

Republic of Korea  
**ECONOMIC  
BULLETIN**

The Green Book: Current Economic Trends **03**

Policy Issues **42**

Tax Revision 2011

Economic News Briefing **45**

Korea Grows 0.9% in Q2

Korea to Achieve Fiscal Balance in 2013

Korea Plans to Boost Inflation-indexed Bond

Overseas Direct Investment Up 131.8% in First Half of 2011

Statistical Appendices **51**



Republic of Korea

# Economic Bulletin

## The Green Book: Current Economic Trends

<i>Overview</i>	3
1. External economic situation	4
2. Private consumption	8
3. Facility investment	12
4. Construction investment	14
5. Exports and imports	16
6. Mining and manufacturing production	18
7. Service sector activity	20
8. Employment	22
9. Financial markets	26
9.1 Stock market	
9.2 Exchange rate	
9.3 Bond market	
9.4 Money supply & money market	
10. Balance of payments	30
11. Prices and international commodity prices	32
11.1 Prices	
11.2 International oil and commodity prices	
12. Real estate market	36
12.1 Housing market	
12.2 Land market	
13. Composite indices of business cycle indicators	40

## Policy Issues

Tax revision 2011	42
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<b>Economic News Briefing</b>	45
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<b>Statistical Appendices</b>	51
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# The Green Book

## Current Economic Trends

### Overview

Although employment has stayed in a recovery track, the Korean economy has seen some real economic indicators hold back and inflation rise to the five percent range.

Employment showed steady growth in July, adding 335,000 jobs, led by service industries, with the employment rate rising year-on-year to 60.0 percent from 59.8 percent, and the unemployment rate dropping to 3.3 percent from 3.7 percent.

Consumer price inflation accelerated month-on-month from 4.7 percent to 5.3 percent in August, with rising agricultural product prices amid bad weather conditions and high durable goods prices affected by increasing international gold prices. Core consumer prices continued an upward track from 3.8 percent to 4.0 percent.

Mining and manufacturing production fell 0.4 percent from the previous month in July, due to the torrential rain and as the moving of manufacturing facilities interrupted production. Service output grew 0.4 percent on the back of wholesale & retail sales continuing an upward track.

In July retail sales rose 2.3 percent month-on-month in line with steadily growing durable goods sales, particularly automobiles.

Facilities investment dropped 5.6 percent month-on-month in July due to a decrease in machinery investment. Construction investment lost 15.1 percent from the previous month in line with shrinking SOC spending.

A trade surplus in August narrowed from US\$63 billion a month ago to US\$8 billion, as summer vacation and other seasonal factors affected the index. Meanwhile, exports continued a soar, increasing 27.1 percent.

The cyclical indicator of the coincident composite index rose for a third consecutive month in July with all of the index's components improving. The leading composite index climbed year-on-year for three months in a row, as capital goods imports increased.

In August, stock markets showed increased volatility with the US credit downgrade, while bond and FX markets presented relative stability.

There have been remaining gaps between situations surrounding housing markets within and outside the Seoul metropolitan area in August, while rent increased at a faster pace as the autumn moving season approaches.

With an increasing inflationary pressure in the Korean economy, uncertainties have been growing as downside risks have increased in the global economy and volatility has risen in the domestic and international financial markets.

The Korean government will closely monitor local and global economic situations, while reinforcing short- and long-term policies to stabilize prices. In the meantime, it will renew its efforts to increase the economy's capabilities to absorb external shocks, such as by improving fiscal soundness, facilitating the soft-landing of household debts, and urging the restructuring of savings banks.

## 1. External economic situation

Concern is growing over the slowdown of the global economy amid a worsening of indicators, including the growth rates of advanced countries.

Volatility rose significantly in international financial markets due to concern over the global economic slowdown and S&P's downgrading of the US credit rating from AAA to AA+ on August 5.

**Volatility in major stock markets** (Aug 1-31, %)  
-6.6 (MSCI World), -4.2 (US), -16.8 (Germany)

**US bond yields** (10-year, %)  
2.74 (Aug 1, 2011) ↻ 2.32 (Aug 8) ↻ 2.31 (Aug 15) ↻ 2.11 (Aug 22) ↻ 2.26 (Aug 29) ↻ 1.99 (Sep 2)

### US

The US economy recovered slower than initially expected, and the GDP growth in the second quarter has been revised downward to 1.0 percent (*annualized q-o-q*) from 1.3 percent.

Housing prices continued to fall in June with a drop of 0.1 percent month-on-month based on the S&P/Case-Shiller Home Price Index, and in July existing home sales dropped 3.5 percent while new home sales slipped 0.7 percent.

**S&P/Case-Shiller home price index** (m-o-m, %)  
-0.3 (Jan 2011) ↻ -0.3 (Feb) ↻ -0.7 (Mar) ↻ 0.5 (Apr) ↻ -0.1 (May) ↻ -0.1 (Jun)

The labor market was weak in August as the number of non-farm payrolls stayed almost flat from the previous month, posting the lowest increase in 11 months.

**Non-farm payrolls** (q-o-q, thousand)  
235 (Feb 2011) ↻ 194 (Mar) ↻ 217 (Apr) ↻ 53 (May) ↻ 20 (Jun) ↻ 85 (Jul) ↻ 0 (Aug)

However, there were signs of some improvement in economic indicators that had been sluggish, with a large increase in industrial production and personal consumption expenditure in July.

**Industrial production** (m-o-m, %)  
-0.4 (Feb 2011) ↻ 0.7 (Mar) ↻ -0.3 (Apr) ↻ 0.2 (May) ↻ 0.4 (Jun) ↻ 0.9 (Jul)

**Personal consumption expenditure** (m-o-m, %)  
0.8 (Feb 2011) ↻ 0.6 (Mar) ↻ 0.2 (Apr) ↻ 0.1 (May) ↻ -0.1 (Jun) ↻ 0.8 (Jul)

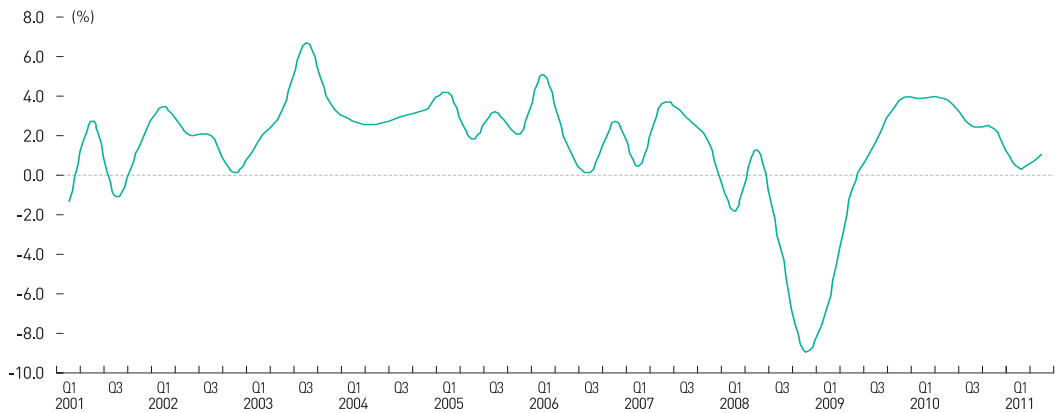
(Percentage change from previous period)

	2009		2010				2011 <sup>1</sup>			
	Annual	Annual	Q1	Q2	Q3	Q4	Q1	Q2	Jun	Jul
Real GDP <sup>2</sup>	-3.5	3.0	3.9	3.8	2.5	2.3	0.4	1.0	-	-
- Personal consumption expenditure	-1.9	2.0	2.7	2.9	2.6	3.6	2.1	0.4	-	-
- Corporate fixed investment	-17.8	4.4	6.0	18.6	11.3	8.7	2.1	9.9	-	-
- Housing construction investment	-16.0	14.6	-15.3	22.8	-27.7	2.5	-2.4	3.4	-	-
Industrial production	-11.2	5.3	2.0	1.7	1.6	0.8	1.2	0.3	0.4	0.9
Retail sales	-1.7	3.8	1.1	0.8	0.9	1.4	1.5	0.9	0.1	0.8
Existing home sales	5.2	-4.5	-12.3	7.5	-25.1	13.8	8.2	-4.9	0.6	-3.5
Unemployment rate <sup>3</sup>	9.3	9.6	9.7	9.6	9.6	9.6	8.9	9.1	9.2	9.1
Consumer prices	-0.3	1.6	0.3	-0.1	0.4	0.7	1.3	1.0	-0.2	0.5

1. Preliminary 2. Annualized rate (%) 3. Seasonally adjusted Source: US Department of Commerce

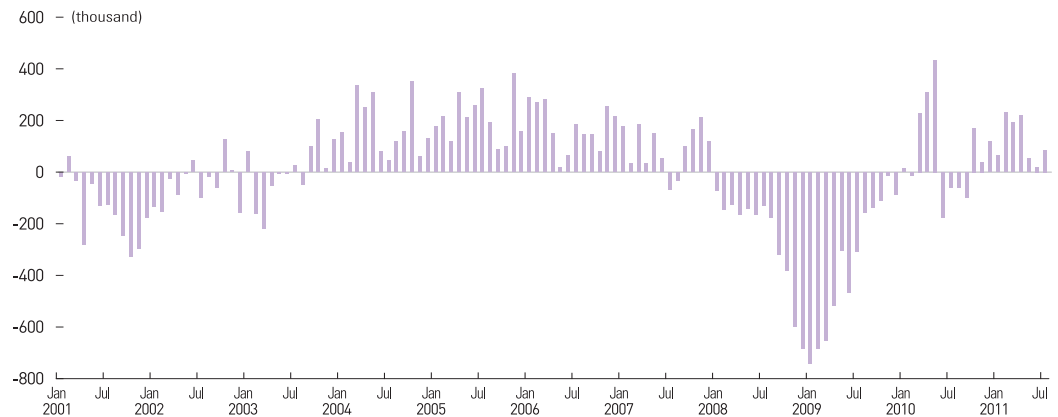
### 1-1 US GDP (q-o-q, annualized rate)

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

China's economy continued to grow at a high level, posting 9.5 percent growth in the second quarter amid rising inflationary pressure as consumption and investment increased. Consumer price increases accelerated, climbing 6.5 percent year-on-year and 5.5 percent month-on-month in July with ongoing sharp rises in food prices.

### Food prices (y-o-y, %)

10.3 (Jan 2011) ↻ 11.0 (Feb) ↻ 11.7 (Mar) ↻ 11.5 (Apr) ↻ 11.7 (May) ↻ 14.4 (Jun) ↻ 14.8 (Jul)

(Percentage change from same period in previous year)

	2009	2010					2011 <sup>1</sup>			
	Annual	Annual	Q1	Q2	Q3	Q4	Q1	Q2	Jun	Jul
Real GDP	9.1	10.3	11.9	10.3	9.6	9.8	9.7	9.5	-	-
Industrial production <sup>2</sup>	11.0	15.7	19.6	16.0	13.5	13.3	14.9	13.9	15.1	14.0
Fixed asset investment (accumulated)	30.5	24.5	26.4	25.5	24.5	24.5	32.5	27.0	27.0	27.2
Retail sales	15.5	23.3	23.7	23.8	23.9	22.0	17.1	18.2	17.7	17.6
Exports	-16.0	31.3	28.7	40.9	32.2	24.9	26.4	22.0	17.9	20.4
Consumer prices <sup>2</sup>	-0.7	3.3	2.2	2.9	3.5	4.7	4.9	5.7	6.4	6.5
Producer prices <sup>2</sup>	-5.4	5.5	5.2	6.8	4.5	5.7	7.0	6.9	7.1	7.5

1. Preliminary

2. Quarterly change: average of monthly change

Source: China National Bureau of Statistics

## Japan

Japan's GDP fell 0.3 percent in the second quarter compared with the first quarter, marking a decline for the third consecutive quarter, but better than the market expectation of a 0.6 percent drop. Moody's downgraded Japan's credit rating on August 24 from Aa2 to Aa3 based on the country's huge fiscal deficit and government debt as well as low growth potential.

(Percentage change from previous period)

	2009	2010					2011 <sup>1</sup>			
	Annual	Annual	Q1	Q2	Q3	Q4	Q1	Q2	Jun	Jul
Real GDP	-6.3	4.0	1.5	0.5	0.8	-0.3	-0.9	-0.3	-	-
Industrial production	-21.9	16.4	7.4	0.7	-1.1	-0.1	-2.0	-4.0	3.8	0.6
Retail sales (y-o-y)	-2.3	2.5	3.8	3.7	3.2	-0.4	-3.0	-1.7	-1.1	-
Exports (y-o-y)	-33.1	24.4	43.2	33.2	17.8	10.0	3.5	-7.9	-1.6	-3.3
Consumer prices (y-o-y)	-1.4	-0.7	-1.2	-0.9	-0.8	0.1	-1.4	-0.9	-0.8	-0.5

1. Preliminary Source: Japan's Statistics Bureau and Statistics Centre, Ministry of Economy, Trade and Industry, Ministry of Finance

## Eurozone

The eurozone economy slowed down significantly in the second quarter from the first quarter, in line with a slowdown in major countries such as Germany and France which grew 0.1 percent and 0.0 percent, respectively. On August 23, Spain proposed fiscal rules to limit its fiscal deficit and government debt, and the following day France announced an austerity plan aimed at generating savings of 12 billion euros from 2011 to 2012.

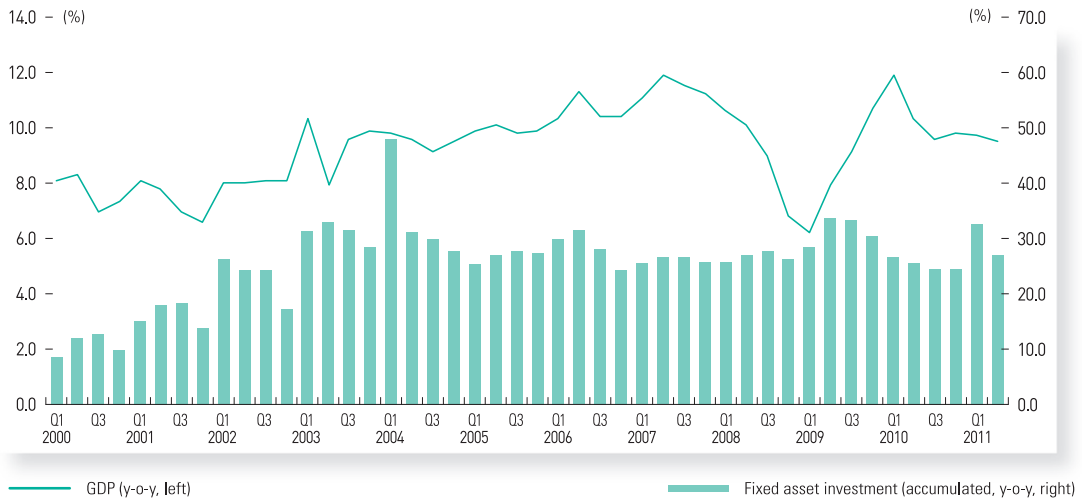
(Percentage change from previous period)

	2009	2010					2011 <sup>1</sup>			
	Annual	Annual	Q1	Q2	Q3	Q4	Q1	Q2	Jun	Jul
Real GDP	-4.0	1.7	0.4	1.0	0.3	0.3	0.8	0.2	-	-
Industrial production	-14.9	7.1	2.4	2.4	1.0	1.7	0.9	0.3	0.7	-
Retail sales	-2.2	0.7	0.4	0.1	0.4	0.3	-0.2	-0.3	0.6	-
Exports (y-o-y)	-18.1	20.1	12.9	22.3	22.8	21.8	21.2	12.6	3.4	-
Consumer prices (y-o-y)	0.3	1.6	1.1	1.5	1.7	2.0	2.5	2.8	2.7	2.5

1. Preliminary Source: Eurostat

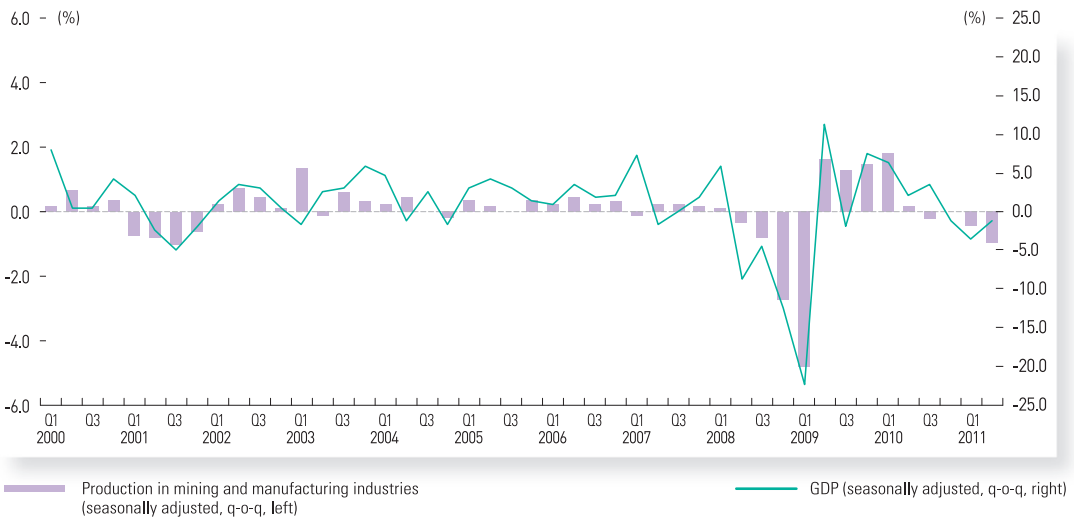
### 1-4 China's GDP and fixed asset investment

Source: National Bureau of Statistics of China



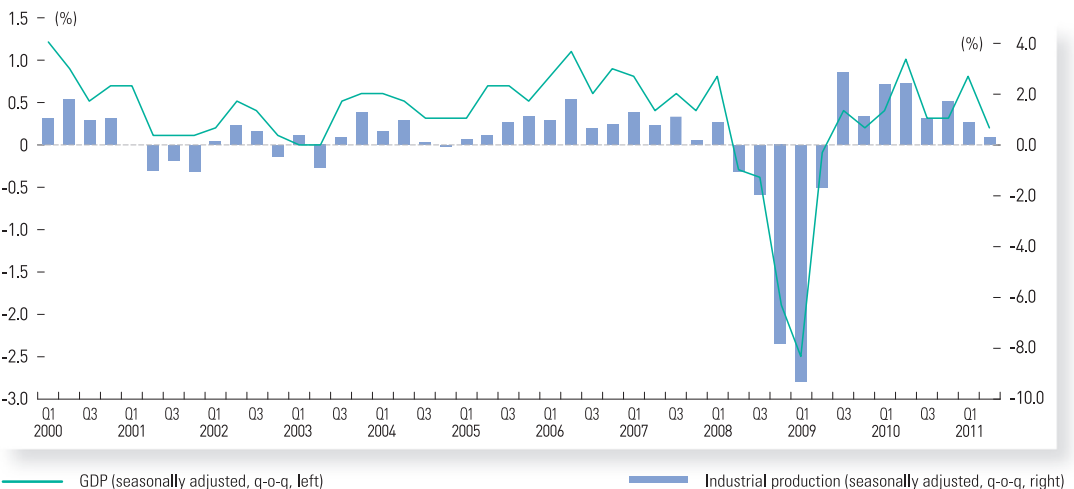
### 1-5 Japan's GDP growth

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 (*advanced estimates*) increased 1.0 percent quarter-on-quarter and 3.1 percent year-on-year in the second quarter of 2011.

(Percentage change from same period in previous year)

	2009				2010					2011 <sup>1</sup>	
	Annual	Q2	Q3	Q4	Annual	Q1	Q2	Q3	Q4	Q1	Q2
Private consumption <sup>2</sup>	0.0	-1.1	0.4	5.6	4.1	6.6	3.5	3.6	2.9	2.8	3.1
q-o-q	-	3.7	1.4	0.9	-	0.5	0.7	1.4	0.3	0.4	1.0

1. Preliminary 2. National accounts

Source: The Bank of Korea

Retail sales in July climbed 2.3 percent month-on-month and 5.3 percent year-on-year, as the sales of durable goods particularly automobiles increased, and non-durable goods sales rose 4.3 percent month-on-month in line with high demand for gasoline before the return of oil prices to the normal level.

On a year-on-year basis, sales of durable goods remained at a high level although it slowed down, while sales of semi-durable and non-durable goods grew.

(Percentage change from same period in previous year)

	2009		2010				2011			
	Annual	Annual	Q1	Q2	Q3	Q4	Q1	Q2 <sup>1</sup>	Jun <sup>1</sup>	Jul <sup>1</sup>
Consumer goods sales	2.7	6.6	9.7	4.9	7.5	5.1	5.1	5.7	5.8	5.3
q-o-q	-	-	0.6	-0.1	3.3	0.8	1.1	0.2	1.4	2.3
- Durable goods <sup>2</sup>	8.2	14.9	29.6	5.6	17.0	10.6	12.9	17.5	17.0	12.6
· Automobiles	21.8	11.1	48.9	-2.1	12.0	0.1	10.2	13.0	12.2	10.8
- Semi-durable goods <sup>3</sup>	1.3	6.8	2.5	6.2	6.6	11.1	6.1	5.6	4.3	4.0
- Non-durable goods <sup>4</sup>	1.2	2.2	3.2	3.3	3.0	-0.7	0.8	-0.4	0.1	2.1

1. Preliminary

2. Durable goods: Automobiles, electronic appliances, furniture, telecommunications devices, etc.

3. Semi-durable goods: Clothing, footwear, etc.

4. Non-durable goods: Food, medicine, cosmetics, fuel, tobacco, etc.

Source: Statistics Korea

Sales at department stores and large discounters declined 4.3 percent and 0.6 percent, respectively, month-on-month, while those at specialized retailers rose 3.1 percent and sales of nonstore retailers climbed 0.9 percent. On a year-on-year basis, the sales of all categories of department stores, large discounters, specialized retailers and nonstore retailers continued to gain ground.

