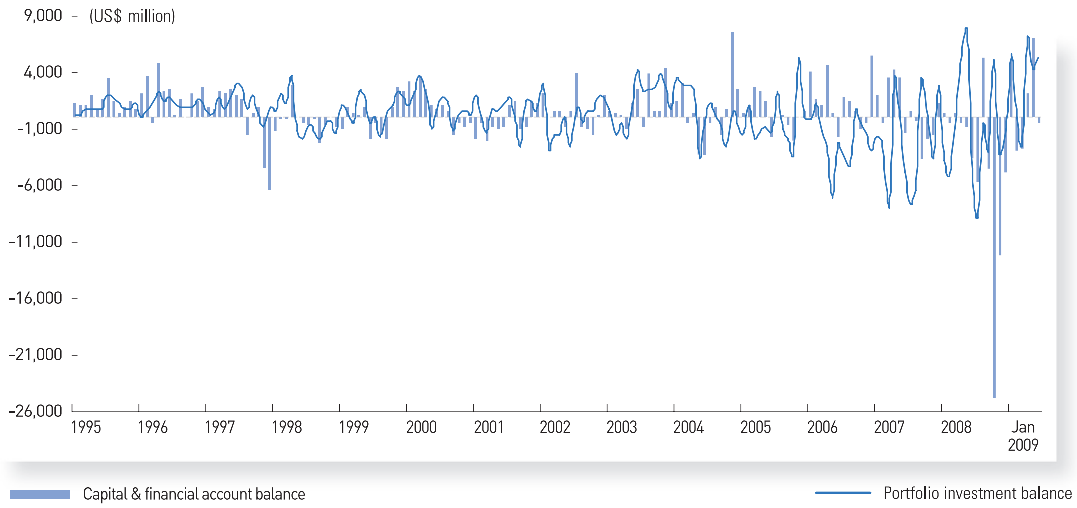
10-2 Travel balance

Source: The Bank of Korea (balance of payments trend)



10-3 Capital & financial account balance

Source: The Bank of Korea (balance of payments trend)



11. Prices and international commodity prices

11.1 Prices

Consumer prices rose by 1.6 percent year-on-year in July, down from 2.0 percent a month earlier, slowing growth for five consecutive months. On a month-on-month basis, consumer prices were up 0.4 percent.

Prices of agricultural, livestock and fishery products rose 1.0 percent from the previous month, as prices of fishery products were stabilized while prices of agricultural and livestock products were up due to the short supply caused by intense rainfalls during the rainy season and increased demand during the summer holidays.

A surge in oil product prices until early July has been subdued after the middle of the month, with the effect of international oil price stabilization and LPG price freeze. Oil product prices in July increased 1.4 percent month-on-month.

Prices of agricultural, livestock & fishery products in July 2009 (m-o-m, %)
Lettuce (58.5), young radish (18.5), cucumber (7.1), watermelon (6.9), pork (3.5), potato (-19.3), onion (-9.5), mackerel (-9.3), Chinese cabbage (-7.5)

Prices of oil products in July 2009 (m-o-m, %)
Gasoline (1.1), diesel (1.9), kerosene (2.9), LPG for automobiles (0.0), LPG for kitchen use (0.2)

Public utility charges have increased 0.6 percent compared to the previous month as city gas fees raised on June 27 were reflected in July. Personal service charges were up 0.2 percent month-on-month fueled by raised movie ticket prices, higher flight ticket prices with a high season surcharge and increased tuition fees at private cram schools during the summer vacation period.

Consumer price inflation in major sectors

	Total	Agricultural, livestock & fishery products	Industrial products	Oil products	Housing rents	Public utility	Personal services
Month-on-Month (%)	0.4	1.0	0.4	1.4	0.1	0.6	0.2
Contribution (%p)	0.36	0.09	0.14	0.08	0.01	0.10	0.06
Year-on-Year (%)	1.6	5.7	-0.3	-20.9	1.3	2.3	2.3
Contribution (%p)	1.62	0.46	-0.08	-1.52	0.12	0.37	0.80

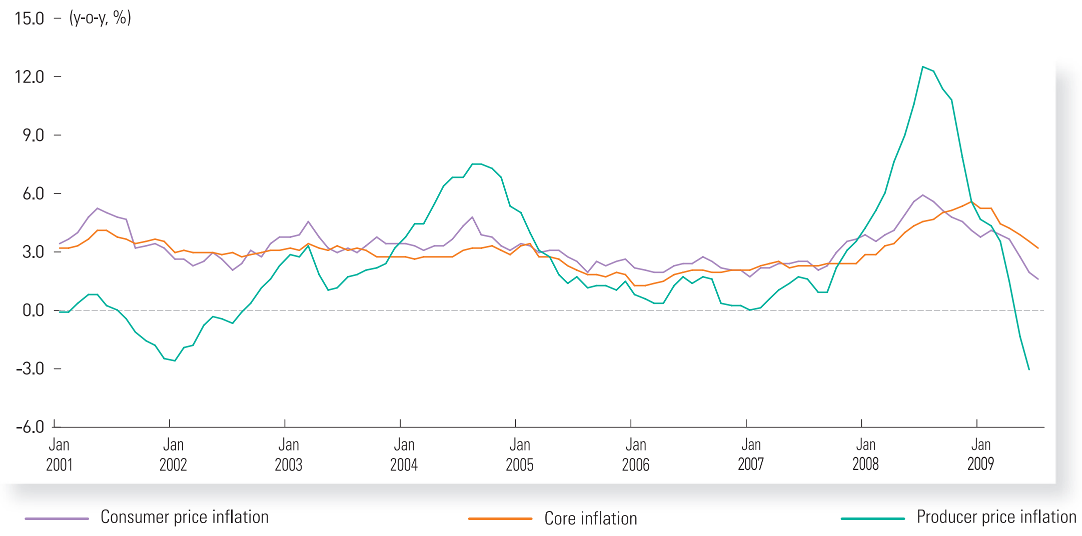
Core consumer prices, which exclude the prices of oil and agricultural products, rose by 3.2 percent year-on-year. Consumer prices for basic necessities, a barometer of perceived consumer prices, were up 0.4 percent from a year earlier.

Consumer price inflation

	2008						2009						
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
Month-on-Month (%)	0.7	-0.2	0.1	-0.1	-0.3	0.0	0.1	0.7	0.7	0.3	0.0	-0.1	0.4
Year-on-Year (%)	5.9	5.6	5.1	4.8	4.5	4.1	3.7	4.1	3.9	3.6	2.7	2.0	1.6
Core consumer prices (y-o-y)	4.6	4.7	5.1	5.2	5.3	5.6	5.2	5.2	4.5	4.2	3.9	3.5	3.2
(m-o-m)	0.5	0.2	0.5	0.2	0.3	0.5	0.2	0.4	0.4	0.2	0.2	0.1	0.2
Consumer prices for basic necessities (y-o-y)	7.1	6.6	5.5	4.8	4.0	3.0	2.8	3.3	3.1	3.0	1.8	0.5	0.4

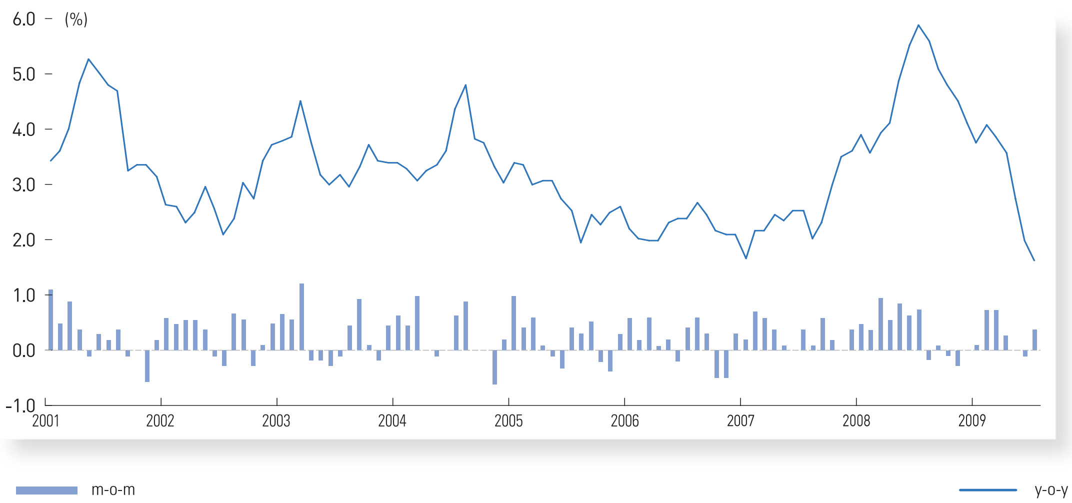
11-1 Prices

Source: Korea National Statistical Office (consumer prices, core inflation) & The Bank of Korea (producer prices)



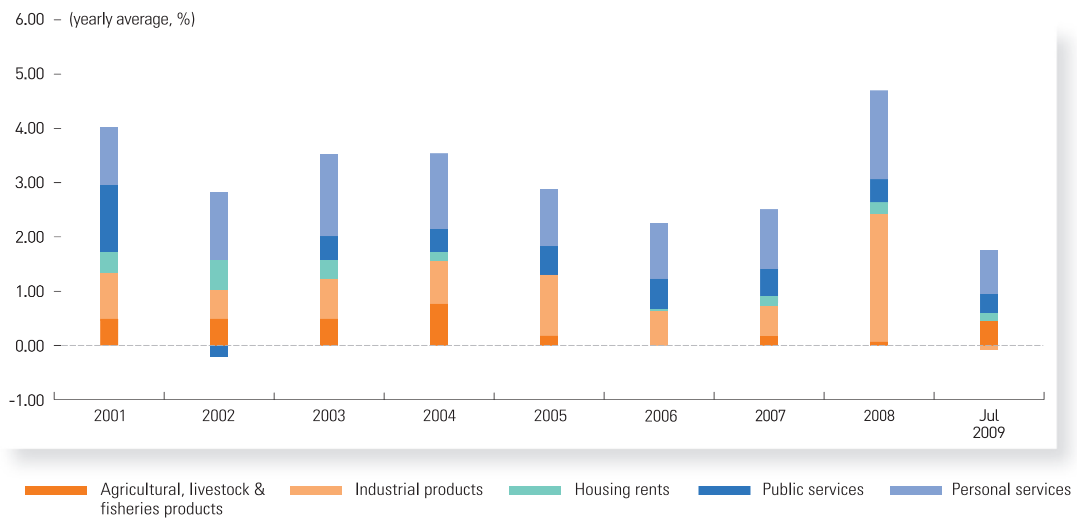
11-2 Consumer price inflation

Source: Korea National Statistical Office (consumer price trend)



11-3 Contribution to consumer price inflation

Source: Korea National Statistical Office (consumer price trend)



11.2. International oil and commodity prices

International oil prices in early July decreased as some economic data such as the US unemployment rate and the US consumer confidence showed somewhat sluggish movement.

After mid July, however, international oil prices went up with weak dollar, decreased strategic oil stockpile and prospects for economic recovery fueled by improved economic data.

(US$/barrel, period average)

	2006	2007	2008		2009					
	Annual	Annual	Annual	Dec	Feb	Mar	Apr	May	Jun	Jul
Dubai crude	61.6	68.4	94.3	40.5	43.1	45.6	50.0	57.9	69.4	65.0
Brent crude	65.1	72.8	97.5	40.4	43.2	46.5	50.4	57.5	68.6	64.6
WTI crude	66.0	72.3	99.9	41.6	39.2	48.0	49.8	59.1	69.7	64.2

Record high oil prices (spot prices, US$/barrel)
Dubai crude: 141 (Jul 4, 2008), Brent crude: 145 (Jul 3), WTI crude: 146 (Jul 14)

Domestic prices of oil products rose as increases in international oil prices have been reflected with some time lag.

(Won/liter, period average)

	2006	2007	2008		2009					
	Annual	Annual	Annual	Dec	Feb	Mar	Apr	May	Jun	Jul
Gasoline prices	1,492	1,526	1,692	1,329	1,486	1,530	1,551	1,543	1,607	1,639
Diesel prices	1,228	1,273	1,614	1,303	1,322	1,304	1,330	1,320	1,389	1,428

Source: Korea National Oil Corporation

International prices of major non-ferrous metals went up month-on-month in July due to the prospect of economic recovery. Prices of grain, however, declined due to good weather conditions.

In general, prices of non-ferrous metals including bronze, aluminum and nickel have been on an upward trend due to reduced inventory and expected economic recovery.

Prices of grain moved downward with favorable weather conditions, a good harvest and sluggish export demand.

Prices of non-ferrous metals and grain in July 2009 (m-o-m, %)
Corn (-15.3), wheat (-8.9), soybean (-18.9), bronze (13.5), aluminum (17.6), nickel (18.2), zinc (10.4), lead (10.2), tin (-1.6)

Reuters index*

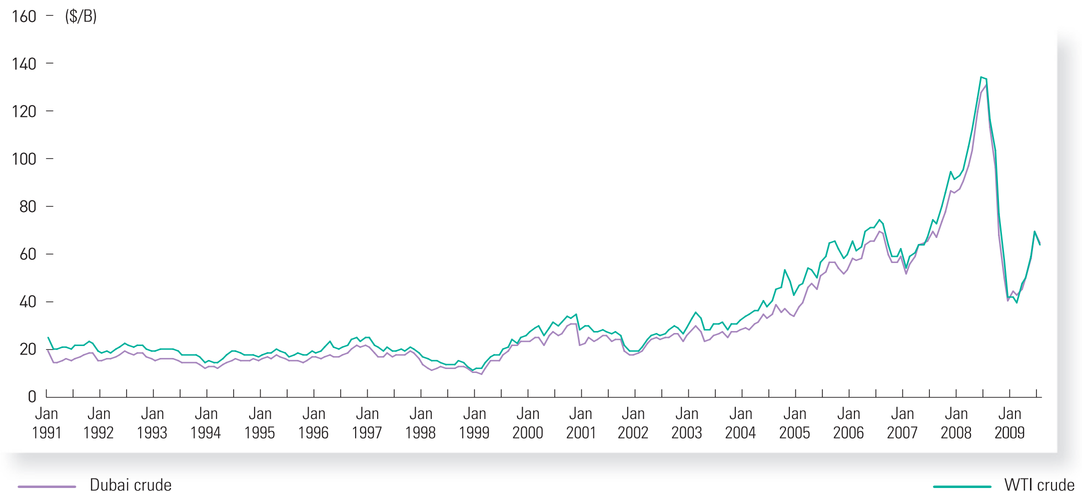
(Period average)

2006	2007	2008		2009					
Annual	Annual	Annual	Dec	Feb	Mar	Apr	May	Jun	Jul
2,019	2,400	2,536	1,767	1,893	1,870	1,942	2,099	2,117	2,080

** A weighted average index of 17 major commodities*

11-4 **International oil prices**

Source: Korea National Oil Corporation



11-5 **International oil prices** (Dubai crude) **and import prices**

Source: Korea National Oil Corporation & Korea Customs Service

11-6 **International commodity prices**

Source: Bloomberg (CRB) & The Bank of Korea (Reuters index)

** CRB demonstrates futures price index of 21 commodities listed on the US Commodity Transaction Market, including beans and other crops, crude oil and jewelry.*

12. Real estate market

12.1 Housing market

Affected by the expectations over an economic recovery as well as the opening of Gyeong-ui line and Seoul subway line 9, nationwide apartment sales prices in July continued to rise, especially in Seoul.

