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Economic Bulletin

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The Green Book

Current Economic Trends

Overview

Employment continued an upward trajectory and major real economic indicators improved affected by demand from the Lunar New Year holiday, but uncertainties over inflation, including rising oil prices, lingered in the Korean economy.

Employment continued to rise in January, led by the service sector and with an increase in regular workers, adding 536,000 jobs, while the employment rate and the unemployment rate stayed in good shape at 57.4 percent and 3.5 percent, respectively.

Consumer price inflation declined to 3.1 percent in January from the previous month's 3.4 percent, as a rise in core inflation slowed down from 3.2 percent to 2.5 percent. However, inflation expectations stayed high although they slightly went down from 4.1 percent to 4.0 percent, and the prices of petroleum products continued to show strong growth, up from 7.0 percent to 7.4 percent.

Mining and manufacturing production rose 3.3 percent month-on-month in January backed by an improvement in automobiles and machinery, while service output went up 1.1 percent with growing wholesale & retail sales and financial & insurance services.

In January retail sales rose 0.8 percent from the previous month, as strong durable goods sales offset the poor sales of non-durable and semi-durable goods.

Facilities investment jumped 16.1 percent month-on-month in January with both machinery and transportation equipment investment rising, while construction investment dropped 12.6 percent as building construction and civil engineering works all went down.

Trade balance swung to a surplus of US$2.20 billion month-on-month in February from a deficit of US$2.03 billion backed by recovering exports, which soared 22.7 percent year-on-year from a 7.0 percent fall, affected by an increase in work days.

The cyclical indicator of the coincident composite index fell 0.1 point from the previous month in January as construction investment declined, while the cyclical indicator of the leading composite index rose 0.3 points helped by rising construction orders.

In February, the financial market showed relative stability to the previous month with rising expectations for the easing of the European debt crisis, improving US economic indicators and growing inflow of foreign funds.

The gap in the housing sales prices between the Seoul metropolitan area and other areas continued in February, while rent prices remained relatively stable.

There have been growing uncertainties from rising international oil prices in addition to persisting external risks such as the ongoing European debt crisis and a possible slowdown of the global economy.

The Korean government will closely monitor any changes in local and global economic situations and subsequent outcomes, while reinforcing policy actions to help the economy continue to recover and keep prices stable. In the meantime, it will focus on securing the livelihoods of citizens through active job creation and stabilization of the prices of necessities, and push on with economic restructuring and expansion of domestic demand.

1. External economic situation

Despite growing expectations for a recovery of the US economy, the euro area remains in a slump and the growth of emerging economies is slowing down to a certain extent.

There are risks from upcoming elections in major countries, the slowdown of growth due to austerity measures, as well as crisis-hit countries' large amount of debt that are scheduled to mature in March and April.

However, concern over the eurozone financial woes has eased somewhat due to the tentative approval of a second bailout for Greece and the second provision of long-term loans by the European Central Bank.

Provision of long-term loans by ECB (bil. euros): 489.2 (Dec 2011), 529.5 (Feb 2012)

US

The US economy expanded 3.0 percent *(annualized q-o-q, preliminary)* in the fourth quarter of 2011 as private consumption and inventories rose.

The ISM Manufacturing Index, which shows business sentiment, maintained its positive momentum by staying above the base level of 50.

ISM manufacturing index (base=50)
51.6 (Sep 2011) 🡒 50.8 (Oct) 🡒 52.7 (Nov) 🡒 53.9 (Dec) 🡒 54.1 (Jan 2012) 🡒 52.4 (Feb)

The recovery of the job market picked up speed in Febuary 2012 as the unemployment rate stayed at a three-year low of 8.3 percent and nonfarm payroll employment rose by 227,000.

Expectations for a recovery in the housing market grew somewhat as some indicators for the market improved.

Housing starts (m-o-m, %)
10.4 (Sep 2011) 🡒 -2.8 (Oct) 🡒 11.8 (Nov) 🡒 -1.9 (Dec) 🡒 1.5 (Jan 2012)

However, growth in personal consumption expenditure has stalled despite the strengthening of consumer confidence, and there is a possibility that the rise of gasoline prices may have a negative effect on personal consumption.

Consumer Confidence
60.9 (Oct 2011) 🡒 64.1 (Nov) 🡒 69.9 (Dec) 🡒 75.0 (Jan 2012) 🡒 75.3 (Feb)

West Texas Intermediate ($/barrel)
86.3 (Aug 2011) 🡒 85.6 (Sep) 🡒 86.5 (Oct) 🡒 97.3 (Nov) 🡒 98.7 (Dec) 🡒 100.4 (Jan 2012) 🡒 98.0 (Feb)

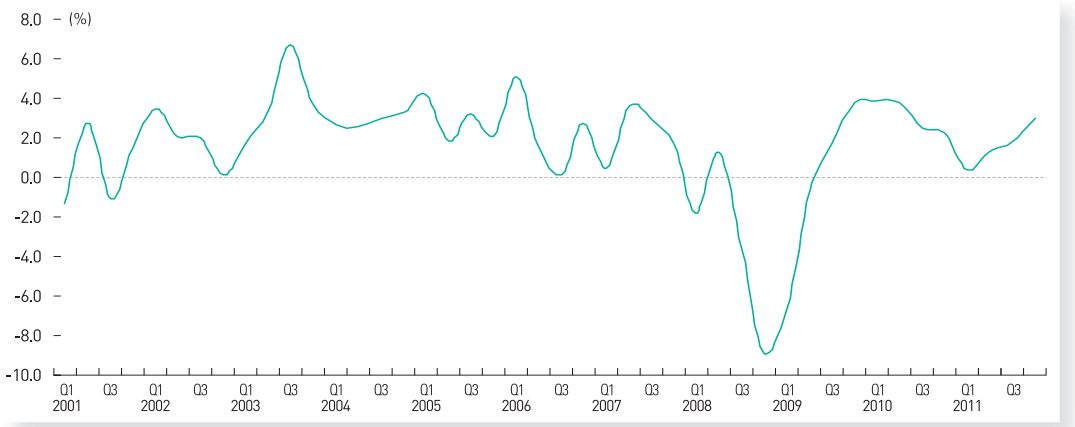
(Percentage change from previous period)

	2010		2011[1]							2012[1]
	Annual	Q4	Annual	Q1	Q2	Q3	Q4	Nov	Dec	Jan
Real GDP[2]	3.0	2.3	1.7	0.4	1.3	1.8	3.0	-	-	-
- Personal consumption expenditure	2.0	3.6	2.2	2.1	0.7	1.7	2.1	-	-	-
- Corporate fixed investment	4.4	8.7	8.6	2.1	10.3	15.7	2.8	-	-	-
- Housing construction investment	-4.3	2.5	-1.4	-2.4	4.2	1.3	11.5	-	-	-
Industrial production	5.3	0.8	4.1	1.2	0.2	1.5	0.8	-0.3	0.4	0.0
Personal consumption expenditure	3.8	1.4	4.7	1.5	1.0	1.0	0.7	0.1	0.0	0.2
Existing home sales	-3.4	13.5	2.5	9.0	-5.2	-0.2	5.9	3.3	5.0	4.3
Unemployment rate[3]	9.6	9.6	9.0	8.9	9.1	9.1	8.7	8.6	8.5	8.3
Consumer prices	1.6	0.7	3.1	1.3	1.0	0.8	0.2	0.0	0.0	0.2

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

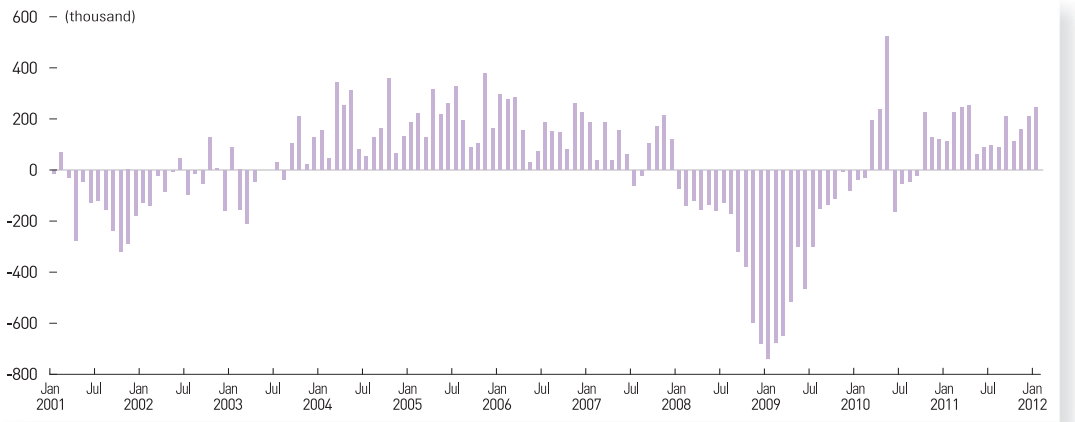
1-1 **US GDP** (q-o-q, annualized rate)

Source: US Department of Commerce



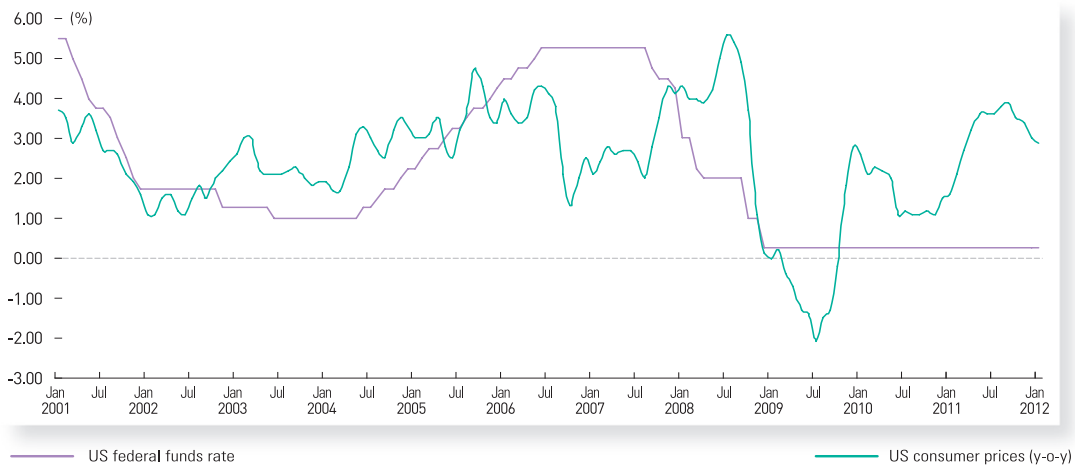
1-2 **US non-farm payroll employment** (m-o-m change)

Source: US Department of Labor



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

Source: US Federal Reserve Board & Department of Labor



China

The pace of China's economic growth decelerated somewhat as the growth of industrial production and exports fell, affected by the global economic slowdown.

However, the manufacturing Purchasing Managers' Index (PMI) climbed for the third month in a row and the robust growth of domestic demand, such as that of fixed asset investment and retail sales, continued.

Manufacturing PMI (base=50)

50.9 (Aug 2011) ➪ 51.2 (Sep) ➪ 50.4 (Oct) ➪ 49.0 (Nov) ➪ 50.3 (Dec) ➪ 50.5 (Jan 2012) ➪ 51.0 (Feb)

(Percentage change from same period in previous year)

	2010			2011[1]						2012[1]
	Annual	Q3	Q4	Annual	Q1	Q2	Q3	Q4	Dec	Jan
Real GDP	10.3	9.6	9.8	9.2	9.7	9.5	9.1	8.9	-	-
Industrial production[2]	15.7	13.5	13.3	13.7	14.9	13.9	13.8	13.8	12.8	-
Fixed asset investment (accumulated)	24.5	24.5	24.5	25.1	32.5	27.0	28.0	28.0	25.1	-
Retail sales[2]	18.4	18.4	18.8	17.1	16.3	17.2	17.3	17.5	18.1	-
Exports	31.3	32.2	24.9	20.3	26.4	22.0	20.5	14.3	13.4	-0.5
Consumer prices[2]	3.3	3.5	4.7	5.4	4.9	5.7	6.3	4.6	4.1	4.5
Producer prices[2]	5.5	4.5	5.7	6.0	7.0	6.9	7.1	3.1	1.7	07

1. Preliminary

2. Quarterly change: average of monthly change

Source: China National Bureau of Statistics

Japan

Japan's export slump continued as the country posted its biggest trade deficit ever in January with the strong yen and contracting export demand.

Trade balance (tril. yen)

-0.78 (Aug 2011) ➪ 0.29 (Sep) ➪ -0.28 (Oct) ➪ -0.69 (Nov) ➪ -0.21 (Dec) ➪ -1.48 (Jan 2012)

The country's GDP shrank 0.9 percent in 2011 as the growth rate turned negative in the fourth quarter.

(Percentage change from previous period)

	2010			2011[1]					2012[1]
	Annual	Q3	Q4	Annual	Q1	Q2	Q3	Q4	Jan
Real GDP	4.4	0.6	-0.1	-0.9	-1.8	-0.4	1.7	-0.6	-
Industrial production	16.4	-1.0	-0.1	-3.5	-2.0	-4.0	4.3	-0.4	2.0
Retail sales (y-o-y)	2.5	3.2	-0.4	-1.2	-3.0	-1.7	-1.0	0.8	1.9
Exports (y-o-y)	25.7	18.8	10.8	-1.9	3.5	-7.8	1.5	-4.4	-
Consumer prices (y-o-y)	-0.7	-0.8	0.1	-0.3	-0.5	-0.4	0.1	-0.3	0.1

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

Eurozone

The eurozone's real economy remained sluggish as industrial production and retail sales continued to fall.

The European Commission revised downward its outlook for the eurozone's 2012 economic growth from 0.5 percent to -0.3 percent on February 23.

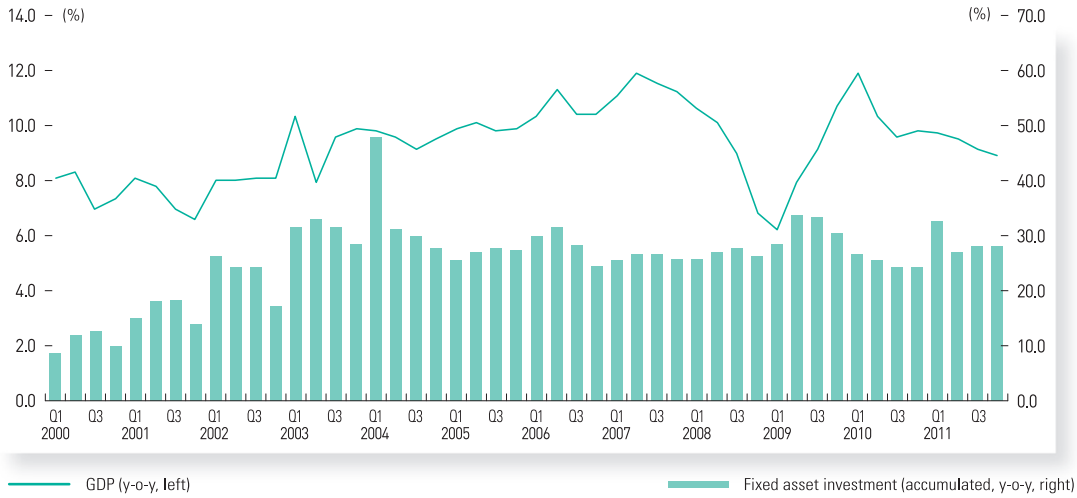
(Percentage change from previous period)

	2010			2011[1]							2012[1]
	Annual	Q3	Q4	Annual	Q1	Q2	Q3	Q4	Nov	Dec	Jan
Real GDP	1.8	0.4	0.3	1.5	0.8	0.2	0.1	-1.3	-	-	-
Industrial production	7.4	1.0	1.8	-	0.9	0.2	0.6	-	-0.1	-1.1	-
Retail sales	0.8	0.2	0.3	-0.6	-0.2	-0.4	-0.1	-0.7	-0.4	-0.4	-0.3
Exports (y-o-y)	20.1	22.8	21.8	-	21.5	13.0	9.4	-	10.2	-	-
Consumer prices (y-o-y)	1.6	1.7	2.0	2.7	2.5	2.8	2.7	2.9	3.0	2.7	2.6

1. Preliminary *Source: Eurostat*

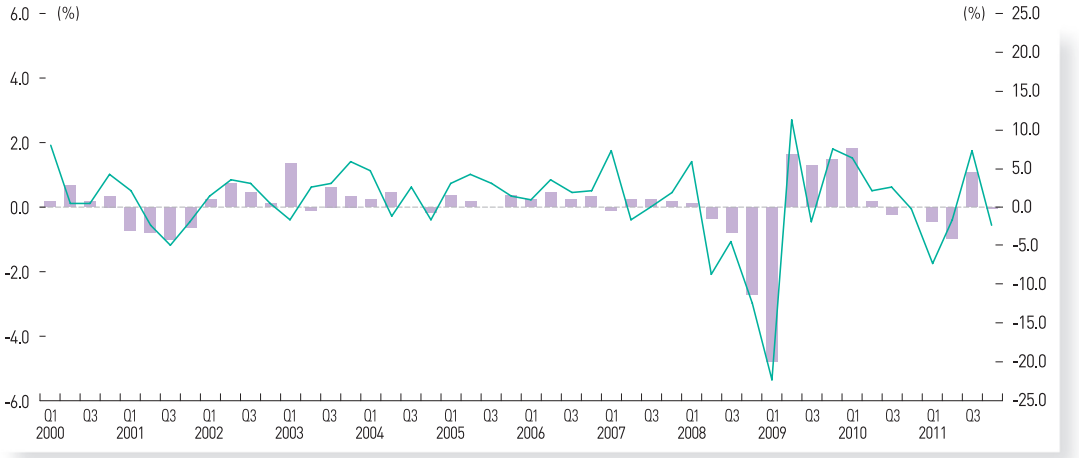
1-4 China's GDP and fixed asset investment

Source: National Bureau of Statistics of China



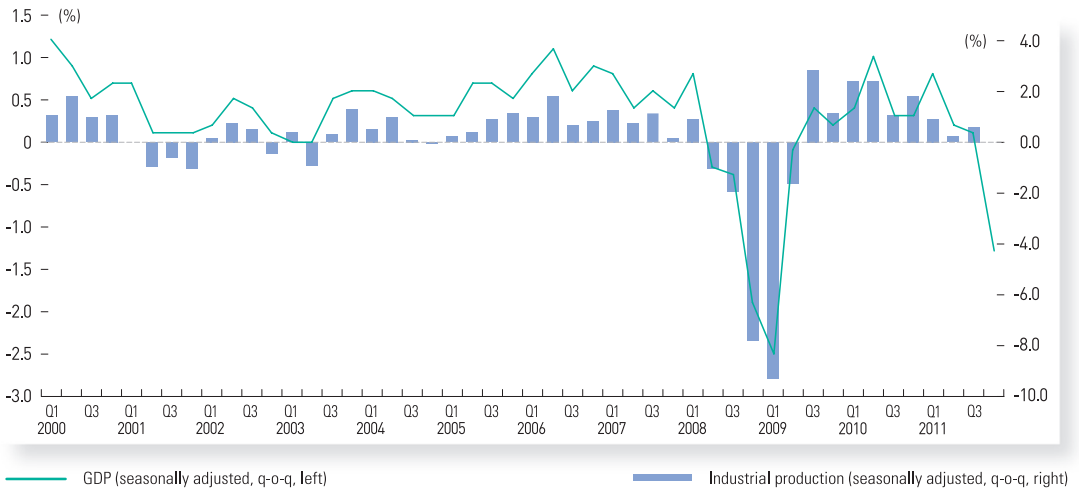
1-5 Japan's GDP growth

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 of GDP)* dipped 0.4 percent quarter-on-quarter but climbed 1.2 percent year-on-year in the fourth quarter of 2011.