(Percentage change from same period in previous year)

	2009		2010				2011 <sup>1</sup>			
	Annual	Annual	Q1	Q2	Q3	Q4	Q1	Q2 <sup>1</sup>	Jun <sup>1</sup>	Jul <sup>1</sup>
- Department stores	4.3	8.8	7.5	9.2	7.4	10.5	11.5	9.7	7.2	7.1
- Large discounters	-2.2	4.4	5.4	4.1	7.6	0.8	3.5	5.1	3.6	3.3
- Specialized retailers <sup>2</sup>	3.0	5.6	9.7	1.8	7.3	4.2	4.3	4.9	6.5	6.0
- Nonstore retailers	8.7	15.6	20.1	17.9	11.4	13.5	11.5	9.2	5.9	6.4

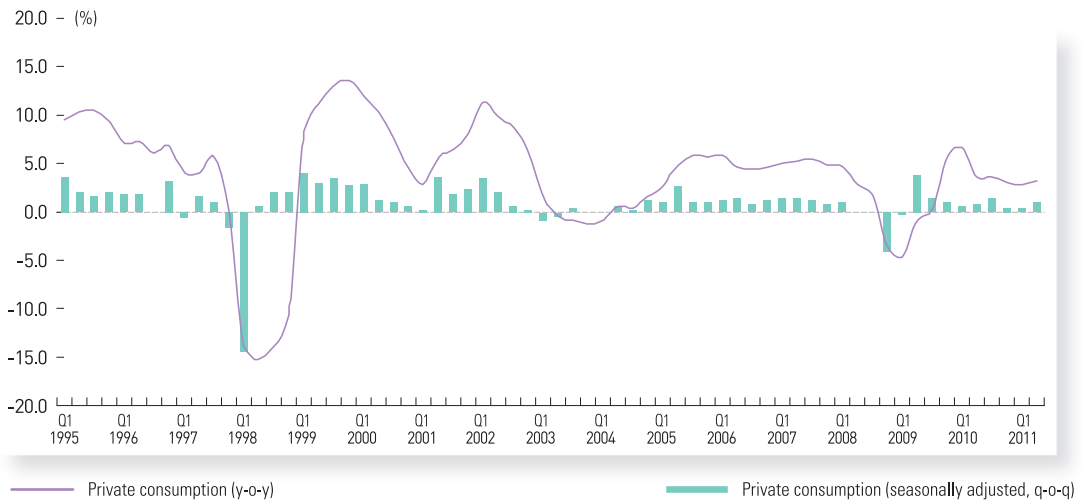
1. Preliminary

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

Source: Statistics Korea

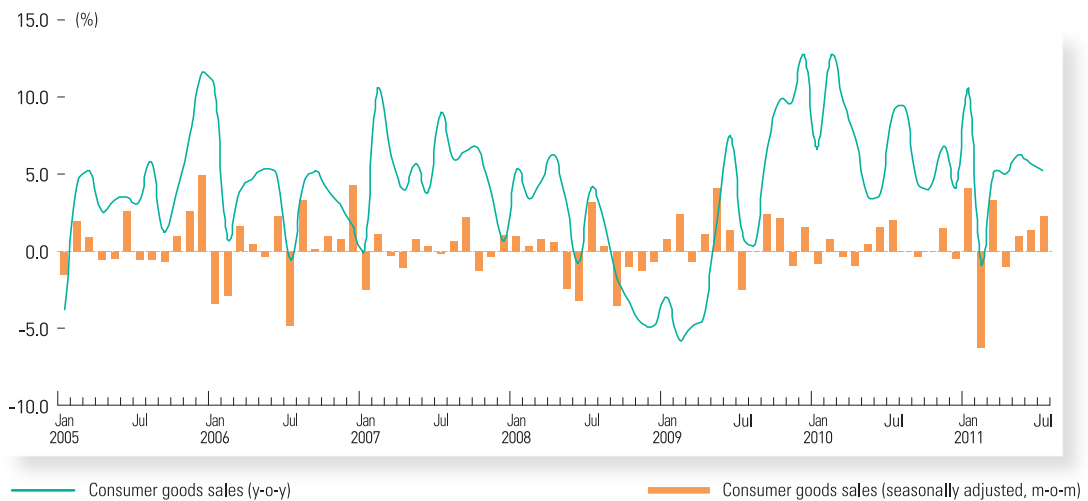
## 2-1 Private consumption

Source: The Bank of Korea (national accounts)



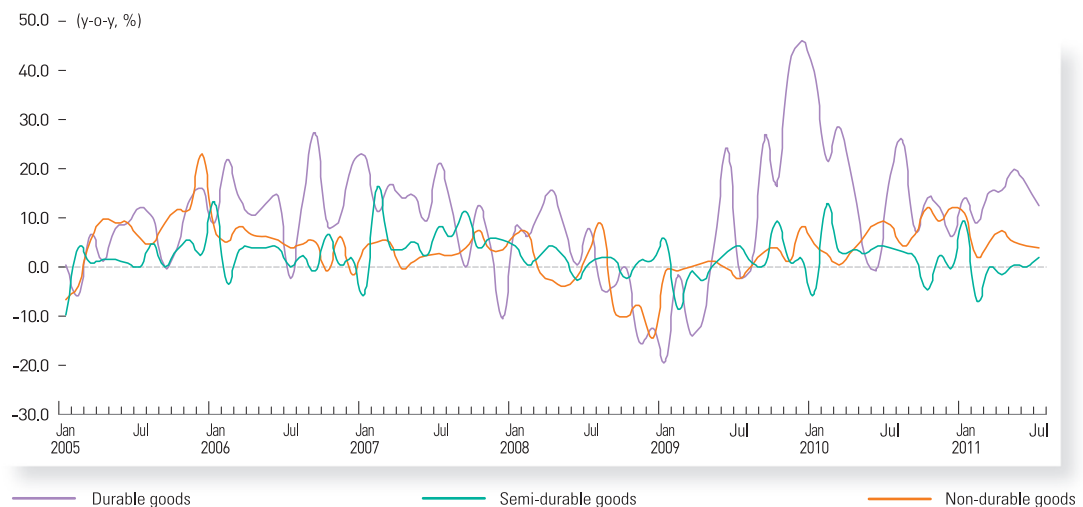
## 2-2 Consumer goods sales

Source: Statistics Korea (industrial activity trend)



## 2-3 Consumer goods sales by type

Source: Statistics Korea (industrial activity trend)



There is a possibility that consumer goods sales will slow down considering advanced indicators and shrinking consumer sentiment with concern over a global economic slowdown.

Increasing volatility in financial markets after the downgrading of the US credit rating and amid concern over a global economic slowdown has been followed by the plummeting of stock prices, resulting in worries over their effect on assets.

**KOSPI** (monthly average)

2,003 (Mar 2011) ➔ 2,153 (Apr) ➔ 2,122 (May) ➔ 2,075 (Jun) ➔ 2,150 (Jul) ➔ 1,869 (Aug)

In August, the consumer sentiment index fell below the benchmark of 100 for the first time in five months.

**Consumer sentiment index** (CSI, base=100)

108 (Jan 2011) ➔ 105 (Feb) ➔ 98 (Mar) ➔ 100 (Apr) ➔ 104 (May) ➔ 102 (Jun) ➔ 102 (Jul) ➔ 99 (Aug)

Advanced indicators of credit card use and sales of department stores and large discounters increased in August, while car sales slowed down and gasoline sales fell due to a high base effect from July when demand soared ahead of the return of oil prices to previous levels.

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

13.1 (Mar 2011) ➔ 16.3 (Apr) ➔ 21.1 (May) ➔ 19.8 (Jun) ➔ 16.6 (Jul) ➔ 19.8 (Aug<sup>1</sup>)

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

13.1 (Mar 2011) ➔ 15.1 (Apr) ➔ 8.7 (May) ➔ 8.2 (Jun) ➔ 8.5 (Jul) ➔ 8.1 (Aug<sup>1</sup>)

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

1.9 (Mar 2011) ➔ 4.6 (Apr) ➔ 2.4 (May) ➔ 2.7 (Jun) ➔ 4.9 (Jul) ➔ 2.3 (Aug<sup>1</sup>)

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

-2.4 (Mar 2011) ➔ -4.7 (Apr) ➔ -2.6 (May) ➔ -3.4 (Jun) ➔ 9.2 (Jul) ➔ -0.3 (Aug<sup>1</sup>)

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

8.4 (Mar 2011) ➔ 3.0 (Apr) ➔ 3.7 (May) ➔ 6.0 (Jun) ➔ 6.1 (Jul) ➔ 3.7 (Aug<sup>1</sup>)

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

32.1 (Mar 2011) ➔ 30.0 (Apr) ➔ 28.1 (May) ➔ 27.2 (Jun) ➔ 33.3 (Jul)

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 August data)*

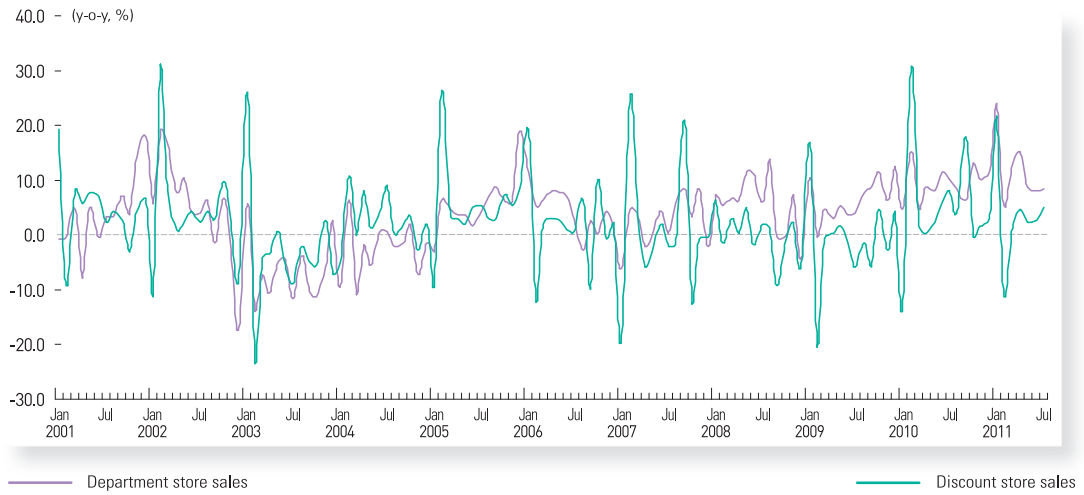
However, retail sales is expected to stay on an upward track, as recovering employment leads to increasing purchasing power. There is also a large possibility of a gradual increase in real wages following improvement in business performance of enterprises.

**Employment** (y-o-y, thousand)

469 (Feb 2011) ➔ 469 (Mar) ➔ 379 (Apr) ➔ 355 (May) ➔ 472 (Jun) ➔ 335 (Jul)

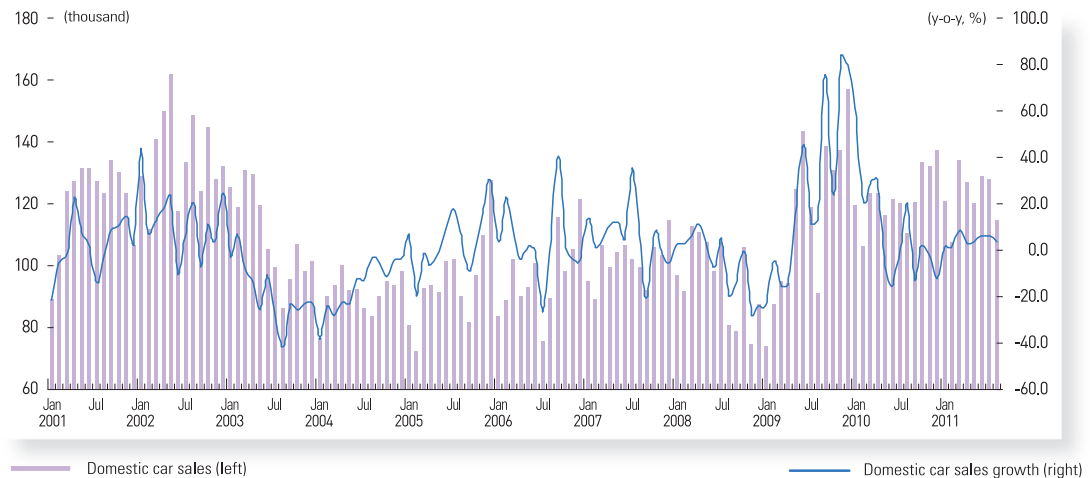
## 2-4 Department store and discount store sales (current value)

Source: Ministry of Knowledge Economy (monthly retail sales)



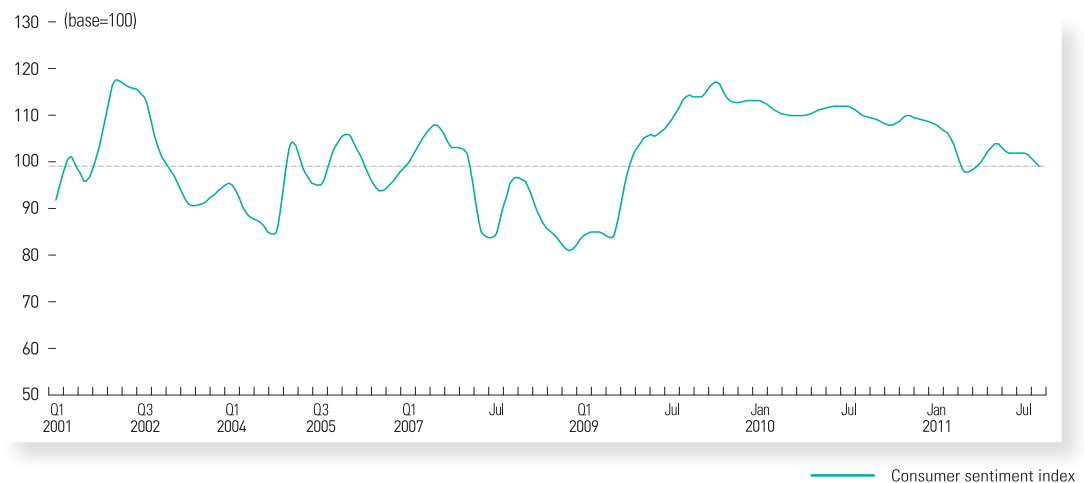
## 2-5 Domestic automobile sales

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



## 2-6 Consumer sentiment index

Source: The Bank of Korea



### 3. Facility investment

Facility investment (*advanced estimates of GDP*) in the second quarter of 2011 increased 4.0 percent quarter-on-quarter and 7.6 percent year-on-year.

(Percentage change from same period in previous year)

	2009		2010 <sup>1</sup>					2011 <sup>1</sup>	
	Annual	Q4	Annual	Q1	Q2	Q3	Q4	Q1	Q2
Facility investment <sup>2</sup>	-9.8	12.2	25.0	29.1	30.5	26.6	15.9	11.7	7.6
q-o-q	-	7.8	-	2.8	7.9	5.6	-1.0	-1.1	4.0
- Machinery	-13.5	10.1	30.8	30.0	35.3	38.9	20.5	13.9	-
- Transportation equipment	2.8	19.1	6.7	24.2	15.6	-6.6	0.6	3.2	-

1. Preliminary 2. National accounts

Source: The Bank of Korea

Facility investment in July fell 5.6 percent month-on-month due to weak investment in machinery, while slid 2.7 percent year-on-year since investment in both machinery and transportation equipment decreased.

Facility investment is projected to moderately increase backed by recovering domestic demand as well as strong exports. Yet, these situations may possibly be hindered by contracting corporate sentiment from growing external uncertainties such as concern over a possible US economic slowdown and poor leading indicators except machinery imports.

(Percentage change from same period in previous year)

	2009	2010				2011 <sup>1</sup>				
	Annual	Annual	Q2	Q3	Q4	Q1	Q2 <sup>1</sup>	May	Jun <sup>1</sup>	Jul <sup>1</sup>
Facility investment	-9.4	25.1	29.5	29.3	13.6	6.6	4.8	10.3	4.7	-2.7
q-o-q, m-o-m	-	-	6.7	7.2	-5.4	-0.2	3.0	14.3	0.7	-5.6
- Machinery	-12.6	30.5	37.1	37.4	17.1	6.8	7.1	11.2	5.2	-2.3
- Transportation equipment	4.6	4.3	2.8	-0.1	-1.2	5.6	-5.7	6.5	2.6	-4.3
Domestic machinery orders	-10.3	11.2	24.7	-0.2	11.3	19.5	9.0	-0.8	20.7	-2.4
q-o-q, m-o-m	-	-	15.2	-3.6	4.1	3.6	4.6	8.4	12.2	-16.3
- Public	62.4	-37.9	-42.2	-71.7	31.4	-10.3	82.0	23.4	205.2	44.9
- Private	-18.2	21.8	35.5	22.0	7.8	22.7	4.0	-2.2	6.4	-4.9
Machinery imports	-16.6	40.4	51.3	40.0	26.3	8.0	10.5	26.9	3.3	12.4
Manufacturing operation ratio	-3.5	8.8	10.8	1.8	5.3	2.6	-0.3	0.9	-0.4	-2.5
Facility investment adjustment pressure <sup>2</sup>	-3.7	9.5	12.1	3.4	4.6	4.1	1.6	2.7	1.4	-0.6

1. Preliminary

2. Production growth rate minus production capacity growth rate in the manufacturing sector (%p)

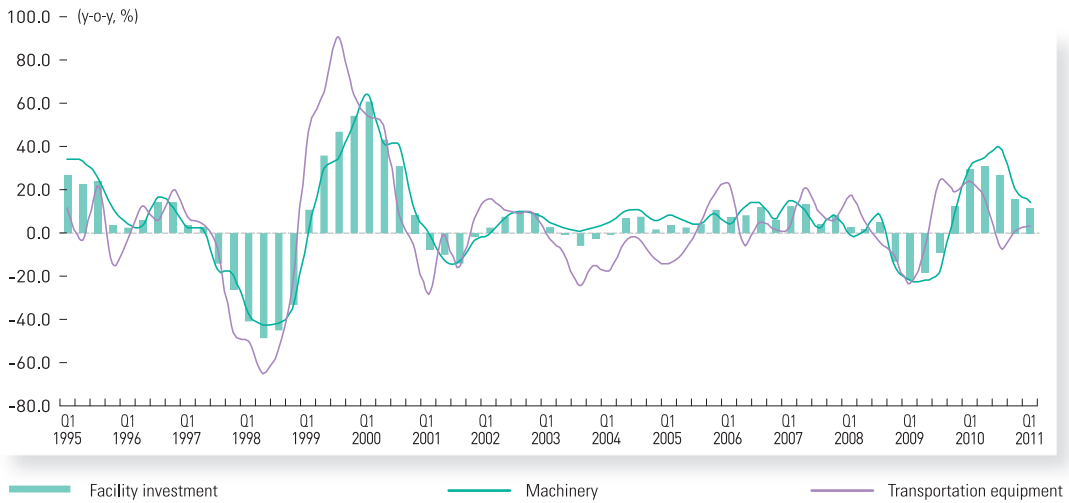
Sources: Statistics Korea, the Korea International Trade Association (machinery imports data)

	2011					
	Apr	May	Jun	Jul	Aug	Sep
Business survey indices (base=100) for manufacturing facility investment projections	102	103	102	103	103	100

Source: The Bank of Korea

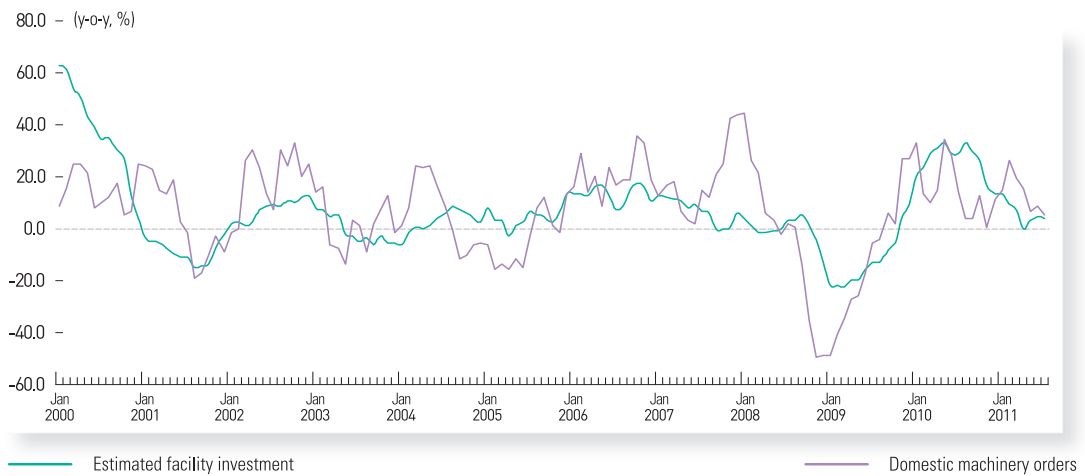
### 3-1 Facility investment by type

Source: The Bank of Korea (national accounts)



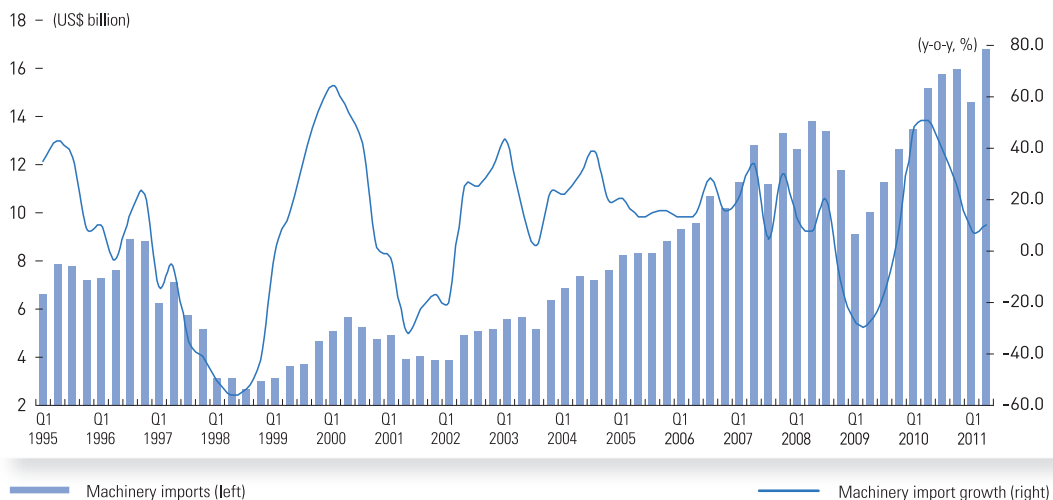
### 3-2 Machinery orders and estimated facility investment (3-month average)

Source: Statistics Korea (industrial activity trend)



### 3-3 Machinery imports

Source: Korea International Trade Association (KITA)



## 4. Construction investment

Construction investment (*advanced estimates of GDP*) in the second quarter of 2011 fell 0.4 percent quarter-on-quarter and 8.6 percent year-on-year.

(Percentage change from same period in previous year)

	2009		2010 <sup>1</sup>					2011 <sup>1</sup>	
	Annual	Q4	Annual	Q1	Q2	Q3	Q4	Q1	Q2
Construction investment <sup>2</sup>	3.4	4.0	-1.4	4.3	-2.3	-3.1	-2.9	-11.9	-8.6
q-o-q	-	0.7	-	2.0	-4.2	-0.8	-1.0	-6.7	-0.4
- Building construction	-2.3	2.4	-2.9	4.5	-5.1	-6.3	-2.8	-11.3	-
- Civil engineering works	11.6	5.6	0.5	4.0	1.0	1.7	-2.9	-12.7	-

1. Preliminary

2. National accounts

Source: The Bank of Korea

The value of construction completion (*constant*) in July fell 15.1 percent month-on-month and 13.2 percent year-on-year due to a decline in both building construction and civil engineering works.

(Percentage change from same period in previous year)

	2009		2010				2011 <sup>1</sup>			
	Annual	Annual	Q2	Q3	Q4	Q1	Q2 <sup>1</sup>	May	Jun <sup>1</sup>	Jul <sup>1</sup>
Value of construction completion(constant)	1.6	-3.3	-4.3	-6.8	-4.3	-12.6	-6.6	-9.4 <sup>1</sup>	-1.5	-13.2
q-o-q, m-o-m	-	-	-3.1	-4.3	-1.6	-4.6	3.5	3.7 <sup>1</sup>	14.5	-15.1
- Building construction	-6.4	-7.1	-7.7	-12.3	-8.5	-15.2	-8.4	-12.2 <sup>1</sup>	-3.5	-13.8
- Civil engineering works	16.1	2.2	0.6	1.9	1.2	-9.2	-4.3	-5.5 <sup>1</sup>	1.1	-12.4
Construction orders (current value)	5.0	-18.7	-6.7	-3.6	-40.2	-12.8	-3.3	-22.5	13.3	-34.6
q-o-q, m-o-m	-	-	0.2	-1.4	-22.9	12.8	9.8	-5.4	37.0	-30.4
- Building construction	-14.2	-9.9	55.3	-1.3	-46.4	-9.7	-4.0	-20.5	8.3	-41.8
- Civil engineering works	44.3	-29.5	-49.7	-7.0	-29.9	-17.0	-1.5	-28.4	22.1	-26.7
Building permit area	-12.9	19.3	47.4	-14.3	18.1	21.5	3.8	3.5	7.8	31.4

1. Preliminary

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

Construction investment is forecast to continue to slow down given stagnant housing markets, construction companies' weak investment sentiment, and decreased construction orders. Still, the recovery signs have been detected in the housing market such as an increase in building permits issued and a drop in unsold houses. As of July 30, housing building permits increased 56.5 percent year-on-year.

