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Economic Bulletin

The Green Book: Current Economic Trends

The Green Book

Current Economic Trends

Overview

The Korean economy remained in a positive territory thanks to brisk exports and rising employment, while fiscal problems in Southern European countries added uncertainties to the financial market.

Mining and manufacturing production in April, backed by robust exports, rose 0.2 percent month-on-month and 19.9 percent year-on-year. Service output improved 0.2 percent month-and-month and 5.2 percent year-on-year, helped by strong entertainment, cultural & sports services.

Consumer goods sales dropped 1.7 percent month-on-month, while increasing 7.1 percent year-on-year, as low temperatures and grief over the sinking of the naval vessel, Cheonan, affected the sales.

In April facilities investment fell 5.9 percent month-on-month due to a high base effect from the previous month when machinery investment jumped, although rising 25.7 percent year-on-year. Construction completed lost 7.0 percent month-on-month and 5.4 percent year-on-year, as both building construction and civil engineering works fell.

The total number of workers hired in April gained 401,000 month-on-month, led by the manufacturing and service sectors. The employment rate (seasonally adjusted) posted 58.8 percent, adding 0.3 percentage points month-on-month, while the unemployment rate (seasonally adjusted) landed at 3.7 percent, shedding 0.1 percentage point.

Exports jumped 41.9 percent year-on-year in May, posting the largest average daily exports. Imports soared 50.0 percent year-on-year, led by raw and capital materials.

The consumer price in May, despite a price rise in some manufactured goods, posted a year-on-year increase of 2.7 percent, as relatively low service fees offset the rising price of manufactured goods. Core consumer prices rose 1.6 percent.

In May, the financial market saw stock prices fall and foreign exchange rates rise, as degraded Southern European countries' sovereign rates and escalating inter-Korean tensions drove foreign investors into safer assets.

To sum up, although the Korean economy shows clear signs of recovery in line with the steadily improving global economy, external uncertainties still exist as Southern European countries' fiscal difficulties may prolong and geopolitical risks remain.

The Korean government, with internal and external uncertainties in mind, will hold on to current policies, while renewing its efforts to strengthen the economy, in particular to promote corporate restructuring and raise fiscal soundness. On the other hand, the government will continue to develop future growth potential, green growth engines and service industries among others, while steadily pursuing measures to create jobs and support the working class.

1. Global economy

While the global economy continued to recover, concerns about the possible spillover from the European debt crisis led to volatility in the international financial markets. On May 26, the OECD revised up the forecast for the 2010 global economic growth to 4.6 percent from 3.4 percent.

OECD's 2010 GDP forecasts (%, as of May 2010)
3.2 (U.S), 3.0 (Japan), 1.2 (EU)

US

Although US real GDP was revised down to 3.0 percent (annualized q-o-q) in the first quarter of 2010, the economy stayed on an upward track led by steadily improving industrial production and retail sales.

Both production and consumption continued to recover, as industrial production accelerated growth in April and retail sales posted a month-on-month increase for seven months in a row. Home sales in April substantially rose as both new and existing home sales increased month-on-month by 14.9 percent and 7.6 percent, respectively, due to high demand before the expiration of the 2010 Home Buyer Tax Credits on April 30.

Non-farm payrolls gained 290,000 in April, the highest since March 2006, while the unemployment rate was up 0.2 percentage points from the previous month to 9.9 percent affected by an increase in the economically active population.

The Federal Reserve, at the April FOMC meeting, revised up the 2010 real GDP growth projection to 3.2 to 3.7 percent from the previous estimate of 2.8 to 3.5 percent, and revised down the average unemployment rate projection to 9.1 to 9.5 percent from the previous estimate of 9.5 to 9.7 percent.

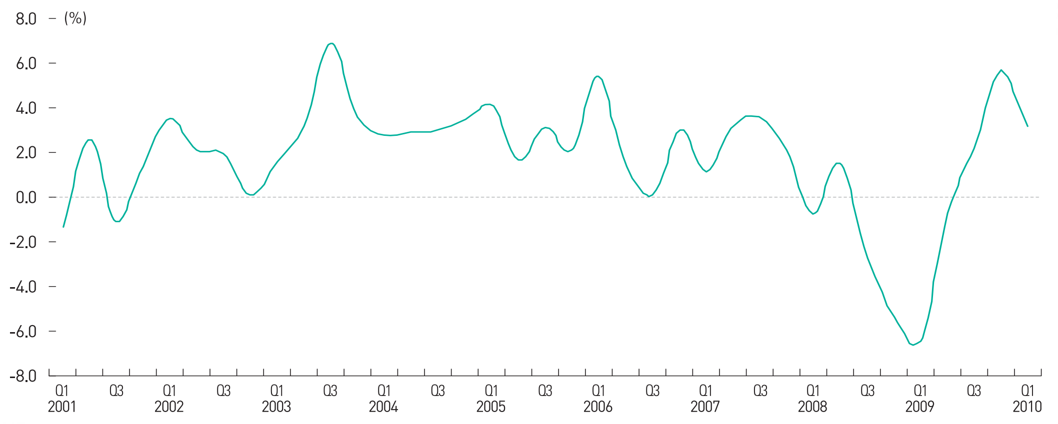
(Percentage change from previous period)

	2008	2009					2010		
	Annual	Annual	Q1	Q2	Q3	Q4	Q1	Mar	Apr
Real GDP[1]	0.4	-2.4	-6.4	-0.7	2.2	5.6	3.0	-	-
- Personal consumption expenditure	-0.2	-0.6	0.6	-0.9	2.8	1.6	3.5	-	-
- Corporate fixed investment	1.6	-17.8	-39.0	-9.6	-5.9	5.3	3.1	-	-
- Construction investment for housing	-22.9	-20.5	-38.2	-23.3	18.9	3.8	-10.7	-	-
Industrial production	-1.8	-9.7	-5.2	-2.7	1.6	1.7	1.8	0.2	0.8
Retail sales	-0.8	-6.3	-1.7	-0.0	1.8	1.8	2.0	2.1	0.4
New home sales	-37.4	-22.7	-8.6	4.2	9.1	-7.0	0.5	29.9	14.9
New non-farm payroll employment (thousand)[2]	-302	-395	-753	-477	-261	-90	94	230	290
Consumer prices (y-o-y, %)	3.8	-0.3	-0.2	-1.0	-1.6	1.5	2.4	2.3	2.2

1. Annualized rate (%)
2. Monthly average
Source: US Department of Commerce

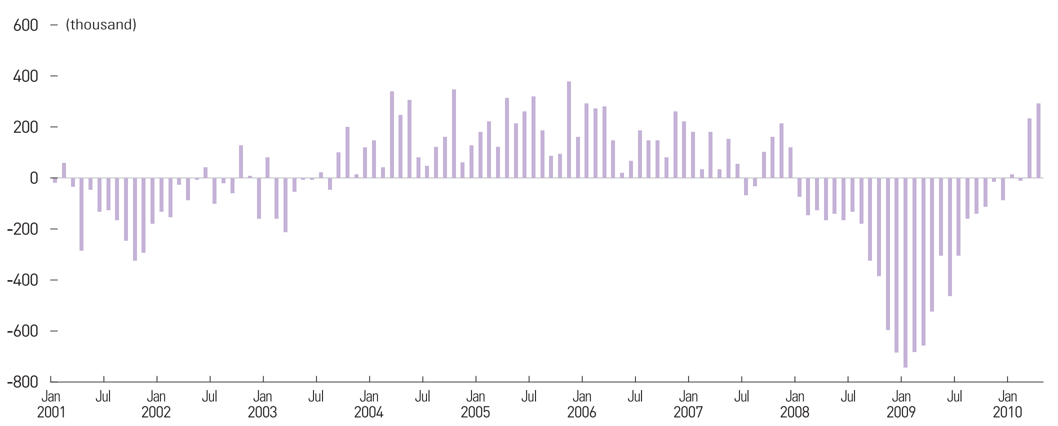
1-1 **US GDP** (q-o-q, annualized rate)

Source: US Department of Commerce



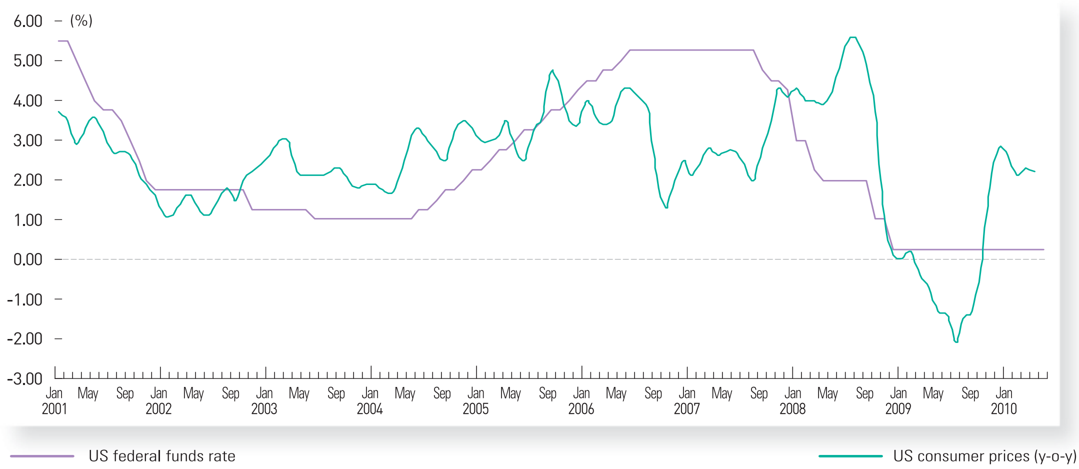
1-2 **US non-farm payroll employment** (m-o-m change)

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 saw inflation and housing prices rise at a faster rate amid steadily growing industrial production backed by strong domestic demand and brisk exports. In May, the Manufacturing Purchasing Managers Index (PMI) broke a three month rise, while still hovering over 50, the base.

Housing price (%, y-o-y)

2.8 (Sept 2009) → 3.9 (Oct) → 5.7 (Nov) → 7.8 (Dec) → 9.5 (Jan 2010) → 10.7 (Feb) → 11.7 (Mar) → 12.8 (Apr)

Manufacturing PMI (base = 50)

55.8 (Jan 2010) → 52.0 (Feb) → 55.1 (Mar) → 55.7 (Apr) → 53.9 (May)

(Percentage change from same period in previous year)

	2008	2009					2010		
	Annual	Annual	Q1	Q2	Q3	Q4	Q1	Mar	Apr
Real GDP	9.0	8.7	6.2	7.9	9.1	10.7	11.9	-	-
Fixed asset investment (accumulated)	26.1	30.5	28.6	33.6	33.3	30.5	26.4	26.4	26.1
Retail sales	21.6	15.5	14.9	15.0	15.4	16.9	17.9	18.0	18.5
Industrial production	12.9	11.0	5.1	9.2	12.4	18.0	19.6	18.1	17.8
Exports	17.2	-15.9	-19.7	-23.5	-20.7	0.2	28.7	24.3	30.5
Consumer prices	5.9	-0.7	-0.6	-1.5	-1.3	0.7	2.2	2.4	2.8
Producer prices	6.9	-5.4	-4.6	-7.2	-7.7	-2.1	5.2	5.9	6.8

Source: China National Bureau of Statistics

Japan

Japan's economy continued a recovery track with 1.2 percent quarter-on-quarter growth in the first quarter and accelerating industrial production and retail sales in April. Consumer prices declined 1.2 percent in April from a year earlier, indicating ongoing deflation.

(Percentage change from previous period)

	2008	2009					2010		
	Annual	Annual	Q1	Q2	Q3	Q4	Q1	Mar	Apr
Real GDP	-0.7	-5.2	-4.2	1.8	0.1	1.0	1.2	-	-
Industrial and mining production	-3.4	-21.8	-20.0	6.5	5.3	5.9	7.0	1.2	1.3
Retail sales (y-o-y, %)	0.3	-2.2	-3.9	-0.9	-3.4	-0.7	3.8	4.7	4.9
Exports (y-o-y, %)	-3.5	-33.1	-46.9	-38.5	-34.4	-8.0	43.3	43.5	40.4
Consumer prices (y-o-y, %)	1.4	-1.4	-0.1	-1.0	-2.2	-2.0	-1.2	-1.1	-1.2

Source: Japan's Statistics Bureau and Statistics Centre

Eurozone

The eurozone economy saw an economic recovery procrastinating as the first quarter posted quarter-on-quarter growth of 0.2 percent. Despite the European financial stabilization mechanism released on May 10, concerns over sovereign debt woes in Southern European countries spread across the continent, as Spain's credit ratings were downgraded and its savings bank CajaSur was put under state control.

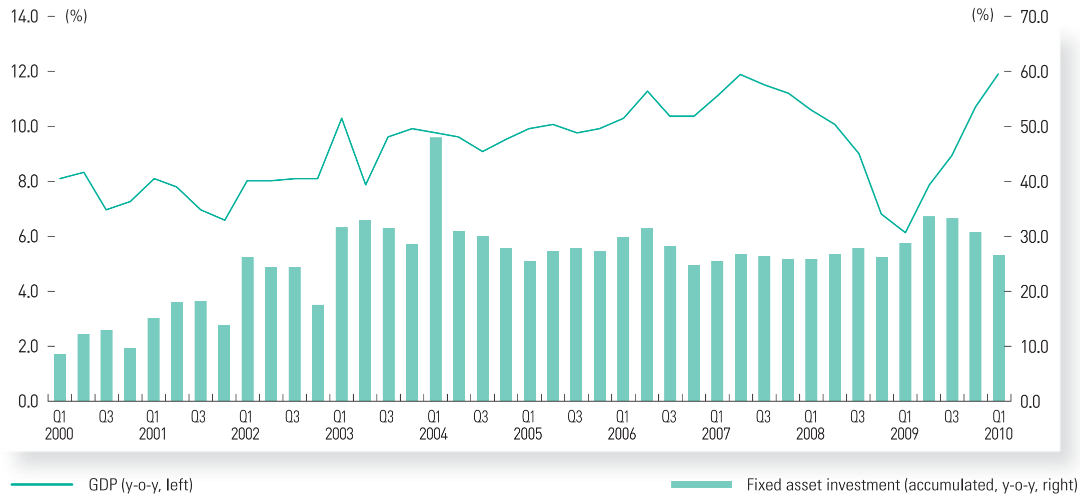
(Percentage change from previous period)

	2008	2009					2010		
	Annual	Annual	Q1	Q2	Q3	Q4	Q1	Mar	Apr
Real GDP	0.8	-4.0	-2.5	-0.1	0.4	0.0	0.2	-	-
Industrial production	-1.8	-14.8	-7.6	-2.8	0.9	2.1	3.7	1.2	-
Retail sales	-0.2	-2.2	-0.8	-0.1	-0.1	0.0	0.0	0.0	-
Exports (y-o-y, %)	3.7	-18.1	-21.1	-22.9	-19.5	-8.6	12.6	9.9	22.2
Consumer prices (y-o-y, %)	3.3	0.3	1.0	0.2	-0.4	0.4	1.1	1.4	1.5

Source: Eurostat

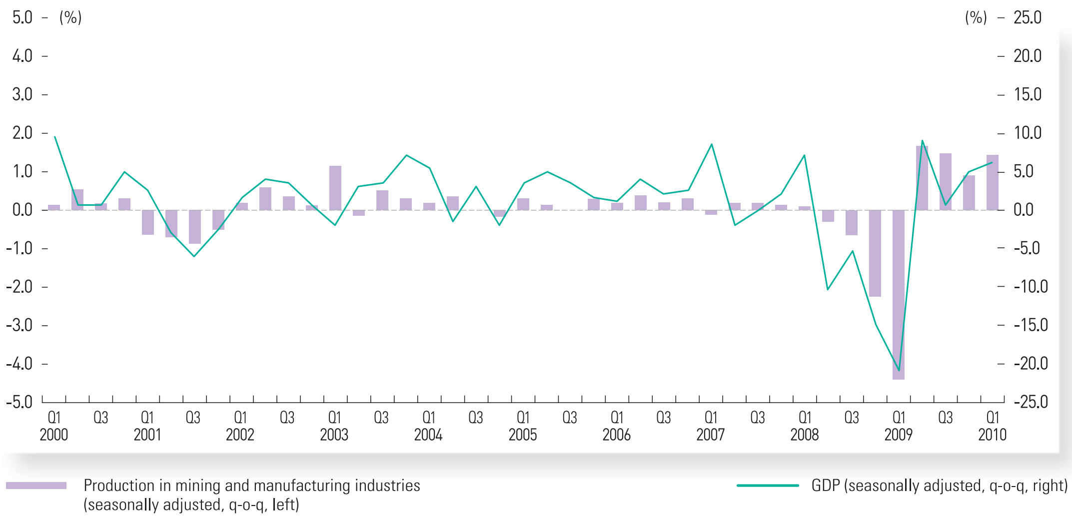
1-4 **China's GDP and fixed asset investment**

Source: National Bureau of Statistics of China



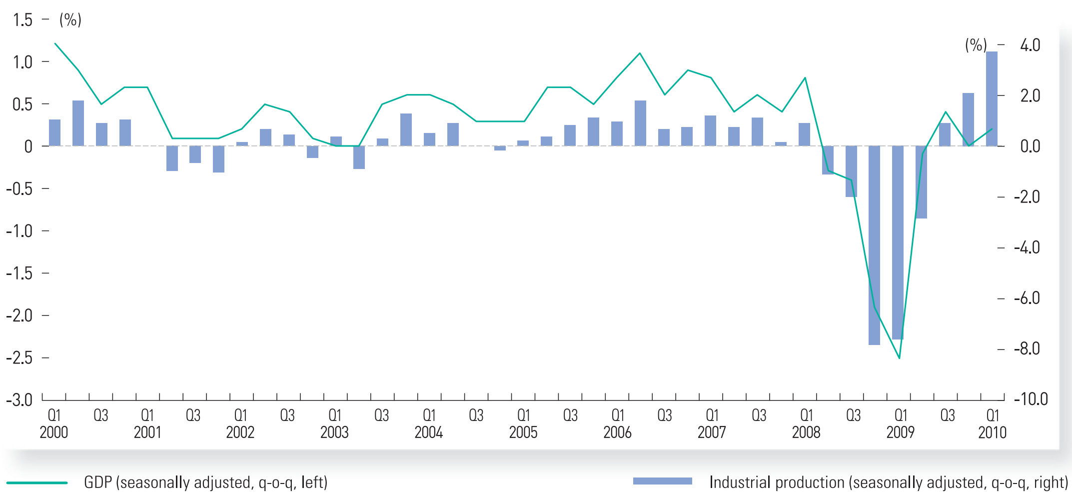
1-5 **Japan's GDP growth**

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



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

Source: Eurostat



2. Private consumption

Private consumption (preliminary GDP) increased 0.7 percent quarter-on-quarter and 6.3 percent year-on-year in the first quarter of 2010.

(Percentage change from same period in previous year)

	2007	2008		2009[1]					2010[1]
	Annual	Annual	Q4	Annual	Q1	Q2	Q3	Q4	Q1
Private consumption[2]	5.1	1.3	-3.6	0.2	-4.4	-1.0	0.7	5.8	6.3
(Seasonally adjusted)[3]	-	-	-4.5	-	0.3	3.3	1.7	0.4	0.7

1. Preliminary 2. National accounts 3. Percentage change from previous period
Source: The Bank of Korea

Consumer goods sales was down by 1.7 percent month-on-month in April due to weak sales of durable goods such as automobiles and home appliances, while rising 7.1 percent year-on-year.

On a month-on-month basis, durable goods sales contracted substantially by 7.0 percent, led by a drop in automobile sales of 4.7 percent, while the sales of non-durable goods, such as vehicle fuels, and semi-durable goods, such as clothing, rose 0.2 percent and 1.4 percent, respectively.

On a year-on-year basis, a 29.5 percent jump in automobile sales led a rise in durable goods sales, while semi-durable and non-durable goods sales increased 3.6 percent and 3.3 percent, respectively.

(Percentage change from same period in previous year)

	2008	2009					2010			
	Annual	Annual	Q1	Q2	Q3	Q4	Q1[1]	Feb	Mar[1]	Apr[1]
Consumer goods sales	1.1	2.6	-4.7	1.5	2.8	10.8	9.9	13.1	9.9	7.1
(Seasonally adjusted)[2]	-	-	1.0	5.1	0.3	4.1	0.5	2.0	-1.2	-1.7
- Durable goods[3]	1.6	8.1	-11.9	5.7	7.9	33.9	29.4	21.0	28.1	16.1
· Automobiles	-3.5	21.8	-20.6	20.1	24.1	76.9	48.3	34.8	40.1	29.5
- Semi-durable goods[4]	-3.0	0.3	-1.5	-0.6	-0.7	3.4	2.7	2.6	1.0	3.6
- Non-durable goods[5]	1.4	1.2	-1.4	0.5	1.9	4.1	3.3	13.3	3.3	3.3

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 goods: Food, medicine, cosmetics, fuel, tobaccos, etc.
Source: Statistics Korea

Sales at department stores expanded at a faster pace from the previous month, while those at specialized retailers and large discounters slowed from a month earlier.

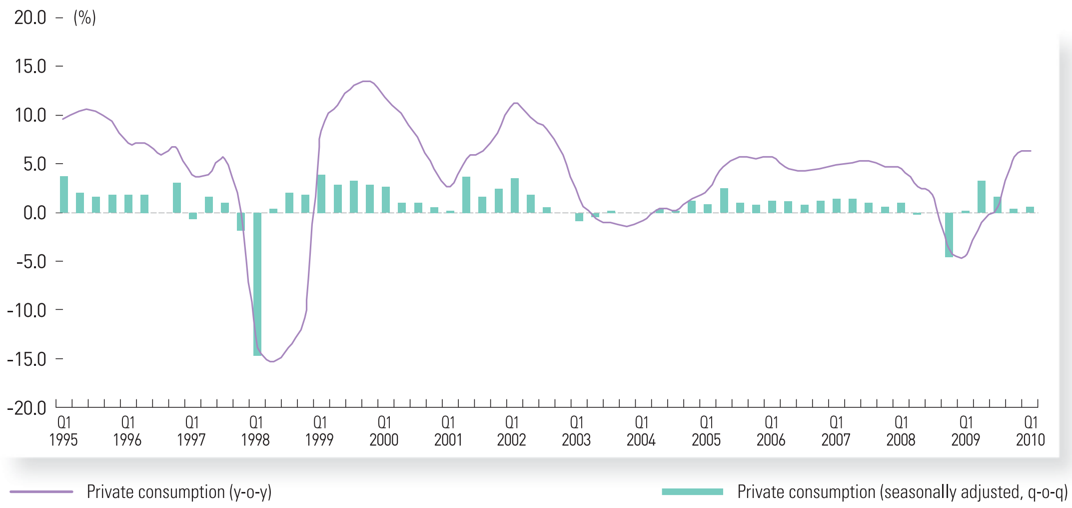
(Percentage change from same period in previous year)

	2008	2009					2010			
	Annual	Annual	Q1	Q2	Q3	Q4	Q1[1]	Feb	Mar[1]	Apr[1]
- Department stores	1.2	3.3	-0.8	0.4	4.2	9.1	9.0	16.3	5.6	8.8
- Large discounters	2.5	-2.0	-4.4	-2.9	-3.4	3.2	5.9	29.1	3.5	1.9
- Specialized retailers[2]	-1.8	2.9	-6.6	2.6	3.5	12.6	9.7	7.8	10.3	6.3

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

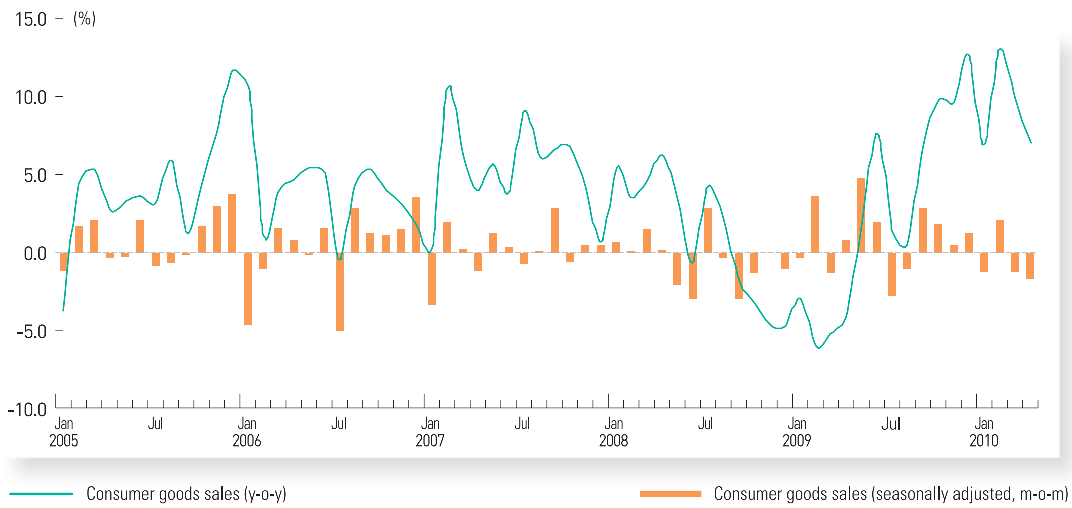
2-1 Private consumption

Source: The Bank of Korea (national accounts)



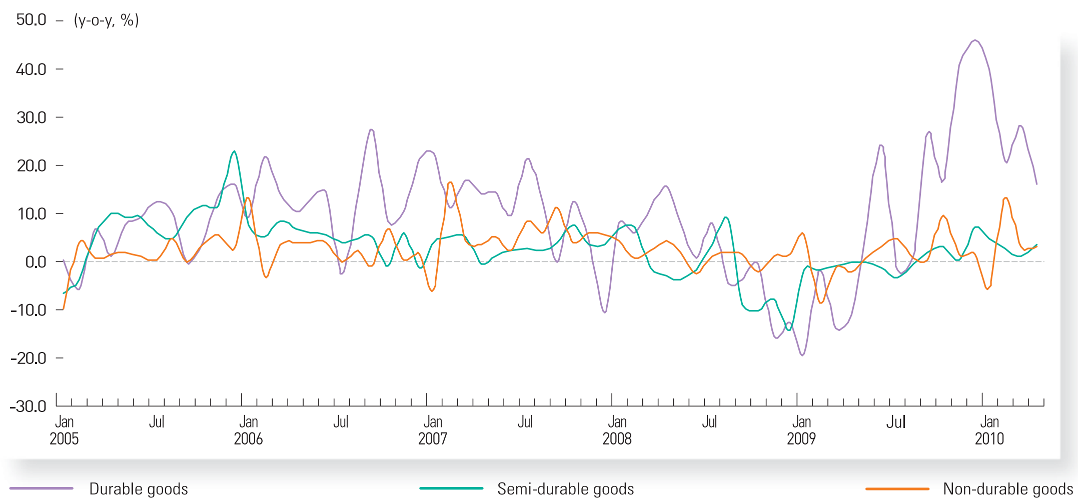
2-2 Consumer goods sales

Source: Statistics Korea (industrial activity trend)



2-3 Consumer goods sales by type

Source: Statistics Korea (industrial activity trend)



Consumer goods sales in May are projected to turn positive month-on-month, given the estimates of advanced indicators, improving consumer sentiment, and weather conditions turning back to normal.