The weekly increase, however, decelerated after mid-July, due to lowered loan to value (LTV) ratio applied to houses in the Seoul metropolitan area and typically weak demand during the summer.

Nationwide apartment sales prices

(Percentage change from previous period)

	2006	2007	2008	2009										
	Annual	Annual	Annual	Jan	Feb	Mar	Apr	May	Jun	Jul	Jul 6[1]	Jul 13[1]	Jul 20[1]	Jul 27[1]
Nationwide	13.8	2.1	2.3	-0.7	-0.3	-0.2	0.0	0.1	0.2	0.3	0.11	0.08	0.06	0.08
Seoul	24.1	3.6	3.2	-0.9	-0.2	-0.3	0.4	0.2	0.5	0.9	0.29	0.15	0.11	0.11
Gangnam[2]	27.6	0.5	-1.9	-1.1	0.2	-0.1	0.7	0.3	0.7	1.1	0.37	0.19	0.12	0.14
Gangbuk[3]	19.0	8.3	9.4	-0.7	-0.6	-0.4	0.0	0.0	0.3	0.7	0.21	0.09	0.09	0.07

1. Weekly trends 2. Upscale area of southern Seoul 3. Northern Seoul Source: Kookmin Bank

Apartment rental prices were up at a faster pace due to increased demand in the prestigious school districts during the summer vacations and the imbalance between supply and demand in some areas.

The Gangnam area extended the upward trend as supply of newly built apartments was exhausted and demand for rental apartments in the prestigious school districts increased. Also the Gangbuk area saw widespread increases in rental prices, mainly due to supply shortages in apartment leases on a deposit basis.

Nationwide apartment rental prices

(Percentage change from previous period)

	2006	2007	2008	2009										
	Annual	Annual	Annual	Jan	Feb	Mar	Apr	May	Jun	Jul	Jul 6[1]	Jul 13[1]	Jul 20[1]	Jul 27[1]
Nationwide	7.6	1.9	0.8	-1.2	-0.3	0.2	0.3	0.3	0.4	0.5	0.14	0.12	0.12	0.13
Seoul	11.5	2.2	-1.8	-1.7	0.2	0.7	0.6	0.4	0.7	0.9	0.28	0.21	0.16	0.21
Gangnam[2]	11.3	0.5	-3.6	-1.8	0.7	1.0	0.9	0.5	1.0	1.0	0.30	0.24	0.19	0.23
Gangbuk[3]	11.8	4.6	0.5	-1.5	-0.4	0.3	0.3	0.2	0.5	0.7	0.26	0.17	0.12	0.20

1. Weekly trends 2. Upscale area of southern Seoul 3. Northern Seoul Source: Kookmin Bank

Apartment sales transactions in June posted 80,876, the highest record since July 2008, exceeding the average level of 75,731 recorded in the same month of 2006 through 2008. Also, apartment sales transaction in Seoul registered 11,258, staying on the gaining track.

Apartment sales transactions

(Monthly average, thousand)

	2006		2007		2008						2009					
	Annual	Jun	Annual	Jun	Annual	Jun	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Nationwide	94	81	84	61	74	85	61	68	54	57	49	60	79	76	72	81
Seoul	16	13	8	7	8	11	5	5	3	5	4	6	8	9	10	11

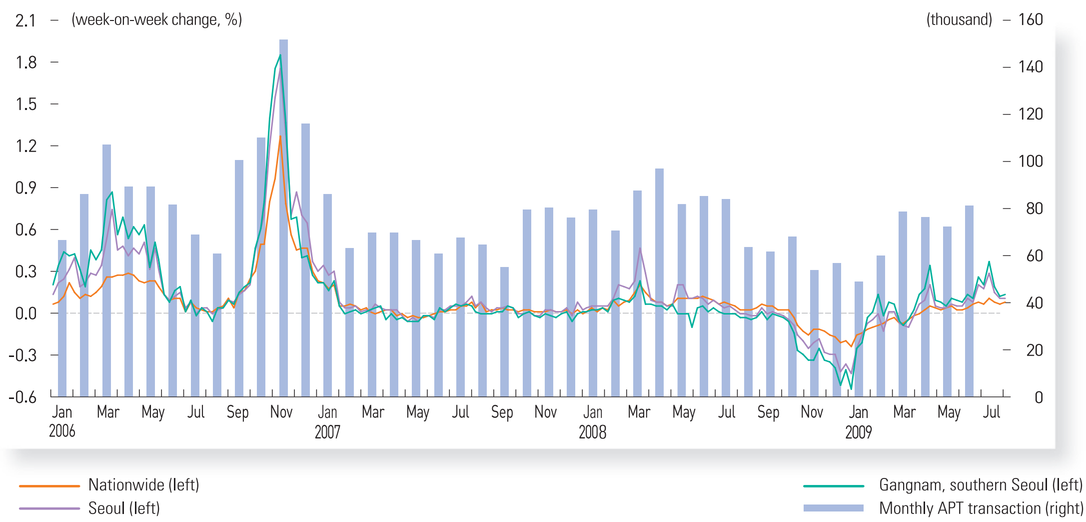
Source: Korea Land Corporation

12-1 Real estate prices

Source: Kookmin Bank (national housing price trend)

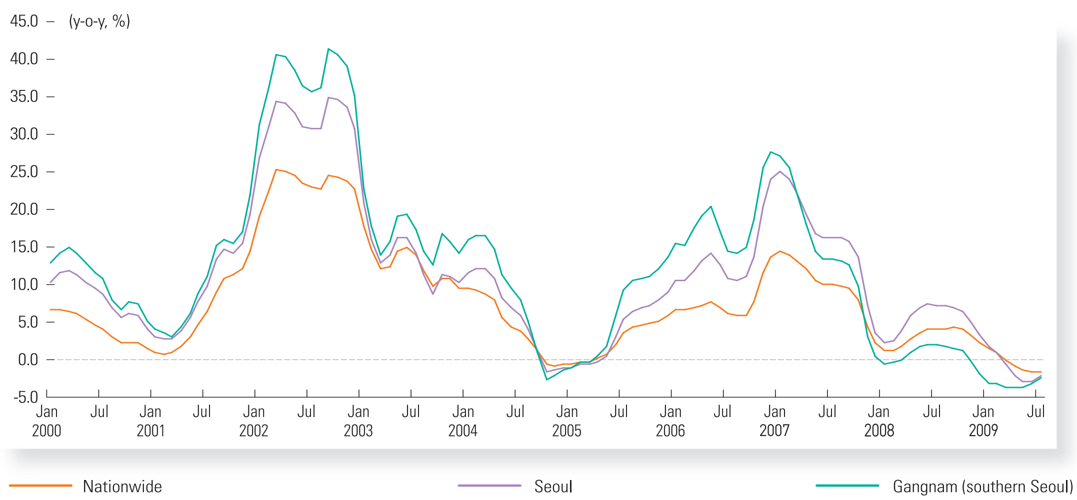
12-2 Weekly apartment sales prices and monthly transaction volume

Source: Kookmin Bank (weekly APT price trend) & Korea Land Corporation (monthly land trade trend)



12-3 Apartment prices by region

Source: Kookmin Bank (national housing price trend)



12.2 Land market

Nationwide land prices in June extended the upward trend for three consecutive months albeit below the peak of October 2008.

Nationwide land prices (m-o-m, %)
0.06 (Apr 2009) → 0.11 (May) → 0.16 (Jun)

Land prices in the Seoul metropolitan area increased as Seoul, Incheon and the Gyeonggi province saw prices rising by 0.26 percent, 0.24 percent and 0.20 percent, respectively, after climbing by 0.20 percent, 0.13 percent and 0.15 percent in the previous month.

All the other cities and provinces experienced land price increases as Busan, Gwangju and Daejeon reversed course to a rise in June from a fall in the previous month.

Land prices by region

(Percentage change from previous period)

	2007					2008					2009		
	Annual	Q1	Q2	Q3	Q4	Annual	Q1	Q2	Q3	Q4	Q1	Q2	Jun
Nationwide	3.88	0.96	0.79	0.91	1.15	-0.31	1.23	1.46	1.18	-4.08	-1.20	0.34	0.16
Seoul	5.88	1.38	1.07	1.40	1.90	-1.00	1.83	2.17	1.59	-6.34	-1.38	0.67	0.26
Gyeonggi	4.22	1.07	0.89	1.05	1.14	-0.26	1.28	1.57	1.28	-4.28	-1.62	0.36	0.20
Incheon	4.86	1.24	1.28	1.12	1.13	1.37	1.36	1.67	2.01	-3.57	-1.39	0.52	0.24

Source: Korea Land Corporation

Nationwide land transactions in June expanded 12 percent or 23,000 land lots from a month earlier to 215,000 land lots. In terms of the gross area, land transactions were up 8.1 percent.

Land transactions in the Seoul metropolitan area expanded by 12.9 percent driven by sharp price increases in Seoul (up 21.4) and Incheon (up 15.9).

Land transactions (land lots basis) also advanced in other cities and provinces excluding Daegu, Gwangju, Ulsan and the Gyeongman province.

Land sales transactions

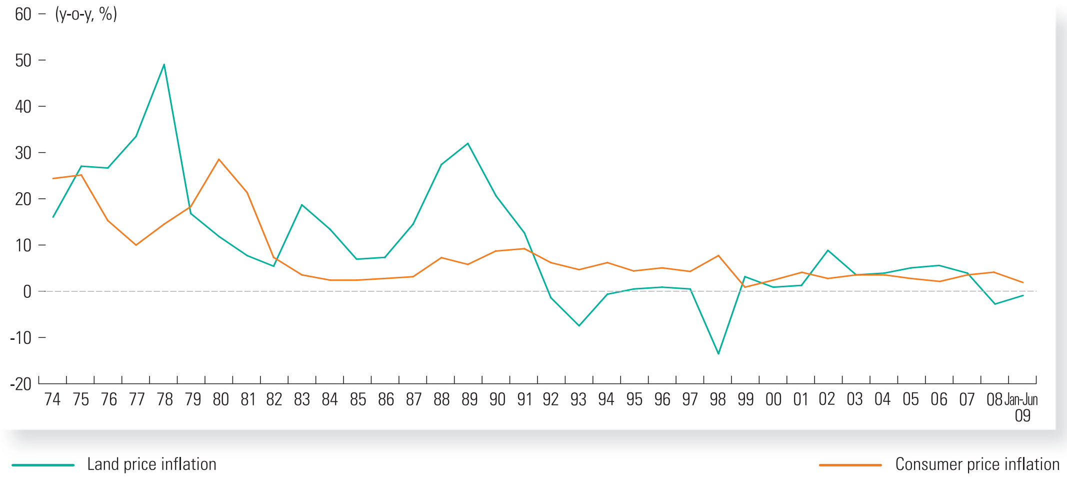
(Monthly average, land lot, thousand)

	2007	2008								2009					
	Annual	Annual	Jan	Feb	Apr	Jun	Aug	Oct	Dec	Jan	Feb	Mar	Apr	May	Jun
Nationwide	208	208	216	190	269	244	175	191	162	134	164	207	207	192	215
Seoul	33	26	24	24	41	38	18	23	13	13	15	20	24	22	27
Gyeonggi	49	45	44	40	61	55	38	36	31	26	34	41	48	45	49
Incheon	13	13	11	10	18	15	11	10	8	7	7	9	10	9	10

Source: Korea Land Corporation

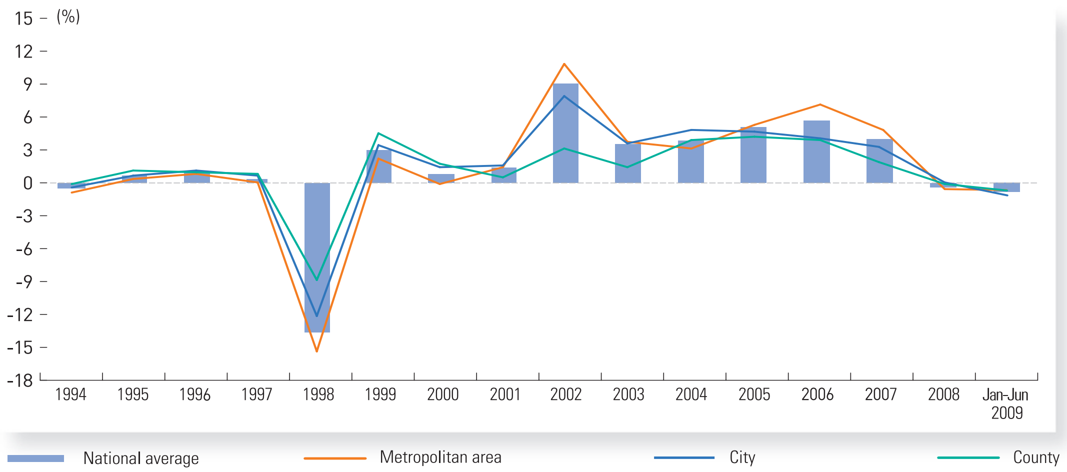
12-4 **Land and consumer prices since 1970s**

Source: Korea Land Corporation (land prices) & Korea National Statistical Office (consumer prices)



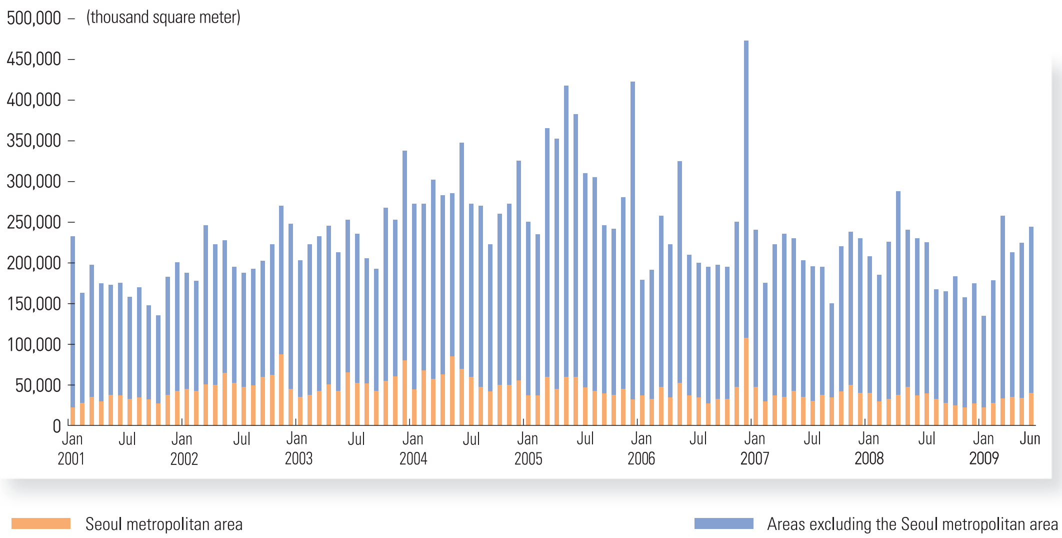
12-5 **Land prices by region**

Source: Korea Land Corporation (land price trend)



12-6 **Land trade volume**

Source: Korea Land Corporation (land trade trend)



13. Composite indices of business cycle indicators

The cyclical indicator of coincident composite index, a barometer of the current economic conditions, rose 1.6 points in June from the previous month, staying on an upward track since March.