(Percentage change from previous period)

	2010					2011				
	Annual	Q1	Q2	Q3	Q4	Annual[1]	Q1	Q2	Q3	Q4[1]
Private consumption[1]	4.1	0.5	0.7	1.4	0.3	2.0	0.4	0.9	0.4	-0.4
y-o-y	-	6.6	3.5	3.6	2.9	-	2.8	3.0	2.0	1.2

1. Preliminary
2. National accounts
Source: The Bank of Korea

Retail sales increased 0.8 percent month-on-month and 0.9 percent year-on-year in January 2012 backed by strong sales of durable goods, particularly communications equipment, while sales of semi-durable and non-durable goods declined.

Regarding the durable goods sales, those of computers and communications equipment continued to gain ground, while automobile sales climbed for the first time in four months.

Sales of computers and communications equipment (y-o-y, %)
12.5 (Sep 2011) ⇨ 23.1 (Oct) ⇨ 35.0 (Nov) ⇨ 17.6 (Dec) ⇨ 24.0 (Jan 2012)

(Percentage change from previous period)

	2010		2011							2012
	Annual	Q4	Annual[1]	Q1	Q2	Q3	Q4[1]	Nov	Dec[1]	Jan[1]
Consumer goods sales	6.7	1.4	4.3	1.5	0.1	1.6	-1.3	-0.3	-0.6	0.8
y-o-y	-	5.2	-	5.4	5.7	4.7	1.9	1.2	2.0	0.9
- Durable goods[2]	14.8	5.0	10.8	4.3	-0.5	1.8	-2.4	3.4	-6.0	10.6
· Automobiles	11.1	4.6	5.9	5.9	-4.9	3.6	-11.3	-4.0	-2.5	8.8
- Semi-durable goods[3]	6.8	1.5	4.2	0.8	0.7	1.2	-0.3	-3.3	4.7	-3.5
- Non-durable goods[4]	2.2	-0.8	1.1	0.2	0.0	2.1	-0.5	-1.5	0.8	-2.4

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 discount stores fell month-on-month, but those at specialized retailers and nonstore retailers rose.

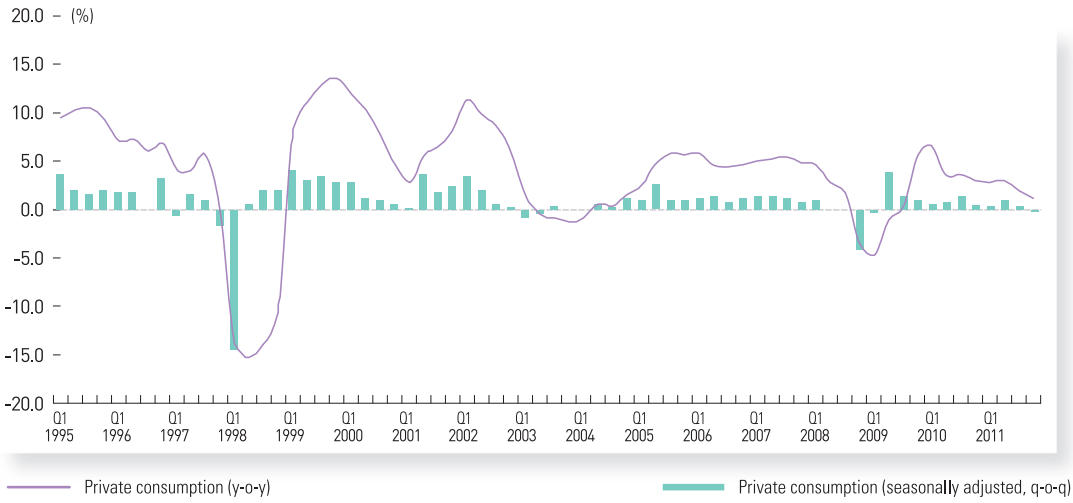
(Percentage change from previous period)

	2010		2011[1]							2012
	Annual	Q4	Annual[1]	Q1	Q2	Q3	Q4[1]	Nov	Dec[1]	Jan[1]
- Department stores	8.8	3.9	8.1	2.2	0.5	1.2	-0.6	-1.9	3.6	-5.2
- Large discounters	4.5	1.1	3.9	1.2	1.0	0.2	0.3	-2.2	1.7	-6.5
- Specialized retailers[2]	5.7	1.0	3.3	1.3	-0.5	2.1	-3.1	1.1	-1.5	2.3
- Nonstore retailers	15.6	4.0	8.6	1.4	1.2	2.8	0.6	1.3	1.0	1.9

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

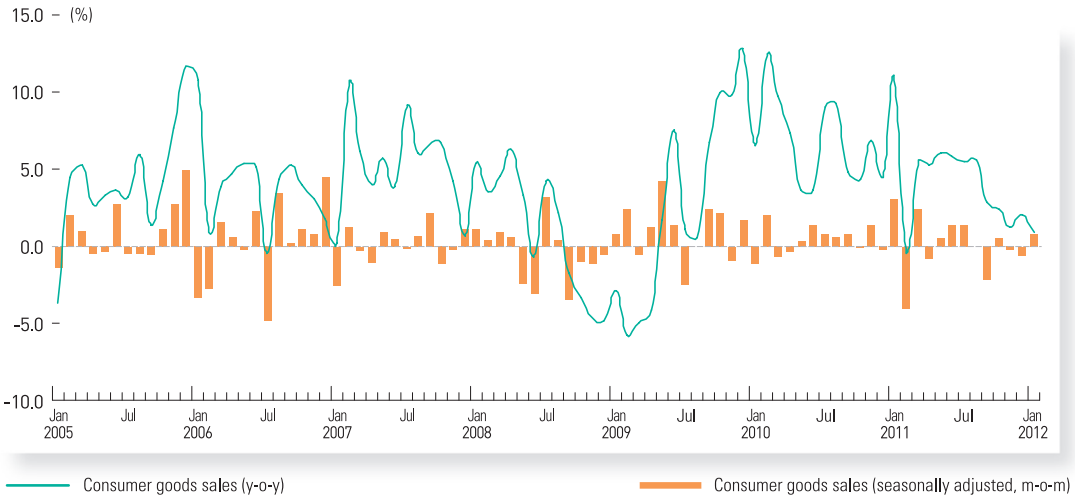
2-1 Private consumption

Source: The Bank of Korea (national accounts)



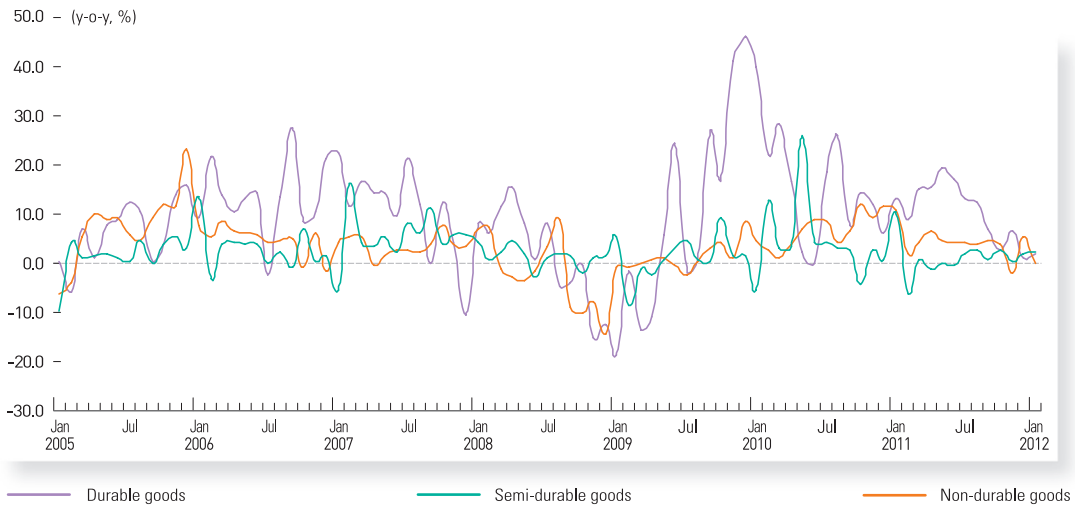
2-2 Consumer goods sales

Source: Statistics Korea (industrial activity trend)



2-3 Consumer goods sales by type

Source: Statistics Korea (industrial activity trend)



Considering advanced indicators, retail sales are expected to be somewhat sluggish in February.

Discount store sales slid 1.7 percent year-on-year and department store sales rose only 2.6 percent despite an increase in business days.

Gasoline sales grew 4.2 percent year-on-year from a spike in demand due to concern over rising domestic gasoline prices.

Gasoline prices (won/liter)
1,973 (4th week of Jan) ▷ 1,978 (1st week of Feb) ▷ 1,979 (2nd week of Feb) ▷ 1,983 (3rd week of Feb) ▷ 1,990 (4th week of Feb) ▷ 2,004 (5th week of Feb)

Automobile sales climbed year-on-year with an increase in business days, but daily average sales declined.

Credit card use (y-o-y, %)
19.7 (Sep 2011) ▷ 17.6 (Oct) ▷ 14.5 (Nov) ▷ 18.4 (Dec) ▷ 11.2 (Jan 2012) ▷ 24.9 (Feb)

Disconut store sales (y-o-y, %)
-1.1 (Sep 2011) ▷ 5.5 (Oct) ▷ -0.5 (Nov) ▷ 3.7 (Dec) ▷ 2.7 (Jan 2012) ▷ -1.7 (Feb)

Department store sales (y-o-y, %)
6.5 (Sep 2011) ▷ 3.1 (Oct) ▷ -0.5 (Nov) ▷ 11.0 (Dec) ▷ -4.1 (Jan 2012) ▷ 2.6 (Feb)

Domestic sales of gasoline (y-o-y, %)
1.0 (Sep 2011) ▷ -1.6 (Oct) ▷ 0.8 (Nov) ▷ 4.1 (Dec) ▷ 7.6 (Jan 2012) ▷ 4.2 (Feb)

Domestic sales of cars (y-o-y, %)
3.8 (Sep 2011) ▷ -8.8 (Oct) ▷ -12.6 (Nov) ▷ -5.4 (Dec) ▷ -19.9 (Jan 2012) ▷ 5.5 (Feb)

Sources: Ministry of Knowledge Economy
Korea National Oil Corporation
Korea Customs Service
Korea Automobile Manufacturers Association
Ministry of Strategy and Finance (for February data)

Domestic and external uncertainties are forecast to limit consumption although factors affecting consumption are improving in line with the slowdown of inflation and steady recovery of employment.

Employment (y-o-y, thousand)
490 (Aug 2011) ▷ 264 (Sep) ▷ 501 (Oct) ▷ 479 (Nov) ▷ 441 (Dec) ▷ 536 (Jan 2012)

Consumer prices (y-o-y, %)
4.7 (Aug 2011) ▷ 3.8 (Sep) ▷ 3.6 (Oct) ▷ 4.2 (Nov) ▷ 4.2 (Dec) ▷ 3.4 (Jan 2012) ▷ 3.1 (Feb)

Although the consumer sentiment index has slightly improved, reaching the base level, consumer confidence has been recovering at a slow pace, with the economic cycle-related sentiment index staying far below the base level.

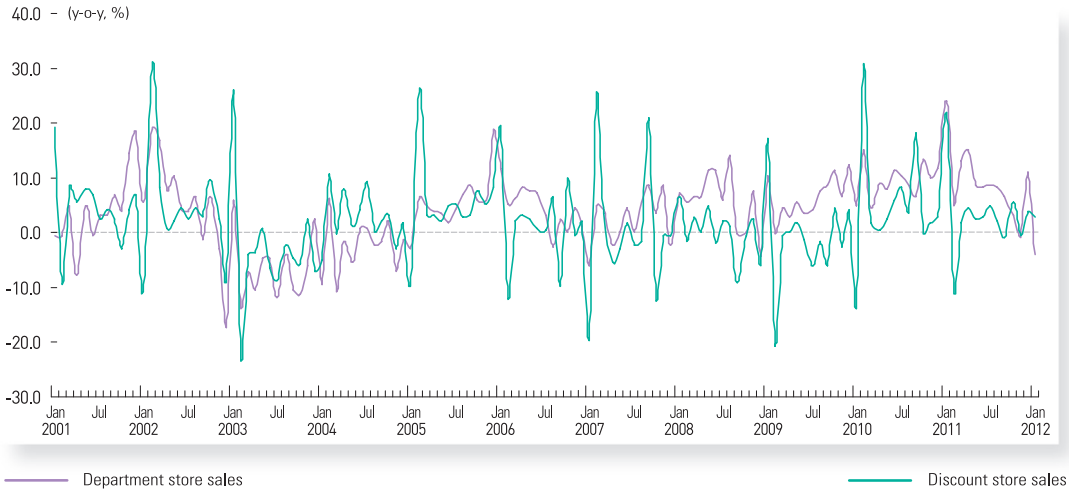
Consumer sentiment index (CSI, base=100)
102 (Jul 2011) ▷ 99 (Aug) ▷ 99 (Sep) ▷ 100 (Oct) ▷ 103 (Nov) ▷ 99 (Dec) ▷ 98 (Jan 2012) ▷ 100 (Feb)

Sentiment index for economic outlook (base=100)
88 (Jul 2011) ▷ 77 (Aug) ▷ 78 (Sep) ▷ 78 (Oct) ▷ 86 (Nov) ▷ 78 (Dec) ▷ 76 (Jan 2012) ▷ 80 (Feb)

There is a possibility that consumption, particularly that related to automobiles and vehicle fuel, will shrink if gasoline prices continue to climb.

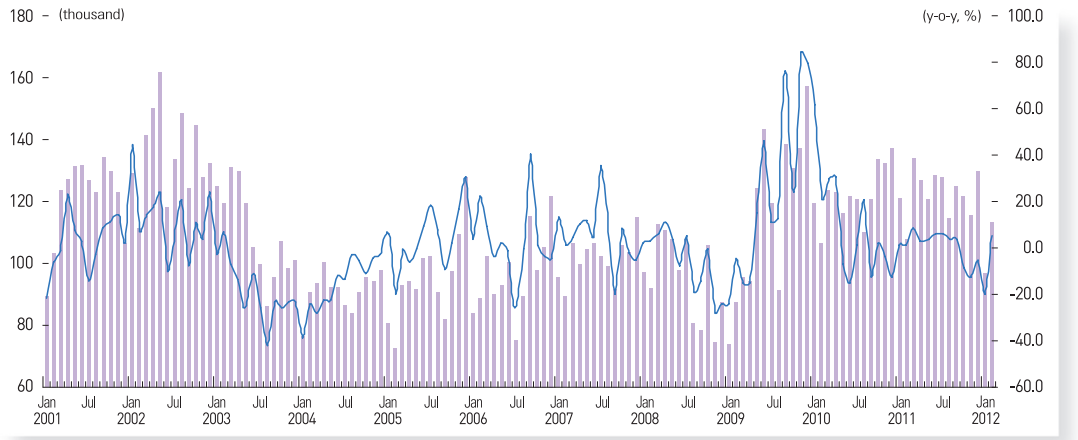
2-4 **Department store and discount store sales** (current value)

Source: Ministry of Knowledge Economy (monthly retail sales)



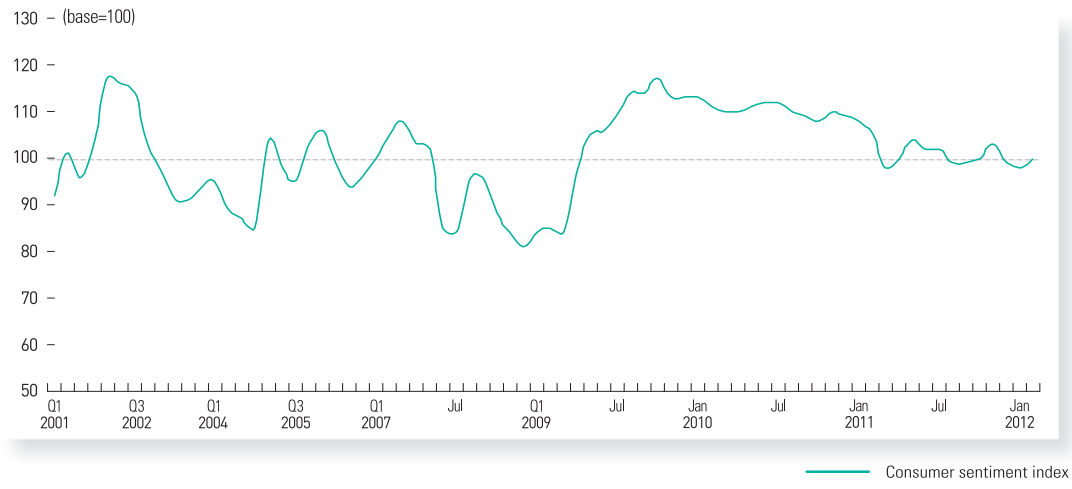
2-5 **Domestic automobile sales**

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 fourth quarter of 2011 fell 5.2 percent quarter-on-quarter and 3.4 percent year-on-year.

(Percentage change from previous quarter)

	2009	2010[1]			2011[1]				
	Annual	Annual	Q3	Q4	Annual	Q1	Q2	Q3	Q4
Facility investment[2]	-9.8	25.0	5.6	-1.0	3.8	-1.1	3.9	-0.8	-5.2
y-o-y	-	-	26.6	15.9	-	11.7	7.5	1.0	-3.4
- Machinery	-13.5	30.8	8.5	-2.2	-	-1.1	3.9	-1.5	-
- Transportation equipment	2.8	6.7	-5.0	4.2	-	-1.2	4.2	1.8	-

1. Preliminary
2. National accounts
Source: The Bank of Korea

Facility investment in January 2012 rose 16.1 percent month-on-month and 7.8 percent year-on-year thanks to an increase in both machinery and transportation equipment investment. Facility investment may improve as semiconductor investment is expected to increase to US$19.0 billion *(preliminary)* in 2012 from US$12.53 billion a year ago according to the Korea Semiconductor Industry Association. However, decreasing leading indicators are likely to limit the gain as internal and external uncertainties hamper the recovery of corporate investment sentiment.

