

Republic of Korea
**ECONOMIC
BULLETIN**

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Short- and Long-term Measures to Curb Inflation

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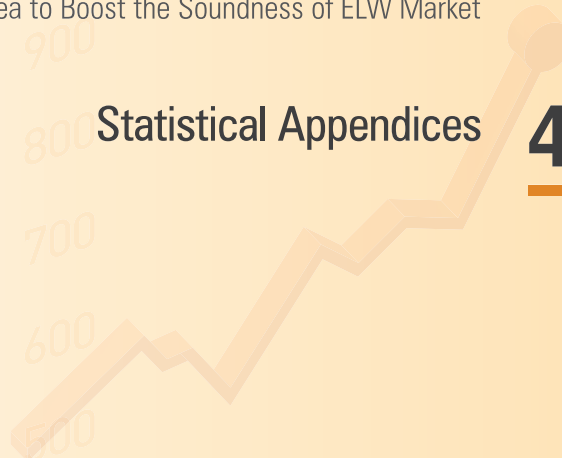
Korea Grows 1.3% in Q1

IMD Upgrades Korea's National Competitiveness

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Republic of Korea

Economic Bulletin

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The Green Book

Current Economic Trends

Overview

Although the employment situation has been steadily improving and inflation has slowed down, led by stabilizing prices of agricultural products, the Korean economy has shifted to a decline in terms of real economic indices such as production, consumption, and investment.

Employment in April continued to improve, adding 379,000 jobs, with hiring in manufacturing and service sectors steadily increasing, while both the employment and unemployment rates showed better figures year-on-year, landing at 59.3 percent and 3.7 percent, respectively.

Consumer prices in May decelerated a rise from the previous month's 4.2 percent to 4.1 percent due to decreases in agricultural and petroleum product prices, while core consumer prices, which exclude the prices of agricultural and petroleum products, increased 3.5 percent, rising faster than the previous month's 3.2 percent.

Mining and manufacturing production went down 1.5 percent month-on-month in April, with the supply of parts disrupted and production facilities under repair or replacement. Service output stayed flat despite sluggish whole and retail sales, as hotels & restaurants and financial and insurance services grew.

In April retail sales fell 1.1 percent month-on-month, as high gasoline prices affected the sales.

Facilities investment decreased 5.7 percent month-on-month in April with plummeting transportation equipment investment. Construction investment fell 7.8 percent from the previous month.

Exports continued to be brisk in May, rising 23.5 percent year-on-year, while the trade surplus narrowed to US\$2.7 billion from the previous month's US\$5.1 billion, as high oil prices pushed up imports.

In April the cyclical indicator of the coincident composite index fell 0.7 percentage points month-on-month due to poor performance of the index's major components, particularly mining and manufacturing production. The leading composite index fell 0.5 percentage points year-on-year as value of machinery orders received and net terms of trade index dropped.

Stock prices fell and foreign exchange rates rose in May, as worries over the European fiscal crisis resurfaced and business indicators in major economies worsened, leading to increasing appetite for safe assets.

Both home prices and rent, while those in the Seoul metropolitan area remained steady, posted a slow-down in May, as the moving season ended and wait-and-see attitudes prevailed.

The Korean government will closely monitor the economic situation, as there are growing uncertainties from outside such as high oil prices, possible set-back in major economies and resurfacing worries over the European fiscal crisis.

Under these circumstances, the government will focus on improving the real economy, with more efforts to stabilize prices, curbing inflation expectations among others, and continue to pursue improvement in employment and business sentiment. On the other hand, it will watch risk factors and be better prepared for them, while stepping up efforts to boost domestic demand and restructure the economy for future growth.

1. Global economy

Although the recovery of the global economy is continuing, led by developing countries such as China, there is growing concern that the recovery might slow down as the US and other economies posted setbacks in economic indicators.

In May, the OECD predicted that the growth rate of the global economy will be 4.2 percent this year, repeating its forecast from November 2010.

OECD's economic forecast for 2011 (% , May 2011)

2.6 (US), -0.9 (Japan), 2.0 (Eurozone), 2.3 (OECD)

US

The US economy, affected by heavy snow, cold waves, sharp rises in energy prices and decelerating fiscal expenditures, slowed down in the first quarter of 2011 compared with the previous quarter, posting 1.8 percent growth (*preliminary, annualized q-o-q*).

Industrial production in April, while staying flat month-on-month, slowed down year-on-year as a result of difficulties in obtaining parts in the aftermath of the Japanese earthquake. In May, the ISM manufacturing index dropped sharply.

ISM manufacturing index (base=50)

58.2 (Nov 2010) ↻ 58.5 (Dec) ↻ 60.8 (Jan 2011) ↻ 61.4 (Feb) ↻ 61.2 (Mar) ↻ 60.4 (Apr) ↻ 53.5 (May)

In March, housing prices fell for the ninth consecutive month based on the S&P/Case-Shiller Home Price Index, dropping 0.2 percent month-on-month, and housing sales in April decreased with existing home sales falling 0.8 percent month-on-month.

The recovery of the labor market lost steam in May, as the increase of non-farm payrolls slowed down, gaining 54,000 month-on-month, and the unemployment rate rose to 9.1 percent.

Non-farm payrolls (thousand)

93 (Nov 2010) ↻ 152 (Dec) ↻ 68 (Jan 2011) ↻ 235 (Feb) ↻ 194 (Mar) ↻ 232 (Apr) ↻ 54 (May)

(Percentage change from previous period)

	2009		2010				2011 ¹			
	Annual	Annual	Q1	Q2	Q3	Q4	Q1	Mar	Apr	May
Real GDP ²	-2.6	2.8	3.7	1.7	2.6	3.1	1.8	-	-	-
- Personal consumption expenditure	-1.2	1.8	1.9	2.2	2.4	4.0	2.2	-	-	-
- Corporate fixed investment	-17.1	5.6	7.8	17.2	10.0	7.7	3.4	-	-	-
- Housing construction investment	-22.9	-3.0	-12.3	25.7	-27.3	3.3	-3.3	-	-	-
Industrial production	-11.2	5.3	2.0	1.7	1.6	0.8	1.1	0.7	0.0	-
Retail sales	-7.0	6.4	2.1	1.0	0.9	3.0	2.6	0.9	0.5	-
Existing home sales	5.2	-4.5	-12.3	7.5	-25.1	13.8	8.2	3.5	-0.8	-
Unemployment Rate ³	9.3	9.6	9.7	9.6	9.6	9.6	8.9	8.8	9.0	9.1
Consumer prices	-0.3	1.6	0.3	-0.1	0.4	0.7	1.3	0.5	0.4	-

1. Preliminary

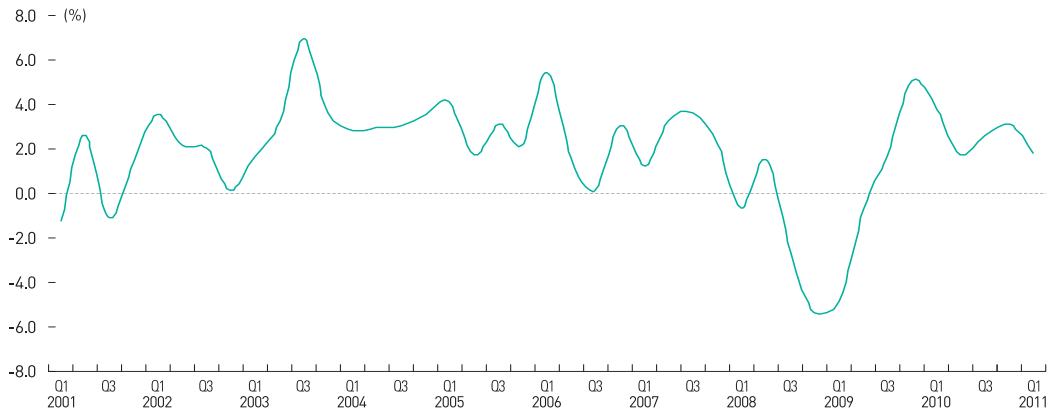
2. Annualized rate (%)

3. Seasonally adjusted

Source: US Department of Commerce

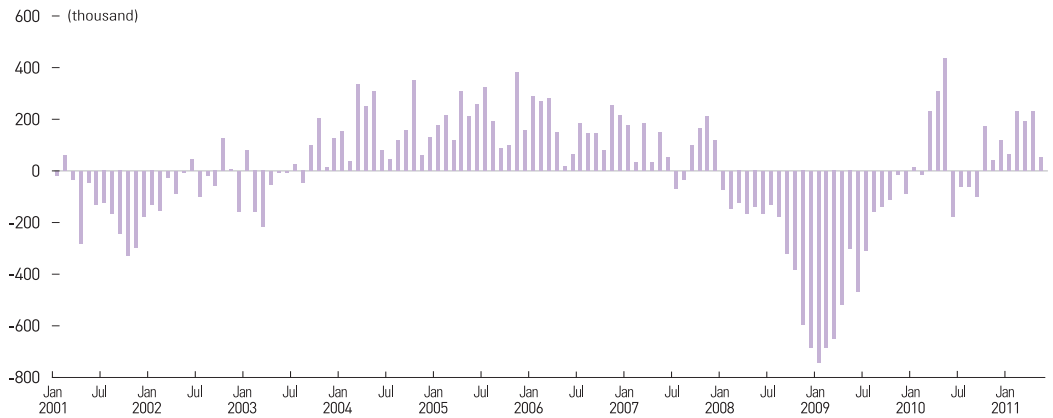
1-1 US GDP (q-o-q, annualized rate)

Source: US Department of Commerce



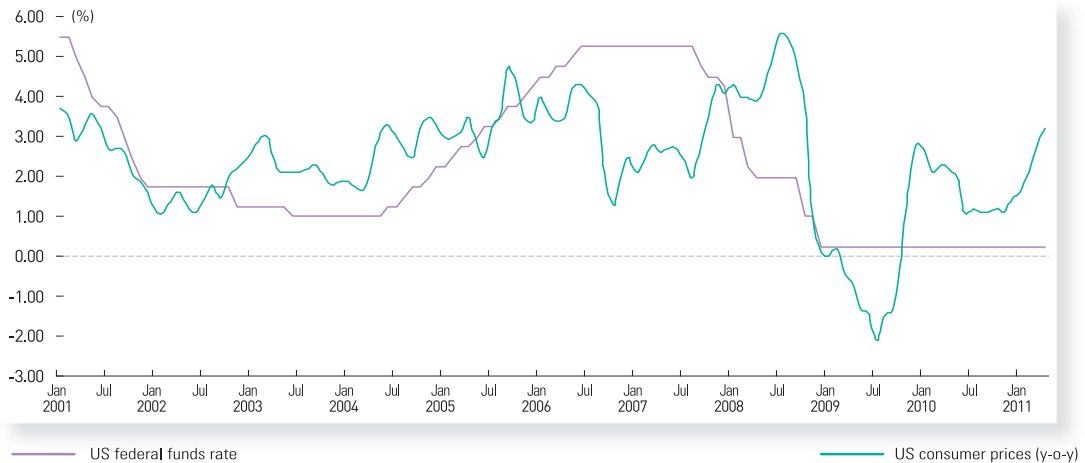
1-2 US non-farm payroll employment (m-o-m change)

Source: US Department of Labor



1-3 US federal funds rate and consumer prices

Source: US Federal Reserve Board & Department of Labor



China

The robust growth of China's industrial production continued amid rising inflationary pressure as prices of grain and raw materials rose and consumption and investment increased. In April, consumer prices climbed 0.1 percent month-on-month, while the year-on-year index rose at a slower rate compared with the previous month from 5.4 percent to 5.3 percent.

(Percentage change from same period in previous year)

	2009	2010					2011 ¹			
	Annual	Annual	Q1	Q2	Q3	Q4	Q1	Feb	Mar	Apr
Real GDP	9.1	10.3	11.9	10.3	9.6	9.8	9.7	-	-	-
Industrial production ²	11.0	15.7	19.6	16.0	13.5	13.3	14.9	14.9	14.8	13.4
Fixed asset investment (accumulated)	30.5	24.5	26.4	25.5	24.5	24.5	32.5	34.0	32.5	34.2
Retail sales	15.5	23.3	23.7	23.8	23.9	22.0	17.1	11.6	17.4	17.1
Exports	-16.0	31.3	28.7	40.9	32.2	24.9	26.4	2.4	35.8	29.9
Consumer prices ²	-0.7	3.3	2.2	2.9	3.5	4.7	4.9	4.9	5.4	5.3
Producer prices ²	-5.4	5.5	5.2	6.8	4.5	5.7	6.6	7.2	7.3	6.8

1. Preliminary

2. Quarterly change: average of monthly change

Source: China National Bureau of Statistics

Japan

Concern is growing over the Japanese financial situation as Japan's GDP in the first quarter of 2011 declined 0.9 percent from the previous quarter and 3.7 percent on an annual basis, following a drop in consumption, facility investment and exports in the aftermath of the March 11 earthquake. On May 27, ratings agency Fitch cut its outlook on Japan's sovereign debt to negative from stable.

(Percentage change from previous period)

	2009	2010					2011 ¹		
	Annual	Annual	Q1	Q2	Q3	Q4	Q1	Mar	Mar
Real GDP	-6.3	4.0	1.5	0.5	0.8	-0.3	-0.9	-	-
Industrial and mining production	-21.9	16.4	7.4	0.7	-1.1	-0.1	-2.0	-15.3	1.0
Retail sales (y-o-y)	-2.3	2.5	3.8	3.7	3.2	-0.4	-3.0	-8.5	-
Exports (y-o-y)	-33.1	24.4	43.2	33.2	17.8	10.0	2.4	-2.3	-12.4
Consumer prices (y-o-y)	-1.4	-0.7	-1.2	-0.9	-0.8	0.1	0.0	0.0	0.3

1. Preliminary Source: Japan's Statistics Bureau and Statistics Centre

Eurozone

Eurozone's economic recovery continued but concern over the European financial crisis intensified amid the increased possibility of Greek debt restructuring and a downgrade of the country's credit rating. Moody's cut its credit rating on Greece by three notches to Caa1 from B1 on June 1. Portugal reached agreement with the EU and the IMF on a three-year, 78-billion-euro bailout on May 3.

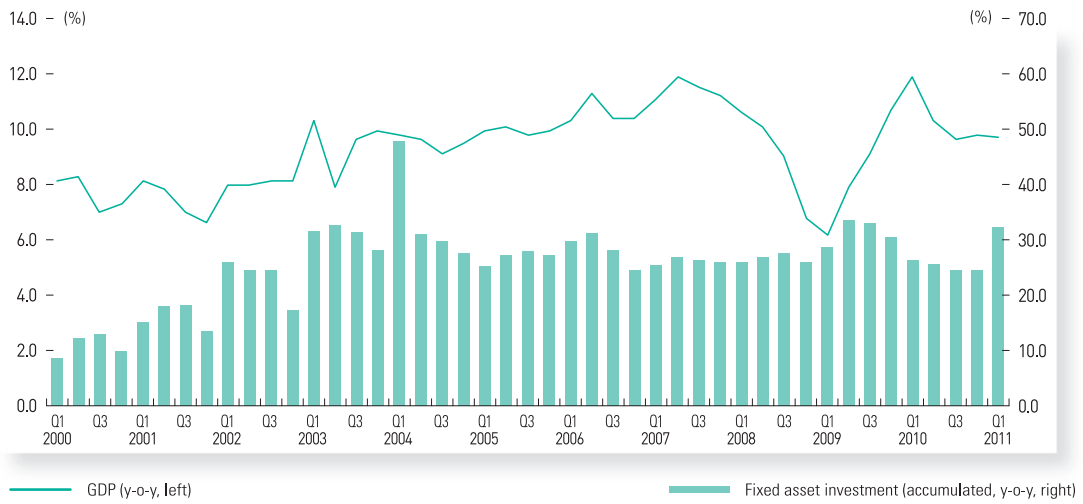
(Percentage change from previous period)

	2009	2010 ¹					2011 ¹		
	Annual	Annual	Q1	Q2	Q3	Q4	Q1	Mar	Apr
Real GDP	-4.0	1.7	0.4	1.0	0.3	0.3	0.8	-	-
Industrial production	-14.9	7.1	2.4	2.4	1.0	1.7	1.1	-0.2	-
Retail sales	-2.2	0.7	0.4	0.1	0.4	0.3	-0.1	-0.9	0.9
Exports (y-o-y)	-18.1	20.1	12.9	22.3	22.8	21.8	21.3	16.4	-
Consumer prices (y-o-y)	0.3	1.6	1.1	1.5	1.7	2.0	2.7	2.7	2.8

1. Preliminary Source: Eurostat

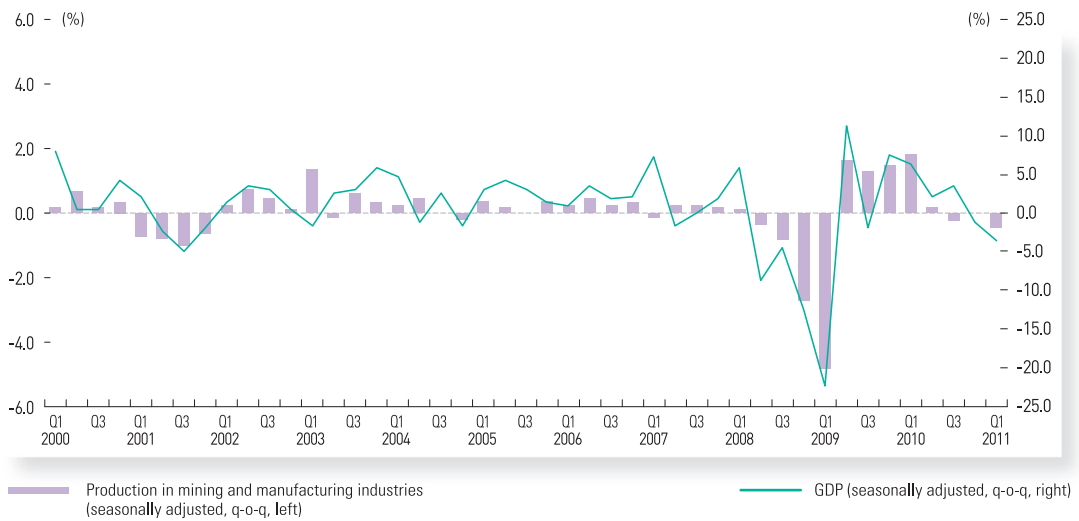
1-4 China's GDP and fixed asset investment

Source: National Bureau of Statistics of China



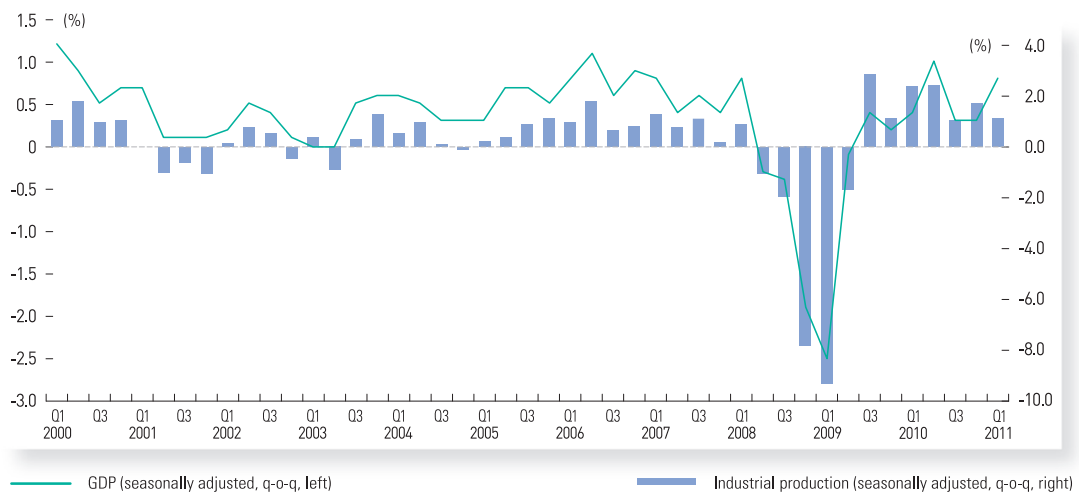
1-5 Japan's GDP growth

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*) increased 0.4 percent quarter-on-quarter and 2.8 percent year-on-year in the first quarter of 2011, revised down from the advanced estimates of a 0.5 percent increase quarter-on-quarter and a 3.0 percent rise year-on-year.

(Percentage change from same period in previous year)

	2009					2010 ¹					2011 ¹
	Annual	Q1	Q2	Q3	Q4	Annual	Q1	Q2	Q3	Q4	Q1
Private consumption ²	0.0	-4.7	-1.1	0.4	5.6	4.1	6.6	3.5	3.6	2.9	2.8
(Seasonally adjusted) ³	-	-0.3	3.7	1.4	0.9	-	0.5	0.7	1.4	0.3	0.4

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

Source: The Bank of Korea

Retail sales slipped 1.1 percent month-on-month in April as sales of durable goods dropped 4.3 percent, with a fall in car sales due to high oil prices, and sales of non-durable goods such as gasoline declined 1.7 percent. It rose 5.0 percent year-on-year.

On a year-on-year basis, sales of durable and semi-durable goods expanded 15.7 percent and 7.2 percent, respectively, whereas sales of non-durable goods declined 1.7 percent affected by higher prices of food and petroleum products.

(Percentage change from same period in previous year)

	2009		2010				2011			
	Annual	Annual	Q1	Q2	Q3	Q4	Q1 ¹	Feb	Mar ¹	Apr ¹
Consumer goods sales	2.7	6.6	9.7	4.9	7.5	5.1	5.1	-0.8	5.2	5.0
(Seasonally adjusted) ²	-	-	0.6	-0.1	3.3	0.8	1.1	-6.2	3.3	-1.1
- Durable goods ³	8.2	14.9	29.6	5.6	17.0	10.6	12.9	9.1	15.3	15.7
· Automobiles	21.8	11.1	48.9	-2.1	12.0	0.1	10.2	3.0	19.0	13.9
- Semi-durable goods ⁴	1.3	6.8	2.5	6.2	6.6	11.1	6.1	2.0	5.0	7.2
- Non-durable goods ⁵	1.2	2.2	3.2	3.3	3.0	-0.7	0.8	-7.0	0.1	-1.7

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, tobacco, etc.

Source: Statistics Korea

Sales at department stores and large discounters rose by 3.6 percent and 5.0 percent month-on-month, respectively, but those at specialized retailers and by nonstore retailers slipped 3.0 percent and 2.8 percent, each. On a year-on-year basis, all sales categories such as department stores, large discounters, specialized retailers and nonstore retailers continued to gain ground.

(Percentage change from same period in previous year)

	2009		2010				2011 ¹			
	Annual	Annual	Q1	Q2	Q3	Q4	Q1	Feb	Mar ¹	Apr ¹
- Department stores	4.3	8.8	7.5	9.2	7.4	10.5	11.5	2.8	10.4	13.0
- Large discounters	-2.2	4.4	5.4	4.1	7.6	0.8	3.5	-11.0	2.2	7.5
- Specialized retailers ²	3.0	5.6	9.7	1.8	7.3	4.2	4.3	1.9	4.4	2.5
- Nonstore retailers	8.7	15.6	20.1	17.9	11.4	13.5	11.5	3.2	12.7	9.3

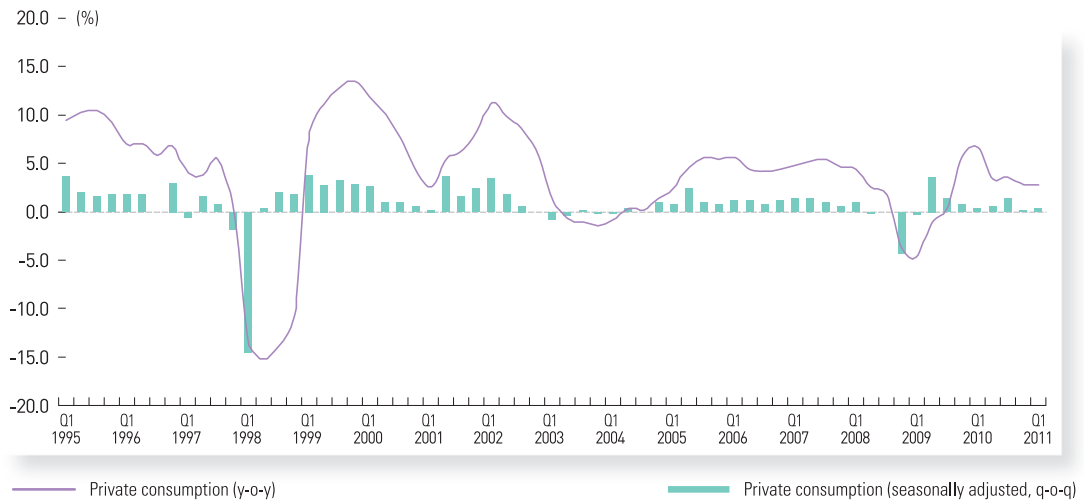
1. Preliminary

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

Source: Statistics Korea

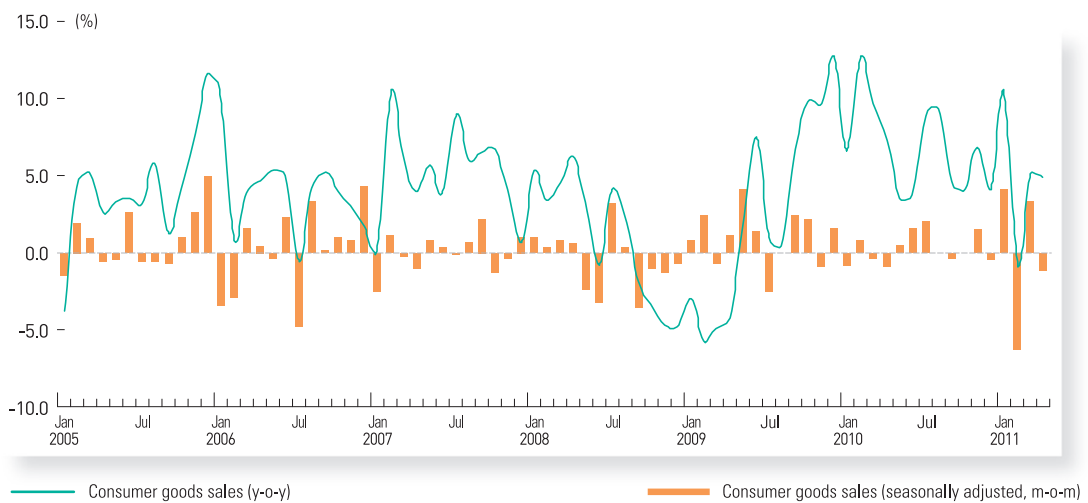
2-1 Private consumption

Source: The Bank of Korea (national accounts)



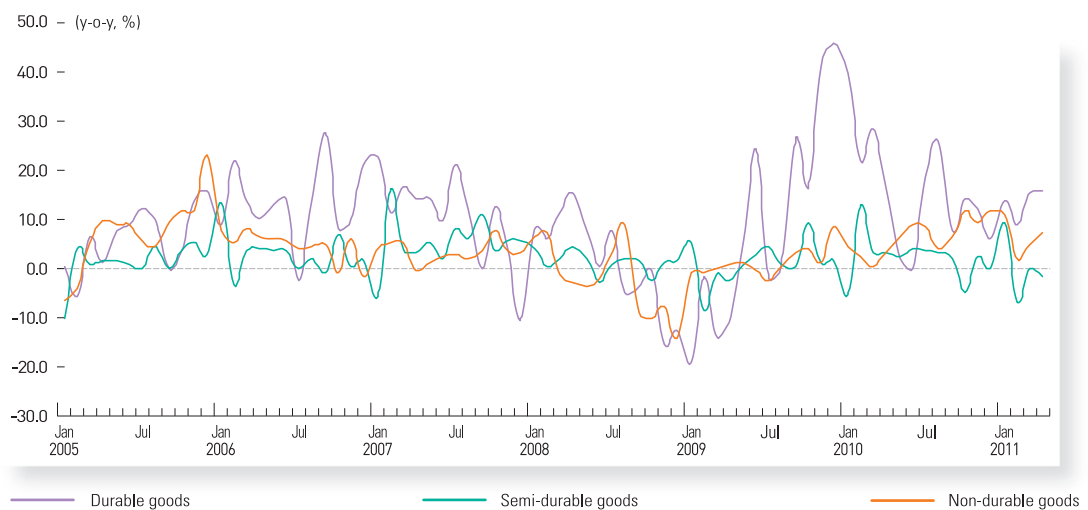
2-2 Consumer goods sales

Source: Statistics Korea (industrial activity trend)



2-3 Consumer goods sales by type

Source: Statistics Korea (industrial activity trend)



Sales of consumer goods are expected to grow considering positive trends of advanced indicators, as well as improving consumer sentiment helped by a slowdown in price rises and stronger purchasing power from a recovery in employment and higher wages.