All components of the index including the value of construction completed, the domestic shipment index, the manufacturing operation ration index, the mining & manufacturing production index, and the wholesale & retail sales index increased.

Components of the cyclical indicator of coincident composite index in June 2009 (m-o-m)
Mining & manufacturing production index (3.3%), manufacturing operation ratio index (3.4%), value of construction completed (5.0%), service activity index (1.0%), wholesale & retail sales index (2.6%), domestic shipment index (4.0%), volume of imports (0.8%), number of non-farm payroll employment (0.4%)

The year-on-year leading composite index, which foresees the future economic conditions, rose 3.3 percentage points month-on-month in June, running on an upward track since January.

All components of the index including the value of machinery orders received, the consumer expectations index, the indicator of inventory cycle, the value of received construction orders, and the volume of capital goods imports were up.

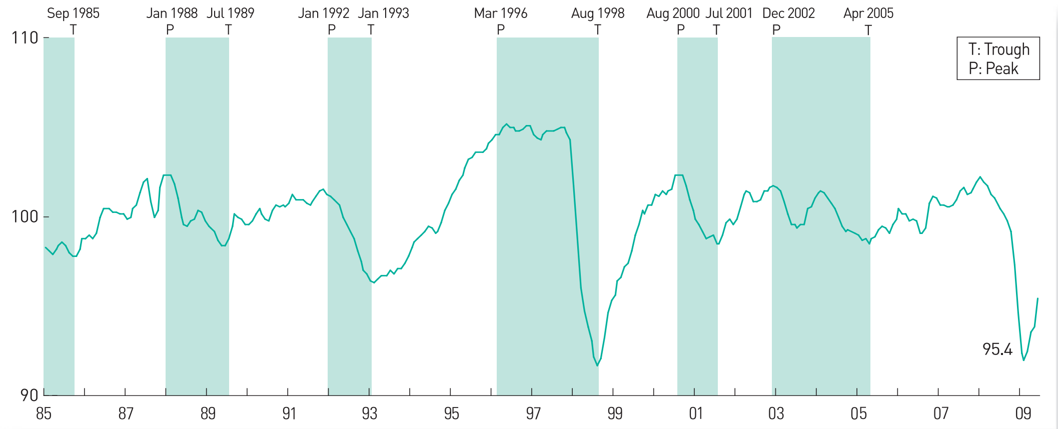
Components of the leading composite index in June 2009 (m-o-m)
Ratio of job openings to job seekers (2.3%p), indicator of inventory cycle (7.2%p), consumer expectations index (10.4p), value of machinery orders received (16.0%), volume of capital goods imports (4.9%), value of received construction orders (6.7%), composite stock price index (6.0%), liquidity in the financial institutions (0.9%), spreads between long & short term interest rate (0.1%p), net terms of trade index (2.4%)

	2009					
	Jan	Feb	Mar	Apr[1]	May[1]	Jun[1]
Coincident composite index (m-o-m, %)	-1.9	0.0	0.9	1.5	0.8	2.0
Cyclical indicator of coincident composite index	92.4	92.0	92.5	93.5	93.8	95.4
(m-o-m, p)	-2.2	-0.4	0.5	1.0	0.3	1.6
Leading composite index (m-o-m, %)	0.2	1.1	1.0	1.9	2.2	2.8
12 month smoothed change in leading composite index (%)	-4.1	-3.0	-2.0	0.1	2.7	6.0
(m-o-m, %p)	0.1	1.1	1.0	2.1	2.6	3.3

1. Preliminary

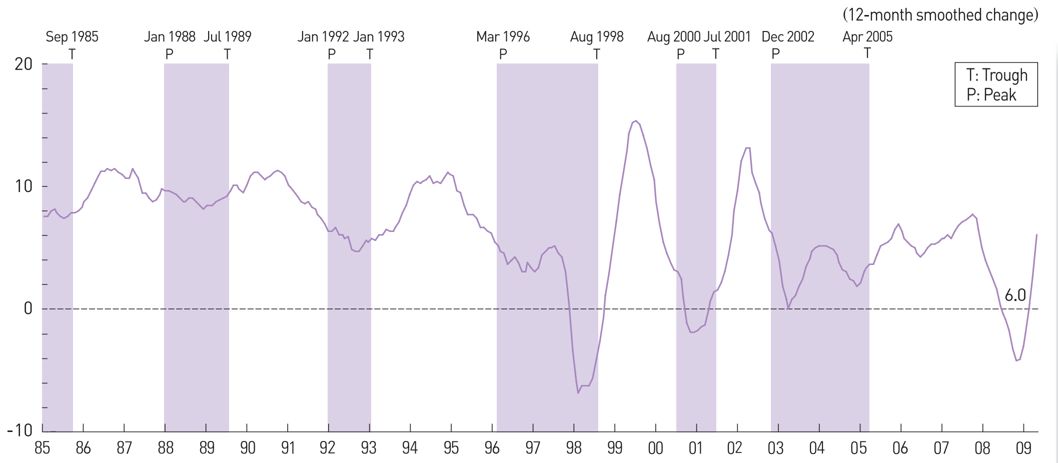
13-1 Cyclical indicator of coincident composite index

Source: Korea National Statistical Office



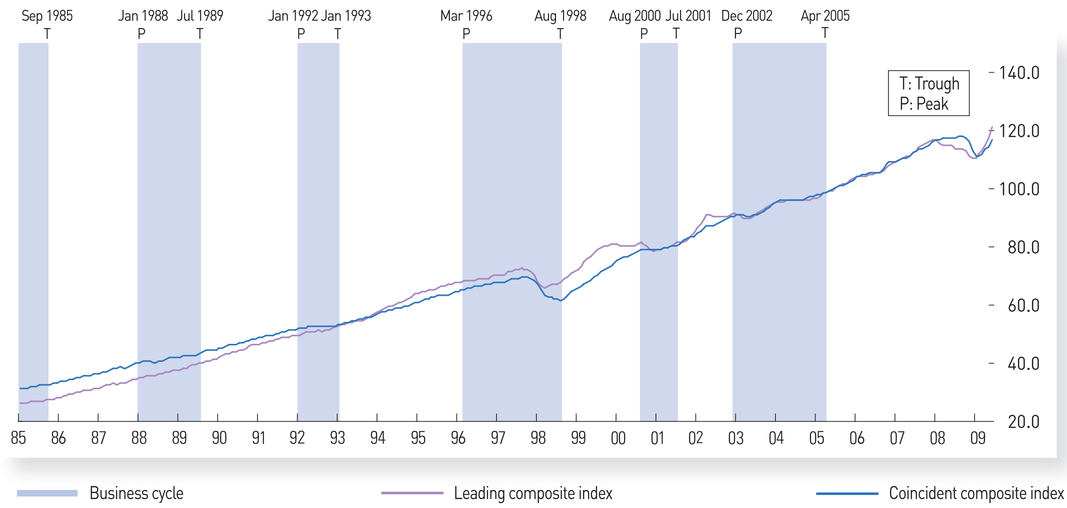
13-2 Leading composite index

Source: Korea National Statistical Office



13-3 Coincident and leading composite indices

Source: Korea National Statistical Office



Policy Issues

Plans to Finance Green Growth Related Industries

The Korean government plans to stimulate investment in green growth related industries. The plans are aimed at establishing the financing mechanism for green growth related industries and expanding investment base to prevent a potential bubble in the industries.

Background

Current financing by the financial market and the government's support are not fit for green growth related industries for the following reasons: 1) the industries have a lot of uncertainties; 2) their return on investment takes longer to recuperate; 3) their external benefit is larger than that of other industries; and 4) although private financers offer green industry related loans at favorable rates and deal with green industry related products, the level of support is low, mainly giving loans to projects of full-fledged technologies while leaving industries in their initial stages of R&D and commercialization.

Directions of the plan

To attract private investment, the government decided to remove uncertainties: The government will introduce a certification system to approve green technologies and projects, and will verify companies doing green growth related projects as "green enterprises" if they qualify for the government's requirements. To practice the approval system transparently and professionally, a joint public-private consultation body is planned to be launched with experts home and abroad. Schemes to nurture green industries will be set up in the third quarter of 2009, which will include establishing standards for selecting key areas of green industries based on future exports, commercialization possibilities, and effects on other industries.

Private funds will be invited to participate in green SOC projects such as building bicycle paths and developing new & renewable energy, and will be given incentives including value added tax cuts and eminent domain. Energy Service Companies (ESCOs)* will be allowed to expand to CO_2 reduction and new & renewable energy related businesses from just energy saving ones, with increased government investment from 135 billion won in 2009 to 200 billion won in 2013.

* A company providing energy saving facilities for other companies short of financing and technology, and recollecting investment from saved energy cost

Main contents of the plan

The plans are formulated on the basis of three stages of development of green growth related industries.

Stage 1: R&D and commercialization

The government will expand fiscal support from 2.0 trillion won in 2009 to 2.8 trillion in 2013, along with the funds of 300 billion won collected by the Korea Development Bank (KDB).

SMEs in green growth related industries will be supported with funds exclusive for them, which will be expanded from 60 billion won in 2009 to 1.1 trillion won in 2013. Credit guarantees offered to "green enterprises" and "green projects" will be increased almost three folds from 2.8 trillion won in 2009 to 7 trillion won in 2013.

Stage 2: The maturing industry

To support industries in their maturing stage, long-term funding needs to be available in the capital market, along with tax incentives, if necessary, to offset the risks that may entail the investment.

"Green funds" of 500 billion won are planned to be formed by the KDB and National Pension Service (NPS) in the second half of 2009. Investment in green industries will be one of the criteria in assessing the performance of National Pension Fund, and Private Equity Funds will be allowed to directly invest in SOC projects.

Long-terms deposit products and bonds investing in green industries will be introduced to individual investors, who will be able to invest up to 20 million won in green industry related deposit products, or up to 30 million won in green industry related bonds. Both financial products, having three to five years of maturity, will be exempted from capital gain taxes. Deposits and bonds with one year maturity will be given the interest rate of time deposits.

Stage 3: The fully-fledged industry

Full-fledged industries attract investors, therefore the government will make efforts to establish a foundation to facilitate inducing funding from the private sector.

Carbon funds of 100 billion won will be set up in October 2009 to invest in carbon emission rights market in developing countries, followed by carbon emission rights exchange in Korea, which will be test run in 2011. To support exports of eco-friendly technologies and projects, the government's export financing will be expanded from 1.0 trillion won in 2009 to 3.0 trillion in 2013 with increased government guarantee for exporters. On top of that, a new Social Responsibility Index reflecting the level of a company's environment-friendliness will be developed in order to measure corporate investment in green growth related areas. The stock price index only for green growth related industries is also planned to be introduced.

Detailed plans to support eco-friendly cars and LED lighting, the former to be commercialized and the latter full-fledged, were made to provide customized financing. Project financing worth 600 billion won will be provided to eco-friendly cars to support facilities investment, while parts-supplying associates will access one trillion won of bridge loans designed to finance their facilities investment and business operation until 2012. In addition, financial institutions and large corporations will jointly purchase the associates' Asset Backed Securities.

As LED lighting costs much to be replaced for conventional lighting, the government planned to create initial demand by changing conventional lighting in public entities with LED lighting. To financially support public entities subject to replacing with LED lighting, the government fund of 100 billion won will be made available to LED leasing companies.

Economic News Briefing

GDP expands a robust 2.3% in the second quarter *(Advanced)*

Korea's real GDP grew 2.3 percent in the second quarter of 2009 *(advanced)* compared to the previous quarter, the fastest pace in almost 6 years since the fourth quarter of 2003. From a year earlier, it contracted 2.5 percent during the April-June period.

GDP by production and expenditure*

(Percentage change from previous period)

	2007				2008[1]				2009[1]	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
GDP	1.5 (4.5)[2]	1.5 (5.3)	1.3 (4.9)	1.3 (5.7)	1.1 (5.5)	0.4 (4.3)	0.2 (3.1)	-5.1 (-3.4)	0.1 (-4.2)	2.3 (-2.5)
Agriculture, forestry and fishery	-0.2	3.0	0.8	-2.9	5.8	0.8	0.6	-0.1	-0.1	-1.5 (-1.0)
Manufacturing	2.0	2.7	2.5	2.4	1.2	1.7	0.1	-11.9	-3.4	8.2 (-7.9)
Construction	-0.1	-0.1	0.5	1.3	-1.4	-2.2	1.1	-4.2	5.9	-1.0 (1.3)
Services[3]	2.0	1.2	1.1	1.2	0.8	0.1	0.5	-1.4	0.3	1.0 (0.3)
Private consumption	1.7	1.5	0.9	0.4	1.1	-0.2	0.0	-4.6	0.4	3.3 (-1.1)
Facility investment	6.0	1.2	-3.0	3.8	-0.4	0.4	0.2	-14.2	-11.2	8.4 (-17.2)
Construction investment	-0.1	-2.2	-0.4	2.9	-2.5	-0.3	0.1	-3.0	5.2	0.4 (2.4)
Goods exports[4]	5.4	2.6	1.5	7.1	-0.7	2.5	-0.9	-12.6	-3.4	14.7 (-4.3)
Goods imports[4]	3.8	5.0	0.3	5.9	0.1	3.0	1.2	-15.7	-6.2	7.3 (-14.3)
GDI	-0.2	1.7	1.4	1.1	-1.7	1.0	-3.3	-2.2	0.1	5.1 (-0.1)

**At 2005 chained prices, seasonally adjusted terms*

1. Preliminary

2. Figures in parenthesis denote percentage changes from the same period in the previous year in original terms.

3. Wholesale & retail sales, hotels & restaurants, transportation & storage, communication services, financial & insurance services, real estate, business services, public administration, defense & social security, educational services, healthcare & social welfare services and other services are included.