(Percentage change from previous quarter)

	2009	2010	2011							2012
	Annual	Annual	Annual[1]	Q1	Q2	Q3	Q4[1]	Nov	Dec[1]	Jan[1]
Facility investment	-9.5	24.2	0.7	-1.9	3.6	-1.5	-5.1	8.9	0.7	16.1
y-o-y	-	-	-	5.4	5.7	-3.1	-4.8	-2.8	-1.1	7.8
- Machinery	-12.7	29.4	1.7	-3.5	6.0	-2.2	-3.2	5.6	5.8	15.8
- Transportation equipment	4.7	4.5	-4.1	6.1	-7.2	1.6	-12.9	27.5	-22.6	12.3

1. Preliminary *Source: Statistics Korea*

(Percentage change from same period in previous year)

	2009	2010	2011							2012
	Annual	Annual	Annual[1]	Q1	Q2	Q3	Q4[1]	Nov	Dec[1]	Jan[1]
Domestic machinery orders	-10.4	8.3	11.0	19.5	10.0	3.4	11.5	33.9	-9.6	-2.6
q-o-q, m-o-m	-	-	-	9.2	-0.3	-5.4	8.8	20.8	-17.0	-0.5
- Public	62.4	-37.7	11.2	-10.5	81.1	6.1	-3.1	333.3	-72.8	1.8
- Private	-18.4	18.3	11.0	22.7	4.9	3.2	14.7	13.7	24.3	-2.9
Machinery imports	-16.6	40.4	7.1	8.1	10.6	9.3	1.0	8.8	1.4	14.4
Manufacturing operation ratio	-3.5	8.4	-1.2	2.0	-1.5	-1.3	-3.3	-2.8	-4.4	-8.8
Facility investment adjustment pressure[2]	-3.7	8.9	1.6	3.6	1.1	1.0	0.8	1.5	-1.1	-5.7

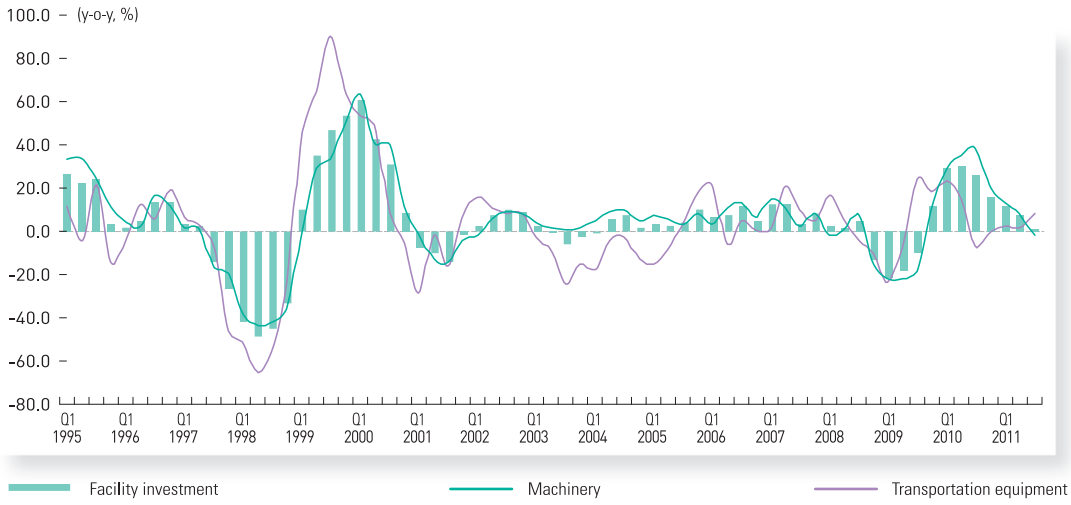
1. Preliminary *2. Production growth rate minus production capacity growth rate in the manufacturing sector (%p)*
Sources: Statistics Korea, Korea International Trade Association (machinery imports data)

	2011		2012		
	Nov	Dec	Jan	Feb	Mar
Business survey index (base=100) for manufacturing facility investment	98	95	96	97	98

Source: The Bank of Korea

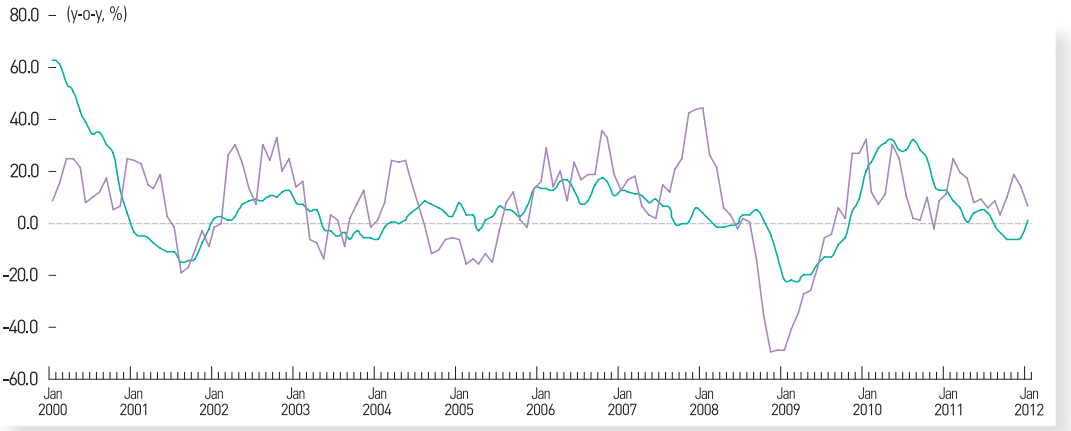
3-1 Facility investment by type

Source: The Bank of Korea (national accounts)



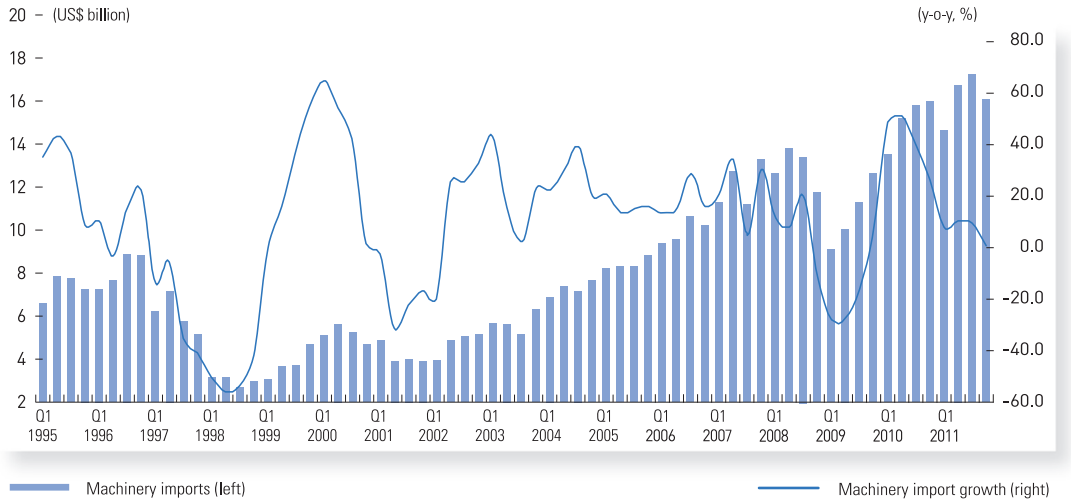
3-2 Machinery orders and estimated facility investment (3-month average)

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 fourth quarter of 2011 dropped 0.3 percent quarter-on-quarter and 4.0 percent year-on-year.

(Percentage change from previous quarter)

	2009	2010[1]			2011[1]				
	Annual	Annual	Q3	Q4	Annual	Q1	Q2	Q3	Q4
Construction investment[2]	3.4	-1.4	-0.8	-1.0	-6.5	-6.7	1.6	1.8	-0.3
y-o-y	-	-	-3.1	-2.9	-	-11.9	-6.8	-4.6	-4.0
- Building construction	-2.3	-2.9	-0.3	0.2	-	-6.9	3.3	1.1	-
- Civil engineering works	11.6	0.5	-1.3	-2.5	-	-6.5	-0.5	2.7	-

1. Preliminary 2. National accounts Source: The Bank of Korea

The value of construction completion *(constant)* in January 2012 decreased 12.6 percent month-on-month and 6.4 percent year-on-year, as both building construction and civil engineering works fell.

(Percentage change from previous quarter)

	2009	2010	2011							2012
	Annual	Annual	Annual[1]	Q1	Q2	Q3	Q4[1]	Nov	Dec[1]	Jan[1]
Value of construction completion(constant)	1.6	-3.3	-6.7	-3.8	2.0	-4.3	5.7	-6.7	14.7	-12.6
y-o-y	-	-	-	-12.6	-6.6	-8.4	-0.5	-6.3	1.8	-6.4
- Building construction	-6.4	-7.0	-8.4	-4.7	1.0	-3.7	5.0	-7.5	11.3	-9.0
- Civil engineering works	16.1	2.2	-4.5	-2.5	3.1	-5.1	6.7	-5.7	19.0	-16.8

1. Preliminary Source: Statistics Korea

(Percentage change from same period in previous year)

	2009	2010	2011							2012
	Annual	Annual	Annual[1]	Q1	Q2	Q3	Q4[1]	Nov	Dec[1]	Jan[1]
Construction orders (current value)	5.0	-17.7	4.0	-11.8	-1.7	1.5	22.4	14.1	15.0	42.8
q-o-q, m-o-m	-	-	-	12.5	11.7	3.3	-1.9	-5.0	10.4	15.4
- Building construction	-14.2	-8.9	10.9	-7.7	-2.5	9.8	40.6	18.9	57.2	73.7
- Civil engineering works	44.3	-28.3	-6.6	-17.2	0.1	-11.0	-1.1	4.6	-19.1	0.6
Building permit area	-12.9	19.3	9.9	21.5	3.8	58.7	-14.8	-20.8	-32.9	74.2

1. Preliminary Sources: Statistics Korea, Ministry of Land, Transport and Maritime Affairs

Construction investment is likely to continue to suffer for a while due to a slowdown in housing market recovery and contracting business sentiment of construction industries.

	2011		2012		
	Nov	Dec	Jan	Feb	Mar
Business survey index (base=100) for business performance by construction companies	69.0	70.3	64.0	64.4	73.7

Source: Construction and Economy Research Institute of Korea

Yet, there are positive signs in some leading indicators, such as the rise in construction starts and construction orders.

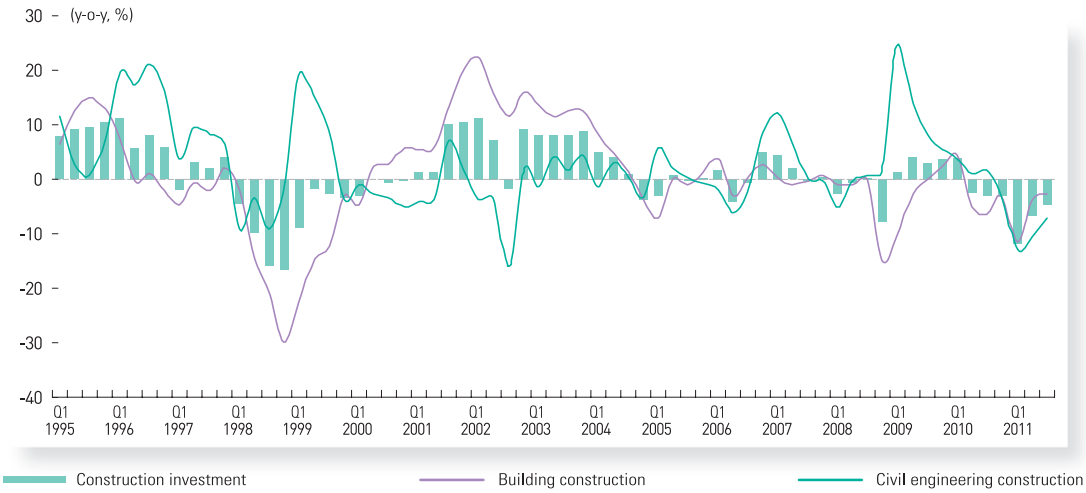
(y-o-y, %)

	2011				2012
	Sep	Oct	Nov	Dec	Jan
Housing construction permits	83.3	88.4	75.3	42.2	59.0

	2011						2012
	Jul	Aug	Sep	Oct	Nov	Dec	Jan
Unsold houses	70,000	69,000	68,000	66,000	67,000	70,000	68,000

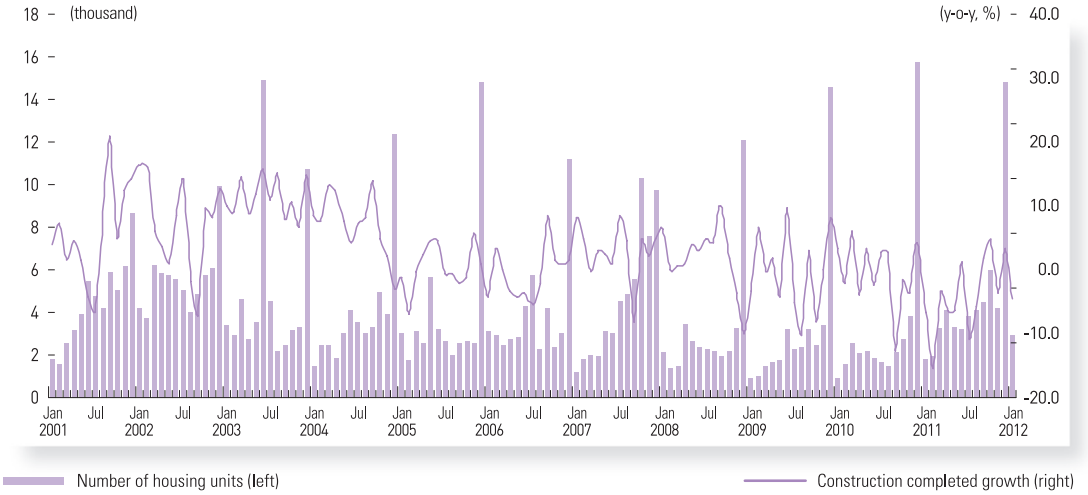
4-1 Construction investment

Source: The Bank of Korea (national accounts)



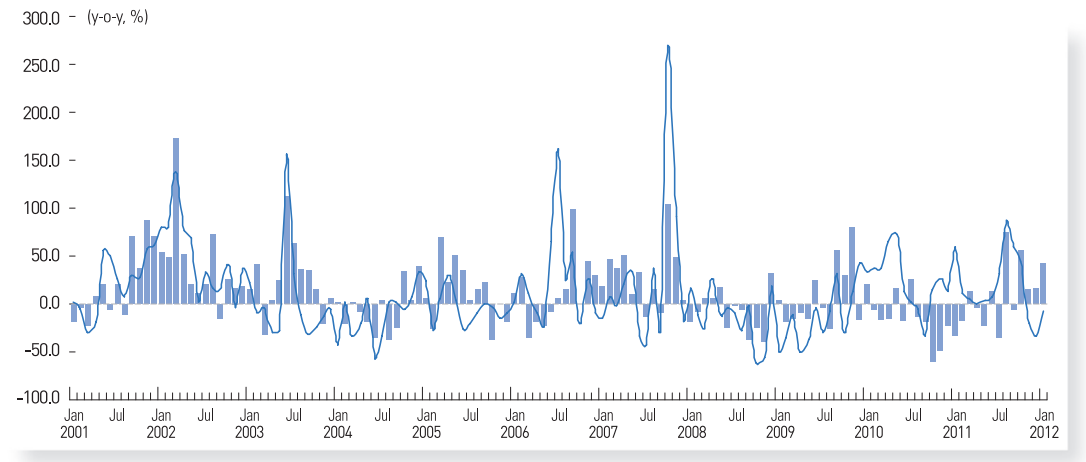
4-2 Construction completed and housing construction

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 *(preliminary)* in February 2012 increased 22.7 percent year-on-year to US$47.18 billion.

Exports rose year-on-year in February, due to more work days compared to a year earlier as a result of the Lunar New Year holiday which fell in January this year. The strong outbound shipments of major export items and a recovery from a fall after the year-end's soaring exports also contributed to the robust exports.

By business category, exports of automobiles *(up 60.2%)*, petroleum products *(up 41.9%)*, and steel *(up 44.4%)* grew year-on-year, while those of mobile phones *(down 32.6%)* declined.

By regional category, exports to the EU *(up 23.6%)*, the US *(up 46.9%)*, and China *(up 10.3%)* swung positive year-on-year, while those to Japan *(up 31.6%)* and the ASEAN *(up 23.7%)* also increased.

(US$ billion)

	2010	2011						2012	
	Annual	Annual	Q1	Q2	Q3	Q4	Dec	Jan	Feb[1]
Exports	466.38	555.21	130.98	142.69	141.24	140.37	47.74	41.35	47.18
(y-o-y, %)	28.3	19.0	29.6	18.7	21.4	9.0	8.2	-7.0	22.7
Average daily exports	1.70	2.01	1.98	2.08	2.03	1.98	1.95	1.88	2.05
Imports	425.21	524.41	123.91	134.29	134.92	131.26	45.49	43.38	44.99
(y-o-y, %)	31.6	23.3	26.1	27.2	27.7	13.4	13.6	3.3	23.6
Average daily imports	1.46	1.91	1.87	1.96	1.96	1.85	1.86	1.97	1.96

1. Preliminary
Source: Korea Customs Service

Imports *(preliminary)* in February increased 23.6 percent year-on-year to US$44.99 billion.

The imports of commodities *(up 25.2%)* went up with a rise in international oil prices, while those of capital goods *(up 22.8%)* increased due to growing demand for semiconductor manufacturing equipment replacements.

The trade balance *(preliminary)* in February posted a surplus of US$2.20 billion.