Nominal income (y-o-y, %)

2.6 (Q4, 2009) ➔ 6.1 (Q1, 2010) ➔ 5.2 (Q2) ➔ 6.3 (Q3) ➔ 2.0 (Q4)

Employment (y-o-y, thousands)

303 (Nov 2010) ➔ 455 (Dec) ➔ 331 (Jan 2011) ➔ 469 (Feb) ➔ 469 (Mar) ➔ 379 (Apr)

Consumer sentiment improved as the consumer sentiment index exceeded the benchmark of 100 for the second consecutive month.

Consumer Sentiment Index (CSI, base=100)

110 (Nov 2010) ➔ 109 (Dec) ➔ 108 (Jan 2011) ➔ 105 (Feb) ➔ 98 (Mar) ➔ 100 (Apr) ➔ 104 (May)

Advanced indicators of domestic credit card use and sales at department stores and large discounters have been on the rise, while there is a possibility of a slump in car sales in the aftermath of strikes. Sales of gasoline has been decreasing due to high oil prices.

Credit card use (y-o-y, %)

14.5 (Dec 2010) ➔ 16.9 (Jan 2011) ➔ 10.8 (Feb) ➔ 13.1 (Mar) ➔ 16.3 (Apr) ➔ 21.1 (May¹)

Department store sales (y-o-y, %)

11.6 (Dec 2010) ➔ 24.0 (Jan 2011) ➔ 5.2 (Feb) ➔ 13.1 (Mar) ➔ 15.1 (Apr) ➔ 7.9 (May¹)

Large discounter sales (y-o-y, %)

2.9 (Dec 2010) ➔ 21.4 (Jan 2011) ➔ -10.9 (Feb) ➔ 1.9 (Mar) ➔ 4.6 (Apr) ➔ 3.0 (May¹)

Domestic sales of gasoline (y-o-y, %)

-0.5 (Dec 2010) ➔ 5.6 (Jan 2011) ➔ 5.7 (Feb) ➔ -2.4 (Mar) ➔ -4.7 (Apr) ➔ -2.1 (May¹)

Domestic sales of cars (y-o-y, %)

-12.5 (Dec 2010) ➔ 1.3 (Jan 2011) ➔ 1.1 (Feb) ➔ 8.4 (Mar) ➔ 3.0 (Apr) ➔ 3.7 (May¹)

Consumer goods imports (y-o-y, %)

17.6 (Dec 2010) ➔ 44.0 (Jan 2011) ➔ 22.6 (Feb) ➔ 32.1 (Mar) ➔ 29.9 (Apr)

1. Preliminary

Source: Ministry of Knowledge Economy

The Credit Finance Association

Korea National Oil Corporation

The Korea Customs Service

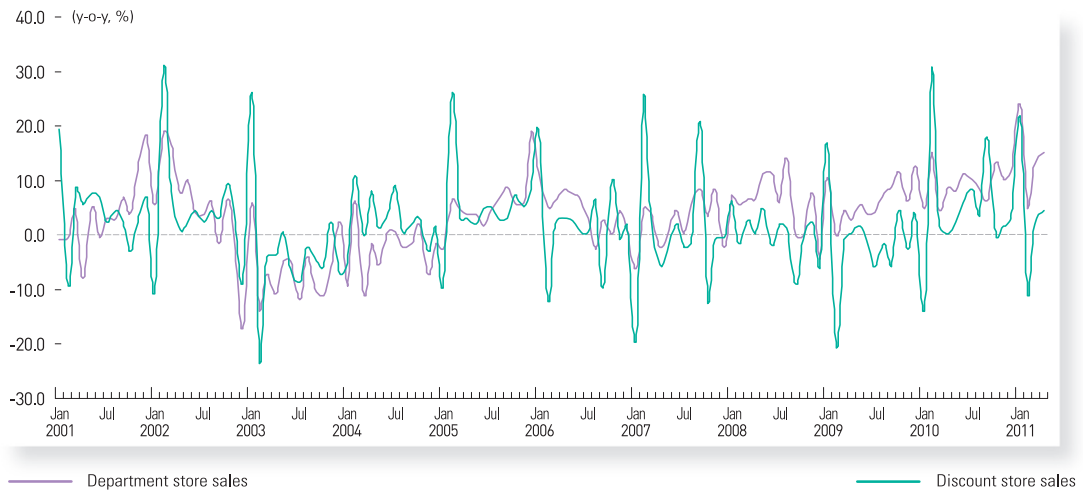
Korea Automobile Manufacturers Association

Ministry of Strategy and Finance (for May data)

However, considering uncertainties in the global economy such as renewed worries over the European financial crisis and a possible slowdown in advanced economies such as the US, consumer sentiment may worsen.

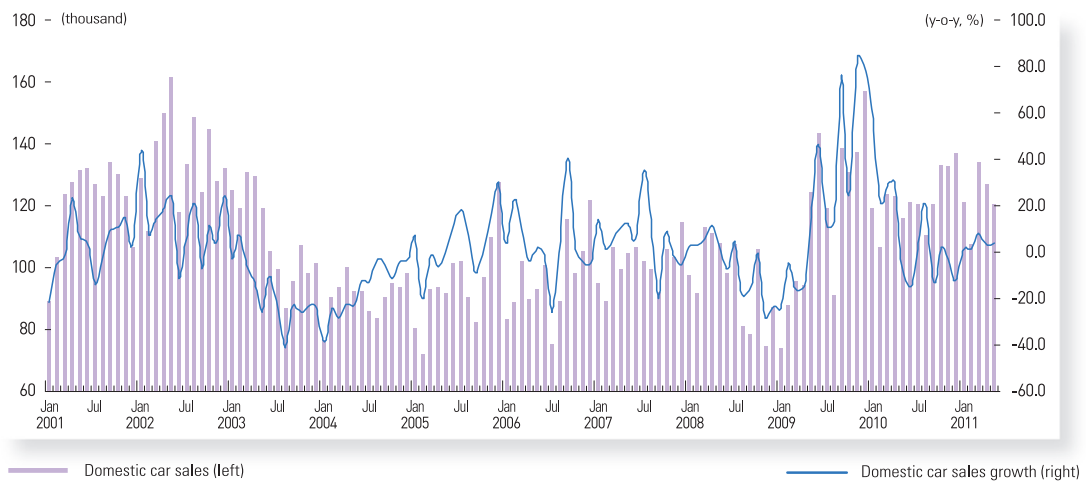
2-4 Department store and discount store sales (current value)

Source: Ministry of Knowledge Economy (monthly retail sales)



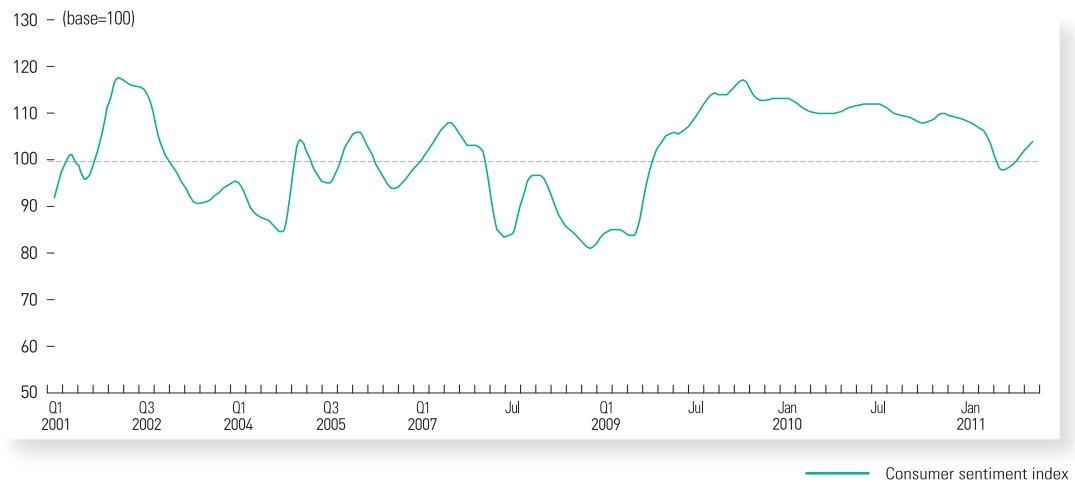
2-5 Domestic automobile sales

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 2011 posted a quarter-on-quarter decrease of 1.1 percent and a year-on-year gain of 11.7 percent.

(Percentage change from same period in previous year)

	2009			2010 ¹				2011 ¹	
	Annual	Q3	Q4	Annual	Q1	Q2	Q3	Q4	Q1
Facility investment ²	-9.8	-9.4	12.2	25.0	29.1	30.5	26.6	15.9	11.7
(Seasonally adjusted) ³	-	9.1	7.8	-	2.8	7.9	5.6	-1.0	-1.1
- Machinery	-13.5	-18.1	10.1	30.8	30.0	35.3	38.9	20.5	-
- Transportation equipment	2.8	24.4	19.1	6.7	24.2	15.6	-6.6	0.6	-

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

Facility investment in April dropped 5.7 percent month-on-month and 1.1 percent year-on-year, due to weak investment in transportation equipment including automobiles. Facility investment is projected to be on the rise, thanks to increasing investment demand spurred by economic recovery, and stabilizing corporate confidence. However, leading indicators have shown slow upward momentum, which may lead to limited gain.

(Percentage change from same period in previous year)

	2009	2010					2011			
	Annual	Annual	Q1	Q2	Q3	Q4	Q1 ¹	Feb	Mar ¹	Apr ¹
Facility investment	-9.4	25.1	30.0	29.5	29.3	13.6	6.6	1.0	0.3	-1.1
(Seasonally adjusted) ²	-	-	4.0	6.7	7.2	-5.4	-0.3	-8.9	3.3	-5.7
- Machinery	-12.6	30.5	32.5	37.1	37.4	17.1	6.6	-0.1	-2.0	4.4
- Transportation equipment	4.6	4.3	19.3	2.8	-0.1	-1.2	5.6	6.0	11.0	-26.6
Domestic machinery orders	-10.3	11.2	10.3	24.7	-0.2	11.3	19.5	26.1	14.4	9.7
(Seasonally adjusted) ²	-	-	-4.0	15.2	-3.6	4.1	3.6	-0.8	2.7	-3.7
- Public	62.4	-37.9	-43.7	-42.2	-71.7	31.4	-10.3	14.0	-6.3	-6.5
- Private	-18.2	21.8	22.6	35.5	22.0	7.8	22.7	27.0	17.1	10.9
Machinery imports	-16.6	40.4	48.3	51.3	40.0	26.3	7.9	-1.9	5.8	3.6
Manufacturing operation ratio	-3.5	8.8	19.2	10.8	1.8	5.3	2.7	1.2	1.1	-1.3
Facility investment adjustment pressure ³	-3.7	9.5	20.4	12.1	3.4	4.6	4.0	2.4	2.7	0.6

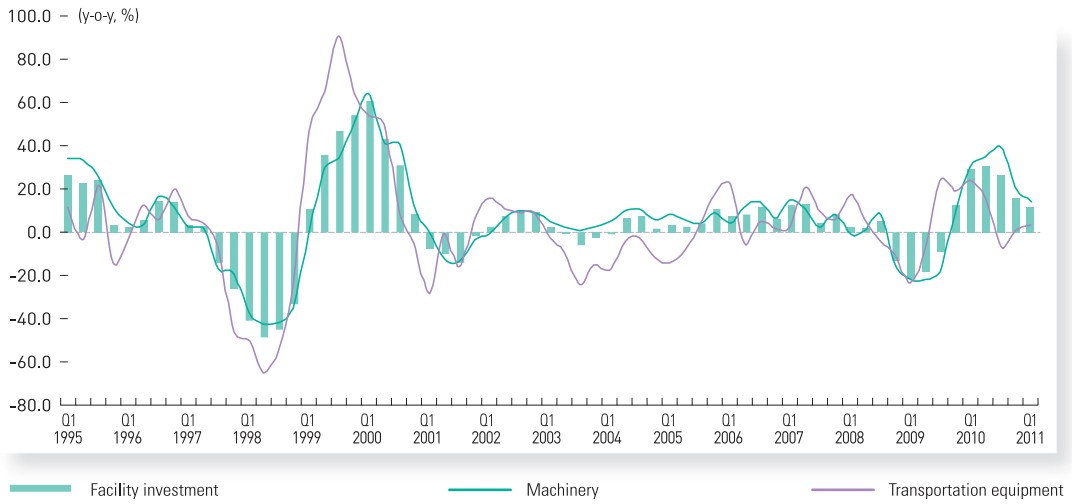
1. Preliminary
2. Percentage change from previous period
3. Production growth rate minus production capacity growth rate in the manufacturing sector (%p)
Sources: Statistics Korea, the Korea International Trade Association (machinery imports data)

	2011					
	Jan	Feb	Mar	Apr	May	Jun
Business survey indices (base=100) for manufacturing facility investment projections	103	104	104	102	103	102

Source: The Bank of Korea

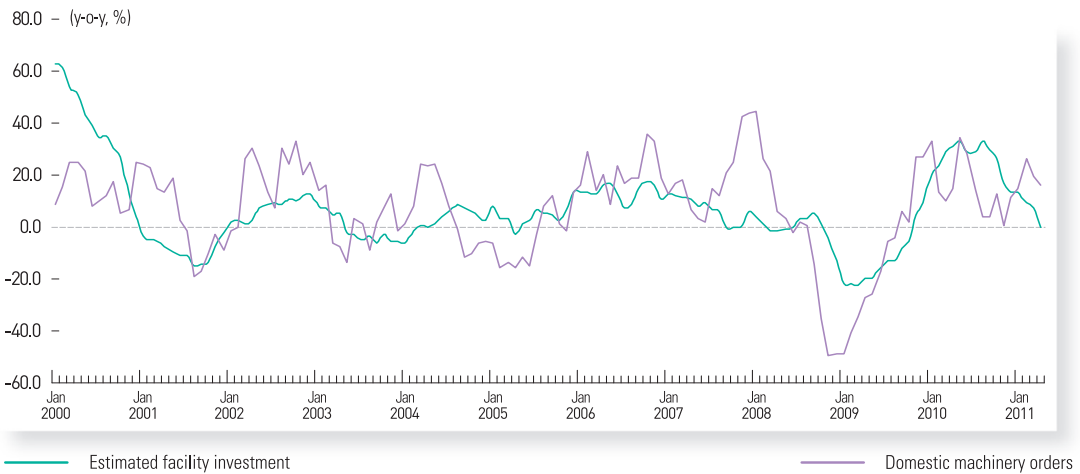
3-1 Facility investment by type

Source: The Bank of Korea (national accounts)



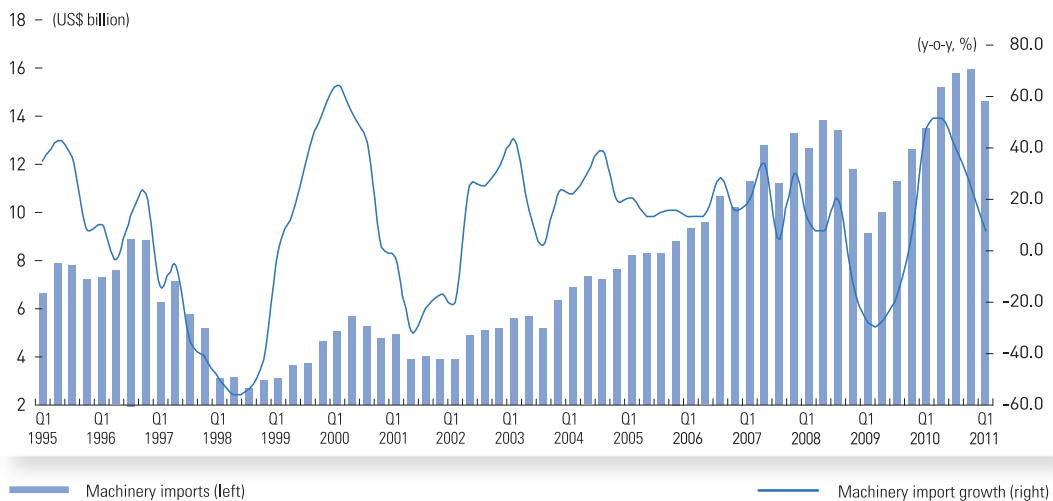
3-2 Machinery orders and estimated facility investment (3-month average)

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 2011 fell 6.7 percent quarter-on-quarter and 11.9 percent year-on-year.

(Percentage change from same period in previous year)

	2009			2010 ¹					2011 ¹
	Annual	Q3	Q4	Annual	Q1	Q2	Q3	Q4	Q1
Construction investment ²	3.4	3.2	4.0	-1.4	4.3	-2.3	-3.1	-2.9	-11.9
(Seasonally adjusted) ³	-	-1.2	0.7	-	2.0	-4.2	-0.8	-1.0	-6.7
- Building construction	-2.3	0.2	2.4	-2.9	4.5	-5.1	-6.3	-2.8	-
- Civil engineering works	11.6	8.2	5.6	0.5	4.0	1.0	1.7	-2.9	-

1. Preliminary

2. National accounts

3. Percentage change from previous period

Source: The Bank of Korea

The value of construction completion (*constant*) in April, due to stagnant building construction and civil engineering works, fell 7.8 percent month-on-month and 8.9 percent year-on-year.

(Percentage change from same period in previous year)

	2009		2010 ¹				2011 ¹			
	Annual	Annual	Q1	Q2	Q3	Q4	Q1 ¹	Feb ¹	Mar ¹	Apr ¹
Value of construction completion(constant)	1.6	-3.3	3.4	-4.3	-6.8	-4.3	-12.7	-20.0	-8.1	-8.9
(Seasonally adjusted) ²	-	-	2.6	-3.1	-4.3	-1.6	-4.6	-9.4	14.7	-7.8
- Building construction	-6.4	-7.1	1.5	-7.7	-12.3	-8.5	-15.2	-22.0	-11.0	-10.2
- Civil engineering works	16.1	2.2	6.0	0.6	1.9	1.2	-9.2	-17.3	-4.2	-7.1
Construction orders (current value)	5.0	-18.7	-1.6	-6.7	-3.6	-40.2	-12.8	-16.7	13.7	-2.7
(Seasonally adjusted) ²	-	-	-31.4	0.2	-1.4	-22.9	12.8	-2.6	22.0	-9.9
- Building construction	-14.2	-9.9	8.3	55.3	-1.3	-46.4	-9.7	-14.6	61.5	2.4
- Civil engineering works	44.3	-29.5	-12.4	-49.7	-7.0	-29.9	-17.0	-19.3	-24.7	-12.8
Building permit area	-12.9	19.3	12.1	47.4	-14.3	18.1	21.5	11.3	5.2	-10.7

1. Preliminary

2. Percentage change from previous period

Source: Statistics Korea, the Ministry of Land, Transport and Maritime Affairs

Construction investment is likely to be sluggish for a while, given poor leading indicators and contracted investment sentiment of construction companies. Still, as the recovery sign has been detected in the housing market led by provincial regions, it is necessary to closely watch the market.

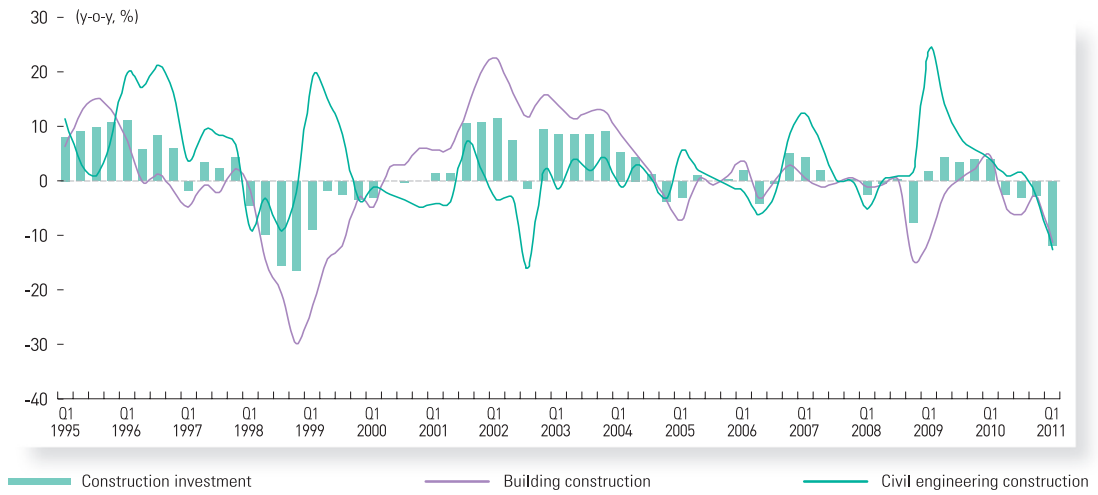
	2011				
	Jan	Feb	Mar	Apr	May
Business survey indices (base=100) for construction projections	77.5	87.0	80.5	59.1	74.6

Source: The Construction and Economy Research Institute of Korea

	2010				2011	
	Q1	Q2	Q3	Q4	Q1	Apr-May
Five metropolitan cities' housing transaction price index	102.8	104.5	105.5	107.6	111.2	115.9

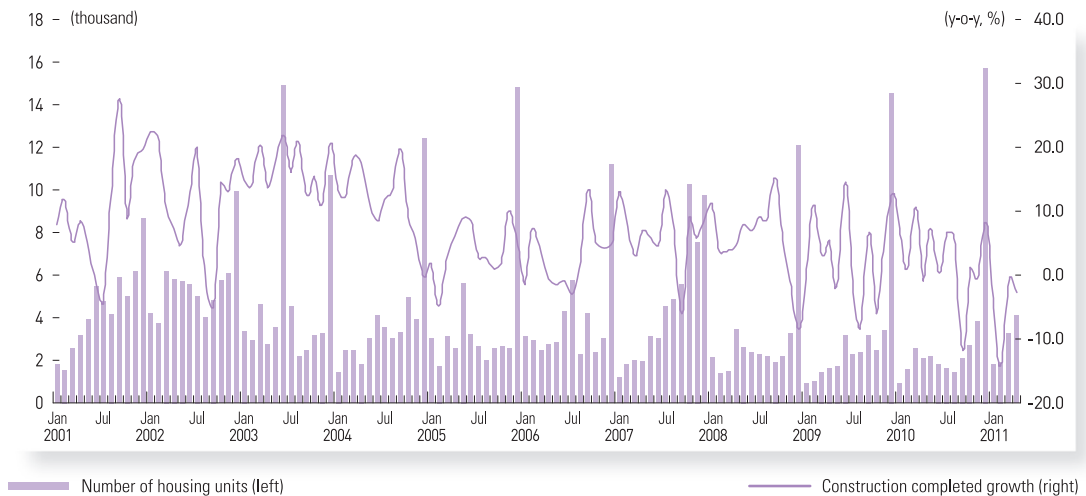
4-1 Construction investment

Source: The Bank of Korea (national accounts)



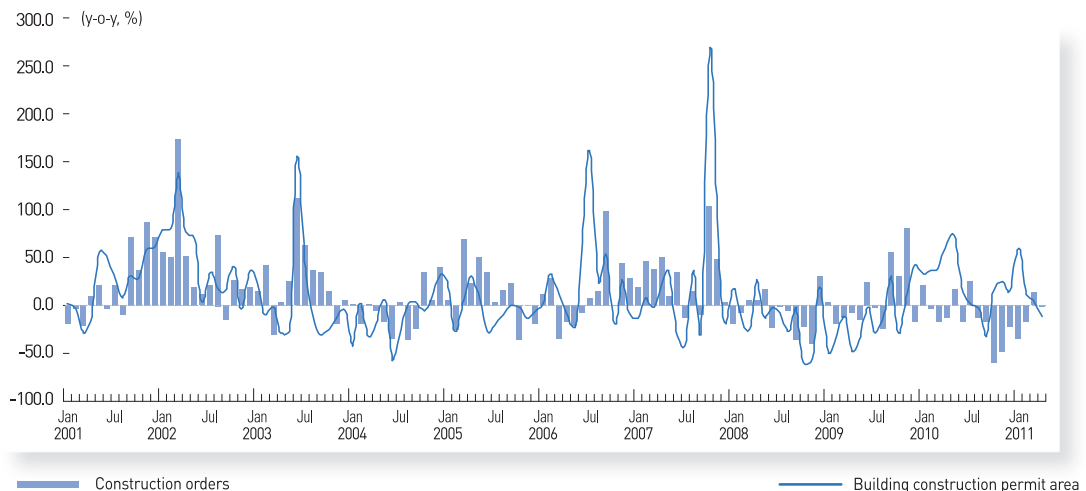
4-2 Construction completed and housing construction

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 increased 23.5 percent (*preliminary*) year-on-year to US\$48.01 billion.