Lower-than-average temperatures negatively affecting consumption in April were back to normal in May.

Average temperatures of 2010 (Seoul, ℃) **:** 9.5 (Apr 2010), 17.2 (May)
Average temperatures between 2005 and 2009 : 12.6 (Apr), 18.2 (May)

Household purchasing power was gradually improving, backed by recovering employment and consumer sentiment, and stable consumer prices.

Number of workers hired (y-o-y, ten thousand)
-1.6 (Dec 2009) → 0.5 (Jan 2010) → 12.5 (Feb) → 26.7 (Mar) → 40.1 (Apr)
Consumer Sentiment Index (CSI, base=100)
113 (Dec 2009) → 113 (Jan 2010) → 111 (Feb) → 110 (Mar) → 110 (Apr) → 111 (May)
Consumer prices (y-o-y, %)
2.8 (Dec 2009) → 3.1 (Jan 2010) → 2.7 (Feb) → 2.3 (Mar) → 2.6 (Apr) → 2.7 (May)

On a daily average basis, domestic sales of Korean automobiles increased substantially in May from the previous month.

Domestic sales of Korean automobiles (daily average, unit)
5,309 (Jan 2010) → 5,196 (Feb) → 5,154 (Mar) → 5,134 (Apr) → 5,407 (May)

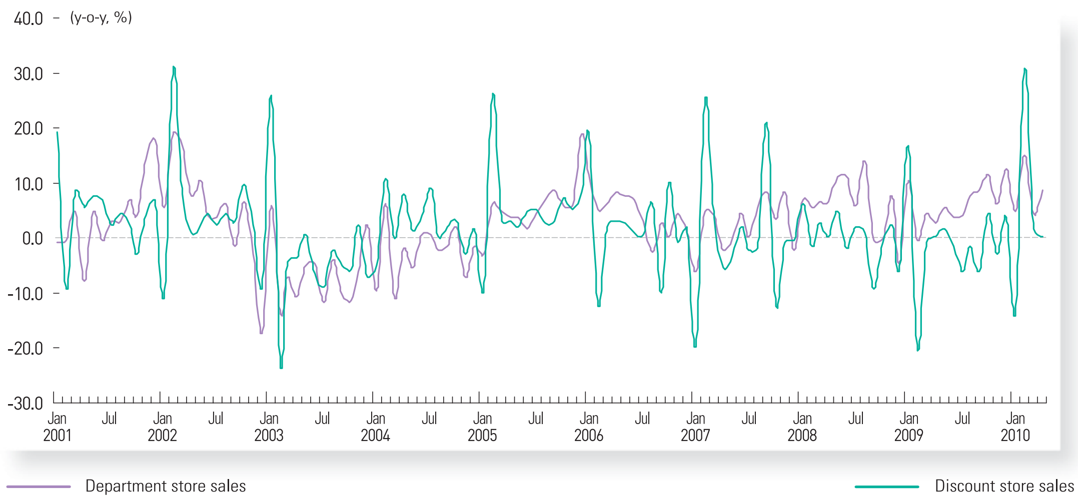
Domestic credit card spending and sales at department stores jumped 17.2 percent and 7.5 percent year-on-year, respectively. Gasoline sales in volume dropped 3.9 percentage points due to a year-on-year price hike of 12.1 percent.

Value of credit card use (y-o-y, %)
20.0 (Dec 2009) → 20.2 (Jan 2010) → 21.2 (Feb) → 19.1 (Mar) → 18.0 (Apr) → 17.2 (May)
Department store sales (y-o-y, %)
12.5 (Dec 2009) → 4.8 (Jan 2010) → 15.2 (Feb) → 4.6 (Mar) → 8.8 (Apr) → 7.5 (May)
Discount store sales (y-o-y, %)
3.9 (Dec 2009) → -13.4 (Jan 2010) → 30.8 (Feb) → 1.6 (Mar) → 0.3 (Apr) → 1.9 (May)
Domestic sales of gasoline (y-o-y, %)
-4.5 (Dec 2009) → -0.6 (Jan 2010) → 8.3 (Feb) → 6.3 (Mar) → 4.0 (Apr) → 0.1 (May)

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

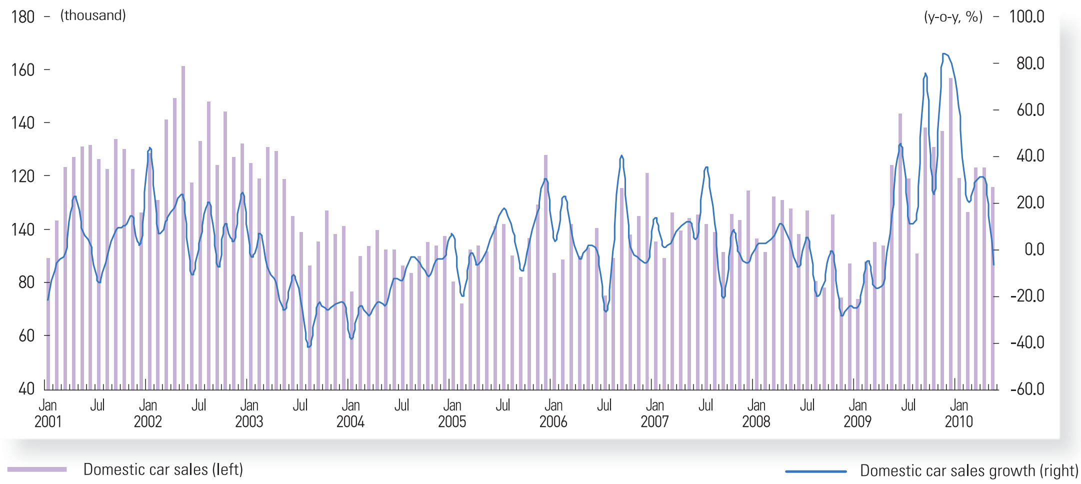
2-4 **Department store and discount store sales** (current value)

Source: Ministry of Knowledge Economy (monthly retail sales)



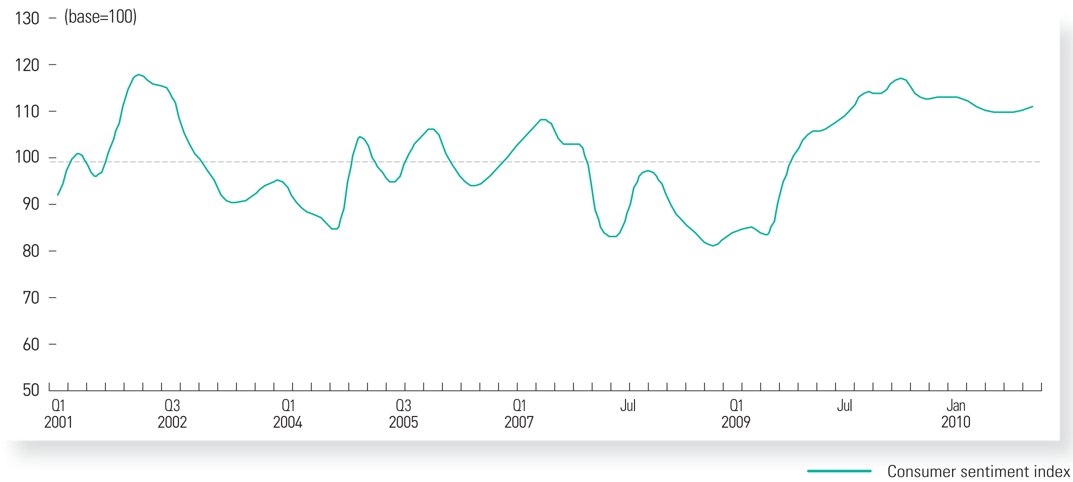
2-5 **Domestic automobile sales**

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



2-6 **Consumer sentiment index**

Source: The Bank of Korea



3. Facility investment

Facility investment (preliminary GDP) in the first quarter of 2010 posted a quarter-on-quarter increase of 2.4 percent and a year-on-year gain of 29.9 percent.

(Percentage change from same period in previous year)

	2008					2009[1]					2010[1]
	Annual	Q1	Q2	Q3	Q4	Annual	Q1	Q2	Q3	Q4	Q1
Facility investment[2]	-1.0	2.8	2.0	5.3	-13.3	-9.1	-23.1	-17.3	-7.0	13.3	29.9
(Seasonally adjusted)[3]	-	0.4	1.2	-1.0	-13.9	-	-10.5	9.0	10.8	5.3	2.4
- Machinery	-1.8	-0.9	0.9	8.0	-14.4	-13.0	-23.2	-21.5	-14.8	10.0	32.5
- Transportation equipment	1.8	17.5	5.9	-3.8	-9.8	4.7	-22.6	-2.9	22.9	24.2	19.4

1. Preliminary 2. National accounts 3. Percentage change from previous period
Source: The Bank of Korea

Facility investment in April, although investment in transportation equipment decelerated a drop from a month earlier, fell 5.9 percent due to a high base effect of the previous month's machinery investment, in particular semi-conductor equipment investment, while rising 25.7 percent year-on-year.

(Percentage change from same period in previous year)

	2008	2009					2010[1]			
	Annual	Annual	Q1	Q2	Q3	Q4	Q1[1]	Feb	Mar[1]	Apr[1]
Facility investment	-3.0	-8.0	-17.9	-12.9	-10.0	10.2	24.3	18.5	34.0	25.7
(Seasonally adjusted)[2]	-	-	-10.2	5.6	2.4	13.9	1.2	8.5	4.0	-5.9
- Machinery	-4.2	-12.9	-22.1	-18.9	-17.0	8.8	28.1	26.3	42.8	31.5
- Transportation equipment	2.1	12.0	0.1	11.8	20.0	15.5	12.0	-5.3	5.9	6.9
Domestic machinery orders	-13.8	-11.8	-35.5	-17.7	3.4	20.0	10.5	-3.1	22.9	25.6
- Public	5.0	61.7	150.8	29.9	280.2	-27.2	-43.7	-79.4	37.2	39.0
- Private	-15.5	-19.9	-44.8	-22.3	-16.0	35.2	22.9	30.9	21.3	24.7
- Machinery imports	6.4	-16.6	-27.9	-27.4	-15.9	7.2	47.8	33.5	74.8	44.2
Facility investment adjustment pressure[3]	-1.7	-4.0	-19.1	-8.9	1.2	12.8	21.7	14.7	17.8	15.3

1. Preliminary
2. Percentage change from previous period
3. Production growth rate minus production capacity growth rate in the manufacturing sector (%p)
Sources: Statistics Korea & The Korea International Trade Association

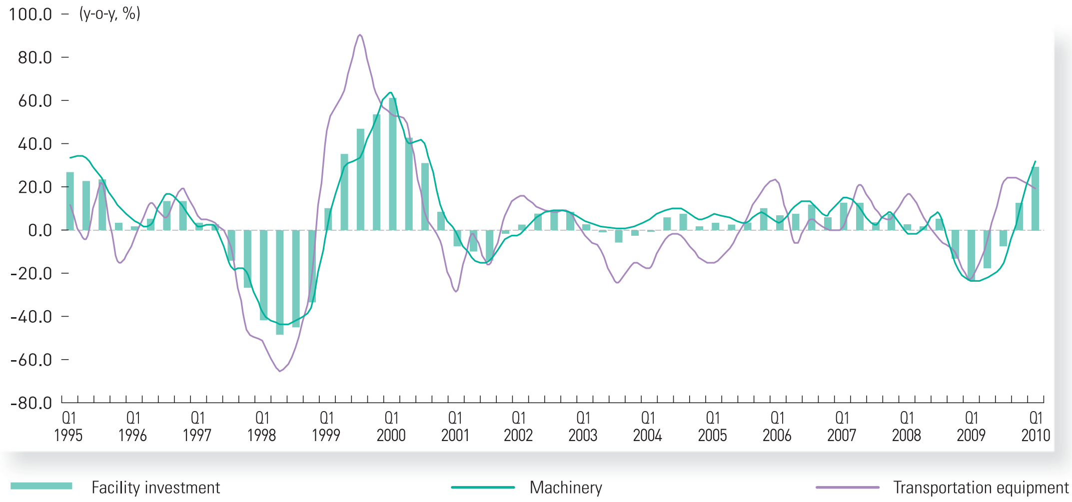
Facility investment in May is expected to shift to an upward trend, given steadily improving leading indicators, in particular machinery imports and investor confidence.

	2010					
	Jan	Feb	Mar	Apr	May	Jun
Capital goods imports (y-o-y, %)	30.1	30.0	49.0	27.3	30.8	-
Business survey indices (base=100) for manufacturing facility investment projections	103	101	103	104	104	107

Source: The Bank of Korea

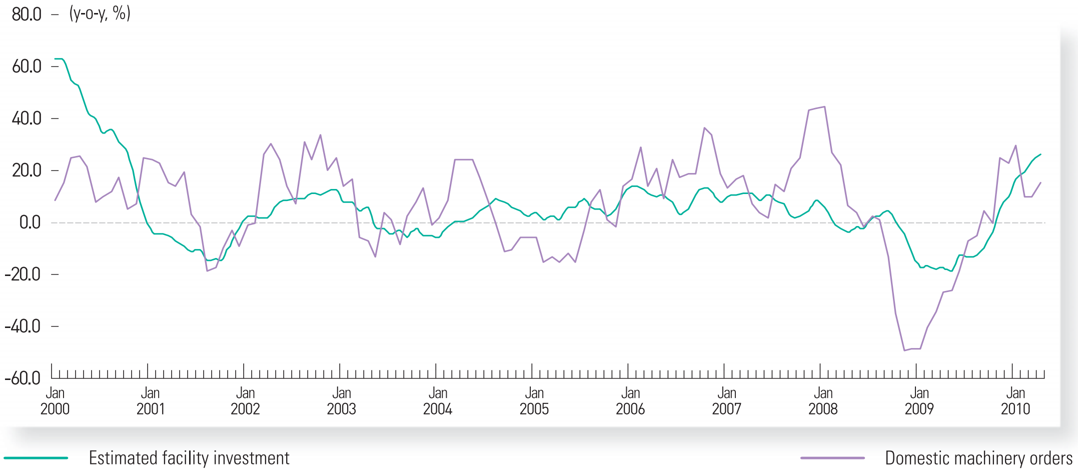
3-1 Facility investment by type

Source: The Bank of Korea (national accounts)



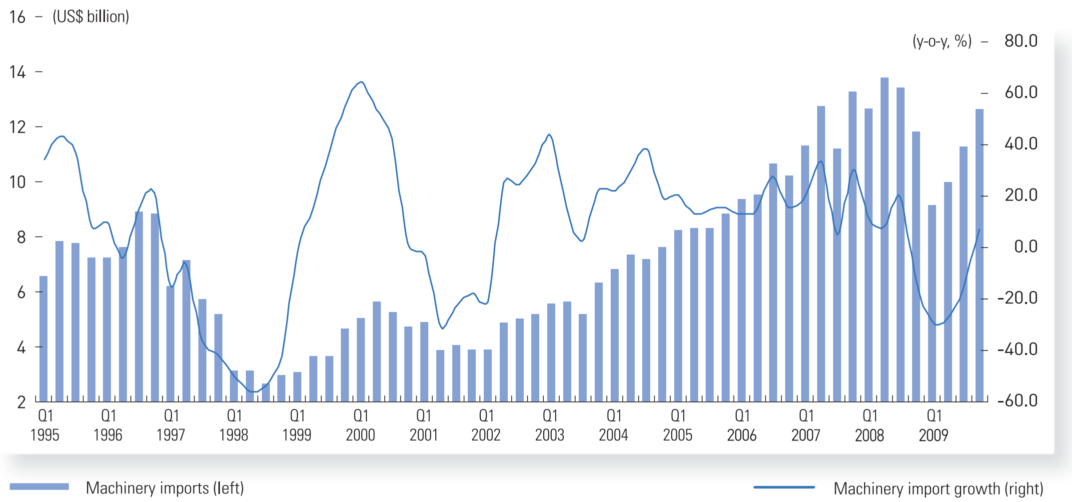
3-2 Machinery orders and estimated facility investment (3-month average)

Source: Statistics Korea (industrial activity trend)



3-3 Machinery imports

Source: Korea International Trade Association (KITA)



4. Construction investment

Construction investment (*preliminary GDP*) in the first quarter of 2010 rose 1.3 percent quarter-on-quarter or 2.3 percent year-on-year.

(Percentage change from same period in previous year)

	2008					2009[1]					2010[1]
	Annual	Q1	Q2	Q3	Q4	Annual	Q1	Q2	Q3	Q4	Q1
Construction investment[2]	-2.8	-2.5	-0.5	0.4	-7.7	4.4	2.8	5.1	4.4	5.0	2.3
(Seasonally adjusted)[3]	-	-4.2	-0.4	0.7	-3.3	-	5.9	1.8	-0.7	-0.1	1.3
- Building construction	-4.6	-1.0	-0.8	0.2	-14.8	-1.8	-9.6	-2.4	1.2	2.5	0.1
- Civil engineering works	-0.2	-5.1	-0.2	0.8	1.6	13.3	26.1	15.7	9.7	7.5	4.4

1. Preliminary
2. National accounts
3. Percentage change from previous period
Source: The Bank of Korea

Construction completed (*constant value*) in April dropped 5.4 percent month-on-month or 7.0 percent year-on-year, as both building construction and civil engineering works delivered poor performance.

(Percentage change from same period in previous year)

	2008	2009					2010[1]			
	Annual	Annual	Q1	Q2	Q3	Q4	Q1[1]	Feb	Mar[1]	Apr[1]
Construction completed(constant value)	-8.1	1.7	-5.4	4.5	1.8	5.0	2.3	-3.0	5.8	-5.4
(Seasonally adjusted)[2]	-	-	9.4	3.5	-5.3	-1.3	5.8	-4.4	2.2	-7.0
- Building construction	-10.3	-6.5	-15.5	-6.5	-5.1	0.7	0.2	-3.8	0.1	-8.8
- Civil engineering works	2.2	-5.7	13.4	25.9	15.4	11.4	5.1	-1.9	14.5	-0.6
Construction orders (current value)	-7.6	3.0	-12.0	-1.1	7.6	11.6	-6.9	-6.7	-25.3	-14.6
- Building construction	-15.4	-16.0	-39.4	-47.2	5.6	17.0	-0.4	30.3	-48.1	102.0
- Civil engineering works	13.5	41.9	77.1	140.9	10.6	3.7	-14.2	-30.4	7.2	-61.4
Building permit area	-20.1	-12.9	-31.6	-32.7	-4.6	13.1	12.1	42.3	37.8	64.7

1. Preliminary
2. Percentage change from previous period
Source: Statistics Korea & The Ministry of Land, Transport and Maritime Affairs

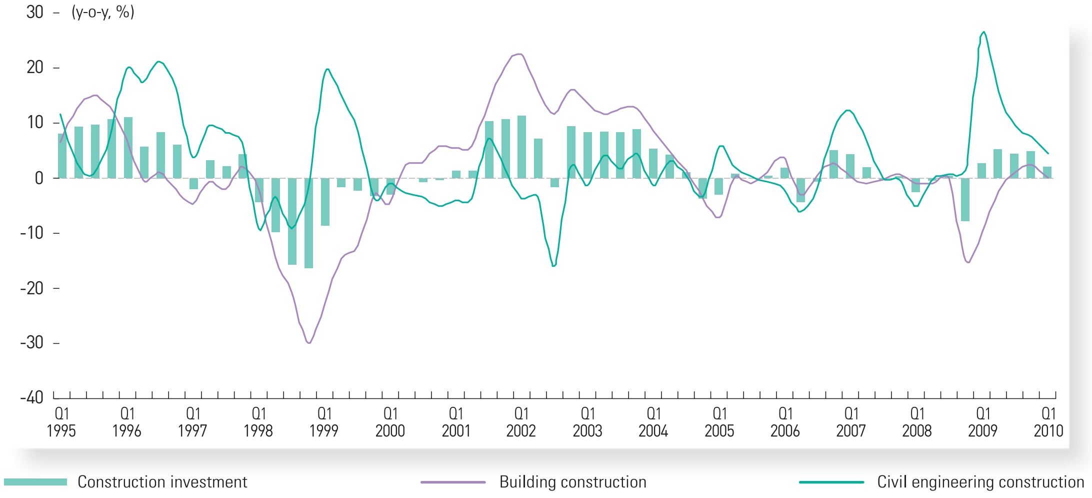
Construction investment in May is expected to decelerate the fall from the previous month, given improving construction orders and increasing building permit areas, while investor confidence continues to be affected by sluggish housing markets.

	2010				
	Jan	Feb	Mar	Apr	May
Business survey indices (base=100) for construction projections	74.8	91.4	88.9	85.5	74.1

Source: The Construction and Economy Research Institute of Korea

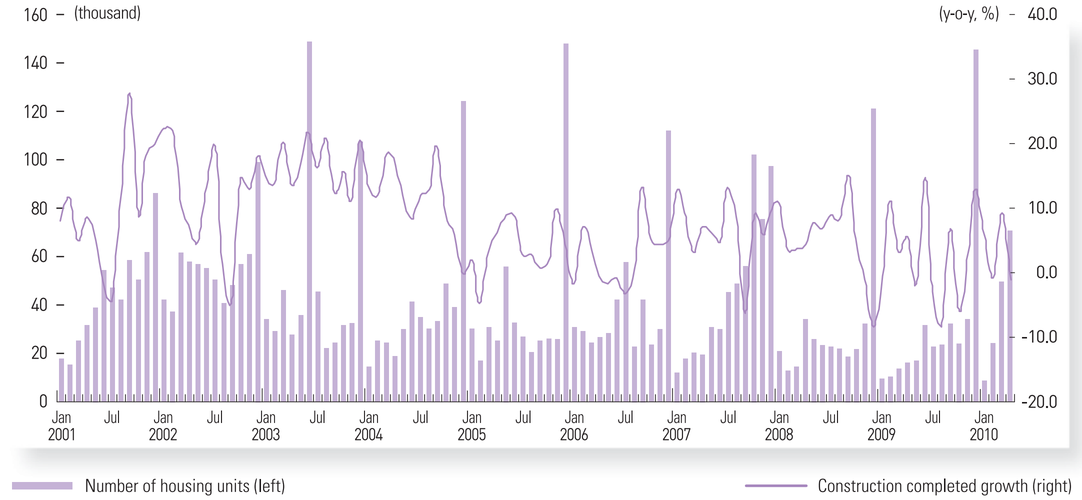
4-1 **Construction investment**

Source: The Bank of Korea (national accounts)



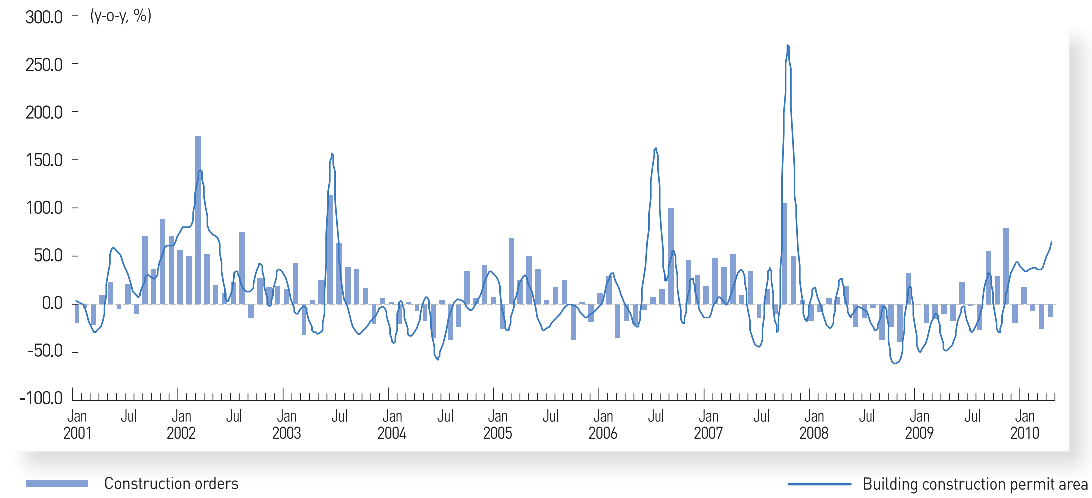
4-2 **Construction completed and housing construction**

Source: Statistics Korea (construction completed)
Kookmin Bank (housing construction)



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

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



5. Exports and imports

Exports in May continued a brisk pace as it rose 41.9 percent year-on-year to US$39.49 billion and posted the highest-ever average daily exports of US$1.84 billion.

By export category, semiconductors, oil products, and automobiles jumped, while wireless communication devices decreased year-on-year. By regional category, exports to Central and South America, ASEAN and China increased, while exports to EU fell slightly in the wake of the fiscal crisis in Southern Europe.