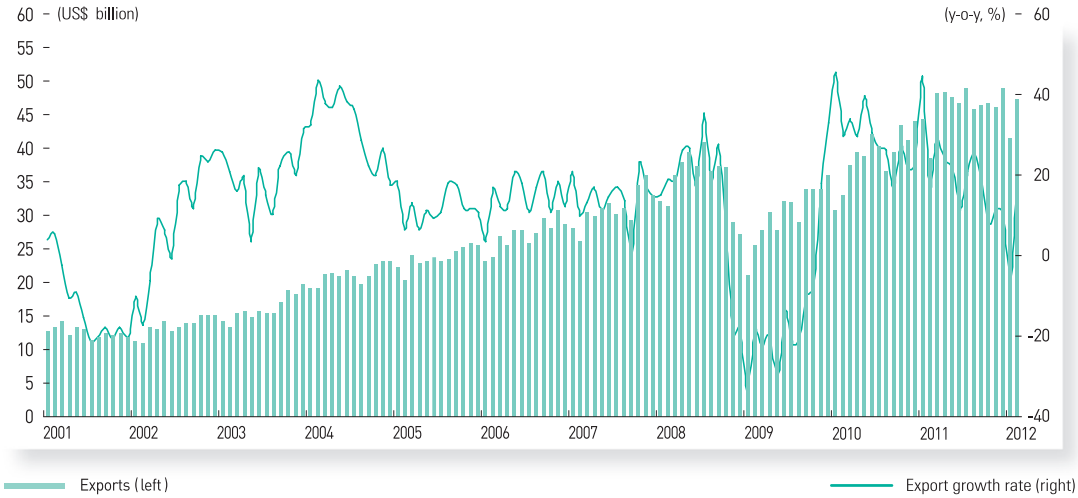
(US$ billion)

	2010	2011						2012	
	Annual	Annual	Q1	Q2	Q3	Q4	Dec	Jan	Feb[1]
Trade balance	41.17	30.80	7.08	8.40	6.30	9.16	2.26	-2.03	2.20

Source: Korea Customs Service

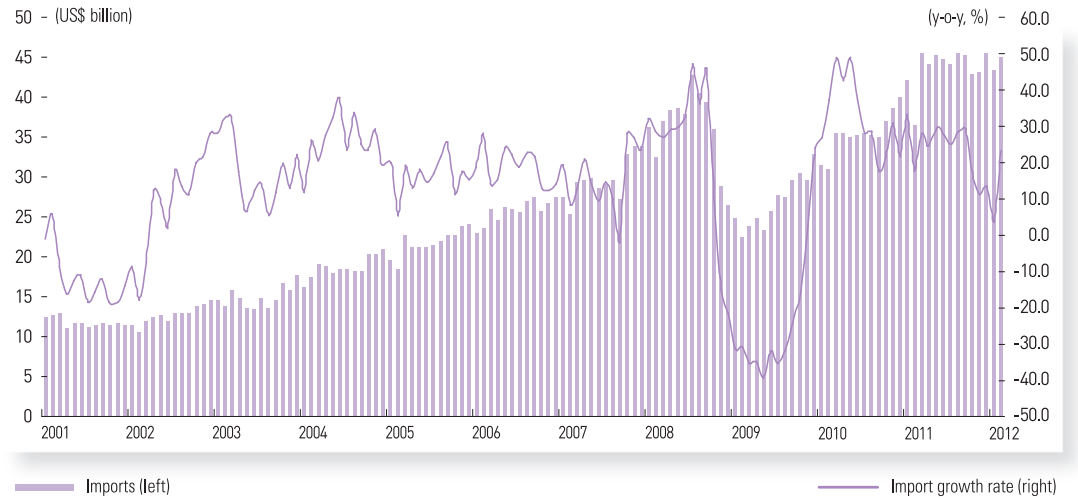
5-1 **Exports** (customs clearance basis)

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



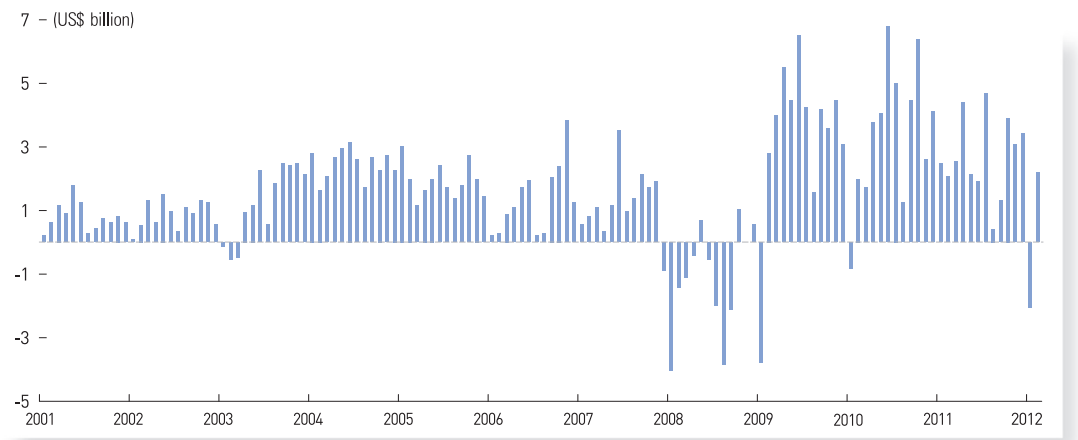
5-2 **Imports** (customs clearance basis)

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 January 2012 rose 3.3 percent month-on-month helped by an improvement in machinery & equipment and automobiles, while going down 2.0 percent year-on-year.

By business category, machinery and equipment *(up 9.6%)* and automobiles *(up 5.3%)* increased month-on-month, while groceries *(down 2.7%)* and clothing and fur *(down 4.8%)* went down.

The manufacturing inventory-shipment ratio decreased month-on-month by 6.7 percentage points, as the inventory lost 2.7 percent and the shipments gained 3.4 percent.

By business category, the shipments of machinery & equipment *(up 11.3%)* and automobiles *(up 6.7%)* increased month-on-month, while those of electric equipment *(down 2.3%)* and computers *(down 5.8%)* declined. The inventories of audio-visual communications equipment *(up 15.3%)* and groceries *(up 3.9%)* climbed month-on-month, while those of semiconductors & parts *(down 4.9%)* and machinery & equipment *(down 11.7%)* fell.

The average operation ratio of the manufacturing sector improved 3.6 percentage points to 80.6 percent.

(Percentage change from same period in previous year)

		2010	2011						2012
		Annual	Annual[1]	Q3	Q4[1]	Jan	Nov	Dec[1]	Jan[1]
Mining and manufacturing activity[2]	Production (q-o-q, m-o-m)	-	-	0.4	-0.1	2.1	-0.2	-0.7	3.3
	(y-o-y)	16.3	6.8	5.3	5.0	13.4	5.7	2.8	-2.0
	- Manufacturing	16.8	7.0	5.3	5.3	13.6	6.3	2.9	-1.9
	· ICT[3]	25.2	10.0	4.5	12.4	16.5	13.4	6.7	4.4
	· Automobiles	23.2	13.8	16.0	12.6	23.5	14.1	11.5	-6.9
	Shipment	14.3	6.5	4.9	3.3	14.4	3.0	2.4	-2.4
	- Domestic demand	11.5	3.3	2.7	0.2	9.8	-0.9	0.7	-4.5
	- Exports	18.1	10.8	7.7	7.3	20.8	8.0	4.6	0.3
	Inventory[4]	17.3	20.6	9.9	20.6	12.1	18.0	20.6	20.9
Manufacturing activity	Average operation ratio (%)	80.9	80.0	79.6	78.1	83.6	78.4	77.0	80.6
	Production capacity	7.9	5.4	4.3	4.5	7.2	4.8	4.0	3.8

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

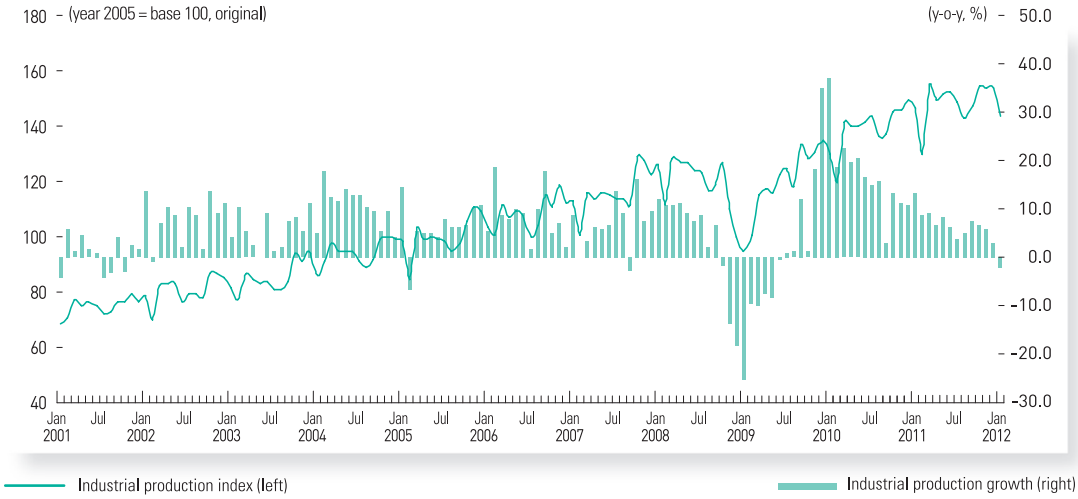
Mining and manufacturing production is expected to continue to improve with recovering exports of major items such as automobiles and semiconductors, but there is a possibility that the index will decline due to seasonal factors.

Automobile exports (US$ billion)
3.71 (Sep 2011) ▷ 4.01 (Oct) ▷ 4.39 (Nov) ▷ 4.47 (Dec) ▷ 3.45 (Jan 2012) ▷ 4.45 (Feb)

Semiconductor exports (US$ billion)
4.59 (Sep 2011) ▷ 4.35 (Oct) ▷ 4.08 (Nov) ▷ 4.28 (Dec) ▷ 3.77 (Jan 2012) ▷ 3.86 (Feb)

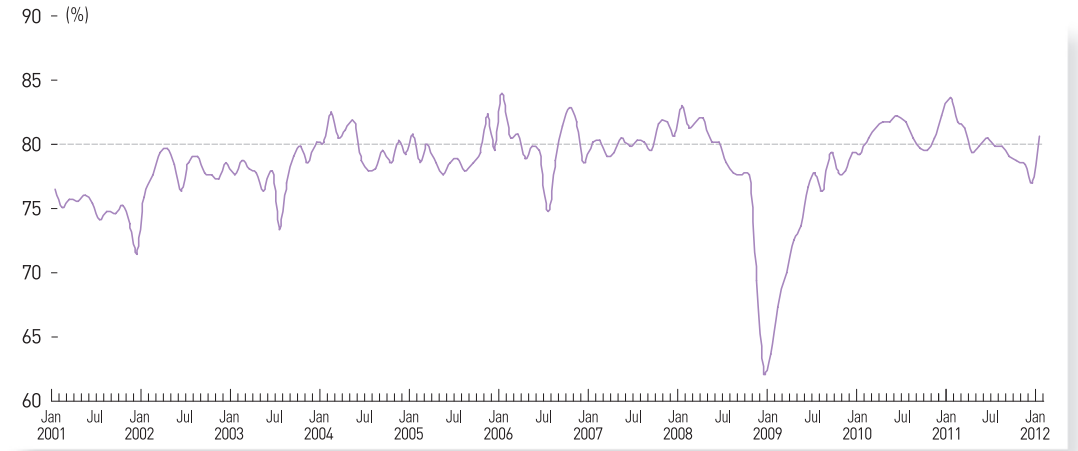
6-1 Industrial production

Source: Statistics Korea (industrial activity trend)



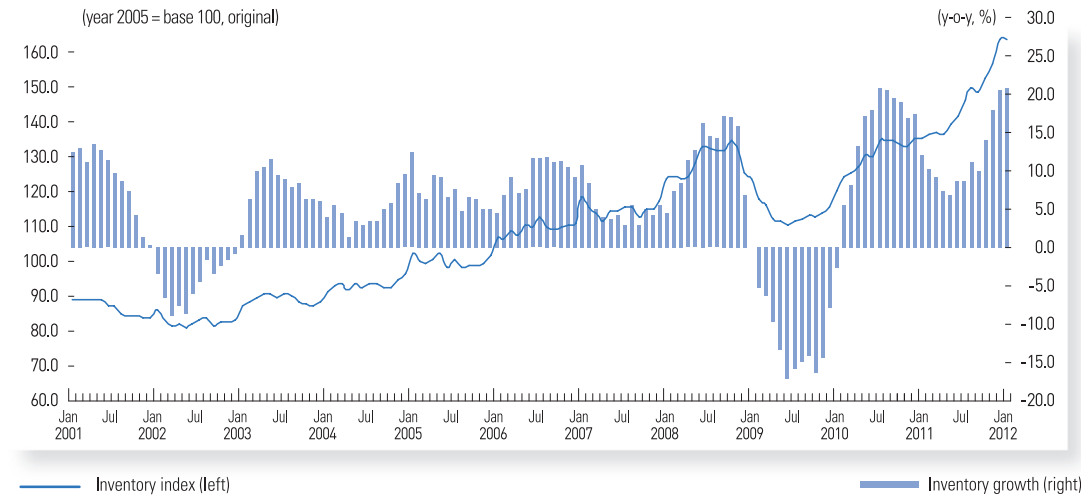
6-2 Average manufacturing operation ratio

Source: Statistics Korea (industrial activity trend)



6-3 Inventory

Source: Statistics Korea (industrial activity trend)



7. Service sector activity

Despite sluggish real estate & renting, service activity in January 2012 rose 1.1 percent month-on-month, helped by improved wholesale & retail sales and financial & insurance services. On a year-on-year basis, service activity increased 0.9 percent.

Wholesale & retail sales rose 1.9 percent from the previous month as sales of durable goods such as computer & telecommunications appliances and automobiles increased.

Financial & insurance services expanded 1.2 percent from the previous month as the financial market stabilized affected by the US economic recovery and optimism over the eurozone fiscal crisis.

As uncertainty caused by the North Korean leader Kim Jong-il's death eased, hotels & restaurants held steady, ending the downward trend of the past six months.

Real estate & renting dropped 1.6 percent month-on-month and 12.6 percent year-on-year, respectively, falling for 20 consecutive months.

(Percentage change from previous period)

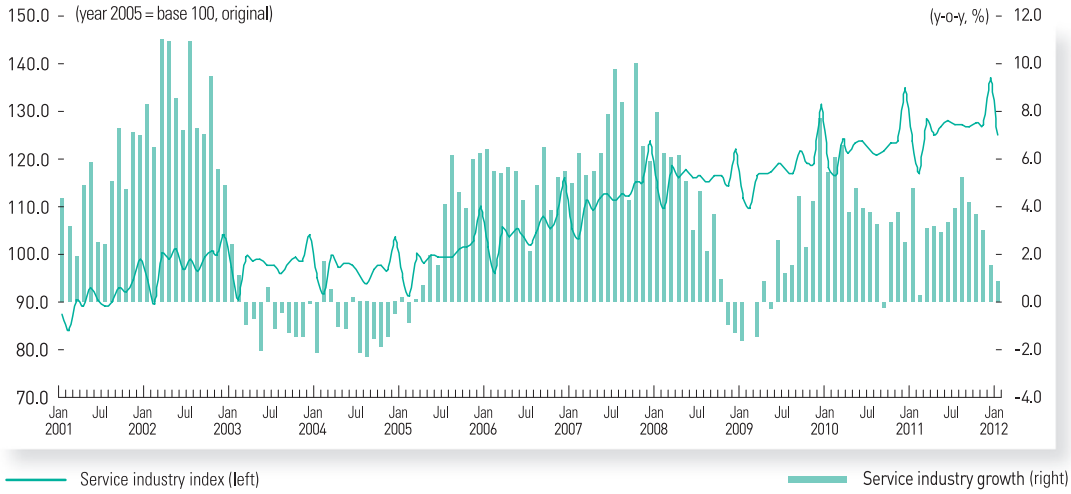
	Weight	2010		2011							2012
		Annual	Q4	Annual	Q1	Q2	Q3	Q4[1]	Nov[1]	Dec[1]	Jan[1]
Service activity index	100.0	3.9	1.1	3.3	1.6	0.2	1.3	-0.5	-0.2	-0.3	1.1
- Wholesale & retail sales	21.8	5.7	0.0	3.8	1.4	1.4	0.7	-0.7	0.2	-0.9	1.9
- Transportation services	9.0	11.9	2.2	3.9	2.6	-1.6	1.0	-1.0	-0.6	0.7	0.0
- Hotels & restaurants	7.7	1.2	-0.4	-0.5	-0.4	1.0	-0.3	-1.5	-0.4	-1.2	0.0
- Information & communications services	8.4	1.7	1.0	4.4	1.1	0.5	2.8	0.3	-1.3	0.9	2.9
- Financial & insurance services	15.3	4.6	3.0	7.3	3.0	0.1	2.7	0.2	0.0	-1.0	1.2
- Real estate & renting	6.3	-8.5	-1.9	-10.3	3.3	-2.2	-0.3	-6.5	-1.4	-2.5	-1.6
- Professional, scientific & technical services	4.8	-0.5	2.0	0.3	-1.5	2.0	1.0	1.4	1.0	3.3	-0.7
- Business services	2.9	7.5	0.8	4.3	0.8	0.9	0.2	0.4	-0.2	0.0	4.4
- Educational services	10.8	2.0	2.5	2.4	0.2	-0.9	1.7	0.4	0.5	0.3	1.5
- Healthcare & social welfare services	6.0	8.8	0.4	6.3	3.3	0.6	1.4	1.6	-0.3	-0.2	-0.7
- Entertainment, cultural & sports services	2.9	-0.4	0.1	2.3	1.1	0.0	0.7	0.1	0.4	-1.3	3.6
- Membership organizations	3.8	4.3	0.4	1.1	-0.3	1.1	-0.3	-2.2	-0.5	0.2	-0.8
- Sewerage & waste management	0.4	5.1	0.6	0.0	0.1	-0.5	0.2	3.1	-1.1	1.2	-2.5

1. Preliminary
Source: Statistics Korea

Service activity in February 2012 is expected to improve, led by financial & insurance services that have benefited from increased volume of stock trading amid stabilizing financial markets.

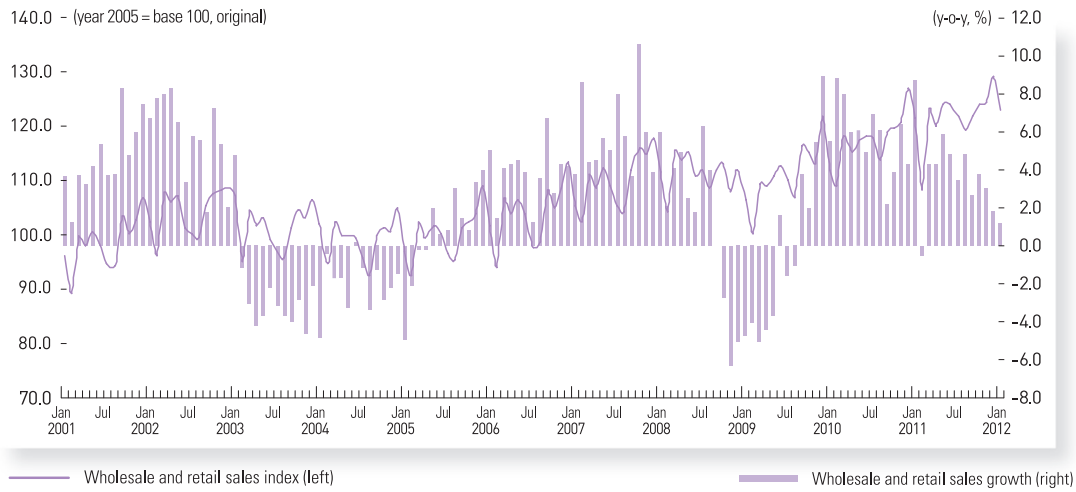
7-1 Service industry

Source: Statistics Korea (service industry activity trend)



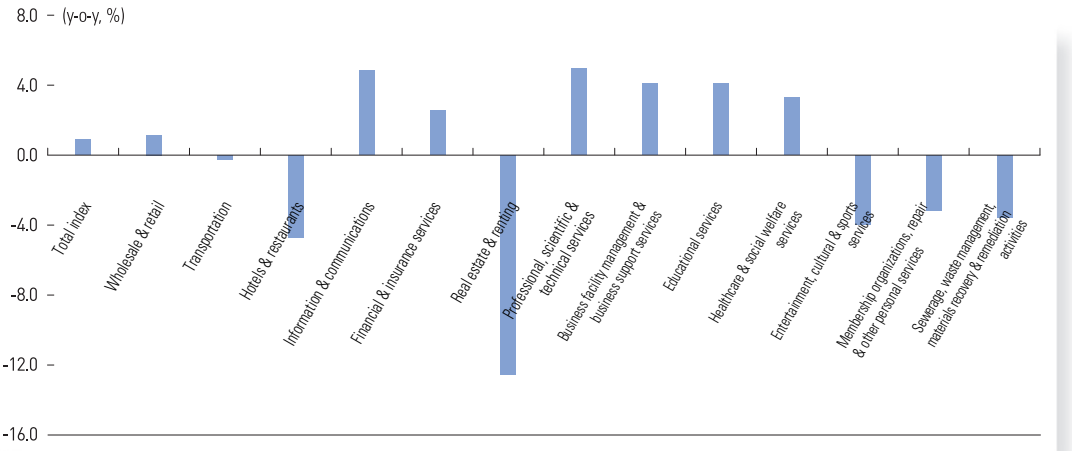
7-2 Wholesale and retail sales

Source: Statistics Korea (service industry activity trend)



7-3 January 2012 service industry by business

Source: Statistics Korea (service industry activity trend)



8. Employment

The number of workers on payroll in January 2012 increased by 536,000 from a year earlier to 23,730,000 and the employment rate rose by 0.6 percentage points year-on-year to 57.4 percent.