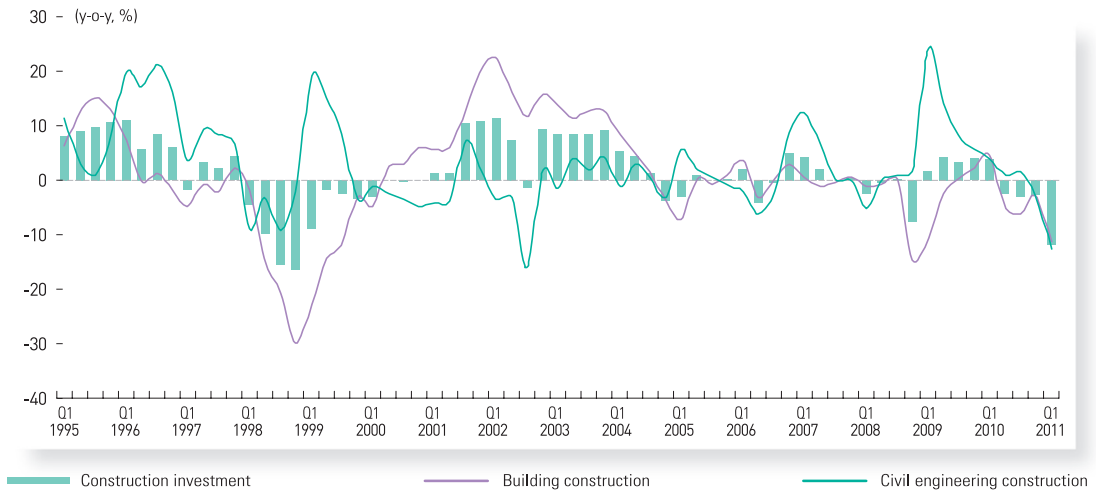
	2009	2010	2011		
	Dec	Dec	May	Jun	Jul
Unsold houses	123,000	89,000	71,000	73,000	70,000

	2011					
	Apr	May	Jun	Jul	Aug	Sep
Business survey indices (base=100) for construction projections	59.1	74.6	80.4	76.8	64.1	74.0

Source: The Construction and Economy Research Institute of Korea

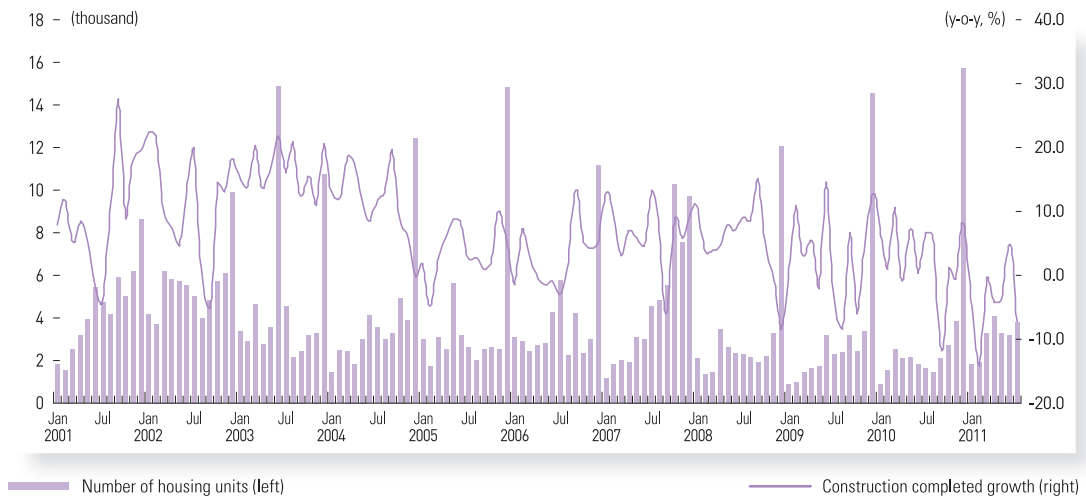
#### 4-1 Construction investment

Source: The Bank of Korea (national accounts)



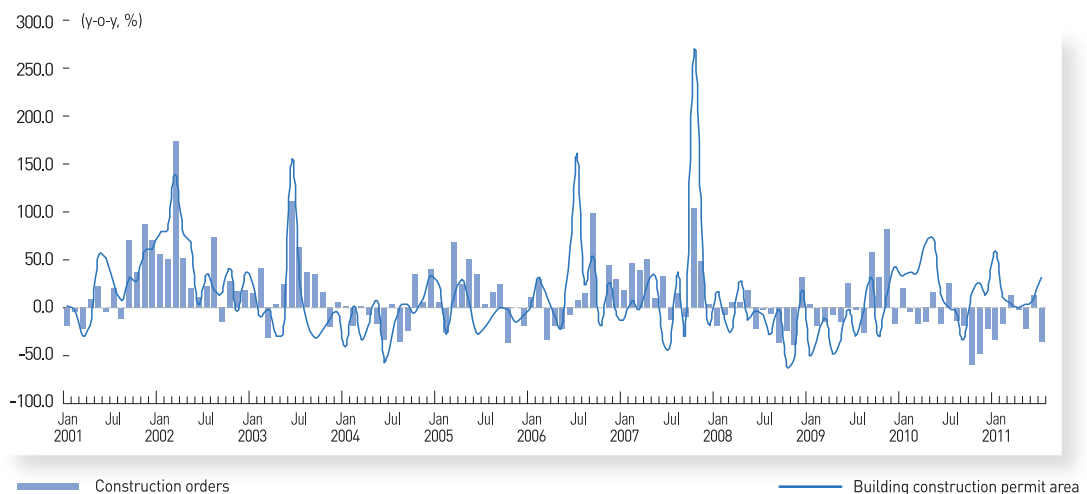
#### 4-2 Construction completed and housing construction

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



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

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



## 5. Exports and imports

Exports in August increased 27.1 percent (*preliminary*) year-on-year to US\$46.38 billion.

In August, exports decreased compared to in July when exports hit a record high, since August is a vacation season that leads to fewer working days. However, on a year-on-year basis, exports rose in the upper half of the 20 percent range.

By business category, exports of petroleum products (*up 84.1%*), automobiles (*up 32.1%*), and steel (*up 30.5%*) surged while those of semiconductors (*down 13.1%*) decreased.

By regional category, exports to the ASEAN countries (*up 53.8%*), Japan (*up 46.3%*), and China (*up 21.6%*) continue to jump while those to the EU (*up 14.9%*) increased for the first time in three months. Exports to the US posted smaller gains, but it also improved, rising 5.9 percent from the previous month's 2.5 percent.

(US\$ billion)

	2009		2010				2011			
	Annual	Annual	Q1	Q2	Q3	Q4	Q1	Q2	Jul	Aug <sup>1</sup>
Exports	363.53	466.38	101.08	120.24	116.32	128.75	131.00	142.74	50.60	46.38
(y-o-y, %)	-13.9	28.3	35.8	33.1	22.7	23.8	29.6	18.7	25.2	27.1
Average daily exports	1.30	1.70	1.51	1.76	1.72	1.79	1.99	2.08	2.15	1.93
Imports	323.08	425.21	98.16	105.63	105.70	115.73	123.64	134.36	44.28	45.56
(y-o-y, %)	-25.8	31.6	37.4	42.8	24.6	24.6	25.9	27.2	25.0	29.2
Average daily imports	11.6	1.46	0.47	1.54	1.57	1.61	1.87	1.96	1.89	1.90

1. Preliminary

Source: Korea Customs Service

Imports in August increased 29.2 percent (*preliminary*) year-on-year to US\$45.56 billion, posting a record high led by soaring capital goods imports.

(US\$ billion)

	2011 Imports		
	Jul	Aug	Change(%)
Commodities	27.17	27.26	0.9
Capital goods	12.61	13.52	9.1
Consumer goods	4.50	4.79	2.9

The current account balance (*preliminary*) posted a surplus in August for 19 consecutive months, but the surplus decreased to US\$0.82 billion from the previous month's US\$6.32 billion due to seasonal factors such as vacation.

(US\$ billion)

	2008-2010				
	Jun	Jul	Aug	Sept	Oct
Average trade surplus	4.25	2.41	-0.35	2.16	3.64

(US\$ billion)

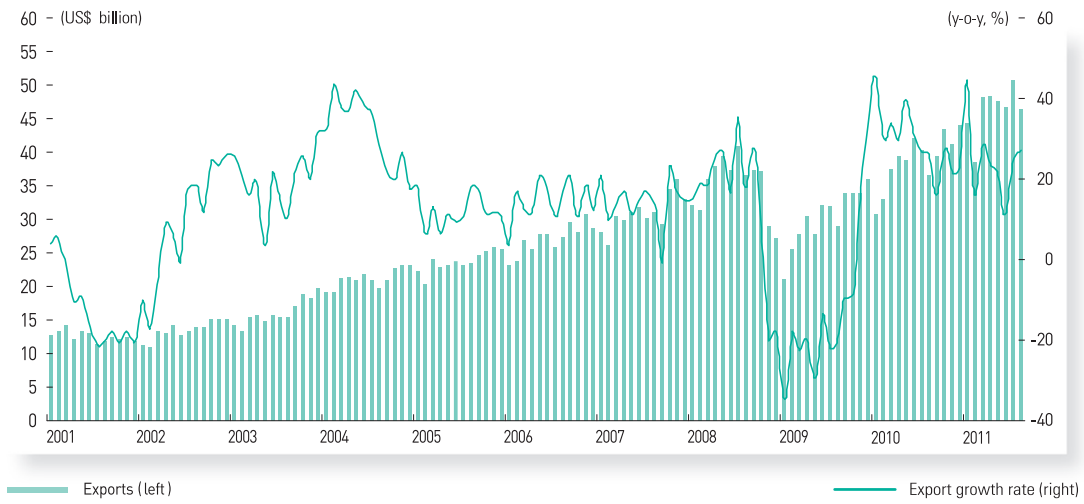
	2009		2010				2011			
	Annual	Annual	Q1	Q2	Q3	Q4	Q1	Q2	Jul	Aug <sup>1</sup>
Trade Balance	40.45	41.17	2.93	14.61	10.62	13.02	7.37	9.37	6.32	0.82

1. Preliminary

Source: Korea Customs Service

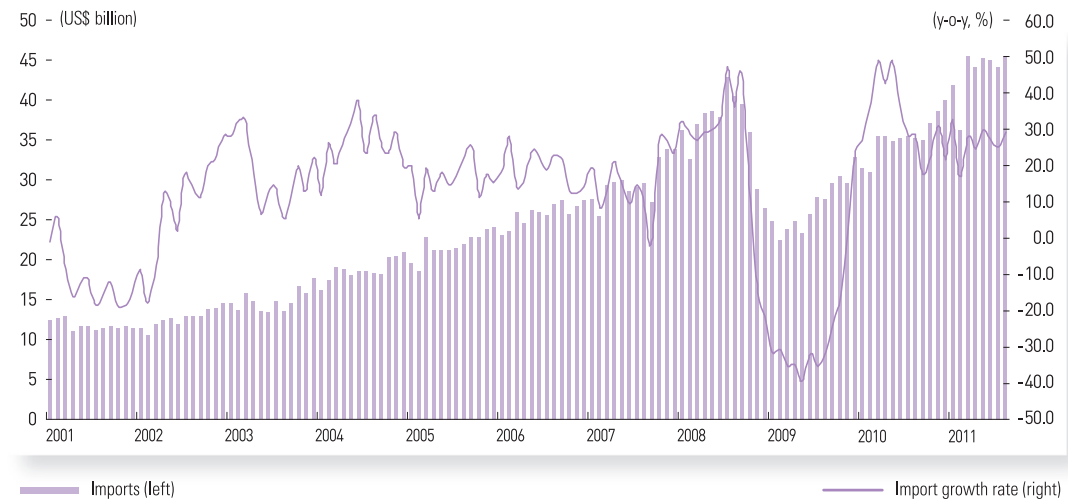
### 5-1 Exports (customs clearance basis)

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



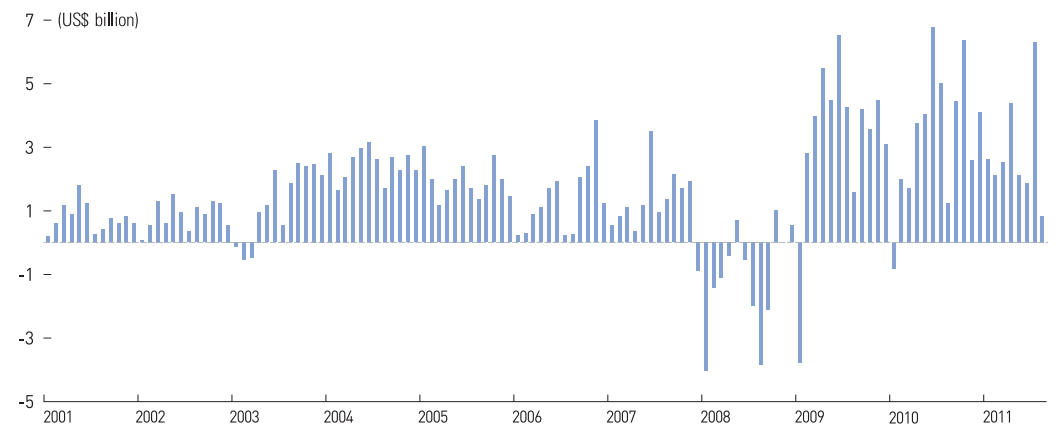
### 5-2 Imports (customs clearance basis)

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 July fell 0.4 percent month-on-month with slowing down chemical products and vessels, while rising 3.8 percent year-on-year.

By business category, automobiles (*up 4.1%*) and semiconductors and parts (*up 0.6%*) increased month-on-month, while transportation equipment (*down 5.2%*) and chemical products (*down 2.4%*) went down.

The manufacturing inventory-shipment ratio increased month-on-month for two months in a row, as the inventory (*up 3.0%*) increased while the shipments (*down 1.1%*) fell.

By business category, the shipments of refined petroleum (*up 7.7%*) and automobiles (*up 4.0%*) increased month-on-month, while those of semiconductors and parts (*down 6.7%*) and machinery (*down 3.8%*) declined. The inventories of semiconductors and parts (*up 11.7%*) and automobiles (*up 11.7%*) climbed month-on-month, while those of refined petroleum (*down 14.3%*) and machinery (*down 2.8%*) fell.

The average operation ratio of the manufacturing sector lost 0.4 percentage points to 82.1 percent, 3.8 percentage points higher than the average of 78.3 percent between 2000 and 2010.

(Percentage change from same period in previous year)

		2010			2011				
		Annual	Q2	Jul	Q1	Q2 <sup>1</sup>	May	Jun <sup>1</sup>	Jul <sup>1</sup>
Mining and manufacturing activity <sup>2</sup>	Production (q-o-q, m-o-m)	-	4.2	0.5	6.1	0.0	1.7	0.9	-0.4
	(y-o-y)	16.2	18.8	14.8	10.6	7.2	8.2	6.5	3.8
	- Manufacturing	16.7	19.3	15.2	10.9	7.4	8.4	6.6	3.8
	· ICT <sup>3</sup>	25.2	26.7	22.5	14.3	10.5	12.5	6.9	3.7
	· Automobiles	23.1	32.1	22.2	16.1	12.1	10.7	17.2	12.0
	Shipment	14.4	15.9	13.0	11.9	7.2	8.2	5.8	3.0
	- Domestic demand	11.5	13.3	10.8	7.2	3.7	5.5	3.5	0.9
	- Exports	18.2	19.5	15.9	18.4	11.7	11.7	8.9	5.7
	Inventory <sup>4</sup>	17.4	17.5	20.3	10.3	10.0	7.9	10.0	10.1
	Manufacturing activity	Average operation ratio (%)	81.2	82.3	28.7	83.1	81.4	81.3	82.5
	Production capacity	7.2	7.2	7.8	6.8	5.8	5.7	5.2	4.4

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 continue a moderate recovery given brisk exports. However, it may be slightly affected by a decrease in automobile production and summer vacation.

### Exports (y-o-y, %)

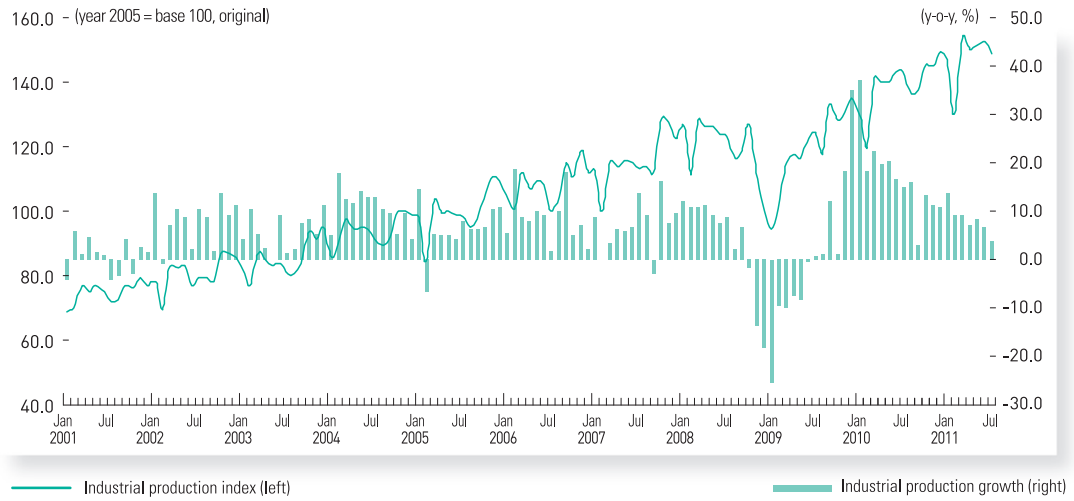
28.8 (Mar 2011) ↻ 23.5 (Apr) ↻ 22.0 (May) ↻ 11.2 (Jun) ↻ 25.2 (Jul) ↻ 27.1 (Aug)

### Automobile production (thousand)

396 (Mar 2011) ↻ 395 (Apr) ↻ 389 (May) ↻ 438 (Jun) ↻ 392 (Jul) ↻ 320 (Aug)

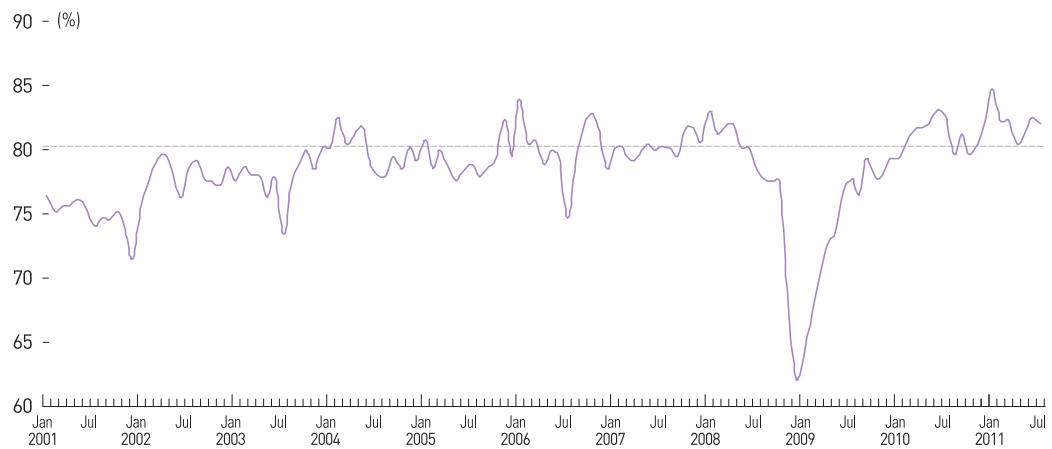
### 6-1 Industrial production

Source: Statistics Korea (industrial activity trend)



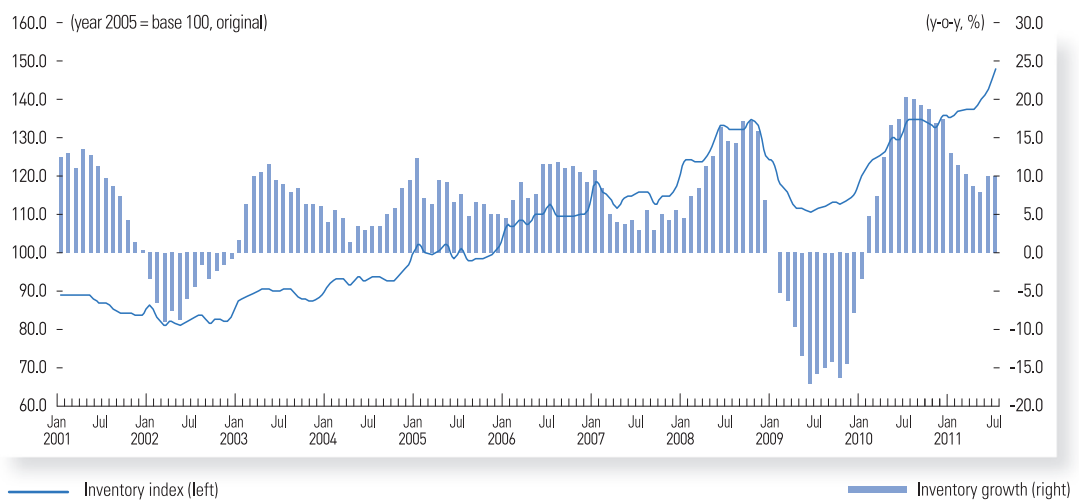
### 6-2 Average manufacturing operation ratio

Source: Statistics Korea (industrial activity trend)



### 6-3 Inventory

Source: Statistics Korea (industrial activity trend)



## 7. Service sector activity

Despite sluggish information & communication services and healthcare & social welfare services, service activity in July increased 0.4 percent from the previous month, helped by wholesale & retail sales, hotels & restaurants, and transportation services. On a year-on-year basis, service activity rose 3.8 percent.

Service activities in transportation services (*up 2.2%*), educational services (*up 1.6%*), and hotels & restaurants (*up 1.2%*) significantly expanded month-on-month. Wholesale & retail sales (*up 0.2%*) also rose, helped by robust sales of cars and fuel.

Real estate & renting (*up 1.9%*) improved month-on-month, while remained weak on a year-on-year basis (*down 3.4%*).

(Percentage change from same period in previous year)

	Weight	2009		2010				2011			
		Annual	Annual	Q1	Q2	Q3	Q4	Q1	Q2 <sup>1</sup>	Jun <sup>1</sup>	Jul <sup>1</sup>
Service activity index	100.0	1.8	3.9	6.2	4.2	2.3	3.2	2.7	3.3	3.5	3.8
- Wholesale & retail sales	21.8	-0.4	5.7	7.4	5.6	5.0	4.7	4.0	4.8	4.7	3.0
- Transportation services	9.0	-6.6	12.0	14.1	14.3	10.1	10.0	7.2	3.5	3.1	4.2
- Hotels & restaurants	7.7	-1.4	1.2	1.2	0.7	1.3	1.7	-0.6	1.9	1.8	2.5
- Information & communication services	8.4	0.9	1.9	1.0	0.4	2.2	3.6	3.9	3.4	6.8	4.2
- Financial & insurance services	15.3	7.8	4.6	6.7	2.5	1.4	8.2	7.2	8.2	7.2	7.6
- Real estate & renting	6.3	5.3	-8.6	11.5	-2.4	-15.9	-24.2	-17.7	-11.5	-4.7	-3.4
- Professional, scientific & technical services	4.8	1.2	-0.5	0.8	2.1	-3.9	-1.3	-3.6	-1.4	-4.5	-0.6
- Business services	2.9	-3.0	7.5	5.3	8.1	7.6	8.6	5.7	5.5	4.9	4.6
- Educational services	10.8	2.1	2.0	3.2	1.4	0.5	3.1	1.1	0.2	0.8	2.2
- Healthcare & social welfare services	6.0	10.4	8.8	11.7	11.0	8.6	4.6	6.2	5.0	4.8	5.0
- Entertainment, cultural & sports services	2.9	-0.5	-0.4	-3.9	-0.1	-0.4	2.7	2.4	1.1	1.4	3.1
- Membership organizations	3.8	-2.1	4.3	1.6	6.0	5.0	4.5	2.9	2.4	2.5	1.8
- Sewerage & waste management	0.4	3.7	5.1	6.7	6.0	1.7	6.4	0.0	-3.1	-9.0	-5.1

1. Preliminary

Source: Statistics Korea

Service activity is expected to maintain an upward trend in August, helped by continuously improving consumer spending. Nevertheless, the upward pace may decelerate in wholesale & retail sales due to declining gasoline sales and dampening consumer sentiment affected by mounting uncertainties in the financial market.