Although exports in general continued to be brisk, the index decreased from the previous month due to reduction in working days as a result of more holidays in May. Working day adjusted average daily exports rose to a record high of US\$2.18 billion

By business category, exports of petroleum products (*up 86.6%*), mobile phones (*up 69.7%*), and automobiles (*up 25.4%*) surged, while those of semiconductors (*down 4.6%*) decreased affected by a drop in unit prices.

By regional category, exports to Japan (*up 41.1%*), the ASEAN countries (*up 40.0%*), and the US (*up 26.6%*) surged, while those to China (*up 19.6%*) and Latin America (*up 15.2%*) posted double-digit increases.

(US\$ billion)

	2009		2010				2011		
	Annual	Annual	Q1	Q2	Q3	Q4	Q1	Apr	May ¹
Exports	365.53	466.38	101.08	120.24	116.32	128.75	131.30	49.15	48.01
(y-o-y, %)	-13.9	28.3	35.8	33.1	22.7	23.8	29.9	25.1	23.5
Average daily exports	1.30	1.70	1.51	1.76	1.72	1.79	1.99	2.09	2.18
Imports	323.08	425.21	98.16	105.63	105.70	115.73	123.44	44.01	45.26
(y-o-y, %)	-25.8	31.6	37.4	42.8	24.6	24.6	25.8	23.9	29.9
Average daily imports	13.16	1.46	0.47	1.54	1.57	1.61	1.87	1.87	2.06

1. Preliminary

Source: Korea Customs Service

Imports in May increased 29.9 percent (*preliminary*) year-on-year to US\$45.26 billion.

Rising international commodities prices and recovering domestic demand led to a sharp increase in imports, with those of raw materials (*up 34.6%*), consumer goods (*up 27.1%*) and capital goods (*up 21.3%*) all rising.

The current account balance in May posted a surplus of US\$2.74 billion (*preliminary*), a decrease from the previous month.

(US\$ billion)

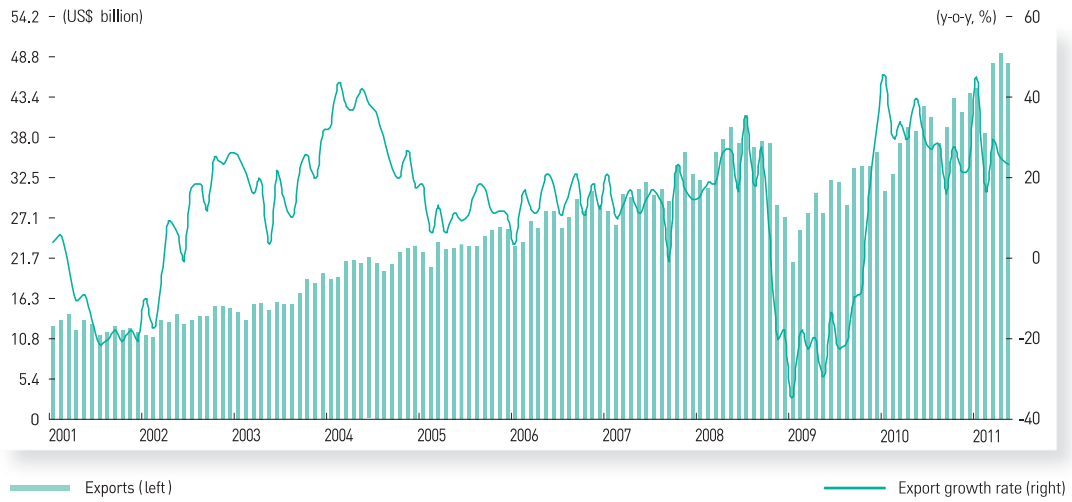
	2009		2010				2011		
	Annual	Annual	Q1	Q2	Q3	Q4	Q1	Apr	May ¹
Trade Balance	40.45	41.17	2.93	14.61	10.62	13.02	7.87	5.14	2.74

1. Preliminary

Source: Korea Customs Service

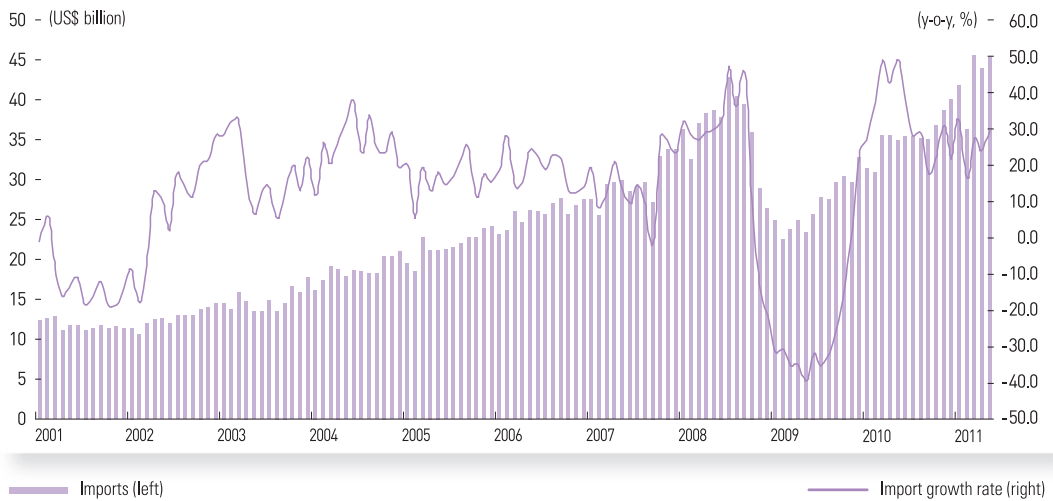
5-1 Exports (customs clearance basis)

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



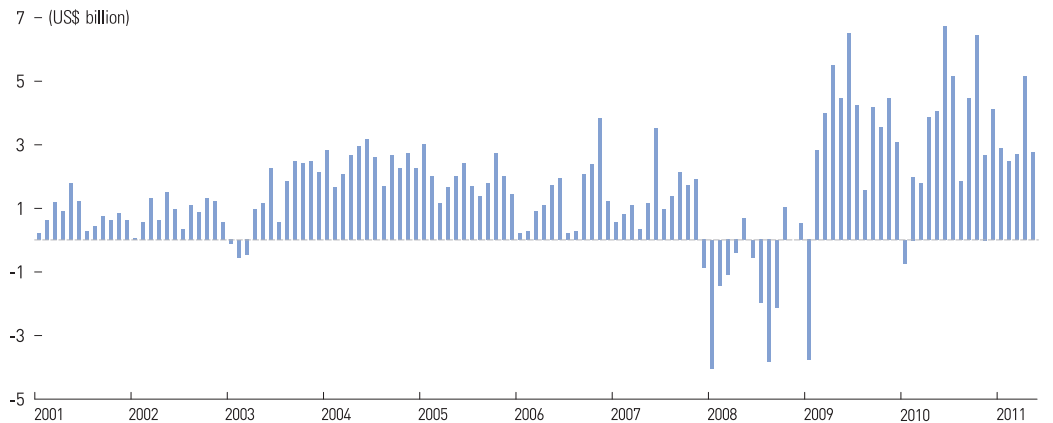
5-2 Imports (customs clearance basis)

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 in April fell 1.5 percent month-on-month and 6.9 percent year-on-year, due to a decrease in working days as facilities in chemical industries underwent repair or replacement, and the supply of some parts was disrupted.

By business category, other transportation equipment (*up 4.5%*) and semiconductors and parts (*up 2.9%*) increased month-on-month, while chemical products (*down 8.0%*) and automobiles (*down 4.3%*) went down.

The manufacturing inventory-shipment ratio increased as shipments posted a month-on-month loss of 1.7 percent and inventories a gain of 1.1 percent.

By business category, the shipments of semiconductors and parts (*up 2.9%*) and refined petroleum (*up 2.7%*) increased month-on-month, while those of chemical products (*down 6.1%*) and automobiles (*down 3.5%*) declined. The inventories of primary metals (*up 3.0%*) and refined petroleum (*up 5.8%*) climbed month-on-month, while those of audio-visual communications equipment (*down 4.2%*) and groceries (*down 3.4%*) fell.

The average operation ratio of the manufacturing sector fell 2.0 percentage points to 80.5 percent, yet hovering above the average of 78.3 percent between 2000 and 2010.

(Percentage change from same period in previous year)

		2010				2011			
		Annual	Q1	Q4	Apr	Q1 ¹	Feb	Mar ¹	Apr ¹
Mining and manufacturing activity ²	Production (q-o-q, m-o-m)	-	4.9	-0.5	0.3	6.0	-2.5	1.7	-1.5
	(y-o-y)	16.2	25.4	11.7	19.5	10.6	9.0	9.0	6.9
	- Manufacturing	16.7	26.6	12.0	20.1	10.8	9.3	9.2	7.1
	· ICT ³	25.2	45.9	15.2	31.0	14.3	17.7	9.1	12.4
	· Automobiles	23.1	48.8	10.2	35.0	16.1	12.8	11.8	8.5
	Shipment	14.4	20.9	11.9	16.5	11.9	10.2	10.6	7.3
	- Domestic demand	11.5	19.5	8.3	15.5	7.2	5.9	5.5	2.2
	- Exports	18.2	22.7	16.9	18.0	18.4	16.1	17.8	14.3
	Inventory ⁴	17.4	7.5	17.4	12.5	10.3	11.2	10.3	8.9
	Manufacturing activity	Average operation ratio (%)	81.2	80.4	80.8	81.7	83.2	82.2	82.5
Production capacity		7.2	6.2	7.4	6.6	6.8	6.9	6.5	6.5

1. Preliminary

2. Including mining, manufacturing, electricity, and gas industry

3. Information and Communications Technology

4. End-period

Source: Statistics Korea

Mining and manufacturing production is expected to return to a recovery track with exports steadily growing and operation returning to normal after the repair and replacement of facilities in chemical and automobile industries.

Daily exports (US\$ billion)

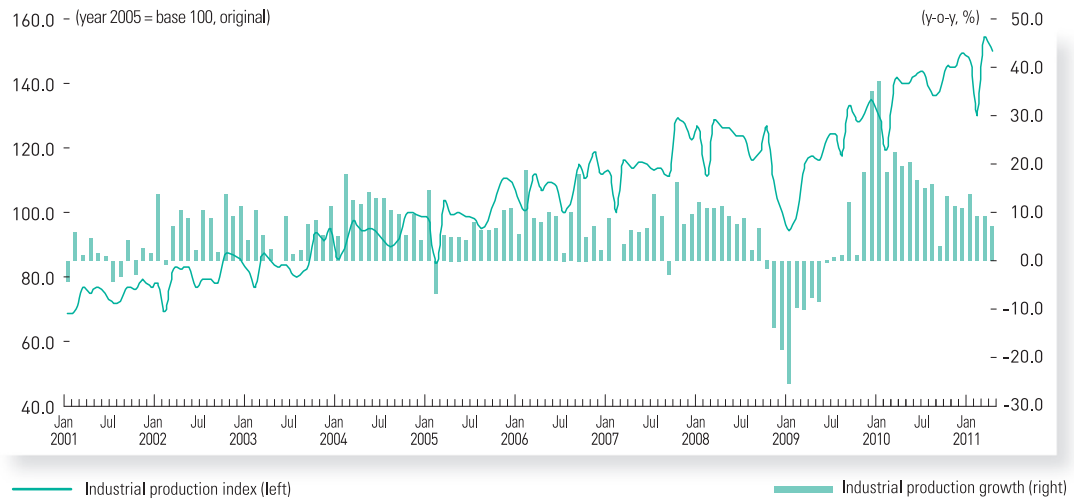
1.80 (Dec 2010) ↻ 1.94 (Jan 2011) ↻ 2.03 (Feb) ↻ 2.00 (Mar) ↻ 2.09 (Apr) ↻ 2.18 (May)

1. Preliminary

However, recovery might be limited in May given temporary factors such as working day reduction due to holidays and strikes in automobile parts manufactures.

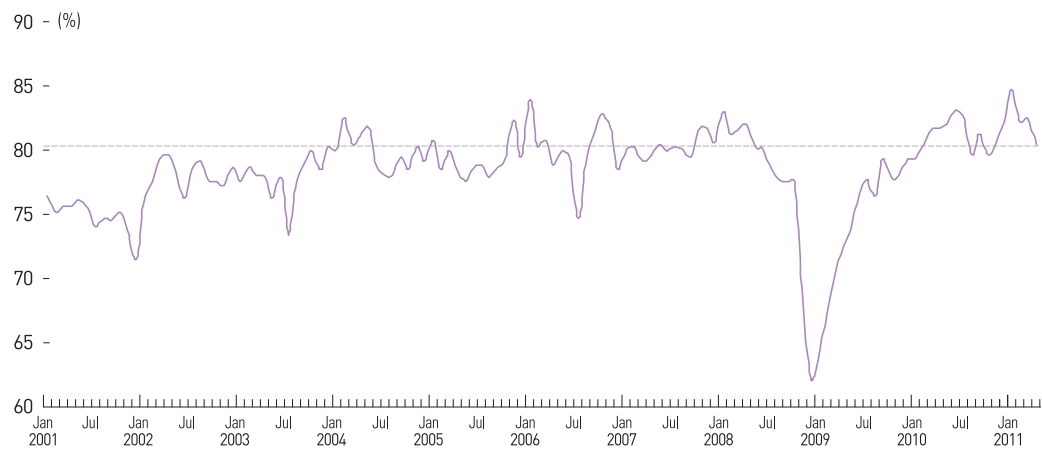
6-1 Industrial production

Source: Statistics Korea (industrial activity trend)



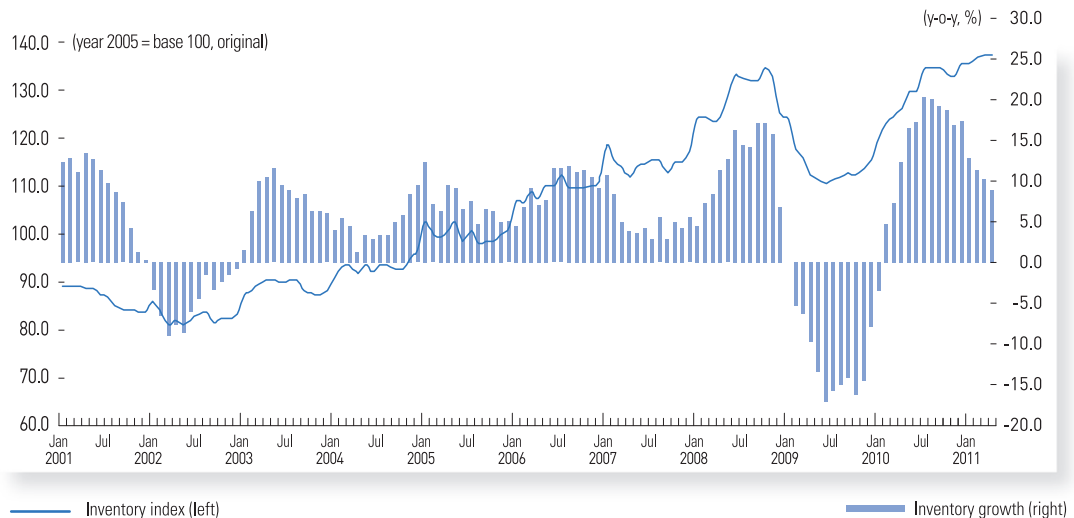
6-2 Average manufacturing operation ratio

Source: Statistics Korea (industrial activity trend)



6-3 Inventory

Source: Statistics Korea (industrial activity trend)



7. Service sector activity

Despite sluggish wholesale & retail sales and transportation services, service activity in April remained unchanged from the previous month helped by improving hotels & restaurants, financial & insurance services and service activities in other areas. On a year-on-year basis, service activity increased 3.1 percent.

Service activities in wholesale & retail sales decreased 0.7 percent month-on-month, affected by contracted sales of durable goods such as automobiles and non-durable goods such as gasoline. Meanwhile, growth in transportation services (*down 4.1%*) declined due to decreasing mining production.

Real estate & renting (*down 0.4%*) and educational services (*down 2.0%*) continued their sluggish performance with the former contracting for four consecutive months and the latter three consecutive months.

Professional, scientific & technical services and business services significantly increased. Hotels & restaurants, financial & insurance services also grew on the back of improving consumer sentiment and a bullish stock market.

(Percentage change from same period in previous year)

	Weight	2009		2010				2011 ¹			
		Annual	Annual	Q1	Q2	Q3	Q4	Q1 ¹	Feb	Mar ¹	Apr ¹
Service activity index	100.0	1.8	3.9	6.2	4.2	2.3	3.1	2.6	0.2	3.0	3.1
- Wholesale & retail sales	21.8	-0.4	5.7	7.4	5.6	5.0	4.7	3.9	-0.8	4.0	4.3
- Transportation services	9.0	-6.6	12.0	14.1	14.3	10.1	10.0	7.1	4.1	8.9	3.5
- Hotels & restaurants	7.7	-1.4	1.2	1.2	0.7	1.3	1.7	-0.6	-0.3	-1.4	0.6
- Information & communication services	8.4	0.9	1.9	1.0	0.4	2.2	3.6	3.9	1.0	2.6	3.1
- Financial & insurance services	15.3	7.8	4.6	6.7	2.5	1.4	8.2	7.2	6.5	7.1	9.1
- Real estate & renting	6.3	5.3	-8.6	11.5	-2.4	-15.9	-24.3	-17.7	-20.1	-13.7	-16.1
- Professional, scientific & technical services	4.8	1.2	-0.7	0.8	2.1	-3.9	-1.9	-3.6	-8.9	-2.0	1.7
- Business services	2.9	-3.0	7.4	5.3	8.1	7.6	8.4	5.6	3.6	5.0	7.4
- Educational services	10.8	2.1	2.0	3.2	1.4	0.5	3.1	1.2	-0.4	-0.1	-0.1
- Healthcare & social welfare services	6.0	10.4	8.8	11.7	11.0	8.6	4.6	6.2	4.7	6.3	4.5
- Entertainment, cultural & sports services	2.9	-0.5	-0.4	-3.9	-0.1	-0.4	2.7	2.4	0.6	4.8	3.0
- Membership organizations	3.8	-2.1	4.3	1.6	6.0	5.0	4.5	2.9	1.2	1.4	3.0
- Sewerage & waste management	0.4	3.7	5.1	6.7	6.0	1.7	6.4	0.0	-6.4	0.8	-0.7

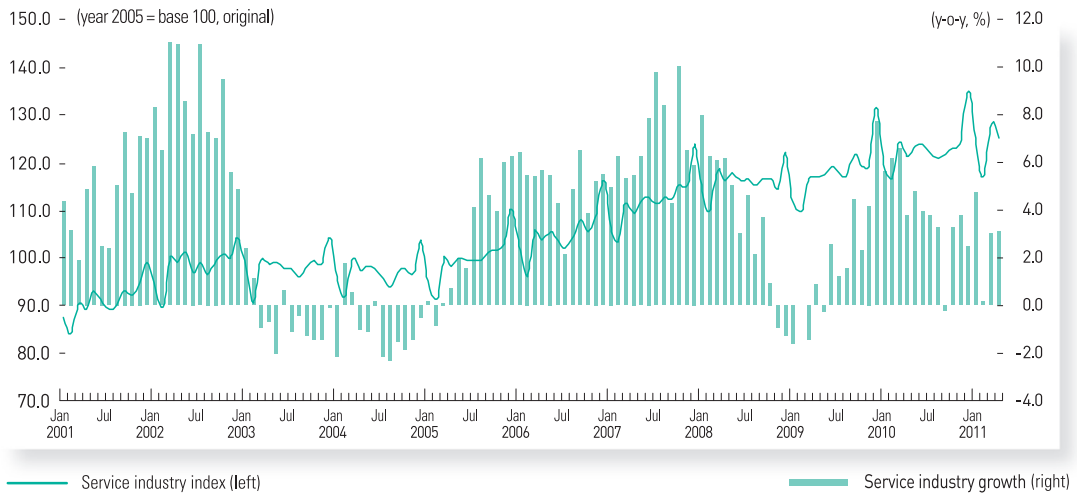
1. Preliminary

Source: Statistics Korea

Service activity is expected to continue an upward trend in May helped by active economic activities amid economic recovery, robust logistics performance and expanded consumption.

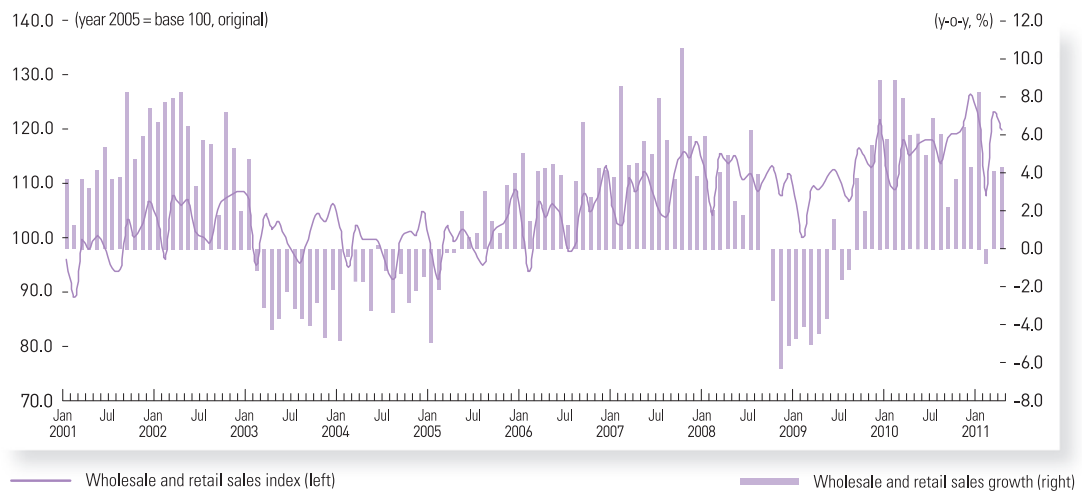
7-1 Service industry

Source: Statistics Korea (service industry activity trend)



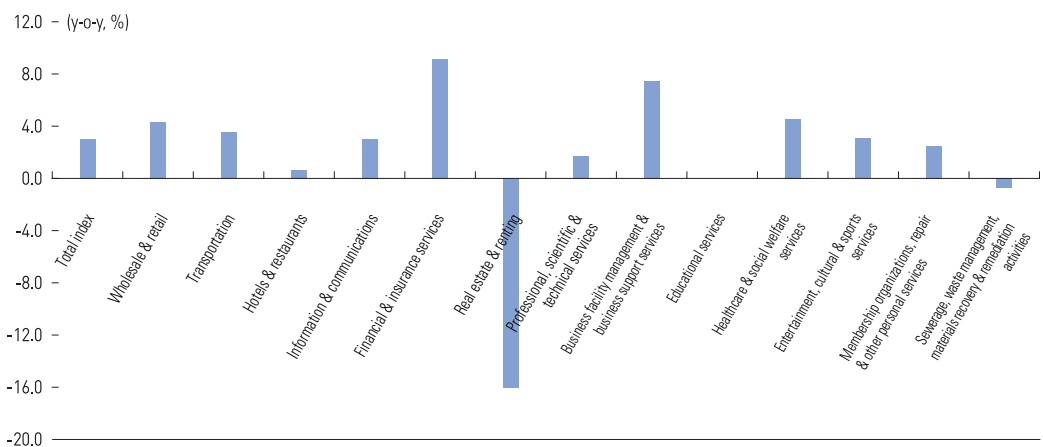
7-2 Wholesale and retail sales

Source: Statistics Korea (service industry activity trend)



7-3 April 2011 service industry by business

Source: Statistics Korea (service industry activity trend)



8. Employment

The number of workers on payroll in April increased by 379,000 from a year earlier, while the employment rate (*seasonally adjusted*) rose by 0.2 percentage points year-on-year to 59.3 percent.

By industry, employment in manufacturing (*up 116,000*) and services (*up 305,000*) continued to grow.

Hiring in manufacturing continued to climb on the back of strong exports, albeit at a decelerating pace affected by the high base effect a year ago.

The service sector continued to expand employment with increasing health & welfare (*up 179,000*), business assistance (*up 108,000*) and professional, scientific & technical services (*up 87,000*).