(US$ billion)

	2008	2009					2010			
	Annual	Annual	Q1	Q2	Q3	Q4	Q1	Mar	Apr	May
Exports	422.01	363.53	74.42	90.36	94.78	103.97	101.36	37.45	39.43	39.49
(y-o-y, %)	13.6	-13.9	-25.2	-21.1	-17.6	11.7	36.2	34.3	30.0	41.9
Average daily exports	1.53	1.30	1.10	1.30	1.32	1.49	1.51	1.56	1.64	1.84
Imports	435.27	323.09	71.42	73.97	84.85	92.85	98.08	35.63	35.38	35.12
(y-o-y, %)	22.0	-25.8	-32.7	-35.6	-31.0	1.4	37.3	49.0	42.2	50.0
Average daily imports	1.58	1.16	1.06	1.06	1.18	1.33	1.46	1.48	1.47	1.63

Source: Korea Customs Service

Imports in May jumped 50.0 percent year-on-year to US$35.12 billion, while average daily imports was up US$160 million from the previous month to US$1.63 billion. Crude oil (*up 84.2%*), steel (*up 74.8%*), and nonferrous metals (*up 50.4%*) posted a significant increase, due to the recovering economy and price rise in raw materials. Imports of capital goods and consumer goods accelerated the increase, backed by recovering domestic demand and rising facility investment.

Raw materials (y-o-y, %)
-2.3 (Q4 2009) ➔ 39.0 (Q1 2010); 51.5 (Mar) ➔ 54.0 (Apr) ➔ 64.9 (May)

Capital goods (y-o-y, %)
8.2 (Q4 2009) ➔ 36.8 (Q1 2010); 49.0 (Mar) ➔ 27.3 (Apr) ➔ 30.8 (May)

Consumer goods (y-o-y, %)
4.6 (Q4 2009) ➔ 28.2 (Q1 2010); 32.8 (Mar) ➔ 27.7 (Apr) ➔ 36.0 (May)

The trade balance in May posted a surplus of US$4.37 billion, the highest since November 2009 when the US$4.46 surplus was recorded, on the back of strong exports.

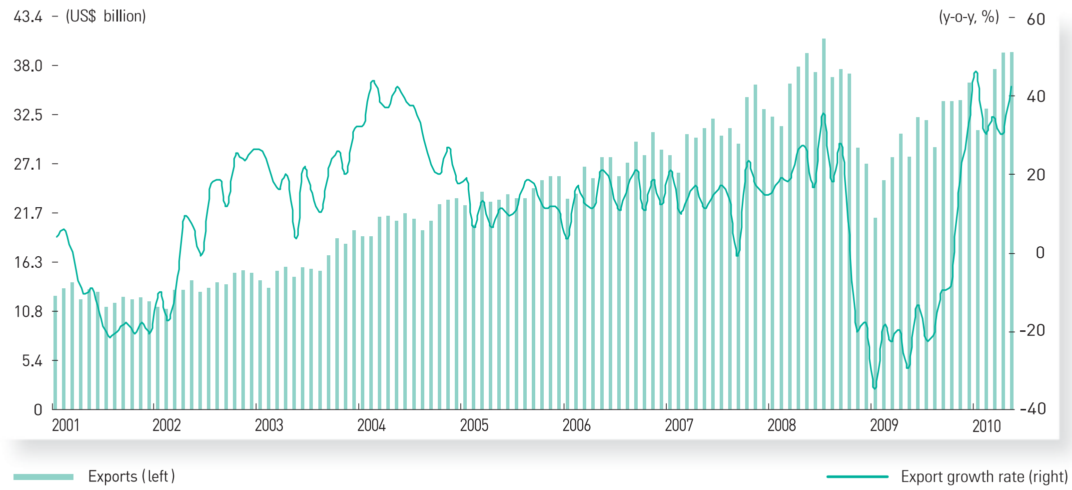
(US$ billion)

	2008	2009					2010			
	Annual	Annual	Q1	Q2	Q3	Q4	Q1	Mar	Apr	May
Trade Balance	-13.27	40.45	3.00	16.39	9.94	11.12	3.27	1.82	4.05	4.37

Source: Korea Customs Service

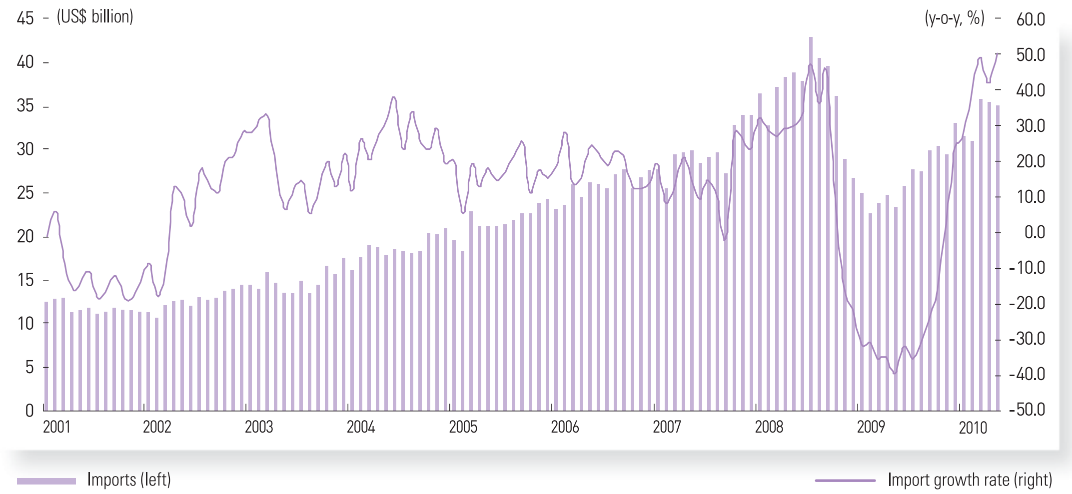
5-1 **Exports** (customs clearance basis)

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



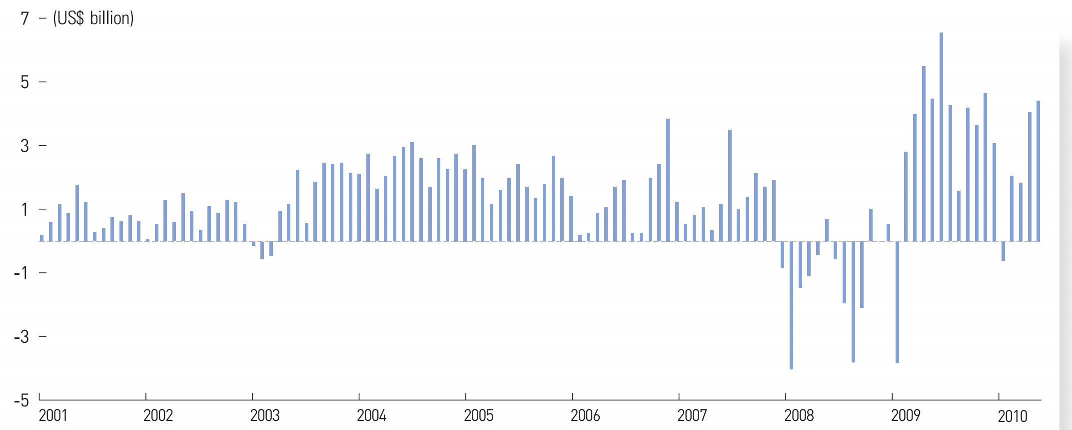
5-2 **Imports** (customs clearance basis)

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

Mining and manufacturing production increased 0.2 percent in April from the previous month, posting a month-on-month increase for six consecutive months, while rising 19.9 percent year-on-year.

By business category, audio visual communication equipment (*up 6.4%*), and chemical products (*up 4.0%*) grew month-on-month, while semiconductors and parts (*down 3.5%*) and automobiles (*down 1.1%*) fell.

Shipments slowed down a year-on-year increase from 19.5 percent to 17.3 percent, while inventory speeded up a rise from 6.6 percent to 10.9 percent.

By business category, the shipments of semiconductors and parts (*up 32.0%*), and automobiles (*up 39.6%*) increased year-on-year, while those of other transportation equipment (*down 10.5%*) and refined petroleum products (*down 0.8%*) declined. The inventories of semiconductors and parts (*up 59.3%*), and automobiles (*up 17.5%*) rose year-on-year, while those of other transportation equipment (*down 28.3%*), and paper products (*down 34.9%*) fell.

The average operation ratio of the manufacturing sector fell 0.2 percentage points from the previous month, landing at 82.2 percent.

(Percentage change from same period in previous year)

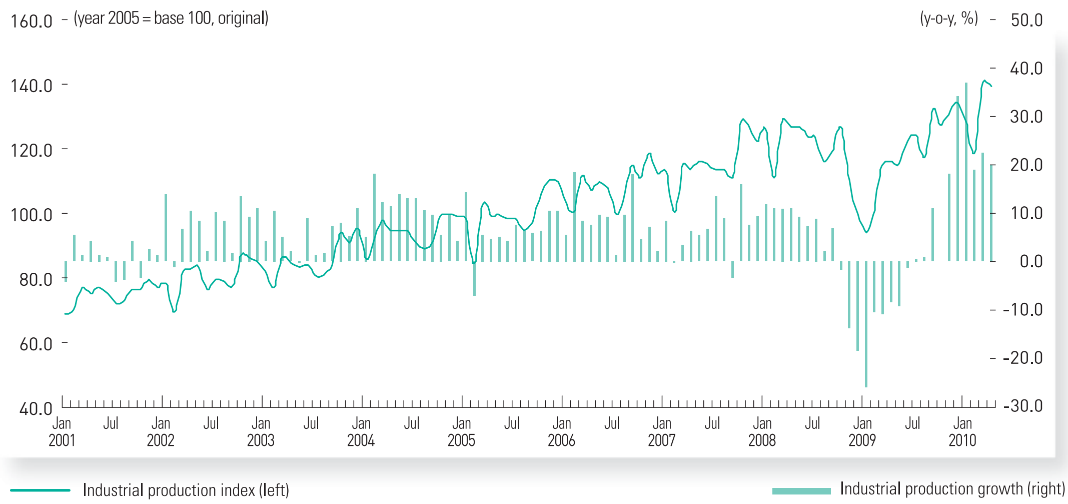
		2008	2009			2010			
		Annual	Annual	Q3	Q4	Q1[1]	Feb	Mar[1]	Apr[1]
Mining and manufacturing activity[2]	Production (q-o-q, m-o-m)	-	-	6.9	1.3	5.1	3.4	1.7	0.2
	(y-o-y)	3.4	-0.8	4.3	16.2	25.7	18.9	22.5	19.9
	- Manufacturing	3.4	-0.9	4.4	16.8	26.8	19.6	23.4	20.5
	· ICT[3]	3.4	7.8	13.2	46.3	46.0	38.7	39.0	30.1
	· Automobiles	9.1	-6.8	15.8	14.7	51.0	32.1	46.0	39.0
	Shipment	2.6	-1.7	2.1	12.8	21.7	14.4	19.5	17.3
	- Domestic demand	-0.4	-1.8	3.4	12.3	21.1	12.8	20.3	17.2
	- Exports	7.2	-1.7	0.4	13.3	22.5	16.6	18.4	17.8
	Inventory[4]	7.1	-8.0	-14.2	-8.0	-3.6	4.2	6.6	10.9
Manufacturing activity	Average operation ratio (%)	77.5	74.6	78.8	78.4	80.5	80.3	82.4	82.2
	Production capacity	5.1	3.1	3.2	4.0	5.1	4.9	5.6	5.2

1. Preliminary
2. Including mining, manufacturing, electricity and gas industry
3. Information and Communication Technology
4. End-period
Source: Statistics Korea

Mining and manufacturing production in May is expected to continue strides, considering brisk exports led by major products such as semiconductors and automobiles, and an increase in inventory production.

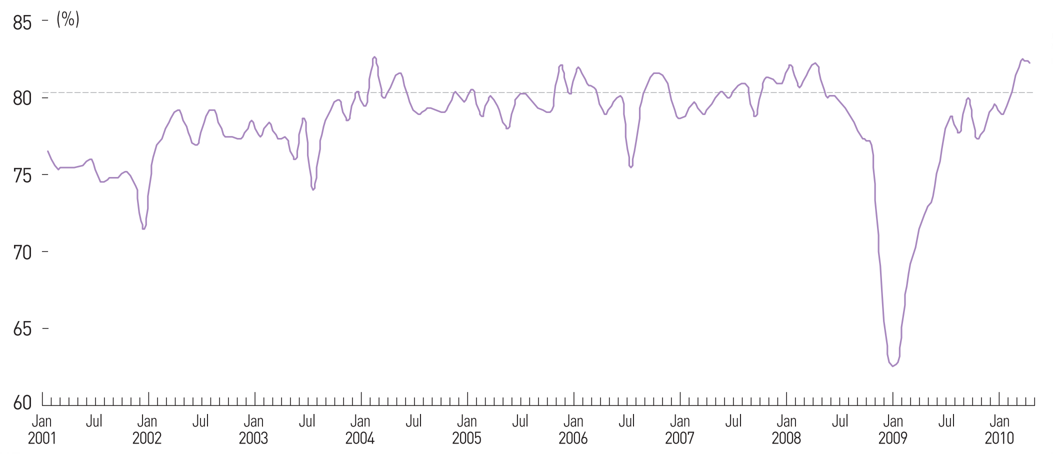
6-1 **Industrial production**

Source: Statistics Korea (industrial activity trend)



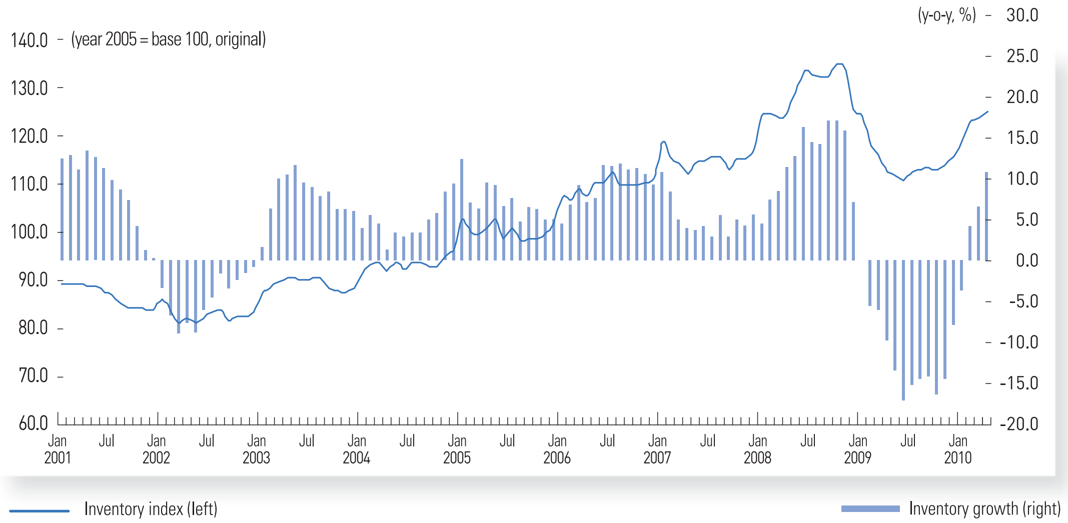
6-2 **Average manufacturing operation ratio**

Source: Statistics Korea (industrial activity trend)



6-3 **Inventory**

Source: Statistics Korea (industrial activity trend)



7. Service sector activity

Service activity in April increased 0.2 percent month-on-month and 3.8 percent year-on-year with an uptick in entertainment, cultural & sports, healthcare & social welfare and educational services.

By business category, professional, scientific & technical services (*down 3.7%*) and information & communication services (*down 1.7%*) went down from a month earlier.

On the other hand, entertainment, cultural & sports services (*up 5.9%*), healthcare & social welfare services (*up 2.2%*) and educational services (*up 0.8%*) expanded month-on-month.

(Percentage change from same period in previous year)

	Weight	2008	2009					2010[1]			
		Annual	Annual	Q1	Q2	Q3	Q4	Q1[1]	Feb	Mar[1]	Apr[1]
Service activity index	100	3.6	2.0	-0.3	2.4	1.9	3.7	5.6	7.3	5.5	3.8
- Wholesale & retail	22.0	1.3	-0.4	-4.8	-2.2	0.3	5.4	7.4	9.1	7.8	5.5
- Transportation services	9.0	4.3	-6.6	-12.7	-10.0	-4.8	1.4	14.1	13.7	16.1	14.9
- Hotels & restaurants	7.8	0.7	-1.5	-2.6	-0.6	-2.5	-0.2	1.5	-0.6	1.7	1.3
- Information & communication services	8.4	3.3	0.7	-1.4	1.6	1.4	1.8	1.2	1.8	2.2	-1.7
- Financial & insurance services	15.3	9.7	8.0	6.9	10.3	9.0	5.7	6.2	3.7	6.0	0.6
- Real estate & renting	6.3	-2.1	5.3	-4.2	-2.2	6.7	21.3	10.4	11.1	12.2	7.8
- Professional, scientific & technical services	4.8	2.0	1.0	-1.7	3.8	0.0	2.0	3.6	6.9	5.3	-1.8
- Business services	2.9	4.4	-3.0	-4.9	-6.2	-0.8	0.0	5.4	6.7	6.5	6.3
- Educational services	10.8	1.7	2.8	9.4	16.5	-3.7	-9.6	-0.8	14.9	-3.7	0.8
- Healthcare & social welfare services	6.0	8.7	10.4	8.9	8.9	10.4	13.2	11.5	12.4	9.8	9.5
- Entertainment, cultural & sports services	2.9	2.2	-0.5	1.4	0.7	0.0	-3.8	-3.5	-6.6	-5.6	-0.9
- Membership organizations	3.8	0.1	-2.4	-3.8	-4.8	-1.4	2.4	1.3	0.3	2.7	2.5
- Sewerage & waste management	0.4	5.8	3.7	0.1	9.0	6.0	-0.2	7.2	7.6	6.9	2.2

1. Preliminary
Source: Statistics Korea

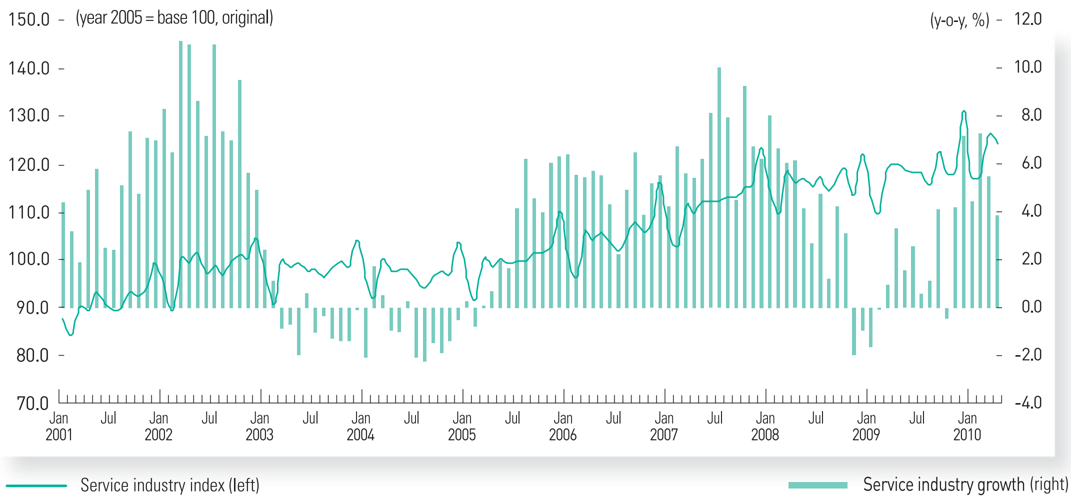
Service activity in May is expected to stay on an upward track censidering trends of advanced indicators such as recovering job market and increasing value of stock transactions.

Stock transactions (daily average, trillion won)
6.57 (Dec 2009) ⇨ 9.36 (Jan 2010) ⇨ 6.28 (Feb) ⇨ 6.62 (Mar) ⇨ 7.54 (Apr) ⇨ 8.37 (May)

Initial claims for unemployment benefits (thousand)
93.7 (Dec 2009) ⇨ 139.7 (Jan 2010) ⇨ 88.1 (Feb) ⇨ 94.8 (Mar) ⇨ 84.3 (Apr) ⇨ 65.5 (May)

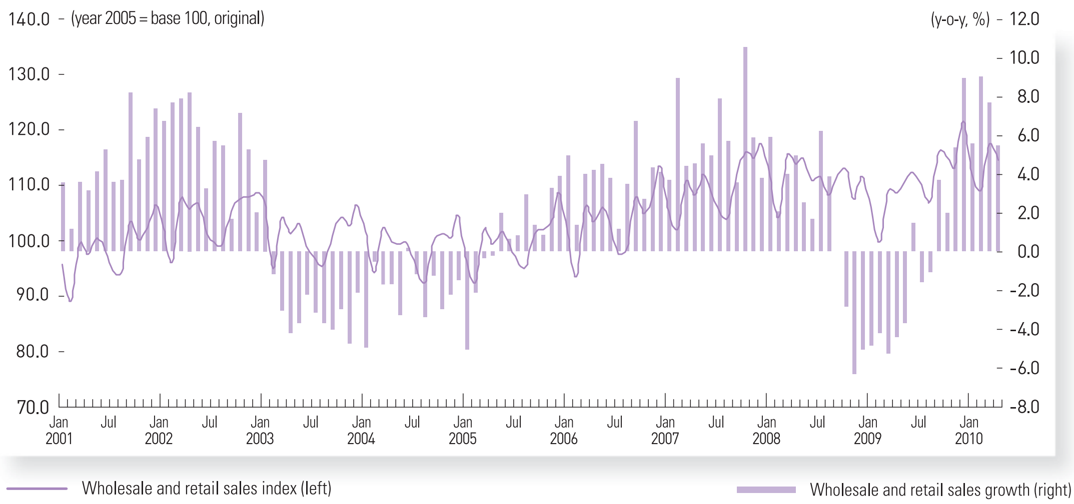
7-1 Service industry

Source: Statistics Korea (service industry activity trend)



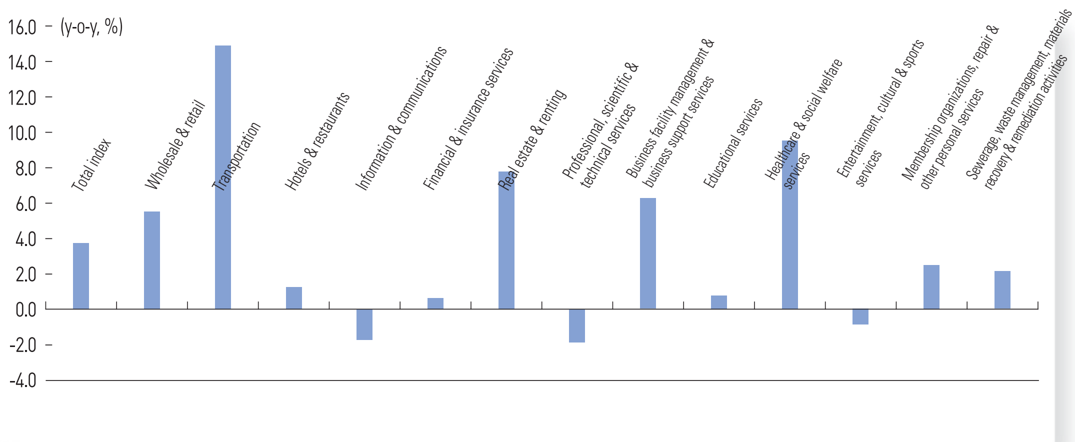
7-2 Wholesale and retail sales

Source: Statistics Korea (service industry activity trend)



7-3 Mar 2010 service industry by business

Source: Statistics Korea (service industry activity trend)



8. Employment

The number of workers on payroll in April increased by 401,000 from a year earlier, while the employment rate rose by 0.3 percentage points year-on-year to 59.1 percent. In seasonally adjusted terms, the number of employed rose by 15,000 from the previous month and the employment rate was up 0.3 percentage points month-on-month to 59.9 percent.

By industry, employment in manufacturing (*up 145,000*), construction (*up 19,000*) and services (*up 367,000*) climbed while that of agriculture, forestry & fishery (*down 128,000*) declined. Hiring in manufacturing increased for four consecutive months helped by overall increases in exports and manufacturing output. The service sector continued to hire more workers amid domestic demand recovery and elevated consumption. Employment in the agriculture, forestry & fishery decreased due to lower temperatures and restructuring in the industry.

By status of workers, wage workers rose by 641,000 led by a surge of 784,000 in regular workers, although the number of daily workers plunged by 240,000. Non-wage workers including self-employed workers (*down 106,000*), however, plummeted by 240,000 from a year earlier.

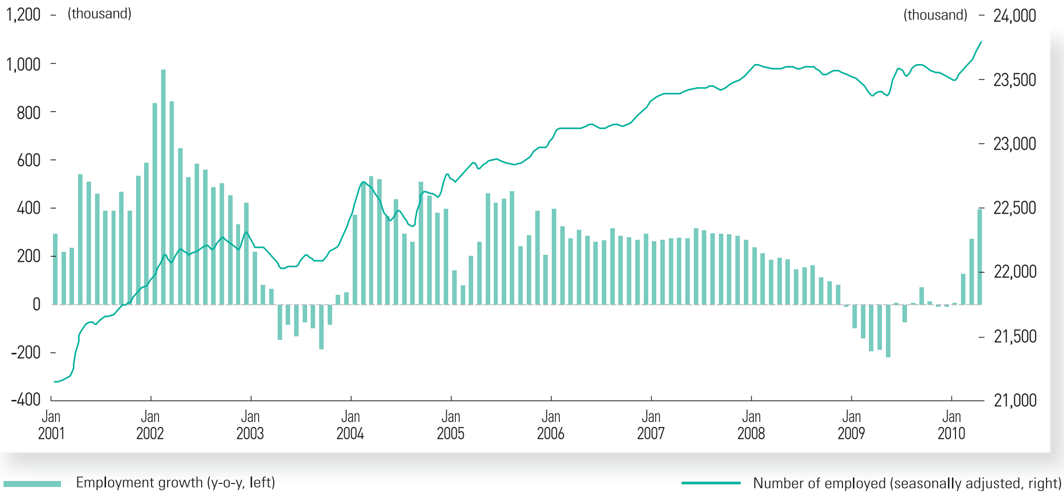
By gender, while both male workers (*up 187,000*) and female workers (*up 213,000*) increased significantly, the latter expanded at an even faster pace.