4. FOB basis

On the expenditure side, the manufacturing output reversed course to surge 8.2 percent from the previous quarter, while the service output expanded its quarter-on-quarter growth to 1.0 percent from the previous month's 0.3 percent. On the expenditure side, exports of goods shifted to a 14.7 percent surge from a 3.4 percent decrease a quarter earlier. Private consumption was also up 3.3 percent, accelerating from a 0.4 percent increase in the previous quarter, driven by boosted car sales.

Real GDI (gross domestic income) reflecting the change in terms of trade was up 5.1 percent from the previous quarter and decreased 0.1 percent from the same quarter of the previous year.

IMF upgrades Korea's growth forecast for this year

The International Monetary Fund (IMF) raised the 2009 growth forecast for Korea by 1.2 percentage points to minus 1.8 percent from the July projection, as timely and comprehensive policy responses by the government against global economic turmoil led to a quicker-than-expected recovery. The international organization pointed out that economic indicators including exports, industrial output and service activity have improved considerably compared to the end of last year, and the credit crunch has been eased with swift measures to stabilize financial markets, expansionary monetary and fiscal policies, and a shift of the current account to huge surpluses helped by a weaker won and oil price decreases.

The improved outlook comes after the IMF in July upwardly revised the growth estimate by 1.0 percentage point to minus 3.0 percent from the February's minus 4.0 percent. The Washington-based organization, however, maintained its 2010 growth forecast at 2.5 percent, citing the waning impact of government stimulus and a drawn-out recovery of the global economy. The IMF announced the board-approved estimates following a two-week consultation with the Korean government from June 25 to July 7.

Korea signs comprehensive trade deal with India

Korean Trade Minister Kim Jong-hoon and Indian Commerce Minister Anand Sharma signed Comprehensive Economic Partnership Agreement (CEPA) on August 7, marking the first trade pact between Korea and a member of BRICs, which represents Brazil, Russia, India and China. Korea is expected to gain first-mover advantage after signing the deal ahead of other major economies such as Japan, China and the EU.

A CEPA is similar to a free trade agreement (FTA) since it encompasses lowering or eliminating of tariffs, opening the markets and promoting investments and economic cooperation. When the agreement goes into effect as planned next January, it will either eliminate or reduce tariffs on 85 percent of Korea's exports and 90 percent of India's exports in terms of value. In addition, the two sides will open up their services and investment markets to each other. Under the deal, up to 10 Indian branches of Korean banks could be set up during the first four years of the CEPA, and professional human resources exchange between the two countries will be allowed. The two countries also agreed on eased rules of origin compared with other FTAs that India has concluded. As for goods made in the Gaesung Industrial Complex, a joint inter-Korean industrial park in North Korea, the deal gives them preferred tariff rates regarding them as being made in Korea.

Inbound FDI on the rise in the first half

Foreign direct investment (FDI) into Korea for the first half of 2009 totaled US$4.64 billion, representing a year-on-year increase of 2.1 percent. Notably, FDI for the second quarter jumped 62 percent from a year ago amid growing expectations over an economic recovery while that of the first quarter dropped 38.2 percent year-on-year to US$1.68 billion. The Ministry of Knowledge Economy analyzed that such a jump in the second quarter suggests that foreign businesses that were reluctant to make investment decisions earlier this year have started investing again, believing that the Korean economy is showing signs of stability and improvement.

Of the total, FDI in the manufacturing sector rose 1.0 percent to US$1.67 billion, while investments in the service sector rebounded for the second quarter, marking a 4.6 percent year-on-year growth to US$2.95 billion. While FDI from the US and the EU decreased 12.8 percent and 16.2 percent, respectively, investment from Japan saw a steep increase, soaring 82.6 percent annually to US$1.18 billion. Greenfield investments dropped 4.1 percent, totaling US$3.10 billion, and FDI through M&A climbed 17.4 percent to US$1.55 billion. Furthermore, large-scale investments posted US$2.71 billion, an increase of 79.2 percent from the same period of the previous year, while investments worth less than US$100 million slid 36.2 percent to US$1.94 billion.

(Notification basis, US$ billion)

	2008					2009	
	Q1	Q2	Q3	Q4	Annual	Q1	Q2
Inbound FDI	2.72	1.83	2.87	4.29	11.71	1.68	2.97
(y-o-y, %)	69.8	3.6	-2.6	2.2	11.3	-38.2	62.0

Meanwhile, the government plans to offer more incentives to foreign companies starting from July 31 in a bid to boost economic growth and job creation. According to the Ministry of Knowledge Economy, the government provides more cash grants and rent-free use of land to foreign companies. The incentive package focuses on foreign invested companies that have a high potential to generate jobs. Previously, cash grants were only given to companies that establish high-tech production and research facilities.

Non-financial firms allowed to hold up to 9% of shares in a bank

Non-financial business operators (NFBOs) are allowed to own up to 9 percent of the voting shares of a bank holding company compared to the current 4 percent, as the Korean government has approved on July 28 the amendments to the Financial Holding Companies Act after the National Assembly passed them on July 22. According to the revisions, which become effective from October 10, 2009, the eased bank ownership will be available under the precondition that an advance-screening procedure and a stringent post-supervision be in place to prevent industrial capital from manipulating the financial system.

Also non-banking financial holding companies will be able to take controlling ownership of non-financial companies. Financial holding companies of insurance business will be able to have a non-financial company as a subsidiary. In addition, financial holding companies of securities and asset management businesses will be allowed to take a non-financial company as a subsidiary or a grandson company.

The eased regulations are expected to help enhance competitiveness of domestic banking as well as non-banking industry, strengthening a foundation for the advancement of financial holding companies.

Korea outlines the privatization plan of Korea Development Bank

On July 28, the Financial Services Commission (FSC) announced plans to split state-owned Korea Development Bank (KDB) into a holding company called KDB Holding Company (KDBHC) and a policy body called Korea Policy Banking Corporation (KPBC), after four months of discussion. A focus has been given to dividing the assets fairly and allocating them in a reasonable manner so that KDB can be privatized smoothly and KPBC can conduct public lending effectively.

KDBHC will be established with 1.5 trillion won of assets currently held by KDB while KPBC will be established with 28 trillion won in assets, 3 trillion won in shareholders' equity and 25 trillion won in liabilities. Along with the split, stakes in various state and private companies currently held by KDB would be divided up between the policy unit and the banking operations.

Media bills approved at National Assembly and Cabinet meeting

Three media related bills - the newspaper bill, the broadcast bill and the IPTV bill - were passed on July 22 at the National Assembly and approved on July 28 at the Cabinet meeting.

Under the new bills, newspapers and conglomerates are allowed to own 10- and 30-percent stakes in terrestrial broadcasting stations and cable news networks, respectively. However, newspapers that have a circulation taking up 20 percent of the total market will be banned from investing in the business. Newspapers and large companies are also able to hold up to 49 percent in general or news channels under the IPTV bill. The Korean government expects the approved bills to create jobs and advance the domestic media industry by making more capital available to media companies and leading to better contents and more competition in the sector.

Temporary Regulatory Relief goes into effect from July

The government held a national policy coordination meeting presided by Prime Minister on May 27, 2009 and announced the “Temporary Regulatory Relief (TRR)” program, which suspends regulations or imposes relaxed regulations on a temporary basis. Based on the criteria by objective, a total of 280 regulations has been identified. Of the 280 rules, laws related to 150 cases have been revised and went into effect from July 1, 2009.

The TRR program have been associated with eliminating obstacles to business investment, alleviating burdens and costs related to business activities, and supporting SMEs and low-income individuals. TRR focuses on areas, which can bring immediate policy impacts on the market, attract private investments and contribute to a fast economic recovery. For instance, by raising the profit cap imposed on sales of lands for factory sites by private investors from the current level of 6 percent to 15 percent, the government has determined to promote the participation of private investors in developing industrial complexes.

Korea pledges to cut greenhouse gas emissions

The Presidential Committee on Green Growth announced on August 4 that it would choose a 2020 midterm target for greenhouse gas emissions by the end of this year. This is a follow-up to President Lee Myung-bak’s address at the 2008 G8 Extended Summit where he made the commitment that Korea will actively engage in the global efforts to combat climate change and play a leadership role.

The committee laid out three scenarios to cut down the carbon emissions by 21 percent, 27 percent and 30 percent, respectively, compared to the level of “business as usual (BAU)” level. The targets represent an 8 percent increase, a freeze and a 4 percent cut, respectively when compared to Korea’s greenhouse gas emissions in 2005. The mid-term scenarios meet the EU’s recommendations for developing nations to reduce greenhouse gas by between 15 and 30 percent compared to the BAU.

Statistical Appendices

Tables & Figures

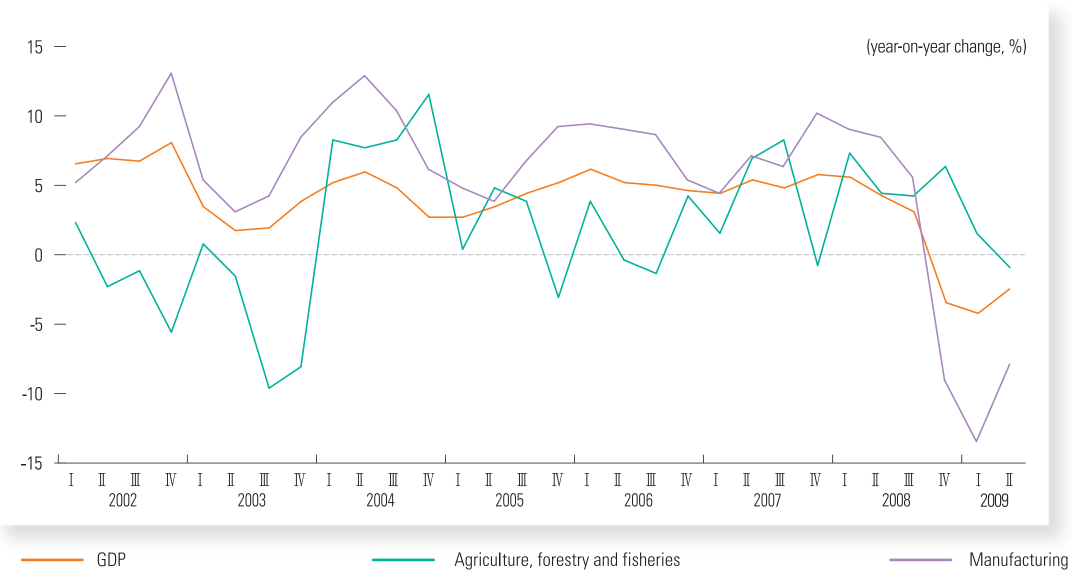
1. National accounts

(year-on-year change, %, chained 2005 year prices)

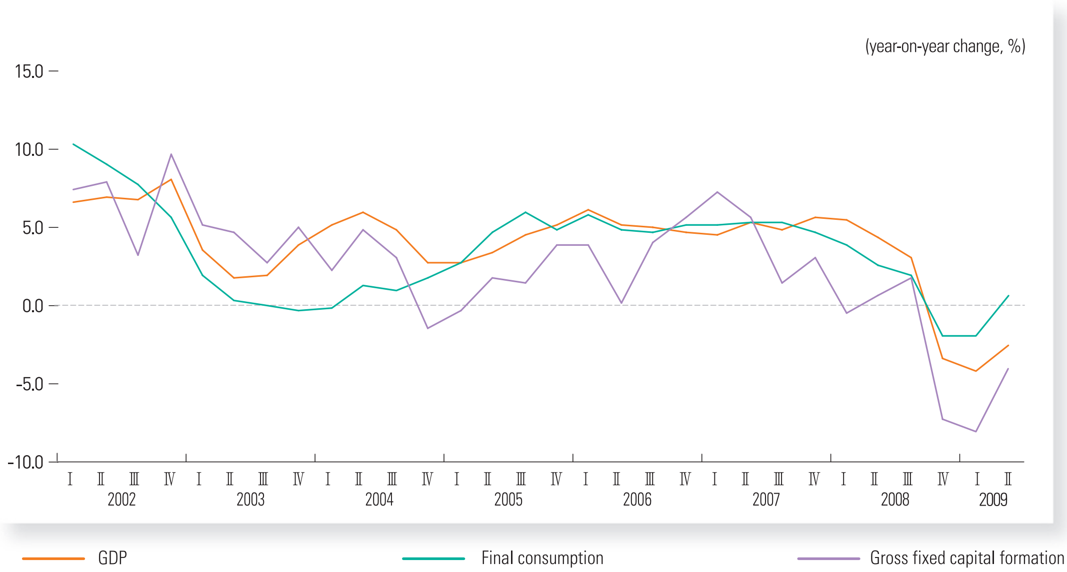
Period	Real GDP			Final consumption expenditure	Gross fixed capital formation		
		Agri., fores. & fisheries	Manufacturing			Construction	Facilities
2002	7.2	-2.2	8.7	8.1	7.1	6.2	7.3
2003	2.8	-5.4	5.4	0.5	4.4	8.5	-1.5
2004	4.6	9.1	10.0	1.0	2.1	1.3	3.8
2005	4.0	1.3	6.2	4.6	1.9	-0.4	5.3
2006	5.2	1.5	8.1	5.1	3.4	0.5	8.2
2007	5.1	4.0	7.2	5.1	4.2	1.4	9.3
2008P	2.2	5.5	3.1	1.6	-1.7	-2.1	-2.0
2002 I	6.6	2.3	5.1	10.3	7.5	11.4	2.6
II	7.0	-2.4	7.2	9.1	7.9	7.2	7.7
III	6.8	-1.1	9.3	7.7	3.2	-1.5	9.8
IV	8.1	-5.5	13.1	5.7	9.6	9.4	9.1
2003 I	3.5	0.7	5.4	2.0	5.1	8.2	2.9
II	1.8	-1.6	3.1	0.3	4.7	8.4	-0.7
III	2.0	-9.6	4.3	0.0	2.8	8.3	-5.8
IV	3.9	-8.0	8.5	-0.4	5.0	9.0	-2.2
2004 I	5.2	8.2	10.9	-0.1	2.3	5.3	-0.6
II	5.9	7.6	12.9	1.3	4.9	4.2	6.4
III	4.8	8.3	10.4	1.0	3.1	1.2	7.7
IV	2.7	11.6	6.2	1.8	-1.4	-3.5	1.8
2005 I	2.7	0.4	4.8	2.7	-0.3	-3.1	3.4
II	3.4	4.8	3.9	4.7	1.8	0.9	2.8
III	4.5	3.8	6.7	5.9	1.5	-0.3	4.1
IV	5.1	-3.1	9.3	4.9	3.9	0.3	10.8
2006 I	6.1	3.9	9.4	5.8	3.8	1.9	7.2
II	5.1	-0.3	9.1	4.9	0.1	-4.2	8.0
III	5.0	-1.4	8.7	4.6	4.0	-0.5	12.0
IV	4.6	4.2	5.4	5.1	5.7	5.1	5.7
2007 I	4.5	1.6	4.5	5.1	7.3	4.4	12.6
II	5.3	7.0	7.2	5.4	5.7	2.0	13.0
III	4.9	8.2	6.3	5.3	1.5	-0.2	4.0
IV	5.7	-0.7	10.2	4.7	3.1	0.4	8.0
2008P I	5.5	7.4	9.1	3.9	-0.5	-1.9	1.5
II	4.3	4.4	8.4	2.6	0.6	-0.3	1.1
III	3.1	4.2	5.6	2.0	1.8	0.2	4.3
IV	-3.4	6.4	-9.1	-1.9	-7.3	-5.6	-14.0
2009P I	-4.2	1.5	-13.6	-2.0	-8.1	1.6	-23.5
II	-2.5	-1.0	-7.9	0.7	-4.0	2.4	-17.2