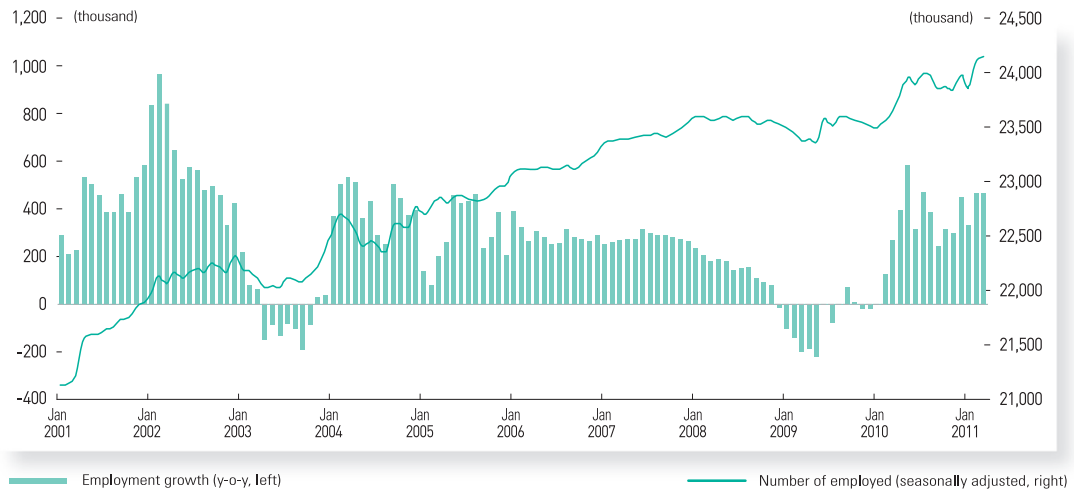
By status of workers, the number of regular workers (*up 607,000*) significantly increased whereas temporary workers (*down 220,000*) and daily workers (*down 24,000*) decreased. Non-wage workers (*up 16,000*) slightly increased as self-employed workers (*down 16,000*) decelerated the decline.

	2009				2010						2011		
	Annual	Q2	Q3	Q4	Annual	Apr	Q1	Q2	Q3	Q4	Mar	Apr	Q1
Number of employed (million)	23.51	23.74	23.75	23.63	23.83	23.92	23.04	24.17	24.12	23.99	23.85	24.30	23.46
Employment rate (%)	58.6	59.3	59.1	58.7	58.7	59.1	57.0	59.6	59.3	58.9	58.3	59.3	57.4
(seasonally adjusted)	58.6	58.6	58.7	58.5	58.7	58.8	58.3	58.9	58.9	58.6	59.0	59.0	58.8
Employment growth (y-o-y, thousand)	-72	-134	-1	-6	323	401	132	433	369	358	469	379	423
(Excluding agriculture, forestry & fishery)	-34	-109	24	110	405	529	296	518	414	393	540	367	451
- Manufacturing	-126	-151	-143	-49	191	145	61	172	262	269	198	116	228
- Construction	-91	-113	-103	-107	33	19	-61	44	92	57	-50	-57	-3
- Services	179	154	261	261	200	367	313	325	83	80	243	305	224
- Agriculture, forestry & fishery	-38	-25	-25	-116	-82	-128	-164	-85	-45	-35	71	12	-28
- Wage workers	247	175	356	385	517	641	371	623	541	532	448	364	519
· Regular workers	383	313	386	515	697	784	651	766	671	699	617	607	605
· Temporary workers	22	-5	125	105	-34	96	-37	42	-26	-114	-194	-220	-88
· Daily workers	-158	-133	-155	-235	-146	-240	-243	-185	-104	-53	25	-24	2
- Non-wage workers	-319	-309	-357	-391	-194	-240	-239	-189	-172	-174	20	16	-96
· Self-employed workers	-259	-286	-276	-279	-118	-106	-106	-91	-130	-146	-25	-16	-115
- Male	31	24	34	89	181	187	117	188	207	212	325	227	266
- Female	-103	-158	-34	-94	142	213	15	245	163	146	143	152	157
- 15 to 29	-127	-99	-123	-77	-43	-724	-12	-58	-44	-57	-38	-73	-49
- 30 to 39	-173	-213	-169	-149	-4	-13	-42	-13	21	17	-37	-17	-34
- 40 to 49	-24	-27	-30	-46	29	58	-21	48	40	50	62	40	77
- 50 to 59	198	156	211	230	294	320	251	342	295	287	299	300	286
- 60 or more	54	49	109	37	47	108	-44	114	57	60	182	130	143

Source: Statistics Korea

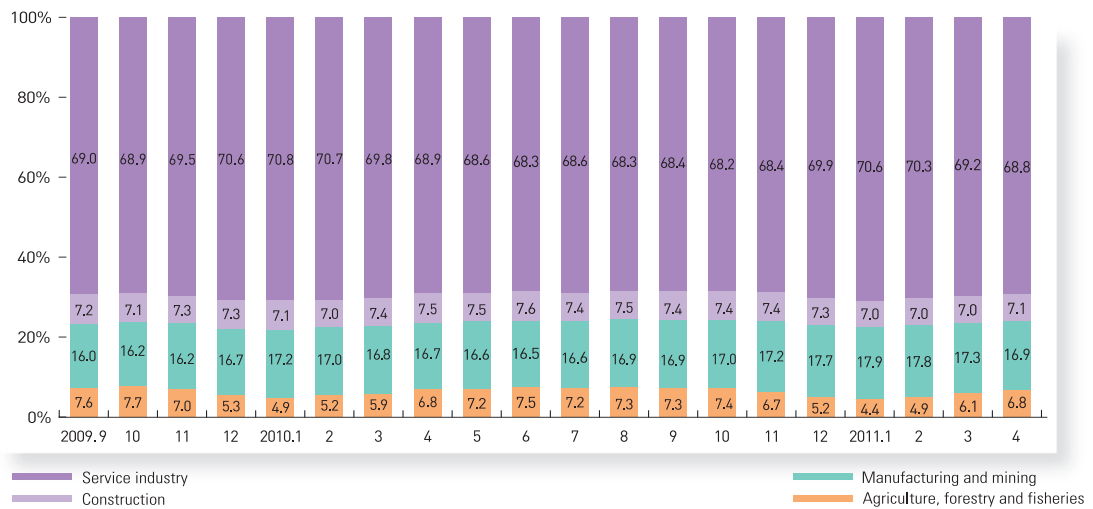
8-1 Number of employed and employment growth

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 increased by 3,000 year-on-year to 936,000. The unemployment rate (*seasonally adjusted*) was down 0.1 percentage point to 3.7 percent.

From February to March, the unemployment rate temporarily reached above the 4 percent-level as people who applied for government-run job programs but were not selected were counted as unemployed persons. The unemployment rate, however, fell to the 3 percent-level in April.

	2009				2010						2011		
	Annual	Q2	Q3	Q4	Annual	Apr	Q1	Q2	Q3	Q4	Mar	Apr	Q1
Number of unemployed (thousand)	889	943	886	817	920	934	1,130	868	873	808	1,073	936	1,028
Unemployment growth (y-o-y, thousand)	119	176	134	60	31	1	222	-75	-13	-10	68	3	-101
- Male	80	116	95	25	-7	-2	83	-47	-48	-16	14	-27	-70
- Female	40	60	39	36	38	3	139	-29	35	6	54	29	-32
Unemployment rate (%)	3.6	3.8	3.6	3.3	3.7	3.8	4.7	3.5	3.5	3.3	4.3	3.7	4.2
(Seasonally adjusted)	3.6	3.9	3.7	3.5	3.7	3.7	4.3	3.5	3.6	3.4	4.0	3.6	3.9
- 15 to 29	8.1	8.0	8.1	7.6	8.0	8.6	9.5	7.7	7.6	7.1	9.5	8.7	8.8
- 30 to 39	3.6	3.9	3.5	3.3	3.5	3.8	3.9	3.6	3.5	3.2	4.1	3.9	4.0
- 40 to 49	2.4	2.6	2.4	2.3	2.5	2.4	2.9	2.3	2.5	2.2	2.6	2.3	2.5
- 50 to 59	2.5	2.7	2.5	2.2	2.5	2.3	3.2	2.1	2.3	2.3	2.8	2.1	2.7
- 60 or more	1.6	1.9	1.6	1.5	2.8	2.2	5.8	2.1	2.0	1.9	3.9	2.4	4.5

Source: Statistics Korea

The economically inactive population in April was up 81,000 from a year earlier to 15,710,000. Meanwhile, the labor force participation rate (*seasonally adjusted*) rose 0.2 percentage points year-on-year to 61.6 percent.

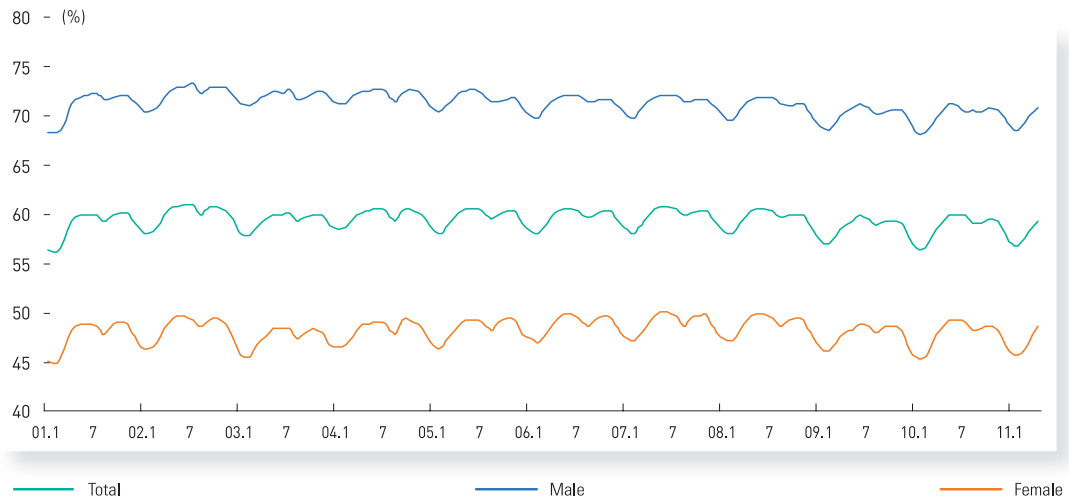
The number of workers quitting jobs due to rest, time-off and leisure (*up 175,000*) and housework (*up 67,000*) increased, while those who quit jobs due to old age (*down 80,000*), education (*down 39,000*) and childcare (*down 21,000*) decreased.

	2009				2010						2011		
	Annual	Q2	Q3	Q4	Annual	Apr	Q1	Q2	Q3	Q4	Mar	Apr	Q1
Economically inactive population (million)	15.70	15.35	15.53	15.83	15.84	15.63	16.25	15.49	15.66	15.96	16.00	15.71	16.39
Labor force participation rate (%)	60.6	61.7	61.3	60.7	61.0	61.4	59.8	61.8	61.5	60.8	60.9	61.6	59.9
(seasonally adjusted)	60.6	60.9	61.0	60.6	61.0	61.0	61.0	61.0	61.1	60.7	61.5	61.2	61.1
Growth in economically inactive population (y-o-y, thousand)	447	445	374	456	143	110	166	146	128	133	-74	81	138
- Childcare	40	48	19	15	-125	-142	-118	-126	-149	-107	-22	-21	-44
- Housework	148	125	100	235	201	133	237	175	303	189	36	67	130
- Education	31	58	11	-36	12	-374	-74	23	46	55	-58	-39	-16
- Old age	88	102	105	92	80	94	193	59	43	25	-113	-80	-103
- Rest, time-off and leisure	123	112	94	123	-56	-62	-187	-27	15	-27	142	175	241

Source: Statistics Korea

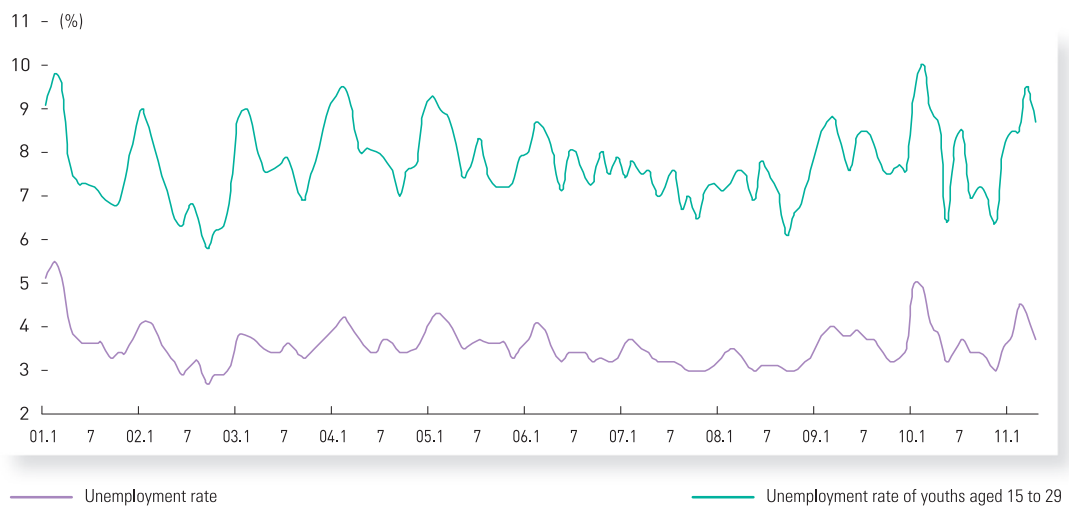
8-4 Employment rate

Source: Statistics Korea (employment trend)



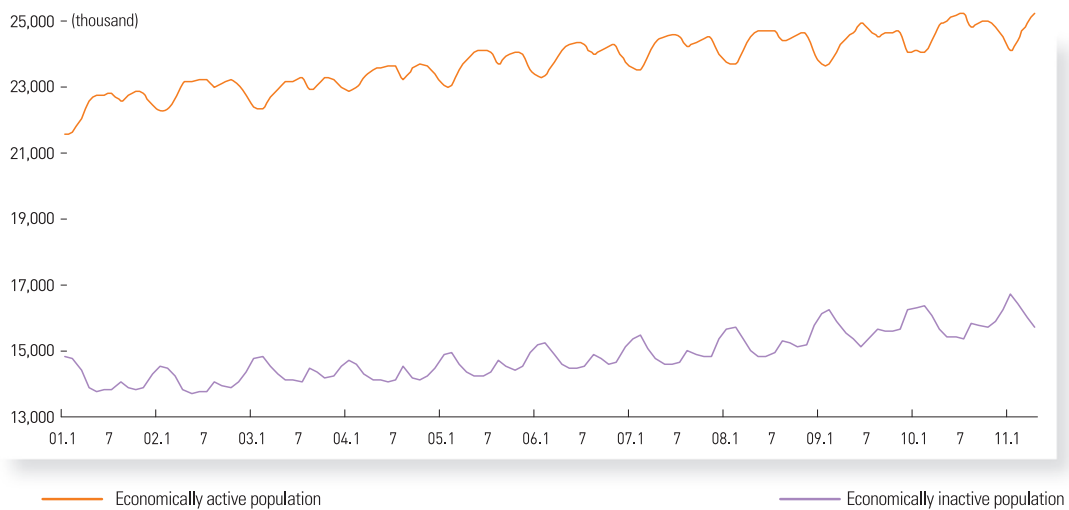
8-5 Unemployment rate and youth unemployment rate

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 price index fell in May affected by worries over outflows of foreign capital and global stock market adjustment amid reemergence of the European debt crisis.

Investors' appetite for safe assets increased as the end of the second quantitative easing (QE2) in the United States prompted concerns over global capital outflows. Worries over economic slowdown in the United States and a possible debt readjustment of Greece also contributed to the trend.

Despite strong domestic earnings, the KOSPI declined due to labor strikes in auto parts manufacturers and investors' profit-taking activities from recent rallies.

Foreign investors sold leading stocks such as chemical and transportation equipment shares for profit-taking.

(End-period, point, trillion won)

	KOSPI			KOSDAQ		
	Apr 2011	May 2011	Change ¹	Apr 2011	May 2011	Change ¹
Stock price index	2,192.4	2,142.5	-49.9 (-2.3%)	511.0	484.5	-26.5 (-5.2%)
Market capitalization	1,229.8	1,201.5	-28.3 (-2.3%)	102.0	98.5	-3.5 (-3.4%)
Average daily trade value	9.2	7.3	-1.9 (-20.7%)	2.1	1.3	-0.84 (-39.9%)
Foreign stock ownership	32.6	32.5	-0.1 (-0.2%)	10.6	10.8	+0.2 (+2.0%)

1. Change from the end of the previous month

9.2 Exchange rate

The won/dollar exchange rate in May increased 7.7 won to wrap up the month at 1,079.2 won from 1,071.5 won at the end of April. Despite resurgence of the European debt crisis, the won/dollar exchange rate decelerated the increase to gain only 7.7 won, after rising above the 1,100-won level against the dollar, as China announced its willingness to purchase European sovereign bonds on May 31, 2011.

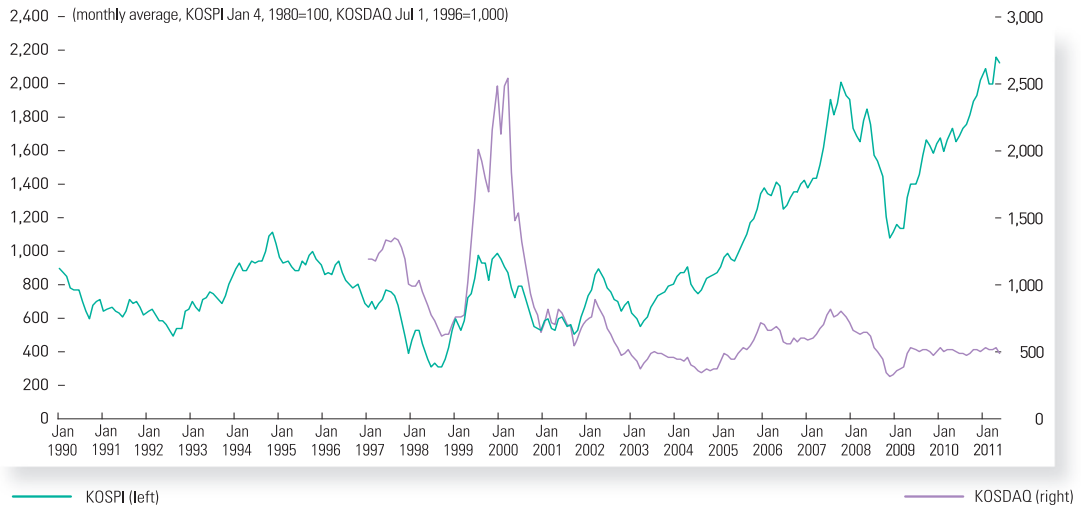
The won/100 yen exchange rate rose 12.0 won from the previous month as the yen strengthened amid worries over global financial market.

(End-period)

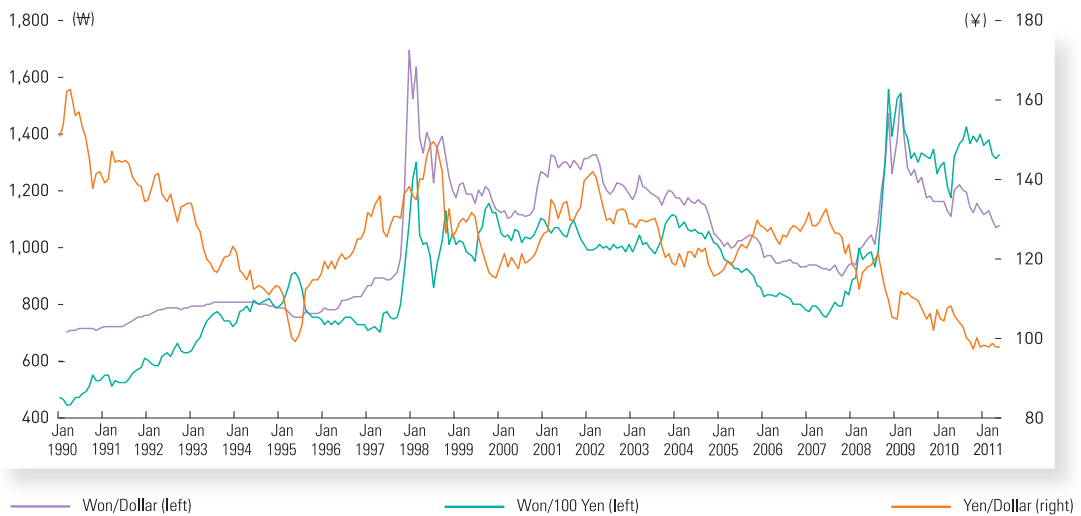
	2007	2008	2009	2010	2011		Change ¹
	Dec	Dec	Dec	Dec	Apr	May	
Won/Dollar	936.1	1,259.5	1,164.5	1,134.8	1,071.5	1,079.2	5.2
Won/100 Yen	828.6	1,396.8	1,264.5	1,393.6	1,314.1	1,326.1	5.1

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.

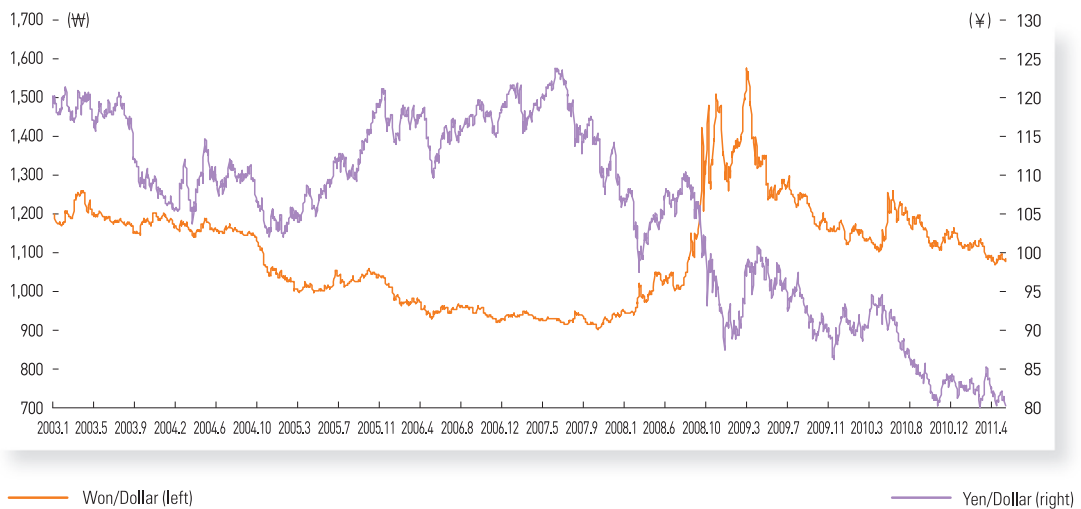
9-1 Stock prices



9-2 Foreign exchange rate (month-end)



9-3 Recent foreign exchange rate



9.3 Bond market

Treasury bond yields fell in May due to increasing demand for safe assets amid continuing European fiscal difficulties, concerns over global economic slowdown, expectations of a delay in key interest rate hike, and stable supply-demand condition of the Korean Treasury bonds affected by a continuing net-buying trend.

(End-period)

	2006	2007	2008	2009	2010	2011			
	Dec	Dec	Dec	Dec	Dec	Mar	Apr	May	Change ¹
Call rate (1 day)	4.60	5.02	3.02	2.01	2.51	2.99	3.02	3.03	+1
CD (91 days)	4.86	5.82	3.93	2.88	2.80	3.39	3.42	3.46	+4
Treasury bonds (3 yrs)	4.92	5.74	3.41	4.44	3.38	3.73	3.77	3.59	-18
Corporate bonds (3 yrs)	5.29	6.77	7.72	5.56	4.27	4.51	4.56	4.33	-23
Treasury bonds (5 yrs)	5.00	5.78	3.77	4.98	4.08	4.11	4.10	3.87	-23

1. Basis point changes in May 2011 from the previous month

9.4 Money supply & money market

The M2 (monthly average) in April expanded 4.3 percent from a year earlier excluding cash management accounts (CMAs), which were included in M2 since July 2009.

Despite credit expansions in the private sector, the month-on-month M2 growth slowed down from the previous month due to corporate tax payments. A fall in household loans caused by KB Financial's spinoff of its credit card unit also contributed to the decline.

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

	2008	2009					2010 ⁴					2011 ⁴			
	Annual	Annual	Q1	Q2	Q3	Q4	Annual	Q1	Q2	Q3	Q4	Jan	Feb	Mar	Mar ¹
M1 ²	-1.8	16.3	10.8	17.6	18.9	17.8	11.8	14.5	10.7	10.8	11.2	12.6	11.5	11.6	431
M2	14.3	10.3	11.5	10.1	9.9	9.8	8.7	9.4	9.5	8.6	7.4	5.0	5.0	4.3	1,677
Lf ³	11.9	7.9	8.8	7.3	7.8	7.8	8.2	8.5	9.1	8.2	7.1	5.2	5.2	4.7	2,153

1. Balance at end March 2011, trillion won

2. M1 excluding corporate MMFs and individual MMFs while including CMAs

3. Liquidity aggregates of financial institutions (mostly identical with M3)

4. Preliminary

In March, bank deposits shifted to an increase while asset management company (AMC) deposits turned to a decrease.

Bank deposits turned to an increase helped by continuously strong growth in time deposits and an increase in instant access account deposits, owing to deferred tax payments in May as the previous month-end was a public holiday.

Despite a net inflow of bond-type funds, asset management company (AMC) deposits turned to a decrease as growth in equity funds significantly slowed due to increased redemption after stock market rallies.