	2008	2009					2010			
	Annual	Annual	Q1	Q2	Q3	Q4	Q1	Feb	Mar	Apr
Number of employed (million)	23.58	23.51	22.90	23.74	23.75	23.63	23.03	22.87	23.38	23.92
Employment rate (%)	59.5	58.6	57.4	59.3	59.1	58.7	57.0	56.6	57.8	59.1
(seasonally adjusted)	59.5	58.6	58.8	58.6	58.7	58.5	58.3	58.3	58.5	58.8
Employment growth (y-o-y, thousand)	145	-72	-146	-134	-1	-6	132	125	267	401
(Excluding agriculture, forestry & fishery)	182	-34	-160	-109	24	110	296	268	455	529
- Manufacturing	-52	-126	-163	-151	-143	-49	61	45	110	145
- Construction	-37	-91	-43	-113	-103	-107	-61	-87	-16	19
- Services	263	186	47	155	269	264	295	310	362	367
- Agriculture, forestry & fishery	-37	-38	14	-25	-25	-116	-164	-143	-188	-128
- Wage workers	236	247	73	175	356	385	371	329	541	641
· Regular workers	386	383	318	313	386	515	651	593	752	784
· Temporary workers	-93	22	-136	-5	125	105	-37	-24	35	96
· Daily workers	-57	-158	-108	-133	-155	-235	-243	-239	-247	-240
- Non-wage workers	-92	-319	-220	-309	-357	-391	-239	-204	-274	-240
· Self-employed workers	-79	-259	-197	-286	-276	-279	-106	-70	-135	-106
- Male	96	31	-23	24	34	89	117	116	145	187
- Female	48	-103	-124	-158	-34	-94	15	9	123	213
- 15 to 29	-119	-127	-212	-99	-123	-77	-12	-16	-33	-72
- 30 to 39	-26	-173	-159	-213	-169	-149	-42	-37	-8	-13
- 40 to 49	64	-24	8	-27	-30	-46	-21	-39	32	58
- 50 to 59	207	198	193	156	211	230	251	255	264	320
- 60 or more	18	54	23	49	109	37	-44	-39	12	108

Source: Statistics Korea

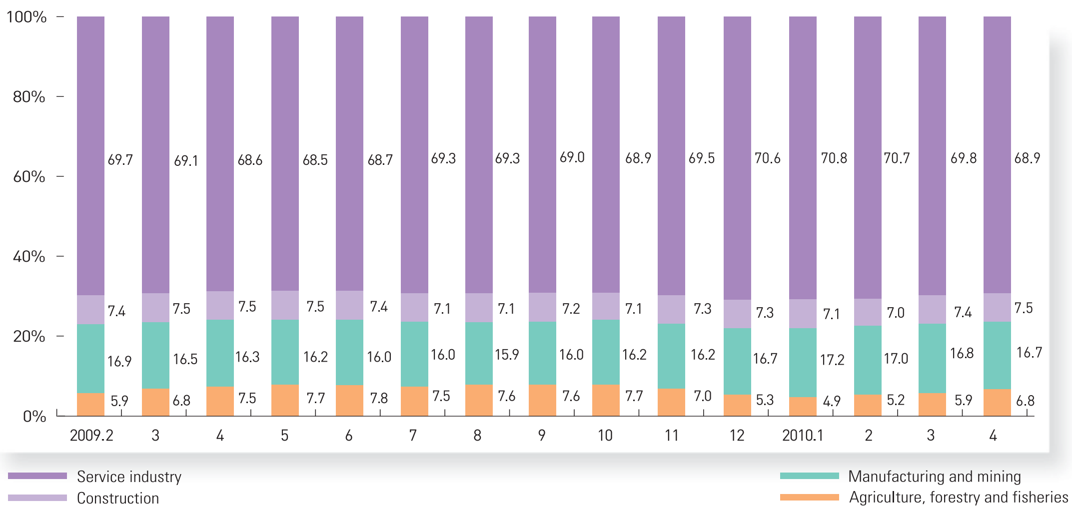
8-1 **Number of employed and employment growth**

Source: Statistics Korea (employment trend)



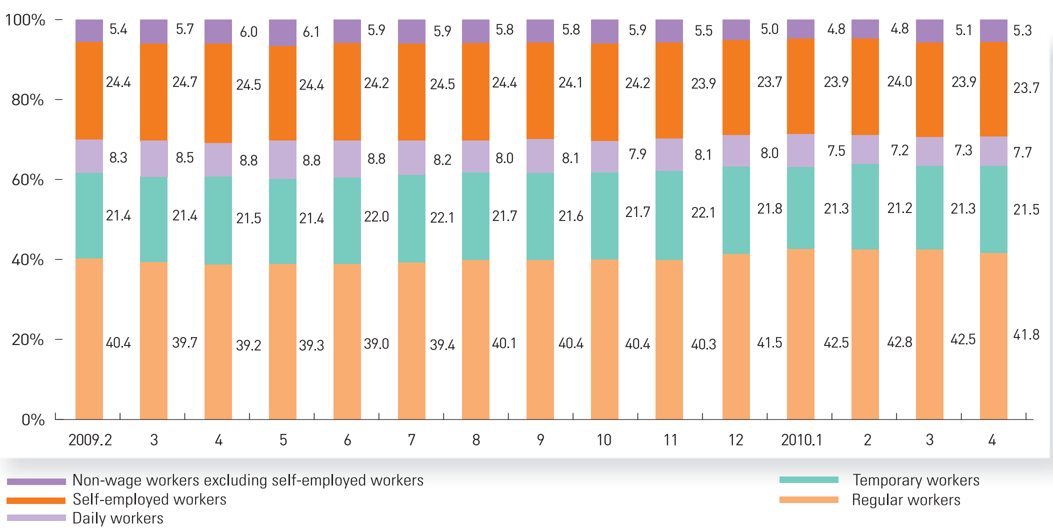
8-2 **Share of employed by industry**

Source: Statistics Korea (employment trend)



8-3 **Share of employed by status of workers**

Source: Statistics Korea (employment trend)



The number of unemployed persons in April climbed by 1,000 year-on-year to record 934,000 and the unemployment rate rose by 0.2 percentage points to 3.8 percent from a year earlier. When seasonally adjusted, the number of jobless people fell 35,000 from the previous month to 902,000 while the unemployment rate dropped 0.1 percentage point month-on-month to 3.7 percent.

The unemployment rate had temporarily surged in January as those who applied but were not recruited for "The Hope and Work Project", the government's employment program for lower-income brackets, were categorized as unemployed persons. The rate, however, regained stability as the government's job creation projects took hold.

By gender, the number of female workers who became jobless (*up 3,000*) increased while that of male workers who became unemployed (*down 2,000*) decreased in April.

By age, the jobless increased among youths aged 15 to 29 (*up 18,000*) and seniors aged 60 or over (*up 24,000*). The unemployed, however, decreased in the other age brackets.

	2008	2009					2010			
	Annual	Annual	Q1	Q2	Q3	Q4	Q1	Feb	Mar	Apr
Number of unemployed (thousand)	769	889	908	943	886	817	1,130	1,169	1,005	934
Unemployment growth (y-o-y, thousand)	-14	119	107	176	134	60	222	244	53	1
- Male	-12	80	83	116	95	25	83	101	-8	-2
- Female	-1	40	24	60	39	36	139	143	60	3
Unemployment rate (%)	3.2	3.6	3.8	3.8	3.6	3.3	4.7	4.9	4.1	3.8
(Seasonally adjusted)	3.2	3.6	3.5	3.9	3.7	3.5	4.3	4.4	3.8	3.7
- Youth aged 15 to 29	7.2	8.1	8.6	8.0	8.1	7.6	9.5	10.0	9.0	8.6
- Middle school graduate or under	2.2	2.5	2.9	2.6	2.2	2.3	5.1	4.9	3.3	2.5
- High school graduate	3.8	4.4	4.5	4.6	4.6	4.0	5.0	5.1	4.6	4.1
- College, univ. graduate or over	3.0	3.5	3.6	3.7	3.3	3.2	4.2	4.6	4.1	4.1

Source: Statistics Korea

The economically inactive population in April was up 110,000 from a year earlier to post 15,630,000. Meanwhile, the labor force participation rate was up 0.2 percentage points year-on-year to 61.4 percent. When seasonally adjusted, the economically inactive population fell 77,000 month-on-month to 15,790,000 while the labor force participation rate rose 0.2 percentage points to 61.0 percent from a month earlier.

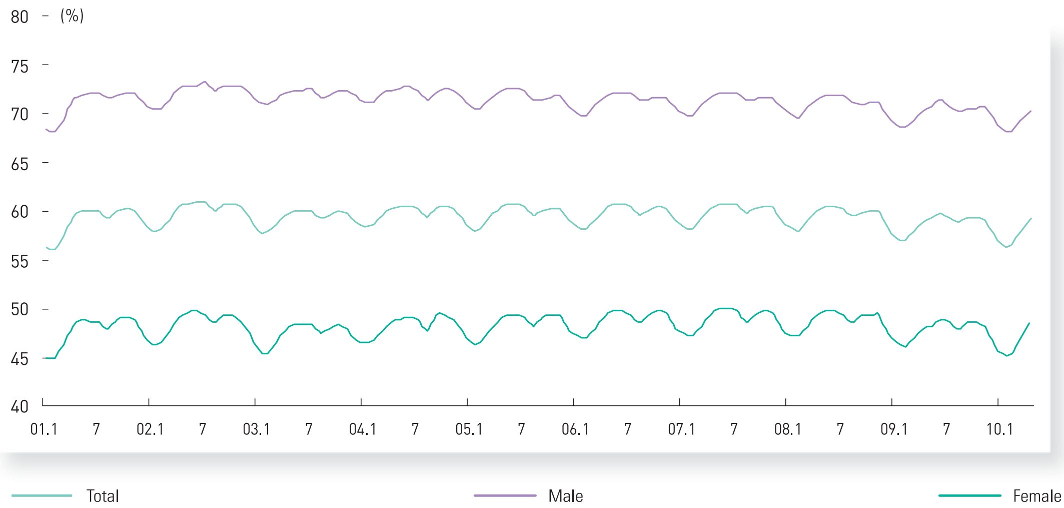
Workers quitting jobs due to childcare (*down 142,000*) and reasons such as rest, time-off, and leisure (*down 62,000*) decreased while those who quit due to housework (*up 133,000*) and old age (*up 94,000*) significantly increased.

	2008	2009					2010			
	Annual	Annual	Q1	Q2	Q3	Q4	Q1	Feb	Mar	Apr
Economically inactive population (million)	15.25	15.70	16.09	15.35	15.53	15.83	16.25	16.38	16.07	15.63
Labor force participation rate (%)	61.5	60.6	59.7	61.7	61.3	60.7	59.8	59.5	60.3	61.4
Growth in economically inactive population (y-o-y, thousand)	297	447	514	445	374	456	166	151	198	110
- Childcare	63	40	78	48	19	15	-118	-152	-112	-142
- Housework	61	148	131	125	100	235	237	238	192	133
- Old age	76	88	52	102	105	92	193	196	191	94
- Rest	31	123	162	112	94	123	-187	-189	-140	-62

Source: Statistics Korea

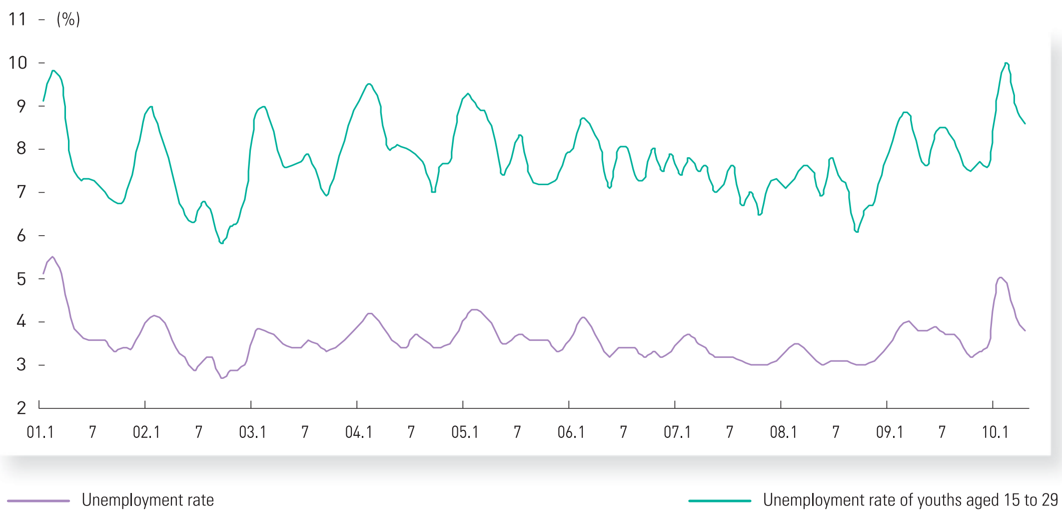
8-4 Employment rate

Source: Statistics Korea (employment trend)



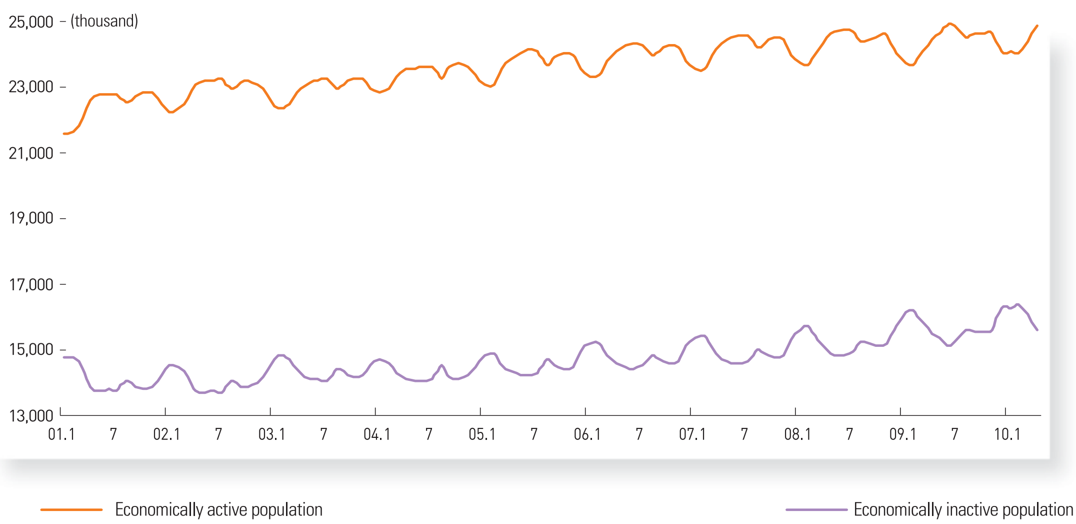
8-5 Unemployment rate and youth unemployment rate

Source: Statistics Korea (employment trend)



8-6 Economically active population

Source: Statistics Korea (employment trend)



9. Financial market

9.1 Stock market

The Korean stock market in May dropped, affected by the eurozone debt crisis and heightened geopolitical risk.

Although the EU and the IMF agreed to establish the bailout fund, fiscal woes in the eurozone continued. Moody's warned Greece and Portugal of possible future downgrades of their sovereign debt while Pitch downgraded Spain's long-term debt rating from AAA to AA+. In addition, Spain on May 24 decided to nationalize a troubled savings bank.

Investor sentiment was chilled amid worries over financial regulations including Germany's ban on short-selling. Relation between South and North Korea was worsened after the conclusion of international investigators that a torpedo from a North Korean submarine tore apart the Cheonan warship, which also aggravated investor sentiment.

Foreign investors turned their position to net selling of 6.2 trillion won for the first time since February 2009, as demand for safe assets increased due to expected global economic slowdown and higher tension on the Korean peninsula.

(End-period, point, trillion won)

	KOSPI			KOSDAQ		
	Apr 2010	May 2010	Change[1]	Apr 2010	May 2010	Change[1]
Stock price index	1,741.6	1,641.3	-100.3 (-5.8%)	523.8	498.4	-34.3 (-6.6%)
Market capitalization	931.5	904.3	-27.4 (-2.9%)	92.1	86.7	-5.4 (-5.9%)
Average daily trade value	5.7	6.3	+0.6 (+10.5%)	1.9	2.1	+0.2 (+10.5%)
Foreign stock ownership	33.1	31.7	-1.4 (-4.2%)	7.5	8.6	+1.1 (+14.7%)

1. Change from the end of the previous month

9.2 Exchange rate

The won/dollar exchange rate as of end-May rose 94.1 won from 1,108.4 won at the end of April to wrap up the month at 1,202.5 won. The won's appreciation was attributed to financial market uncertainties with the eurozone fiscal woes worsening and geopolitical tension escalated by the sinking of warship Cheonan.

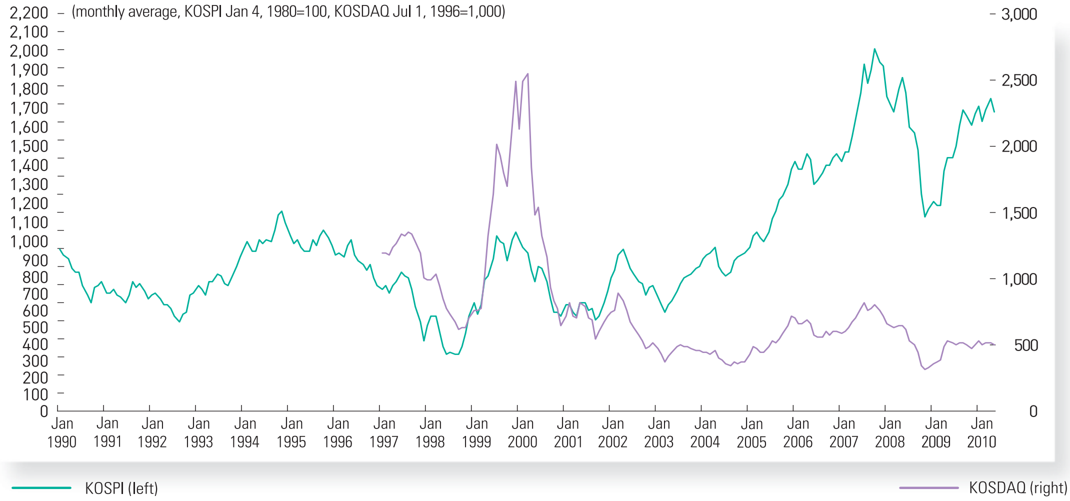
The won/yen exchange rate was up 135.9 won month-on-month to 1,314.1 won as of end-May as deepened concerns on sovereign debt woes in eurozone countries boosted appetite for safe assets, appreciating the yen.

(End-period)

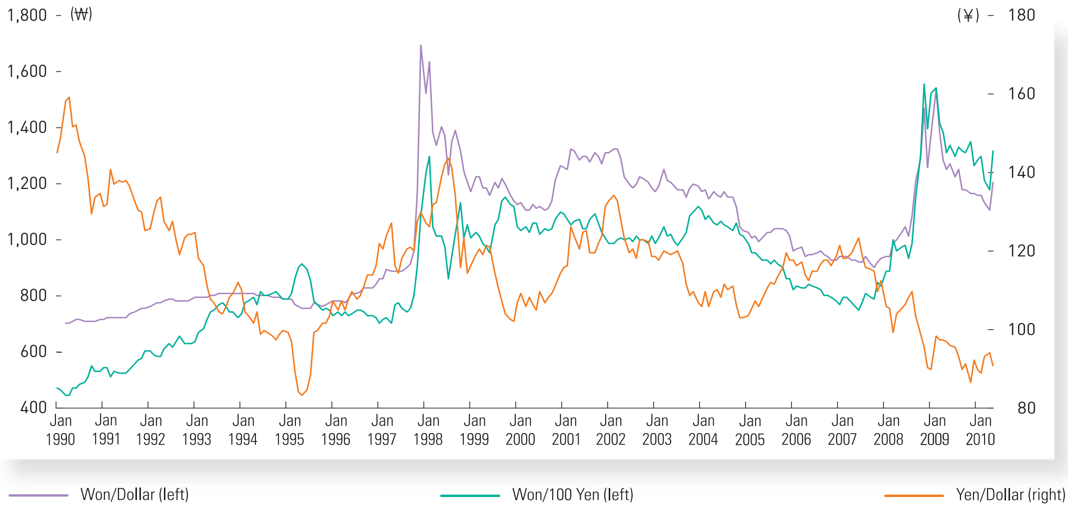
	2006	2007	2008	2009	2010		
	Dec	Dec	Dec	Dec	Apr	May	Change[1]
Won/Dollar	929.8	936.1	1,259.5	1,164.5	1,108.4	1,202.5	-7.8
Won/100Yen	783.4	828.6	1,396.8	1,264.5	1,178.2	1,314.1	-10.3

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.

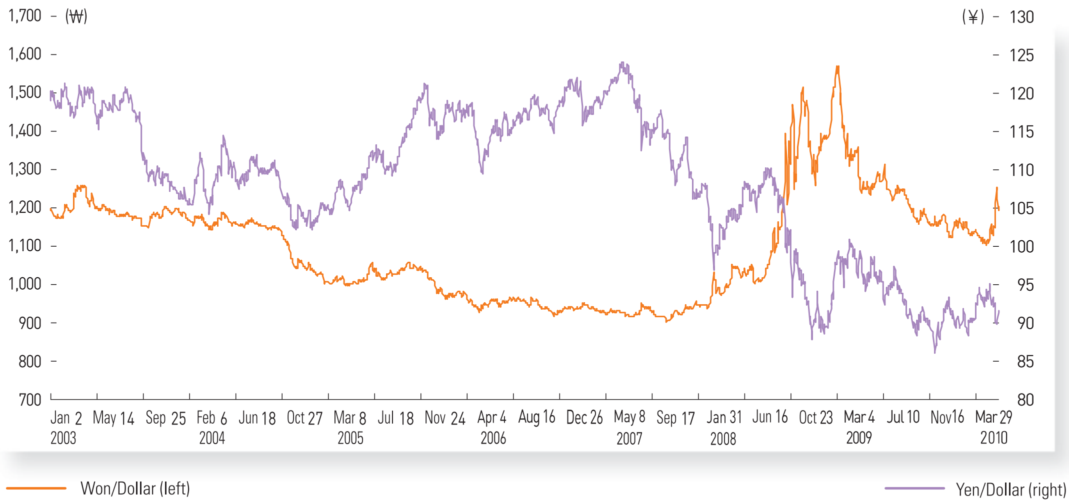
9-1 Stock prices



9-2 Foreign exchange rate (month-end)



9-3 Recent foreign exchange rate



9.3 Bond market

Treasury bond yields were up in May with higher expectations that governments will start to implement exit strategies. The Chinese government raised bank reserve requirements by 50 basis points on May 2, and the Bank of Korea dropped the phrase "for the time being" in the statement released after the Monetary Policy Committee's decision to hold steady its key interest rate on May 12.

(End-period, %)

	2006	2007	2008	2009	2010			
	Dec	Dec	Dec	Dec	Mar	Apr	May	Change[1]
Call rate (1 day)	4.60	5.02	3.02	2.01	2.00	2.00	2.00	0
CD (91 days)	4.86	5.82	3.93	2.88	2.78	2.45	2.45	0
Treasury bonds (3 yrs)	4.92	5.74	3.41	4.44	3.89	3.61	3.58	-3
Corporate bonds (3 yrs)	5.29	6.77	7.72	5.56	4.89	4.41	4.45	4
Treasury bonds (5 yrs)	5.00	5.78	3.77	4.98	4.52	4.27	4.36	9

1. Basis point changes in March 2010 from the previous month

9.4 Money supply & money market

The M2 (monthly average) in March expanded 8.7 percent from a year earlier excluding cash management accounts (CMAs), which were included in M2 since July 2009. The year-on-year M2 growth decelerated from the previous month's 8.9 percent due to smaller increases in private credit including bank loans although money supply in the overseas sector such as foreigners' investments increased.

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

	2008					2009					2010		
	Annual	Q1	Q2	Q3	Q4	Annual	Q1	Q2	Q3	Q4	Q1	Mar	Mar[1]
M1[2]	-1.8	-12.4	-0.1	2.1	5.0	16.3	10.8	17.6	18.9	17.8	14.5	12.6	381
M2	14.3	13.3	15.3	14.7	13.8	10.1	11.5	10.1	9.5	9.3	8.8	8.7	1,566
Lf[3]	11.9	11.6	12.8	12.1	11.2	Upper7	8.8	7.3	7.5	7.4	8.1	Mid8	2,011

1. Balance at end March 2010, trillion won
2. M1 excluding corporate MMFs and individual MMFs while including CMAs
3. Liquidity aggregates of financial institutions (mostly identical with M3)

In April, bank deposits fell for two consecutive months due to a net redemption of CDs and bank bonds despite accelerated increases of time deposits. Asset management company (AMC) deposits shifted to a decrease as fund inflows into money market funds (MMFs) were down while stock market rallies fueled equity fund redemptions.