By industry, services *(up 543,000)* led the upward trend. In addition, employment in construction *(up 86,000)* improved.

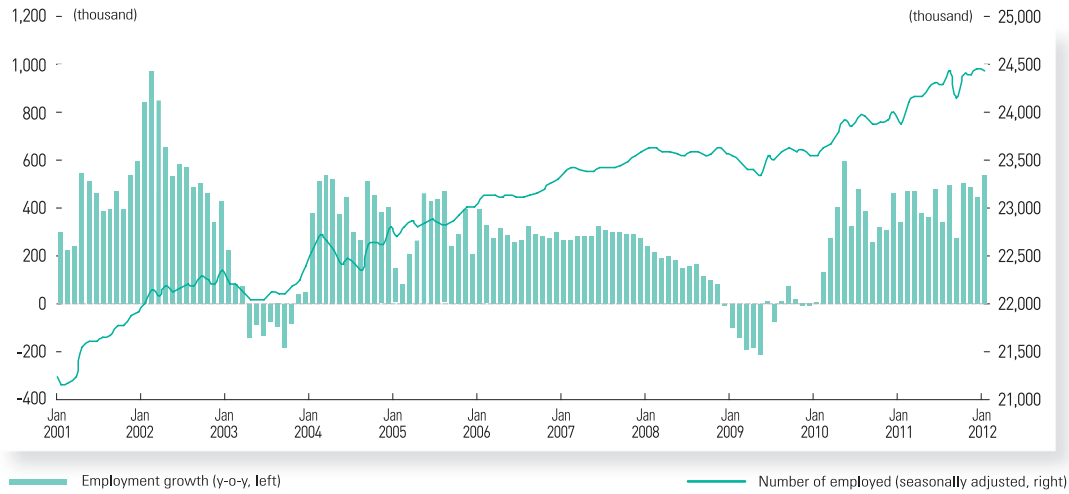
By status of workers, the number of regular workers *(up 465,000)* continued to increase while temporary workers *(down 133,000)* decreased. Among self-employed workers, those engaging in wholesale & retail sales and hotels & restaurants continued to rise. However, those engaging in the agricultural, forestry & fishery industry increased due to a low base effect from January last year when the outbreak of foot-and-mouth disease caused the reduction of employment.

	2009	2010				2011							2012
	Annual	Annual	Q2	Q3	Q4	Annual	Jan	Q1	Q2	Q3	Q4	Dec	Jan
Number of employed (million)	23.51	23.83	24.17	24.12	23.99	24.24	23.20	23.46	24.57	24.48	24.46	24.13	23.73
Employment rate (%)	58.6	58.7	59.6	59.3	58.9	59.1	56.8	57.4	59.9	59.5	59.4	58.5	57.4
(seasonally adjusted)	58.6	58.7	58.9	58.9	58.6	59.1	58.5	58.8	59.1	59.1	59.2	59.2	59.1
Employment growth (y-o-y, thousand)	-72	323	433	369	358	415	331	423	402	363	474	441	536
(Excluding agriculture, forestry & fishery)	-34	405	518	414	393	440	435	451	399	414	497	466	500
- Manufacturing	-126	191	172	262	269	63	224	228	112	-12	-75	-85	-114
- Construction	-91	33	44	92	57	-2	15	-3	-41	-35	71	106	86
- Services	179	200	325	83	80	386	203	224	331	472	514	462	543
- Agriculture, forestry & fishery	-38	-82	-85	-45	-35	-25	-104	-28	3	-51	-23	-25	36
- Wage workers	247	517	623	541	532	427	535	519	421	392	374	343	353
· Regular workers	383	697	766	671	699	575	593	605	621	572	500	477	465
· Temporary workers	22	-34	42	-26	-114	-78	-13	-88	-137	-76	-10	-13	21
· Daily workers	-158	-146	-185	-104	-53	-70	-45	2	-63	-104	-115	-122	-133
- Non-wage workers	-319	-194	-189	-172	-174	-11	-204	-96	-19	-29	100	98	183
· Self-employed workers	-259	-118	-91	-130	-146	1	-191	-115	-39	34	125	133	190
- Male	31	181	188	207	212	238	181	266	221	208	257	256	292
- Female	-103	142	245	163	146	177	150	157	181	155	216	184	244
- 15 to 29	-127	-43	-58	-44	-57	-35	-71	-49	-74	-1	-18	-37	-21
- 30 to 39	-173	-4	-13	21	17	-47	-29	-34	-13	-83	-56	-46	-48
- 40 to 49	-24	29	48	40	50	57	82	77	59	46	47	45	16
- 50 to 59	198	294	342	295	287	291	247	286	294	270	315	334	376
- 60 or more	54	47	114	57	60	149	102	143	137	131	185	146	213

Source: Statistics Korea

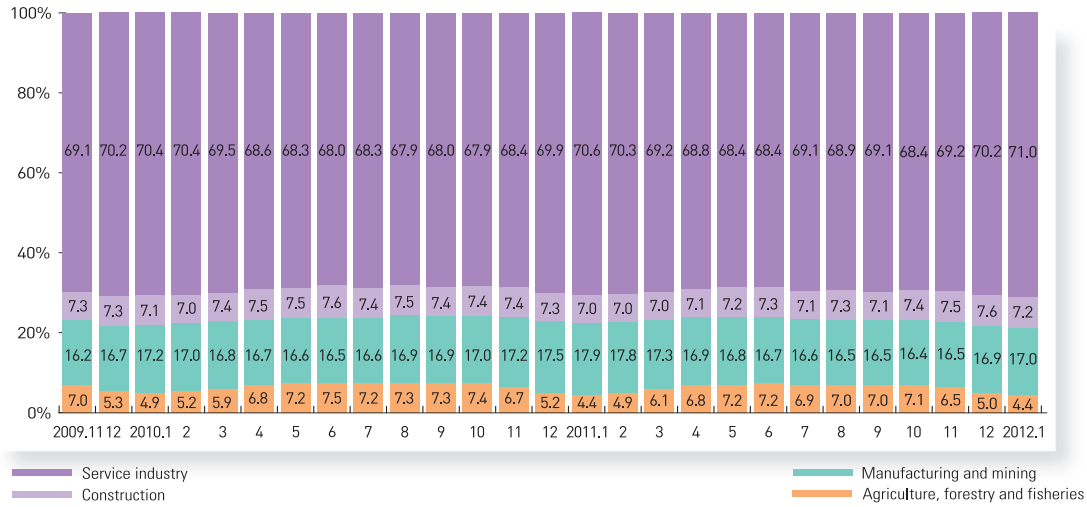
8-1 Number of employed and employment growth

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 December decreased by 65,000 year-on-year to 853,000 and the year-on-year unemployment rate dropped 0.3 percentage points to 3.5 percent.

The unemployment rate fell in most age brackets including the youth. The youth unemployment rate fell 0.5 percentage points from the previous year, recording 8.0 percent.

	2009	2010				2011							2012
	Annual	Annual	Q2	Q3	Q4	Annual	Jan	Q1	Q2	Q3	Q4	Dec	Jan
Number of unemployed (thousand)	889	920	868	873	808	855	918	1,028	865	786	740	754	853
Unemployment growth (y-o-y, thousand)	119	31	-75	-13	-10	-65	-298	-101	-3	-88	-68	-99	-65
- Male	80	-7	-47	-48	-16	-48	-160	-70	-32	-48	-41	-59	-41
- Female	40	38	-29	35	6	-17	-139	-32	29	-40	-27	-40	-24
Unemployment rate (%)	3.6	3.7	3.5	3.5	3.3	3.4	3.8	4.2	3.4	3.1	2.9	3.0	3.5
(Seasonally adjusted)	3.6	3.7	3.5	3.6	3.4	3.4	3.6	3.9	3.4	3.2	3.1	3.1	3.2
- 15 to 29	8.1	8.0	7.7	7.6	7.1	7.6	8.5	8.8	7.9	6.7	7.1	7.7	8.0
- 30 to 39	3.6	3.5	3.6	3.5	3.2	3.4	3.6	4.0	3.5	3.2	2.9	2.8	2.8
- 40 to 49	2.4	2.5	2.3	2.5	2.2	2.1	2.2	2.5	2.1	2.0	1.9	1.9	2.3
- 50 to 59	2.5	2.5	2.1	2.3	2.3	2.1	2.5	2.7	2.0	2.1	1.8	1.8	2.0
- 60 or more	1.6	2.8	2.1	2.0	1.9	2.6	3.3	4.5	2.3	2.1	1.8	1.8	3.3

Source: Statistics Korea

The economically inactive population in January 2012 was up 7,000 from a year earlier to 16,740,000. Meanwhile, the labor force participation rate rose 0.5 percentage points year-on-year to 59.5 percent.

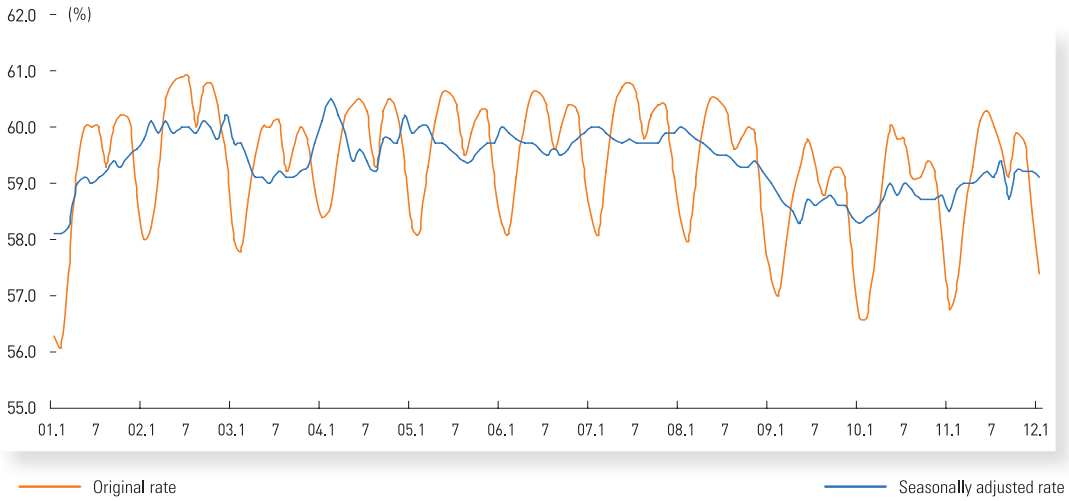
The number of workers quitting jobs due to rest, time-off and leisure *(up 143,000)*, old age *(up 48,000)*, childcare *(up 18,000)*, and housework *(up 6,000)* increased while those who quit jobs due to education *(down 47,000)* decreased.

	2009	2010				2011							2012
	Annual	Annual	Q2	Q3	Q4	Annual	Jan	Q1	Q2	Q3	Q4	Dec	Jan
Economically inactive population (million)	15.70	15.84	15.49	15.66	15.96	15.95	16.73	16.39	15.56	15.85	16.01	16.39	16.74
Labor force participation rate (%)	60.6	61.0	61.8	61.5	60.8	61.1	59.0	59.9	62.0	61.5	61.1	60.3	59.5
(seasonally adjusted)	60.6	61.0	61.0	61.1	60.8	61.1	60.6	61.1	61.3	61.0	61.1	61.1	61.1
Growth in economically inactive population (y-o-y, thousand)	447	143	146	128	133	112	424	138	66	191	53	129	7
- Childcare	40	-125	-126	-149	-107	-5	-66	-44	-16	17	23	19	18
- Housework	148	201	175	203	189	101	270	130	27	143	103	90	6
- Education	31	12	23	46	55	-51	51	-16	-39	-78	-69	-20	-47
- Old age	88	80	59	43	25	-45	-76	-103	-58	-22	2	11	48
- Rest, time-off and leisure	123	-56	-27	15	-27	182	337	241	163	193	131	182	143

Source: Statistics Korea

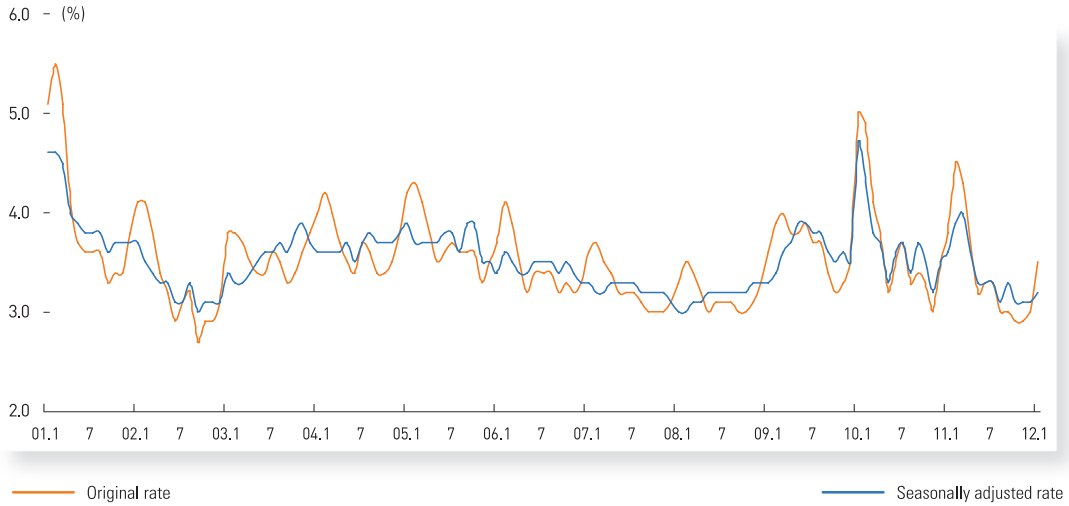
8-4 Employment rate

Source: Statistics Korea (employment trend)



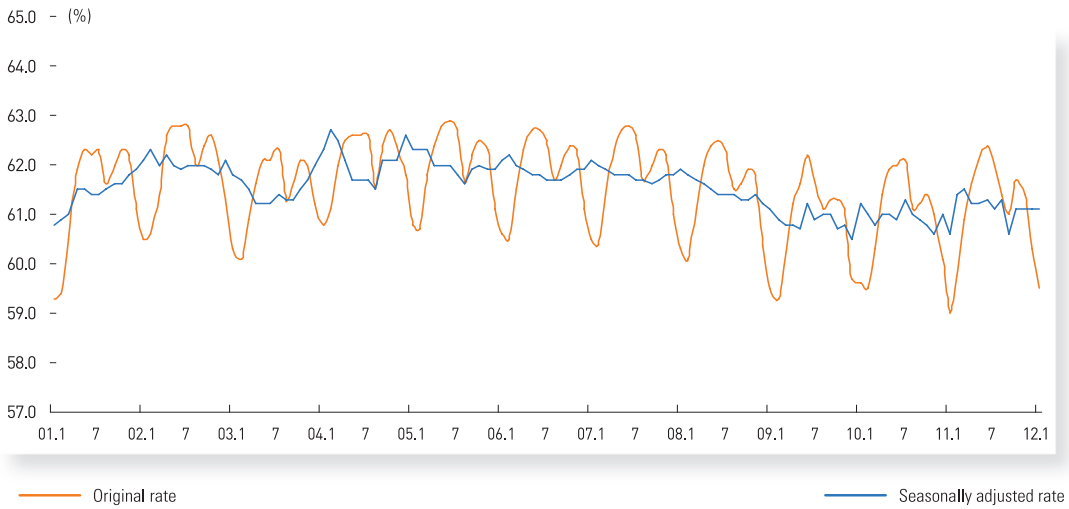
8-5 Unemployment rate

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 February 2012 rose 3.8 percent month-on-month to 2,030 points from the previous month's 1,956 points. The stock market was boosted by the agreement on the second bailout for Greece, improved economic indicators of the US and foreign investors' net-buying of Korean shares.

Foreign investors maintained the net-buying position, although at a moderate pace of 4.3 trillion won compared to the previous month's 6.2 trillion won.

(End-period, point, trillion won)

	KOSPI			KOSDAQ		
	Jan 2012	Feb 2012	Change[1]	Jan 2012	Feb 2012	Change[1]
Stock price index	1,955.8	2,030.3	+74.5 (+3.8%)	514.0	542.3	+28.3 (+5.5%)
Market capitalization	1,117.2	1,163.4	+46.2 (+4.1%)	109.4	115.8	+6.4 (+5.9%)
Average daily trade value	5.4	6.8	+1.4 (+25.9%)	2.80	2.99	+0.19 (+6.8%)
Foreign stock ownership	33.2	33.2	0.0 (-)	7.93	7.82	-0.11 (-1.4%)

1. Change from the end of the previous month

9.2 Exchange rate

The won/dollar exchange rate in February 2012 decreased 4.6 won to wrap up the month at 1,118.7 won from 1,123.3 won at the end of January 2012.

The won/dollar exchange rate in February continued to fluctuate between 1,110 and 1,120 won due to uncertainties about the second bailout package for Greece.

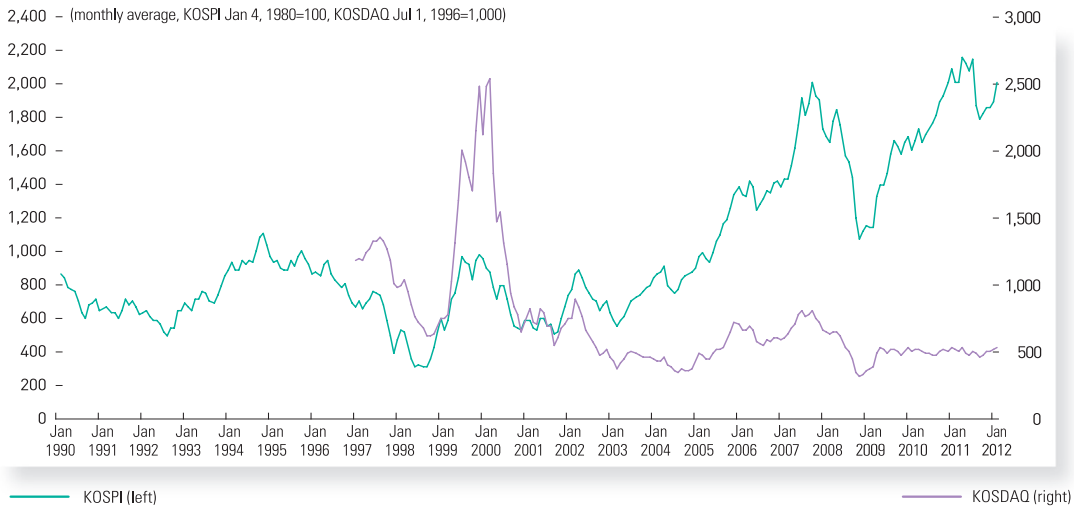
The won/100 yen exchange rate fell 104.9 won due to Japan's record trade deficit in January and the Bank of Japan's decision on February 14 to increase its asset purchase fund by 10 trillion yen.