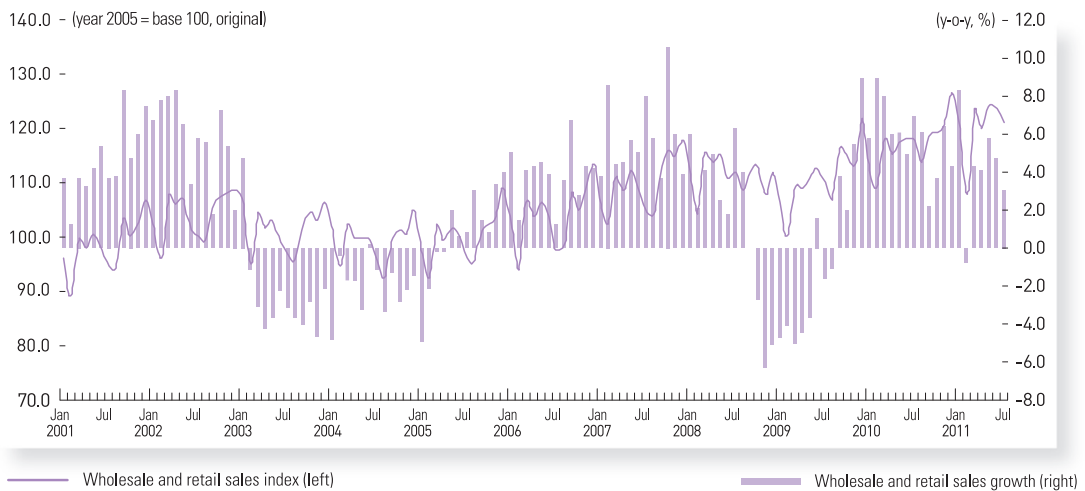
### 7-1 Service industry

Source: Statistics Korea (service industry activity trend)



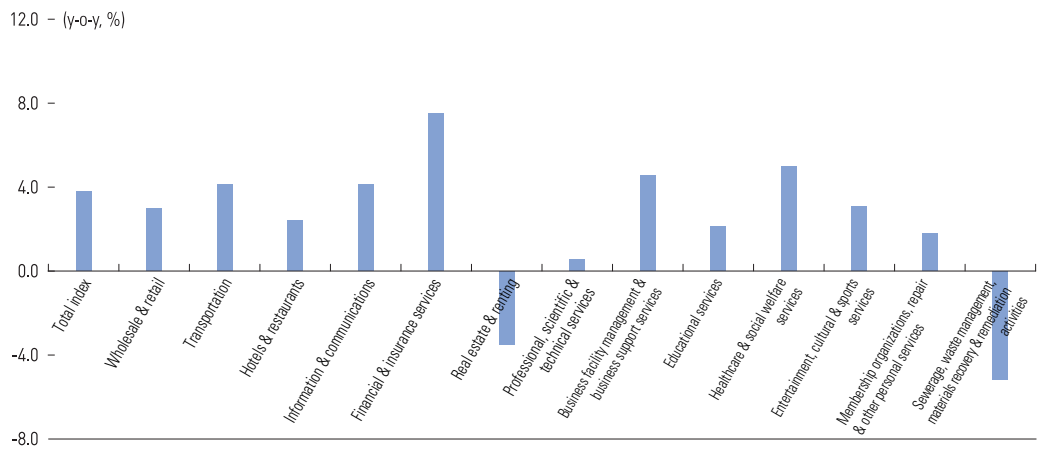
### 7-2 Wholesale and retail sales

Source: Statistics Korea (service industry activity trend)



### 7-3 July 2011 service industry by business

Source: Statistics Korea (service industry activity trend)



## 8. Employment

The number of workers on payroll in July increased by 335,000 from a year earlier, while the employment rate (*seasonally adjusted*) rose by 0.2 percentage points year-on-year to 60.0 percent.

By industry, employment in services (*up 410,000*) led the upward pace while that in manufacturing (*up 40,000*) decelerated the growth.

The service sector continued to expand employment with increasing health & welfare (*up 145,000*) and professional, scientific & technical services (*up 82,000*). In addition, transportation services (*up 78,000*) and wholesale & retail sales (*up 73,000*) contributed to the increase.

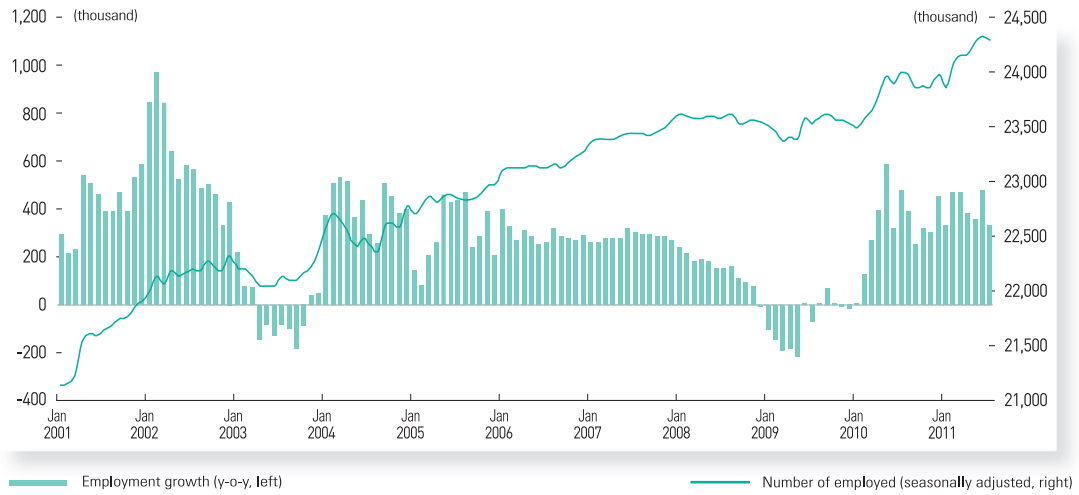
By status of workers, the number of regular workers (*up 611,000*) steadily increased. Meanwhile, temporary workers (*down 78,000*) and daily workers (*down 39,000*) continued to decline. Self-employed workers (*down 94,000*) accelerated the decline due to bad weather conditions.

	2009			2010						2011			
	Annual	Q3	Q4	Annual	Q1	Q2	Q3	Q4	Jul	Q1	Q2	Jun	Jul
Number of employed (million)	23.51	23.75	23.63	23.83	23.04	24.17	24.12	23.99	24.30	23.46	24.57	24.75	24.64
Employment rate (%)	58.6	59.1	58.7	58.7	57.0	59.6	59.3	58.9	59.8	57.4	59.9	60.3	60.0
(seasonally adjusted)	58.6	58.7	58.5	58.7	58.3	58.9	58.9	58.6	59.0	58.8	59.2	59.3	59.1
Employment growth (y-o-y, thousand)	-72	-1	-6	323	132	433	369	358	473	423	402	472	335
(Excluding agriculture, forestry & fishery)	-34	24	110	405	296	518	414	393	513	451	39	501	390
- Manufacturing	-126	-143	-49	191	61	172	262	269	238	228	112	118	40
- Construction	-91	-103	-107	33	-61	44	92	57	118	-3	-41	-42	-55
- Services	179	261	261	200	313	325	83	80	182	224	331	436	410
- Agriculture, forestry & fishery	-38	-25	-116	-82	-164	-85	-45	-35	-40	-28	3	-29	-55
- Wage workers	247	356	385	517	371	623	541	532	639	519	421	527	439
· Regular workers	383	386	515	697	651	766	671	699	725	605	621	627	611
· Temporary workers	22	125	105	-34	-37	42	-26	-114	-40	-88	-137	-33	-78
· Daily workers	-158	-155	-235	-146	-243	-185	-104	-53	-46	2	-63	-66	-94
- Non-wage workers	-319	-357	-391	-194	-239	-189	-172	-174	-166	-96	-19	-55	-104
· Self-employed workers	-259	-276	-279	-118	-106	-91	-130	-146	-128	-115	-39	-53	-39
- Male	31	34	89	181	117	188	207	212	240	266	221	265	175
- Female	-103	-34	-94	142	15	245	163	146	233	157	181	207	160
- 15 to 29	-127	-123	-77	-43	-12	-58	-44	-57	-18	-49	-74	-52	-44
- 30 to 39	-173	-169	-149	-4	-42	-13	21	17	32	-34	-13	-7	-52
- 40 to 49	-24	-30	-46	29	-21	48	40	50	49	77	59	73	63
- 50 to 59	198	211	230	294	251	342	295	287	314	286	294	306	269
- 60 or more	54	109	37	47	-44	114	57	60	96	143	137	152	98

Source: Statistics Korea

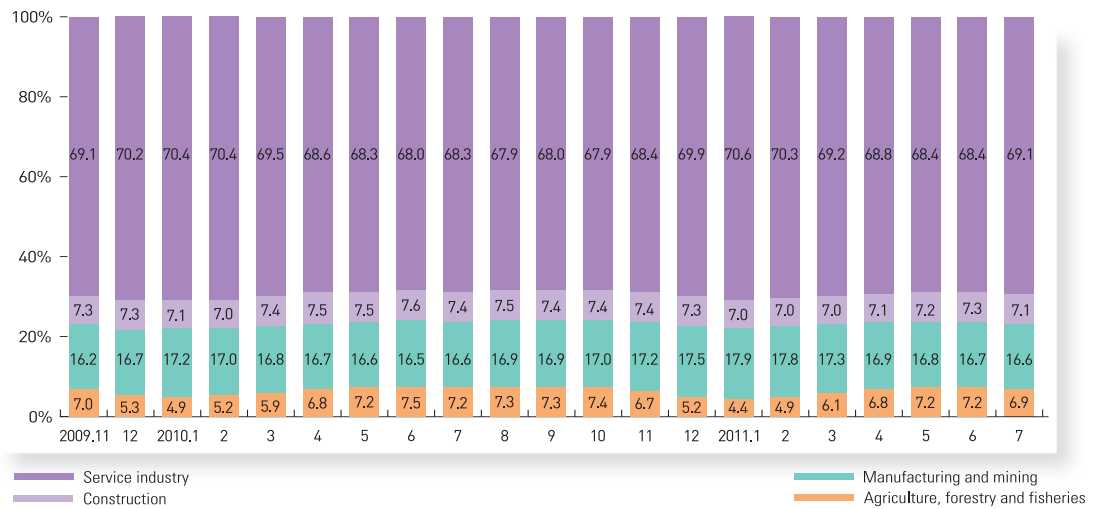
### 8-1 Number of employed and employment growth

Source: Statistics Korea (employment trend)



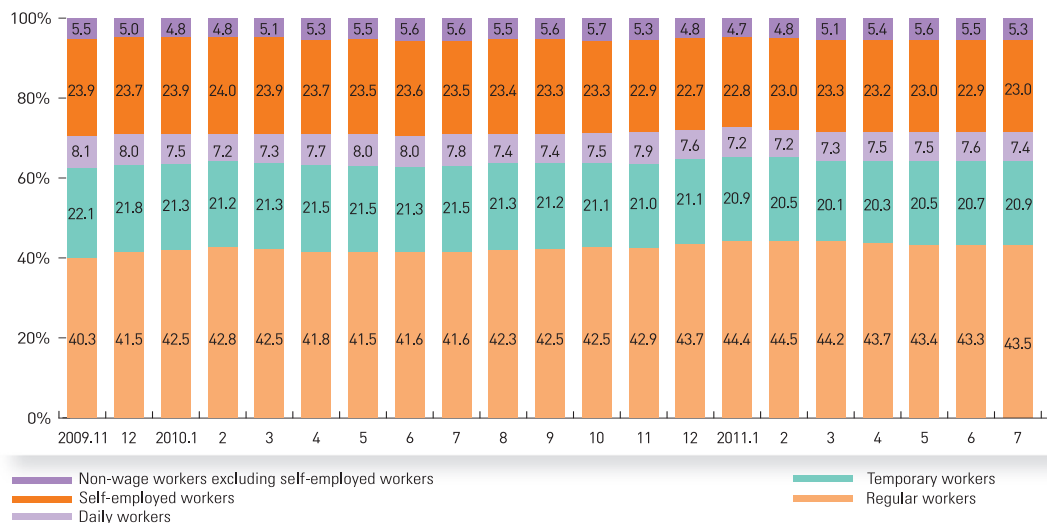
### 8-2 Share of employed by industry

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 July decreased by 95,000 year-on-year to 837,000 and the year-on-year unemployment rate (*seasonally adjusted*) dropped 0.4 percentage points to 3.3 percent.

The youth unemployment rate fell 0.9 percentage points year-on-year to 7.6 percent. In seasonally adjusted terms, the youth unemployment rate went down 0.1 percentage point to 7.3 percent, falling for the fourth consecutive month.

	2009			2010						2011			
	Annual	Q3	Q4	Annual	Q1	Q2	Q3	Q4	Jul	Q1	Q2	Jun	Jul
Number of unemployed (thousand)	889	886	817	920	1,130	868	873	808	931	1,028	865	839	837
Unemployment growth (y-o-y, thousand)	119	134	60	31	222	-75	-13	-10	4	-101	-3	-38	-95
- Male	80	95	25	-7	83	-47	-48	-16	-21	-70	-32	-59	-68
- Female	40	39	36	38	139	-29	35	6	25	-32	29	21	-27
Unemployment rate (%)	3.6	3.6	3.3	3.7	4.7	3.5	3.5	3.3	3.7	4.2	3.4	3.3	3.3
(Seasonally adjusted)	3.6	3.7	3.5	3.7	4.3	3.5	3.6	3.4	3.7	3.9	3.4	3.3	3.3
- 15 to 29	8.1	8.1	7.6	8.0	9.5	7.7	7.6	7.1	8.5	8.8	7.9	7.6	7.6
- 30 to 39	3.6	3.5	3.3	3.5	3.9	3.6	3.5	3.2	3.4	4.0	3.5	3.4	3.1
- 40 to 49	2.4	2.4	2.3	2.5	2.9	2.3	2.5	2.2	2.4	2.5	2.1	2.1	2.0
- 50 to 59	2.5	2.5	2.2	2.5	3.2	2.1	2.3	2.3	2.4	2.7	2.0	1.9	2.0
- 60 or more	1.6	1.6	1.5	2.8	5.8	2.1	2.0	1.9	2.2	4.5	2.3	2.2	2.5

Source: Statistics Korea

The economically inactive population in July was up 231,000 from a year earlier to 15,610,000. Meanwhile, the labor force participation rate (*seasonally adjusted*) fell 0.1 percentage point year-on-year to 62.0 percent.

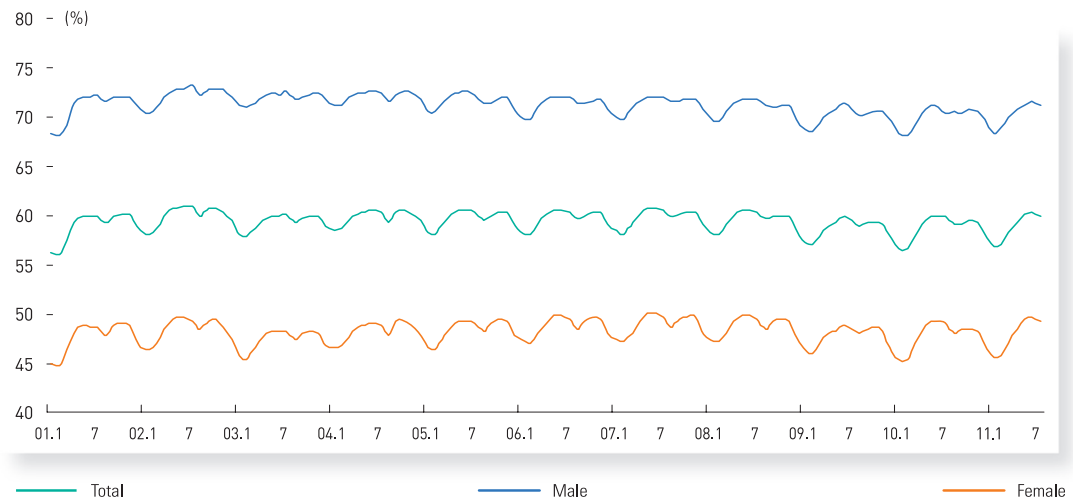
The number of workers quitting jobs due to rest, time-off and leisure (*up 215,000*), housework (*up 104,000*), and childcare (*up 7,000*) increased, while those who quit jobs due to education (*down 61,000*) and old age (*down 22,000*) decreased.

	2009			2010						2011			
	Annual	Q3	Q4	Annual	Q1	Q2	Q3	Q4	Jul	Q1	Q2	Jun	Jul
Economically inactive population (million)	15.70	15.53	15.83	15.84	16.25	15.49	15.66	15.96	15.38	16.39	15.56	15.44	15.61
Labor force participation rate (%)	60.6	61.3	60.7	61.0	59.8	61.8	61.5	60.8	62.1	59.9	62.0	62.4	62.0
(seasonally adjusted)	60.6	60.9	60.6	61.0	61.0	61.0	61.1	60.8	61.3	61.1	61.3	61.3	61.1
Growth in economically inactive population (y-o-y, thousand)	447	374	456	143	166	146	128	133	14	138	66	26	231
- Childcare	40	19	15	-125	-118	-126	-149	-107	-141	-44	-16	-15	7
- Housework	148	100	235	201	237	175	203	189	175	130	27	-19	104
- Education	31	11	-36	12	-74	23	46	55	-0	-16	-39	-14	-61
- Old age	88	105	92	80	193	59	43	25	62	-103	-58	-34	-22
- Rest, time-off and leisure	123	94	123	-56	-187	-27	15	-27	-41	241	163	125	215

Source: Statistics Korea

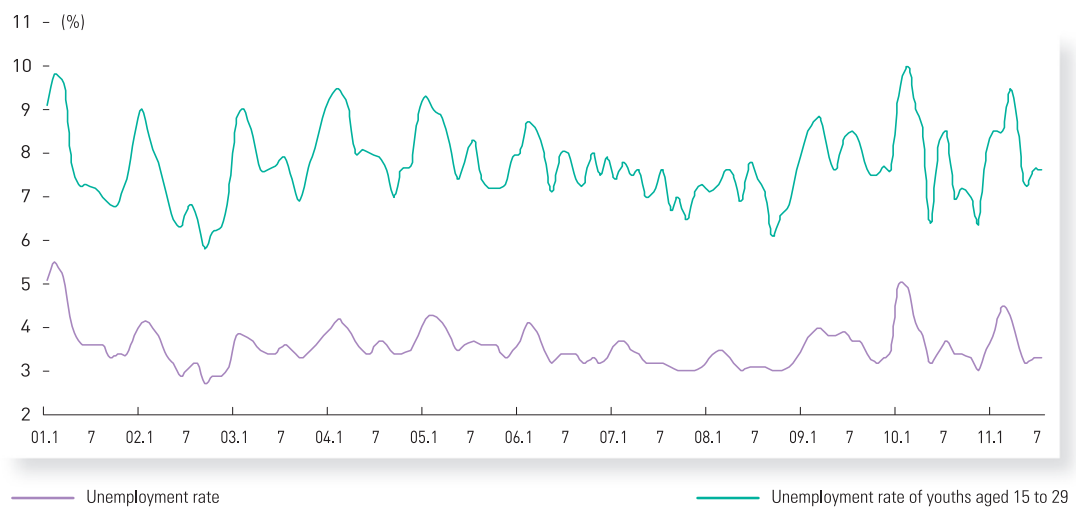
### 8-4 Employment rate

Source: Statistics Korea (employment trend)



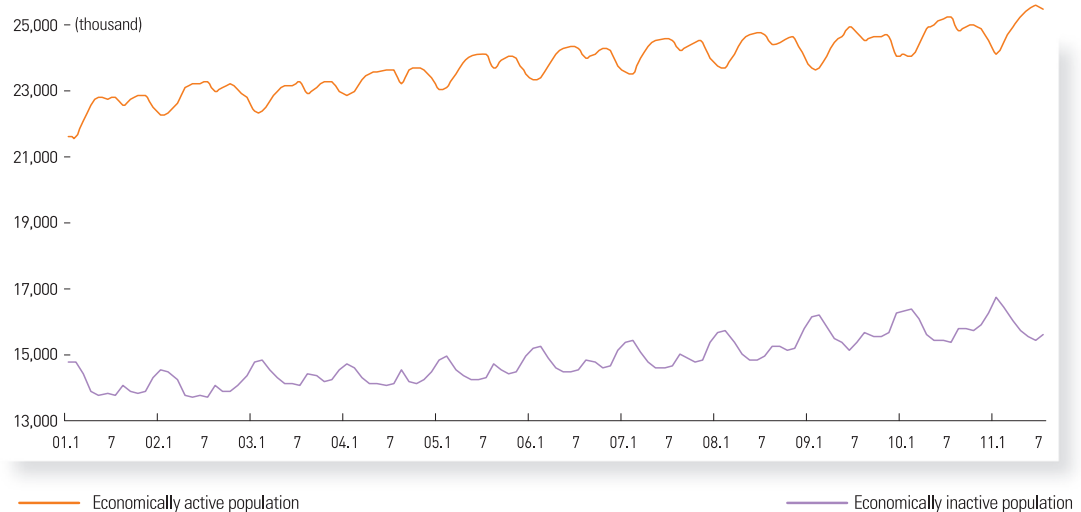
### 8-5 Unemployment rate and youth unemployment rate

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 in August fell 11.9 percent month-on-month to 1,880 points from the previous month's 2,133 points. The Korean stock market showed high volatility due to weak investment sentiment arising from the downgrade of US sovereign credit rating, worries over financial stability in Europe, and possibility of a double dip recession. Although the index fell to 1,711 points on August 22, it decelerated the decline thereafter, helped by expectations over a new US stimulus plan.

Foreign investors turned to a net-selling position of 5.1 trillion won in August from the previous month's net-buying position of 1.2 trillion won.

(End-period, point, trillion won)

	KOSPI			KOSDAQ		
	Jul 2011	Aug 2011	Change <sup>1</sup>	Jul 2011	Aug 2011	Change <sup>1</sup>
Stock price index	2,133.2	1,880.1	-253.1 (-11.9%)	536.1	493.4	-42.6 (-7.9%)
Market capitalization	1,203.6	1,062.7	-140.9 (-11.7%)	109.8	102.2	-7.6 (-7.0%)
Average daily trade value	6.6	8.0	+1.4 (+20.9%)	2.1	2.6	+0.5 (+23.4%)
Foreign stock ownership	32.1	32.0	-0.2 (-0.5%)	10.4	9.9	-0.5 (-4.9%)

1. Change from the end of the previous month

### 9.2 Exchange rate

The won/dollar exchange rate in August increased 12.3 won to wrap up the month at 1,066.8 won from 1,054.5 won at the end of July.

The won/dollar exchange rate rose 12.3 won due to the downgrading of US credit rating by S&P amid mounting worries over a double dip recession, affected by weak US economic data. Strengthening risk-averse sentiment led by resurfacing European debt worries also contributed to the rise.