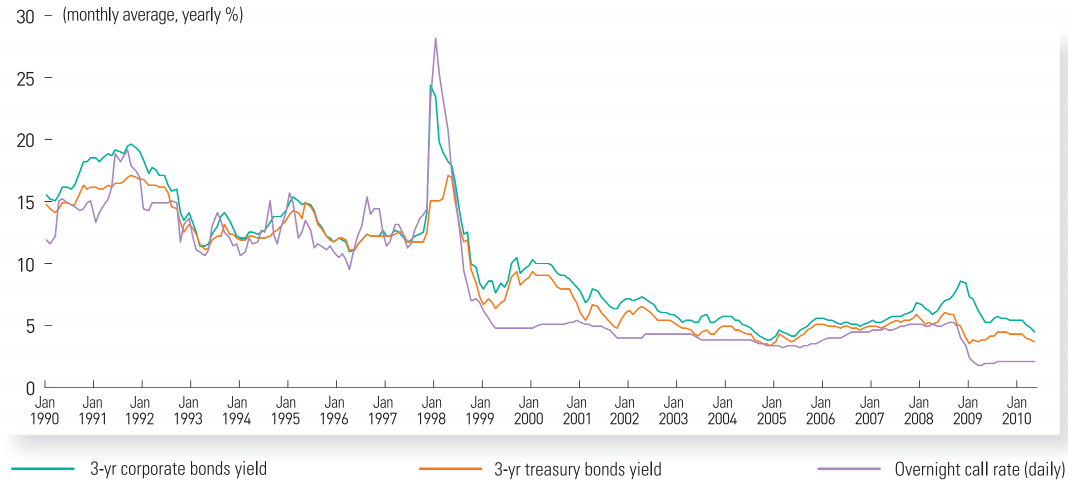
(Monthly change, end-period, trillion won)

	2008		2009		2010			
	Annual	Apr	Annual	Apr	Feb	Mar	Apr	Apr[1]
Bank deposits	104.3	21.8	54.8	7.4	16.9	-16.2	-3.2	1,021
AMC deposits	63.0	10.2	-27.7	2.2	9.7	6.1	-3.0	340

1. Balance at end April, trillion won

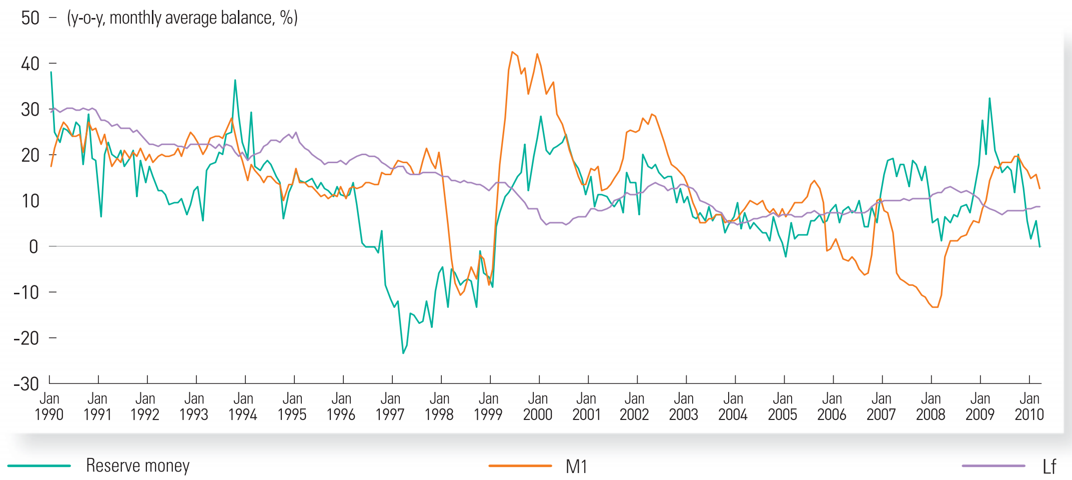
9-4 Interest rates

Source: The Bank of Korea



9-5 Total money supply

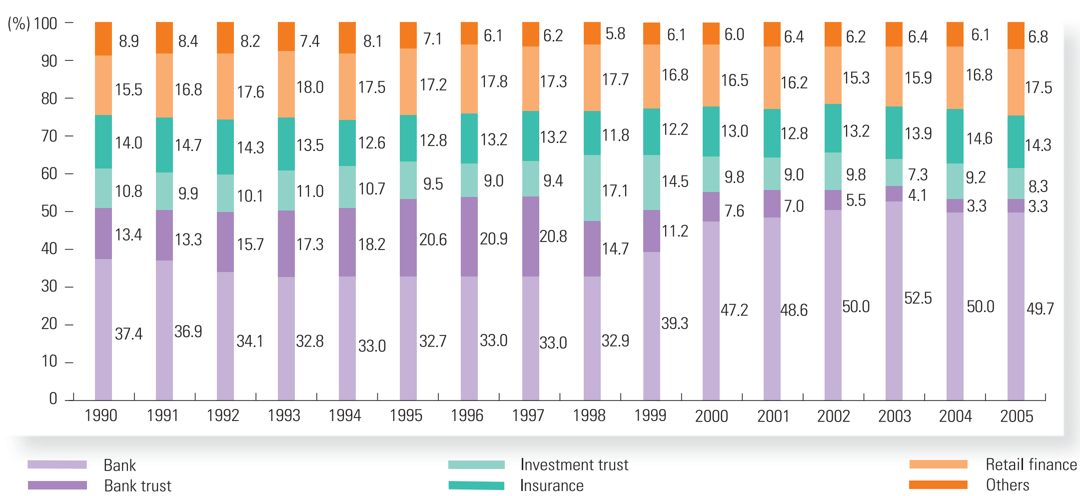
Source: The Bank of Korea



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

Korea's current account surplus contracted in April to record US$1.49 billion from US$1.8 billion a month earlier due to seasonal factors including dividend payments by corporations whose fiscal year ends in December.

The goods account surplus rose to post US$5.19 billion from the previous month's US$4.5 billion thanks to robust export growth of semiconductors and cars.

Although the travel account deficit edged up, the service account deficit decreased to US$1.85 billion from the previous month's US$2.1 billion due to reduced deficit in patent account.

The income account deficit expanded to US$1.38 billion from US$260 million a month earlier as dividend payments by corporations whose fiscal year ends in December were made particularly in April.

The current transfer account deficit expanded to US$470 million from the previous month's US$350 million as outward remittance increased amid the won's appreciation.

(US$ billion)

	2008	2009					2010			
	Annual	Annual	Q1	Q2	Q3	Q4	Q1	Feb	Mar	Apr
Current account	-5.78	42.67	8.62	13.10	10.40	10.56	1.34	0.17	1.80	1.49
- Goods balance	5.67	56.13	8.31	17.58	14.70	15.54	7.44	1.56	4.50	5.19
- Service balance	-16.67	-17.20	-1.93	-4.17	-5.33	-5.77	-6.04	-1.78	-2.10	-1.85
- Income balance	5.90	4.55	0.92	0.29	1.69	1.65	0.76	0.55	-0.26	-1.38
- Current transfers	-0.67	-0.81	1.31	-0.60	-0.66	-0.86	-0.81	-0.16	-0.35	-0.47

Source: The Bank of Korea

The capital and financial account in April posted a record net inflow of US$8.85 billion.

Capital & financial account balance (US$ billion)

8.68 (Q2 2009) ➡ 14.40 (Q3) ➡ 4.77 (Q4) ➡ 5.71 (Q1 2010); 1.52 (Mar 2010) ➡ 8.85 (Apr)

The direct investment account increased the net outflow to register US$1.22 billion from the previous month's deficit of US$200 million as locals' overseas investment was up while inward foreign direct investment (FDI) shifted to a net outflow.

The portfolio investment account continued to see a huge net inflow for two consecutive months with a net inflow of US$5.53 billion due to consistent inflows of foreign investment as Moody's Investors Service upgraded Korea's sovereign rating.

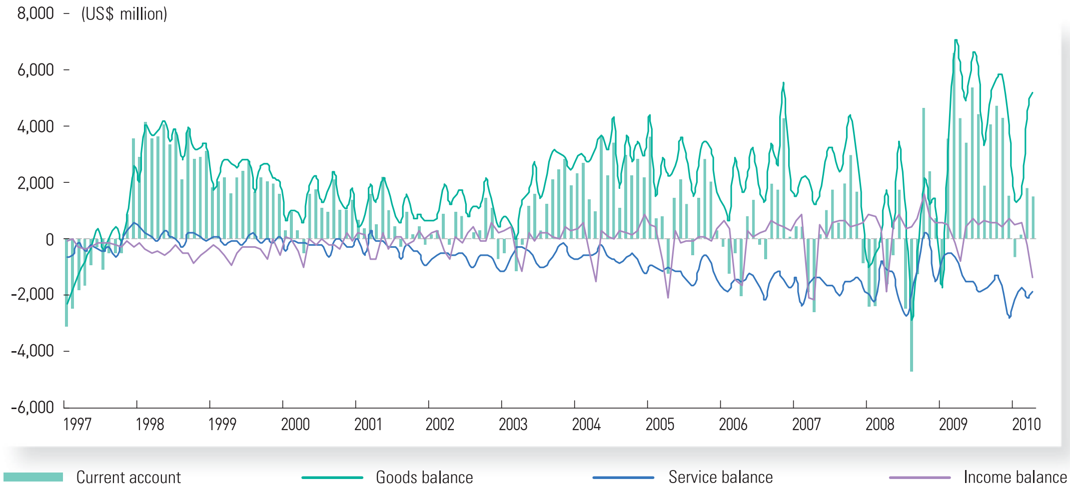
The financial derivatives account shifted to a net outflow of US$250 million from the previous month's net inflow of US$100 million due to losses from overseas financial derivative transactions.

The other investment account shifted to a surplus of US$4.91 billion from the previous month's deficit of US$6.11 billion as borrowings, which saw a net redemption in the previous month, increased.

The current account surplus in May is likely to expand from the previous month to record around US$ 3.5 billion fueled by the trade account surplus as well as improved service and income accounts.

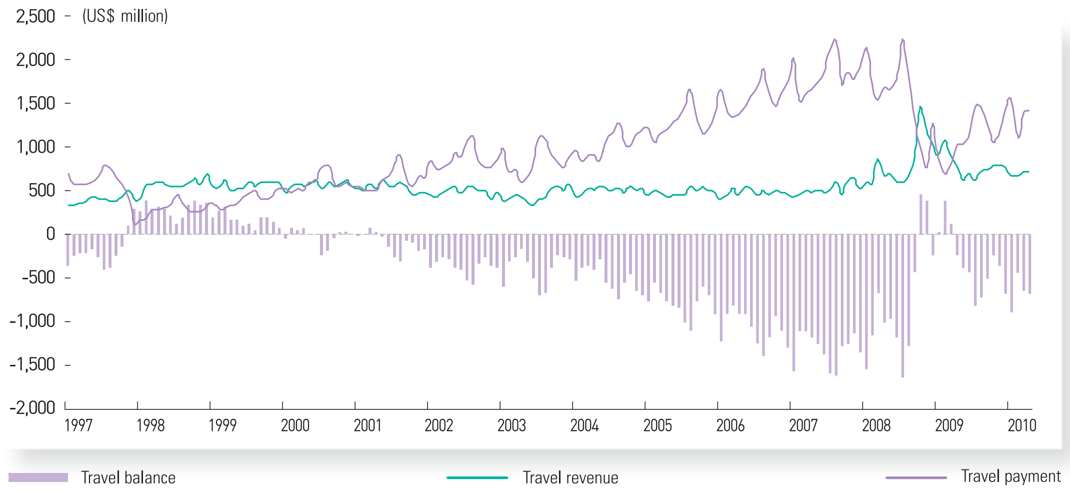
10-1 Current account balance

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



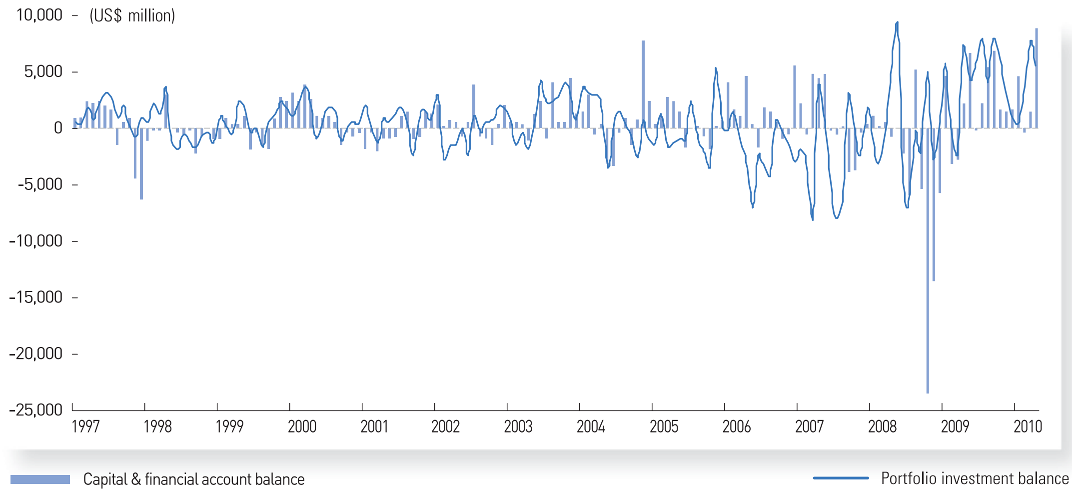
10-2 Travel balance

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 in May increased 2.7 percent year-on-year while posting 0.1 percent growth from the previous month.

Core consumer prices, which exclude the prices of oil and agricultural products continued to stabilize with a year-on-year increase of 1.6 percent. Consumer prices for basic necessities, a barometer of perceived consumer prices, were up 3.0 percent compared to the same month of the previous year.

Consumer price inflation

	2009								2010				
	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
Month-on-Month (%)	0.0	-0.1	0.4	0.4	0.1	-0.3	0.2	0.4	0.4	0.4	0.3	0.5	0.1
Year-on-Year (%)	2.7	2.0	1.6	2.2	2.2	2.0	2.4	2.8	3.1	2.7	2.3	2.6	2.7
Core consumer prices (y-o-y)	3.9	3.5	3.2	3.1	2.7	2.6	2.5	2.2	2.1	1.9	1.5	1.5	1.6
(m-o-m)	0.2	0.1	0.2	0.1	0.1	0.1	0.2	0.1	0.1	0.2	0.1	0.2	0.3
Consumer prices for basic necessities (y-o-y)	1.8	0.5	0.4	1.3	1.7	1.5	2.3	3.3	3.8	3.4	2.9	3.2	3.0

Source: Statistics Korea

Prices of agricultural, livestock and fishery products declined, while prices of industrial products accelerated the growth pace due to higher gold prices. Overall prices of agricultural, livestock and fishery products stabilized as vegetable prices shifted to a decrease amid better weather conditions and price increases of fishery products slowed down.

Prices of agricultural, livestock & fishery products in May (m-o-m, %)
Radish (20.5), leek (10.1), Chinese cabbage (-26.2), potato (-21.1), unripe pepper (-26.0), green pepper (-36.7)

Although oil product prices decelerated the growth due to stabilizing international oil prices, prices of other industrial products expanded the growth as higher international gold price pushed up the domestic price of gold.

Prices of Dubai crude (US$/barrel)
75.5 (Dec 2009) → 76.8 (Jan 2010) → 73.6 (Feb) → 77.3 (Mar) → 83.6 (Apr) → 76.8 (May)

Prices of golden ring (thousand won/3.75g)
168 (Apr 1) → 169 (Apr 15) → 172 (May 1) → 182 (May 15) → 191 (May 31)

Public utility charges edged up 0.2 percent from the previous month as most public utility charges remained unchanged.

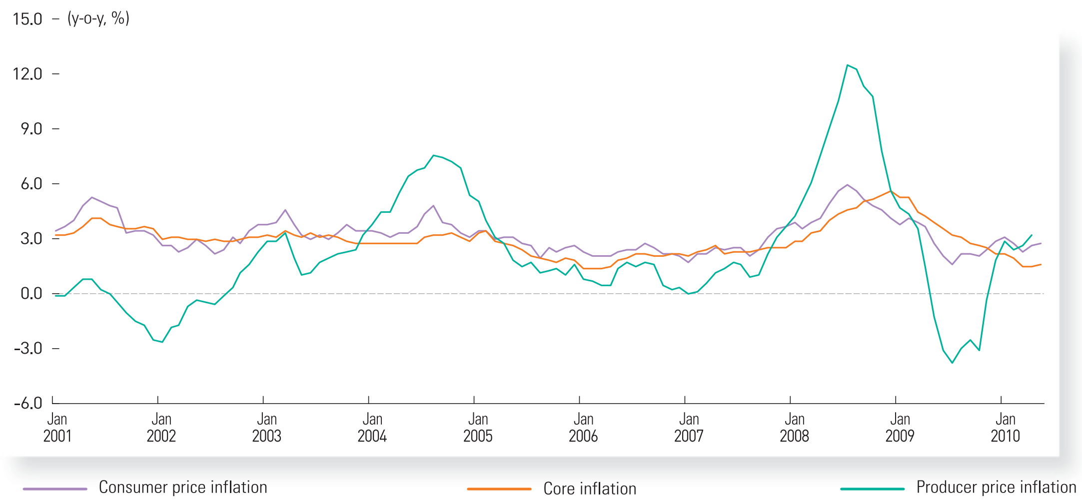
Consumer price inflation in major sectors

	Total	Agricultural, livestock & fishery products	Industrial products	Oil products	Housing rents	Public utility	Personal services
Month-on-Month (%)	0.1	-1.8	0.5	0.5	0.2	0.0	0.2
Contribution (%p)	0.09	-0.16	0.16	0.03	0.02	0.00	0.06
Year-on-Year (%)	2.7	4.4	3.8	14.0	1.7	1.4	2.1
Contribution (%p)	2.66	0.38	1.17	0.76	0.16	0.22	0.73

Source: Statistics Korea

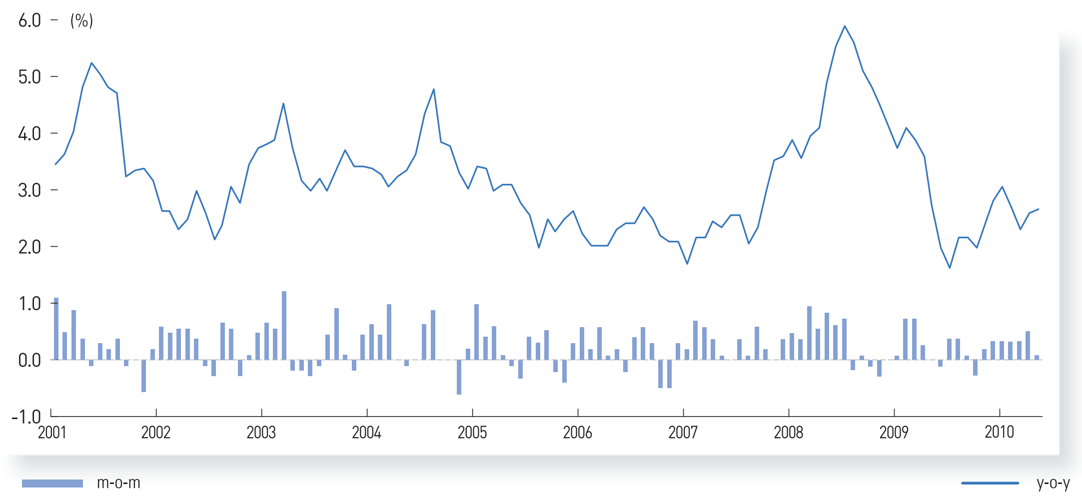
11-1 **Prices**

Source: Statistics Korea (consumer prices, core inflation) & The Bank of Korea (producer prices)



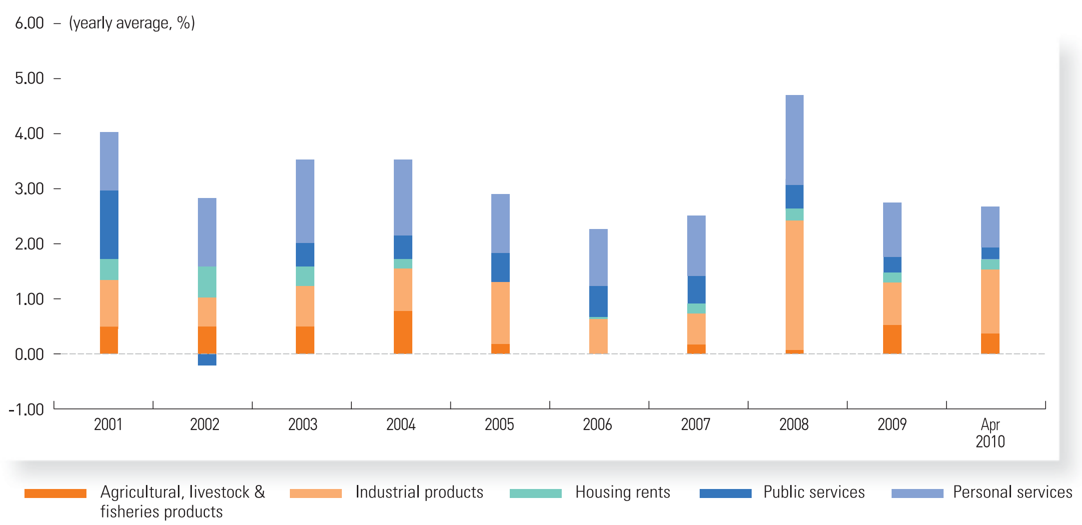
11-2 **Consumer price inflation**

Source: Statistics Korea (consumer price trend)



11-3 **Contribution to consumer price inflation**

Source: Statistics Korea (consumer price trend)



11.2. International oil and commodity prices

International oil prices in May tumbled month-on-month as the fiscal crisis in Southern Europe including Greece fueled concerns over economic slowdown, which, in turn, strengthened the dollar.

Dollar index (1973=100)

81.2 (Apr 2010) → 85.4 (May)

(US$/barrel, period average)

	2007	2008	2009			2010				
	Annual	Annual	Annual	Nov	Dec	Jan	Feb	Mar	Apr	May
Dubai crude	68.4	94.3	61.9	77.7	75.5	76.8	73.6	77.3	83.6	76.8
Brent crude	72.8	97.5	61.7	76.7	74.5	76.4	73.9	79.0	84.8	75.2
WTI crude	72.3	99.9	61.9	78.1	74.5	78.3	76.5	81.3	84.5	73.7

Source: KOREAPDS

Record high oil prices (spot prices, US$/barrel)

Dubai crude: 141 (Jul 4, 2008), Brent crude: 145 (Jul 3, 2008), WTI crude: 146 (Jul 14, 2008)

Despite decreasing international oil and oil product prices, average prices of oil products in the domestic market went up as the won/dollar exchange rate increased and a decline in international oil product prices is to be reflected with the time lag of around two weeks.

On a weekly basis, oil prices rose through the second week of May before falling thereafter.

Weekly gasoline prices in May (won/liter)

1,737 (1st week) → 1,738 (2nd week) → 1,734 (3rd week) → 1,728 (4th week)

(Won/liter, period average)

	2007	2008	2009			2010				
	Annual	Annual	Annual	Nov	Dec	Jan	Feb	Mar	Apr	May
Gasoline prices	1,526	1,692	1,601	1,655	1,646	1,661	1,664	1,691	1,725	1,732
Diesel prices	1,273	1,614	1,397	1,452	1,441	1,450	1,443	1,469	1,507	1,522

Source: Korea National Oil Corporation

Prices of overall non-ferrous metals in May declined due to South Europe crisis fallout while international prices of grain remained stable with expectations of expanded supply.

Prices of major non-ferrous metals such as bronze, aluminum and nickel tumbled more than 10 percent month-on-month as concerns over economic slowdown were underlined amid the South European crisis.

International prices of grain including wheat and soybean continued to stabilize with robust grain productions and concerns over economic slowdown.

Prices of non-ferrous metals and grain in May (m-o-m, %)

Corn (3.1), wheat (0.1), soybean (-2.4), raw sugar (-9.8), bronze (-11.3), aluminum (-11.4), nickel (-14.6), zinc (-16.0), lead (-15.8), tin (-5.8)

Reuters index*

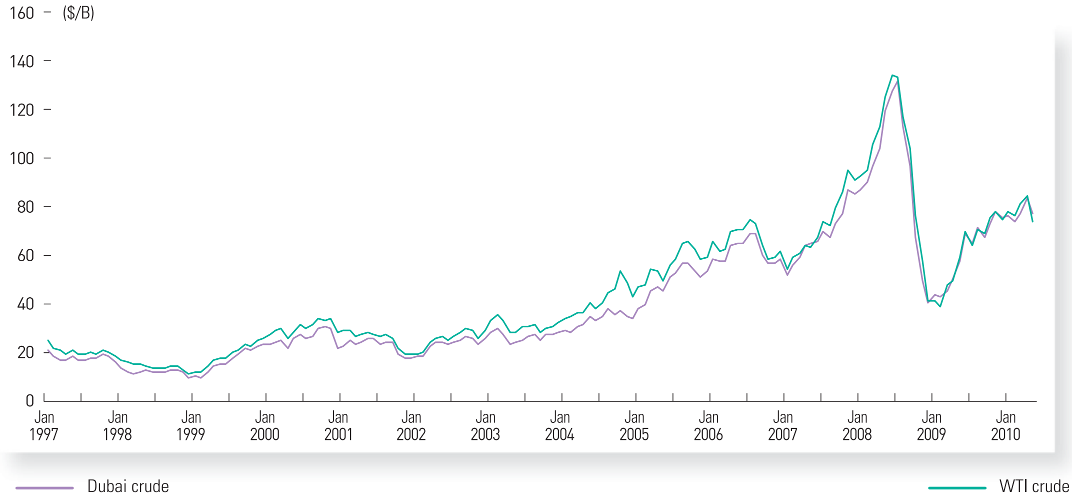
(Period average)

2007	2008	2009			2010				
Annual	Annual	Annual	Nov	Dec	Jan	Feb	Mar	Apr	May
2,400	2,536	2,079	2,243	2,294	2,343	2,290	2,269	2,329	2,273

** A weighted average index of 17 major commodities* *Source: KOREAPDS*

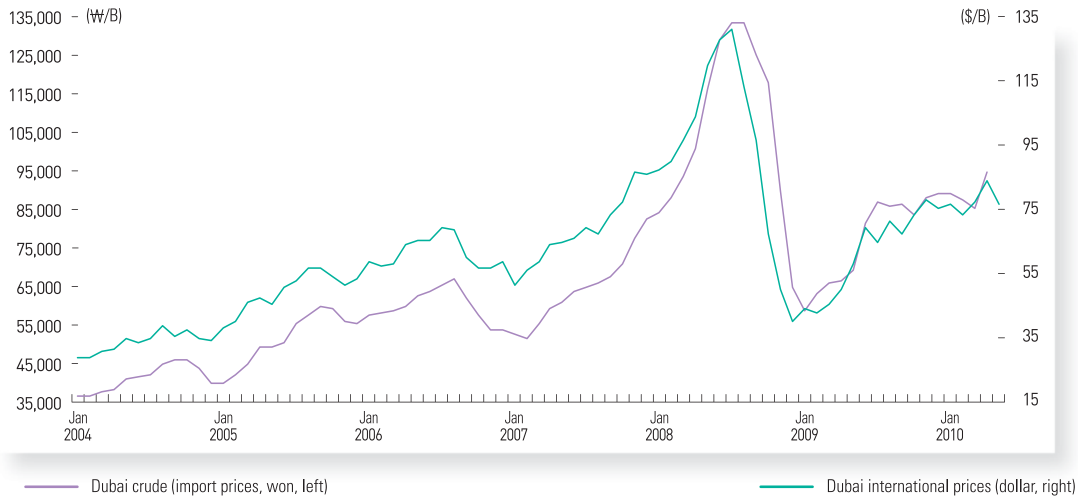
11-4 International oil prices

Source: Korea National Oil Corporation



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

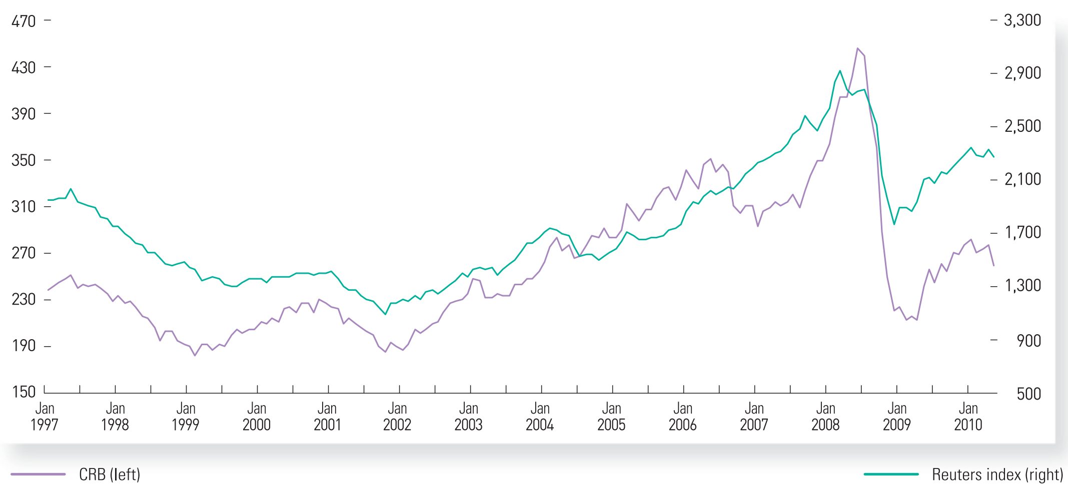
Source: Korea National Oil Corporation & Korea Customs Service



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

In May, nationwide apartment sales prices increased month-on-month at a slower pace of 0.1 percent from 0.2 percent a month earlier.