(End-period)

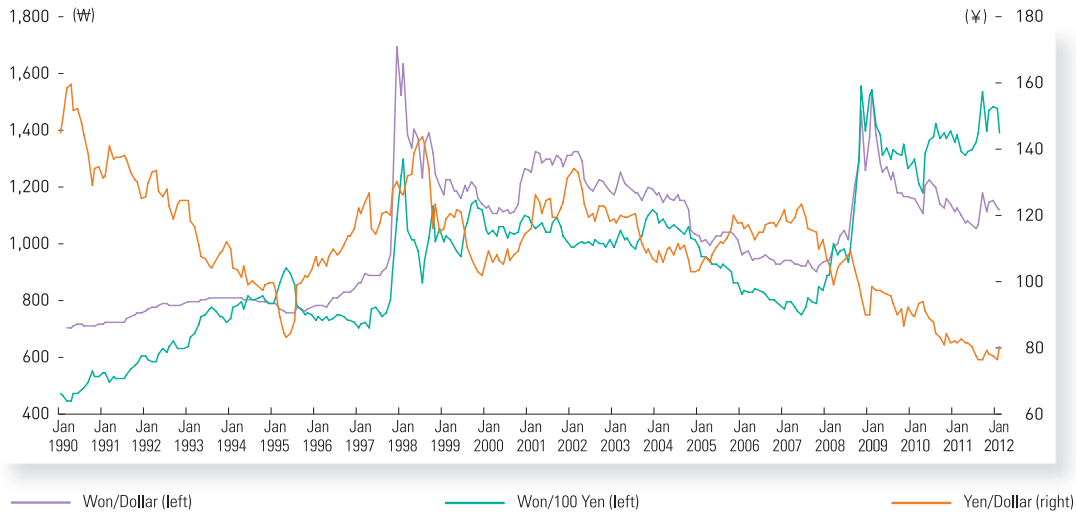
	2008	2009	2010	2011	2012		
	Dec	Dec	Dec	Dec	Jan	Feb	Change[1]
Won/Dollar	1,259.5	1,164.5	1,134.8	1,151.8	1,123.3	1,118.7	3.0
Won/100 Yen	1,396.8	1,264.5	1,393.6	1,481.2	1,474.5	1,369.6	6.3

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

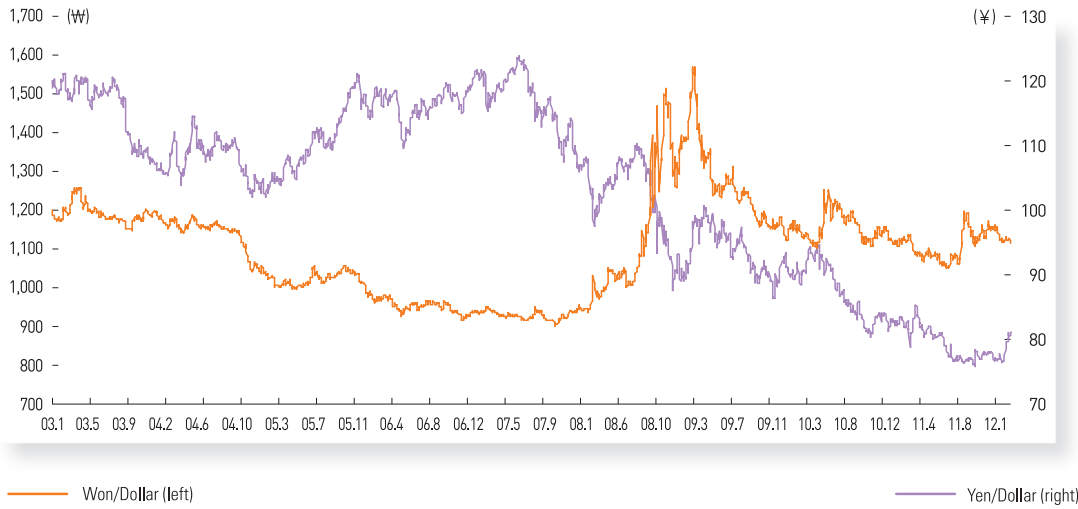
9-1 Stock prices



9-2 Foreign exchange rate (month-end)



9-3 Recent foreign exchange rate



9.3 Bond market

The 5-year Treasury bond yields rose 6 basis points in February 2012 to 3.55 percent from the previous month's 3.49 percent. Yields on the Korea Treasury Bond (KTB), in parkicular long-term bonds, increased as a flight to safety eased, affected by some signs of improvement in the eurozone fiscal crisis.

(End-period)

	2006	2007	2008	2009	2010	2011	2012		
	Dec	Dec	Dec	Dec	Dec	Dec	Jan	Feb	Change[1]
Call rate (1 day)	4.60	5.02	3.02	2.01	2.51	3.29	3.27	3.26	-1
CD (91 days)	4.86	5.82	3.93	2.88	2.80	3.55	3.54	3.54	0
Treasury bonds (3 yrs)	4.92	5.74	3.41	4.44	3.38	3.34	3.38	3.45	+7
Corporate bonds (3 yrs)	5.29	6.77	7.72	5.56	4.27	4.21	4.24	4.26	+2
Treasury bonds (5 yrs)	5.00	5.78	3.77	4.98	4.08	3.46	3.49	3.55	+6

1. Basis point, changes in February 2012 from the previous month

9.4 Money supply & money market

The M2 (monthly average) in December 2011 expanded 4.4 percent from a year earlier excluding cash management accounts (CMAs), which were included in M2 since July 2009.

The M2 growth maintained a 4.4 percent rise following the previous month as money supply from the private sector credit and the government sector increased at a similar pace year-on year and money supply from the overseas sector slightly increased.

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

	2008	2009	2010					2011				
	Annual	Annual	Annual	Q1	Q2	Q3	Q4	Sep	Oct	Nov	Dec	Dec[1]
M1[2]	-1.8	16.3	11.8	14.5	10.7	10.8	11.2	5.1	4.1	2.0	1.6	423.6
M2	14.3	10.3	8.7	9.4	9.5	8.6	7.4	4.2	4.4	4.4	4.4	1,756.6
Lf[3]	11.9	7.9	8.2	8.5	9.1	8.2	7.1	5.7	6.1	6.2	6.2[4]	2,288.8[4]

1. Balance at end December 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

Bank deposits declined substantially as instant access account deposits plummeted due to the deferred payments of taxes early this year and value-added tax payments in late January 2012.

Asset management company (AMC) deposits shifted to a rise in January as deposits into money market funds (MMFs) increased sharply with inflows of the corporate and Treasury funds that had flown out at the end of 2011.

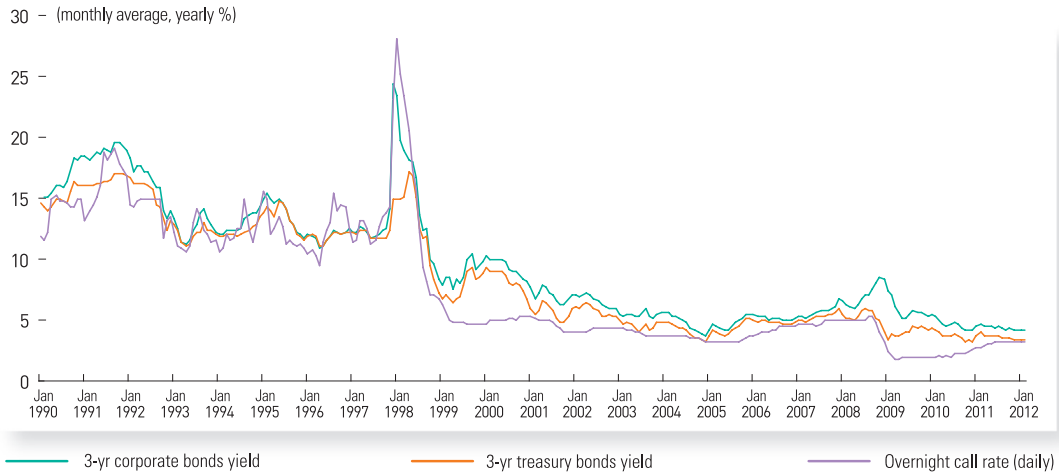
(Monthly change, end-period, trillion won)

	2009	2010		2011			2012	
	Annual	Annual	Jan	Annual	Jan	Dec	Jan	Jan[1]
Bank deposits	54.8	36.9	15.7	58.9	2.1	-1.2	-10.8	1,088.0
AMC deposits	-27.6	-16.7	-5.1	-16.6	-5.2	-19.5	5.7	304.2

1. Balance at end January 2012, trillion won

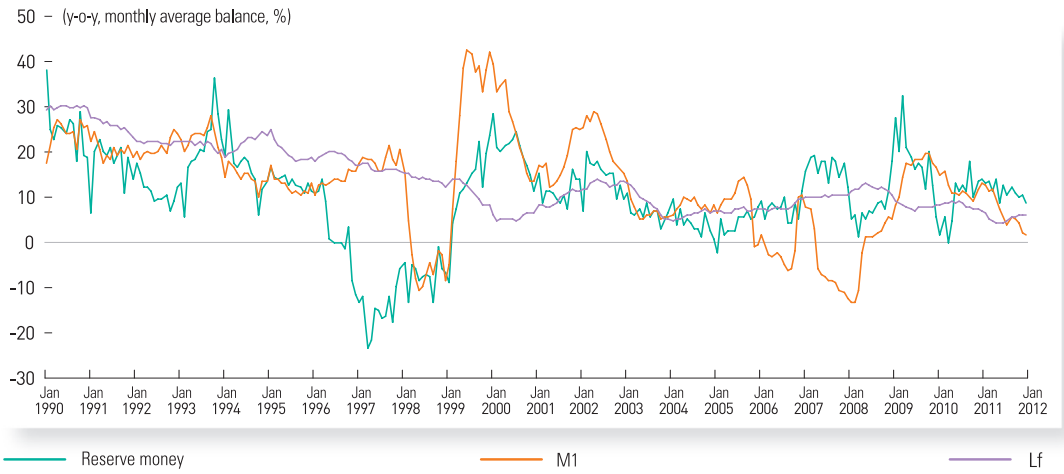
9-4 Interest rates

Source: The Bank of Korea



9-5 Total money supply

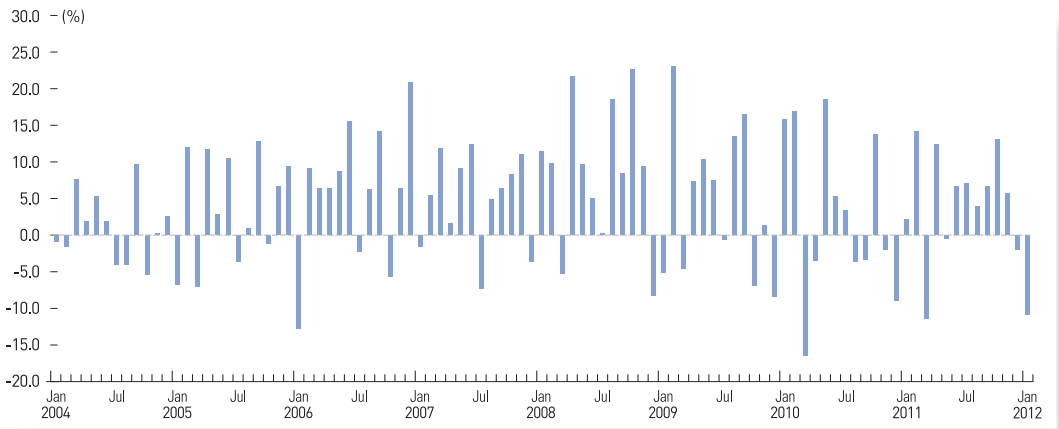
Source: The Bank of Korea



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

Source: The Bank of Korea

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



10. Balance of payments

Korea's current account *(preliminary)* in January 2012 posted a deficit of US$770 million for the first time in 23 months since February 2010.

Amid worsening external conditions affected by the eurozone fiscal crisis and rising oil prices, the goods account turned to a deficit of US$1.42 billion from a surplus of US$3.70 billion as exports declined substantially due to seasonal factors such as fewer working days affected by the Lunar New Year holidays and the end of year-end effect which boosted the exports.

The service account deficit narrowed to US$130 million from the previous month's US$210 million as the transportation services account significantly improved, offsetting the widened travel account deficit triggered by increased overseas travel during the winter vacation.

The primary income account surplus expanded to US$1.19 billion from the previous month's US$490 million owing to improved investment income account affected by dividend earnings and interest income. Meanwhile, the secondary income account deficit widened to US$410 million from the previous month's US$180 million due to increased overseas remittance.

(US$ billion)

	2010	2011								2012
	Annual	Annual	Q1	Q2	Q3	Q4	Jan	Nov	Dec	Jan
Current account	29.39	26.51	2.61	5.49	7.00	11.52	0.15	4.56	2.81	-0.77
- Goods balance	40.08	30.95	5.84	7.66	7.20	10.25	1.56	4.00	2.70	-1.42
- Service balance	-8.63	-4.38	-2.54	-0.80	-1.20	0.15	-1.64	0.36	-0.21	-0.13
- Income balance	1.02	2.46	0.39	-0.82	1.31	1.58	0.70	0.45	0.49	1.19
Current transfers	-3.08	-2.52	1.08	-0.55	-0.42	-0.47	-0.47	-0.24	-0.18	-0.41

1. Preliminary
Source: The Bank of Korea

The capital and financial account *(preliminary)* in January 2012 shifted from a net outflow of US$3.50 billion to a net inflow of US$1.22 billion.

Capital & financial account balance (US$ billion)
-6.81 (Q2 2011) ➪ -8.32 (Q3) ➪ -14.18 (Q4) ➪ -3.50 (Dec) ➪ 1.22 (Jan[1] 2012)
1. Preliminary

The direct investment account accelerated the outflow to US$2.01 billion from the previous month's US$840 million as foreign direct investment shifted to a net ouflow.

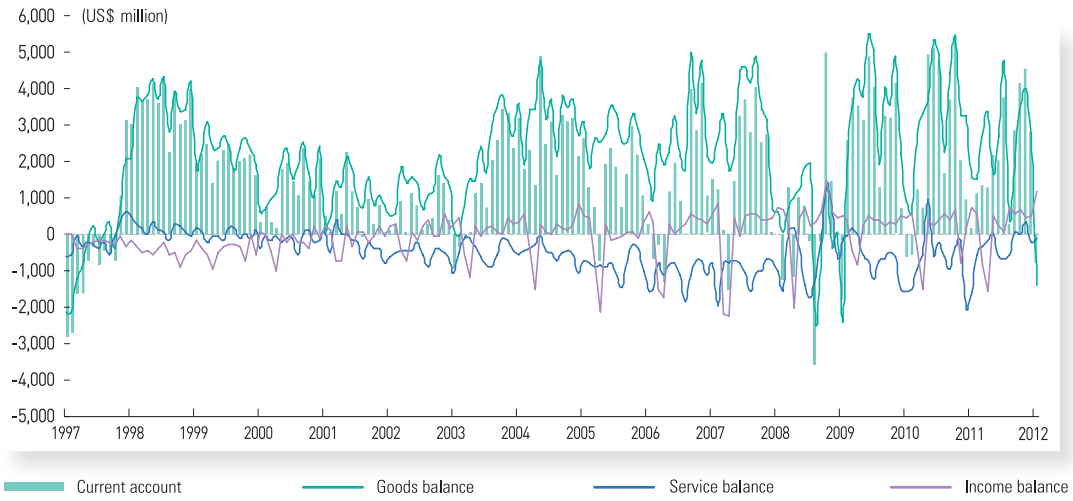
The portfolio investment account turned to a net inflow of US$7.74 billion from the previous month's net outflow of US$2.41 billion, helped by a sharp increase in inflow of foreign investors' investment in equity securities and a shift of their investment in debt securities to a net inflow.

The financial derivatives account reversed to a net inflow of US$430 million from the previous month's net outflow of US$160 million. Meanwhile, the other investment account expanded the net outflow to US$2.28 billion from the previous month's US$10 million due to an increase in domestic banks' lending.

The current account in February 2012 is expected to shift to a surplus, helped by a trade account surplus and an improvement in the service account.

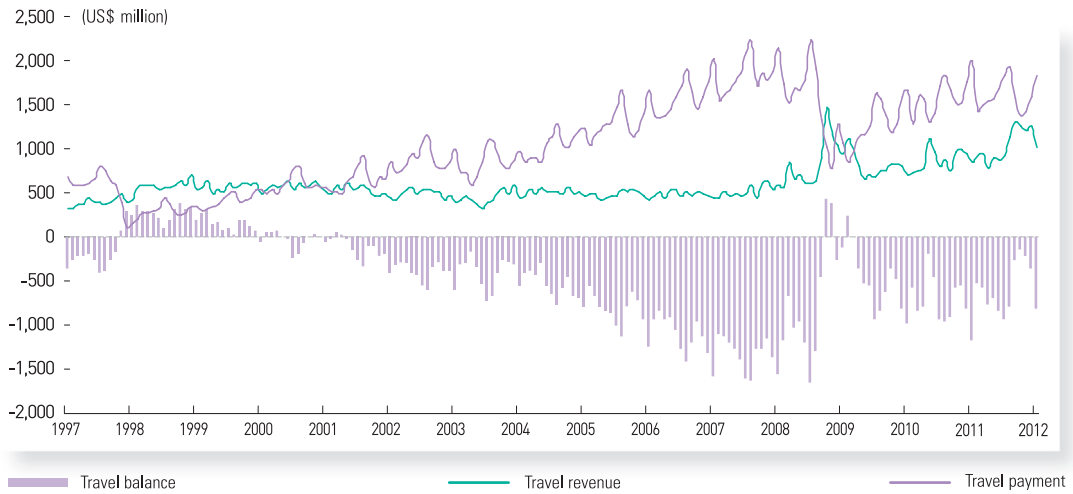
10-1 Current account balance

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



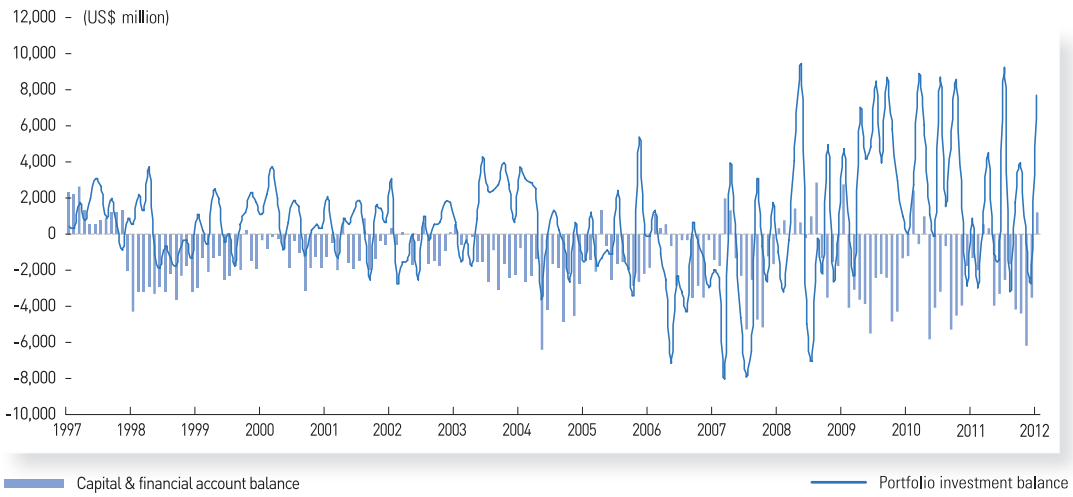
10-2 Travel balance

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

The annual growth rate of consumer prices slowed in February 2012 to 3.1 percent from the previous month's 3.4 percent. On a monthly basis, consumer prices rose 0.4 percent. The prices of livestock products and public service charges were stable, but the prices of petroleum products showed strong growth as international oil prices rose, and those of agricultural products also increased.