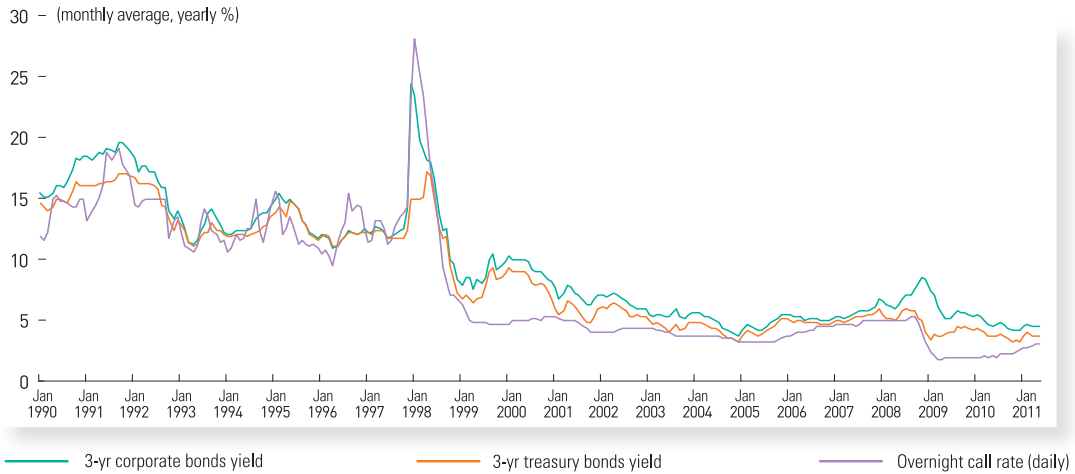
(Monthly change, end-period, trillion won)

	2009		2010		2011			
	Annual	Apr	Annual	Apr	Feb	Mar	Apr	Apr ¹
Bank deposits	54.8	7.4	36.9	-3.4	14.3	-11.4	11.6	1,061
AMC deposits	-27.6	2.2	-16.7	-3.0	-8.5	0.6	-3.2	299

1. Balance at end March, trillion won

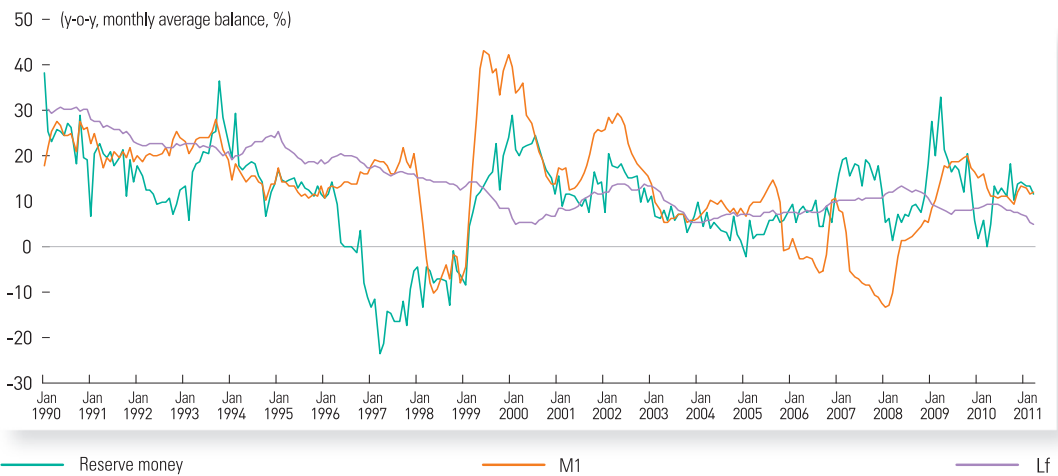
9-4 Interest rates

Source: The Bank of Korea



9-5 Total money supply

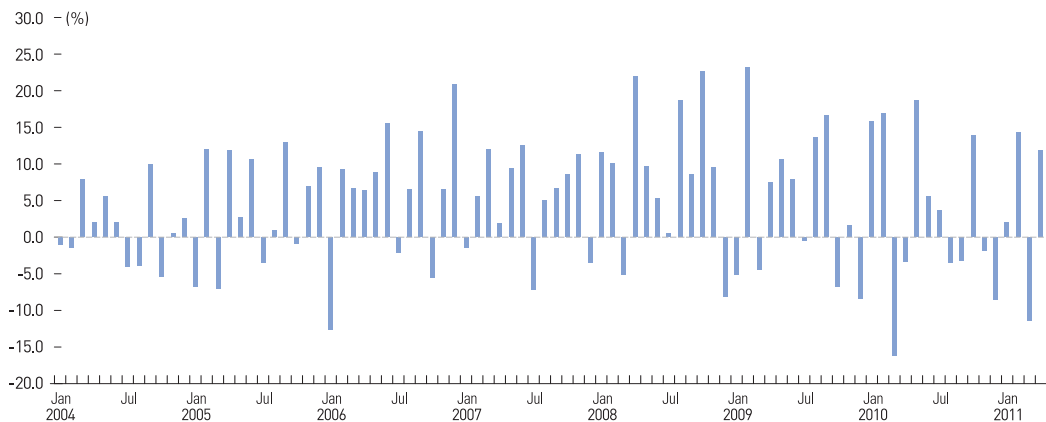
Source: The Bank of Korea



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

Although the primary income account recorded a deficit, Korea's current account surplus (*preliminary*) in April expanded from the previous month's US\$1.33 billion to US\$1.88 billion.

Despite rising international commodity prices, the goods account surplus accelerated the growth to US\$3.93 billion from the previous month's US\$2.75 billion, supported by solid exports.

The service account deficit narrowed to US\$180 million from the previous month's deficit of US\$330 million on the back of decreasing license payments for intellectual property rights.

The primary income account shifted to a deficit of US\$860 million from the previous month's surplus of US\$540 million due to dividend payments by Korean companies whose fiscal year ends in December. In addition, the secondary income account deficit rose to US\$290 million from US\$240 million a month earlier.

In general, the primary income account tends to decline during March and April due to a surge in dividend payments.

Primary income account balance (Monthly average from 2000 to 2010, US\$ billion)

0.41 (Feb) ↻ -0.70 (Mar) ↻ -1.42 (Apr) ↻ 0.24 (May) ↻ 0.04 (Jun)

(US\$ billion)

	2009		2010				2011			
	Annual	Annual	Q1	Q2	Q3	Q4	Jan	Feb	Mar	Apr ¹
Current account	32.79	28.21	0.26	8.86	9.93	9.16	0.15	1.13	1.33	1.88
- Goods balance	37.87	41.90	4.79	12.24	12.54	12.34	1.56	1.53	2.75	3.93
- Service balance	-6.64	-11.23	-4.20	-1.87	-2.96	-2.20	-1.64	-0.57	-0.33	-0.18
- Income balance	2.28	0.77	0.55	-1.01	1.30	-0.07	0.70	0.54	-0.86	-1.58
- Current transfers	-0.71	-3.23	-0.87	-0.50	-0.95	-0.91	-0.47	-0.38	-0.24	-0.29

Source: The Bank of Korea
1. Preliminary

The capital and financial account (*preliminary*) in April turned to an outflow of US\$700 million from the previous month's inflow of US\$520 million.

Capital & financial account balance (US\$ billion)

-0.34 (Dec 2010) ↻ -1.28 (Jan 2011) ↻ -2.00 (Feb) ↻ 0.52 (Mar) ↻ -0.07 (Apr)

The direct investment account decelerated the outflow to US\$740 million from the previous month's outflow of US\$1.34 billion due to decreased overseas direct investments by locals.

The portfolio investment account greatly accelerated the inflow to post US\$4.58 billion from the previous month's inflow of US\$720 million helped by foreign investors' increased investments in Korean shares and bonds.

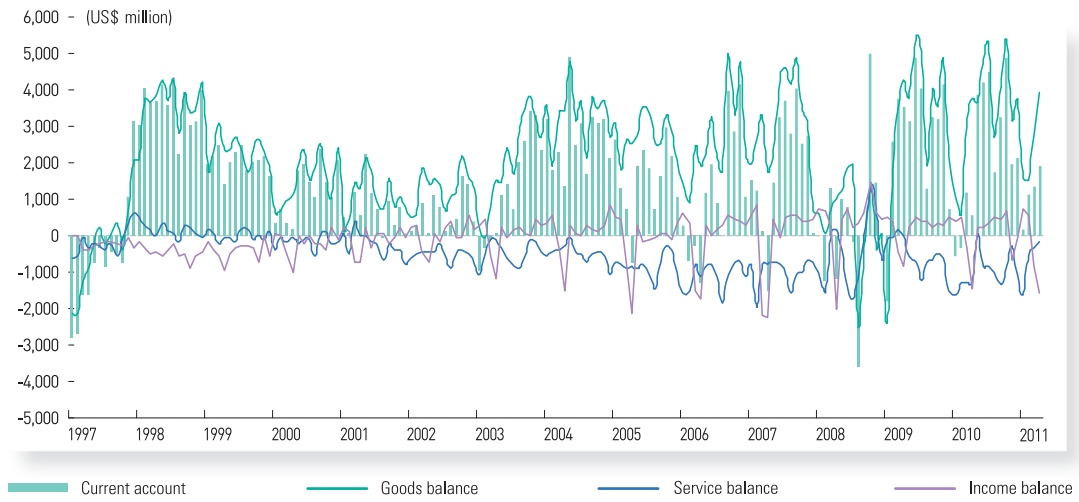
The financial derivatives account turned to an outflow of US\$210 million from the previous month's inflow of US\$520 million.

The other investment account recorded an outflow of US\$610 million, a similar level to the previous month's outflow of US\$650 million.

Despite the decreasing goods account surplus affected by a surge in imports, the current account balance in May is expected to maintain a surplus with the primary income account turning to a surplus.

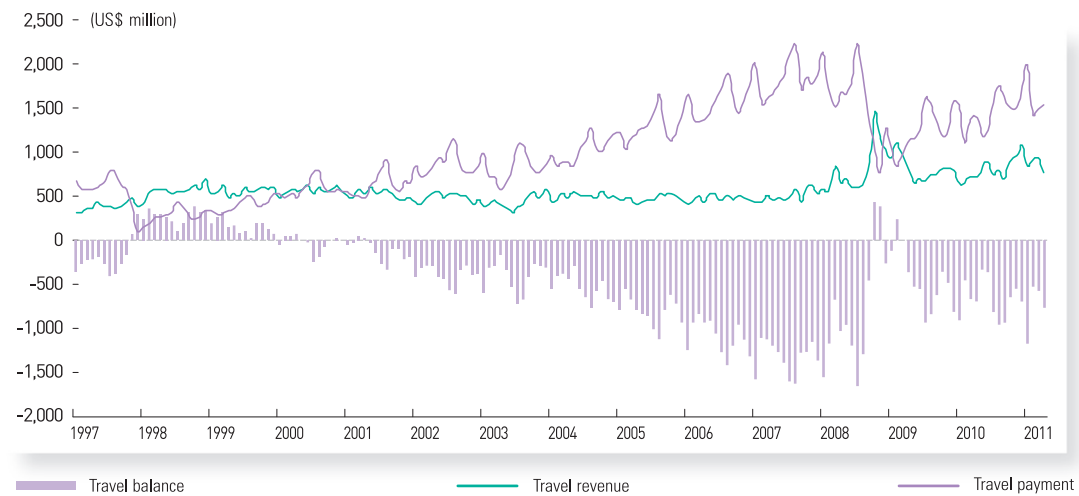
10-1 Current account balance

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



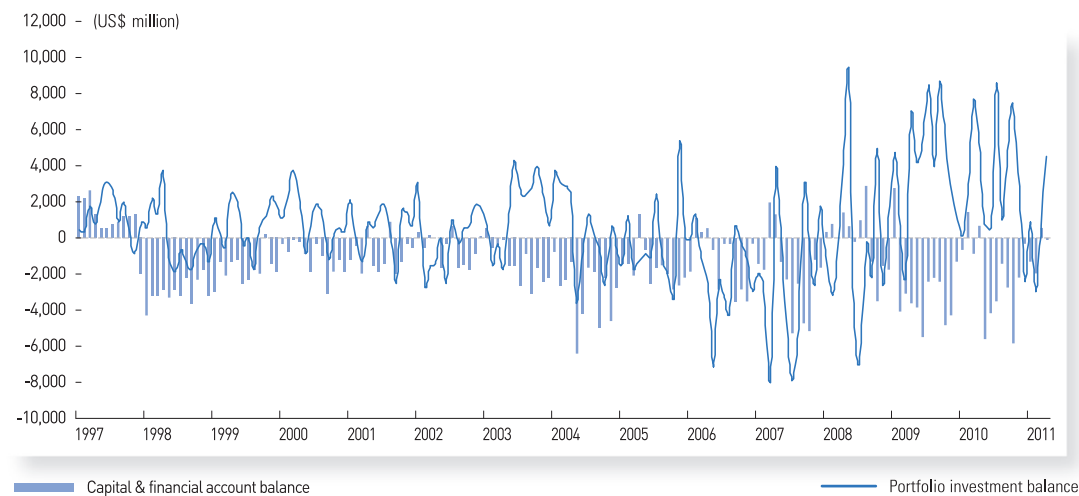
10-2 Travel balance

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 rose 4.1 percent year-on-year and 0.0 percent month-on-month. Prices of agricultural, livestock & fishery products stabilized as vegetable prices went down but other prices increased, notably those of processed food and personal services.

Core consumer prices, which exclude oil and agricultural products, accelerated the increase in May, rising 3.5 percent year-on-year and 0.5 percent month-on-month. Consumer prices for basic necessities, a barometer of perceived consumer prices, were up 3.8 percent compared with the same month of the previous year.

Consumer price inflation

	2010								2011				
	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
Month-on-Month (%)	0.1	-0.2	0.3	0.3	1.1	0.2	-0.6	0.6	0.9	0.8	0.5	0.0	0.0
Year-on-Year (%)	2.7	2.6	2.6	2.6	3.6	4.1	3.3	3.5	4.1	4.5	4.7	4.2	4.1
Core consumer prices (y-o-y)	1.6	1.7	1.7	1.8	1.9	1.9	1.8	2.0	2.6	3.1	3.3	3.2	3.5
(m-o-m)	0.3	0.2	0.2	0.2	0.3	0.0	0.1	0.3	0.6	0.7	0.3	0.2	0.5
Consumer prices for basic necessities (y-o-y)	3.0	2.8	2.7	2.6	4.1	4.8	3.6	3.9	4.7	5.2	4.9	4.1	3.8

Source: Statistics Korea

Agricultural, livestock & fishery product prices continued to settle down (*down 4.7%, m-o-m*), due to more stable supply conditions of fruits and vegetables.

Prices of agricultural, livestock & fishery products in May (m-o-m, %)

Pork (3.8), bean (1.3), rice (0.3), egg (-0.8), beef (-2.2), chicken (-10.8), watermelon (-18.9), green onion (-32.2), Chinese cabbage (-56.7)

Despite lower oil product prices, overall prices of industrial products rose (*0.7%, m-o-m*), due to the increase in the prices of textile products and others.

Public utility charges remained stabilized in general, although city gas prices rose. Personal service charges showed a higher increase rate than usual (*up 0.2%, m-o-m*), led by the cost of dining out, due to increasing raw material costs and inflation expectations.

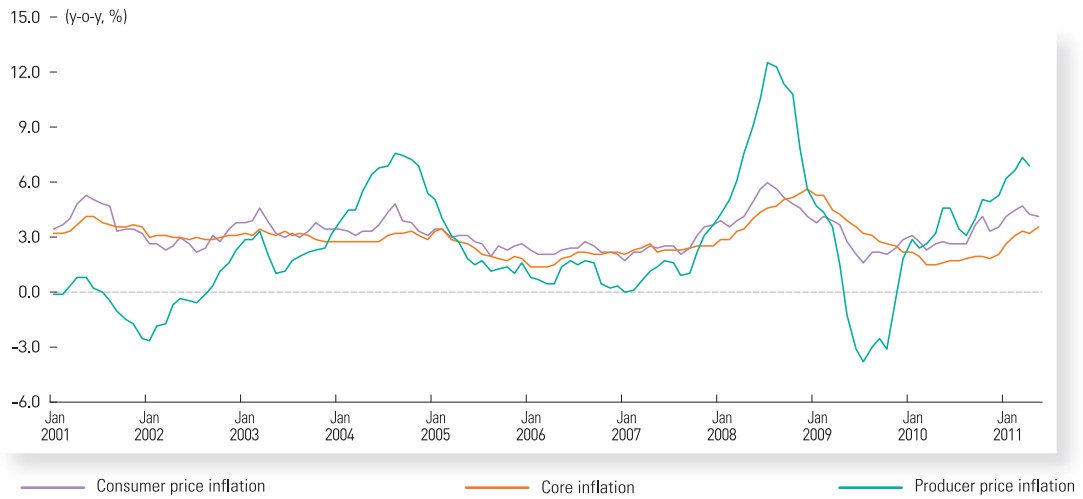
Consumer price inflation in major sectors

	Total	Agricultural, livestock & fishery products	Industrial products	Oil products	Housing rents	Public utility	Personal services
Month-on-Month (%)	0.0	-4.7	0.7	-0.8	0.4	0.6	0.2
Contribution (%p)	0.00	-0.45	0.23	-0.05	0.04	0.09	0.09
Year-on-Year (%)	4.1	5.9	5.9	12.6	3.8	1.2	3.3
Contribution (%p)	4.06	0.53	1.86	0.76	0.35	0.18	1.16

Source: Statistics Korea

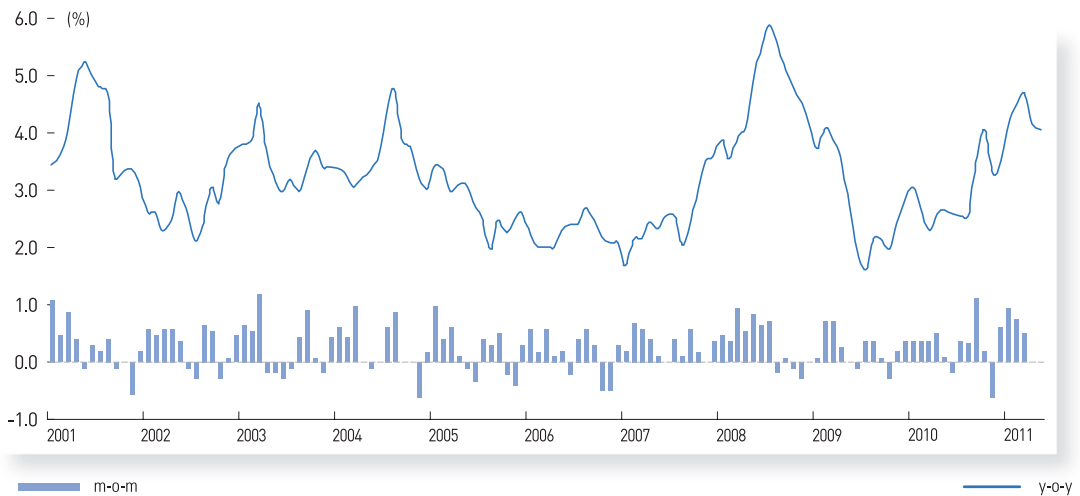
11-1 Prices

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



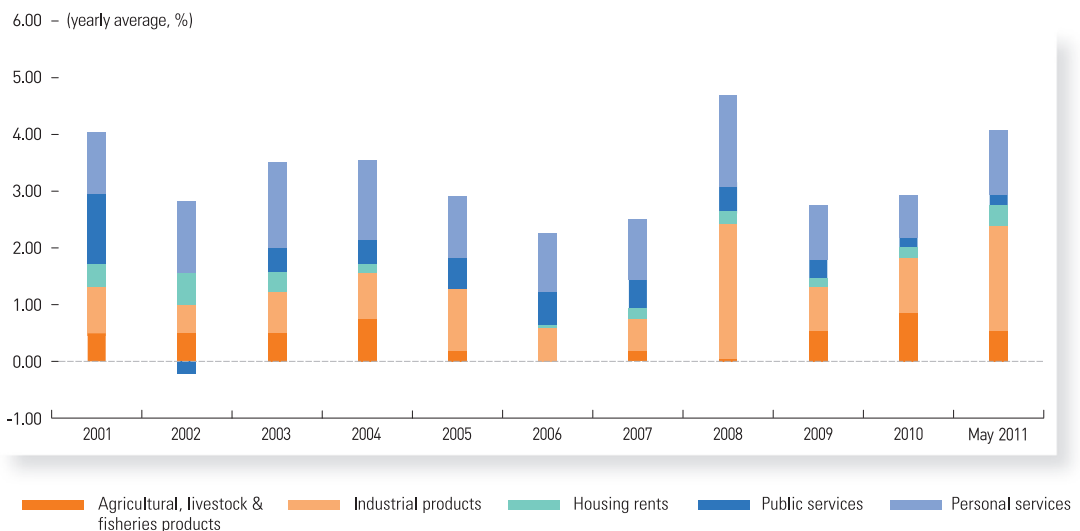
11-2 Consumer price inflation

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 and domestic oil product prices fell in May.

International oil prices (Dubai crude) dropped as renewed concerns regarding the eurozone debt crisis and poor economic data in the United States heightened uncertainties about economic conditions and led to outflows of speculative positions.

WTI net speculative position (contracts, NYMEX)

350,000 (Mar 8) ↻ 250,000 (May 30)

(US\$/barrel, period average)

	2008	2009	2010			2011				
	Annual	Annual	Annual	Nov	Dec	Jan	Feb	Mar	Apr	May
Dubai crude	94.3	61.9	78.1	83.6	88.9	92.5	100.5	108.5	115.8	108.0
Brent crude	97.5	61.7	79.7	85.8	91.8	96.8	104.1	114.6	123.3	114.3
WTI crude	99.9	61.9	79.5	84.4	89.2	89.5	89.6	103.0	110.0	101.3

Source: Korea National Oil Corporation

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)

Domestic oil product prices decreased as the exchange rates stabilized and international oil prices fell.

Won/dollar exchange rate (average)

1,120 (Jan 2011) ↻ 1,118 (Feb) ↻ 1,122 (Mar) ↻ 1,087 (Apr) ↻ 1,084 (May)

(Won/liter, period average)

	2008	2009	2010			2011				
	Annual	Annual	Annual	Nov	Dec	Jan	Feb	Mar	Apr	May
Gasoline prices	1,692	1,601	1,710	1,716	1,771	1,825	1,850	1,939	1,951	1,938
Diesel prices	1,614	1,397	1,503	1,518	1,570	1,621	1,652	1,756	1,793	1,773

Source: Korea National Oil Corporation

Overall prices of international commodities including non-ferrous metals and grain decreased in May, due to robust production and the expectation of more tightening in the emerging markets such as China.

Prices of non-ferrous metals such as copper, nickel and zinc decreased, due to the possibility of lower demand as a result of monetary tightening in major countries such as China, and also due to large inventories.

As of the end of May, inventories of copper and zinc tracked by the London Metal Exchange (LME) amounted to 47,000 tons and 86,000 tons, respectively, witnessing a continued increase since the second half of 2010.

International grain prices fell after the USDA predicted that the world's grain production would increase 4.1 percent year-on-year during 2011 and 2012.

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

Corn (-3.9), barley (-0.9), soybean (-0.7), raw sugar (-13.2), aluminum (-3.7), lead (-9.9), zinc (-8.2), copper (-5.9), nickel (-8.4)

Reuters index*

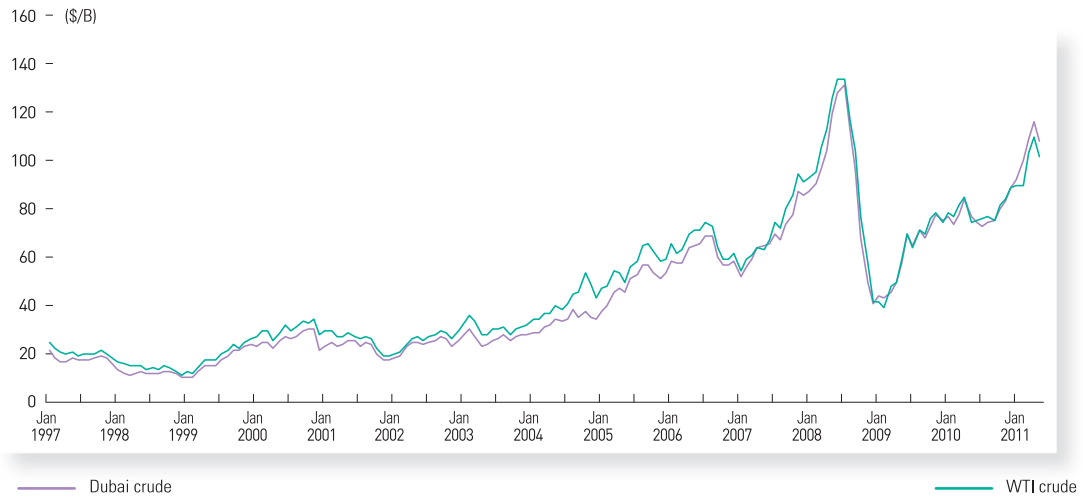
(Period average)

	2008	2009	2010			2011				
	Annual	Annual	Annual	Nov	Dec	Jan	Feb	Mar	Apr	May
	2,536	2,079	2,553	2,952	3,119	3,228	3,323	3,221	3,246	3,128

* 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

The upward trend of nationwide apartment sales prices decelerated in May, with prices rising 1.0 percent month-on-month.

Apartment sales prices in the Seoul metropolitan area remained unchanged from the previous month.

Month-on-month apartment sales prices in areas excluding the Seoul metropolitan area showed a persistent upward trend, led by Gwangju (up 3.4%), Busan (up 2.6%) and South Gyeongsang Province (up 2.1%). Apartment prices in 5 metropolitan cities and other cities climbed 2.2 percent and 1.7 percent each, surpassing the national average.