Apartment sales prices declined at a faster pace of 0.4 percent in the Seoul metropolitan area, including Seoul (-0.2 →-0.4), Gyeonggi province (-0.3 →-0.5) and Incheon (-0.2 →-0.3).

Meanwhile, apartment sales prices in areas excluding the Seoul metropolitan area continued to increase at a higher than usual pace. The growth, however, decelerated slightly. Apartment sales prices increases in 5 metropolitan cities slowed to 0.6 percent from 0.8 percent a month earlier and those in other cities remained unchanged at 0.5 percent.

Nationwide apartment sales prices

(Percentage change from previous period)

	2006	2007	2008	2009			2010								
	Annual	Annual	Annual	Annual	Q3	Q4	Jan	Feb	Mar	Apr	May	May3[1]	May10[1]	May17[1]	May24[1]
Nationwide	13.8	2.1	2.3	1.6	1.5	0.9	0.1	0.4	0.3	0.2	0.1	0.0	0.0	0.0	0.0
Seoul	24.1	3.6	3.2	2.6	2.6	0.3	0.1	0.3	0.0	-0.2	-0.4	-0.1	-0.1	-0.1	-0.1
Gangnam[2]	27.6	0.5	-1.9	3.9	3.1	0.2	0.2	0.4	0.0	-0.1	-0.4	-0.1	-0.1	-0.1	-0.1
Gangbuk[3]	19.0	8.3	9.4	0.9	2.0	0.4	0.0	0.1	0.0	-0.3	-0.3	-0.1	-0.1	-0.2	-0.1
Seoul metropolitan area	24.6	4.0	2.9	0.7	1.8	0.2	0.0	0.1	0.0	-0.2	-0.4	-0.1	-0.1	-0.1	-0.1
5 metropolitan cities	2.1	-0.6	1.0	2.8	1.3	1.9	0.4	0.8	0.7	0.8	0.6	0.2	0.2	0.1	0.1

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

The increase of rental prices in May decelerated to 0.5 percent from the previous month's 0.7 percent as the low season for moving began. In Seoul, both Gangbuk and Gangnam slowed the growth from 0.5 percent to 0.2 percent and 0.5 percent to 0.3 percent, respectively, remaining stable below nationwide average.

Nationwide apartment rental prices

(Percentage change from previous period)

	2006	2007	2008	2009			2010								
	Annual	Annual	Annual	Annual	Q3	Q4	Jan	Feb	Mar	Apr	May	May3[1]	May10[1]	May17[1]	May24[1]
Nationwide	7.6	1.9	0.8	4.5	2.8	2.0	0.4	0.9	0.8	0.7	0.5	0.1	0.1	0.1	0.1
Seoul	11.5	2.2	-1.8	8.1	4.7	2.3	0.6	1.0	0.7	0.5	0.3	0.1	0.1	0.0	0.0
Gangnam[2]	11.3	0.5	-3.6	10.4	5.1	2.7	0.9	1.2	0.5	0.5	0.3	0.1	0.1	0.0	0.1
Gangbuk[3]	11.8	4.6	0.5	5.4	4.2	1.9	0.1	0.7	0.9	0.5	0.2	0.1	0.1	0.0	0.0
Seoul metropolitan area	11.7	2.1	-0.4	5.6	4.1	1.8	0.3	0.7	0.7	0.6	0.3	0.1	0.1	0.0	0.1
5 metropolitan cities	3.0	1.1	1.6	3.9	1.9	2.6	0.7	1.4	1.0	1.0	0.8	0.2	0.2	0.2	0.2

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

Apartment sales transactions in April decreased 8.3 percent from 79,549 a month earlier to post 72,983. The transactions were down 4.1 percent from a year earlier and 11.1 percent compared with the monthly average recorded in the same month for the past 3 years.

Apartment sales transactions

(Monthly average, thousand)

	2007	2008		2009									2010			
	Annual	Annual	Apr	Annual	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Nationwide	84	74	97	77	76	72	81	91	81	90	87	82	82	62	67	80	73

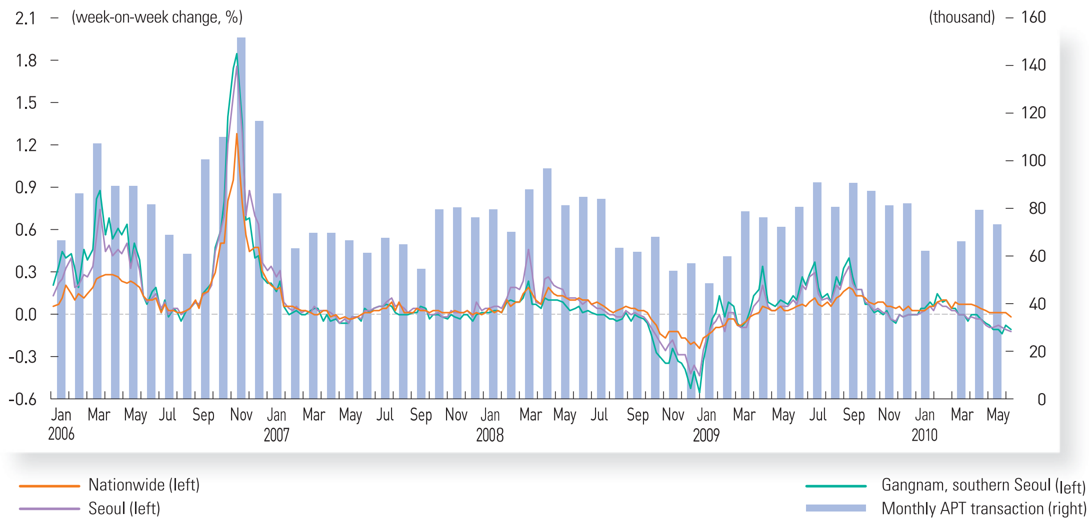
Source: Korea Land Corporation

12-1 **Real estate prices**

Source: Kookmin Bank (national housing price trend)

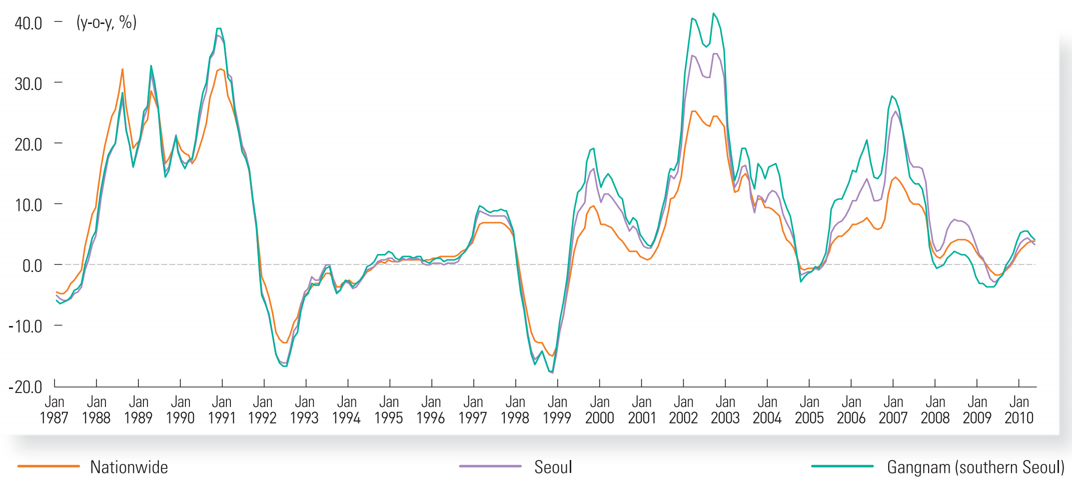
12-2 **Weekly apartment sales prices and monthly transaction volume**

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 April rose 0.14 percent, maintaining a moderate recovery yet slightly decelerating from the previous month's 0.21 percent. Land prices in April were 2.4 percent lower than the pre-crisis peak reached in October 2008.

In the Seoul metropolitan area (*up 0.15%*), land prices in Gyeonggi province (*up 0.25%*) and Incheon (*up 0.21%*) saw a robust increase.

Land price increases in Seoul metropolitan area (m-o-m, %)
0.31 (Jan 2010) → 0.29 (Feb) → 0.25 (Mar) → 0.15 (Apr)

Meanwhile, land price increases in areas excluding the Seoul metropolitan area slowed to 0.11 percent from 0.12 percent of the previous month.

Land price increases in areas excluding Seoul metropolitan area (m-o-m, %)
0.14 (Jan 2010) → 0.13 (Feb) → 0.12 (Mar) → 0.11 (Apr)

Land prices by region

(Percentage change from previous period)

	2007		2008				2009					2010			
	Annual	Q4	Annual	Q2	Q3	Q4	Annual	Q1	Q2	Q3	Q4	Jan	Feb	Mar	Apr
Nationwide	3.88	1.15	-0.31	1.46	1.18	-4.08	0.96	-1.20	0.35	0.88	0.94	0.25	0.23	0.21	0.14
Seoul	5.88	1.90	-1.00	2.17	1.59	-6.34	1.40	-1.38	0.68	1.30	0.81	0.25	0.26	0.21	0.05
Gyeonggi	4.22	1.14	-0.26	1.57	1.28	-4.28	1.22	-1.62	0.37	1.13	1.36	0.35	0.32	0.29	0.25
Incheon	4.86	1.13	1.37	1.67	2.01	-3.57	1.99	-1.39	0.53	1.16	1.70	0.45	0.33	0.30	0.21

Source: Korea Land Corporation

Nationwide land transactions in April recorded 203,000 land lots, down 4.8 percent from the previous month, which is equivalent to 91.1 percent of a monthly average of 223,000 in the same month of the past 5 years.

Nationwide land transactions decreased in terms of land lots led by Ulsan (*down 31%*), Gwangju (*down 15.2%*) and Seoul (*down 14.1%*).

Land sales transactions

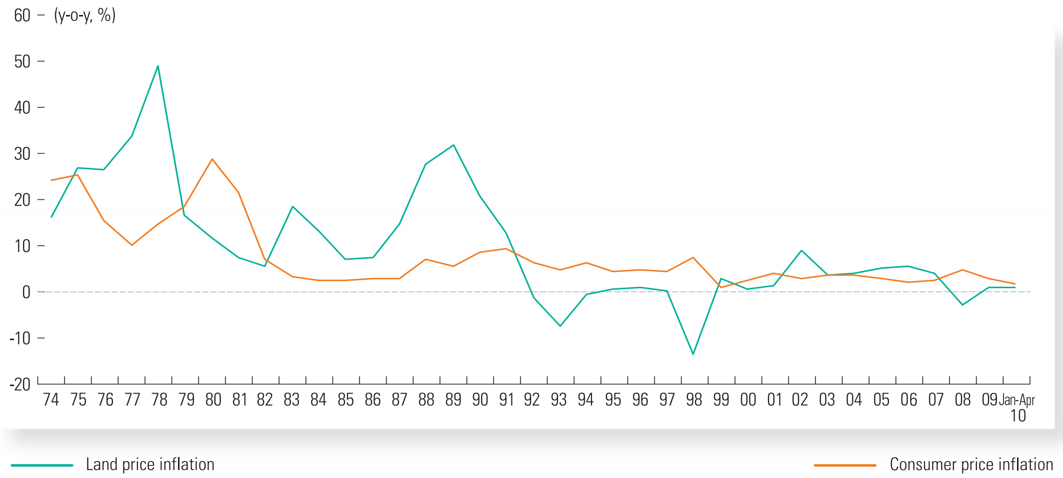
(Land lot, thousand)

	2007	2008	2009										2010			
	Annual	Annual	Annual[1]	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Nationwide	208	208	203	207	192	215	222	206	226	212	207	241	170	168	213	203
Seoul	33	26	22	24	22	27	26	25	28	25	19	21	16	17	20	17
Gyeonggi	49	45	46	48	45	49	50	48	56	52	48	58	39	34	44	42
Incheon	13	13	10	10	9	10	11	10	13	14	11	12	6	7	9	9

Source: Korea Land Corporation
1. Monthly average

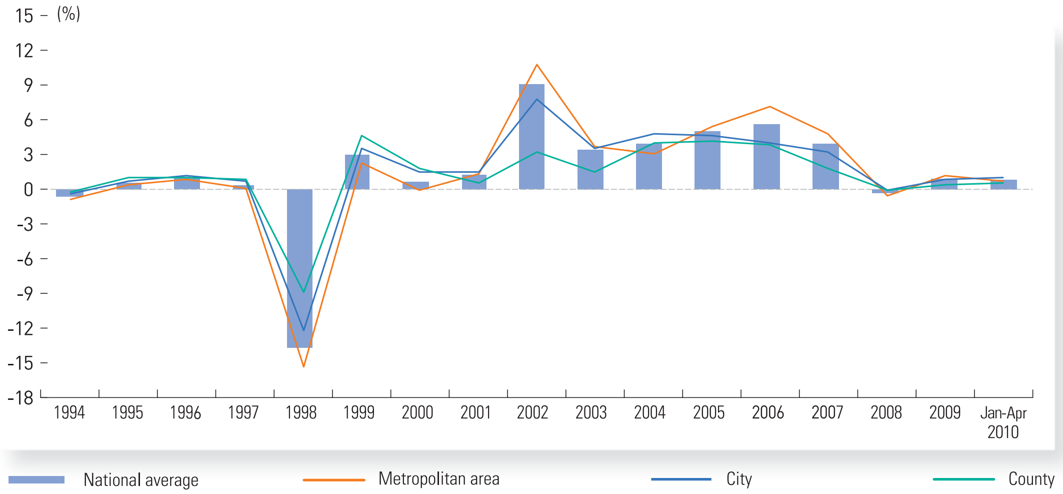
12-4 Land and consumer prices since 1970s

Source: Korea Land Corporation (land prices) & Statistics Korea (consumer prices)



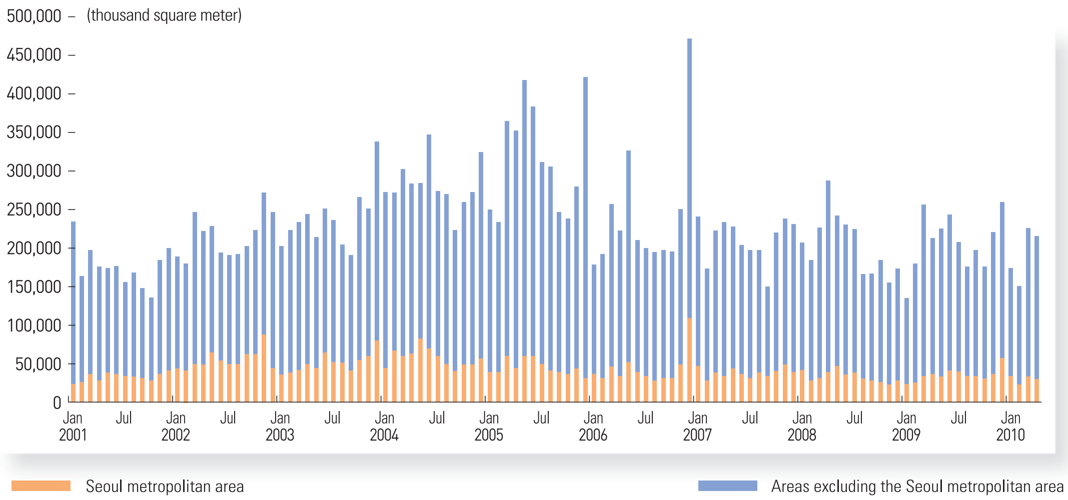
12-5 Land prices by region

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 increased 0.5 points month-on-month in April, continuing the upward trend.

Although the value of construction completed decreased, the other seven components such as the mining & manufacturing production index, the manufacturing operation ratio index, and the service activity index were up.

Components of coincident composite index in Apr (m-o-m)
Value of construction completed (-3.1%), mining & manufacturing production index (1.7%), volume of imports (1.4%), manufacturing operation ratio index (1.4%), service activity index (1.5%), number of non-farm payroll employment (0.5%), wholesale & retail sales index (0.3%), domestic shipment index (0.6%)

The year-on-year leading composite index went down 1.2 percentage points from the previous month to record 8.5 percent.

Five components of the index including the volume of capital goods imports and the value of machinery orders received increased, while the other five components such as the indicator of inventory cycle, the value of construction orders, and the consumer expectations index were down.

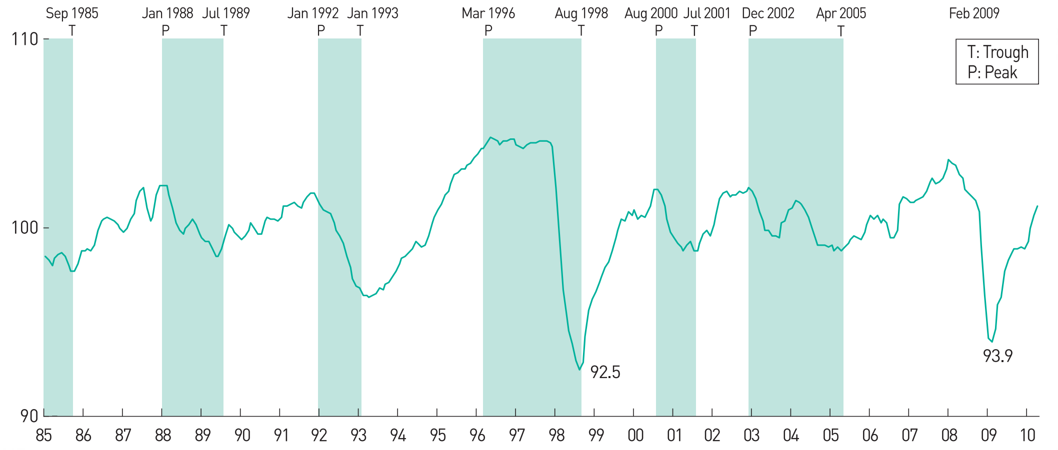
Components of the leading composite index in Apr (m-o-m)
Indicator of inventory cycle (-8.0%p), consumer expectations index (-1.4p), value of construction orders received (-9.9%), net terms of trade index (0.4%), spreads between long & short term interest rates (-0.2%p), ratio of job openings to job seekers (-1.6%p), value of machinery orders received (1.6%), volume of capital goods imports (4.0%), composite stock price index (0.1%), liquidity in the financial institutions (0.2%)

	2009			2010			
	Oct	Nov	Dec	Jan	Feb[1]	Mar[1]	Apr[1]
Coincident composite index (m-o-m, %)	0.4	0.5	0.4	0.8	1.2	0.9	0.9
Cyclical indicator of coincident composite index	98.9	99.0	98.9	99.3	100.0	100.6	101.1
(m-o-m, p)	0.0	0.1	-0.1	0.4	0.7	0.6	0.5
Leading composite index (m-o-m, %)	0.6	1.1	0.7	0.3	-0.2	0.2	-0.2
12 month smoothed change in leading composite index (%)	10.3	11.3	11.6	11.3	10.3	9.7	8.5
(m-o-m, %p)	0.7	1.0	0.3	-0.3	-1.0	-0.6	-1.2

1. Preliminary

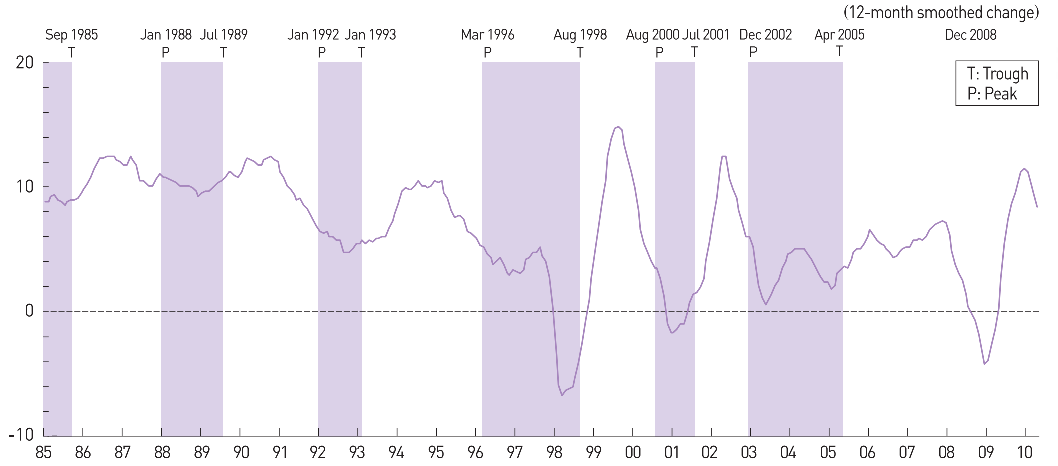
13-1 **Cyclical indicator of coincident composite index**

Source: Statistics Korea



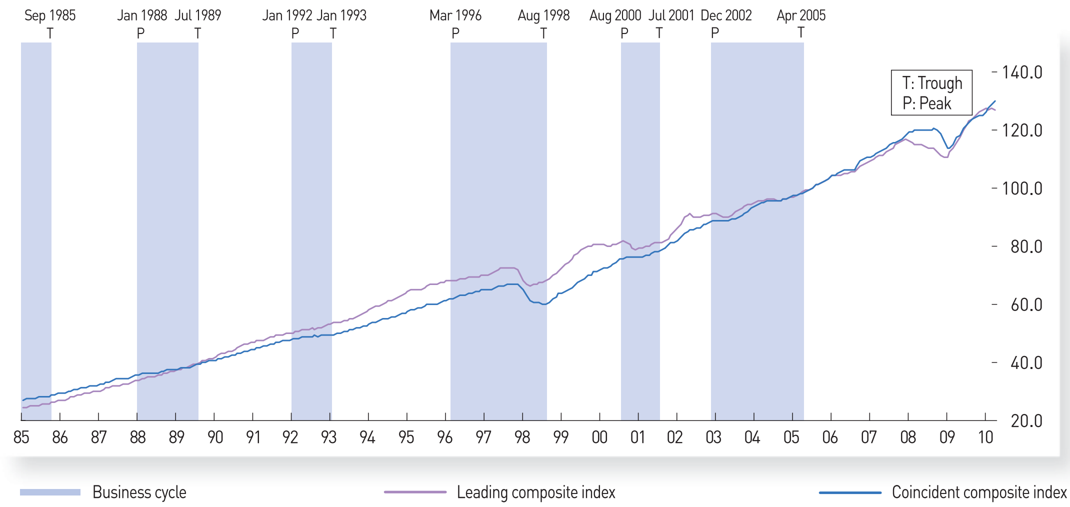
13-2 **Leading composite index**

Source: Statistics Korea



13-3 **Coincident and leading composite indices**

Source: Statistics Korea



Economic News Briefing

G-20 Finance Ministers and Central Bank Governors' Meeting in Busan

The G-20 Finance Ministers and Central Bank Governors Meeting was held in Busan on June 4 to 5. This was the first G-20 minister-level meeting in Korea, which focused mainly on preparations for the upcoming G-20 Summit in Toronto, Canada.

The G-20 delegates assessed that the recent volatility in financial markets reminds the world that significant challenges remain and underscores the importance of international cooperation. Adding that recent events highlight the importance of sustainable public finances, the ministers urged countries with serious fiscal challenges to accelerate the pace of consolidation.

The finance leaders called for further progress on financial repair and committed to speed up in reaching agreement on stronger capital and liquidity standards, urging the Basel Committee on Banking Supervision to propose internationally agreed rules to improve the quantity and quality of bank capital by November 2010 Seoul Summit.

In addition, the G-20 agreed that the financial sector should make a fair and substantial contribution towards paying for any burdens associated with government interventions to repair the banking system or fund resolution. With regard to this, they pledged to work together to develop principles reflecting the need to protect taxpayers, reduce risks from the financial system, protect the flow of credit in good times and bad, taking into account individual country's circumstances and options, and help promote a level playing field.

The ministers also committed to accelerate the implementation of strong measures to improve transparency, regulation and supervision for hedge funds, credit rating agencies, compensation practices and over-the-counter (OTC) derivatives in an internationally consistent and non-discriminatory manner.

Korea grows a revised 8.1% in Q1 *(Preliminary)*

Korea's real gross domestic product (GDP) expanded by 8.1 percent year-on-year in the first quarter of 2010, revised up from the April advance estimates of 7.8 percent. Quarter-on-quarter GDP growth was also up 0.3 percentage points to 2.1 percent from the initial 1.8 percent. The upward revision reflects industrial and service activities and other figures in March coming after the release of advance estimates.