P: Preliminary
Source: The Bank of Korea

Growth rate by economic activity



Growth rate by expenditure on GDP



2. Production, shipment and inventory See graphs 6-1, 6-3, 7-1, 7-2 & 7-3

(constant prices, 2005 = 100)

Period		Production index	Y-o-Y change (%)	Shipment index	Y-o-Y change (%)	Inventory index	Y-o-Y change (%)	Service production index	Y-o-Y change (%)
2007		115.9	6.9	115.3	7.2	117.2	5.6	112.2	6.8
2008		119.4	3.0	118.1	2.4	125.7	7.3	116.1	3.5
2007	I	109.6	4.1	109.6	5.2	114.0	5.0	106.7	5.5
	II	114.9	6.3	115.2	7.1	114.5	4.1	111.2	6.5
	III	112.9	6.1	111.9	5.6	112.7	2.9	112.6	7.4
	IV	126.2	10.9	124.7	10.5	117.2	5.6	118.1	7.4
2008	I	121.6	10.9	119.6	9.1	123.7	8.5	113.8	6.7
	II	125.1	8.9	122.8	6.6	133.1	16.2	116.5	4.8
	III	119.2	5.6	117.8	5.3	132.2	17.3	116.2	3.2
	IV	111.9	-11.3	112.1	-10.1	125.7	7.3	117.6	-0.4
2009	I	102.7	-15.5	102.0	-14.7	116.5	-5.8	113.3	-0.4
	II^P	117.4	-6.2	115.7	-5.8	110.9	-16.7	118.4	1.6
2007	1	112.8	8.7	110.3	8.3	118.6	10.8	105.9	4.3
	2	100.2	-0.2	101.7	2.0	115.6	8.4	102.8	6.7
	3	115.7	3.5	116.8	5.1	114.0	5.0	111.4	5.5
	4	113.8	6.4	114.6	7.5	111.8	4.0	109.4	5.4
	5	115.8	5.8	116.0	6.6	114.2	3.7	112.1	6.2
	6	115.1	6.7	114.9	6.9	114.5	4.1	112.1	8.1
	7	113.4	13.6	112.6	14.3	115.6	2.8	112.1	10.0
	8	113.7	9.0	112.5	7.3	115.6	5.5	112.9	7.9
	9	111.6	-3.0	110.6	-3.5	112.7	2.9	112.8	4.5
	10	128.6	16.1	126.3	15.6	115.0	4.9	115.3	9.3
	11	127.6	7.7	126.1	7.8	114.9	4.3	115.6	6.7
	12	122.5	9.4	121.6	8.6	117.2	5.6	123.4	6.2
2008	1	126.0	11.7	121.7	10.3	123.9	4.5	114.2	7.8
	2	110.9	10.7	109.7	7.9	124.4	7.6	109.3	6.3
	3	127.8	10.5	127.3	9.0	123.7	8.5	118.0	5.9
	4	126.1	10.8	124.5	8.6	124.8	11.6	116.3	6.3
	5	126.1	8.9	123.5	6.5	128.9	12.9	117.7	5.0
	6	123.1	7.0	120.3	4.7	133.1	16.2	115.5	3.0
	7	123.1	8.6	121.5	7.9	132.4	14.5	116.8	4.2
	8	115.8	1.8	114.5	1.8	132.3	14.4	115.1	1.9
	9	118.6	6.3	117.3	6.1	132.2	17.3	116.8	3.5
	10	126.2	-1.9	124.0	-1.8	135.1	17.5	116.9	1.4
	11	110.0	-13.8	109.5	-13.2	133.4	16.1	113.9	-1.5
	12	99.6	-18.7	102.8	-15.5	125.7	7.3	121.9	-1.2
2009	1	93.9	-25.5	93.2	-23.4	124.4	0.4	113.0	-1.1
	2	99.8	-10.0	99.5	-9.3	118.1	-5.1	109.6	0.3
	3	114.4	-10.5	113.2	-11.1	116.5	-5.8	117.2	-0.7
	4	115.7	-8.2	114.5	-8.0	112.6	-9.8	118.5	1.8
	5^P	114.8	-9.0	112.8	-8.7	111.5	-13.5	118.3	0.5
	6^P	121.6	-1.2	119.7	-0.5	110.9	-16.7	118.5	2.6

P: Preliminary
Source: Korea National Statistical Office

3. Production capacity and operation ratio See graph 6-2

Period		Production capacity index (2005=100)	Y-o-Y change (%)	Operation ratio index (2005=100)	Y-o-Y change (%)	Average operation ratio (%)
2007		109.7	5.4	100.4	0.1	80.1
2008		115.4	5.2	96.8	-3.6	77.2
2007	I	107.5	4.5	97.2	-2.1	78.9
	II	108.3	4.5	102.6	0.7	79.9
	III	110.2	6.0	96.2	-1.7	80.1
	IV	112.6	6.4	105.5	3.4	81.3
2008	I	114.0	6.0	98.9	1.7	80.8
	II	115.3	6.5	102.7	0.1	80.4
	III	116.0	5.3	95.1	-1.1	78.3
	IV	116.5	3.5	90.6	-14.1	69.3
2009	I	116.9	2.5	80.7	-18.4	65.8
	II^P	117.6	2.0	94.2	-8.3	73.6
2007	1	107.2	4.4	99.8	2.6	78.5
	2	107.5	4.6	88.2	-7.2	79.5
	3	107.7	4.3	103.6	-1.9	78.8
	4	107.9	4.5	101.5	0.7	78.8
	5	108.2	4.2	103.9	0.9	80.5
	6	108.9	4.9	102.5	0.7	80.4
	7	109.7	5.8	98.3	7.3	80.6
	8	110.2	6.1	96.6	1.4	81.1
	9	110.8	6.1	93.8	-12.3	78.6
	10	112.3	6.5	109.4	9.6	81.9
	11	112.5	6.3	107.4	0.1	81.0
	12	113.0	6.5	99.7	0.9	80.9
2008	1	113.8	6.2	102.9	3.1	81.3
	2	113.8	5.9	89.2	1.1	80.2
	3	114.3	6.1	104.6	1.0	80.9
	4	114.7	6.3	104.2	2.7	81.0
	5	115.5	6.7	103.0	-0.9	80.0
	6	115.7	6.2	100.8	-1.7	80.2
	7	115.7	5.5	99.4	1.1	79.2
	8	116.0	5.3	91.9	-4.9	78.4
	9	116.2	4.9	94.1	0.3	77.3
	10	116.3	3.6	103.8	-5.1	77.3
	11	116.3	3.4	89.1	-17.0	68.4
	12	116.8	3.4	78.9	-20.9	62.3
2009	1	116.8	2.6	72.9	-29.2	61.4
	2	116.9	2.7	78.8	-11.7	66.9
	3	117.1	2.4	90.4	-13.6	69.2
	4	117.2	2.2	93.1	-10.7	71.5
	5^P	117.2	1.5	92.2	-10.5	72.9
	6^P	118.3	2.2	97.4	-3.4	76.5

P: Preliminary
Source: Korea National Statistical Office

4. Consumer goods sales index See graphs 2-2, 2-3, 2-4 & 2-5

(constant prices, 2005 = 100)

Period		Consumer goods sales index	Y-o-Y change (%)	Durable goods	Y-o-Y change (%)	Semi-durable goods	Y-o-Y change (%)	Non-durable goods	Y-o-Y change (%)
2007		109.3	5.1	124.7	9.6	108.1	3.9	108.5	5.2
2008		110.4	1.0	127.1	1.9	105.5	-2.4	109.3	0.7
2007	I	106.6	5.2	119.6	16.6	99.9	5.4	106.6	4.3
	II	108.3	4.3	124.6	12.5	110.1	1.5	107.6	3.5
	III	107.1	7.2	126.0	10.2	94.1	3.6	110.5	8.4
	IV	115.1	3.6	128.6	0.8	128.5	5.4	109.4	5.0
2008	I	111.3	4.4	131.0	9.5	103.7	3.8	108.6	1.9
	II	111.4	2.9	135.5	8.7	107.8	-2.1	107.9	0.3
	III	108.6	1.4	126.0	0.0	94.7	0.6	111.8	1.2
	IV	110.3	-4.2	115.9	-9.9	115.8	-9.9	109.0	-0.4
2009	I	105.9	-4.9	113.2	-13.6	102.8	-0.9	107.1	-1.4
	II^P	113.1	1.5	140.7	3.8	107.8	0.0	109.1	1.1
2007	1	106.2	0.4	118.7	22.0	98.0	4.6	104.4	-4.9
	2	103.6	10.3	111.2	11.5	91.5	5.7	107.4	16.0
	3	110.1	5.6	128.8	16.2	110.2	5.8	108.1	3.7
	4	106.6	3.8	120.5	13.9	111.5	-0.1	105.0	3.3
	5	111.3	5.6	126.5	14.3	116.2	1.8	110.3	5.0
	6	107.0	3.6	126.8	9.4	102.5	2.7	107.4	1.9
	7	105.0	9.1	130.5	20.7	94.4	3.2	105.3	8.7
	8	103.6	5.8	127.0	11.4	80.0	2.8	109.6	5.7
	9	112.6	6.6	120.5	-0.3	107.8	4.6	116.7	10.9
	10	113.4	6.8	124.8	11.7	123.9	8.2	109.3	4.1
	11	113.9	3.9	129.1	4.0	130.0	4.3	106.6	5.4
	12	118.1	0.5	131.8	-10.3	131.7	3.9	112.2	5.3
2008	1	111.7	5.2	129.5	9.1	104.5	6.6	108.1	3.5
	2	107.2	3.5	118.7	6.7	97.3	6.3	107.9	0.5
	3	115.1	4.5	144.8	12.4	109.2	-0.9	109.8	1.6
	4	113.0	6.0	140.6	16.7	109.2	-2.1	108.1	3.0
	5	114.8	3.1	137.6	8.8	112.5	-3.2	111.7	1.3
	6	106.3	-0.7	128.2	1.1	101.8	-0.7	103.9	-3.3
	7	109.3	4.1	141.1	8.1	98.0	3.8	105.7	0.4
	8	105.9	2.2	121.5	-4.3	87.1	8.9	111.4	1.6
	9	110.5	-1.9	115.4	-4.2	99.1	-8.1	118.2	1.3
	10	109.5	-3.4	124.4	-0.3	112.5	-9.2	105.8	-3.2
	11	108.6	-4.7	109.0	-15.6	121.2	-6.8	107.0	0.4
	12	112.8	-4.5	114.4	-13.2	113.8	-13.6	114.3	1.9
2009	1	108.0	-3.3	102.5	-20.8	103.2	-1.2	113.6	5.1
	2	100.7	-6.1	114.3	-3.7	96.8	-0.5	98.8	-8.4
	3	109.1	-5.2	122.9	-15.1	108.4	-0.7	108.8	-0.9
	4	108.6	-3.9	123.7	-12.0	110.0	0.7	107.0	-1.0
	5^P	116.6	1.6	142.8	3.8	113.5	0.9	112.5	0.7
	6^P	114.1	7.3	155.5	21.3	99.8	-2.0	107.8	3.8