Core consumer prices, which exclude oil and agricultural products, rose 2.5 percent year-on-year and 0.1 percent month-on-month. Core consumer prices based on the OECD method which excludes food and energy, rose 2.6 percent year-on-year and 0.5 percent month-on-month. Consumer prices for basic necessities, a barometer of perceived consumer prices, were up 2.8 percent compared to the same month of the previous year.

Expected inflation remained in the 4 percent range, while the upward trend of import prices accelerated.

Expected inflation (%)
4.3 (Sep 2011) ⇨ 4.2 (Oct) ⇨ 4.1 (Nov) ⇨ 4.0 (Dec) ⇨ 4.1 (Jan 2012) ⇨ 4.0 (Feb)

Import price increases (y-o-y, %, won base)
11.8 (Nov 2011) ⇨ 7.1 (Dec) ⇨ 7.9 (Jan 2012)

Consumer price inflation

(%)

	2011											2012	
	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
Month-on-Month	0.7	0.4	0.0	0.0	0.2	0.5	0.7	-0.1	-0.2	0.1	0.4	0.5	0.4
Year-on-Year	3.9	4.1	3.8	3.9	4.2	4.5	4.7	3.8	3.6	4.2	4.2	3.4	3.1
Consumer prices excluding oil and agricultural products (y-o-y)	2.6	3.0	3.0	3.2	3.5	3.6	3.5	3.3	3.2	3.5	3.6	3.2	2.5
Consumer prices excluding food and energy (y-o-y)	2.1	2.4	2.5	2.7	2.8	2.8	2.8	2.6	2.6	2.8	2.7	2.5	2.6
Consumer prices for basic necessities (y-o-y)	4.6	4.7	4.1	4.0	4.5	4.9	5.2	3.8	3.6	4.5	4.4	3.3	2.8

Source: Statistics Korea

Among the agricultural, livestock & fishery products, the prices of vegetables, fruits and fresh flowers rose, while those of pork and beef declined.

Prices of agricultural, livestock & fishery products in February (m-o-m, %)
Tangerines (36.3), green chili (25.5), flowers (27.6), Chinese cabbages (24.8), spring onions (24.7), spinaches (17.8), persimmons (12.4), pork (-14.9), Korean beef (-3.1), eggs (-5.0)

Petroleum product prices rose considerably due to higher international oil prices, while the prices of publications increased as the beginning of the school year led a surge in demand.

Rents continued to rise in February. Dining out costs remained stable, but other personal service prices increased, including private education expenses.

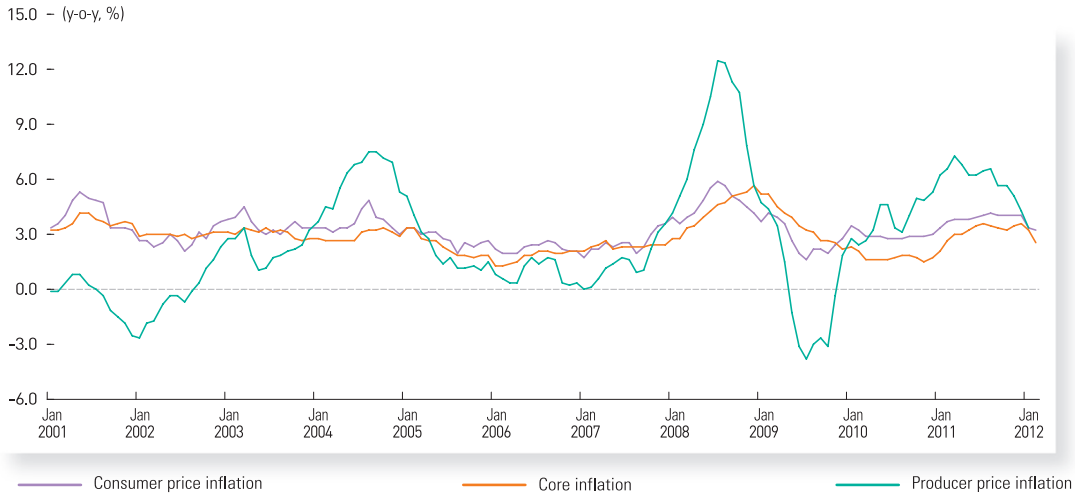
Consumer price inflation in major sectors

	Total	Agricultural, livestock & fishery products	Manufactured products	Oil products	Public utilities	Housing rents	Public utility	Personal services
Month-on-Month (%)	0.4	-0.2	0.8	2.3	0.3	0.3	0.1	0.4
Contribution (%p)	0.38	-0.01	0.27	0.13	0.01	0.03	0.01	0.12
Year-on-Year (%)	3.1	0.3	4.7	7.9	5.8	5.0	-0.6	3.0
Contribution (%p)	3.11	0.02	1.48	0.45	0.28	0.45	-0.08	0.97

Source: Statistics Korea

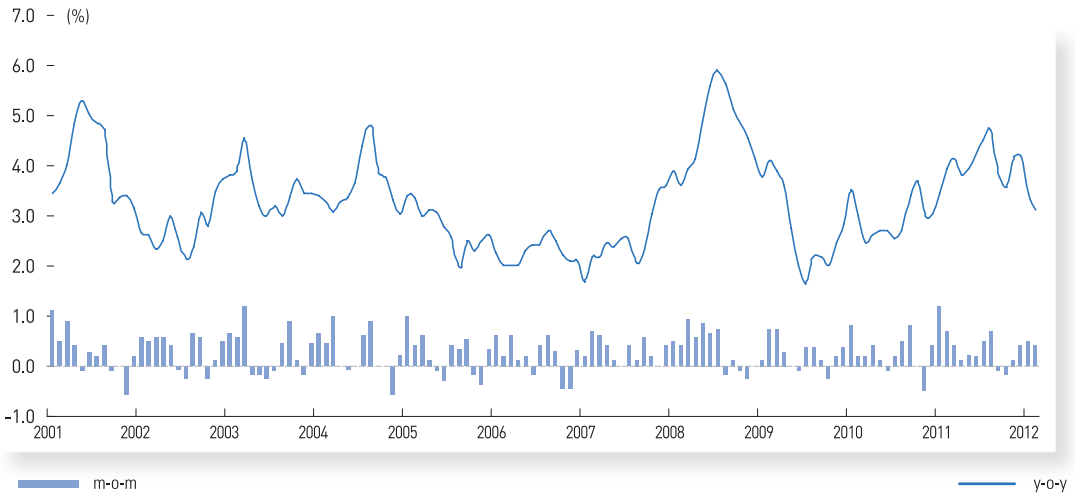
11-1 Prices

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



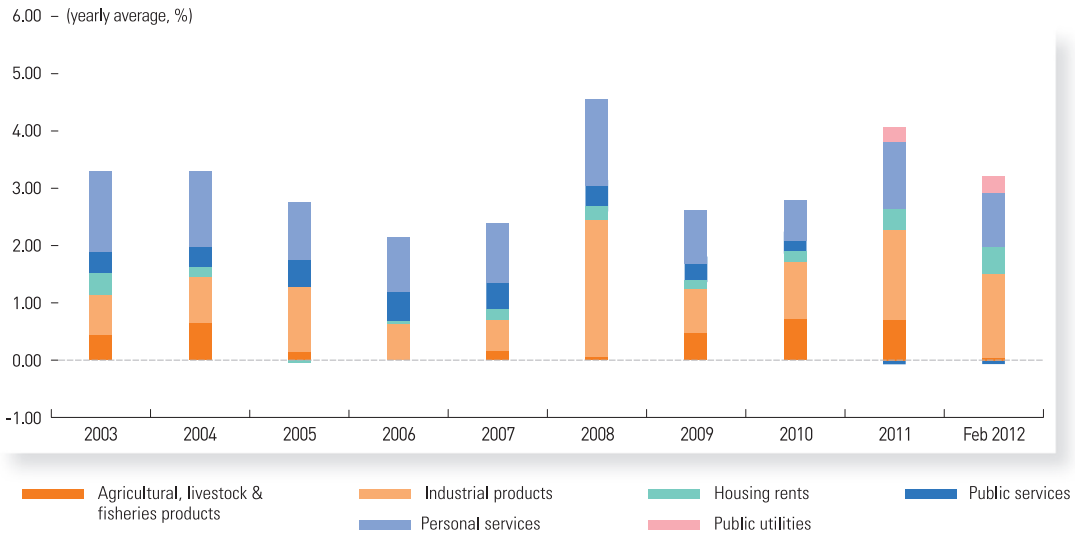
11-2 Consumer price inflation

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

The prices of international oil and domestic oil products rose in February 2012.

International oil prices continued to rise amid concerns over supply disruptions caused by tensions arising from Iran's nuclear program and the unrest in certain oil producing nations. Following EU's decision to ban oil imports from Iran, Iran announced on February 19 its decision to stop exporting crude oil to the UK and France. Meanwhile, improving economic situations in the US also contributed to oil price increases.

Crude oil production in 2010 (barrels/day)
Sudan (510,000), Syria (400,000), Yemen (257,000)

(US$/barrel, period average)

	2009	2010	2011						2012	
	Annual	Annual	Annual	Aug	Sep	Oct	Nov	Dec	Jan	Feb
Dubai crude	61.9	78.1	106.0	105.0	105.7	103.5	107.9	105.5	109.5	116.2
Brent crude	61.7	79.7	111.1	110.0	111.5	109.1	110.5	107.7	111.0	119.3
WTI crude	61.9	79.5	95.1	86.3	85.6	86.5	97.3	98.7	100.4	97.41

Source: Korea National Oil Corporation

Domestic oil product prices continued to rise as a result of increases in international oil and oil product prices, and also due to seasonal demand for heating fuel.

(Won/liter, period average)

	2009	2010	2011						2012	
	Annual	Annual	Annual	Aug	Sep	Oct	Nov	Dec	Jan	Feb
Gasoline prices	1,601	1,710	1,929	1,946	1,945	1,978	1,981	1,943	1,955	1,967
Diesel prices	1,397	1,503	1,746	1,758	1,746	1,772	1,788	1,792	1,805	1,829

Source: Korea National Oil Corporation

In February, non-ferrous metal prices showed a mixed trend, while international grain prices rose with the exception of wheat.

Despite upbeat economic data from major economies, the upward trend of non-ferrous metal prices slowed since the beginning of the month due to concerns over a fall in demand from China.

Prices of non-ferrous metals in February 2012 (m-o-m, %)
Aluminum (4.0), copper (2.2), tin (-3.0), nickel (-7.7)

Soybean and corn prices increased on concerns that the drought in Argentina would lead to poor harvest and that China would expand grain imports. However, prices of wheat slightly declined after Russia lifted restrictions on grain exports.

Prices of grain in February 2012 (m-o-m, %)
Soybeans (9.5), raw sugar (8.5), corn (2.7), wheat (-0.3)

Reuters index*

(Period average)

2009	2010	2011						2012	
Annual	Annual	Annual	Aug	Sep	Oct	Nov	Dec	Jan	Feb
2,079	2,553	3,062	3,038	2,978	2,781	2,770	2,732	2,832	2,935

** A weighted average index of 17 major commodities*

Source: KOREA PDS

11-4 International oil prices

Source: Korea National Oil Corporation

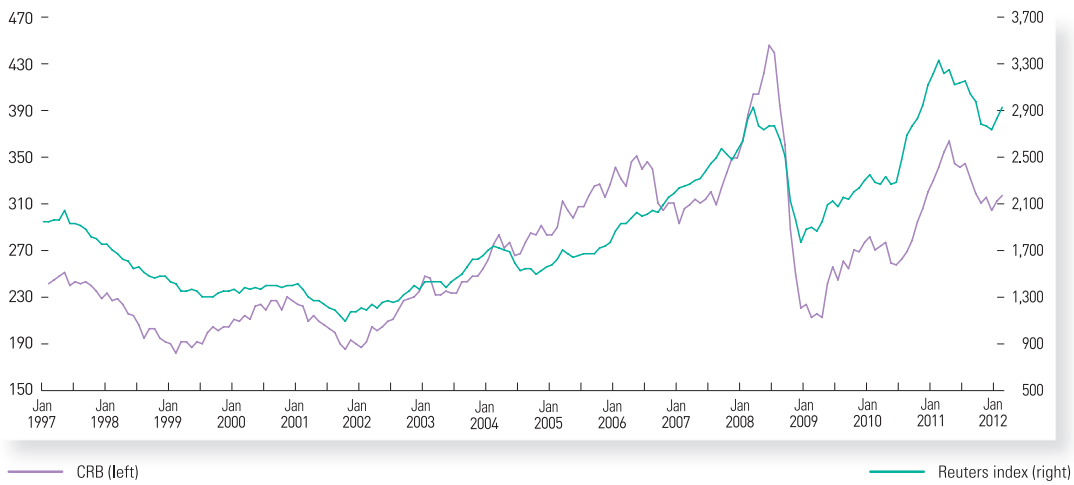
11-5 International oil prices (Dubai crude) and import prices

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

Nationwide apartment sales prices in February 2012 rose 0.2 percent from the previous month.

Apartment sales prices in the Seoul metropolitan area declined for the fourth consecutive month *(down 0.2%, m-o-m)*.

Increases in apartments sales prices slightly accelerated in areas excluding the Seoul metropolitan area, in particular Ulsan *(up 1.4%, m-o-m)*, Daegu *(up 0.7%, m-o-m)* and South Jeolla Province *(up 0.8%, m-o-m)*. Apartment prices in 5 metropolitan cities and other cities climbed 0.5 percent each, surpassing the national average.

Nationwide apartment sales prices

(Percentage change from previous period)

	2008	2009	2010	2011						2012					
	Annual	Annual	Annual	Annual	Q1	Q2	Oct	Nov	Dec	Jan	Feb	Feb 6[1]	Feb 13[1]	Feb 20[1]	Feb 27[1]
Nationwide	2.3	1.6	2.5	9.6	3.1	2.9	0.5	0.6	0.2	0.2	0.2	0.06	0.06	0.05	0.06
Seoul	3.2	2.6	-2.2	-0.4	0.6	-0.2	-0.1	-0.2	-0.2	-0.2	-0.1	-0.04	-0.05	-0.05	-0.05
Gangnam[2]	-1.9	3.9	-1.8	-0.6	0.8	-0.3	-0.2	-0.3	-0.2	-0.2	-0.2	-0.05	-0.06	-0.07	-0.07
Gangbuk[3]	9.4	0.9	-2.7	-0.2	0.4	-0.1	0.0	-0.1	-0.1	-0.1	-0.1	-0.02	-0.05	-0.04	-0.03
Seoul metropolitan area	2.9	0.7	-2.9	0.4	0.8	0.0	0.0	-0.1	-0.1	-0.2	-0.1	-0.03	-0.04	-0.04	-0.05
5 metropolitan cities	1.0	2.8	8.7	20.3	5.6	6.3	1.0	1.2	0.5	0.5	0.5	0.16	0.19	0.15	0.17

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

Nationwide apartment rental prices increased at a faster pace in February, rising 0.4 percent month-on-month. The rental prices swung upward in Seoul *(up 0.2%, m-o-m)* and Gyeonggi Province *(up 0.3%, m-o-m)*.

Apartment rental price increase in major districts in Seoul (m-o-m, %)
Gangnam (-0.4), Mapo (0.7), Songpa (0.1), Gangdong (1.2)

Nationwide apartment rental prices

(Percentage change from previous period)

	2008	2009	2010	2011						2012					
	Annual	Annual	Annual	Annual	Q1	Q2	Oct	Nov	Dec	Jan	Feb	Feb 6[1]	Feb 13[1]	Feb 20[1]	Feb 27[1]
Nationwide	0.8	4.5	8.8	16.2	5.5	3.6	1.1	0.7	0.1	0.3	0.4	0.15	0.15	0.13	0.15
Seoul	-1.8	8.1	7.4	13.4	5.1	1.5	1.0	0.3	-0.2	-0.1	0.2	0.08	0.07	0.08	0.06
Gangnam[2]	-3.6	10.4	8.8	12.5	4.6	1.5	0.9	0.1	-0.2	0.0	0.2	0.07	0.05	0.07	0.04
Gangbuk[3]	0.5	5.4	5.6	14.6	5.7	1.4	1.2	0.5	-0.1	-0.1	0.2	0.08	0.09	0.10	0.09
Seoul metropolitan area	-0.4	5.6	7.2	13.9	5.6	2.2	1.1	0.2	-0.3	-0.1	0.3	0.10	0.07	0.09	0.10
5 metropolitan cities	1.6	3.9	12.0	18.9	5.8	5.5	1.1	1.3	0.3	0.5	0.7	0.22	0.26	0.16	0.18

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

With the expiration of the temporary cut of the real estate acquisition tax, apartment sales transactions in January 2012 decreased 76.2 percent from the previous month's 63,857 to 15,181. The transactions were down 66.5 percent from 45,345 a year earlier.