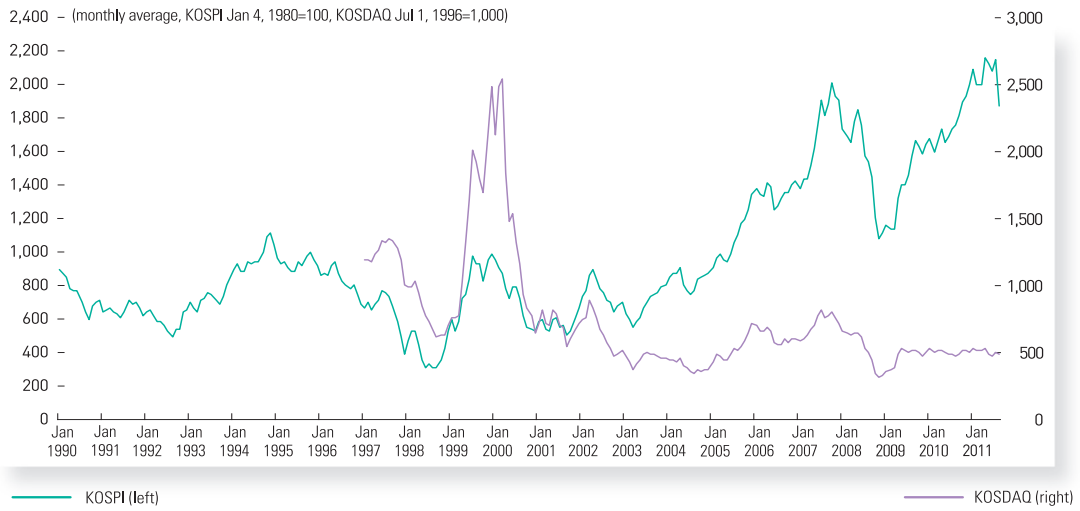
Due to the possible global economic slowdown and flight to safety assets caused by concerns over the US and European debt, the yen strengthened and the won/100 yen exchange rate rose 33.1 won from the end of the previous month.

(End-period)

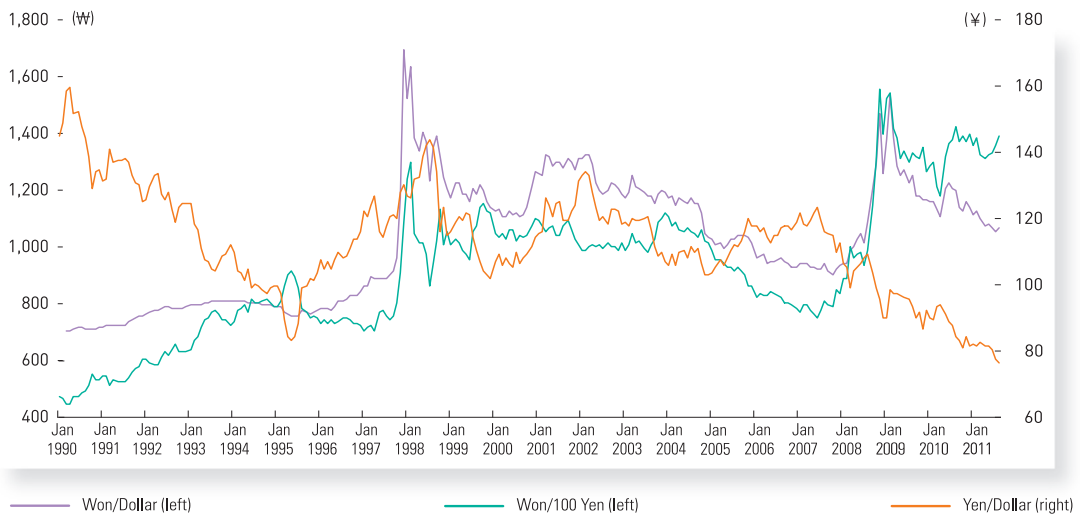
	2007	2008	2009	2010	2011		Change <sup>1</sup>
	Dec	Dec	Dec	Dec	Jul	Aug	
Won/Dollar	936.1	1,259.5	1,164.5	1,134.8	1,054.5	1,066.8	6.4
Won/100 Yen	828.6	1,396.8	1,264.5	1,393.6	1,360.3	1,393.4	6.4

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

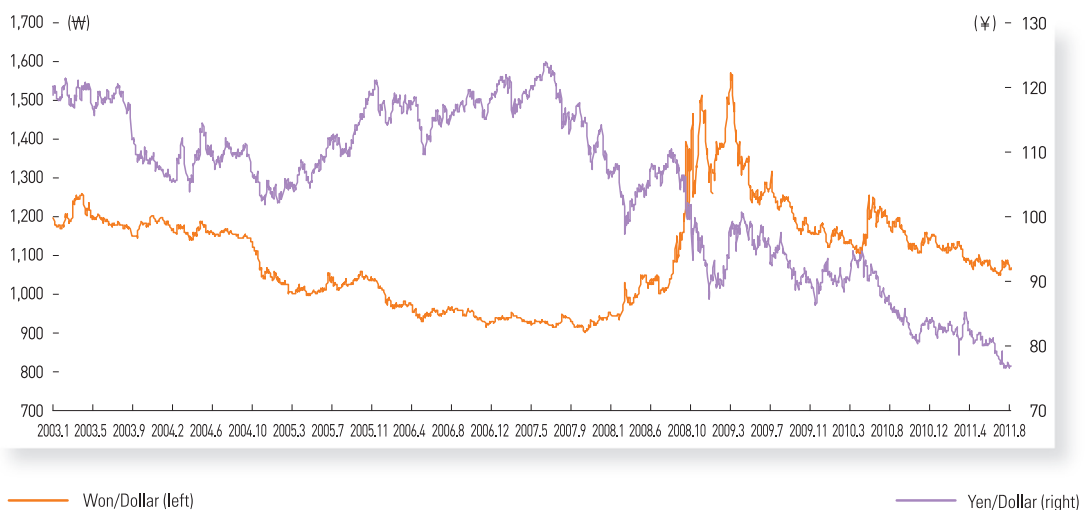
### 9-1 Stock prices



### 9-2 Foreign exchange rate (month-end)



### 9-3 Recent foreign exchange rate



## 9.3 Bond market

The 5-year Treasury bond yields lost 40 basis points in August to 3.62 percent from the previous month's 4.02 percent. The Treasury bond yields fell due to flight to safety assets as uncertainties from downgraded US credit rating and European debt grew. Foreign investors' investment in the Treasury bonds and futures also contributed to the decline.

(End-period)

	2006	2007	2008	2009	2010	2011			
	Dec	Dec	Dec	Dec	Dec	Jun	Jul	Aug	Change <sup>1</sup>
Call rate (1 day)	4.60	5.02	3.02	2.01	2.51	3.28	3.27	3.27	-
CD (91 days)	4.86	5.82	3.93	2.88	2.80	3.57	3.59	3.59	-
Treasury bonds (3 yrs)	4.92	5.74	3.41	4.44	3.38	3.76	3.85	3.49	-36
Corporate bonds (3 yrs)	5.29	6.77	7.72	5.56	4.27	4.49	4.54	4.23	-31
Treasury bonds (5 yrs)	5.00	5.78	3.77	4.98	4.08	4.01	4.02	3.62	-40

1. Basis point, changes in August 2011 from the previous month

## 9.4 Money supply & money market

The M2 (monthly average) in June expanded 3.0 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 due to rising bank lending, the month-on-month M2 growth decreased from the previous month affected by contracted government credits due to decreased volume of the Treasury bonds at maturity.

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

	2008	2009	2010				2011					
	Annual	Annual	Annual	Q1	Q2	Q3	Q4	Mar	Apr	May	Jun	Jun <sup>1</sup>
M1 <sup>2</sup>	-1.8	16.3	11.8	14.5	10.7	10.8	11.2	11.6	9.6	7.4	5.4	421.9
M2	14.3	10.3	8.7	9.4	9.5	8.6	7.4	4.3	3.9	3.7	3.0	1,697.2
Lf <sup>3</sup>	11.9	7.9	8.2	8.5	9.1	8.2	7.1	4.7	4.5	4.4	4.0 <sup>4</sup>	2,189.7 <sup>4</sup>

1. Balance at end June 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 July, bank deposits continued to increase while asset management company (AMC) deposits turned to a slight decrease. Instant access account deposits decreased due to value-added tax (VAT) payments. Meanwhile, time deposits significantly increased helped by net inflows of local government funds and some local banks' loan-to-deposit cuts.

Among asset management company (AMC) deposits, the growth of equity-type funds slowed. Meanwhile, money market funds (MMF) decelerated the decline, helped by fund inflows from banks, and derivative funds accelerated the increase.

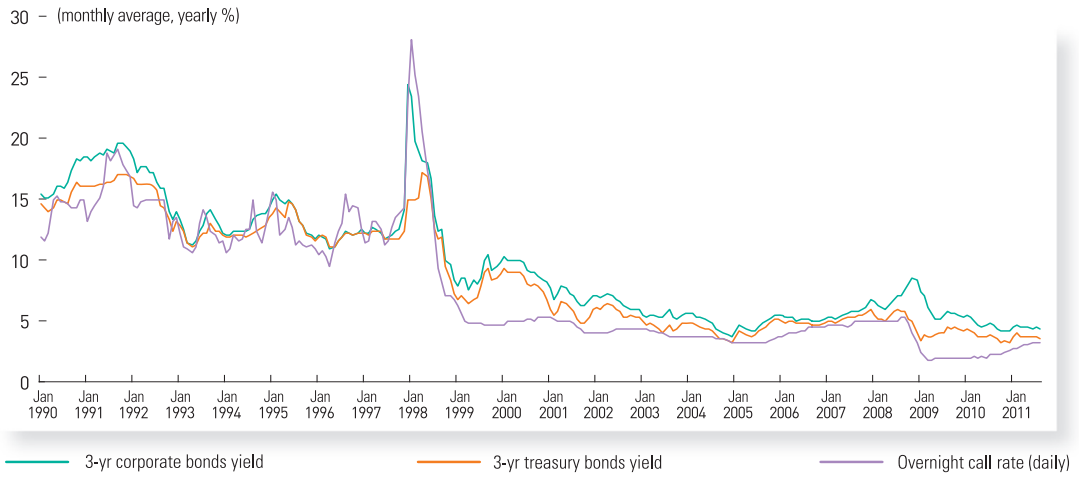
(Monthly change, end-period, trillion won)

	2009		2010		2011			
	Annual	Jul	Annual	Jul	May	Jun	Jul	Jul <sup>1</sup>
Bank deposits	54.8	-0.6	36.9	3.5	-0.4	6.7	7.17	1,075.3
AMC deposits	-27.6	-2.2	-16.7	-6.5	4.1	-1.9	0.6	301.7

1. Balance at end July

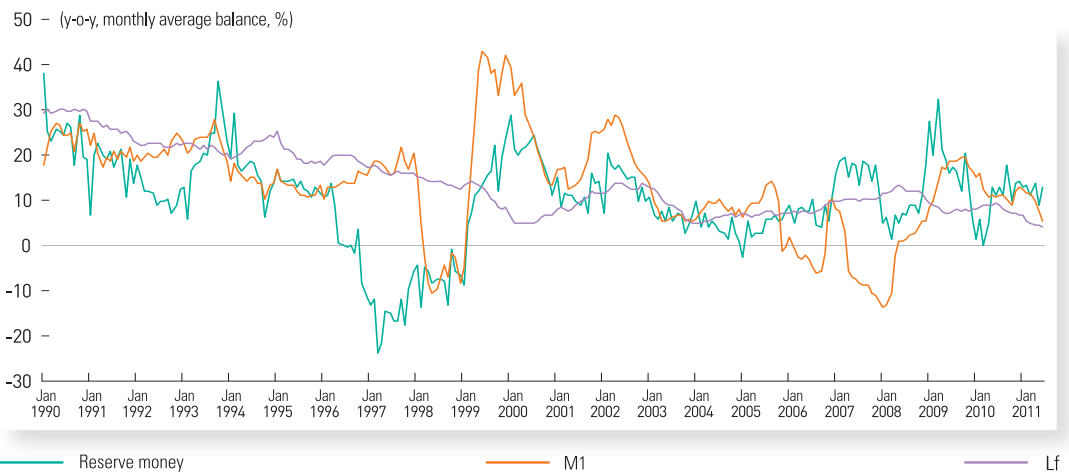
### 9-4 Interest rates

Source: The Bank of Korea



### 9-5 Total money supply

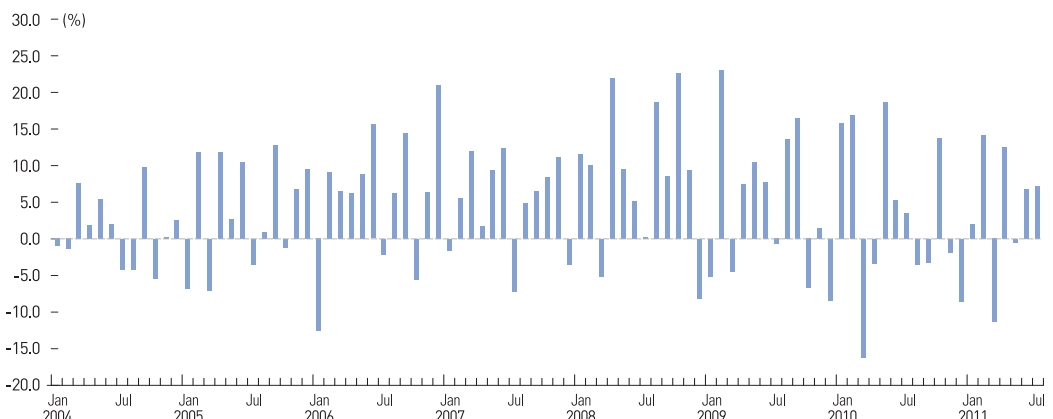
Source: The Bank of Korea



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

Source: The Bank of Korea

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



## 10. Balance of payments

Korea's current account surplus (*preliminary*) in July posted US\$ 4.94 billion, the second largest surplus since October 2010 when the surplus amounted to US\$ 5.11 billion.

The goods account surplus significantly increased to US\$5.89 billion from the previous month's US\$2.7 billion, helped by solid exports (customs clearance basis) which exceeded US\$50 billion for the first time.

The service account expanded the deficit to US\$690 million from the previous month's US\$630 million as the travel account deficit widened and construction service account surplus contracted.

The primary income account surplus narrowed to US\$70 million from the previous month's US\$240 million due to increased dividend payments. Meanwhile, the secondary income account expanded the deficit to US\$340 million from the deficit of US\$280 million a month earlier, affected by increased outward remittance.

(US\$ billion)

	2009		2010				2011			
	Annual	Annual	Q1	Q2	Q3	Q4	Q1	Q2	Jun	Jul <sup>1</sup>
Current account	32.79	28.21	0.26	8.86	9.93	9.16	2.72	5.49	2.03	4.94
- Goods balance	37.87	41.90	4.79	12.24	12.54	12.34	5.95	7.66	2.70	5.89
- Service balance	-6.64	-11.23	-4.20	-1.87	-2.96	-2.20	-2.54	-0.80	-0.63	-0.69
- Income balance	2.28	0.77	0.55	-1.01	1.30	-0.07	0.39	-0.82	0.24	0.07
- Current transfers	-0.71	-3.23	-0.87	-0.50	-0.95	-0.91	-1.08	-0.55	-0.28	-0.34

1. Preliminary

Source: The Bank of Korea

The capital and financial account (*preliminary*) in July registered an outflow of US\$3.19 billion, decreasing slightly from the previous month's outflow of US\$3.25 billion.

### Capital & financial account balance (US\$ billion)

-2.00 (Feb 2011) ◉ 0.52 (Mar) ◉ 0.39 (Apr) ◉ -3.96 (May) ◉ -3.25 (Jun) ◉ -3.19 (Jul<sup>1</sup>)

1. Preliminary

The direct investment account turned to an inflow of US\$330 million from the previous month's outflow of US\$2.14 billion as foreign direct investment increased while overseas direct investment by locals decreased.

The portfolio investment account turned to an inflow for the first time in three months as foreign funds registered a net inflow both in equity and in bonds market.

The financial derivatives account shifted to an inflow of US\$530 million from the previous month's outflow of US\$500 million. Meanwhile, the other investment account expanded the outflow to US\$7.3 billion from the previous month's outflow of US\$460 million due to local banks' repayment of overseas borrowing.

The current account surplus in August is expected to slowdown due to seasonal factors such as decreasing exports during the summer vacation period.

### Current account balance (US\$ billion, monthly average from 2008 to 2010)

3.34 (Jun) ◉ 2.77 (Jul) ◉ -0.1 (Aug) ◉ 2.19 (Sep) ◉ 4.43 (Oct)

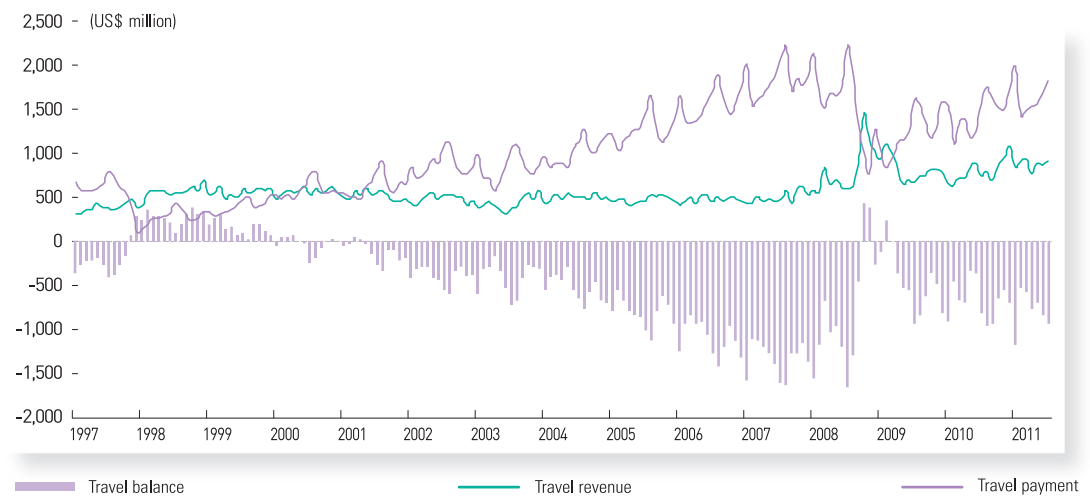
### 10-1 Current account balance

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



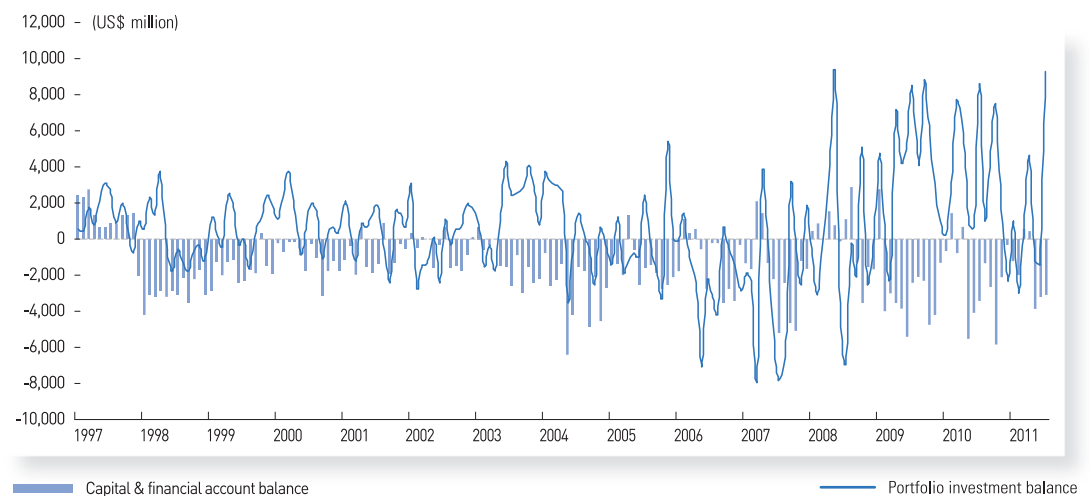
### 10-2 Travel balance

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

Inflation accelerated in August, with consumer prices rising 5.3 percent year-on-year and 0.9 percent month-on-month. The key drivers of inflation were agricultural products, the prices of which were affected by bad weather, and gold accessories whose prices were influenced by the higher international price of gold.

Core consumer prices, which exclude oil and agricultural products, rose 4.0 percent year-on-year and 0.3 percent month-on-month. Consumer prices for basic necessities, a barometer of perceived consumer prices, were up 5.2 percent compared to the same month of the previous year.

#### Consumer price inflation

	2010					2011							
	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Month-on-Month (%)	0.3	1.1	0.2	-0.6	0.6	0.9	0.8	0.5	0.0	0.0	0.2	0.7	0.9
Year-on-Year (%)	2.6	3.6	4.1	3.3	3.5	4.1	4.5	4.7	4.2	4.1	4.4	4.7	5.3
Core consumer prices (y-o-y)	1.8	1.9	1.9	1.8	2.0	2.6	3.1	3.3	3.2	3.5	3.7	3.8	4.0
(m-o-m)	0.2	0.3	0.0	0.1	0.3	0.6	0.7	0.3	0.2	0.5	0.3	0.3	0.3
Consumer prices for basic necessities (y-o-y)	2.6	4.1	4.8	3.6	3.9	4.7	5.2	4.9	4.1	3.8	4.3	4.8	5.2

Source: Statistics Korea

Prices of vegetables spiked in August (*up 4.7%, m-o-m*), led by cabbages and spinaches, due to a poor harvest following heavy rains.

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

Chinese cabbage (116.9), spinach (64.3) lettuce (18.8), egg (4.8), beef (0.7), chicken (0.6), bean (-0.3), rice (-0.7), mackerel (-6.1), pork (-7.3)

Prices of industrial products continued to rise (*up 0.8%, m-o-m*), led by gold rings (*up 11.9%, m-o-m*) and oil products (*up 0.8%, m-o-m*).

The increase rate of public service charges (*up 0.3%, m-o-m*) remained lower than the ten-year average of 2.7 percent, despite hikes in electricity fees (*up 2.0%, m-o-m*) and metro bus fees (*up 0.2%, m-o-m*). Price increases in personal services (*up 0.2%, m-o-m*), which include dining out costs, subsided to reach average levels.