P: Preliminary
Source: Korea National Statistical Office

5. Consumer goods shipment index and consumer sentiment index

See graph 2-6

Period		Domestic consumer goods shipment index (2005=100)	Y-o-Y change (%)	Durable goods	Y-o-Y change (%)	Non-durable goods	Y-o-Y change (%)	Consumer sentiment index
2007		113.0	6.0	124.5	12.8	108.4	3.2	-
2008		114.6	1.4	126.6	1.7	109.8	1.3	-
2007	I	111.1	8.4	119.8	17.6	107.6	4.8	-
	II	111.0	7.8	122.5	15.0	106.4	4.7	-
	III	111.3	2.4	122.9	9.3	106.7	-0.5	-
	IV	118.7	5.9	132.8	9.9	113.0	4.1	-
2008	I	117.3	5.6	132.5	10.6	111.3	3.4	-
	II	115.7	4.2	136.4	11.3	107.5	1.0	-
	III	113.5	2.0	123.0	0.1	109.7	2.8	-
	IV	111.8	-5.8	114.5	-13.8	110.7	-2.0	-
2009	I	105.9	-9.7	112.8	-14.9	103.2	-7.3	-
	II^P	113.3	-2.1	137.7	1.0	103.5	-3.7	-
2007	1	114.9	11.1	118.0	21.9	113.6	7.2	-
	2	104.3	8.0	113.7	14.8	100.5	5.0	-
	3	114.1	6.2	127.8	16.2	108.6	2.2	-
	4	111.6	10.1	119.9	19.5	108.3	6.3	-
	5	113.0	8.8	125.3	18.2	108.0	4.8	-
	6	108.5	4.7	122.4	8.0	102.9	3.2	-
	7	109.7	10.0	124.3	23.6	103.9	4.5	-
	8	112.9	6.0	125.0	13.9	108.1	2.8	-
	9	111.3	-7.1	119.5	-5.8	108.0	-7.6	-
	10	121.6	11.8	136.4	16.9	115.7	9.6	-
	11	118.0	3.1	131.8	6.7	112.4	1.4	-
	12	116.4	2.9	130.2	6.5	110.9	1.3	-
2008	1	125.2	9.0	131.5	11.4	122.7	8.0	-
	2	106.4	2.0	122.4	7.7	100.0	-0.5	-
	3	120.3	5.4	143.5	12.3	111.1	2.3	-
	4	119.8	7.3	144.0	20.1	110.1	1.7	-
	5	115.8	2.5	136.9	9.3	107.4	-0.6	-
	6	111.6	2.9	128.2	4.7	105.0	2.0	-
	7	117.6	7.2	134.2	8.0	111.0	6.8	84
	8	111.3	-1.4	118.8	-5.0	108.3	0.2	96
	9	111.5	0.2	116.0	-2.9	109.7	1.6	96
	10	119.5	-1.7	127.8	-6.3	116.2	0.4	88
	11	107.0	-9.3	111.0	-15.8	105.5	-6.1	84
	12	108.8	-6.5	104.6	-19.7	110.5	-0.4	81
2009	1	105.7	-15.6	99.0	-24.7	108.4	-11.7	84
	2	102.3	-3.9	115.2	-5.9	97.2	-2.8	85
	3	109.8	-8.7	124.3	-13.4	104.0	-6.4	84
	4	110.5	-7.8	119.0	-17.4	107.1	-2.7	98
	5	111.7^P	-3.5^P	138.7^P	1.3^P	100.9^P	-6.1^P	105
	6	117.6^P	5.4^P	155.4^P	21.2^P	102.5^P	-2.4^P	106
	7	-	-	-	-	-	-	109

P: Preliminary

Source: Korea National Statistical Office & The Bank of Korea

6. Machinery orders received, domestic machinery shipment and estimated facility investment index See graph 3-2

Period		Domestic machinery orders received excluding ship (billion won, constant prices)				Estimated facility investment index (2005=100)	Domestic machinery shipment excluding ship (2005=100)
		Total	Public	Private	Manufacturing		
2007		34,143	2,205	31,938	17,424	118.1	114.5
2008		32,280	2,313	29,967	14,672	113.0	114.5
2008	I	10,197	372	9,825	5,429	112.8	111.7
	II	8,506	537	7,969	3,651	121.2	120.6
	III	7,520	354	7,165	3,394	113.7	113.9
	IV	6,057	1,049	5,007	2,198	104.3	111.9
2009	I	6,523	932	5,591	2,255	92.8	98.1
	IIP	7,557	703	6,584	2,607	104.6	111.0
2008	1	3,810	149	3,661	2,197	107.8	106.3
	2	3,044	68	2,976	1,723	104.2	102.9
	3	3,343	155	3,188	1,510	126.4	125.9
	4	2,914	95	2,819	1,302	122.6	119.6
	5	2,659	90	2,569	1,085	122.5	122.1
	6	2,933	352	2,582	1,264	118.4	120.0
	7	3,153	179	2,974	1,392	118.9	119.6
	8	2,330	87	2,243	1,114	113.3	108.3
	9	2,037	88	1,949	887	108.9	113.8
	10	2,371	399	1,972	939	105.8	112.5
	11	1,813	207	1,607	668	103.6	108.2
	12	1,872	444	1,429	590	103.5	115.1
2009	1	2,022	232	1,790	791	84.7	84.3
	2	2,167	519	1,648	612	92.4	97.5
	3	2,334	181	2,153	853	101.3	112.5
	4	2,166	93	2,070	770	99.4	109.5
	5P	2,232	98	2,134	775	102.7	102.8
	6P	3,162	512	2,650	1,063	111.8	120.8
		Y-o-Y change (%)					
2007		21.1	-11.2	24.2	31.9	8.2	3.3
2008		-5.5	4.9	-6.2	-15.8	-4.3	0.0
2008	I	25.2	8.8	25.9	40.2	-3.8	1.3
	II	8.4	83.7	5.5	-4.5	-2.7	0.6
	III	-7.6	-26.8	-6.4	-20.3	3.0	6.5
	IV	-39.5	-3.5	-43.9	-59.8	-13.4	-7.4
2009	I	-36.0	150.5	-43.1	-58.5	-17.7	-12.2
	IIP	-11.2	30.8	-14.0	-28.6	-13.7	-8.0
2008	1	44.4	67.8	43.5	69.8	-2.2	1.8
	2	8.3	-54.7	11.8	23.9	-8.0	0.2
	3	24.1	50.6	23.0	27.0	-1.5	1.6
	4	17.9	1.3	18.5	6.8	-4.2	4.4
	5	2.3	-1.5	2.5	-9.9	-1.1	-0.8
	6	5.6	228.9	-3.4	-9.8	-2.7	-1.7
	7	20.7	5.3	21.8	12.3	7.0	7.1
	8	-3.9	-31.8	-2.4	-0.1	-0.9	2.6
	9	-34.3	-52.7	-33.2	-53.3	2.9	10.0
	10	-36.5	348.0	-45.9	-62.1	-6.2	-1.0
	11	-43.9	-4.7	-46.7	-63.8	-14.9	-10.1
	12	-38.5	-43.2	-36.8	-48.4	-18.4	-10.4
2009	1	-46.9	56.1	-51.1	-64.0	-21.4	-20.7
	2	-28.8	661.2	-44.6	-64.5	-11.3	-5.2
	3	-30.2	16.7	-32.4	-43.5	-19.9	-10.6
	4	-25.8	-2.5	-26.6	-40.9	-18.9	-8.9
	5P	-16.1	8.9	-16.9	-28.6	-16.2	-16.1
	6P	7.8	45.5	2.7	-15.9	-5.6	0.7

P: Preliminary
Source: Korea National Statistical Office

7. Value of construction completed and domestic construction orders received See graphs 4-2 & 4-3

(current prices, billion won)

Period		Value of construction completed (total)	Type of order		Domestic construction orders received (total)	Type of order	
			Public	Private		Public	Private
2007		82,939	25,098	54,559	112,502	28,695	77,554
2008		86,806	26,728	55,509	102,321	31,320	65,294
2008	I	18,283	5,279	12,142	21,048	7,398	13,077
	II	22,158	6,568	14,367	25,995	6,056	19,171
	III	22,317	6,503	14,712	17,061	4,691	10,795
	IV	24,047	8,383	14,288	38,217	13,175	22,252
2009	I	19,115	6,562	11,536	17,567	9,024	8,055
	II^P	23,625	8,623	13,598	25,485	17,350	7,201
2008	1	6,074	1,716	4,072	6,275	1,907	4,166
	2	5,473	1,519	3,698	6,152	2,048	3,887
	3	6,736	2,040	4,372	8,621	3,442	5,024
	4	7,026	1,967	4,636	7,880	1,743	5,933
	5	7,321	2,224	4,731	8,578	2,499	5,884
	6	7,811	2,376	5,001	9,537	1,814	7,353
	7	7,168	2,025	4,789	5,372	1,392	3,452
	8	7,312	2,139	4,822	6,169	1,520	4,432
	9	7,837	2,339	5,101	5,519	1,779	2,911
	10	7,741	2,498	4,819	8,187	2,451	4,827
	11	7,779	2,572	4,743	8,151	3,088	4,722
	12	8,528	3,312	4,726	21,879	7,636	12,703
2009	1	6,048	2,149	3,608	5,333	2,552	2,514
	2	6,129	2,036	3,782	4,880	2,695	2,079
	3	6,937	2,377	4,147	7,354	3,778	3,462
	4	7,451	2,643	4,415	7,249	5,610	1,260
	5^P	7,271	2,611	4,232	6,988	4,295	2,573
	6^P	8,903	3,369	4,952	11,247	7,445	3,369
		Y-o-Y change (%)					
2007		6.6	8.4	4.6	23.6	40.3	16.5
2008		4.7	6.5	1.7	-9.0	9.1	-15.8
2008	I	5.6	6.8	3.0	-3.7	17.4	-14.1
	II	6.1	3.5	4.6	-6.1	14.6	-4.7
	III	10.6	6.6	10.5	-22.7	2.9	-32.3
	IV	-2.2	8.7	-9.1	-6.5	5.0	-15.3
2009	I	4.5	24.4	-5.0	-16.5	22.0	-38.4
	II^P	6.6	31.3	-5.4	-2.0	186.5	-62.4
2008	1	10.5	16.5	5.6	-9.3	3.6	-15.0
	2	3.1	-1.0	2.6	-7.0	2.1	-14.1
	3	3.6	5.5	1.0	3.6	40.1	-13.4
	4	4.2	2.4	2.6	-0.5	-5.6	3.4
	5	7.5	5.0	5.9	16.4	50.7	16.0
	6	6.6	3.1	5.3	-23.0	2.0	-21.0
	7	8.7	3.2	9.2	-13.2	-9.2	-8.4
	8	8.3	9.5	5.9	-8.1	9.3	-10.7
	9	14.8	6.9	16.7	-39.8	8.8	-59.6
	10	5.1	20.4	-3.3	-23.7	-25.8	-32.1
	11	-1.3	5.7	-7.1	-39.3	-16.6	-46.7
	12	-8.6	3.4	-16.2	30.7	37.8	23.4
2009	1	-0.4	25.2	-11.4	-15.0	33.8	-39.7
	2	12.0	34.0	2.3	-20.7	31.6	-46.5
	3	3.0	16.5	-5.1	-14.7	9.7	-31.1
	4	6.0	34.3	-4.8	-8.0	221.8	-78.8
	5^P	-0.7	17.4	-10.5	-18.5	71.9	-56.3
	6^P	14.0	41.8	-1.0	17.9	310.3	-54.2

P: Preliminary

Source: Korea National Statistical Office

8. Composite indices of business cycle indicators and BSI

See graphs 13-1, 13-2 & 13-3

Period		Leading index (2005=100)	Y-o-Y change (%)	Coincident index (2005=100)	Cycle of coincident index (2005=100)	BSI (results)	BSI (prospects)
2006	1	104.2	6.9	104.0	100.4	95.4	102.6
	2	104.3	6.4	104.1	100.1	90.5	102.4
	3	104.2	5.8	104.5	100.1	111.5	118.9
	4	104.3	5.4	104.6	99.8	99.8	112.7
	5	104.6	5.2	105.2	99.9	94.1	110.7
	6	105.0	5.0	105.5	99.8	94.2	98.6
	7	105.2	4.5	105.2	99.1	79.1	94.2
	8	105.6	4.3	105.6	99.1	85.9	93.4
	9	106.3	4.5	106.4	99.4	99.4	107.7
	10	107.2	5.0	108.3	100.7	99.4	103.5
	11	108.0	5.3	109.1	101.1	103.7	104.3
	12	108.6	5.3	109.4	101.0	100.4	101.4
2007	1	109.1	5.4	109.4	100.6	85.6	96.5
	2	109.9	5.8	109.8	100.6	87.5	93.4
	3	110.3	5.7	110.2	100.5	109.4	112.3
	4	111.0	6.0	110.7	100.5	105.8	107.7
	5	111.3	5.8	111.2	100.6	104.1	110.9
	6	112.4	6.4	112.1	100.9	100.2	105.6
	7	113.2	6.8	113.0	101.4	95.8	99.3
	8	114.1	7.1	113.7	101.6	94.4	102.5
	9	114.7	7.2	113.8	101.2	101.5	111.8
	10	115.6	7.5	114.4	101.3	108.3	116.3
	11	116.4	7.7	115.0	101.5	106.0	112.4
	12	116.8	7.4	116.0	101.9	98.9	103.4
2008	1	116.5	6.5	116.8	102.2	95.2	103.0
	2	115.7	5.0	116.9	101.9	95.6	94.8
	3	115.1	3.9	117.1	101.7	101.1	102.1
	4	115.0	3.2	117.1	101.2	101.7	98.1
	5	115.0	2.5	117.3	101.0	98.1	104.7
	6	114.6	1.5	117.3	100.6	79.1	95.3
	7	113.8	0.2	117.6	100.4	80.8	83.2
	8	113.5	-0.4	117.7	100.1	83.1	80.8
	9	113.4	-0.9	117.9	99.8	76.8	98.3
	10	112.7	-1.8	117.6	99.2	64.6	84.9
	11	111.3	-3.2	115.9	97.3	53.7	63.7
	12	110.4	-4.2	113.0	94.6	52.4	55.0
2009	1	110.6	-4.1	110.9	92.4	58.1	52.0
	2	111.8	-3.0	110.9	92.0	62.4	66.0
	3	113.0	-2.0	111.9	92.5	89.0	76.1
	4	115.0P	0.1P	113.6P	93.5P	93.7	86.7
	5	117.5P	2.7P	114.5P	93.8P	100.9	103.8
	6	120.8P	6.0P	116.8P	95.4P	96.6	100.2
	7	-	-	-	-	98.5	98.7
	8	-	-	-	-	-	99.8

P: Preliminary
Source: Korea National Statistical Office & The Federation of Korean Industries

9. Balance of payments (I) See graphs 5-1, 5-2, 5-3, 10-1 & 10-2

(million US$)