Nationwide apartment sales prices

(Percentage change from previous period)

	2007	2008	2009	2010			2011								
	Annual	Annual	Annual	Annual	Nov	Dec	Jan	Feb	Mar	Apr	May	May 9 ¹	May 16 ¹	May 23 ¹	May 30 ¹
Nationwide	2.1	2.3	1.6	2.5	0.5	0.6	0.6	1.1	1.3	1.2	1.0	0.17	0.21	0.21	0.21
Seoul	3.6	3.2	2.6	-2.2	-0.1	0.1	0.2	0.3	0.1	0.0	-0.1	-0.02	-0.02	-0.04	-0.02
Gangnam ²	0.5	-1.9	3.9	-1.8	-0.1	0.1	0.2	0.4	0.2	0.0	-0.1	-0.02	-0.04	-0.06	-0.02
Gangbuk ³	8.3	9.4	0.9	-2.7	-0.1	0.0	0.1	0.2	0.1	0.0	0.0	-0.01	0.00	-0.02	-0.02
Seoul metropolitan area	4.0	2.9	0.7	-2.9	-0.1	0.1	0.1	0.3	0.3	0.1	0.0	0.00	0.00	0.02	0.01
5 metropolitan cities	-0.6	1.0	2.8	8.7	1.2	1.2	1.2	2.0	2.3	2.4	2.2	0.35	0.46	0.44	0.42

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

Nationwide apartment rental prices in May were up 1.1 percent month-on-month, decelerating from the previous month's 1.6 percent. Price increases slowed in Seoul (up 0.3%), the Seoul metropolitan area (up 0.5%) and Gyeonggi Province (up 0.8%).

Apartment rental price increase in major districts in Seoul (m-o-m, %)

Gangnam (-0.2), Songpa (0.1), Seocho (0.2), Seongdong (0.2)

Nationwide apartment rental prices

(Percentage change from previous period)

	2007	2008	2009	2010			2011								
	Annual	Annual	Annual	Annual	Nov	Dec	Jan	Feb	Mar	Apr	May	May 9 ¹	May 16 ¹	May 23 ¹	May 30 ¹
Nationwide	1.9	0.8	4.5	8.8	1.4	1.0	1.1	2.0	2.3	1.6	1.1	0.18	0.21	0.21	0.20
Seoul	2.2	-1.8	8.1	7.4	1.1	0.8	1.1	2.1	1.8	0.7	0.3	0.03	0.04	0.09	0.07
Gangnam ²	0.5	-3.6	10.4	8.8	1.4	1.0	1.3	1.9	1.4	0.6	0.3	0.03	0.04	0.124	0.10
Gangbuk ³	4.6	0.5	5.4	5.6	0.8	0.5	1.0	2.4	2.3	0.8	0.4	0.03	0.04	0.05	0.03
Seoul metropolitan area	2.1	-0.4	5.6	7.2	1.3	0.7	1.0	2.1	2.4	1.2	0.5	0.07	0.07	0.10	0.08
5 metropolitan cities	1.1	1.6	3.9	12.0	1.5	1.4	1.3	2.1	2.2	2.2	1.9	0.32	0.36	0.32	0.33

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

Apartment sales transactions in April decreased 10.1 percent from the previous month's 97,842 to 87,978. The transactions were up 20.6 percent from a year earlier when the transactions reached 79,549.

Apartment sales transactions

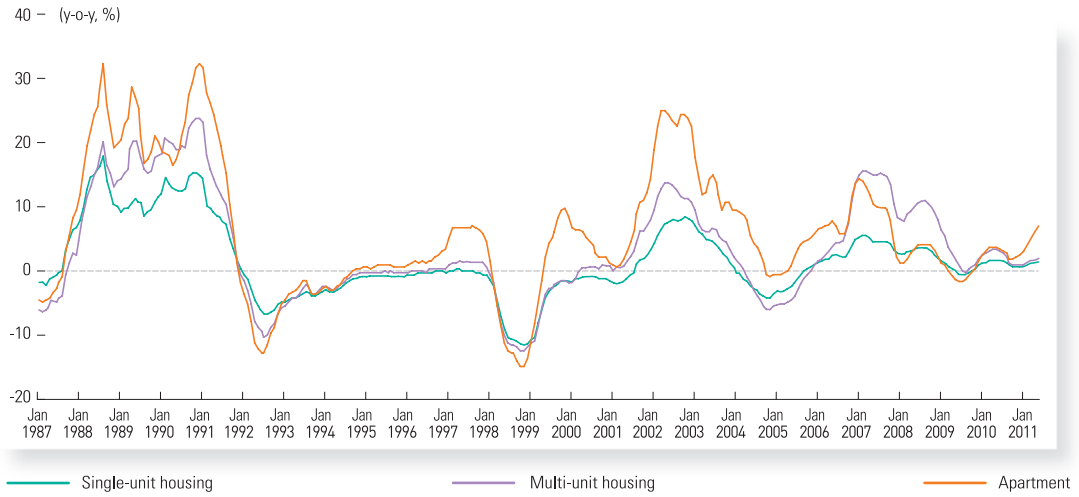
(Monthly average, thousand)

	2007	2008	2009			2010					2011							
	Annual	Annual	Annual	Oct	Nov	Dec	Annual	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Nationwide	84	74	77	87	82	82	71	65	62	57	57	73	86	106	80	77	98	88

Source: Korea Land & Housing Corporation

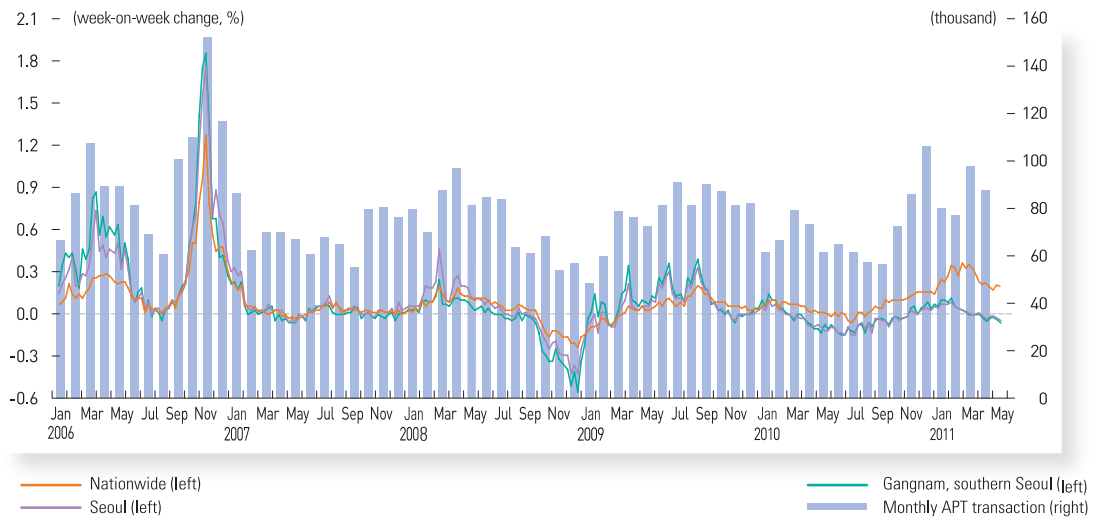
12-1 Real estate prices

Source: Kookmin Bank (national housing price trend)



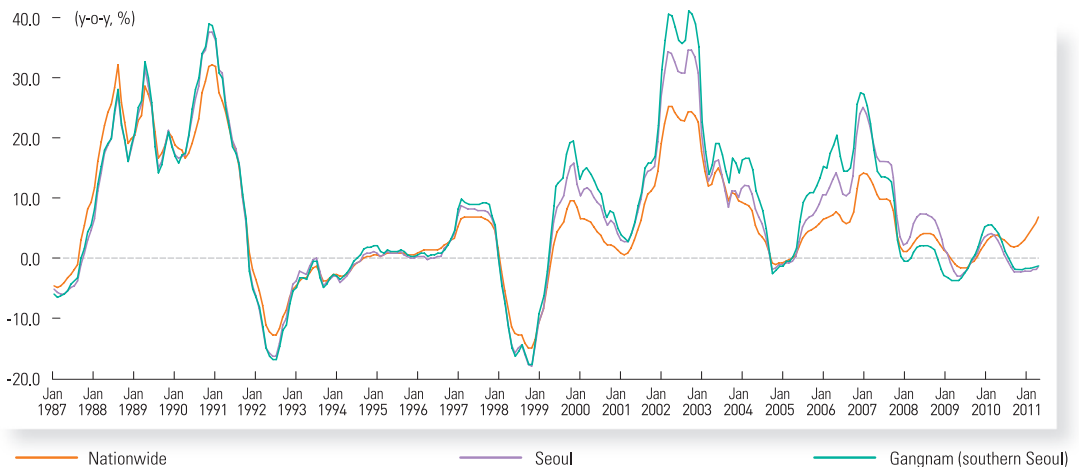
12-2 Weekly apartment sales prices and monthly transaction volume

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 for the sixth consecutive month, up 0.10 percent, but were still 1.82 percent lower than the pre-crisis peak reached in October 2008. Land prices were 0.14 percent lower compared with the previous year, but the pace of an increase has accelerated evenly nationwide.

Month-on-month land prices in Seoul (up 0.12%), the Seoul metropolitan area (up 0.11%), Gyeonggi Province (up 0.11%) and Incheon (up 0.06%) continued to rise.

Land price increases in Seoul metropolitan area (m-o-m, %)

0.12 (Dec 2010) ↻ 0.10 (Jan 2011) ↻ 0.10 (Feb) ↻ 0.12 (Mar) ↻ 0.11 (Apr)

Land prices in areas excluding the Seoul metropolitan area rose 0.07 percent month-on-month in April, continuing the upward trend from October 2010.

Land price increases in areas excluding Seoul metropolitan area (m-o-m, %)

0.10 (Dec 2010) ↻ 0.07 (Jan 2011) ↻ 0.07 (Feb) ↻ 0.08 (Mar) ↻ 0.07 (Apr)

Land prices by region

(Percentage change from previous period)

	2007	2008	2009				2010				2011					
	Annual	Annual	Annual	Q1	Q2	Q3	Q4	Annual	Q1	Q2	Q3	Q4	Jan	Feb	Mar	Apr
Nationwide	3.88	-0.31	0.96	-1.20	0.35	0.88	0.94	1.05	0.70	0.29	-0.05	0.11	0.09	0.09	0.11	0.10
Seoul	5.88	-1.00	1.40	-1.38	0.68	1.30	0.81	0.53	0.72	0.02	-0.25	0.39	0.12	0.12	0.15	0.12
Gyeonggi	4.22	-0.26	1.22	-1.62	0.37	1.13	1.36	1.49	0.96	0.53	-0.08	0.07	0.08	0.08	0.10	0.11
Incheon	4.86	1.37	1.99	-1.39	0.53	1.16	1.70	1.43	1.08	0.43	-0.10	0.02	0.06	0.06	0.06	0.06

Source: Korea Land & Housing Corporation

Nationwide land transactions in April recorded 226,000 land lots, down 7.6 percent from the previous month and up 11.2 percent from 203,000 a year earlier. Land transactions were 1.3 percent more than the five-year April average of 223,000 land lots.

Month-on-month land transactions significantly decreased in areas such as Daejeon (down 33.4%), Incheon (down 17.2%), Seoul (down 16.5%), and Gyeonggi Province (down 11.8%).

Land sales transactions

(Land lot, thousand)

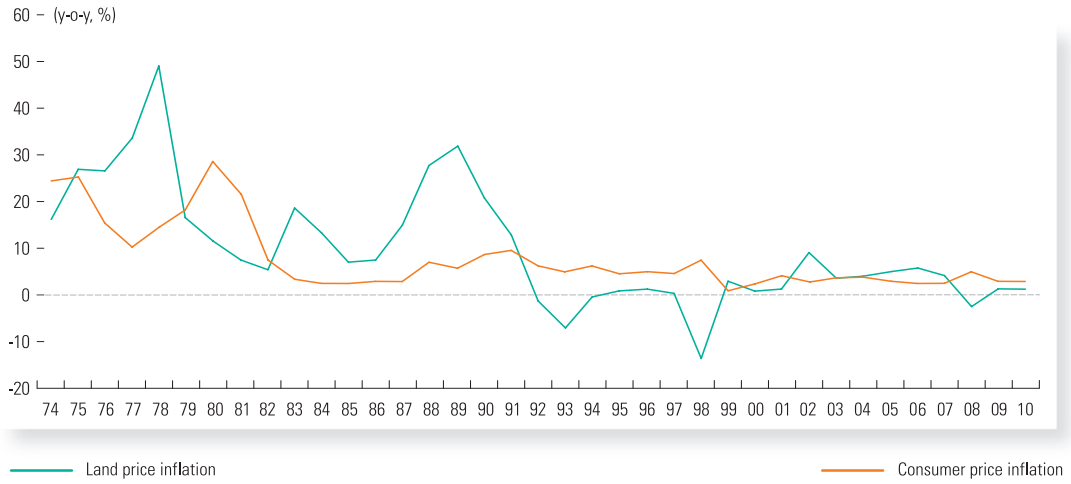
	2007	2008	2009				2010				2011					
	Annual ¹	Annual ¹	Annual ¹	Sep	Oct	Nov	Dec	Annual ¹	Apr	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Nationwide	208	208	203	226	212	207	241	187	203	181	208	257	191	176	244	226
Seoul	33	26	22	28	25	19	21	16	17	14	18	24	18	17	23	19
Gyeonggi	49	45	46	56	52	48	58	41	42	40	45	58	46	38	52	46
Incheon	13	13	10	13	14	11	12	8	9	8	9	11	8	9	13	11

Source: Korea Land & Housing Corporation

1. Monthly average

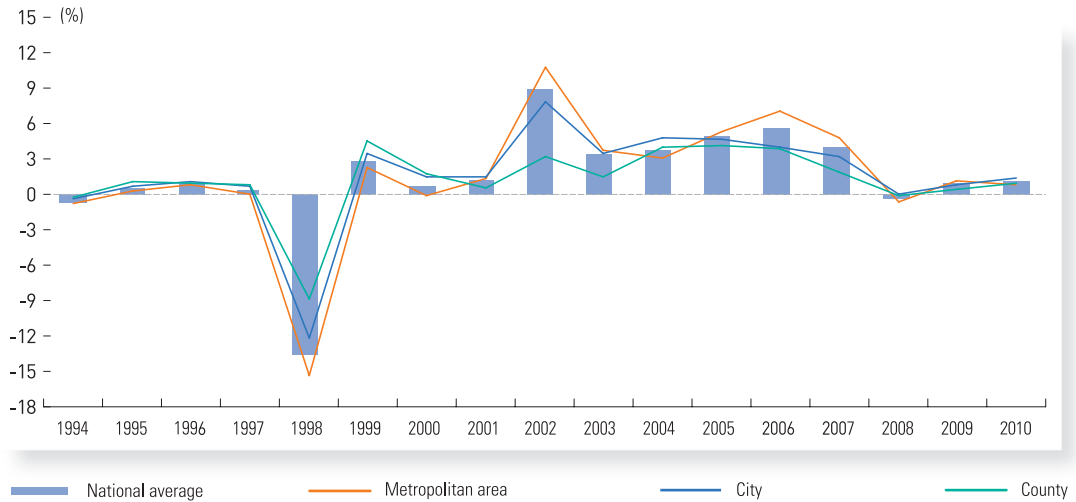
12-4 Land and consumer prices since 1970s

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



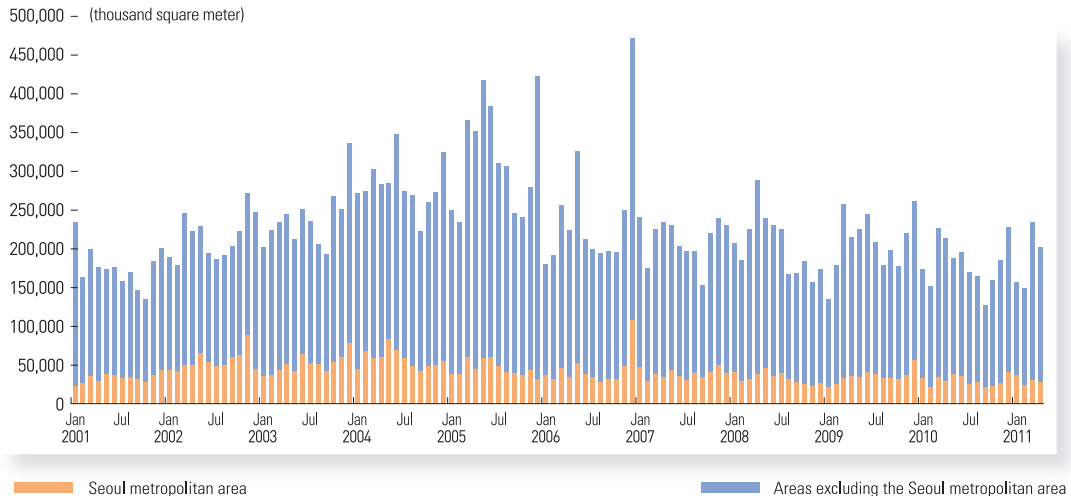
12-5 Land prices by region

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 the coincident composite index fell 0.7 percentage points in April, due to the poor performance of major components such as the mining & manufacturing index.

Among the components of the coincident composite index, two components, including the volume of imports and number of non-farm payroll employment, increased from the previous month, while six components, such as the domestic shipment index and manufacturing operation ratio index, dropped.

Components of coincident composite index in Apr ^(m-o-m)

Volume of imports (0.7%), number of non-farm payroll employment (0.4%), service activity index (-0.2%), mining & manufacturing production index (-0.8%), wholesale & retail sales index (-1.1%), value of construction completion (-1.4%), manufacturing operation ratio index (-1.7%), domestic shipment index (-1.9%)

The year-on-year leading composite index in April decreased for the third consecutive months (*down 0.5%p, m-o-m*), as the consumer expectations index and terms of trade declined.

Among the components of the leading composite index, the value of construction orders received and composite stock index rose month-on-month, while eight components, such as the consumer expectations index and ratio of job openings to job seekers, fell.

Components of the leading composite index in Apr ^(m-o-m)

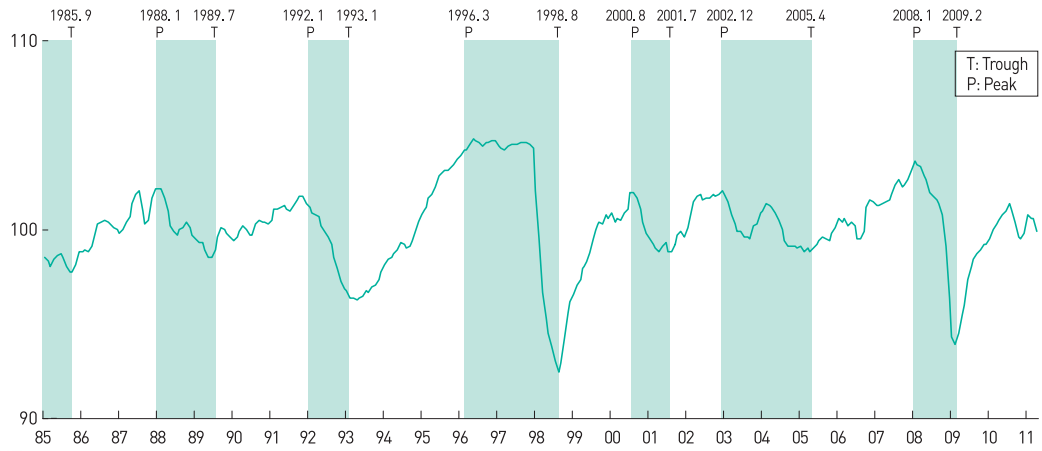
Value of construction orders received (1.7%), composite stock price index (0.4%), spreads between long & short term interest rates (-0.1%p), liquidity in the financial institutions (-0.2%), net terms of trade index (-0.5%), value of machinery orders received (-0.6%), indicator of inventory cycle (-1.6%p), value of capital goods imports (-2.5%), consumer expectations index (-3.1p), ratio of job openings to job seekers (-4.4%p)

	2010			2011			
	Oct	Nov	Dec	Jan ¹	Feb ¹	Mar ¹	Apr ¹
Coincident composite index (m-o-m, %)	-0.3	0.2	0.8	1.5	0.1	0.4	-0.2
Cyclical indicator of coincident composite index (m-o-m, p)	99.6	99.5	99.8	100.8	100.6	100.6	99.9
Leading composite index (m-o-m, %)	-0.3	0.2	0.5	0.6	-0.2	-0.3	-0.3
12 month smoothed change in leading composite index (%)	3.3	2.8	2.9	3.0	2.4	1.6	1.1
(m-o-m, %p)	-1.2	-0.5	0.1	0.1	-0.6	-0.8	-0.5

1. Preliminary

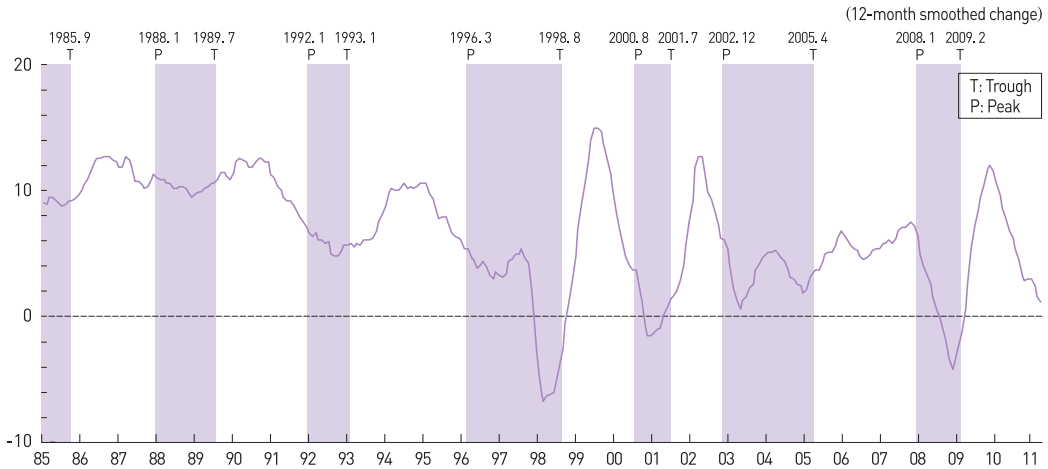
13-1 Cyclical indicator of coincident composite index

Source: Statistics Korea



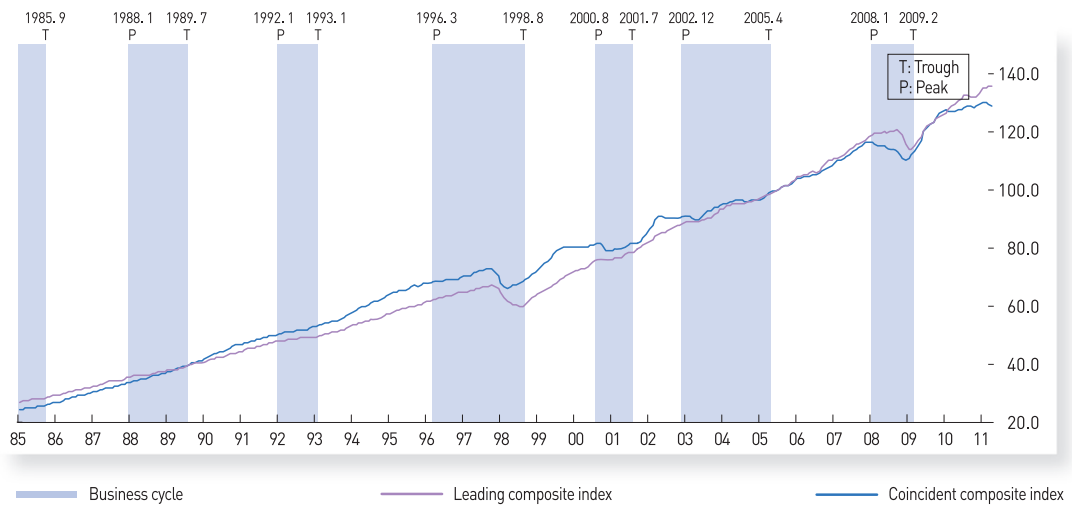
13-2 Leading composite index

Source: Statistics Korea



13-3 Coincident and leading composite indices

Source: Statistics Korea



Policy Issues

Short- and Long-term Measures to Curb Inflation

Current price situation

Inflation has given trouble to the Korean economy since late 2010, and into 2011 it has kept rising in the 4 percent range. Although fresh food prices have recently moved in a less volatile manner, core prices has continued to increase in line with rising processed food prices and dining out costs. On top of that there are uncertainties from outside as international oil prices move within a wider range and chances of global inflation are increasing.

The Korean government has committed to minimizing the effect of inflation, for it is deeply related to domestic demand, employment capacity and national competitiveness as well as lives of ordinary people. To curb inflation, the government has taken short-term measures such as securing supplies and long-term measures including restructuring distribution and price-setting systems, and lowering entry barriers, as well as has controlled public service charge increases.

Measures to secure supplies

To secure fresh food supplies, the government has expanded contract farming while improving accuracy of harvest prediction. In addition, the government has imposed quota tariffs for 108 items this year, and is considering extension for 47 of them, for example refrigerated pork belly, whose quota tariffs are scheduled to expire at the end of June. Tariff quota items are going to be expanded to 111 items in the second half of 2011.

The government has put nine food products - rice, beans, pork, eggs, mackerel, squid, melon, watermelon and strawberries - on its special watch list to monitor their prices. To help secure rice supply, it has increased public sales of rice of government holding harvested in 2009, removed the minimum requirement of 40 tons for the public bidding, and deregulated the bidder requirement of rice polishers. Those expected to have shortages in supply, particularly pork, mackerel, and squid, will have extended tariff quotas and lower tariffs.

As for processed food prices, the government has closely monitored price increases and compared them with cost increases to avoid unreasonable price hikes. Korea Fair Trade Commission has been investigating unfair practices in raising prices such as price-fixing, while consumer activist groups monthly releasing cost information.

Public utility charges

Despite rising international commodities prices and accumulating deficit, the government has frozen public service charges or minimized their increases. However, with deficit in the energy generating companies accumulating, the need to raise electricity charges has been growing as the raise can lead to reduced energy consumption. The government has been studying the effect of energy price hikes on working class families as well as that of energy price freeze on energy generating companies and energy saving efforts. If an increase in energy prices is not avoidable, it will be done very carefully to minimize the burden on working class families.