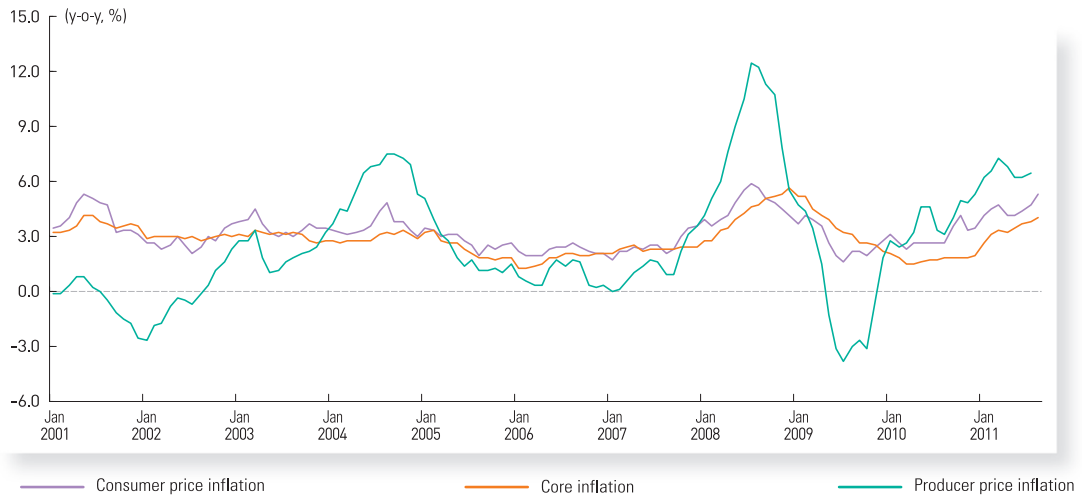
#### Consumer price inflation in major sectors

	Total	Agricultural, livestock & fishery products	Industrial products	Oil products	Housing rents	Public utility	Personal services
Month-on-Month (%)	0.9	4.7	0.8	0.8	0.4	0.3	0.2
Contribution (%p)	0.91	0.44	0.25	0.05	0.04	0.04	0.08
Year-on-Year (%)	5.3	13.3	7.1	15.2	4.4	1.4	3.4
Contribution (%p)	5.33	1.20	2.25	0.90	0.40	0.22	1.18

Source: Statistics Korea

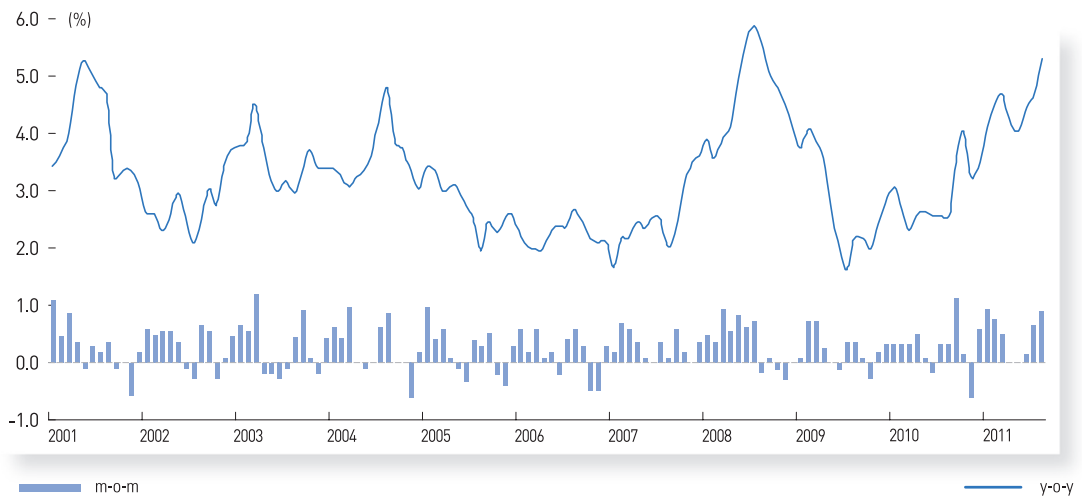
### 11-1 Prices

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



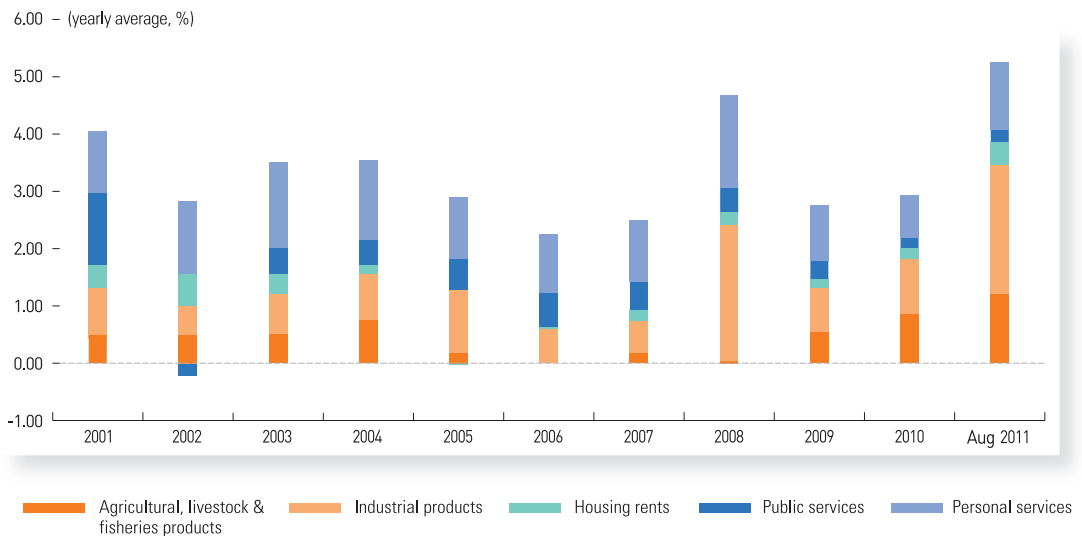
### 11-2 Consumer price inflation

Source: Statistics Korea (consumer price trend)



### 11-3 Contribution to consumer price inflation

Source: Statistics Korea (consumer price trend)



## 11.2. International oil and commodity prices

International oil prices dropped in August, but domestic oil product prices continued to rise.

International oil prices fell due to Standard & Poor's downgrade of the US credit rating, which fanned concerns about a global financial crisis, and also due to speculative capital outflows following heightened uncertainties over economic conditions.

(US\$/barrel, period average)

	2008	2009	2010	2011						
	Annual	Annual	Annual	Feb	Mar	Apr	May	Jun	Jul	Aug
Dubai crude	94.3	61.9	78.1	100.5	108.5	115.8	108.0	107.5	110.2	105.0
Brent crude	97.5	61.7	79.7	104.1	114.6	123.3	114.3	114.0	116.8	110.0
WTI crude	99.9	61.9	79.5	89.6	103.0	110.0	101.3	96.3	97.3	86.3

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 increased by a small margin in August, because the effect of lower international oil prices did not reach domestic oil product prices immediately, but over the course of 2~3 weeks since mid-August.

### Gasoline prices in August (per week, won/liter)

1,953 (week 1) ↻ 1,953 (week 2) ↻ 1,947 (week 3) ↻ 1,939 (week 4) ↻ 1,934 (week 5)

(Won/liter, period average)

	2008	2009	2010	2011						
	Annual	Annual	Annual	Feb	Mar	Apr	May	Jun	Jul	Aug
Gasoline prices	1,692	1,601	1,710	1,850	1,939	1,951	1,938	1,915	1,935	1,945
Diesel prices	1,614	1,397	1,503	1,652	1,756	1,793	1,773	1,736	1,754	1,758

Source: Korea National Oil Corporation

Prices of international commodities showed a mixed trend in August, with non-ferrous metals falling due to poor economic data in major countries, and international grain rising as a result of bad weather.

Non-ferrous metal prices slumped due to economic indicators signaling weakness in the US and China, as well as concerns over lower demand.

### Prices of non-ferrous metals in August (m-o-m, %)

Tin (-14.1), nickel (-10.0), electrolytic copper (-5.4), aluminum (-6.4)

International grain prices rose due to concerns that unfavorable weather conditions in major grain producing regions would lead to poor harvest.

### Prices of grain in August (m-o-m, %)

Wheat (17.7), corn (14.8), soybean (7.4), raw sugar (-0.4)

### Reuters index\*

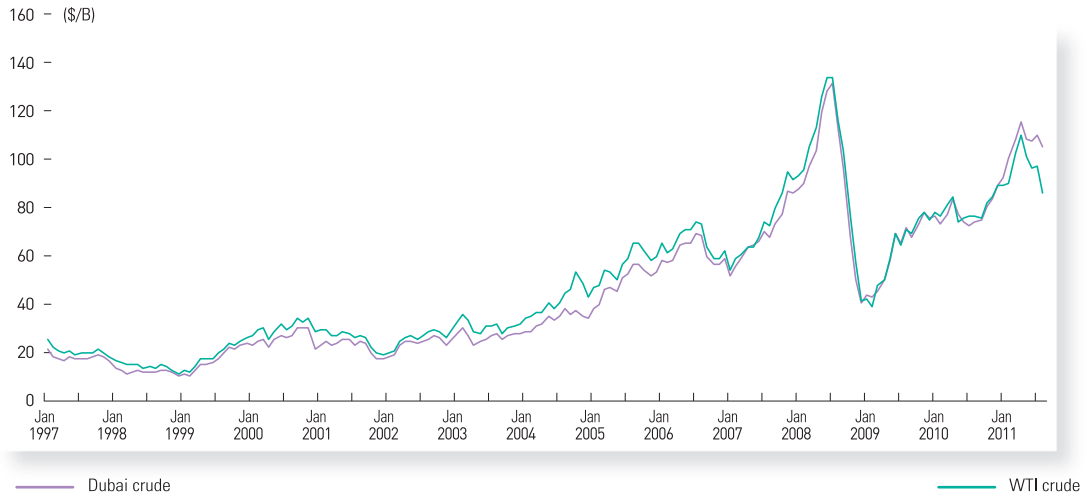
(Period average)

2008	2009	2010	2011						
Annual	Annual	Annual	Feb	Mar	Apr	May	Jun	Jul	Aug
2,536	2,079	2,553	3,323	3,221	3,246	3,128	3,143	3,145	3,038

\* A weighted average index of 17 major commodities Source: KOREA PDS

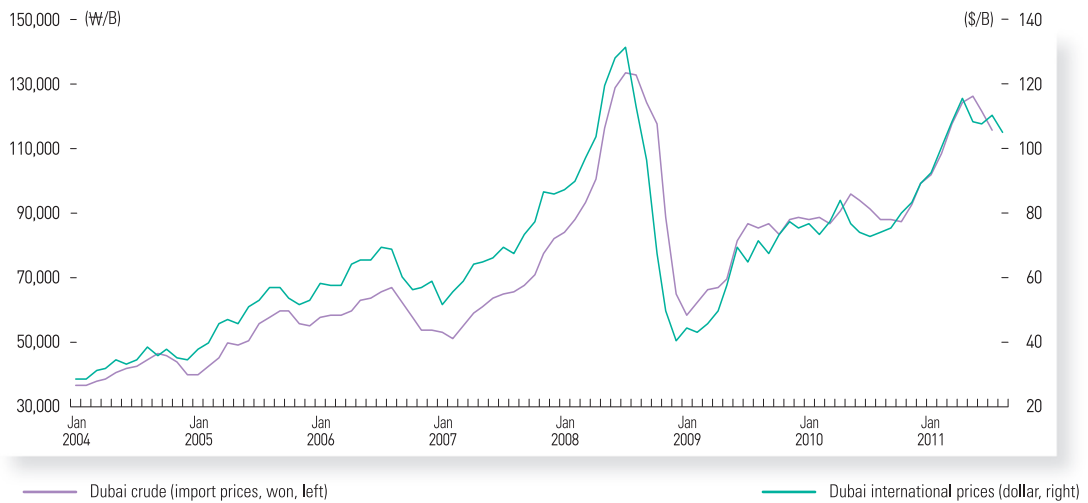
### 11-4 International oil prices

Source: Korea National Oil Corporation



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

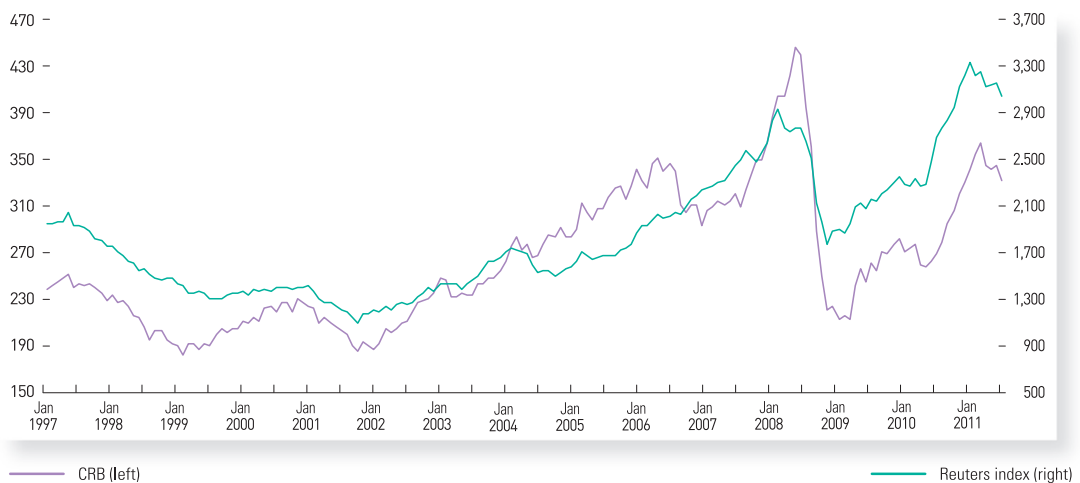
Source: Korea National Oil Corporation & Korea Customs Service



### 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 accelerated in August, with prices rising 0.7 percent month-on-month.

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

Apartment sales prices in areas excluding the Seoul metropolitan area showed a persistent upward trend, led by Daejeon (up 1.8%, m-o-m), Gwangju (up 2.0%, m-o-m) and Gangwon Province (up 4.7%, m-o-m). Apartment prices in 5 metropolitan cities and other cities climbed 1.4 percent and 1.2 percent each, surpassing the national average.

#### Nationwide apartment sales prices

(Percentage change from previous period)

	2008	2009	2010	2011											
	Annual	Annual	Annual	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Aug 1 <sup>1</sup>	Aug 8 <sup>1</sup>	Aug 15 <sup>1</sup>	Aug 22 <sup>1</sup>
Nationwide	2.3	1.6	2.5	0.6	1.1	1.3	1.2	1.0	0.7	0.6	0.7	0.13	0.14	0.13	0.16
Seoul	3.2	2.6	-2.2	0.2	0.3	0.1	0.0	-0.1	-0.1	-0.2	-0.1	-0.00	-0.02	-0.01	-0.03
Gangnam <sup>2</sup>	-1.9	3.9	-1.8	0.2	0.4	0.2	0.0	-0.1	-0.2	-0.2	-0.1	-0.00	0.00	-0.02	-0.03
Gangbuk <sup>3</sup>	9.4	0.9	-2.7	0.1	0.2	0.1	0.0	0.0	-0.1	-0.1	-0.1	-0.01	-0.04	0.00	-0.03
Seoul metropolitan area	2.9	0.7	-2.9	0.1	0.3	0.3	0.1	0.0	-0.1	-0.1	0.0	0.00	0.00	0.00	0.00
5 metropolitan cities	1.0	2.8	8.7	1.2	2.0	2.3	2.4	2.2	1.6	1.4	1.4	0.24	0.25	0.29	0.30

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

Nationwide apartment rental prices in August rose 1.5 percent from the previous month, accelerating from July's 1.0 percent. Price increases picked up the pace in Seoul (up 1.7%, m-o-m), the Seoul metropolitan area (up 1.6%, m-o-m) and Gyeonggi Province (up 1.7%, m-o-m).

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

Gangnam (2.1), Seocho (1.7), Songpa (2.6), Sungdong (2.7)

#### Nationwide apartment rental prices

(Percentage change from previous period)

	2008	2009	2010	2011											
	Annual	Annual	Annual	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Aug 1 <sup>1</sup>	Aug 8 <sup>1</sup>	Aug 15 <sup>1</sup>	Aug 22 <sup>1</sup>
Nationwide	0.8	4.5	8.8	1.1	2.0	2.3	1.6	1.1	0.8	1.0	1.5	0.25	0.33	0.32	0.37
Seoul	-1.8	8.1	7.4	1.1	2.1	1.8	0.7	0.3	0.5	1.1	1.7	0.27	0.40	0.34	0.40
Gangnam <sup>2</sup>	-3.6	10.4	8.8	1.3	1.9	1.4	0.6	0.3	0.6	1.2	1.7	0.18	0.40	0.31	0.40
Gangbuk <sup>3</sup>	0.5	5.4	5.6	1.0	2.4	2.3	0.8	0.4	0.2	1.0	1.8	0.37	0.39	0.38	0.39
Seoul metropolitan area	-0.4	5.6	7.2	1.0	2.1	2.4	1.2	0.5	0.5	0.9	1.6	0.24	0.37	0.34	0.42
5 metropolitan cities	1.6	3.9	12.0	1.3	2.1	2.2	2.2	1.9	1.3	1.0	1.3	0.22	0.20	0.30	0.30

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

Apartment sales transactions in July decreased 8.9 percent from the previous month's 46,885 to 42,718. The transactions were up 32.6 percent from 32,227 a year earlier.

#### Apartment sales transactions

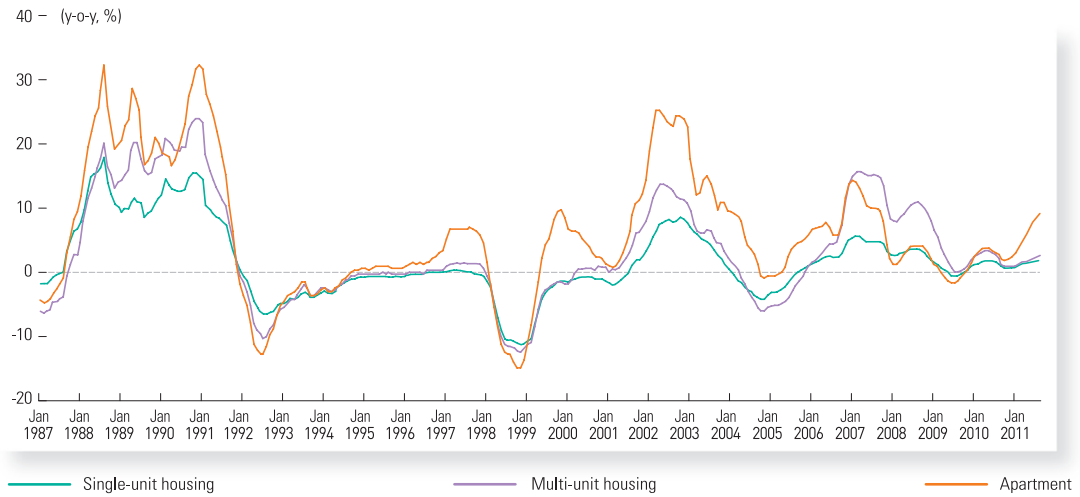
(Monthly average, thousand)

	2007	2008	2009	2010								2011						
	Annual	Annual	Annual	Annual	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	
Nationwide	38	39	44	40	32	31	34	41	54	63	45	52	59	56	48	47	43	

Source: Ministry of Land, Transport and Maritime Affairs

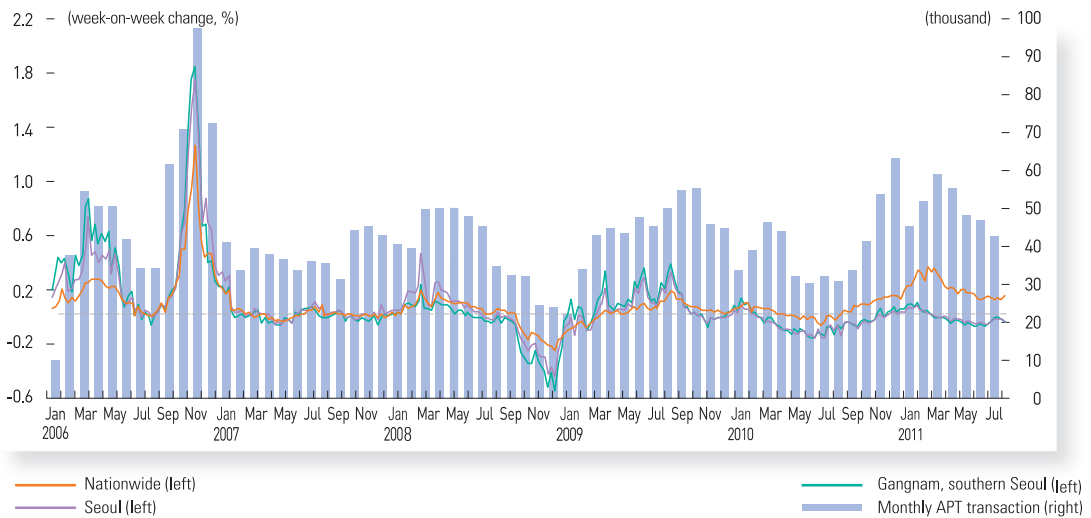
### 12-1 Real estate prices

Source: Kookmin Bank (national housing price trend)



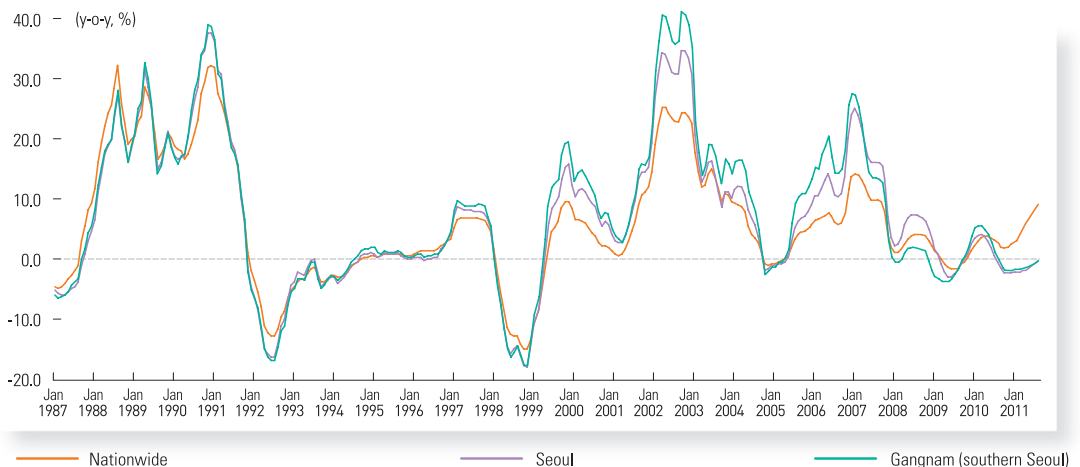
### 12-2 Weekly apartment sales prices and monthly transaction volume

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 July rose for the ninth consecutive month (*up 0.10%, m-o-m*), but still 1.53 percent lower than the pre-crisis peak reached in October 2008. Land prices were slightly higher compared to the previous year, with the pace of increase accelerating evenly nationwide.

Monthly land prices in Seoul (*up 0.07%*), the Seoul metropolitan area (*up 0.10%*), Gyeonggi Province (*up 0.15%*) and Incheon (*up 0.05%*) continued to rise.

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

0.10 (Jan 2011) ↻ 0.10 (Feb) ↻ 0.12 (Mar) ↻ 0.11 (Apr) ↻ 0.10 (May) ↻ 0.10 (Jun)

Land prices in areas excluding the Seoul metropolitan area rose 0.10 percent month-on-month in July, continuing the upward trend from October 2010.

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

0.07 (Feb 2011) ↻ 0.08 (Mar) ↻ 0.07 (Apr) ↻ 0.09 (May) ↻ 0.09 (Jun) ↻ 0.10 (Jul)

## Land prices by region

(Percentage change from previous period)

	2007	2008	2009			2010					2011						
	Annual	Annual	Annual	Q3	Q4	Annual	Q1	Q2	Q3	Q4	Jan	Feb	Mar	Apr	May	Jun	Jul
Nationwide	3.88	-0.31	0.96	0.88	0.94	1.05	0.70	0.29	-0.05	0.11	0.09	0.09	0.11	0.10	0.10	0.10	0.10
Seoul	5.88	-1.00	1.40	1.30	0.81	0.53	0.72	0.02	-0.25	0.39	0.12	0.12	0.15	0.12	0.09	0.07	0.07
Gyeonggi	4.22	-0.26	1.22	1.13	1.36	1.49	0.96	0.53	-0.08	0.07	0.08	0.08	0.10	0.11	0.12	0.14	0.15
Incheon	4.86	1.37	1.99	1.16	1.70	1.43	1.08	0.43	-0.10	0.02	0.06	0.06	0.06	0.06	0.06	0.06	0.05

Source: Korea Land & Housing Corporation

Nationwide land transactions in July recorded 196,000 land lots, down 5.3 percent from the previous month and up 14.7 percent from 171,000 a year earlier. Land transactions were 3.4 percent less than the most recent five-year July average of 203,000 land lots.