On the production side, robust real GDP was mainly attributed to a faster year-on-year increase in manufacturing and services, which offset a deceleration in construction. On the expenditure side, private and government consumption showed robust year-on-year growth while facility investment and exports expanded significantly from a year earlier.

Meanwhile, the Organization for Economic Cooperation and Development (OECD) on May 26 raised its growth forecast of the Korean economy for 2010 and 2011 from the previous 4.4 percent and 4.2 percent to 5.8 percent and 4.7 percent, respectively. The KDI, a government-sponsored think tank, also released an upbeat outlook on May 16 by forecasting the economy to grow 5.9 percent this year and 4.4 percent next year.

GDP by production and expenditure*

(Percentage change from same period in previous year)

	2008	2009[1]					2010[1]
	Annual	Annual	Q1	Q2	Q3	Q4	Q1
GDP	2.3	0.2	-4.3	-2.2	1.0	6.0	8.1 (2.1)[2]
Agriculture, forestry and fishery	5.6	1.6	1.5	-1.3	3.3	2.8	-1.9 (-4.9)
Manufacturing	2.9	-1.6	-13.6	-7.2	1.7	13.0	20.7 (4.2)
Construction	-2.5	1.9	0.0	3.2	0.3	3.3	1.5 (1.9)
Services[3]	2.8	1.0	-0.4	0.3	0.9	3.0	4.4 (1.6)
Private consumption	1.3	0.2	-4.4	-1.0	0.7	5.8	6.3 (0.7)
Government consumption	4.3	5.0	7.2	6.7	5.3	1.1	3.8 (5.8)
Facility investment	-1.0	-9.1	-23.1	-17.3	-7.0	13.3	29.9 (2.4)
Construction investment	-2.8	4.4	2.8	5.1	4.4	5.0	2.3 (1.3)
Goods exports[4]	4.6	0.0	-13.5	-3.2	2.3	15.0	21.6 (3.7)
Goods imports[4]	4.5	-7.9	-18.5	-13.8	-6.7	8.9	21.8 (5.1)
Domestic demand	1.4	-3.8	-8.6	-7.6	-3.5	4.7	9.6 (2.8)

**At 2005 chained prices in original terms*
1. Preliminary
2. Percentage changes from the previous period in seasonally adjusted terms
3. Wholesale & retail sales, hotels & restaurants, transportation & storage, communication services, financial & insurance services, real estate & renting, business services, public administration, defense & social security, educational services, healthcare & social welfare services, entertainment, cultural & sports services and other services are included.
4. FOB basis

IMD upgrades Korea's national competitiveness

According to the 2010 World's Competitiveness Yearbook by International Institute for Management Development (IMD), Korea's global competitiveness ranking climbed four notches to register 23rd among 58 countries. This standing is the highest for Korea since IMD started evaluating national competitiveness in 1997. In this year's report, Singapore topped the ranking, followed by Hong Kong and the US.

Korea's standing rose in three of the four main categories: economic performance, government efficiency and business efficiency while it remained unchanged in the infrastructure category. In particular, business competiveness and government efficiency greatly improved.

The report suggested that challenges for Korea in 2010 are as follows: Creating more and better jobs, reforming education by nurturing creativity, improving public schools and reducing private education expenditures, deploying exit stimulus policies yet containing double-dip and inflationary risk, bridging widening income and regional gaps, successfully hosting the G-20 summit and steering G-20 affairs.

Korea, China and Japan hold the third trilateral summit

President Lee Myung-bak, Japanese Prime Minister Yukio Hatoyama and Chinese Prime Minister Wen Jiabao met in Jeju Island from May 29 to 30 for the third trilateral summit, following the December 2008 Fukuoka Summit and the October 2009 Beijing Summit.

The leaders presented the “Trilateral Cooperation Vision 2020” that will guide the future direction of cooperative efforts for the next decade based on the previous outcome. They also decided to set up a permanent secretariat for a more effective and systematic trilateral cooperation.

The three leaders agreed to eliminate technical barriers, promote cooperation in setting standards and reinforce collaboration in science and innovation by adopting “Joint Statement on Standards Cooperation” and “Joint Statement on Strengthening Science and Innovation Cooperation.”

Welcoming the launch of the joint study for a trilateral FTA in May, the three leaders pledged to cooperate to ensure the smooth operation of the joint study, which aims at completing the work by 2012. They will also step up efforts to reach a substantial agreement in a few months to conclude the Trilateral Investment Agreement as soon as possible.

In regards to the sinking of the naval patrol ship "Cheonan," the leaders of the three countries pledged to continue to closely consult one another and properly address the matter to maintain peace and stability in the region. In addition, they shared the view that denuclearized Korean Peninsula would greatly contribute to enduring peace, security, and economic prosperity in the region.

Korea to resume inflation-linked bond sales

The Ministry of Strategy and Finance announced that Korea plans to resume sales of inflation-linked Korea Treasury Bond (KTBi) with 10-year maturity from June 21. Although KTBi was first issued in March 2007, the issuance was stopped in August 2008 due to the limitations of issuance method and low interest of major institutional investors.

Recently, however, the demand for KTBi has increased, making it necessary to revive issuance of the bonds which will expand investor base for government bonds and develop relevant instruments. The sale of inflation-linked bond is expected to meet diverse market demands for investment options and will help finance market development in Korea.

The previous issuance method by which the issue amount was fixed will be changed into a new issuance method by which the issue rate is fixed. In addition, Korea adopts a deflation floor for KTBi to protect the principal value in the event of deflation, which will stabilize investor sentiment while not imposing actual financial burden. The issue amount of KTBi with 10-year maturity will be around 150 billion won a month and 1.8 trillion won a year.

Korea to strengthen "root industries"

The Korean government has decided to boost the competitiveness of "root industries" including casting, molding, and welding industries, which make components from materials or final products with components. President Lee Myung-bak, on May 6, presided over the 57th Emergency Economic Countermeasure Meeting and discussed ways to strengthen "root industries. "

The government will help restructure root industries by easing loan conditions for cooperative project funds and establishing environment-friendly fusion-type industrial complex to accommodate hybrid businesses that are able to establish mutual connections with other industries. Systems to cultivate skilled manpower also will be strengthened. The government plans to increase the number of root industry-related meister high school students to 1,000 from the current 600, and increase welfare support for root industry employees.

The credit guarantee ceiling for small- and medium-sized enterprises in root industries will be raised through regional Credit Guarantee Foundations to improve their management environments. To indentify technology development tasks in the root industry field and provide R&D support tailored to individual tasks, the Ministry of Knowledge Economy and the Small and Medium Business Administration decided to make available 21.7 billion won and 15 billion won, respectively this year.

With the new measures, the government expects that the root industry will be transformed into new growth engines with 1,500 robust technologically innovative enterprises and 45 trillion won in annual production by 2013.

Time-off limit for full-time unionists publicly notified

The Ministry of Labor, on May 14, notified the public of time-off limit for full time union workers, which will be effective from July 1st this year. It was decided through a vote by the Time-off System Deliberation Committee on May 1.

According to the announcement, enterprises are broken down to 11 detailed categories. Starting from maximum 1,000 hours per year for trade unions with less than 50 union members (0.5 full-time union official), it goes with maximum 2,000 hours per year for trade unions with union membership of 50-99 (one full-time union official); maximum 3,000 hours per year for trade unions with union membership of 100-199 (1.5 full-time union officials). As to trade unions with union membership of 15,000 or more, additional 2,000 hours on top of granted 28,000 hours (14 full-time union officials) per year for every 3,000 member increase will be given, on condition that the maximum total work hour exemption will not exceed 36,000 hours (18 full-time union officers) per year, effective from July 1st, 2010.

According to the rule, part-time union officials cannot exceed three times the number of full-time union officials at trade unions with less than 300 members, and in case of trade unions with 300 members or more, they cannot exceed two times the number of full-time union officials. The changed labor rule may not affect smaller unions with the membership of less than 300, but it will make a big reduction in the number of full-time and part-time union officials of large enterprise unions, which will be exposed to the subsequent changes in union's financial self-reliance and union management.

<Maximum time-off hours>

<table>
<tr><th>Size of membership[1]</th><th>Maximum time-off hours (number of full-time union officials)[2]</th><th>Maximum number of time-off union officials</th></tr>
<tr><td>less than 50</td><td>maximum 1,000 hours (0.5)</td><td rowspan="8">- Part-time union officials cannot exceed three times the number of full-time union officials at trade unions with less than 300 members</td></tr>
<tr><td>50~99</td><td>maximum 2,000 hours (1)</td></tr>
<tr><td>100~199</td><td>maximum 3,000 hours (1.5)</td></tr>
<tr><td>200~299</td><td>maximum 4,000 hours (2)</td></tr>
<tr><td>300~499</td><td>maximum 5,000 hours (2.5)</td></tr>
<tr><td>500~999</td><td>maximum 6,000 hours (3)</td></tr>
<tr><td>1,000~2,999</td><td>maximum 10,000 hours (5)</td></tr>
<tr><td>3,000~4,999</td><td>maximum 14,000 hours (7)</td></tr>
<tr><td>5,000~9,999</td><td>maximum 22,000 hours (11)</td><td rowspan="3">- Trade unions with more than 300 members, part-time union officials cannot exceed two times the number of full-time union officials.</td></tr>
<tr><td>10,000~14,999</td><td>maximum 28,000 hours (14)</td></tr>
<tr><td rowspan="2">more than 15,000</td><td>until June 30, 2012: 28,000 hours (14), 2,000 hours (1) additional for every 3,000 members</td></tr>
<tr><td>effective from July 1, 2012: maximum 36,000 hours (18)</td><td></td></tr>
</table>

1. Membership means the total number of union members of a business or workplace
2. The calculation of one full-time union official comes from 2,000 work hours based on 40-hour workweek multiplying with 52 weeks per year.

Statistical Appendices

Tables & Figures

1. National accounts

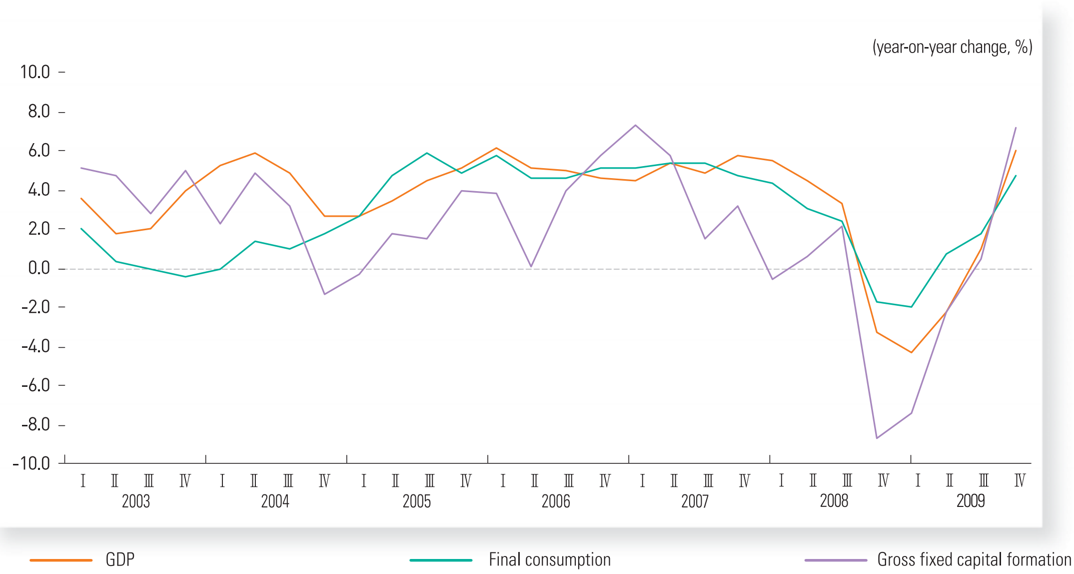
(year-on-year change, %, chained 2005 year prices)

Period		Real GDP			Final consumption expenditure	Gross fixed capital formation		
			Agri., fores. & fisheries	Manufacturing			Construction	Facilities
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
2008		2.3	5.6	2.9	2.0	-1.9	-2.8	-1.0
2009^P		0.2	1.6	-1.6	1.3	-0.2	4.4	-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
2008	I	5.5	7.8	8.9	4.3	-0.6	-2.5	2.8
	II	4.4	4.6	8.3	3.0	0.6	-0.5	2.0
	III	3.3	4.3	5.3	2.4	2.1	0.4	5.3
	IV	-3.3	6.5	-9.4	-1.7	-8.7	-7.7	-13.3
2009^P	I	-4.3	1.5	-13.6	-2.0	-7.4	2.8	-23.1
	II	-2.2	-1.3	-7.2	0.7	-2.3	5.1	-17.3
	III	1.0	3.3	1.7	1.7	0.4	4.4	-7.0
	IV	6.0	2.8	13.0	4.7	7.1	5.0	13.3

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 (%)
2008		119.8	3.4	118.3	2.6	125.5	7.1	116.1	3.6
2009		118.9	-0.8	116.3	-1.7	115.5	-8.0	118.4	2.0
2008	I	121.9	11.2	119.8	9.3	123.6	8.4	114.0	6.8
	II	125.5	9.2	123.0	6.8	133.2	16.3	116.0	4.3
	III	119.6	5.9	118.0	5.5	132.0	17.1	116.4	3.4
	IV	112.4	-11.0	112.4	-9.9	125.5	7.1	118.1	0.0
2009	I	102.8	-15.7	101.9	-14.9	115.9	-6.2	113.7	-0.3
	II	117.8	-6.1	115.9	-5.8	110.6	-16.9	118.8	2.4
	III	124.7	4.3	120.5	2.1	113.3	-14.2	118.6	1.9
	IV	130.5	16.2	126.8	12.8	115.5	-8.0	122.5	3.7
2010	I^P	129.2	25.7	124.0	21.7	123.5	6.6	120.2	5.7
2008	1	126.3	12.0	121.9	10.5	123.9	4.5	114.3	8.0
	2	111.1	10.9	109.9	8.1	124.3	7.5	109.6	6.6
	3	128.3	10.9	127.6	9.2	123.6	8.4	118.1	6.0
	4	126.5	11.2	124.8	8.9	124.6	11.4	116.1	6.1
	5	126.5	9.2	123.7	6.6	128.7	12.7	116.7	4.1
	6	123.5	7.3	120.5	4.9	133.1	16.2	115.1	2.7
	7	123.4	8.9	121.6	8.0	132.4	14.5	117.4	4.7
	8	116.2	2.2	114.7	2.0	132.1	14.3	114.2	1.2
	9	119.1	6.7	117.6	6.3	132.0	17.1	117.5	4.2
	10	126.7	-1.5	124.2	-1.7	134.7	17.1	118.9	3.1
	11	110.3	-13.6	109.8	-12.9	133.2	15.9	113.3	-2.0
	12	100.0	-18.4	103.2	-15.1	125.5	7.1	122.2	-1.0
2009	1	93.8	-25.7	93.1	-23.6	123.7	-0.2	112.4	-1.7
	2	99.8	-10.2	99.4	-9.6	117.6	-5.4	109.5	-0.1
	3	114.7	-10.6	113.3	-11.2	115.9	-6.2	119.2	0.9
	4	116.1	-8.2	114.7	-8.1	112.4	-9.8	119.9	3.3
	5	115.0	-9.1	112.8	-8.8	111.4	-13.4	118.5	1.5
	6	122.2	-1.1	120.1	-0.3	110.6	-16.9	118.0	2.5
	7	124.3	0.7	120.0	-1.3	112.3	-15.2	118.1	0.6
	8	117.4	1.0	113.5	-1.0	112.8	-14.6	115.5	1.1
	9	132.3	11.1	127.9	8.8	113.3	-14.2	122.3	4.1
	10	127.0	0.2	123.4	-0.6	112.6	-16.4	118.3	-0.5
	11	130.3	18.1	126.8	15.5	113.7	-14.6	118.1	4.2
	12	134.2	34.2	130.2	26.2	115.5	-8.0	131.0	7.2
2010	1^P	128.5	37.0	123.0	32.1	1192	-3.6	117.3	4.4
	2^P	118.7	18.9	113.7	14.4	122.5	4.2	117.5	7.3
	3^P	140.5	22.5	135.4	19.5	123.5	6.6	125.8	5.5
	4^P	139.2	19.9	134.6	17.3	124.7	10.9	124.4	3.8

P: Preliminary
Source: Statistics Korea

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 (%)
2008		115.3	5.1	97.2	-3.2	77.5
2009		118.9	3.1	93.5	-3.8	74.6
2008	I	113.8	5.9	99.3	2.2	81.5
	II	115.1	6.3	103.1	0.5	80.8
	III	116.0	5.3	95.5	-0.7	78.3
	IV	116.4	3.4	91.1	-13.6	69.6
2009	I	116.8	2.6	81.4	-18.0	66.9
	II	117.8	2.3	94.6	-8.2	74.2
	III	119.7	3.2	97.8	2.4	78.8
	IV	121.1	4.0	100.3	10.1	78.4
2010	I P	122.7	5.1	97.7	20.0	80.5
2008	1	113.8	6.2	103.2	3.4	82.1
	2	113.8	5.9	89.5	1.5	80.6
	3	113.9	5.8	105.1	1.4	81.7
	4	114.3	5.9	104.7	3.2	82.1
	5	115.4	6.7	103.3	-0.6	80.1
	6	115.7	6.2	101.2	-1.3	80.1
	7	115.7	5.5	99.8	1.5	79.3
	8	116.0	5.3	92.2	-4.6	78.3
	9	116.2	4.9	94.5	0.7	77.3
	10	116.3	3.6	104.1	-4.8	76.9
	11	116.3	3.4	89.4	-16.8	69.1
	12	116.7	3.3	79.7	-20.1	62.8
2009	1	116.8	2.6	73.5	-28.8	62.8
	2	116.7	2.5	79.5	-11.2	67.7
	3	117.0	2.7	91.1	-13.3	70.3
	4	117.6	2.9	93.4	-10.8	72.4
	5	117.6	1.9	92.6	-10.4	73.6
	6	118.3	2.2	97.9	-3.3	76.6
	7	119.1	2.9	98.6	-1.2	78.7
	8	119.5	3.0	91.1	-1.2	77.7
	9	120.4	3.6	103.6	9.6	79.9
	10	120.6	3.7	99.1	-4.8	77.3
	11	120.8	3.9	100.6	12.5	78.2
	12	121.9	4.5	101.1	26.9	79.6
2010	1 P	122.1	4.5	97.4	32.5	78.9
	2 P	122.4	4.9	88.4	11.2	80.4
	3 P	123.6	5.6	107.2	17.7	82.2
	4 P	123.7	5.2	106.6	14.1	-

P: Preliminary
Source: Statistics Korea

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 (%)
2008		110.6	1.1	126.4	1.6	104.9	-3.0	110.0	1.4
2009		113.5	2.6	136.7	8.1	105.2	0.3	111.3	1.2
2008	I	111.5	4.5	129.9	8.7	103.6	4.0	109.2	2.3
	II	111.7	2.9	134.1	8.0	107.2	-2.7	108.8	1.3
	III	108.8	1.4	125.8	-0.1	94.0	0.3	112.3	1.5
	IV	110.4	-4.2	115.7	-9.6	115.0	-10.7	109.5	0.2
2009	I	106.3	-4.7	114.4	-11.9	102.0	-1.5	107.7	-1.4
	II	113.4	1.5	141.8	5.7	106.6	-0.6	109.3	0.5
	III	111.9	2.8	135.7	7.9	93.3	-0.7	114.4	1.9
	IV	122.3	10.8	154.9	33.9	118.9	3.4	114.0	4.1
2010	I^P	116.8	9.9	148.0	29.4	104.8	2.7	111.3	3.3
2008	1	111.7	5.4	128.3	8.1	104.4	6.7	108.8	4.3
	2	107.3	3.5	117.8	6.1	97.8	7.2	108.4	0.6
	3	115.4	4.6	143.6	11.4	108.5	-1.3	110.5	2.2
	4	113.4	6.3	139.1	15.6	108.5	-2.8	109.5	4.5
	5	115.1	3.3	136.0	7.9	112.1	-3.7	112.3	2.0
	6	106.5	-0.7	127.1	0.6	100.9	-1.8	104.5	-2.7
	7	109.6	4.2	140.7	7.9	97.6	3.5	106.1	1.0
	8	106.2	2.2	121.5	-4.7	86.2	8.8	112.0	2.0
	9	110.7	-1.8	115.2	-3.8	98.1	-8.9	118.8	1.6
	10	109.7	-3.3	123.9	-0.5	111.6	-10.1	106.6	-2.2
	11	108.9	-4.6	108.9	-15.3	120.3	-7.7	107.7	1.2
	12	112.7	-4.8	114.4	-12.5	113.1	-14.3	114.3	1.5
2009	1	108.5	-2.9	103.9	-19.0	102.6	-1.7	114.8	5.5
	2	100.9	-6.0	115.8	-1.7	96.1	-1.7	99.0	-8.7
	3	109.4	-5.2	123.6	-13.9	107.4	-1.0	109.2	-1.2
	4	108.6	-4.2	123.7	-11.1	108.3	-0.2	107.1	-2.2
	5	117.0	1.7	144.0	5.9	112.1	0.0	113.0	0.6
	6	114.6	7.6	157.8	24.2	99.4	-1.5	107.8	3.2
	7	110.9	1.2	138.3	-1.7	94.3	-3.4	111.1	4.7
	8	106.7	0.5	122.7	1.0	85.6	-0.7	112.9	0.8
	9	118.1	6.7	146.0	26.7	100.1	2.0	119.1	0.3
	10	120.4	9.8	144.7	16.8	114.9	3.0	116.8	9.6
	11	119.5	9.7	153.2	40.7	120.7	0.3	109.3	1.5
	12	127.0	12.7	166.8	45.8	121.2	7.2	116.0	1.5
2010	1^P	116.0	6.9	145.6	40.1	107.3	4.6	108.8	-5.2
	2^P	114.4	13.1	140.1	21.0	98.6	2.6	112.2	13.3
	3^P	120.2	9.9	158.3	28.1	108.5	1.0	112.8	3.3
	4^P	116.3	7.1	143.6	16.1	112.2	3.6	110.6	3.3

P: Preliminary
Source: Statistics Korea

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
2008		114.8	1.6	126.8	1.8	109.9	1.4	-
2009		115.5	0.6	133.9	5.6	108.1	-1.6	
2008	I	117.5	5.8	133.3	11.3	111.1	3.3	-
	II	115.7	4.2	136.5	11.4	107.4	0.9	-
	III	113.8	2.2	123.0	0.1	110.1	3.2	-
	IV	111.9	-5.7	114.4	-13.9	111.0	-1.8	-
2009	I	106.7	-9.2	112.7	-15.5	104.3	-6.1	-
	II	114.1	-1.4	138.0	1.1	104.5	-2.7	-
	III	118.8	4.4	138.0	12.2	111.1	0.9	-
	IV	122.5	9.5	147.0	28.5	112.6	1.4	-
2010	IP	117.6	10.2	136.2	20.9	110.2	5.7	-
2008	1	125.4	9.1	132.6	12.4	122.5	7.8	-
	2	106.5	2.1	123.1	8.3	99.8	-0.7	-
	3	120.6	5.7	144.2	12.8	111.1	2.3	-
	4	119.8	7.3	144.2	20.3	110.1	1.7	-
	5	115.7	2.4	136.9	9.3	107.2	-0.7	-
	6	111.7	2.9	128.5	5.0	105.0	2.0	-
	7	117.8	7.4	134.3	8.0	111.1	6.9	84
	8	111.7	-1.1	118.6	-5.1	108.9	0.7	96
	9	112.0	0.6	116.1	-2.8	110.3	2.1	96
	10	119.7	-1.6	127.7	-6.4	116.6	0.8	88
	11	107.0	-9.3	111.0	-15.8	105.4	-6.2	84
	12	109.1	-6.3	104.4	-19.8	111.0	0.1	81
2009	1	106.4	-15.2	98.6	-25.6	109.5	-10.6	84
	2	102.7	-3.6	115.1	-6.5	97.7	-2.1	85
	3	110.9	-8.0	124.4	-13.7	105.6	-5.0	84
	4	111.3	-7.1	119.1	-17.4	108.2	-1.7	98
	5	112.7	-2.6	138.9	1.5	102.2	-4.7	105
	6	118.2	5.8	156.1	21.5	103.0	-1.9	106
	7	118.1	0.3	144.3	7.4	107.7	-3.1	109
	8	110.0	-1.5	124.6	5.1	104.2	-4.3	114
	9	128.2	14.5	145.0	24.9	121.5	10.2	114
	10	120.2	0.4	138.8	8.7	112.7	-3.3	117
	11	118.8	11.0	146.0	31.5	107.9	2.4	113
	12	128.4	17.7	156.1	49.5	117.3	5.7	113
2010	1P	122.3	14.9	135.5	37.4	117.0	6.8	113
	2P	109.5	6.6	129.1	12.2	101.7	4.1	111
	3P	121.0	9.1	143.9	15.7	111.8	5.9	110
	4P	119.5	7.4	135.3	13.6	113.2	4.6	110
	5P	-	-	-	-	-	-	111