As for public service fees charged by local governments, the Ministry of Public Administration and Security has been working with local governments and released guidelines for increasing public utility charges to help minimize the effect of the increases. Now the ministry is working on building a comprehensive price management system for provincial areas, and developing a tool to evaluate local governments' prices management.

Measures to encourage competition

Lowering mobile communications fees has been at the center of attention, and the government unveiled ways to lower the communications fees, which cover increasing competition by breaking down entry barriers of the market, offering consumers wider variety of fee plans, improving the handset distribution system so that consumers can purchase unlocked handsets, and building a site to provide mobile communications fee information.

The government is now working on deregulating entry requirement in health care and medical service, culture and tourism, and broadcasting and communications service industries.

Directions for the second half

Stable prices will be government's top priority in the second half of 2011, as international oil and commodities prices have risen again, some food prices including those of rice and pork belly remain high, and personal service charges are staying on an upward track along with processed food prices and dining out costs.

In the second half, the government will make macroeconomic efforts as well as microeconomic ones, and for this end it will launch a joint council with the Bank of Korea to discuss macroeconomic measures. On top of that, the government will run a campaign to encourage smart consumption, and transform the economy to reduce consumption of energy.

As the Korean economy is vulnerable to oil price hikes, the government will increase incentives for energy saving facilities, while developing energy saving guidelines. To help consumers make better purchases, five big consumer activist groups will jointly provide information on prices of nine items such as processed food, sportswear, tablet PCs, and variable life insurance. Consumer activist groups will also provide education on smart consumption.

To curb service charge increases, the government will be working with each service industry, and expand incentives such as reduction in water supply and waste disposal charges for businesses keeping fees low.

Economic News Briefing

Korea grows 1.3% in Q1 (Preliminary)

Korea's real gross domestic product (GDP) increased by 1.3 percent in the first quarter of 2011 compared to the previous quarter. From a year earlier, the GDP grew by 4.2 percent.

On the production side, the manufacturing sector expanded by 3.1 percent, led by an increase in electrical & electronic equipment, steel and automobile manufacturing. Service sectors grew by 1.2 percent, compared to the previous quarter's 1.1 percent. Meanwhile, the construction sector decreased by 6.1 percent due to sluggish building construction and civil engineering works.

On the expenditure side, private consumption grew by 0.4 percent with increased expenditures on durable goods offsetting sluggish spending on non-durable goods. Facility investment and construction investment decreased by 1.1 percent and 6.7 percent, respectively. Exports rose by 4.6 percent helped by robust semiconductors, electronic components and automobiles exports while imports grew by 3.1 percent as those of semiconductors, electronic components, crude oil and natural gas increased.

Real gross national income (GNI) fell by 0.1 percent as terms of trade declined. On a year-on-year basis, real GNI increased by 1.8 percent. Meanwhile, the Monetary Policy Committee of the Bank of Korea decided on June 10 to raise the key interest rate by 25 basis points to 3.25 percent after freezing the rate in April and May.

<GDP by production and expenditure*>

(Percentage change from previous period)

	2009				2010 ¹				2011 ¹
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
GDP	0.1 (-4.2) ²	2.5 (-2.1)	3.4 (1.0)	0.2 (6.3)	2.1 (8.5)	1.4 (7.5)	0.6 (4.4)	0.5 (4.7)	1.3 (4.2)
Agriculture, forestry and fishery	1.1	0.0	3.7	0.0	-3.1	-2.5	-2.5	0.2	-4.5 (-8.6)
Manufacturing	-3.4	8.4	9.7	-1.1	4.2	4.0	2.3	0.1	3.1 (9.8)
Construction	3.5	1.3	-1.4	0.5	1.4	-0.1	-1.2	-3.2	-6.1 (-9.9)
Services ³	0.4	1.0	1.1	0.9	1.5	0.2	0.3	1.1	1.2 (2.7)
Private consumption	-0.3	3.7	1.4	0.9	0.5	0.7	1.4	0.3	0.4 (2.8)
Government consumption	2.6	0.8	0.1	-1.1	3.6	0.3	-0.1	-0.4	1.7 (1.5)
Facility investment	-10.2	6.7	9.1	7.8	2.8	7.9	5.6	-1.0	-1.1 (11.7)
Construction investment	3.9	2.4	-1.2	0.7	2.0	-4.2	-0.8	-1.0	-6.7 (-11.9)
Goods exports ⁴	-2.1	13.3	5.4	-1.7	3.0	7.4	2.5	3.0	4.6 (18.7)
Goods imports ⁴	-6.1	8.1	7.8	-0.4	4.8	7.1	3.6	-0.7	3.1 (13.7)
Real Gross National Income	-0.2	5.1	1.5	1.4	1.2	1.3	0.4	0.0	-0.1 (1.8)

*At 2005 chained prices in seasonally adjusted terms

1. Preliminary

2. Percentage changes from the same period in the previous year in original terms

3. Wholesale & retail sales, hotels & restaurants, transportation & storage, communication services, financial & insurance services, real estate & 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 2011 edition of the World Competitiveness Yearbook by International Institute for Management Development (IMD), Korea's global competitiveness climbed one notch to rank 22nd among 59 countries. Korea's climb from the 23rd place in 2010 marked the three consecutive years of upward trend. Korea was ranked 32nd in 2006, 29th in 2007, 31st in 2008, and 27th in 2009. In this year's report, Hong Kong and the US topped the ranking, followed by Singapore.

Korea's standing rose in two of the four main categories: government efficiency and business efficiency. In particular, government efficiency significantly improved in areas such as public finance, financial policies and social conditions. Korea's highest rankings were made in domestic economy (12th), employment (6th), fiscal policy (11th), and technology infrastructure (5th). Meanwhile, international investment (53rd), prices (52nd), business legislation (44th), and societal framework (38th) showed weakness.

The report suggested that the main tasks for Korea in 2011 are as follows: Continuing growth through job creation, containing inflationary risk, implementing agreements reached at the G20 Seoul Summit, bridging widening income gap as well as regional gap, and improving transparency of the public sector.

OECD raises Korea's 2011 growth outlook to 4.6%

The Korean economy will expand 4.6 percent this year, the Organization for Economic Cooperation and Development (OECD) said in its semi-annual economic outlook report released on May 25. The latest forecast is up from the 4.3 percent that was predicted on November 2010. The Paris-based organization cited robust trade growth as a reason for upgrading Korea's growth prospect.

The OECD pointed out that although consumer prices stayed above the Bank of Korea's inflation target of 2~4 percent in the first quarter of 2011, they may fall back into the central bank's target range in 2012. The organization assessed that the Korean economy is facing capacity constraints this year despite sluggish growth in 2010, and made recommendations to the Korean government to ease inflationary pressures by raising interest rates and allowing the won to appreciate.

Korea to boost the soundness of ELW market

In November 2010, Korea had introduced a series of measures to build a sound market environment for ELW trading. However, concerns over the soundness of ELW market have reemerged as some securities companies offered a preferential treatment to scalpers. Against this backdrop, Korea announced new measures to improve current practices relating to the ELW market.

As a part of the measures, basic deposit requirement of 15 million won will be introduced as an entry barrier to ELW investment and existing market practices will be revised to help investors easily compare ELW prices. In regard to the speed of order routing, brokerages will be allowed to provide only a reasonable range of service to make sure all investors can have a stable and equal access to trading system.

Korea to tighten caps on FX forward position

The Ministry of Strategy and Finance (MOSF), the Financial Supervisory Commission (FSC), the Financial Supervisory Service (FSS) and the Bank of Korea convened the 13th Council for Foreign Exchange Policy on May 19 and decided to lower the ceiling on banks' foreign exchange forward position by 20 percent. The ceiling on the foreign exchange forward position by local branches of foreign banks will be cut to 200 percent of their capital from the current 250 percent, and to 40 percent for domestic banks from 50 percent at present. The

ceiling takes effect from June 1, 2011 with a one-month grace period until July 1 and exemptions for the existing contracts.

Korea's Q1 overseas direct investment increases by 48.5%

Korea's overseas direct investment (planned) in the first quarter of 2011 increased by 48.5 percent year-on-year to US\$9.14 billion, the Ministry of Strategy and Finance (MOSF) announced on May 16. The increase was attributed to a rise in mining sector investment, as Korea's participation in overseas resources development projects expanded greatly in the first quarter.

Korea's investment in BRICs has been declining, partly due to an overall decrease in investment in China. However, increased investment in India's steel industry has contributed to Korea's overseas direct investment in BRICs posting slight year-on-year gain of 11.6 percent in the first quarter of 2011.

With the global economic recovery staying on track and overseas resources development investment expanding, Korea's overseas direct investment for 2011 is projected to recover to pre-crisis levels. In 2008 when foreign direct investment hit a record high of US\$36.85 billion, Korea's overseas investment in the first quarter posted US\$9.16 billion.

Korea's fiscal deficit falls to 4.4 trillion won in Q1 (Preliminary)

The consolidated fiscal balance in the first quarter of 2011 posted a deficit of 4.4 trillion won, down 2.6 trillion won from a year earlier, the Ministry of Strategy and Finance (MOSF) announced on May 27. The consolidated fiscal balance excluding social security funds registered a deficit of 13.3 trillion won, down 6.2 trillion won from the previous year. Total government revenue increased by 2.3 trillion won, due in part to a rise in tax revenue, and total fiscal spending decreased by 300 billion won due to the annual progress in total fiscal spending falling to 29.7 percent compared to 31.6 percent in the same period of the previous year.

<Consolidated fiscal balance>

(trillion won, %)

	2010			2011			Change (d-b)
	Budget (a)	Spending as of the end of March (b)	Annual progress (b/a, %)	Budget (c)	Spending as of the end of March (d)	Annual progress (d/c, %)	
Total fiscal revenue (A)	262.3	76.4	29.1	284.8	78.7	27.6	2.3
Total fiscal spending (B)	264.3	83.4	31.6	279.5	83.1	29.7	-0.3
Consolidated fiscal balance (A-B)	-2.0	-7.0	-	5.3	-4.4	-	2.6

Statistical Appendices

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14. Monetary indicators
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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	2.8	2.0	-1.9	-2.8	-1.0
2009		0.3	3.2	-1.5	1.2	-1.0	3.4	-9.8
2010 ^P		6.2	-4.3	14.6	3.9	7.0	-1.4	25.0
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	I	-4.2	2.5	-13.6	-2.2	-7.5	1.6	-21.9
	II	-2.1	0.0	-7.1	0.7	-3.0	4.3	-18.1
	III	1.0	5.0	1.8	1.5	-1.0	3.2	-9.4
	IV	6.3	5.0	13.1	4.8	6.2	4.0	12.2
2010 ^P	I	8.5	0.9	22.2	5.9	12.5	4.3	29.1
	II	7.5	-2.2	17.8	3.4	6.8	-2.3	30.5
	III	4.4	-7.3	9.8	3.4	6.8	-3.1	26.6
	IV	4.7	-6.7	11.1	3.0	3.4	-2.9	15.9
2011 ^P	I	4.2	-8.6	9.8	2.5	-2.2	-11.9	11.7

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		Shipment index		Inventory index		Service production index		
	index	Y-o-Y change (%)	index	Y-o-Y change (%)	index	Y-o-Y change (%)	index	Y-o-Y change (%)	
2009	119.7	-0.1	116.7	-1.4	115.5	-7.8	118.3	1.8	
2010	139.1	16.2	133.5	14.4	135.6	17.4	122.9	3.9	
2009	I	103.5	-15.1	102.6	-14.4	115.9	-6.2	112.9	-1.1
	II	118.7	-5.4	116.6	-5.2	110.4	-17.0	118.0	1.1
	III	125.3	4.9	120.7	2.3	113.0	-14.3	118.9	2.4
	IV	131.2	16.8	126.9	12.9	115.5	-7.8	123.4	4.8
2010	I	129.8	25.4	124.0	20.9	124.6	7.5	119.9	6.2
	II	141.0	18.8	135.1	15.9	127.7	17.5	122.9	4.2
	III	139.0	10.9	132.7	9.9	134.6	19.1	121.6	2.3
	IV	146.6	11.7	142.0	11.9	135.6	17.4	127.3	3.2
2011	IP	143.5	10.6	138.7	11.9	137.4	10.3	123.0	2.6
2009	1	94.4	-25.3	93.7	-23.1	123.9	0.1	112.1	-1.6
	2	100.7	-9.4	100.3	-8.7	117.7	-5.2	109.9	0.0
	3	115.3	-10.1	113.8	-10.7	115.9	-6.2	116.7	-1.4
	4	117.2	-7.4	115.6	-7.4	112.3	-9.8	117.1	0.9
	5	116.1	-8.2	113.8	-7.9	111.5	-13.3	117.6	-0.2
	6	122.7	-0.6	120.5	0.0	110.4	-17.0	119.2	2.6
	7	124.6	1.0	120.1	-1.2	111.5	-15.7	117.9	1.2
	8	117.8	1.4	113.6	-1.0	112.0	-15.1	117.0	1.6
	9	133.4	12.1	128.3	9.1	113.0	-14.3	121.8	4.5
	10	128.1	1.2	124.0	-0.2	112.4	-16.4	119.3	2.3
	11	130.7	18.5	126.6	15.3	113.6	-14.6	119.3	4.2
	12	134.8	34.8	130.1	26.2	115.5	-7.8	131.6	7.7
2010	1	129.3	37.0	123.1	31.4	119.8	-3.3	118.5	5.7
	2	119.1	18.3	113.6	13.3	123.3	4.8	116.7	6.2
	3	141.1	22.4	135.2	18.8	124.6	7.5	124.4	6.6
	4	140.0	19.5	134.7	16.5	126.3	12.5	121.5	3.8
	5	140.0	20.6	133.4	17.2	129.9	16.5	123.3	4.8
	6	142.9	16.5	137.3	13.9	129.7	17.5	124.0	4.0
	7	143.1	14.8	135.7	13.0	134.1	20.3	122.4	3.8
	8	136.5	15.9	131.0	15.3	134.5	20.1	120.9	3.3
	9	137.3	2.9	131.4	2.4	134.6	19.1	121.6	-0.2
	10	145.3	13.4	140.8	13.5	133.5	18.8	123.2	3.3
	11	145.3	11.2	141.4	11.7	132.8	16.9	123.8	3.8
	12	149.2	10.7	143.9	10.6	135.6	17.4	134.9	2.5
2011	1	146.9	13.6	141.4	14.9	135.4	13.0	124.1	4.7
	2	129.8	9.0	125.2	10.2	137.1	11.2	116.9	0.2
	3 ^P	153.8	9.0	149.5	10.6	137.4	10.3	128.1	3.0
	4 ^P	149.7	6.9	144.5	7.3	137.6	8.9	125.3	3.1

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 (%)
2009	119.3	3.5	93.8	-3.5	74.4
2010	127.9	7.2	102.1	8.8	81.2
2009	I	117.0	81.7	-17.7	67.0
	II	118.0	95.3	-7.6	74.3
	III	120.1	97.8	2.4	77.8
	IV	122.2	100.3	10.1	78.4
2010	I	124.3	97.4	19.2	80.4
	II	126.5	105.6	10.8	82.3
	III	129.5	99.6	1.8	81.2
	IV	131.3	105.6	5.3	80.8
2011	132.7	6.8	100.0	2.7	83.2
2009	1	116.9	73.7	-28.6	63.7
	2	116.9	79.8	-10.8	67.3
	3	117.1	91.6	-12.8	70.0
	4	117.7	94.1	-10.1	72.5
	5	117.7	93.3	-9.7	73.7
	6	118.5	98.4	-2.8	76.6
	7	119.3	98.8	-1.0	77.7
	8	119.8	91.0	-1.3	76.4
	9	121.1	103.6	9.6	79.3
	10	121.6	99.1	-4.8	77.8
	11	121.9	100.5	12.4	78.0
	12	123.1	101.2	27.0	79.3
2010	1	123.6	97.1	31.8	79.3
	2	123.9	88.4	10.8	80.5
	3	125.3	106.7	16.5	81.5
	4	125.5	106.1	12.8	81.7
	5	126.5	103.8	11.3	82.1
	6	127.4	107.0	8.7	83.1
	7	128.6	105.3	6.6	82.7
	8	129.7	96.2	5.7	79.7
	9	130.1	97.2	-6.2	81.2
	10	130.8	106.6	7.6	79.7
	11	131.1	105.4	4.9	80.5
	12	132.1	104.9	3.6	82.2
2011	1	132.2	102.5	5.6	84.8
	2	132.5	89.5	1.2	82.2
	3 ^P	133.4	107.9	1.1	82.5
	4 ^P	133.6	104.7	-1.3	80.5

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		Durable goods		Semi-durable goods		Non-durable goods	
		Y-o-Y change (%)		Y-o-Y change (%)		Y-o-Y change (%)		Y-o-Y change (%)
2009	113.6	2.7	136.8	8.2	106.3	1.3	111.3	1.2
2010	121.1	6.6	157.2	14.9	113.5	6.8	113.7	2.2
2009 I	106.5	-4.5	114.7	-11.7	103.1	-0.5	107.7	-1.4
II	113.4	1.5	142.0	5.9	107.7	0.5	109.2	0.4
III	111.9	2.8	135.5	7.7	94.3	0.3	114.3	1.8
IV	122.4	10.9	155.1	34.1	120.2	4.5	113.9	4.0
2010 I	116.8	9.7	148.7	29.6	105.7	2.5	111.1	3.2
II	118.9	4.9	149.9	5.6	114.4	6.2	112.8	3.3
III	120.3	7.5	158.5	17.0	100.5	6.6	117.7	3.0
IV	128.6	5.1	171.6	10.6	133.6	11.1	113.1	-0.7
2011 IP	122.7	5.1	167.9	12.9	112.2	6.1	112.0	0.8
2009 1	108.5	-2.9	104.1	-18.9	103.6	-0.8	114.8	5.5
2	101.2	-5.7	116.0	-1.5	97.1	-0.7	99.2	-8.5
3	109.7	-4.9	124.0	-13.6	108.5	0.0	109.2	-1.2
4	108.6	-4.2	123.9	-10.9	109.3	0.7	106.8	-2.5
5	117.0	1.7	144.0	5.9	113.3	1.1	113.1	0.7
6	114.6	7.6	158.0	24.3	100.4	-0.5	107.6	3.0
7	110.8	1.1	138.2	-1.8	95.4	-2.3	110.8	4.4
8	106.7	0.5	122.5	0.8	86.5	0.3	112.9	0.8
9	118.2	6.8	145.9	26.6	101.1	3.1	119.3	0.4
10	120.6	9.9	144.8	16.9	116.1	4.0	116.6	9.4
11	119.6	9.8	153.5	41.0	121.8	1.2	109.2	1.4
12	127.1	12.8	167.1	46.1	122.6	8.4	116.0	1.5
2010 1	115.8	6.7	145.5	39.8	108.4	4.6	108.7	-5.3
2	114.2	12.8	141.3	21.8	99.6	2.6	112.1	13.0
3	120.3	9.7	159.2	28.4	109.1	0.6	112.6	3.1
4	116.5	7.3	144.6	16.7	113.1	3.5	110.4	3.4
5	121.2	3.6	147.0	2.1	120.7	6.5	116.0	2.6
6	118.9	3.8	158.1	0.1	109.3	8.9	112.1	4.2
7	120.7	8.9	164.0	18.7	103.5	8.5	115.1	3.9
8	116.7	9.4	154.4	26.0	90.2	4.3	116.4	3.1
9	123.5	4.5	157.0	7.6	107.7	6.5	121.6	1.9
10	125.5	4.1	165.2	14.1	130.0	12.0	111.1	-4.7
11	127.8	6.9	172.1	12.1	133.4	9.5	111.9	2.5
12	132.6	4.3	177.4	6.2	137.3	12.0	116.2	0.2
2011 1	128.1	10.6	165.9	14.0	120.4	11.1	118.9	9.4
2	113.3	-0.8	154.2	9.1	101.6	2.0	104.3	-7.0
3P	126.6	5.2	183.5	15.3	114.6	5.0	112.7	0.1
4P	122.3	5.0	167.3	15.7	121.2	7.2	108.5	-1.7

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)						Consumer sentiment index
			Durable goods	Y-o-Y change (%)	Non-durable goods	Y-o-Y change (%)	
2009	116.4	1.4	135.1	6.5	108.9	-0.9	-
2010	122.0	4.8	139.6	3.3	115.0	5.6	-
2009 I	107.7	-8.3	113.4	-14.9	105.3	-5.2	-
II	114.8	-0.8	139.9	2.5	104.7	-2.5	-
III	119.9	5.4	139.4	13.3	112.0	1.7	-
IV	123.3	10.2	147.8	29.2	113.4	2.2	-
2010 I	118.5	10.0	136.7	20.5	111.2	5.6	-
II	119.9	4.4	139.5	-0.3	112.1	7.1	-
III	122.0	1.8	139.2	-0.1	115.1	2.8	-
IV	127.6	3.5	142.9	-3.3	121.6	7.2	-
2011 IP	120.8	1.9	135.2	-1.1	115.1	3.5	-
2009 1	107.6	-14.2	99.0	-25.3	111.0	-9.4	84
2	103.8	-2.5	115.5	-6.2	99.0	-0.8	85
3	111.7	-7.4	125.7	-12.8	106.0	-4.6	84
4	112.6	-6.0	120.6	-16.4	109.3	-0.7	98
5	113.5	-1.9	140.7	2.8	102.6	-4.3	105
6	118.4	6.0	158.4	23.3	102.3	-2.6	106
7	119.0	1.0	146.3	8.9	108.0	-2.8	109
8	110.9	-0.7	125.8	6.1	104.9	-3.7	114
9	129.7	15.8	146.1	25.8	123.1	11.6	114
10	121.7	1.7	139.5	9.2	114.5	-1.8	117
11	118.5	10.7	146.7	32.2	107.2	1.7	113
12	129.6	18.8	157.1	50.5	118.6	6.8	113
2010 1	123.7	15.0	136.0	37.4	118.8	7.0	113
2	110.3	6.3	129.7	12.3	102.6	3.6	111
3	121.6	8.9	144.5	15.0	112.3	5.9	110
4	120.5	7.0	135.4	12.3	114.6	4.8	110
5	117.5	3.5	135.3	-3.8	110.4	7.6	111
6	121.8	2.9	147.7	-6.8	111.4	8.9	112
7	121.9	2.4	145.6	-0.5	112.4	4.1	112
8	120.5	8.7	133.9	6.4	115.2	9.8	110
9	123.6	-4.7	138.0	-5.5	117.8	-4.3	109
10	129.3	6.2	145.7	4.4	122.8	7.2	108
11	128.3	8.3	144.7	-1.4	121.8	13.6	110
12	125.3	-3.3	138.4	-11.9	120.1	1.3	109
2011 1	129.6	4.8	133.0	-2.2	128.2	7.9	108
2	105.9	-4.0	125.6	-3.2	98.0	-4.5	105
3P	126.9	4.4	146.2	1.2	119.1	6.1	98
4P	118.3	-1.8	132.9	-1.8	112.5	-1.8	100
5	-	-	-	-	-	-	104

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		
2010	23,360	2,330	21,030	12,279	133.2	135.0
2010 I	5,544	525	5,019	2,910	120.5	116.7
II	6,247	402	5,845	3,564	137.5	144.2
III	5,662	380	5,282	3,026	139.1	136.2
IV	5,908	1,023	4,885	2,779	135.6	142.8
2011 IP	6,627	471	6,156	3,744	128.4	133.2
2010 1	1,767	169	1,598	1,008	103.7	108.3
2	1,641	107	1,534	880	112.8	102.7
3	2,135	249	1,886	1,022	145.1	139.1
4	1,843	127	1,716	1,054	132.9	139.4
5	2,189	115	2,074	1,329	132.4	140.9
6	2,214	160	2,055	1,180	147.2	152.2
7	2,092	105	1,987	1,068	139.1	138.6
8	1,710	106	1,604	897	140.8	132.8
9	1,860	169	1,691	1,061	137.5	137.1
10	1,719	101	1,618	964	130.8	134.8
11	1,770	102	1,668	981	134.7	136.7
12	2,418	820	1,599	834	141.2	156.9
2011 1	2,115	116	2,000	1,156	125.7	127.6
2	2,070	122	1,948	1,148	113.9	123.6
3 ^P	2,442	233	2,209	1,440	145.5	148.3
4 ^P	2,023	119	1,904	1,158	131.4	138.6
<i>Y-o-Y change (%)</i>						
2010	11.2	-37.9	21.8	32.3	25.1	22.5
2010 I	10.3	-43.7	22.6	45.6	30.0	18.1
II	24.7	-42.2	35.5	58.5	29.5	25.7
III	-0.2	-71.7	22.0	27.4	29.3	27.4
IV	11.3	31.4	7.8	4.5	13.6	18.4
2011 IP	19.5	-10.3	22.7	28.7	6.6	14.1
2010 1	11.8	-27.1	18.5	39.4	26.3	27.6
2	-2.0	-79.4	32.8	66.8	23.7	5.2
3	20.6	37.2	18.7	36.7	38.3	22.1
4	27.2	39.0	26.4	57.1	32.5	24
5	56.3	19.6	59.1	101.1	28.4	32.1
6	2.6	-68.6	24.4	28.8	27.7	21.8
7	-16.5	-90.2	38.7	41.8	31.5	28.1
8	26.6	48.9	25.3	37.1	41.2	36.9
9	2.3	-15.5	4.5	9.6	17.1	18.8
10	9.9	20.8	9.3	13.2	21.6	25
11	-9.2	-76.5	10.0	4.2	13.1	19.5
12	34.9	213.9	4.3	-3.7	7.4	12.4
2011 1	19.7	-31.5	25.1	14.6	22.2	17.8
2	26.1	14.0	27.0	30.4	1.0	20.4
3 ^P	14.4	-6.3	17.1	41.0	0.3	6.6
4 ^P	9.7	-6.5	10.9	9.8	-1.1	-0.6

P: Preliminary
Source: Statistics Korea

7. Value of construction completion and domestic construction orders received

See graphs 4-2 & 4-3

(current prices, billion won)