Monthly land transactions decreased significantly in areas such as Seoul (*down 14.2%*), Busan (*down 14.0%*), North Jeolla Province (*down 19.9%*), and North Gyeongsang Province (*down 12.8%*).

## Land sales transactions

(Land lot, thousand)

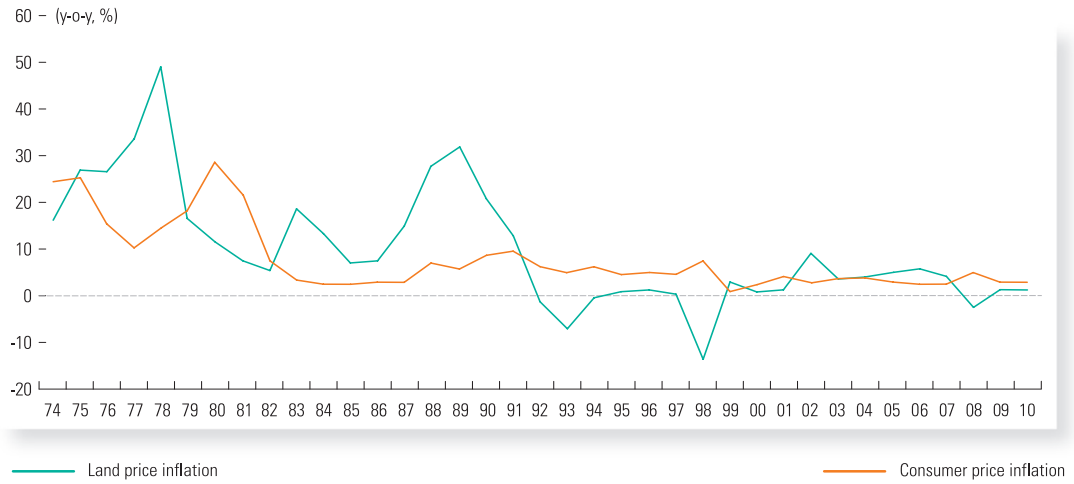
	2007	2008	2009			2010				2011							
	Annual <sup>1</sup>	Annual <sup>1</sup>	Annual <sup>1</sup>	Oct	Nov	Dec	Annual <sup>1</sup>	Jul	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
Nationwide	208	208	203	212	207	241	187	171	208	257	191	176	244	226	212	207	196
Seoul	33	26	22	25	19	21	16	12	18	24	18	17	23	19	18	18	15
Gyeonggi	49	45	46	52	48	58	41	38	45	58	46	38	52	46	43	40	40
Incheon	13	13	10	14	11	12	8	8	9	11	8	9	13	11	13	10	11

1. Monthly average

Source: Korea Land & Housing Corporation

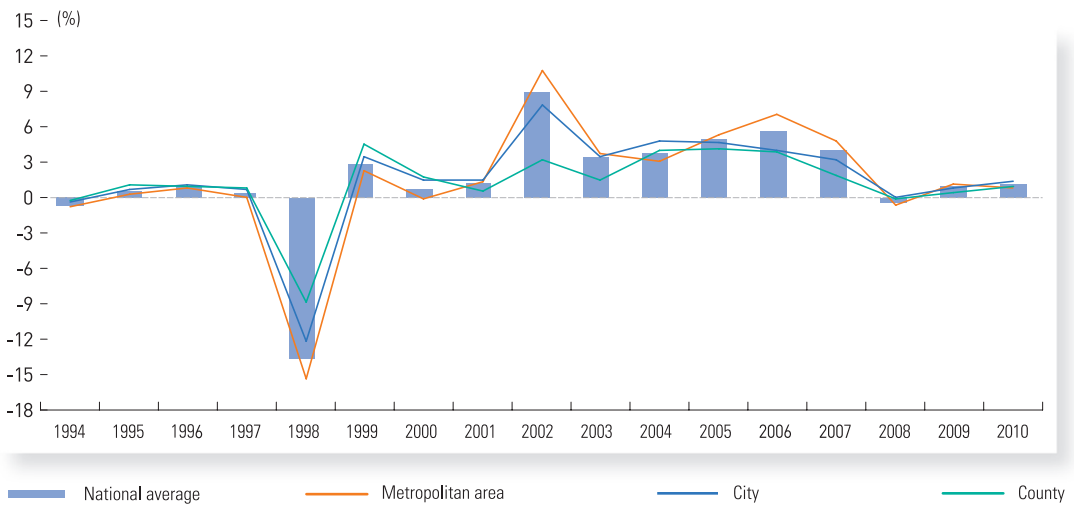
### 12-4 Land and consumer prices since 1970s

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



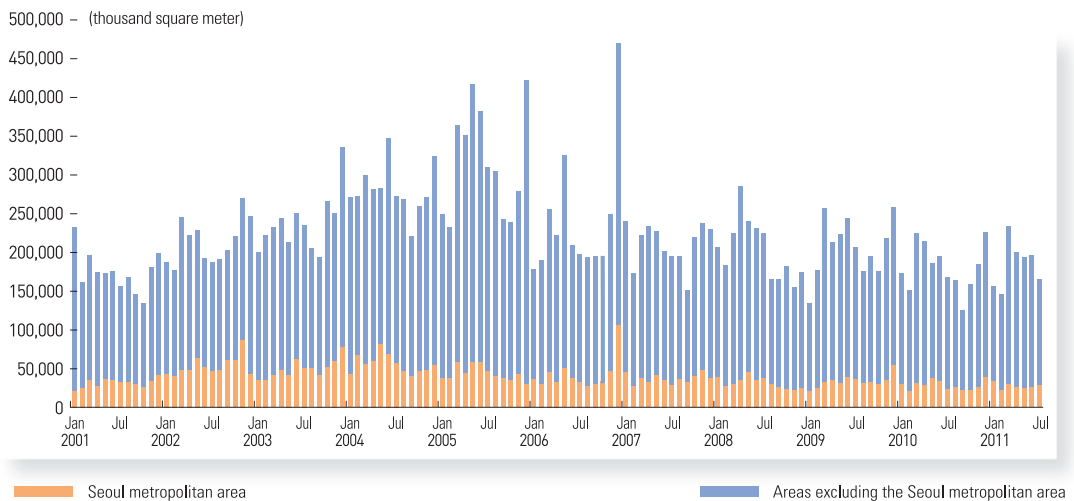
### 12-5 Land prices by region

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

Industrial output in July decreased 2.4 percent month-on-month and increased 2.7 percent year-on-year. Public administration (*down 21.9%, m-o-m*) and construction (*down 15.1%, m-o-m*) were the main contributors to the decrease, while mining & manufacturing fell 0.4 percent and service rose 0.4 percent month-on-month.

The cyclical indicator of the coincident composite index rose for the third consecutive month (*up 0.3p, m-o-m*) in July.

All eight components of the coincident composite index, including wholesale & retail sales and domestic shipment, rose from the previous month.

### Components of coincident composite index in July (m-o-m)

Wholesale & retail sales (1.0%), domestic shipment (1.0%), mining & manufacturing production (0.7%), manufacturing operation ratio (0.7%), volume of imports (0.7%), service activity (0.5%), value of construction completion (0.2%), number of non-farm payroll employment (0.1%)

The year-on-year leading composite index also improved for the third consecutive month (*up 0.3%p, m-o-m*) in July.

Among the components of the leading composite index, six components, including the value of capital goods imports and consumer expectations, rose while four other components, such as the value of construction orders received and indicator of inventory cycle, dropped.

### Components of the leading composite index in July (m-o-m)

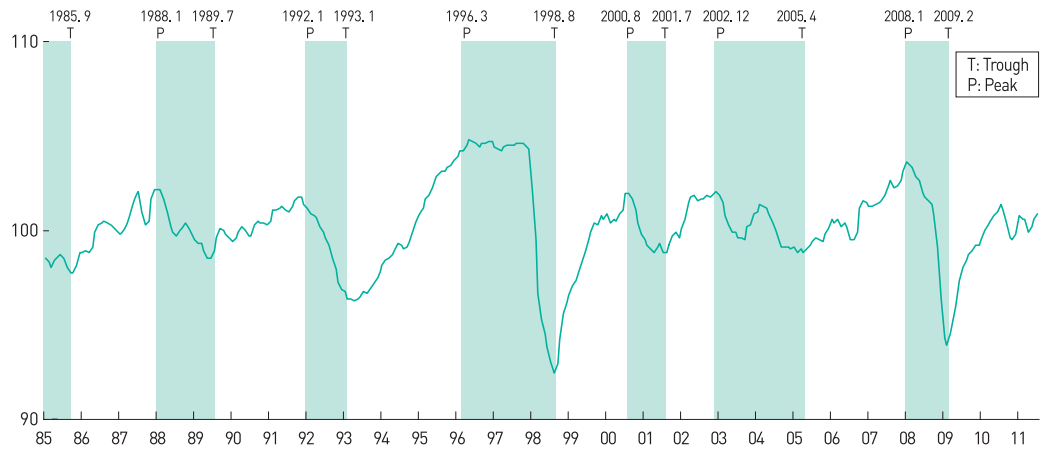
Value of capital goods imports (2.1%), consumer expectations (1.1p), value of machinery orders received (0.6%), liquidity in the financial institutions (0.5%), composite stock price (0.2%), net terms of trade (0.1%), spreads between long & short term interest rates (-0.1%p), ratio of job openings to job seekers (-0.3%p), indicator of inventory cycle (-1.6%p), value of construction orders received (-3.2%)

	2010		2011					
	Dec	Jan	Feb	Mar	Apr <sup>1</sup>	May <sup>1</sup>	Jun <sup>1</sup>	Jul <sup>1</sup>
Industrial output (m-o-m, %)	2.8	3.2	-4.7	2.8	-1.3	1.8	2.0	-2.4
(y-o-y, %)	5.0	8.4	0.1	3.4	3.2	4.5	4.2	2.7
Coincident composite index (m-o-m, %)	0.8	1.5	0.1	0.4	-0.3	0.8	0.8	0.7
Cyclical indicator of coincident composite index (m-o-m, p)	99.8	100.8	100.6	100.6	99.9	100.2	100.6	100.9
Leading composite index (m-o-m, %)	0.5	0.6	-0.2	-0.3	-0.3	0.5	0.5	0.4
12 month smoothed change in leading composite index (%)	2.9	3.0	2.3	1.6	1.0	1.3	1.7	2.0
(m-o-m, %p)	0.1	0.1	-0.7	-0.7	-0.6	0.3	0.4	0.3

1. Preliminary

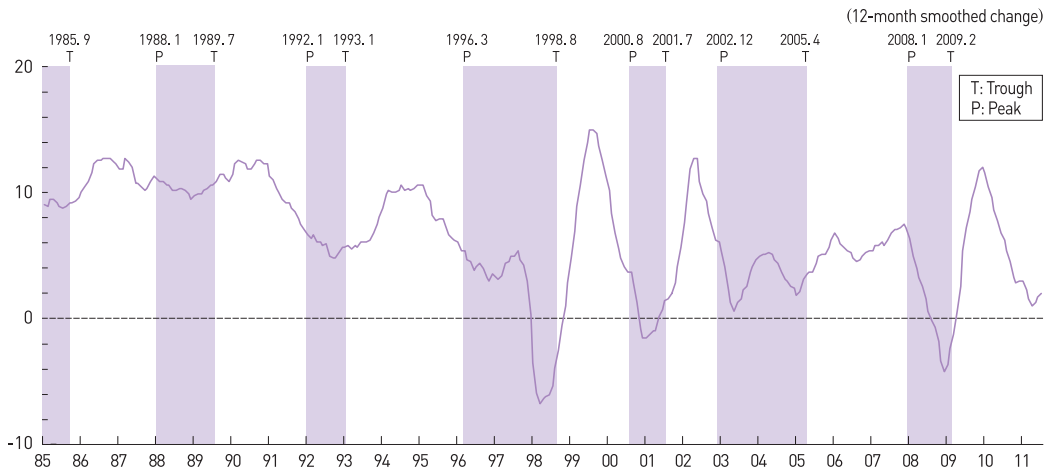
### 13-1 Cyclical indicator of coincident composite index

Source: Statistics Korea



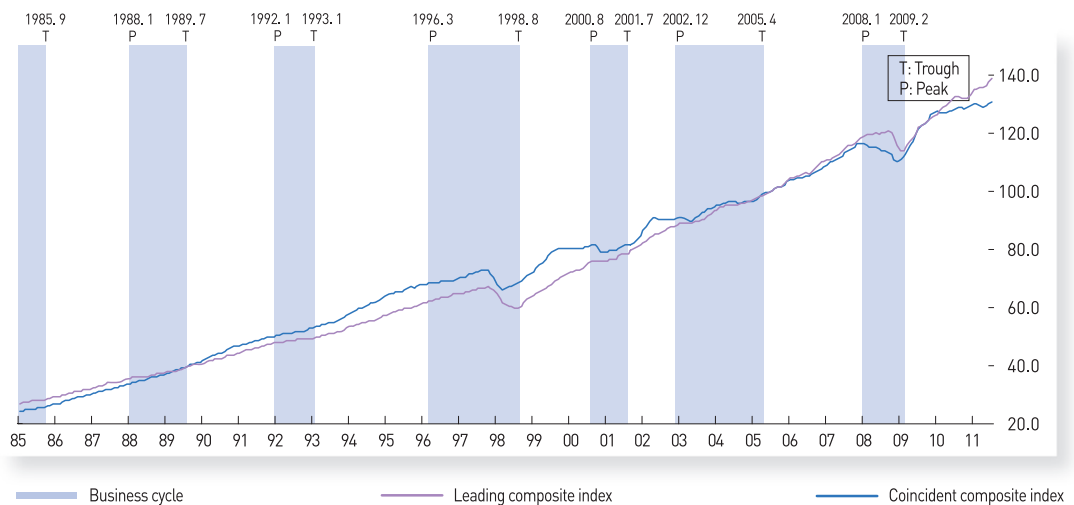
### 13-2 Leading composite index

Source: Statistics Korea



### 13-3 Coincident and leading composite indices

Source: Statistics Korea



# Policy Issues

## Tax Revision 2011

The Ministry of Strategy and Finance has unveiled its tax revision bill for 2011. The revision is aimed at facilitating sustainable growth and job creation, promoting fair competition, and improving fiscal conditions. Sixteen revisions in income, corporate, and value added tax systems are to be sent to the regular session of the National Assembly for passage.

### Main points of the tax revision

#### 1. Prioritization of job creation and sustainable growth

There will be expanded tax incentives given to companies creating more jobs. The current tax deduction for facilities investment will be terminated, and the new tax deduction will be introduced based on the number of jobs created.

*\* Tax deduction ceiling: number of added jobs x 10 million won (15 million won for young adults)*

Young adults working in small- and medium-sized enterprises (SMEs) will be exempted from income tax for the first three years of working for the SMEs, while SMEs recruiting young adults will have a tax deduction for social security costs.

The government will promote customized education in vocational high schools suited for industries' needs, while expanding R&D tax deductions for the service sector.

*\* Tax deduction for vocational training and R&D: 25% of expenditure (3-6% for large corporations)*

To support low-carbon green growth, the government will exempt value added taxes (VAT) on electric buses used for public transportation, while electric cars will be temporarily exempted from consumption tax.

## **2. Increased support for working classes and vulnerable groups**

There will be expansion of earned income tax credit (EITC) in terms of both eligibility and amount, along with renewed government efforts to stabilize prices including housing costs. Income tax deductions for credit card charges will be increased, with additional deductions given to credit card charges at traditional markets, and more income tax deductions for cheque card spending to ease the burden of credit card fees charged on small businesses. A special tax credit of redeeming 90% of VAT on taxi fares to taxi drivers will be extended for two years.

*\* Income tax deduction for credit card spending: 20% for spending which exceeds 25% of total income + 10% for spending in traditional markets*

*\* Income tax deduction ceiling: 3 million won + 1 million won for spending in traditional markets*

An oil tax exemption for farming and fishing activities and VAT reduction for the purchase of agricultural and fishery equipment are planned to be extended for three years, along with a three year extension of tax incentives for deposit accounts of low income groups, such as savings deposits for farmers and fishermen.

To stabilize house rental prices, the government will relax requirements for leasing services, with expanded tax incentives. A sales tax reduction of up to 30 percent will also be given to those owning more than one home.

Imports of basic necessities and oligopolistic items will be applied reduced tariff rates of 4 percentage points less. The VAT exemption on diapers for babies as well as powdered milk for them will be extended for three years.

## **3. Fair taxation**

As a way to provide level playing fields, the government will introduce taxes on any profits generated by contracts within the same affiliates, announce tax delinquents in default of large amounts, and remove unnecessary tax exemptions and reductions.

To help collect taxes, the government will commission private agencies. There will be newly introduced regulations on tax delinquency, aimed to apply transparent and predictable

punishment. Those who distribute or sell imitations of oil products as well as producers of such products will be required to pay punitive taxes.

Non-profit organizations will be subject to gift taxes on the amount exceeding human resources costs. Yields from domestically issued foreign currency-denominated bonds will be taxed just as those from won-denominated bonds are. Taxes on capital gains from financial products including those involving derivatives will be legislated.

#### 4. Improvement of tax payer convenience

The 2011 revision seeks to achieve more reasonable taxation, improve taxpayer convenience, and promote active international trade.

Self-employed businesses will not be obliged to file preliminary VATs. Regulations concerning tariffs such as tariff amounts and items will be more systemized, along with the introduction of preliminary tariff assessment which will offer taxpayers chances to object to assessment results. A 100 percent tariff deduction of indirect foreign taxes will be given regardless of tax treaties, rather than the current 50 percent without tax treaties. Tariff amount discrepancies between the Korea Customs Service and the National Tax Service will be corrected, as will any discrepancies among different acts. Additional taxes for punitive purposes will be removed in case taxpayers misunderstand the tax system.

## Expected outcome

A revenue increase of 3.5 trillion won is expected, as a 4.4 trillion won increase from the revision of the corporate tax rates, the replacement of the tax deduction for facilities investment with a tax deduction for job creation, and the introduction of new taxes on profits earned by companies through contracts with their affiliates offsets a 0.91 trillion won decrease due to the expanded EITC and income tax reduction for young adults working in SMEs.

### <Expected outcome by year>

	Total	2012	2013	2014	2015
Income tax	-	-0.3	0.3	-0.1	0.1
Corporate tax	3.3	1.3	2.0	-	-
Gift tax	0.1	-	0.1	-	-
Others	0.1	0.1	-	-	-
<b>Total</b>	<b>3.5</b>	<b>1.1</b>	<b>2.4</b>	<b>-0.1</b>	<b>0.1</b>

Low income families and SMEs are expected to have their tax burden reduced by 0.3 trillion won, while the tax burden of high income groups and large corporations will increase by 3.8 trillion won.

# Economic News Briefing

## **Korea grows 0.9% in Q2 (Preliminary)**

Korea's real gross domestic product (GDP) expanded by 0.9 percent in the second quarter of 2011 compared to the previous quarter. Compared to the advance estimates released on July 27, it is a 0.1 percentage point upward revision and 3.4 percent growth from a year earlier.

On the production side, the manufacturing sector expanded by 1.4 percent, led by general machinery and transport equipment. The construction sector expanded by 2.6 percent, helped by increased non-residential building construction. Services remained at the same level as the previous quarter.

On the expenditure side, private consumption grew by 0.9 percent due to increased expenditures on non-durable and semi-durable goods. Facility investment increased by 3.9 percent, as investment in semiconductor manufacturing equipment and aircraft increased. Construction investment grew by 1.6 percent. Exports rose by 0.9 percent, driven by vessels and telecommunication devices. With the increased import demand for machinery and metal products, imports also rose by 3.9 percent.

Real gross national income in the second quarter of 2011 increased by 0.2 percent compared to the previous quarter. On a year-on-year basis, it rose 0.6 percent.

## <GDP by production and expenditure\*>

(Percentage change from previous period)

	2009				2010 <sup>1</sup>				2011 <sup>1</sup>	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
GDP	0.1 (-4.2) <sup>2</sup>	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)	0.9 (3.4)
Agriculture, forestry and fishery	1.1	0.0	3.7	0.0	-3.1	-2.5	-2.5	0.2	-4.5	8.3 (1.0)
Manufacturing	-3.4	8.4	9.7	-1.1	4.2	4.0	2.3	0.1	3.1	1.4 (7.2)
Construction	3.5	1.3	-1.4	0.5	1.4	-0.1	-1.2	-3.2	-6.1	2.6 (-7.6)
Services <sup>3</sup>	0.4	1.0	1.1	0.9	1.5	0.2	0.3	1.1	1.2	0.0 (2.6)
Private consumption	-0.3	3.7	1.4	0.9	0.5	0.7	1.4	0.3	0.4	0.9 (3.0)
Government consumption	2.6	0.8	0.1	-1.1	3.6	0.3	-0.1	-0.4	1.7	0.8 (2.1)
Facility investment	-10.2	6.7	9.1	7.8	2.8	7.9	5.6	-1.0	-1.1	3.9 (7.5)
Construction investment	3.9	2.4	-1.2	0.7	2.0	-4.2	-0.8	-1.0	-6.7	1.6 (-6.8)
Goods exports <sup>4</sup>	-2.1	13.3	5.4	-1.7	3.0	7.4	2.5	3.0	4.6	0.9 (11.5)
Goods imports <sup>4</sup>	-6.1	8.1	7.8	-0.4	4.8	7.1	3.6	-0.7	3.1	3.8 (10.1)
Gross Domestic Income	-0.2	5.1	1.5	1.4	1.2	1.3	0.4	0.0	-0.1	0.2 (0.6)

\*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

## A revision of the Bank of Korea Act

On August 31, the National Assembly passed a revision of the Bank of Korea Act (hereinafter referred to as “the Act”), 21 months after it was drafted by legislators of the Strategy and Finance Committee in November 2009. With the revision, the central bank was given a new responsibility to maintain national financial stability. Major revisions to the new legislation are as follows:

Article 1 of the Act stipulates that the Bank of Korea shall pay attention to financial stability in carrying out its monetary and credit policies. The move was influenced by other major countries including the US and the UK, which strengthened the financial stability function in the course of overcoming the global financial crisis.

The revision also enhanced the central bank’s access to information. According to Article 87, institutions required to submit materials requested by the Bank of Korea expand to those institutions as set out in the Presidential Enforcement Decree. In addition, Article 88

indicates that the Enforcement Decree shall specify the mandatory period within which the Financial Supervisory Service (FSS) shall undertake joint BOK-FSS examinations when BOK requests for such examinations.

Emergency liquidity support facilities are significantly improved in the amendment. Article 65 eases the requirements for emergency credit extension by the central bank. The new legislation also enables the Monetary Policy Committee (MPC) to expand the range of securities eligible as collateral for loans extended by the Bank of Korea, depending upon financial market circumstances and other factors.

In addition, the central bank's reserve requirement system is advanced. Article 55 expands the range of liabilities subject to reserve requirements beyond deposit liabilities. Article 59 changes the interval for calculation of required reserves from semi-monthly to monthly, thereby bringing it in line with the key rate decision-making cycle.

Articles 49-2, 53-2 and 105-2 enable the Bank of Korea to centralize the management of counterfeit and altered currencies after investigation and trial. A newly established provision forbids activities that damage currency.

According to Article 99, the central bank can retain 30 percent of its net profit, up from 10 percent, taking into account the possibility of the central bank incurring a massive deficit due to interest and exchange rate movements.

## Korea to achieve fiscal balance in 2013

Korea seeks to balance the national budget by 2013 and reduce the national debt-to-GDP ratio to below 30 percent by 2015, according to the 2011~2015 fiscal management plan submitted to the National Assembly by the Ministry of Strategy and Finance on September 1. The nation's mid-term fiscal management strategy will consist of restoring fiscal soundness to pre-crisis levels, as well as enforcing strategic resource allocation on social programs and sustainable growth plans.