Period		Current balance	Goods trade balance	Exports	Imports	Services trade balance	Income trade balance	Current transfers
2007		5,876.0	28,168.0	371,489.1	356,845.7	-19,767.6	1,002.7	-3,527.1
2008P		-6,406.4	5,993.9	422,007.3	435,274.7	-16,733.6	5,106.5	-773.2
2007	I	-1,013.3	5,721.8	84,703.5	82,261.7	-5,391.3	-618.1	-725.7
	II	-1,303.6	5,811.9	92,984.5	87,961.9	-4,415.9	-1,662.4	-1,037.2
	III	4,344.1	8,881.9	90,529.1	86,058.8	-5,256.6	1,795.9	-1,077.1
	IV	3,848.8	7,752.4	103,272.0	100,563.3	-4,703.8	1,487.3	-687.1
2008P	I	-5,212.6	-1,219.8	99,444.5	106,052.9	-5,067.2	1,688.1	-613.7
	II	-134.4	5,722.7	114,492.0	114,792.8	-4,272.7	-645.6	-938.8
	III	-8,579.9	-3,475.5	115,000.1	122,901.0	-5,691.7	1,356.7	-769.4
	IV	7,520.5	4,966.5	93,070.6	91,528.0	-1,702.0	2,707.3	1,548.7
2009P	I	8,576.7	8,349.6	74,564.7	71,293.7	-1,883.3	832.4	1,278.0
	II	13,173.8	17,625.5	91,103.5	73,278.6	-4,021.6	180.8	-610.9
2007	1	439.4	1,505.6	28,092.6	27,560.1	-1,409.6	610.1	-266.7
	2	430.4	2,140.0	26,225.1	25,406.2	-2,356.4	867.2	-220.4
	3	-1,883.1	2,076.2	30,385.8	29,295.5	-1,625.3	-2,095.4	-238.6
	4	-2,558.6	1,233.1	29,944.5	29,596.9	-1,371.3	-2,203.8	-216.6
	5	193.8	1,476.9	31,039.9	29,856.9	-1,396.5	504.0	-390.6
	6	1,061.2	3,101.9	32,000.1	28,508.1	-1,648.1	37.4	-430.0
	7	1,773.7	3,250.9	30,207.4	29,223.2	-1,675.3	557.1	-359.0
	8	589.1	2,386.2	30,998.1	29,642.1	-2,050.6	610.7	-357.2
	9	1,981.3	3,244.8	29,323.5	27,193.6	-1,530.7	628.1	-360.9
	10	3,010.5	4,361.0	34,433.8	32,741.2	-1,527.0	454.1	-277.6
	11	1,674.4	2,723.8	35,807.9	33,926.1	-1,410.8	474.8	-113.4
	12	-836.1	667.6	33,030.3	33,895.9	-1,766.0	558.4	-296.1
2008P	1	-2,751.3	-1,095.2	32,274.6	36,318.0	-2,138.1	768.0	-286.0
	2	-2,350.7	-599.1	31,178.2	32,624.3	-2,249.6	700.7	-202.7
	3	-110.6	474.5	35,991.8	37,110.6	-679.5	219.4	-125.0
	4	-1,581.3	1,632.3	37,850.2	38,260.4	-979.0	-1,932.0	-302.6
	5	-377.5	612.5	39,383.2	38,704.5	-1,167.4	459.2	-281.8
	6	1,824.4	3,477.9	37,258.6	37,827.9	-2,126.3	827.2	-354.4
	7	-2,534.0	217.6	40,961.2	42,952.5	-2,456.0	239.6	-535.2
	8	-4,696.3	-2,803.4	36,610.6	40,420.4	-2,000.0	324.8	-217.7
	9	-1,349.6	-889.7	37,428.3	39,528.1	-1,235.7	792.3	-16.5
	10	4,753.0	2,625.7	37,111.1	36,098.8	-54.8	1,411.2	770.9
	11	1,906.7	844.8	28,841.6	28,853.6	-130.1	720.2	471.8
	12	860.8	1,496.0	27,117.9	26,575.6	-1,517.1	575.9	306.0
2009P	1	-1,635.8	-1,736.5	21,133.8	24,881.1	-708.6	563.5	245.8
	2	3,563.7	3,106.9	25,398.3	22,552.0	-529.0	484.6	501.2
	3	6,648.8	6,979.2	28,032.6	23,860.6	-645.7	-215.7	531.0
	4	4,247.4	6,131.8	30,356.5	24,723.9	-1,109.3	-855.5	80.4
	5	3,495.8	4,882.0	28,113.2	23,190.6	-1,466.9	358.3	-277.6
	6	5,430.6	6,611.7	32,633.8	25,364.1	-1,445.4	678.0	-413.7

P: Preliminary
Source: The Bank of Korea & Korea Customs Service

10. Balance of payments (II) See graph 10-3

(million US$)

Period		Capital & financial account	Direct investment	Portfolio investment	Financial derivative	Other investment	Capital transfers & acquisition of non-financial assets	Changes in reserve assets	Errors and omissions
2007		7,128.3	-13,836.0	-26,057.8	5,444.8	43,964.8	-2,387.5	-15,128.4	2,124.1
2008P		-50,933.3	-10,594.8	-15,367.5	-14,332.7	-10,599.7	-38.6	56,446.0	893.7
2007	I	6,364.1	-900.7	-12,227.6	1,300.5	19,005.7	-813.8	-3,998.3	-1,352.5
	II	8,948.6	-2,847.3	-1,055.9	1,067.4	12,466.8	-682.4	-6,250.1	-1,394.9
	III	-4,323.4	-2,606.0	-11,455.8	1,432.9	8,879.2	-573.7	-2,495.6	2,475.1
	IV	-3,861.0	-7,482.0	-1,318.5	1,644.0	3,613.1	-317.6	-2,384.2	2,396.4
2008P	I	395.9	-4,790.6	-9,992.8	-1,072.8	16,489.7	-237.6	3,850.0	966.7
	II	-4,673.7	-2,913.5	5,997.3	-805.9	-6,718.6	-233.0	5,717.7	-909.6
	III	-4,850.5	-2,283.5	-12,393.1	-3,470.2	13,515.7	-219.4	12,883.1	547.3
	IV	-41,805.0	-607.2	1,021.1	-8,983.8	-33,886.5	651.4	33,995.2	289.3
2009P	I	-548.7	-1,194.7	3,532.3	-4,893.6	1,282.3	736.9	-9,017.4	989.4
	II	8,780.2	39.3	16,741.2	-614.9	-7,680.1	275.5	-19.541.8	2,412.2
2007	1	2,179.9	-222.3	-1,915.9	292.8	4,381.7	-356.4	-2,350.7	-268.6
	2	-527.7	-644.1	-2,366.7	368.2	2,318.3	-203.4	-1,134.7	1,232.0
	3	4,711.9	-34.3	-7,945.0	639.5	12,305.7	-254.0	-512.9	-2,315.9
	4	4,481.5	-402.2	3,601.6	197.7	1,325.2	-240.8	-1,878.4	-44.5
	5	4,750.1	-282.9	-12.6	409.0	4,871.5	-234.9	-4,492.9	-451.0
	6	-283.0	-2,162.2	-4,644.9	460.7	6,270.1	-206.7	121.2	-899.4
	7	-552.8	-322.0	-7,912.0	705.2	7,203.9	-227.9	-2,421.6	1,200.7
	8	137.3	-1,427.1	-6,531.8	440.1	7,864.1	-208.0	-937.6	211.2
	9	-3,907.9	-856.9	2,988.0	287.6	-6,188.8	-137.8	863.4	1,063.2
	10	-3,753.9	-4,514.5	-638.2	663.4	900.5	-165.1	-847.5	1,590.9
	11	-373.5	-1,723.4	-2,473.5	627.2	3,269.4	-73.2	-493.8	-807.1
	12	266.4	-1,244.1	1,793.2	353.4	-556.8	-79.3	-1,042.9	1,612.6
2008P	1	409.2	-2,488.7	-3,829.7	-181.4	7,013.3	-104.3	1,436.1	906.0
	2	-401.3	303.5	-5,214.3	-212.1	4,819.9	-98.3	1,703.1	1,048.9
	3	388.0	-2,605.4	-948.8	-679.3	4,656.5	-35.0	710.8	-988.2
	4	-376.9	-1,911.9	4,069.9	-498.2	-1,948.9	-87.8	2,411.3	-453.1
	5	-732.1	-262.6	7,623.0	-279.6	-7,758.2	-54.7	2,264.6	-1,155.0
	6	-3,564.7	-739.0	-5,695.6	-28.1	2,988.5	-90.5	1,041.8	698.5
	7	-5,774.6	-1,214.3	-8,855.9	-707.2	5,180.4	-177.6	9,171.4	-862.8
	8	5,312.4	-742.7	-566.8	1.4	6,730.0	-109.5	-1,215.2	599.1
	9	-4,388.3	-326.5	-2,970.4	-2,764.4	1,605.3	67.7	4,926.9	811.0
	10	-24,834.8	-198.7	5,172.5	-3,912.1	-26,247.2	350.7	19,988.1	93.7
	11	-12,140.9	-213.9	-3,139.6	-1,558.7	-7,439.3	210.6	10,904.2	-670.0
	12	-4,829.3	-194.6	-1,011.8	-3,513.0	-200.0	90.1	3,102.9	865.6
2009P	1	5,139.4	-55.0	5,678.8	-248.5	-379.4	149.6	-4,488.6	985.0
	2	-2,976.9	-545.5	161.4	-2,321.2	-610.3	326.1	-1,260.0	673.2
	3	-2,711.2	-594.2	-2,307.9	-2,323.9	2,272.0	261.2	-3,268.8	-668.8
	4	2,161.3	80.4	7,133.0	-679.8	-4,532.6	140.5	-5,444.1	-964.6
	5	7,022.9	-259.6	4,263.5	1,341.1	1,586.9	93.8	-10,248.6	-270.1
	6	-404.0	218.5	5,334.7	-1,276.2	-4,734.4	41.2	-3,849.1	-1,177.5

P: Preliminary
Source: The Bank of Korea

11. Prices See graphs 11-1, 11-2 & 11-3

(2005 = 100)

Period		Consumer prices				Producer prices (2005=100)		Export & import prices	
		All Items	Commodity	Service	Core	All items	Commodity	Export	Import
2007		104.8	103.5	105.7	104.2	102.3	101.5	89.8	105.5
2008		109.7	109.9	109.6	108.6	111.1	112.5	109.5	143.7
2008	1	106.8	106.3	107.1	105.6	104.7	104.4	93.7	118.4
	2	107.2	106.6	107.5	106.0	105.7	105.7	94.8	121.6
	3	108.2	107.1	108.9	107.2	107.1	107.5	100.8	131.5
	4	108.8	108.2	109.2	107.7	109.4	110.3	103.3	136.5
	5	109.7	110.0	109.5	108.2	111.5	113.1	110.7	151.1
	6	110.4	111.5	109.7	108.7	113.3	115.5	112.0	155.2
	7	111.2	112.9	110.1	109.2	115.5	118.1	112.1	156.8
	8	111.0	112.2	110.3	109.4	115.2	117.6	110.5	149.9
	9	111.1	112.1	110.4	109.9	114.8	117.0	115.6	153.4
	10	111.0	111.7	110.6	110.1	114.4	116.7	124.5	159.7
	11	110.7	110.3	110.9	110.4	111.8	113.3	120.4	149.1
	12	110.7	110.2	111.0	110.9	109.9	110.9	115.0	140.6
2009	1	110.8	110.4	111.1	111.1	109.6	110.4	111.1	138.1
	2	111.6	112.1	111.2	111.5	110.3	111.5	116.5	143.5
	3	112.4	113.3	111.8	112.0	110.8	112.1	118.4	145.4
	4	112.7	113.8	112.0	112.2	111.0	112.1	112.2	134.1
	5	112.7	113.6	112.0	112.4	110.1	111.0	106.3	130.0
	6	112.6	113.3	112.1	112.5	109.8	110.5	108.3	136.7
	7	113.0	113.9	112.5	112.7	111.1	112.1	-	-
					Y-o-Y change (%)				
2007		2.5	2.0	2.9	2.4	1.4	1.0	-2.1	4.5
2008		4.7	6.2	3.7	4.2	8.6	10.8	21.8	36.2
2008	1	3.9	4.8	3.2	2.8	4.2	4.8	5.8	21.2
	2	3.6	4.2	3.2	2.8	5.1	6.1	7.6	22.2
	3	3.9	4.7	3.5	3.3	6.0	7.3	13.4	28.0
	4	4.1	5.3	3.5	3.5	7.6	9.3	15.7	31.3
	5	4.9	7.0	3.6	3.9	9.0	11.3	24.0	44.6
	6	5.5	8.6	3.7	4.3	10.5	13.6	25.2	49.0
	7	5.9	9.3	3.9	4.6	12.5	16.1	25.1	50.6
	8	5.6	8.4	4.0	4.7	12.3	15.6	21.9	42.6
	9	5.1	7.1	3.9	5.1	11.3	14.4	27.4	42.6
	10	4.8	6.3	3.9	5.2	10.7	14.0	38.6	47.1
	11	4.5	5.1	4.1	5.3	7.8	9.9	31.5	32.0
	12	4.1	4.4	4.0	5.6	5.6	6.9	25.0	22.4
2009	1	3.7	3.9	3.7	5.2	4.7	5.7	18.6	16.7
	2	4.1	5.2	3.4	5.2	4.4	5.5	22.9	18.0
	3	3.9	5.8	2.7	4.5	3.5	4.3	17.4	10.6
	4	3.6	5.2	2.6	4.2	1.5	1.6	7.7	-1.8
	5	2.7	3.3	2.3	3.9	-1.3	-1.9	-4.1	-13.9
	6	2.0	1.6	2.2	3.5	-3.1	-4.3	-3.3	-11.9
	7	1.6	0.9	2.2	3.2	-3.8	-5.1	-	-