Period	Value of construction completion (total)	Type of order		Domestic construction orders received (total)	Type of order	
		Public	Private		Public	Private
2010	92,238	35,163	52,777	88,675	29,013	54,628
2010	I	7,467	11,977	18,110	7,955	9,087
	II	9,129	13,931	25,295	6,890	16,737
	III	7,784	13,160	19,095	6,814	11,406
	IV	10,784	13,708	26,175	7,355	17,399
2011	19,067	7,288	10,857	15,796	4,053	10,743
2010	1	6,496	3,972	7,043	2,410	4,274
	2	6,145	3,614	4,752	2,170	2,232
	3	7,687	4,391	6,314	3,375	2,582
	4	7,354	4,460	6,636	1,829	4,456
	5	7,741	4,537	8,717	1,672	6,652
	6	8,986	4,934	9,941	3,388	5,629
	7	7,453	4,419	7,475	3,903	3,351
	8	7,150	4,370	4,145	1,327	2,698
	9	7,401	4,371	7,475	1,584	5,355
	10	7,356	4,135	4,415	1,185	3,111
	11	8,041	4,401	7,551	2,023	5,217
	12	10,426	5,173	14,209	4,146	9,071
2011	1	2,415	3,476	4,658	1,295	2,697
	2	2,047	2,991	4,959	1,396	2,445
	3 ^P	2,827	4,391	7,179	1,362	5,601
	4 ^P	2,739	4,056	6,459	1,413	4,452
<i>Y-o-Y change (%)</i>						
2010	2.7	8.5	0.5	-18.7	-43.7	2.8
2010	I	13.8	3.8	-1.6	-14.9	8.0
	II	5.5	2.6	-6.7	-61.9	105.4
	III	-1.1	1.0	-3.6	-22.0	13.2
	IV	15.9	-4.8	-40.2	-52.1	34.4
2011	-6.2	-2.4	-9.4	-12.8	-49.1	18.2
2010	1	5.1	9.6	20.2	-11.5	49.2
	2	12.9	-3.5	-4.6	-22.2	8.0
	3	22.2	5.3	-16.5	-11.9	-25.8
	4	-0.1	1.0	-14.1	-68.7	178.8
	5	9.6	7.8	17.4	-62.9	138.3
	6	6.7	-0.3	-16.9	-56.0	49.8
	7	14.0	3.9	25.6	23.5	38.3
	8	1.4	11.2	-12.5	-26.2	-5.0
	9	-14.6	-9.8	-18.1	-58.0	11.4
	10	10.5	-4.8	-58.8	-75.0	-45.7
	11	17.1	-9.4	-48.7	-61.4	-41.2
	12	18.6	-0.5	-22.5	-22.8	-23.9
2011	1	7.0	-12.5	-33.9	-46.3	-36.9
	2	-11.1	-17.3	-16.7	-35.7	9.5
	3 ^P	-2.8	0.0	13.7	-59.6	117.0
	4 ^P	4.2	-9.1	-2.7	-22.7	-0.1

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	5.4	110.9	101.4	85.6	96.5
	2	110.0	5.8	111.3	101.4	87.5	93.4
	3	110.4	5.8	111.9	101.4	109.4	112.3
	4	111.0	5.9	112.4	101.5	105.8	107.7
	5	111.2	5.7	113.0	101.6	104.1	110.9
	6	112.0	6.1	113.8	101.9	100.2	105.6
	7	112.8	6.4	114.6	102.2	95.8	99.3
	8	113.6	6.7	115.3	102.4	94.4	102.5
	9	114.2	6.7	115.6	102.2	101.5	111.8
	10	115.2	7.1	116.4	102.5	108.3	116.3
	11	116.1	7.5	117.2	102.7	106.0	112.4
	12	116.7	7.4	118.3	103.2	98.9	103.4
2008	1	116.3	6.5	119.3	103.7	95.2	103.0
	2	115.6	5.1	119.6	103.5	95.6	94.8
	3	115.1	4.0	119.9	103.4	101.1	102.1
	4	114.9	3.2	119.9	102.9	101.7	98.1
	5	114.8	2.5	120.0	102.6	98.1	104.7
	6	114.2	1.4	119.8	102.0	79.1	95.3
	7	113.5	0.2	119.8	101.5	80.8	83.2
	8	113.3	-0.4	120.0	101.3	83.1	80.8
	9	113.1	-0.9	120.3	101.1	76.8	98.3
	10	112.5	-1.7	120.3	100.6	64.6	84.9
	11	111.3	-3.1	118.8	99.0	53.7	63.7
	12	110.5	-3.9	116.1	96.4	52.4	55.0
2009	1	110.8	-3.6	114.1	94.3	58.1	52.0
	2	112.2	-2.4	114.1	93.9	62.4	66.0
	3	113.4	-1.3	115.3	94.5	89.0	76.1
	4	115.3	0.5	117.1	95.5	93.7	86.7
	5	117.3	2.6	118.1	96.0	100.9	103.8
	6	119.9	5.4	120.4	97.4	96.6	100.2
	7	121.5	7.2	121.7	98.0	98.5	98.7
	8	122.5	8.4	122.7	98.4	96.0	99.8
	9	123.4	9.4	123.5	98.7	110.5	117.0
	10	124.6	10.4	124.4	98.9	107.5	116.5
	11	126.4	11.7	125.2	99.2	103.8	109.0
	12	127.2	12.0	125.8	99.2	104.8	105.9
2010	1	127.5	11.6	126.6	99.5	99.2	103.1
	2	127.0	10.4	127.8	100.0	98.7	102.3
	3	127.1	9.6	128.8	100.3	113.1	116.2
	4	126.9	8.6	129.6	100.5	108.9	111.2
	5	127.3	7.7	130.5	100.8	111.9	113.4
	6	127.7	6.8	131.4	101.0	109.4	108.9
	7	128.4	6.2	132.4	101.4	105.0	107.3
	8	128.8	5.4	132.6	101.1	98.6	100.7
	9	128.8	4.5	132.2	100.4	104.1	111.1
	10	128.4	3.3	131.8	99.6	104.3	113.1
	11	128.7	2.8	132.1	99.5	103.5	107.1
	12	129.3	2.9	133.1	99.8	102.1	104.2
2011	1	130.1	3.0	135.1	100.8	99.1	101.8
	2	129.8	2.4	135.3	100.6	92.2	98.0
	3	129.4	1.6	135.8	100.5	107.8	113.5
	4	129.0	1.1	135.6	99.9	98.4	99.3
	5	-	-	-	-	98.9	104.3
	6	-	-	-	-	-	104.3

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		Services trade balance	Income trade balance	Current transfers	
		Exports	Imports				
2009	32,790.5	37,866.0	358,189.7	320,323.7	-6,640.5	2,276.7	-711.7
2010 ^P	28,213.6	41,904.0	464,286.9	422,383.1	-11,229.4	768.4	-3,229.4
2009 I	4,543.3	2,819.2	73,334.9	70,515.7	-26.0	393.9	1,356.2
II	11,557.4	13,553.3	87,038.0	73,484.7	-1,291.4	-151.1	-553.4
III	8,613.2	10,914.6	95,485.2	84,570.6	-2,663.3	948.6	-586.7
IV	8,076.6	10,578.9	102,331.6	91,752.7	-2,659.8	1,085.3	-927.8
2010 ^P I	263.3	4,785.4	101,354.5	96,569.1	-4,201.1	546.5	-867.4
II	8,857.9	12,240.4	117,585.0	105,344.7	-1,873.1	-1,006.5	-502.9
III	9,931.1	12,542.3	118,257.3	105,715.1	-2,954.6	1,296.1	-952.7
IV	9,161.3	12,335.9	127,090.1	114,754.2	-2,200.6	-67.6	-906.4
2011 ^P I	2,610.3	5,842.7	127,691.2	121,848.5	-2,538.0	387.9	-1,082.3
2009 1	-1,800.2	-2,441.3	21,910.3	24,351.6	-98.9	502.7	237.3
2	2,579.8	1,766.2	24,179.6	22,413.4	-64.1	366.2	511.5
3	3,763.7	3,494.3	27,245.0	23,750.7	137.0	-475.0	607.4
4	3,511.2	4,255.5	28,832.5	24,577.0	-15.8	-835.1	106.6
5	3,153.8	3,822.6	27,228.8	23,406.2	-555.6	205.0	-318.2
6	4,892.4	5,475.2	30,976.7	25,501.5	-720.0	479.0	-341.8
7	4,054.8	5,021.2	32,688.5	27,667.3	-1,241.2	366.3	-91.5
8	1,300.2	1,920.5	29,001.4	27,080.9	-761.3	367.9	-226.9
9	3,258.2	3,972.9	33,795.3	29,822.4	-660.8	214.4	-268.3
10	3,202.9	3,546.1	33,474.6	29,928.5	-505.9	336.2	-173.5
11	4,165.0	4,851.1	34,055.5	29,204.4	-643.6	272.5	-315.0
12	708.7	2,181.7	34,801.5	32,619.8	-1,510.3	476.6	-439.3
2010 ^P 1	-571.8	996.7	31,806.6	30,809.9	-1,651.8	414.6	-331.3
2	-363.1	586.3	31,119.7	30,533.4	-1,270.7	497.4	-176.1
3	1,198.2	3,202.4	38,428.2	35,225.8	-1,278.6	-365.6	-360.0
4	529.0	3,740.1	39,186.7	35,446.7	-1,268.9	-1,452.5	-489.7
5	3,998.9	3,658.4	38,250.1	34,591.7	147.4	219.8	-26.7
6	4,330.0	4,841.9	40,148.2	35,306.3	-751.6	226.2	13.5
7	4,457.9	5,268.9	41,130.1	35,861.3	-859.3	352.3	-304.0
8	1,975.7	2,826.0	37,903.4	35,077.4	-902.5	518.7	-466.5
9	3,497.5	4,447.4	39,223.8	34,776.4	-1,192.8	425.1	-182.2
10	5,112.5	5,484.9	42,012.2	36,527.3	-749.9	657.1	-279.6
11	1,934.4	3,170.8	41,939.6	38,768.8	-304.5	-690.2	-241.7
12	2,114.4	3,680.2	43,138.3	39,458.1	-1,146.2	-34.5	-385.1
2011 ^P 1	154.7	1,557.9	42,662.8	41,104.9	-1,640.9	703.7	-466.0
2	1,126.1	1,530.8	37,228.3	35,697.2	-569.1	542.6	-378.2
3	1,329.5	2,754.0	47,800.4	45,046.4	-328.0	-858.4	-238.1
4	1,876.8	3,926.9	48,434.4	44,507.5	-178.7	-1,581.9	-289.5

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						Capital transfers & acquisition of non-financial assets	Changes in reserve assets	Errors and omissions
		Direct investment	Portfolio investment	Financial derivative	Other investment				
2009	-34,651.2	-14,948.0	49,727.7	-3,093.0	2,038.9	289.6	-68,666.4	1,860.7	
2010 ^P	-25,331.5	-19,379.7	38,552.4	-7.4	-17,228.1	-174.2	-27,094.5	-2,882.1	
2009 I	-4,368.3	-2,777.9	2,784.6	-2,656.9	6,917.1	382.3	-9,017.4	-175.0	
II	-12,936.8	-2,032.0	15,927.2	599.0	-7,914.9	25.8	-19,541.8	1,379.4	
III	-6,977.2	-3,305.7	21,226.9	-1,050.9	-251.1	-103.9	-23,492.6	-1,636.0	
IV	-10,368.9	-6,832.4	9,789.0	15.8	3,287.8	-14.6	-16,614.6	2,292.3	
2010 ^P I	-155.3	-2,307.5	10,159.6	746.6	16.7	-175.6	-8,595.1	-108.0	
II	-9,099.0	-2,564.1	7,098.4	-983.9	-7,076.3	27.1	-5,600.2	241.1	
III	-7,679.6	-6,217.4	14,032.1	-388.6	-4,725.3	31.1	-10,411.5	-2,251.5	
IV	-8,397.6	-8,290.7	7,262.3	618.5	-5,443.2	-56.8	-2,487.7	-763.7	
2011 ^P I	-2,754.1	-4,696.3	-1,379.1	730.3	6,251.6	-181.4	-3,479.2	143.8	
2009 1	2,763.4	-643.0	4,715.2	473.2	2,644.7	61.9	-4,488.6	-963.2	
2	-4,063.6	-1,095.1	122.8	-771.2	-1,255.7	195.6	-1,260.0	1,483.8	
3	-3,068.1	-1,039.8	-2,053.4	-2,358.9	5,528.1	124.8	-3,268.8	-695.6	
4	-3,595.1	-695.3	6,879.7	274.1	-4,669.7	60.3	-5,444.1	83.9	
5	-3,865.7	-855.9	4,157.3	1,279.7	1,818.3	-16.5	-10,248.6	711.9	
6	-5,476.0	-480.8	4,890.2	-954.8	-5,063.5	-18.0	-3,849.1	583.6	
7	-2,438.2	-1,644.2	8,470.1	-155.1	-3,538.9	3.4	-5,573.6	-1,616.6	
8	-2,160.3	-865.9	4,004.4	-870.3	2,696.1	-29.4	-7,095.2	860.1	
9	-2,378.7	-795.6	8,752.4	-25.5	591.7	-77.9	-10,823.8	-879.5	
10	-4,817.0	-749.1	5,829.4	-509.1	-1,429.4	6.9	-7,965.8	1,614.1	
11	-4,229.2	-2,855.1	2,992.6	614.2	712.9	-56.4	-5,637.4	64.2	
12	-1,322.7	-3,228.2	967.0	-89.3	4,004.3	34.9	-3,011.4	614.0	
2010 ^P 1	-686.4	-1,070.2	118.0	241.8	7,076.7	-70.0	-6,982.7	1,258.2	
2	1,398.3	-613.7	2,484.0	549.3	-1,692.8	-43.2	714.7	-1,035.2	
3	-867.2	-623.6	7,557.6	-44.5	-5,367.2	-62.4	-2,327.1	-331.0	
4	641.8	-1,163.6	5,792.1	80.6	5,343.4	-120.5	-9,290.2	-1,170.8	
5	-5,611.5	-571.7	747.2	-854.8	-12,116.8	101.3	7083.3	1,612.6	
6	-4,129.3	-828.8	559.1	-209.7	-302.9	46.3	-3393.3	-200.7	
7	-3,528.4	-1,773.0	8,592.4	-297.3	-4,029.4	-0.2	-6020.9	-929.5	
8	-1,421.7	-1,184.2	1,061.0	61.3	93.3	57.9	-1,511.0	-554.0	
9	-2,729.5	-3,260.2	4,378.7	-152.6	-789.2	-26.6	-2,879.6	-768.2	
10	-5,869.7	-5,393.9	7,447.3	0.4	-5,216.8	-48.1	-2,658.6	757.2	
11	-2,191.7	-1,286.8	2,227.2	106.9	-1,494.4	-25.3	-1,719.3	257.3	
12	-336.2	-1,610.0	-2,412.2	511.2	1,268.0	16.6	1,890.2	-1,778.2	
2011 ^P 1	-1,282.0	-1,725.4	904.6	569.3	1,773.3	-120.7	-2,683.1	1,127.3	
2	-1,996.2	-1,635.1	-3,004.0	-363.3	5,126.9	-32.7	-2,088.0	870.1	
3	524.1	-1,335.8	720.3	524.3	-648.6	-28.0	1,291.9	-1,853.6	
4	-65.7	-738.8	4,575.0	-206.2	-606.3	-33.6	-3,055.8	-1,811.1	

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	
2009	112.8	113.6	112.2	112.5	110.9	111.9	109.2	137.7	
2010	116.1	118.8	114.3	114.5	115.1	117.0	106.4	145.0	
2009	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
	6	115.5	117.6	114.2	114.4	114.8	116.6	109.9	147.6
	7	115.9	118.3	114.4	114.6	114.9	116.7	109.4	147.0
	8	116.3	119.0	114.6	114.8	115.2	117.1	107.4	147.4
	9	117.6	121.8	114.9	115.1	116.3	118.6	106.9	147.4
	10	117.8	122.1	115.0	115.1	116.4	118.6	105.0	146.1
	11	117.1	120.4	114.9	115.2	116.7	118.9	106.3	149.2
	12	117.8	121.9	115.0	115.6	117.8	120.5	109.6	156.1
2011	1	118.9	123.8	115.8	116.3	119.7	122.7	108.6	156.1
	2	119.8	125.1	116.4	117.1	120.5	123.9	110.6	160.9
	3	120.4	123.1	116.6	117.4	122.0	125.8	113.5	166.5
	4	120.4	125.7	116.9	117.6	122.4	126.2	111.8	167.6
	5	120.4	125.1	117.3	118.2	122.3	126.0	110.2	163.9
<i>Y-o-Y change (%)</i>									
2009	2.8	3.4	2.4	3.6	-0.2	-0.5	-0.2	-4.1	
2010	2.9	4.6	4.2	1.8	3.8	4.6	-2.6	5.3	
2009	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
	6	2.6	3.8	1.9	1.7	4.6	5.5	1.5	8.0
	7	2.6	3.9	1.7	1.7	3.4	4.1	0.3	7.5
	8	2.6	3.9	1.7	1.8	3.1	3.7	-1.7	5.7
	9	3.6	6.3	2.0	1.9	4.0	5.0	-0.4	7.8
	10	4.1	7.2	2.0	1.9	5.0	6.1	1.0	8.1
	11	3.3	5.4	1.8	1.8	4.9	5.7	1.9	8.2
	12	3.5	6.0	1.8	2.0	5.3	6.5	4.3	12.7
2011	1	4.1	7.1	2.2	2.6	6.2	7.7	4.9	14.1
	2	4.5	7.8	2.5	3.1	6.6	8.2	5.6	16.9
	3	4.7	7.9	2.5	3.3	7.3	9.1	9.1	19.6
	4	4.2	6.4	2.5	3.2	6.8	8.4	7.7	19.0
	5	4.1	5.9	2.8	3.5	6.2	7.6	3.3	13.2

Source: The Bank of Korea

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

Period	Economically active persons (thous.)				Unemployment (%)	Wage workers (thous.)				
	Employed persons (thous.)					Regular	Temporary	Daily		
	All industry	Manufacturing	S.O.C.&service							
2009	24,394	23,506	3,836	17,998	3.6	16,454	9,390	5,101	1,963	
2010	24,748	23,829	4,028	18,214	3.7	16,971	10,086	5,068	1,817	
2009	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	
6	25,158	24,280	4,017	18,422	3.5	17,193	10,089	5,165	1,938	
7	25,232	24,301	4,040	18,489	3.7	17,228	10,107	5,215	1,905	
8	24,863	24,005	4,058	18,175	3.3	17,048	10,151	5,122	1,775	
9	24,911	24,054	4,062	18,216	3.4	17,103	10,217	5,106	1,780	
10	25,004	24,172	4,098	18,264	3.3	17,178	10,280	5,089	1,809	
11	24,847	24,109	4,139	18,340	3.0	17,300	10,334	5,069	1,898	
12	24,538	23,684	4,156	18,272	3.5	17,154	10,347	4,999	1,808	
2011	1	24,114	23,196	4,148	18,007	3.8	16,832	10,305	4,848	1,680
2	24,431	23,336	4,149	18,019	4.5	16,856	10,390	4,781	1,684	
3	24,918	23,846	4,122	18,244	4.3	17,065	10,543	4,782	1,740	
4	25,240	24,303	4,108	18,536	3.7	17,357	10,618	4,928	1,812	
5	25,480	24,661	4,137	18,731	3.2	17,626	10,708	5,064	1,854	
<i>Y-o-Y change (%)</i>										
2009	0.2	-0.3	-3.2	0.5	-	1.5	4.3	0.4	-7.4	
2010	1.5	1.4	5.0	1.2	-	3.1	7.4	-0.7	-7.4	
2009	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	
6	0.9	1.3	4.7	0.9	-	2.7	8.0	-2.2	-8.4	
7	1.9	2.0	6.2	1.5	-	3.9	7.7	-0.8	-2.4	
8	1.3	1.6	7.9	0.7	-	3.5	7.2	0.1	-6.1	
9	1.1	1.0	6.6	0.3	-	2.5	6.4	-0.9	-7.8	
10	1.4	1.3	6.2	0.7	-	2.9	6.8	-1.6	-4.4	
11	0.9	1.3	7.4	0.4	-	3.0	7.6	-3.6	-1.7	
12	2.0	2.0	7.3	0.9	-	3.6	7.4	-1.5	-2.2	
2011	1	0.1	1.4	5.7	1.2	-	3.3	6.1	-0.3	-2.6
2	1.6	2.1	6.7	1.4	-	3.5	6.2	-1.2	1.6	
3	2.2	2.0	5.1	1.1	-	2.7	6.2	-3.9	1.5	
4	1.5	1.6	2.9	1.4	-	2.1	6.1	-4.3	-1.3	
5	1.5	1.5	2.5	1.3	-	2.2	6.3	-3.0	-5.1	

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)	
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
	6	2.0	2.5	4.7	3.8	4.4	1,698.29
	7	2.2	2.6	4.8	3.9	4.5	1,759.33
	8	2.3	2.6	4.7	3.7	4.3	1,742.75
	9	2.3	2.7	4.4	3.5	3.9	1,872.81
	10	2.3	2.7	4.1	3.2	3.7	1,882.95
	11	2.4	2.7	4.2	3.4	4.0	1,904.63
	12	2.5	2.8	4.2	3.3	4.0	2,051.00
2011	1	2.7	2.9	4.5	3.7	4.3	2,069.73
	2	2.8	3.1	4.7	3.9	4.4	1,939.30
	3	2.9	3.4	4.5	3.7	4.1	2,106.70
	4	3.0	3.4	4.5	3.7	4.1	2,192.36
	5	3.0	3.5	4.4	3.7	4.0	2,142.47

Source: The Bank of Korea

14. Monetary indicators See graph 9-5

(period average)

(billion won)

Period	Reserve money	M1	M2	Lf
2009	61,739.6	357,344.1	1,508,550.4	1,937,336.0
2010	67,585.1	399,412.3	1,639,675.1	2,096,534.8
2009 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	2,069,616.1
5	67,835.1	394,880.2	1,630,904.7	2,084,007.4
6	66,250.8	400,132.8	1,647,981.2	2,104,724.0
7	66,958.2	403,785.1	1,653,057.5	2,111,672.2
8	67,318.7	400,882.5	1,653,907.2	2,113,052.7
9	70,266.5	403,413.5	1,659,400.1	2,123,558.2
10	69,905.0	405,000.1	1,669,376.6	2,134,385.4
11	69,476.8	414,912.8	1,679,909.9	2,145,901.5
12	71,472.9	425,673.9	1,682,871.9	2,154,538.9
2011 1	73,540.8	429,368.1	1,676,448.8	2,152,814.0
2	75,432.1	432,482.8	1,674,390.5	2,148,254.1
3	73,012.7	430,936.6	1,677,475.9	2,152,736.5
4	73,206.1	425,420.5	1,684,792.3	2,163,485.7
<i>Y-o-Y change (%)</i>				
2009	18.1	16.3	10.3	7.9
2010	9.5	11.8	8.7	8.2
2009 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
5	12.9	10.9	9.3	8.9
6	11.3	10.5	9.7	9.3
7	12.7	11.1	9.3	8.8
8	11.1	11.0	8.5	8.0
9	17.8	10.2	8.1	7.7
10	9.8	9.0	7.6	7.2
11	13.6	11.8	7.4	7.3
12	14.1	12.9	7.2	6.9
2011 1	13.0	12.6	6.5	6.6
2	13.3	11.5	5.0	5.2
3	11.2	11.6	4.3	4.7
4	13.9	9.6	3.9	4.5

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
2009	1,167.6	1,276.4	1,262.8	1,363.1	1,674.3	1,774.4
2010	1,138.9	1,156.3	1,397.1	1,320.6	1,513.6	1,532.9
2009 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
6	1,210.3	1,212.3	1,364.6	1,333.6	1,475.4	1,480.9
7	1,187.2	1,207.3	1,370.0	1,377.7	1,552.4	1,540.3
8	1,189.1	1,179.9	1,406.0	1,380.2	1,505.9	1,523.3
9	1,142.0	1,167.0	1,363.3	1,384.2	1,556.0	1,518.7
10	1,126.6	1,123.4	1,390.7	1,371.1	1,569.3	1,559.6
11	1,157.3	1,126.2	1,373.4	1,366.6	1,518.3	1,541.3
12	1,138.9	1,147.6	1,397.1	1,376.7	1,513.6	1,515.4
2011 1	1,114.3	1,120.1	1,356.6	1,356.3	1,514.0	1,495.4
2	1,127.9	1,118.1	1,380.7	1,351.0	1,549.5	1,524.6
3	1,107.2	1,122.5	1,331.9	1,376.2	1,563.5	1,572.6
4	1,072.3	1,086.8	1,313.8	1,304.8	1,591.2	1,569.4
5	1,080.6	1,083.5	1,335.6	1,333.6	1,549.7	1,551.3
<i>Y-o-Y change (%)</i>						
2009	-7.1	15.8	-9.4	26.6	-5.7	10.4
2010	-2.5	-9.4	10.6	-3.1	-9.6	-13.6
2009 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
6	-5.8	-3.9	2.1	2.2	-18.5	-16.2
7	-4.3	-4.5	5.4	3.0	-11.1	-13.4
8	-4.5	-4.7	5.5	5.8	-15.4	-13.8
9	-3.9	-4.3	3.4	3.9	-10.3	-14.4
10	-6.2	-4.4	5.9	5.4	-11.9	-10.5
11	-0.9	-3.3	1.9	4.8	-13.3	-11.2
12	-2.5	-1.6	10.6	5.8	-9.6	-11.1
2011 1	-3.6	-1.6	5.4	8.7	-6.2	-8.1
2	-2.6	-3.4	6.3	5.4	-1.3	-3.8
3	-2.1	-1.3	9.4	9.6	3.0	1.8
4	-3.9	-2.7	10.7	9.2	7.6	4.5
5	-10.0	-6.8	1.3	5.4	5.1	6.2

Source: The Bank of Korea

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