In order to achieve fiscal balance, the government aims to limit its annual expenditure growth to 4~5 percent, while maintaining a 7 percent fiscal income growth rate during the five-year period. Meanwhile, the debt-to-GDP ratio, which is currently about 35 percent, is expected to fall to almost 30 percent by 2013, and may dip below 30 percent by 2015.

### <Mid-term fiscal management outlook>

(trillion won, %)

	2011	2012	2013	2014	2015	Average annual growth
Fiscal revenue	314.4	337~345	367~375	386~395	403~413	7%
Fiscal spending	309.1	323~328	336~343	349~356	368~373	4~5%

## Korea plans to boost inflation-indexed bond market

The Ministry of Strategy and Finance has announced plans to spur trading in inflation-indexed government bonds, as part of an effort to diversify the Korea Treasury Bond (KTB) market. Inflation concerns have prompted long-term investors such as pension funds to consider investing in inflation-indexed government bonds. However, due to the primary dealers' reluctance to buy the bonds, issuance remained low in the first half of the 2011.

In order to boost the primary market for inflation-indexed bonds, primary dealers, who are the market makers of government bonds, will be required to offer sales and purchase prices of inflation-indexed bonds. Also, the rate-setting mechanism will be modified to ensure that the coupon rate of the inflation-indexed bonds accurately reflects the market rate.

## Overseas direct investment up 131.8% in first half of 2011

Korea's overseas direct investment in the first half of 2011 was US\$26.9 billion, up 131.8 percent from the previous year's US\$11.61 billion. Investment in mining, particularly oil and natural gas exploration, contributed most to the increase, soaring 373.7 percent year-on-year. Apart from mining, most major sectors, such as wholesale & retail trade (up 128.3%) and finance & insurance (up 86.1%) also showed strong growth in overseas investment. Investment in the United States, Australia and Cambodia jumped, as they have been the major destinations for investment in oil and natural gas projects.

The overseas direct investment amount for the first half of 2011 was 52.6 percent more than the previous record high of US\$17.63 billion in the first half of 2008. Boosted by strong performance in the first half, Korea's overseas direct investment for the whole year of 2011 is expected to improve greatly from the previous year despite the presence of various destabilizing factors in the world economy.

### <Overseas direct investment, Jan~Jun period>

(US\$ billion)

	2008	2009	2010	2011
Investment declared	17.63	8.42	11.61	26.90
y-o-y (%)	51.2	-52.2	37.9	131.8
Investment remitted	11.95	6.48	7.12	12.14
y-o-y (%)	50.3	-45.8	9.8	70.6

## Consolidated fiscal balance improves in first half of 2011 (Preliminary)

Korea's consolidated fiscal balance for the first half of 2011 (*preliminary*) posted a deficit of 2.3 trillion won, improving 9.1 trillion won from the previous year's deficit of 11.4 trillion won. Total revenue as of June 2011 rose 11.1 trillion won from the same month of the previous year due to an increase in tax revenues, while total expenditure rose only 2 trillion won. The consolidated fiscal balance excluding social security funds rose 10.2 trillion won to register a deficit of 19.2 trillion won. Social security funds include national pension funds, private school teachers' funds, accident insurance funds and employment insurance funds.

(trillion won, %)

	2010			2011			y-o-y change
	Budget (a)	June (b)	b/a (%)	Budget (c)	June (d)	d/c (%)	d-b
A. Consolidated fiscal revenue	262.3	143.3	54.6	284.8	154.3	54.2	11.1
B. Consolidated fiscal spending	264.3	154.7	58.5	279.5	156.7	56.1	2.0
C. Consolidated fiscal balance (A-B)	-2.0	-11.4	-	5.3	-2.3	-	9.1
D. Social security funds	28.1	18.0	-	30.3	16.8	-	-1.2
E. Consolidated fiscal balance excluding social security funds (C-D)	-30.1	-29.4	-	-25.0	-19.2	-	10.2



# Statistical Appendices

## Tables & Figures

1. National accounts
2. Production, shipment and inventory
3. Production capacity and operation ratio
4. Consumer goods sales index
5. Consumer goods shipment index and consumer sentiment index
6. Machinery orders received, domestic machinery shipment, and estimated facility investment index
7. Value of construction completion and domestic construction orders received
8. Composite indices of business cycle indicators and BSI
9. Balance of payments (I)
10. Balance of payments (II)
11. Prices
12. Employment
13. Financial indicators
14. Monetary indicators
15. Exchange rates

# 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 <sup>P</sup>		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 <sup>P</sup>	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 <sup>P</sup>	I	4.2	-8.6	9.8	2.5	-2.2	-11.9	11.7
	II	3.4	1.0	7.2	2.8	-1.1	-6.8	7.5

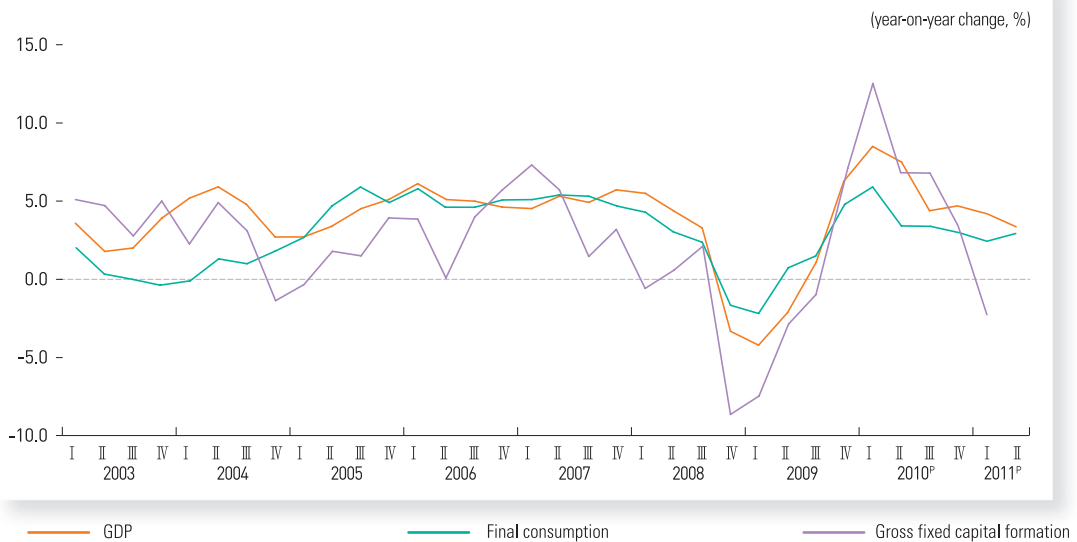
P: Preliminary

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	
	Production index	Y-o-Y change (%)	Shipment index	Y-o-Y change (%)	Inventory index	Y-o-Y change (%)	Service production index	Y-o-Y change (%)
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 I	143.6	10.6	138.7	11.9	137.4	10.3	123.1	2.7
II <sup>P</sup>	151.1	7.0	144.8	7.2	142.7	10.0	127.0	3.3
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	154.0	9.1	149.6	10.7	137.4	10.3	128.2	3.1
4	149.7	6.9	144.6	7.3	137.3	8.7	125.2	3.0
5	151.5	8.2	144.4	8.2	140.2	7.9	127.4	3.3
6 <sup>P</sup>	152.2	6.5	145.3	5.8	142.7	10.0	128.4	3.5
7 <sup>P</sup>	148.6	3.8	139.8	3.0	147.7	10.1	127.0	3.8

P: Preliminary  
Source: Statistics Korea

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

Period	Production capacity index (2005=100)	Y-o-Y change (%)	Operation ratio index (2005=100)	Y-o-Y change (%)	Average operation ratio (%)
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	2.8	81.7	-17.7	67.0
II	118.0	2.5	95.3	-7.6	74.3
III	120.1	3.5	97.8	2.4	77.8
IV	122.2	5.0	100.3	10.1	78.4
2010 I	124.3	6.2	97.4	19.2	80.4
II	126.5	7.2	105.6	10.8	82.3
III	129.5	7.8	99.6	1.8	81.2
IV	131.3	7.4	105.6	5.3	80.8
2011 I	132.7	6.8	99.9	2.6	83.1
II <sup>P</sup>	133.8	5.8	105.3	-0.3	81.4
2009 1	116.9	2.7	73.7	-28.6	63.7
2	116.9	2.7	79.8	-10.8	67.3
3	117.1	2.8	91.6	-12.8	70.0
4	117.7	3.0	94.1	-10.1	72.5
5	117.7	2.0	93.3	-9.7	73.7
6	118.5	2.4	98.4	-2.8	76.6
7	119.3	3.1	98.8	-1.0	77.7
8	119.8	3.3	91.0	-1.3	76.4
9	121.1	4.2	103.6	9.6	79.3
10	121.6	4.6	99.1	-4.8	77.8
11	121.9	4.8	100.5	12.4	78.0
12	123.1	5.5	101.2	27.0	79.3
2010 1	123.6	5.7	97.1	31.8	79.3
2	123.9	6.0	88.4	10.8	80.5
3	125.3	7.0	106.7	16.5	81.5
4	125.5	6.6	106.1	12.8	81.7
5	126.5	7.5	103.8	11.3	82.1
6	127.4	7.5	107.0	8.7	83.1
7	128.6	7.8	105.3	6.6	82.7
8	129.7	8.3	96.2	5.7	79.7
9	130.1	7.4	97.2	-6.2	81.2
10	130.8	7.6	106.6	7.6	79.7
11	131.1	7.5	105.4	4.9	80.5
12	132.1	7.3	104.9	3.6	82.2
2011 1	132.2	7.0	102.5	5.6	84.8
2	132.5	6.9	89.5	1.2	82.2
3	133.4	6.5	107.8	1.0	82.4
4	133.8	6.6	104.6	-1.4	80.4
5	133.7	5.7	104.7	0.9	81.3
6 <sup>P</sup>	134.0	5.2	106.6	-0.4	82.5
7 <sup>P</sup>	134.2	4.4	102.7	-2.5	82.1

P: Preliminary  
Source: Statistics Korea

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

(constant prices, 2005 = 100)

Period	Consumer goods sales index		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 I	122.7	5.1	167.9	12.9	112.2	6.1	112.0	0.8
II <sup>P</sup>	127.7	5.7	176.2	17.5	120.8	5.6	112.4	-0.4
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
3	126.6	5.2	183.5	15.3	114.6	5.0	112.7	0.1
4	122.4	5.1	167.4	15.8	121.5	7.4	108.7	-1.5
5	128.8	6.3	176.4	20.0	127.0	5.2	116.3	0.3
6 <sup>P</sup>	125.8	5.8	184.9	17.0	114.0	4.3	112.2	0.1
7 <sup>P</sup>	127.1	5.3	184.7	12.6	107.6	4.0	117.5	2.1

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)		Durable goods		Non-durable goods		Consumer sentiment index
		Y-o-Y change (%)		Y-o-Y change (%)		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 I	120.8	1.9	134.9	-1.3	115.2	3.6	-
II <sup>P</sup>	117.6	-1.9	134.7	-3.4	110.8	-1.2	-
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
3	127.0	4.4	146.1	1.1	119.4	6.3	98
4	118.6	-1.6	133.1	-1.7	112.7	-1.7	100
5	115.7	-1.5	131.4	-2.9	109.4	-0.9	104
6 <sup>P</sup>	118.6	-2.6	139.5	-5.6	110.2	-1.1	102
7 <sup>P</sup>	119.4	-2.1	142.3	-2.3	110.2	-2.0	102
8	-	-	-	-	-	-	99

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
2010 II	6,247	402	5,845	3,564	137.5	144.2
2010 III	5,662	380	5,282	3,026	139.1	136.2
2010 IV	5,908	1,023	4,885	2,779	135.6	142.8
2011 I	6,627	471	6,156	3,744	128.5	133.1
2011 I <sup>P</sup>	6,809	732	6,078	3,684	144.1	148.4
2010 1	1,767	169	1,598	1,008	103.7	108.3
2010 2	1,641	107	1,534	880	112.8	102.7
2010 3	2,135	249	1,886	1,022	145.1	139.1
2010 4	1,843	127	1,716	1,054	132.9	139.4
2010 5	2,189	115	2,074	1,329	132.4	140.9
2010 6	2,214	160	2,055	1,180	147.2	152.2
2010 7	2,092	105	1,987	1,068	139.1	138.6
2010 8	1,710	106	1,604	897	140.8	132.8
2010 9	1,860	169	1,691	1,061	137.5	137.1
2010 10	1,719	101	1,618	964	130.8	134.8
2010 11	1,770	102	1,668	981	134.7	136.7
2010 12	2,418	820	1,599	834	141.2	156.9
2011 1	2,115	116	2,000	1,156	125.7	127.6
2011 2	2,070	122	1,948	1,148	113.9	123.6
2011 3	2,442	233	2,209	1,440	145.8	148.1
2011 4	1,965	102	1,869	1,158	132.5	138.3
2011 5	2,171	142	2,029	1,190	146.1	150.9
2011 6 <sup>P</sup>	2,673	487	2,186	1,336	154.1	155.9
2011 7 <sup>P</sup>	2,042	152	1,889	1,030	135.4	136.5
<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
2010 II	24.7	-42.2	35.5	58.5	29.5	25.7
2010 III	-0.2	-71.7	22.0	27.4	29.3	27.4
2010 IV	11.3	31.4	7.8	4.5	13.6	18.4
2011 I	19.5	-10.3	22.7	28.7	6.6	14.1
2011 I <sup>P</sup>	9.0	82.0	4.0	3.4	4.8	2.9
2010 1	11.8	-27.1	18.5	39.4	26.3	27.6
2010 2	-2.0	-79.4	32.8	66.8	23.7	5.2
2010 3	20.6	37.2	18.7	36.7	38.3	22.1
2010 4	27.2	39.0	26.4	57.1	32.5	24
2010 5	56.3	19.6	59.1	101.1	28.4	32.1
2010 6	2.6	-68.6	24.4	28.8	27.7	21.8
2010 7	-16.5	-90.2	38.7	41.8	31.5	28.1
2010 8	26.6	48.9	25.3	37.1	41.2	36.9
2010 9	2.3	-15.5	4.5	9.6	17.1	18.8
2010 10	9.9	20.8	9.3	13.2	21.6	25
2010 11	-9.2	-76.5	10.0	4.2	13.1	19.5
2010 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
2011 2	26.1	14.0	27.0	30.4	1.0	20.4
2011 3	14.4	-6.3	17.1	41.0	0.5	6.5
2011 4	6.6	-19.6	8.6	9.8	-0.3	-0.8
2011 5	-0.8	23.4	-2.2	-10.5	10.3	7.1
2011 6 <sup>P</sup>	20.7	205.2	6.4	13.2	4.7	2.4
2011 7 <sup>P</sup>	-2.4	44.9	-4.9	-3.6	-2.7	-1.5

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	20,329	7,467	11,977	18,110	7,955	9,087
2010 II	24,082	9,129	13,931	25,295	6,890	16,737
2010 III	22,005	7,784	13,160	19,095	6,814	11,406
2010 IV	25,823	10,784	13,708	26,175	7,355	17,399
2011 I	19,067	7,288	10,857	15,796	4,053	10,743
2011 IIP	23,898	9,304	13,195	24,473	6,067	16,821
2010 1	6,496	2,257	3,972	7,043	2,410	4,274
2010 2	6,145	2,303	3,614	4,752	2,170	2,232
2010 3	7,687	2,908	4,391	6,314	3,375	2,582
2010 4	7,354	2,628	4,460	6,636	1,829	4,456
2010 5	7,741	2,841	4,537	8,717	1,672	6,652
2010 6	8,986	3,660	4,934	9,941	3,388	5,629
2010 7	7,453	2,690	4,419	7,475	3,903	3,351
2010 8	7,150	2,460	4,370	4,145	1,327	2,698
2010 9	7,401	2,634	4,371	7,475	1,584	5,355
2010 10	7,356	2,856	4,135	4,415	1,185	3,111
2010 11	8,041	3,278	4,401	7,551	2,023	5,217
2010 12	10,426	4,650	5,173	14,209	4,146	9,071
2011 1	6,157	2,415	3,476	4,658	1,295	2,697
2011 2	5,277	2,047	2,991	4,959	1,396	2,445
2011 3	7,634	2,827	4,391	7,179	1,362	5,601
2011 4	7,053	2,721	3,981	6,459	1,413	4,452
2011 5	7,435	2,189	4,226	6,753	1,861	4,428
2011 6P	9,410	3,765	4,989	11,260	2,793	7,941
2011 7P	6,903	2,534	4,055	4,892	1,735	3,042
<i>Y-o-Y change (%)</i>						
2010	2.7	8.5	0.5	-18.7	-43.7	2.8
2010 I	6.3	13.8	3.8	-1.6	-14.9	8.0
2010 II	2.0	5.5	2.6	-6.7	-61.9	105.4
2010 III	-0.4	-1.1	1.0	-3.6	-22.0	13.2
2010 IV	3.3	15.9	-4.8	-40.2	-52.1	34.4
2011 I	-6.2	-2.4	-9.4	-12.8	-49.1	18.2
2011 IIP	-0.8	1.9	-5.3	-3.3	-11.9	0.5
2010 1	7.2	5.1	9.6	20.2	-11.5	49.2
2010 2	0.8	12.9	-3.5	-4.6	-22.2	8.0
2010 3	10.5	22.2	5.3	-16.5	-11.9	-25.8
2010 4	-1.0	-0.1	1.0	-14.1	-68.7	178.8
2010 5	7.3	9.6	7.8	17.4	-62.9	138.3
2010 6	0.2	6.7	-0.3	-16.9	-56.0	49.8
2010 7	6.7	14.0	3.9	25.6	23.5	38.3
2010 8	6.5	1.4	11.2	-12.5	-26.2	-5.0
2010 9	-11.8	-14.6	-9.8	-18.1	-58.0	11.4
2010 10	0.9	10.5	-4.8	-58.8	-75.0	-45.7
2010 11	-0.5	17.1	-9.4	-48.7	-61.4	-41.2
2010 12	8.2	18.6	-0.5	-22.5	-22.8	-23.9
2011 1	-5.2	7.0	-12.5	-33.9	-46.3	-36.9
2011 2	-14.1	-11.1	-17.3	-16.7	-35.7	9.5
2011 3	-0.7	-2.8	0.0	13.7	-59.6	117.0
2011 4	-4.1	3.5	-10.7	-2.7	-22.7	-0.1
2011 5	-4.0	-0.8	-6.9	-22.5	11.3	-33.4
2011 6P	4.7	2.9	1.1	13.3	-17.6	41.1
2011 7P	-7.4	-5.8	-8.2	-34.6	-55.5	-9.3

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	135.5	99.9	98.4	99.3
	5	129.5	1.3	136.6	100.3	98.9	104.3
	6	130.2	1.7	137.7	100.6	99.6	104.3
	7	130.7	2.0	138.7	100.9	96.2	101.3
	8	-	-	-	-	86.8	98.9
	9	-	-	-	-	-	96.3

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 <sup>P</sup>	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 <sup>P</sup> 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 <sup>P</sup> 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 <sup>P</sup> 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 <sup>P</sup> 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	1,277.6	3,327.6	47,879.4	44,551.8	-178.8	-1,581.9	-289.3
5	2,183.9	1,633.8	47,149.8	45,516.0	15.5	517.3	17.3
6	2,030.7	2,699.6	47,693.6	44,994.0	-632.7	239.8	-276.0
7	4,938.4	5,893.6	49,711.7	43,818.1	-690.9	72.3	-336.6

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 <sup>P</sup>	-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 <sup>P</sup> 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 <sup>P</sup> 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 <sup>P</sup> 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 <sup>P</sup> 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	394.7	-7.38.8	4,575.0	-206.2	-145.9	-33.6	-3,055.8	-1,672.3	
5	-3,956.7	-1,254.7	-1,140.1	165.1	-821.7	-49.9	-855.4	1,772.8	
6	-3,246.0	-2,144.6	-1,399.5	-501.8	-464.9	-28.4	1,293.2	1,215.3	
7	-3,186.3	327.1	9,258.3	526.6	-7,298.1	13.8	-6,014.0	-1,752.1	

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
	6	120.6	125.3	117.5	118.6	121.9	125.5	109.4	163.2
	7	121.4	127.0	117.8	119.0	122.4	126.0	108.0	161.4
	8	122.5	129.1	118.1	119.4	122.8	126.7	109.4	162.1
<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	-12.9	
	8	2.2	2.0	2.2	3.1	-3.0	-4.0	-7.0	
	9	2.2	2.2	2.1	2.7	-2.6	-3.4	-10.8	
	10	2.0	2.0	2.0	2.6	-3.1	-4.2	-16.5	
	11	2.4	3.5	1.8	2.5	-0.4	-0.7	-13.4	
	12	2.8	4.4	1.8	2.2	1.8	2.0	-8.6	
2010	1	3.1	4.7	2.0	2.1	2.8	3.2	-6.9	
	2	2.7	3.6	2.2	1.9	2.4	2.7	-10.2	
	3	2.3	3.2	1.8	1.5	2.6	2.9	-12.2	
	4	2.6	3.8	1.8	1.5	3.2	3.8	-6.7	
	5	2.7	4.0	1.9	1.6	4.6	5.5	0.4	
	6	2.6	3.8	1.9	1.7	4.6	5.5	1.5	
	7	2.6	3.9	1.7	1.7	3.4	4.1	0.3	
	8	2.6	3.9	1.7	1.8	3.1	3.7	-1.7	
	9	3.6	6.3	2.0	1.9	4.0	5.0	-0.4	
	10	4.1	7.2	2.0	1.9	5.0	6.1	1.0	
	11	3.3	5.4	1.8	1.8	4.9	5.7	1.9	
	12	3.5	6.0	1.8	2.0	5.3	6.5	4.3	
2011	1	4.1	7.1	2.2	2.6	6.2	7.7	4.9	
	2	4.5	7.8	2.5	3.1	6.6	8.2	5.6	
	3	4.7	7.9	2.5	3.3	7.3	9.1	9.1	
	4	4.2	6.4	2.5	3.2	6.8	8.4	7.7	
	5	4.1	5.9	2.8	3.5	6.2	7.6	3.3	
	6	4.4	6.5	2.9	3.7	6.2	7.6	-0.4	
	7	4.7	7.4	3.0	3.8	6.5	8.0	-1.3	
	8	5.3	8.5	3.1	4.0	6.6	8.2	1.8	

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	
6	25,592	24,752	4,135	18,812	3.3	17,720	10,716	5,132	1,872	
7	25,473	24,636	4,079	18,844	3.3	17,667	10,718	5,137	1,811	
<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	
6	1.7	1.9	2.9	2.1	-	3.1	6.2	-0.6	-3.4	
7	1.0	1.4	1.0	1.9	-	2.5	6.0	-1.5	-4.9	

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
6	3.2	3.5	4.4	3.7	3.9	2,100.69
7	3.3	3.6	4.5	3.8	4.0	2,133.21
8	3.3	3.6	4.2	3.6	3.7	1,880.11

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
5	73,828.5	423,994.7	1,690,543.0	2,175,557.3
6	74,705.5	421,885.3	1,697,204.2	2,189,729.2
7	74,069.7	418,973.1	1,705,451.5	2,208,624.3
<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
5	8.8	7.4	3.7	4.4
6	12.8	5.4	3.0	4.0
7	10.6	3.8	3.2	4.6

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
6	1,078.1	1,081.3	1,335.7	1,342.8	1,560.5	1,555.4
7	1,052.6	1,059.5	1,353.2	1,333.4	1,507.9	1,515.4
8	1,071.7	1,073.2	1,396.8	1,391.4	1,547.3	1,538.7
<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
6	-10.9	-10.8	-2.1	0.7	5.8	5.0
7	-11.3	-12.2	-1.2	-3.2	-2.9	-1.6
8	-9.9	-9.0	-0.7	0.8	2.7	1.0

Source: The Bank of Korea



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