Source: The Bank of Korea

12. Employment See graphs 8-1, 8-2 & 8-3

Period		Economically active persons (thous.)				Unemploy-ment (%)	Wage workers (thous.)			
			Employed persons (thous.)							
			All industry	Manufacturing	S.O.C&service			Regular	Temporary	Daily
2007		24,216	23,433	4,014	17,679	3.2	15,970	8,620	5,172	2,178
2008		24,347	23,577	3,963	17,906	3.2	16,206	9,007	5,079	2,121
2008	1	23,738	22,964	4,022	17,651	3.3	16,032	8,815	5,115	2,102
	2	23,703	22,884	4,017	17,510	3.5	15,836	8,804	5,055	1,977
	3	24,114	23,305	3,999	17,732	3.4	15,993	8,898	5,023	2,073
	4	24,495	23,711	4,001	17,929	3.2	16,258	8,894	5,127	2,238
	5	24,692	23,939	3,987	18,046	3.0	16,405	9,010	5,165	2,231
	6	24,727	23,963	3,993	18,067	3.1	16,385	9,039	5,132	2,214
	7	24,673	23,903	3,975	18,088	3.1	16,363	9,054	5,163	2,146
	8	24,380	23,617	3,899	17,872	3.1	16,104	9,107	4,970	2,027
	9	24,456	23,734	3,928	17,951	3.0	16,221	9,142	5,015	2,064
	10	24,582	23,847	3,945	18,005	3.0	16,314	9,138	5,034	2,142
	11	24,566	23,816	3,897	18,086	3.1	16,377	9,111	5,071	2,195
	12	24,032	23,245	3,888	17,935	3.3	16,189	9,068	5,082	2,040
2009	1	23,709	22,861	3,895	17,663	3.6	16,053	9,102	4,982	1,969
	2	23,667	22,742	3,842	17,539	3.9	15,953	9,194	4,862	1,897
	3	24,062	23,110	3,813	17,701	4.0	16,076	9,174	4,941	1,961
	4	24,456	23,524	3,846	17,899	3.8	16,353	9,227	5,051	2,076
	5	24,658	23,720	3,846	18,016	3.8	16,484	9,316	5,076	2,092
	6	24,927	23,697	3,836	18,251	3.9	16,736	9,340	5,281	2,115
	7	24,756	23,828	3,802	18,210	3.7	16,589	9,383	5,255	1,952
		Y-o-Y change (%)								
2007		1.0	1.2	-1.0	2.2	-	2.7	5.1	0.6	-1.2
2008		0.5	0.6	-1.3	1.3	-	1.5	4.5	-1.8	-2.6
2008	1	0.7	1.0	-0.6	1.8	-	2.4	5.2	-1.2	0.2
	2	0.7	0.9	-0.3	1.6	-	1.9	4.8	-1.4	-1.9
	3	0.6	0.8	-0.4	1.4	-	1.7	5.5	-3.2	-1.8
	4	0.7	0.8	-0.6	1.4	-	1.8	5.2	-2.1	-1.7
	5	0.6	0.8	-0.8	1.5	-	1.9	5.6	-1.8	-3.2
	6	0.5	0.6	-1.1	1.4	-	1.6	4.9	-1.6	-3.3
	7	0.5	0.6	-1.2	1.3	-	1.5	4.4	-1.7	-2.4
	8	0.7	0.7	-1.2	1.3	-	1.4	3.9	-1.5	-2.3
	9	0.5	0.5	-1.6	1.1	-	1.0	3.6	-1.7	-3.2
	10	0.4	0.4	-2.3	1.2	-	1.0	3.5	-1.7	-2.8
	11	0.4	0.3	-2.2	0.7	-	1.0	3.6	-2.0	-2.5
	12	0.2	-0.1	-3.3	0.6	-	0.5	3.6	-1.8	-6.3
2009	1	-0.1	-0.4	-3.2	0.1	-	0.1	3.3	-2.6	-6.3
	2	-0.2	-0.6	-4.4	0.2	-	0.7	4.4	-3.8	-4.1
	3	-0.2	-0.8	-4.7	-0.2	-	0.5	3.1	-1.6	-5.4
	4	-0.2	-0.8	-3.9	-0.2	-	0.6	3.7	-1.5	-7.2
	5	-0.1	-0.9	-3.5	-0.2	-	0.5	3.4	-1.7	-6.2
	6	0.8	0.0	-3.9	1.0	-	2.1	3.3	2.9	-4.5
	7	0.3	-0.3	-4.3	0.7	-	1.4	3.6	1.8	-9.1

Source: Korea National Statistical Office

13. Financial indicators See graphs 9-1 & 9-4

(period average)

Period		Yields (%)					Stock
		Call rate (1 day)	CD (91 days)	Corporate bonds (3 years, AA-)	Treasury bonds (3 years)	Treasury bonds (5 years)	KOSPI (end-period)
2005	1	3.3	3.5	4.1	3.7	3.9	932.70
	2	3.3	3.6	4.6	4.2	4.5	1,011.40
	3	3.3	3.6	4.5	4.0	4.3	965.70
	4	3.3	3.5	4.3	3.9	4.1	911.30
	5	3.3	3.5	4.1	3.7	3.9	970.20
	6	3.3	3.5	4.2	3.8	4.0	1,008.20
	7	3.3	3.5	4.5	4.1	4.4	1,111.30
	8	3.3	3.5	4.8	4.3	4.7	1,083.30
	9	3.3	3.7	4.9	4.5	4.8	1,221.00
	10	3.4	3.9	5.2	4.8	5.1	1,158.10
	11	3.5	4.0	5.5	5.1	5.4	1,297.40
	12	3.7	4.0	5.5	5.1	5.3	1,379.40
2006	1	3.7	4.2	5.5	5.0	5.3	1,399.80
	2	3.9	4.3	5.3	4.9	5.0	1,371.60
	3	4.0	4.3	5.3	4.9	5.1	1,359.60
	4	4.0	4.3	5.2	5.0	5.2	1,419.70
	5	4.0	4.4	5.1	4.8	4.9	1,371.70
	6	4.2	4.5	5.2	4.9	5.0	1,295.70
	7	4.2	4.6	5.2	4.9	5.0	1,297.80
	8	4.4	4.7	5.1	4.8	4.8	1,352.70
	9	4.5	4.6	5.0	4.7	4.8	1,371.40
	10	4.5	4.6	4.9	4.6	4.7	1,364.60
	11	4.5	4.6	5.1	4.7	4.8	1,432.20
	12	4.5	4.8	5.2	4.8	4.9	1,434.50
2007	1	4.6	4.9	5.3	5.0	5.0	1,360.20
	2	4.6	5.0	5.3	4.9	4.9	1,417.30
	3	4.6	4.9	5.2	4.8	4.8	1,452.60
	4	4.7	5.0	5.3	4.9	5.0	1,542.24
	5	4.6	5.0	5.5	5.1	5.1	1,700.91
	6	4.5	5.0	5.6	5.2	5.4	1,743.60
	7	4.7	5.1	5.8	5.4	5.4	1,933.27
	8	4.9	5.2	5.7	5.3	5.3	1,873.24
	9	5.0	5.3	5.9	5.4	5.4	1,946.48
	10	5.0	5.3	6.0	5.4	5.5	2,064.95
	11	5.0	5.4	6.2	5.5	5.6	1,906.00
	12	5.0	5.7	6.7	5.9	5.9	1,897.10
2008	1	5.0	5.8	6.6	5.4	5.5	1,624.68
	2	5.0	5.3	6.3	5.1	5.1	1,711.62
	3	5.0	5.3	6.1	5.2	5.2	1,703.99
	4	5.0	5.4	5.9	5.0	5.0	1,825.47
	5	5.0	5.4	6.2	5.3	5.4	1,852.02
	6	5.0	5.4	6.7	5.7	5.8	1,674.92
	7	5.0	5.5	7.0	6.0	6.0	1,594.67
	8	5.2	5.8	7.1	5.8	5.8	1,474.24
	9	5.2	5.8	7.5	5.8	5.8	1,448.06
	10	4.9	6.0	8.0	5.1	5.2	1,113.06
	11	4.0	5.6	8.6	5.0	5.2	1,076.07
	12	3.3	4.7	8.4	4.0	4.3	1,124.47
2009	1	2.4	3.2	7.3	3.4	4.0	1,162.11
	2	2.1	2.7	7.1	3.8	4.6	1,063.03
	3	1.8	2.5	6.1	3.7	4.5	1,206.26
	4	1.8	2.4	5.7	3.8	4.4	1,369.40
	5	1.9	2.4	5.2	3.8	4.5	1,395.89
	6	1.9	2.4	5.2	4.1	4.7	1,390.07
	7	1.9	2.4	5.2	4.1	4.6	1,577.29

Source: The Bank of Korea

14. Monetary indicators See graph 9-5

(period average) (billion won)

Period		Reserve money	M1	M2	Lf
2007		48,543.7	312,832.3	1,197,094.8	1,603,516.0
2008		52,272.8	307,273.6	1,367,713.4	1,794,841.2
2008	1	50,260.5	305,868.0	1,286,407.8	1,711,196.8
	2	52,563.7	304,580.7	1,309,161.7	1,726,407.2
	3	49,571.5	299,792.8	1,324,032.7	1,743,481.7
	4	50,683.6	298,474.4	1,339,434.9	1,762,945.3
	5	50,502.5	304,239.8	1,356,612.9	1,782,721.1
	6	51,274.4	305,514.3	1,369,728.1	1,798,774.9
	7	50,600.6	306,584.4	1,378,914.3	1,801,540.6
	8	51,981.0	304,538.7	1,386,101.1	1,810,535.1
	9	53,303.9	307,067.8	1,395,719.2	1,831,313.4
	10	52,976.5	310,565.5	1,403,984.2	1,845,717.7
	11	54,254.5	316,330.9	1,426,165.1	1,859,348.8
	12	59,300.7	323,725.9	1,436,298.3	1,864,111.6
2009	1	64,040.6	331,358.0	1,440,275.8	1,868,843.3
	2	63,061.7	334,521.7	1,457,931.3	1,879,102.7
	3	65,669.5	342,777.0	1,470,443.1	1,889,388.6
	4	61,379.9	350,446.0	1,482,009.7	1,897,923.7
	5	60,082.5	355,922.0	1,491,542.7	1,912,745.6
	6	59,530.3	362.111.3	1,501,898.3	1,925,341.0
		Y-o-Y change (%)			
2007		16.5	-5.2	11.2	10.2
2008		7.7	-1.8	14.3	11.9
2008	1	5.0	-13.5	12.5	11.4
	2	6.2	-13.2	13.4	11.6
	3	1.3	-10.6	13.9	11.9
	4	6.7	-2.3	14.9	12.7
	5	5.0	1.0	15.8	13.1
	6	7.0	1.0	15.1	12.7
	7	6.5	1.4	14.8	12.1
	8	8.7	2.2	14.7	11.8
	9	9.1	2.7	14.5	12.2
	10	7.3	4.2	14.2	11.9
	11	11.1	5.5	14.0	11.4
	12	17.8	5.2	13.1	10.4
2009	1	27.4	8.3	12.0	9.2
	2	20.0	9.8	11.4	8.8
	3	32.5	14.3	11.1	8.4
	4	21.1	17.4	10.6	7.7
	5	19.0	17.0	9.9	7.3
	6	16.1	18.5	9.6	7.0

P: Preliminary
Source: The Bank of Korea

15. Exchange rates See graphs 9-2 & 9-3

Period		₩/US$		₩/100¥		₩/Euro	
		End-period	Average	End-period	Average	End-period	Average
2007		938.2	929.2	833.3	789.8	1,381.3	1,272.7
2008		1,257.5	1,102.6	1,393.9	1,076.6	1,776.2	1,606.8
2008	1	943.9	942.4	889.1	872.9	1,402.3	1,386.2
	2	937.3	944.7	889.7	880.6	1,423.5	1,395.4
	3	991.7	979.9	1,000.2	972.3	1,565.0	1,519.5
	4	999.7	986.7	961.8	962.4	1,556.2	1,555.1
	5	1,031.4	1,036.7	977.0	994.2	1,599.6	1,614.6
	6	1,043.4	1,029.3	981.8	963.0	1,647.1	1,601.7
	7	1,008.5	1,019.1	932.9	954.2	1,571.0	1,606.4
	8	1,081.8	1,041.5	987.9	953.0	1,590.3	1,561.6
	9	1,187.7	1,130.4	1,144.2	1,060.6	1,707.2	1,627.6
	10	1,291.4	1,326.9	1,306.0	1,327.1	1,664.4	1,765.3
	11	1,482.7	1,390.1	1,553.8	1,435.1	1,912.6	1,768.9
	12	1,257.5	1,373.8	1,393.9	1,503.3	1,776.2	1,846.1
2009	1	1,368.5	1,346.1	1,521.0	1,487.2	1,768.7	1,793.8
	2	1,516.4	1,429.5	1,541.1	1,546.1	1,930.1	1,829.9
	3	1,377.1	1,462.0	1,414.8	1,495.7	1,816.4	1,904.0
	4	1,348.0	1,341.9	1,382.9	1,356.2	1,786.8	1,771.6
	5	1,272.9	1,258.7	1,314.1	1,304.5	1,772.7	1,719.1
	6	1,284.7	1,261.4	1,336.3	1,305.5	1,809.3	1,767.8
	7	1,240.5	1,264.0	1,299.2	1,338.1	1,745.9	1,778.8
		Y-o-Y change (%)					
2007		0.9	-2.8	6.6	-3.9	-13.0	6.1
2008		34.0	18.7	67.3	36.3	28.6	26.2
2008	1	0.3	0.6	15.0	12.2	14.9	13.9
	2	-0.1	0.8	12.1	13.4	14.6	13.9
	3	5.5	3.9	25.5	20.8	24.8	21.6
	4	7.6	5.9	23.6	22.8	22.8	23.6
	5	10.9	11.7	27.8	29.4	28.1	28.7
	6	12.6	10.9	30.5	27.2	32.2	28.7
	7	9.2	10.9	20.4	26.3	24.0	27.5
	8	15.1	11.5	22.0	19.2	24.0	22.7
	9	29.0	21.2	43.6	30.8	31.0	26.1
	10	42.3	44.9	65.1	67.8	27.1	35.5
	11	59.5	51.6	83.6	73.7	39.4	31.5
	12	34.0	47.7	67.3	81.5	28.6	36.2
2009	1	45.0	42.8	71.1	70.4	26.1	29.4
	2	61.8	51.3	73.2	75.6	35.6	31.1
	3	38.9	49.2	41.5	53.8	16.1	25.3
	4	34.8	36.0	43.8	40.9	14.8	13.9
	5	23.4	21.4	34.5	31.2	10.8	6.5
	6	23.1	22.5	36.1	35.6	9.9	10.4
	7	23.0	24.0	39.3	40.2	11.1	10.7

Source: The Bank of Korea

Useful Internet Websites

Economy-related Websites Recommended

Ministry of Strategy and Finance
http://english.mosf.go.kr

Ministry of Knowledge Economy
http://www.mke.go.kr/language/eng

Financial Services Commission
http://www.fsc.go.kr/eng

Financial Supervisory Service
http://english.fss.or.kr

Fair Trade Commission
http://eng.ftc.go.kr

Ministry of Labor
http://english.molab.go.kr/english

The Bank of Korea
http://www.bok.or.kr

Korea National Statistical Office
http://www.nso.go.kr/eng2006

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Foreign Press Spokesperson's Office
Ministry of Strategy and Finance
Government Complex II, 88 Gwanmoonro
Gwacheon City, Gyeonggi Province, 427-725
Republic of Korea
Tel: 82-2-2150-2455
Fax: 82-2-504-1335
E-mail: fppr@mosf.go.kr
Website: http://english.mosf.go.kr

Economic Information and Education Center
Korea Development Institute
207-41, Chongnyangni-dong, Dongdaemun-gu
Seoul, 130-012
Republic of Korea
Tel: 82-2-958-4605
Fax: 82-2-3295-0748
E-mail: hjcho@kdi.re.kr
Website: http://eb.kdi.re.kr