P: Preliminary

Source: Statistics Korea & 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		
2009		20,718	3,735	16,983	9,111	105.4	110.4
2009	I	5,033	932	4,101	1,992	93.9	98.7
	II	4,942	696	4,246	2,212	106.3	112.7
	III	5,591	1,345	4,246	2,321	103.8	107.5
	IV	5,152	763	4,389	2,586	117.7	122.6
2010	I P	5,563	525	5,038	2,956	116.7	119.6
2009	1	1,575	232	1,344	714	86.3	85.2
	2	1,682	518	1,164	531	92.8	97.8
	3	1,775	181	1,594	746	102.5	113.1
	4	1,457	91	1,366	678	100.7	110.9
	5	1,377	96	1,280	658	103.2	104.2
	6	2,108	508	1,600	883	115.1	123.0
	7	2,494	1,073	1,421	754	97.8	107.5
	8	1,340	71	1,268	653	97.5	98.2
	9	1,757	200	1,557	914	116.2	116.8
	10	1,541	84	1,458	836	108.2	109.1
	11	1,942	433	1,509	941	116.7	116.3
	12	1,669	246	1,422	810	128.2	142.3
2010	1 P	1,752	169	1,583	1,010	102.8	111.6
	2 P	1,630	107	1,523	880	110.0	105.7
	3 P	2,181	249	1,932	1,065	137.4	141.4
	4 P	-	-	-	-	126.6	143.3
		Y-o-Y change (%)					
2009		-11.8	61.7	-19.9	-27.2	-8.0	-5.2
2009	I	-35.5	150.8	-44.8	-59.1	-17.9	-12.7
	II	-17.7	29.9	-22.3	-27.6	-12.9	-8.0
	III	3.4	280.2	-16.0	-19.4	-10.0	-6.4
	IV	20.0	-27.2	35.2	51.5	10.2	6.4
2010	I P	10.5	-43.7	22.9	48.4	24.3	21.2
2009	1	-49.1	56.5	-54.4	-64.6	-21.1	-20.7
	2	-27.5	661.0	-48.3	-65.8	-12.0	-6.1
	3	-25.5	16.8	-28.4	-42.6	-20.2	-11.4
	4	-27.4	-4.1	-28.5	-39.1	-18.7	-9.2
	5	-25.4	8.9	-27.1	-26.6	-16.2	-15.8
	6	-2.0	44.5	-11.1	-16.6	-3.4	1.1
	7	6.1	498.5	-34.6	-38.1	-18.8	-10.9
	8	-19.6	-17.4	-19.7	-30.7	-15.4	-9.9
	9	26.5	127.5	19.7	27.3	5.4	1.6
	10	-7.9	-79.0	14.3	16.5	-0.4	-5.3
	11	56.2	110.1	45.5	74.6	10.2	4.0
	12	21.2	-44.5	52.4	79.5	21.1	20.1
2010	1 P	11.2	-27.1	17.8	41.4	19.1	31.0
	2 P	-3.1	-79.4	30.9	65.7	18.5	8.1
	3 P	22.9	37.2	21.3	42.7	34.0	25.0
	4 P	25.6	39.0	24.7	58.1	25.7	29.2

P: Preliminary
Source: Statistics Korea

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
2009		89,863	32,393	52,562	107,011	50,771	51,914
2009	I	19,130	6,570	11,544	18,104	9,219	8,263
	II	23,628	8,665	13,577	26,392	17,747	7,760
	III	22,106	7,875	13,029	19,719	8,826	9,971
	IV	25,000	9,284	14,412	42,795	14,980	25,920
2010	I^P	20,066	7,317	11,870	16,848	7,646	8,335
2009	1	6,063	2,150	3,623	5,674	2,679	2,728
	2	6,102	2,039	3,751	4,949	2,758	2,065
	3	6,964	2,381	4,170	7,481	3,782	3,471
	4	7,433	2,636	4,416	7,513	5,752	1,488
	5	7,227	2,597	4,208	7,151	4,434	2,596
	6	8,971	3,431	4,953	11,728	7,561	3,677
	7	6,988	2,362	4,252	6,009	3,314	2,398
	8	6,719	2,427	3,929	4,660	1,756	2,807
	9	8,398	3,085	4,848	9,050	3,756	4,766
	10	7,301	2,585	4,354	10,570	4,700	5,616
	11	8,060	2,780	4,854	14,538	5,101	8,853
	12	9,639	3,919	5,204	17,688	5,179	11,451
2010	1^P	6,414	2,222	3,924	6,643	2,286	4,074
	2^P	6,051	2,236	3,589	4,615	2,109	2,163
	3^P	7,602	2,859	4,357	5,590	3,252	2,099
	4^P	7,352	4,357	4,401	6,418	1,735	4,356
		Y-o-Y change (%)					
2009		3.3	21.2	-5.7	3.0	60.9	-21.9
2009	I	4.3	24.5	-5.3	-12.0	33.1	-37.3
	II	6.4	31.9	-5.9	-1.1	182.9	-60.2
	III	-1.2	21.3	-11.8	7.6	78.9	-14.3
	IV	3.7	10.7	0.4	11.6	11.6	17.3
2010	I^P	4.9	11.4	2.8	-6.9	-17.1	0.9
2009	1	-0.5	25.2	-11.4	0.3	64.4	-31.2
	2	11.2	34.2	1.0	-19.0	39.7	-47.3
	3	3.1	16.7	-5.0	-14.9	13.8	-34.5
	4	5.5	34.0	-5.2	-10.7	234.8	-77.1
	5	-1.6	16.8	-11.4	-17.9	70.5	-55.5
	6	14.6	44.4	-1.3	22.7	286.7	-48.9
	7	-2.8	16.6	-11.6	-1.8	135.8	-42.7
	8	-8.2	14.1	-18.9	-27.0	6.7	-36.6
	9	6.8	31.9	-5.4	55.3	99.6	57.4
	10	-5.9	3.5	-10.1	28.8	90.8	16.2
	11	3.2	8.1	1.7	78.8	63.3	92.5
	12	12.9	18.3	9.8	-19.6	-33.9	-9.6
2010	1^P	5.8	3.4	8.3	17.1	-14.7	49.4
	2^P	-0.8	9.6	-4.3	-6.7	-23.5	4.7
	3^P	9.2	20.1	4.5	-25.3	-14.0	-39.5
	4^P	-1.1	2.3	-0.3	-14.6	-69.8	192.8

P: Preliminary
Source: Statistics Korea

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)
2007	1	109.1	5.3	110.7	101.3	85.6	96.5
	2	110.0	5.8	111.1	101.3	87.5	93.4
	3	110.4	5.8	111.7	101.4	109.4	112.3
	4	111.1	6.0	112.3	101.5	105.8	107.7
	5	111.4	5.8	112.9	101.6	104.1	110.9
	6	112.3	6.2	113.8	101.9	100.2	105.6
	7	113.3	6.7	114.7	102.4	95.8	99.3
	8	114.0	7.0	115.5	102.6	94.4	102.5
	9	114.7	7.1	115.7	102.3	101.5	111.8
	10	115.4	7.2	116.2	102.4	108.3	116.3
	11	116.2	7.4	116.9	102.6	106.0	112.4
	12	116.6	7.2	118.0	103.1	98.9	103.4
2008	1	116.3	6.3	119.1	103.6	95.2	103.0
	2	115.6	5.0	119.3	103.4	95.6	94.8
	3	115.2	3.9	119.7	103.3	101.1	102.1
	4	115.1	3.2	119.7	102.8	101.7	98.1
	5	115.1	2.6	119.9	102.6	98.1	104.7
	6	114.6	1.5	119.7	102.0	79.1	95.3
	7	114.0	0.5	119.9	101.8	80.8	83.2
	8	113.8	-0.1	120.2	101.6	83.1	80.8
	9	113.6	-0.7	120.5	101.4	76.8	98.3
	10	112.7	-1.8	120.3	100.8	64.6	84.9
	11	111.1	-3.4	118.7	99.1	53.7	63.7
	12	110.4	-4.2	116.0	96.4	52.4	55.0
2009	1	110.8	-3.9	113.7	94.1	58.1	52.0
	2	112.2	-2.6	113.9	93.9	62.4	66.0
	3	113.5	-1.4	115.3	94.6	89.0	76.1
	4	115.4	0.4	117.3	95.9	93.7	86.7
	5	117.6	2.7	118.4	96.3	100.9	103.8
	6	120.3	5.5	120.5	97.7	96.6	100.2
	7	122.1	7.6	121.8	98.3	98.5	98.7
	8	123.2	8.8	122.8	98.7	96.0	99.8
	9	123.9	9.6	123.6	98.9	110.5	117.0
	10	124.7	10.3	124.1	98.9	107.5	116.5
	11	126.1	11.3	124.7	99.0	103.8	109.0
	12	127.0	11.6	125.2	98.9	104.8	105.9
2010	1	127.4	11.3	126.2	99.3	99.2	103.1
	2	127.1	10.3	127.7	100.0	98.7	102.3
	3	127.3	9.7	128.9	100.6	113.1	116.2
	4	127.1	8.5	130.0	101.1	108.9	111.2
	5	-	-	-	-	111.9	113.4
	6	-	-	-	-	-	108.9

P: Preliminary
Source: Statistics Korea & 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
2008		-5,776.3	5,669.1	422,007.3	435,274.7	-16,671.5	5,900.0	-673.9
2009P		42,667.6	56,127.6	363,533.6	323,084.5	-17,202.7	4,553.6	-810.9
2008	I	-4,866.4	-1,375.4	99,444.5	106,052.9	-4,936.9	1,979.7	-533.8
	II	-411.5	5,526.4	114,492.0	114,792.8	-4,460.5	-521.1	-956.3
	III	-8,329.7	-3,230.5	115,000.1	122,901.0	-5,837.8	1,503.3	-764.7
	IV	7,831.3	4,748.6	93,070.6	91,528.0	-1,436.3	2,938.1	1,580.9
2009P	I	8,618.2	8,308.8	74,421.4	71,417.5	-1,926.2	922.3	1,313.3
	II	13,097.4	17,576.0	90,360.4	73,970.2	-4,167.7	292.7	-603.6
	III	10,395.5	14,702.5	94,780.5	84,845.1	-5,334.5	1,690.7	-663.2
	IV	10,556.5	15,540.3	103,971.3	92,851.8	-5,774.3	1,647.9	-857.4
2010P	I	1,335.2	7,434.7	101,370.2	97,921.9	-6,041.0	756.0	-814.5
2008	1	-2,343.6	-935.1	32,274.6	36,318.0	-1,957.3	840.3	-291.5
	2	-2,372.0	-524.2	31,178.2	32,624.3	-2,205.7	792.3	-434.4
	3	-150.8	83.9	35,991.8	37,110.6	-773.9	347.1	192.1
	4	-1,578.8	1,733.1	37,850.2	38,260.4	-1,072.9	-1,914.2	-324.8
	5	-566.7	367.0	39,383.2	38,704.5	-1,215.3	563.5	-281.9
	6	1,734.0	3,426.3	37,258.6	37,827.9	-2,172.3	829.6	-349.6
	7	-2,433.9	487.2	40,961.2	42,952.5	-2,719.6	350.0	-551.5
	8	-4,676.2	-2,926.8	36,610.6	40,420.4	-1,962.9	427.4	-213.9
	9	-1,219.6	-790.9	37,428.3	39,528.1	-1,155.3	725.9	0.7
	10	4,644.8	2,102.2	37,111.1	36,098.8	180.5	1,590.6	771.5
	11	2,408.2	1,230.4	28,841.6	28,853.6	-70.0	757.4	490.4
	12	778.3	1,416.0	27,117.9	26,575.6	-1,546.8	590.1	319.0
2009P	1	-1,612.3	-1,762.2	21,133.4	24,898.8	-710.5	596.4	264.0
	2	3,585.8	3,100.1	25,397.1	22,598.1	-540.4	510.5	515.6
	3	6,644.7	6,970.9	27,890.8	23,920.6	-675.3	-184.6	533.7
	4	4,274.1	6,105.2	30,326.5	24,873.8	-1,117.3	-803.1	89.3
	5	3,442.6	4,872.3	27,823.8	23,407.0	-1,524.4	389.6	-294.9
	6	5,380.7	6,598.5	32,210.0	25,689.3	-1,526.0	706.2	-398.0
	7	4,419.5	6,114.5	31,908.5	27,679.8	-1,898.0	511.1	-308.1
	8	1,922.1	3,319.5	28,949.6	27,408.2	-1,803.4	617.7	-211.7
	9	4,053.9	5,268.5	33,922.4	29,757.1	-1,633.1	561.9	-143.4
	10	4,757.3	5,675.1	33,970.0	30,396.5	-1,312.6	559.4	-164.6
	11	4,277.7	5,842.3	33,991.6	29,534.7	-1,662.7	390.0	-291.9
	12	1,521.5	4,022.9	36,009.6	32,920.5	-2,799.0	698.5	-400.9
2010P	1	-630.8	1,376.4	30,743.9	31,442.8	-2,164.4	465.4	-308.2
	2	167.6	1,557.9	33,189.8	31,001.8	-1,777.9	547.9	-160.3
	3	1,798.4	4,500.4	37,436.5	35,477.2	-2,098.7	-257.3	-346.0
	4	1,491.0	5,194.3	39,433.0	35,378.0	-1,850.8	-1.378.3	-474.2

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
2008	-50,083.6	-15,632.6	-2,405.6	-14,769.9	-17,384.8	109.3	56,446.0	-586.1
2009P	26,447.9	-9,065.8	50,681.6	-5,538.1	-10,817.1	1,187.3	-69,061.1	-54.4
2008 I	1,990.3	-5,781.5	-4,401.5	-1,249.5	13,533.2	-110.4	3,850.0	-973.9
II	-3,160.7	-4,140.0	8,356.7	-1,240.7	-5,909.9	-226.8	5,717.7	-2,145.5
III	-6,286.4	-3,661.1	-9,421.3	-3,550.4	10,564.1	-217.7	12,883.1	1,733.0
IV	-42,626.8	-2,050.0	3,060.5	-8,729.3	-35,572.2	664.2	33,995.2	800.3
2009P I	-1,399.2	-2,045.4	3,532.3	-4,893.6	1,282.5	725.0	-9,017.4	1,798.4
II	8,682.0	-172.1	16,740.2	-614.9	-7,566.0	294.8	-19,541.8	-2,237.6
III	14,399.1	-2,137.6	19,914.7	-1,296.5	-2,258.0	176.5	-23,886.9	-907.7
IV	4,766.0	-4,710.7	10,494.4	1,266.9	-2,275.6	-9.0	-16,615.0	1,292.5
2010P I	5,713.7	-2,645.7	10,547.5	407.9	-2,420.4	-175.6	-6,863.3	-185.6
2008 1	1,171.9	-3,002.7	-949.8	-130.4	5,313.5	-58.7	1,436.1	-264.4
2	202.3	-90.9	-3,144.5	-298.1	3,750.7	-14.9	1,703.1	466.6
3	616.1	-2,687.9	-307.2	-821.0	4,469.0	-36.8	710.8	-1,176.1
4	-835.4	-2,561.0	4,093.1	-560.3	-1,720.5	-86.7	2,411.3	2.9
5	-113.8	-683.4	9,168.1	-627.6	-7,921.8	-49.1	2,264.6	-1,584.1
6	-2,211.5	-895.6	-4,904.5	-52.8	3,732.4	-91.0	1,041.8	-564.3
7	-6,014.3	-1,465.4	-7,025.3	-551.2	3,204.5	-176.9	9,171.4	-723.2
8	5,113.2	-1,428.7	-343.4	-69.3	7,062.4	-107.8	-1,215.2	778.2
9	-5,385.3	-767.0	-2,052.6	-2,929.9	297.2	67.0	4,926.9	1,678.0
10	-23,462.3	-978.9	5,004.0	-3,888.3	-23,952.6	353.5	19,988.1	-1,170.6
11	-13,488.5	-615.2	-2,524.0	-1,347.1	-9,215.7	213.5	10,904.2	176.1
12	-5,676.0	-455.9	580.5	-3,493.9	-2,403.9	97.2	3,102.9	1,794.8
2009P 1	4,655.2	-538.7	5,678.8	-248.5	-379.9	143.5	-4,488.6	1,445.7
2	-3,216.5	-785.8	161.4	-2,312.2	-609.6	338.7	-1,260.0	890.7
3	-2,837.9	-720.9	-2,307.9	-2,323.9	2,272.0	242.8	-3,268.8	-538.0
4	2,193.3	112.4	7,133.0	-679.8	-4,532.5	160.2	-5,444.1	-1,023.3
5	6,707.8	-574.5	4,263.5	1,341.1	1,586.6	91.1	-10,248.6	98.2
6	-219.1	290.0	5,343.7	-1,276.2	-4,620.1	43.5	-3,849.1	-1,312.5
7	2,200.5	-1,323.9	7,940.1	-272.7	-4,379.0	236.0	-5,573.6	-1,046.4
8	5,296.9	-276.1	4,063.5	-721.0	2,177.0	53.5	-7,095.2	-123.8
9	6,901.7	-537.6	7,911.1	-302.8	-56.0	-113.0	-11,218.1	262.5
10	1,582.9	-509.0	6,130.5	-572.9	-3,477.9	12.2	-7,966.2	1,626.0
11	1,544.2	-2,835.0	3,389.4	848.7	193.9	-52.8	-5,637.4	-184.5
12	1,638.9	-1,366.7	974.5	991.1	1,008.4	31.6	-3,011.4	-149.0
2010P 1	4,631.0	-1,679.9	316.0	49.8	6,015.1	-70.0	-5,250.9	1,250.7
2	-433.0	-763.5	2,442.1	254.5	-2,322.9	-43.2	714.7	-449.3
3	1,515.7	-202.3	7,789.4	103.6	-6,112.6	-62.4	-2,327.1	-987.0
4	8,854.2	-1.216.1	5,532.8	-250.2	4,908.2	-120.5	-9,290.2	-1,055.0

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
2008		109.7	109.9	109.6	108.6	111.1	112.5	109.5	143.7
2009		112.8	113.6	112.2	112.5	110.9	111.9	109.2	137.7
2008	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	109.0	136.6
	8	113.4	114.5	112.7	112.8	111.7	112.9	109.3	139.5
	9	113.5	114.6	112.7	112.9	111.8	113.0	107.3	136.8
	10	113.2	113.9	112.8	113.0	110.9	111.8	104.0	135.3
	11	113.4	114.2	112.9	113.2	111.3	112.5	104.3	137.9
	12	113.8	115.0	113.0	113.3	111.9	113.1	105.1	138.6
2010	1	114.2	115.6	113.3	113.4	112.7	113.9	103.5	136.9
	2	114.6	116.1	113.6	113.6	113.0	114.5	104.7	137.6
	3	115.0	116.9	113.8	113.7	113.7	115.3	104.0	139.2
	4	115.6	118.1	114.0	113.9	114.6	116.4	103.8	140.9
	5	115.7	118.1	114.1	114.2	115.2	117.1	106.7	144.7
					Y-o-Y change (%)				
2008		4.7	6.2	3.7	4.2	8.6	10.8	21.8	36.2
2009		2.8	3.4	2.4	3.6	-0.2	-0.5	-0.2	-4.1
2008	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	-2.7	-12.9
	8	2.2	2.0	2.2	3.1	-3.0	-4.0	-1.1	-7.0
	9	2.2	2.2	2.1	2.7	-2.6	-3.4	-7.2	-10.8
	10	2.0	2.0	2.0	2.6	-3.1	-4.2	-16.5	-15.3
	11	2.4	3.5	1.8	2.5	-0.4	-0.7	-13.4	-7.5
	12	2.8	4.4	1.8	2.2	1.8	2.0	-8.6	-1.4
2010	1	3.1	4.7	2.0	2.1	2.8	3.2	-6.9	-0.9
	2	2.7	3.6	2.2	1.9	2.4	2.7	-10.2	-4.1
	3	2.3	3.2	1.8	1.5	2.6	2.9	-12.2	-4.3
	4	2.6	3.8	1.8	1.5	3.2	3.8	-6.7	5.1
	5	2.7	4.0	1.9	1.6	4.6	5.5	0.4	11.3

Source: The Bank of Korea

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

Period		Economically active persons (thous.)	Employed persons (thous.)			Unemploy-ment (%)	Wage workers (thous.)			
			All industry	Manufacturing	S.O.C&service			Regular	Temporary	Daily
2008		24,347	23,577	3,963	17,906	3.2	16,206	9,007	5,079	2,121
2009		24,394	23,506	3,836	17,998	3.6	16,454	9,390	5,101	1,963
2008	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	23,967	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
	8	24,525	23,620	3,761	18,048	3.7	16,479	9,472	5,117	1,890
	9	24,630	23,805	3,810	18,155	3.4	16,687	9,606	5,151	1,931
	10	24,655	23,856	3,858	18,130	3.2	16,690	9,628	5,170	1,892
	11	24,625	23,806	3,855	18,267	3.3	16,790	9,603	5,256	1,931
	12	24,063	23,229	3,872	18,104	3.5	16,555	9,632	5,074	4,860
2010	1	24,082	22,865	3,924	17,796	5.0	16,297	9,712	4,860	1,725
	2	24,035	22,867	3,886	17,762	4.9	16,282	9,786	4,838	1,657
	3	24,382	23,377	3,924	18,047	4.1	16,617	9,926	4,976	1,714
	4	24,858	23,924	3,991	18,285	3.8	16,994	10,011	5,147	1,836
	5	25,099	24,306	4,036	18,499	3.2	17,255	10,078	5,223	1,953
						Y-o-Y change (%)				
2008		0.5	0.6	-1.3	1.3	-	1.5	4.5	-1.8	-2.6
2009		0.2	-0.3	-3.2	0.5	-	1.5	4.3	0.4	-7.4
2008	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
	8	0.6	0.0	-3.5	1.0	-	2.3	4.0	3.0	-6.7
	9	0.7	0.3	-3.0	1.1	-	2.9	5.1	2.7	-6.5
	10	0.3	0.0	-2.2	0.7	-	2.3	5.4	2.7	-11.7
	11	0.2	0.0	-1.1	1.0	-	2.5	5.4	3.7	-12.0
	12	0.1	-0.1	-0.4	0.9	-	2.3	6.2	-0.2	-9.3
2010	1	1.6	0.0	0.8	0.8	-	1.5	6.7	-2.4	-12.4
	2	1.6	0.5	1.2	1.3	-	2.1	6.4	-0.5	-12.6
	3	1.3	1.2	2.9	2.0	-	3.4	8.2	0.7	-12.6
	4	1.6	1.7	3.8	2.2	-	3.9	8.5	1.9	-11.5
	5	1.8	2.5	4.9	2.7	-	4.7	8.2	2.9	-6.6

Source: Statistics Korea

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)
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	5.5	4.1	4.6	1,577.29
	8	2.0	2.5	5.7	4.4	4.9	1,591.85
	9	2.0	2.6	5.6	4.4	4.9	1,673.14
	10	2.0	2.8	5.6	4.5	4.9	1,580.69
	11	2.0	2.8	5.4	4.3	4.8	1,555.60
	12	2.0	2.8	5.4	4.2	4.8	1,682.77
2010	1	2.0	2.9	5.4	4.3	4.8	1,602.43
	2	2.0	2.9	5.3	4.2	4.8	1,594.58
	3	2.0	2.8	5.0	3.9	4.5	1,692.85
	4	2.0	2.5	4.7	3.8	4.4	1,741.56
	5	2.0	2.5	4.5	3.7	4.4	1,641.25

Source: The Bank of Korea

14. Monetary indicators See graph 9-5

(period average) (billion won)

Period		Reserve money	M1	M2	Lf
2008		52,272.8	307,273.6	1,367,713.4	1,794,841.2
2009		61,739.6	357,344.1	1,508,550.4	1,937,336.0
2008	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	1,889,071.5
	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	1,913,084.5
	6	59,530.3	362,111.3	1,501,898.3	1,925,418.1
	7	59,420.2	363,421.4	1,512,822.5	1,940,223.0
	8	60,570.3	361,012.4	1,524,879.7	1,956,130.6
	9	59,650.3	367,070.3	1,535,279.8	1,972,408.5
	10	63,681.7	371,531.7	1,551,319.5	1,990,372.5
	11	61,154.5	370,979.7	1,564,175.8	2,000,503.6
	12	62,633.2	376,977.3	1,570,027.1	2,014,950.4
2010	1	65,054.7	381,218.2	1,574,215.8	2,019,563.5
	2	66,563.8	387,858.6	1,595,403.8	2,041,164.1
	3	65,643.6	386,015.4	1,607,896.1	2,056,233.7
	4	64,274.7	388,174.7	1,621,176.9	2,069,636.2
		Y-o-Y change (%)			
2008		7.7	-1.8	14.3	11.9
2009		18.1	16.3	10.3	7.9
2008	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
	7	17.4	18.5	9.7	7.7
	8	16.5	18.5	10.0	8.0
	9	11.9	19.5	10.0	7.7
	10	20.2	19.6	10.5	7.8
	11	12.7	17.3	9.7	7.6
	12	5.6	16.4	9.3	8.1
2010	1	1.6	15.0	9.3	8.1
	2	5.6	15.9	9.4	8.6
	3	0.0	12.6	9.3	8.8
	4	4.7	10.8	9.4	9.0

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
2008		1,257.5	1,102.6	1,393.9	1,076.6	1,776.2	1,606.8
2009		1,167.6	1,276.4	1,262.8	1,363.1	1,674.3	1,774.4
2008	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
	8	1,244.9	1,238.4	1,332.8	1,304.3	1,779.1	1,776.3
	9	1,188.7	1,219.2	1,318.8	1,332.4	1,734.3	1,774.2
	10	1,200.6	1,175.3	1,312.6	1,300.8	1,781.3	1,742.9
	11	1,167.4	1,164.2	1,348.3	1,304.4	1,751.7	1,736.6
	12	1,167.6	1,166.5	1,262.8	1,300.8	1,674.3	1,703.7
2010	1	1,156.5	1,138.8	1,287.0	1,248.3	1,614.6	1,627.5
	2	1,158.4	1,157.1	1,299.3	1,281.7	1,569.2	1,584.5
	3	1,130.8	1,137.6	1,217.7	1,255.8	1,518.2	1,544.9
	4	1,115.5	1,117.1	1,186.8	1,195.3	1,479.3	1,501.7
	5	1,200.2	1,163.1	1,318.5	1,265.2	1,474.2	1,460.7
		Y-o-Y change (%)					
2008		34.0	18.7	67.3	36.3	28.6	26.2
2009		-7.1	15.8	-9.4	26.6	-5.7	10.4
2008	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
	8	15.1	18.9	34.9	36.9	11.9	13.1
	9	0.1	7.9	15.3	25.6	1.6	9.0
	10	-7.0	-11.4	0.5	-2.0	7.0	-1.3
	11	-21.3	-16.2	-13.2	-9.1	-8.4	-1.8
	12	-7.1	-15.1	-9.4	-13.5	-5.7	-7.7
2010	1	-15.5	-15.4	-15.4	-16.1	-8.7	-9.3
	2	-23.6	-19.1	-15.7	-17.1	-18.7	-13.4
	3	-17.9	-22.2	-13.9	-16.0	-16.4	-18.9
	4	-17.2	-16.8	-14.2	-11.9	-17.2	-15.2
	5	-5.7	-7.6	0.3	-3.0	-16.8	-15.0

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

Statistics Korea
http://kostat.go.kr

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