Apartment sales transactions

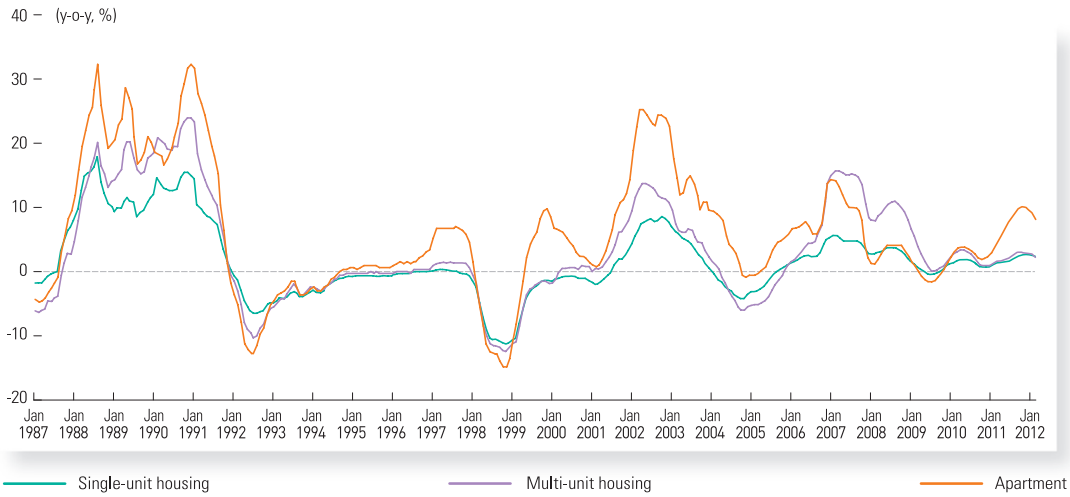
(Monthly average, thousand)

	2007	2008	2009	2010	2011												2012
	Annual	Annual	Annual	Annual	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan
Nationwide	38	39	44	40	45	52	59	56	48	47	43	44	43	48	45	64	15

Source: Ministry of Land, Transport and Maritime Affairs

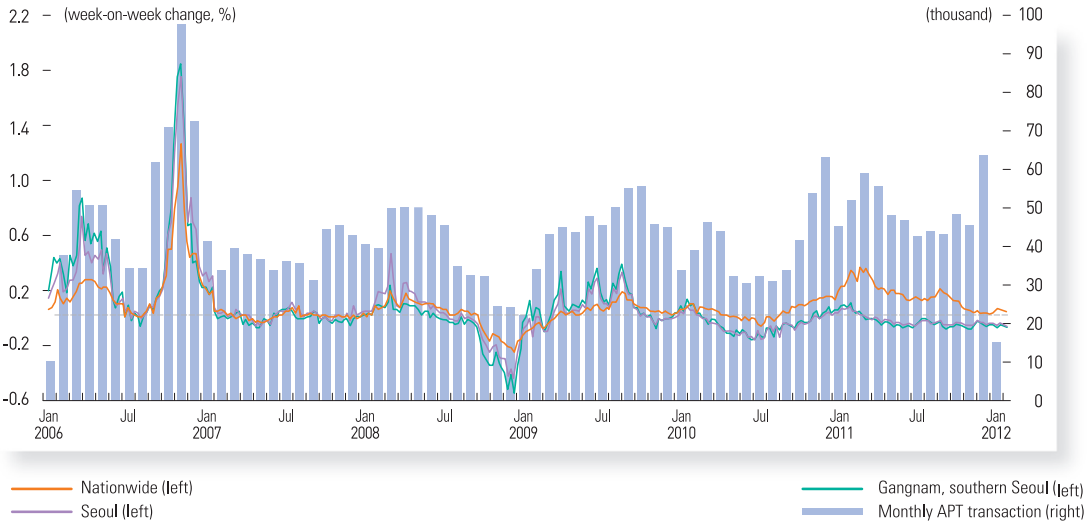
12-1 Real estate prices

Source: Kookmin Bank (national housing price trend)



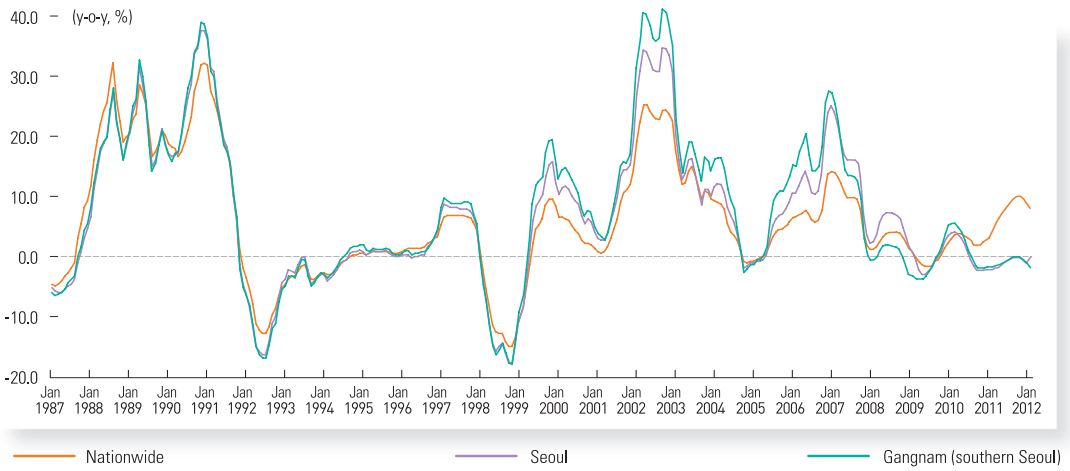
12-2 Weekly apartment sales prices and monthly transaction volume

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 January 2012 rose for the 15th consecutive month *(up 0.1%, m-o-m)*, but were still 0.98 percent lower than the pre-crisis peak reached in October 2008.

Land prices in Seoul *(up 0.03%)*, the Seoul metropolitan area *(up 0.11%)* and Incheon *(up 0.04%)* continued to rise, but at a slower pace.

Land price increases in Seoul metropolitan area (m-o-m, %)
0.10 (Aug 2011) ▷ 0.09 (Sep) ▷ 0.08 (Oct) ▷ 0.08 (Nov) ▷ 0.08 (Dec) ▷ 0.07 (Jan 2012)

Land prices in areas excluding the Seoul metropolitan area also slowed down the pace of increase in January 2012, rising 0.12 percent month-on-month.

Land price increases in areas excluding Seoul metropolitan area (m-o-m, %)
0.09 (Aug 2011) ▷ 0.11 (Sep) ▷ 0.12 (Oct) ▷ 0.13 (Nov) ▷ 0.13 (Dec) ▷ 0.12 (Jan 2012)

Land prices by region

(Percentage change from previous period)

	2007	2008	2009		2010			2011										2012
	Annual	Annual	Annual	Q4	Annual	Q3	Q4	Annual	Q1	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan
Nationwide	3.88	-0.31	0.96	0.94	1.05	-0.05	0.11	1.17	0.29	0.10	0.10	0.10	0.09	0.09	0.10	0.10	0.10	0.09
Seoul	5.88	-1.00	1.40	0.81	0.53	-0.25	0.39	0.97	0.40	0.09	0.07	0.07	0.05	0.05	0.04	0.04	0.04	0.03
Gyeonggi	4.22	-0.26	1.22	1.36	1.49	-0.08	0.07	1.47	0.26	0.12	0.14	0.15	0.15	0.13	0.13	0.13	0.13	0.11
Incheon	4.86	1.37	1.99	1.70	1.43	-0.10	0.02	0.66	0.17	0.06	0.06	0.05	0.06	0.05	0.05	0.05	0.05	0.04

Source: Korea Land & Housing Corporation

Nationwide land transactions in January 2012 were 129,000 land lots, down 49.5 percent from the previous month and down 32.3 percent from 191,000 a year earlier.

Monthly land transactions decreased significantly nationwide, particularly in Seoul *(down 53.9%)*, Geonggi Province *(down 49.8%)*, Daegu *(down 64.8%)*, and Ulsan *(down 60.8%)*.

The sharp decrease in land transactions is attributed to a contraction in the property market, the expiration of the temporary tax cut for real estate acquisition that led to increased transactions at the end of 2011, and changes in the method of data gathering which excludes of real estate investment trusts from the total count.

Land sales transactions

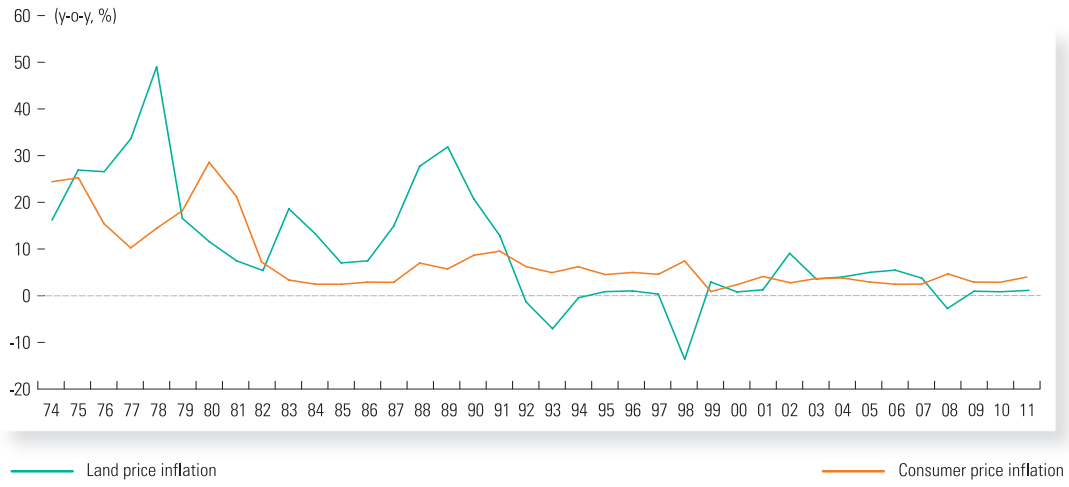
(Land lot, thousand)

	2007	2008	2009	2010			2011													2012
	Annual[1]	Annual[1]	Annual[1]	Annual[1]	Nov	Dec	Annual[1]	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan
Nationwide	208	208	203	187	208	257	208	197	176	244	226	212	207	196	196	181	210	209	256	129
Seoul	33	26	22	16	18	24	18	18	17	23	19	18	18	15	17	16	18	17	21	9
Gyeonggi	49	45	46	41	45	58	46	46	38	52	46	43	40	40	39	39	41	42	52	24
Incheon	13	13	10	8	9	11	8	8	9	13	11	13	10	11	9	9	9	9	11	5

1. Monthly average
Source: Korea Land & Housing Corporation

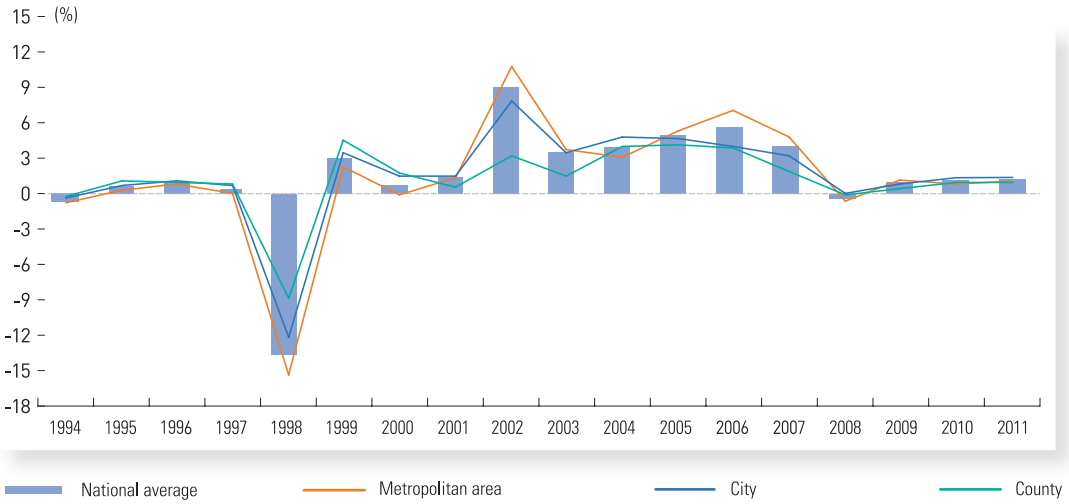
12-4 Land and consumer prices since 1970s

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



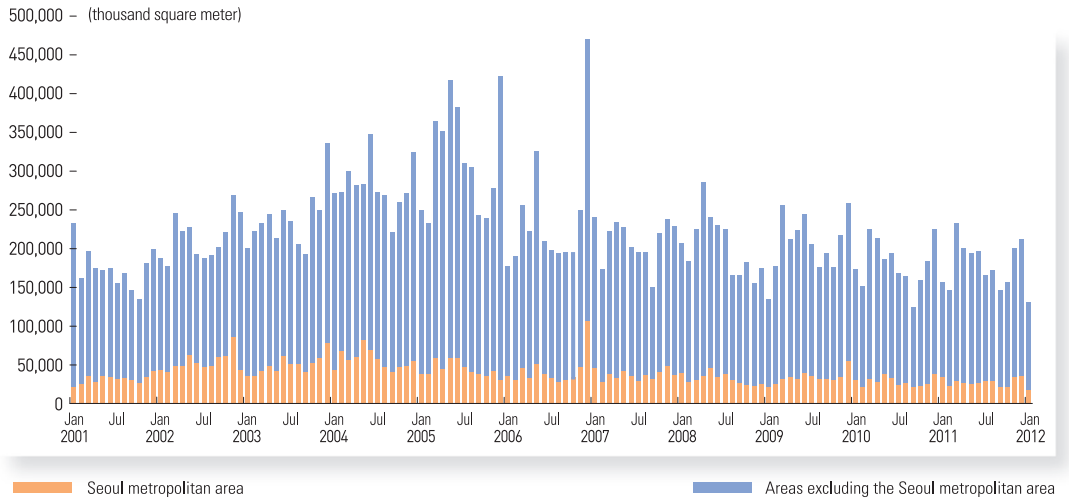
12-5 Land prices by region

Source: Korea Land Corporation (land price trend)



12-6 Land trade volume

Source: Korea Land Corporation (land trade trend)



13. Industrial output and composite indices of business cycle indicators

Industrial output in January 2012 increased 1.9 percent month-on-month and 0.1 percent year-on-year. Output in public administration *(up 15.3%, m-o-m)*, mining & manufacturing *(up 3.3%, m-o-m)* and services *(up 1.1%, m-o-m)* rose, while construction output *(down 12.6%, m-o-m)* declined.

The cyclical indicator of the coincident composite index fell 0.1 point in January 2012.

Four components of the coincident composite index, such as domestic shipment, improved from the previous month, while three, including the value of construction completion, fell.

Components of the coincident composite index in January 2012 (m-o-m)

Domestic shipment (1.1%), mining & manufacturing production (0.8%), service activity (0.2%), number of non-farm payroll employment (0.1%), wholesale & retail sales (-0.1%), volume of imports (-0.1%), value of construction completion (-2.2%)

The year-on-year leading composite index rose 0.3 percentage points from the previous month.

Four components of the leading composite index, including the value of construction orders received, increased while four others, such as the indicator of inventory cycle, decreased from the previous month. One component, the spreads between long & short term interest rates, was unchanged.

Components of the leading composite index in January 2012 (m-o-m)

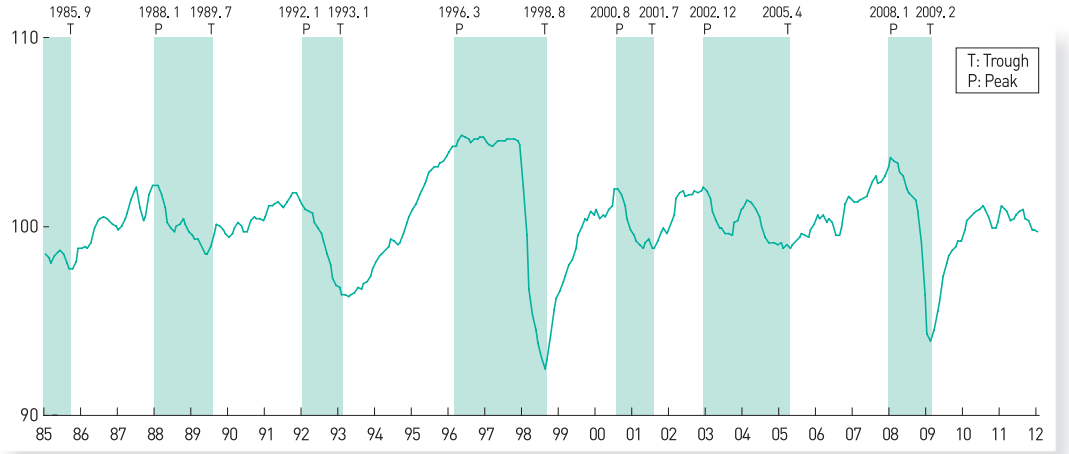
Value of construction orders received (6.7%), domestic shipment of machinery (4.2%), ratio of job openings to job seekers (3.1%p), KOSPI (1.2%), spreads between long & short term interest rates (0.0%p), ratio of export to import prices (-0.1%), international commodity prices (-0.2%), consumer expectations index (-1.0p), indicator of inventory cycle (-3.3%p)

	2011							2012
	Jun	Jul	Aug	Sep	Oct[1]	Nov[1]	Dec[1]	Jan[1]
Industrial output (m-o-m, %)	1.2	-1.0	0.1	0.1	-0.1	-0.3	0.1	1.9
(y-o-y, %)	3.5	2.9	4.3	5.3	4.3	3.7	1.6	0.1
Coincident composite index (m-o-m, %)	0.7	0.6	0.5	0.0	0.3	0.0	0.4	0.3
Cyclical indicator of coincident composite index	100.6	100.8	100.9	100.4	100.3	99.8	99.8	99.7
(m-o-m, p)	0.2	0.2	0.1	-0.5	-0.1	-0.5	0.0	-0.1
Leading composite index (m-o-m, %)	0.7	0.5	0.1	0.0	0.1	0.2	0.4	0.7
Cyclical indicator of leading composite index	100.1	100.2	99.8	99.4	99.2	99.0	99.0	99.3
(m-o-m, p)	0.3	0.1	-0.4	-0.4	-0.2	-0.2	0.0	0.3

1. Preliminary

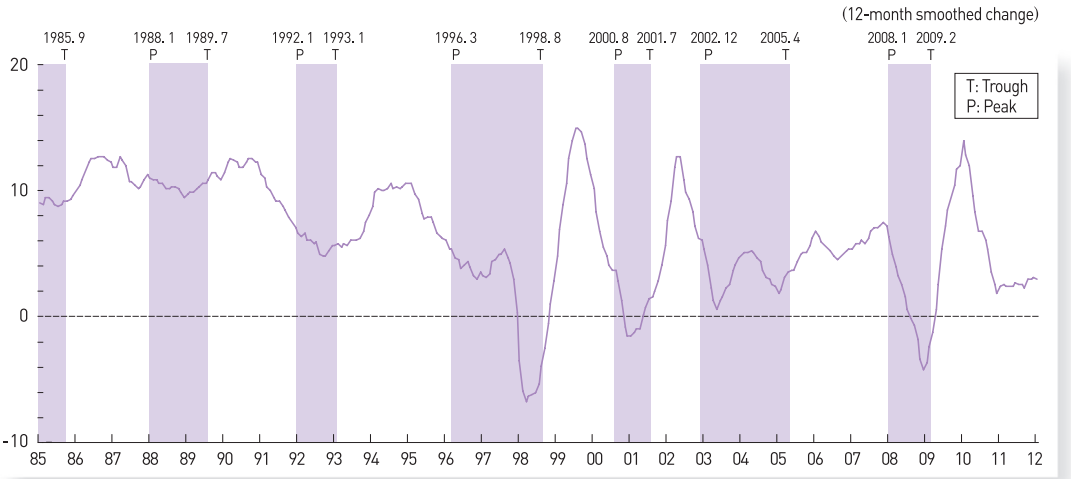
13-1 Cyclical indicator of coincident composite index

Source: Statistics Korea



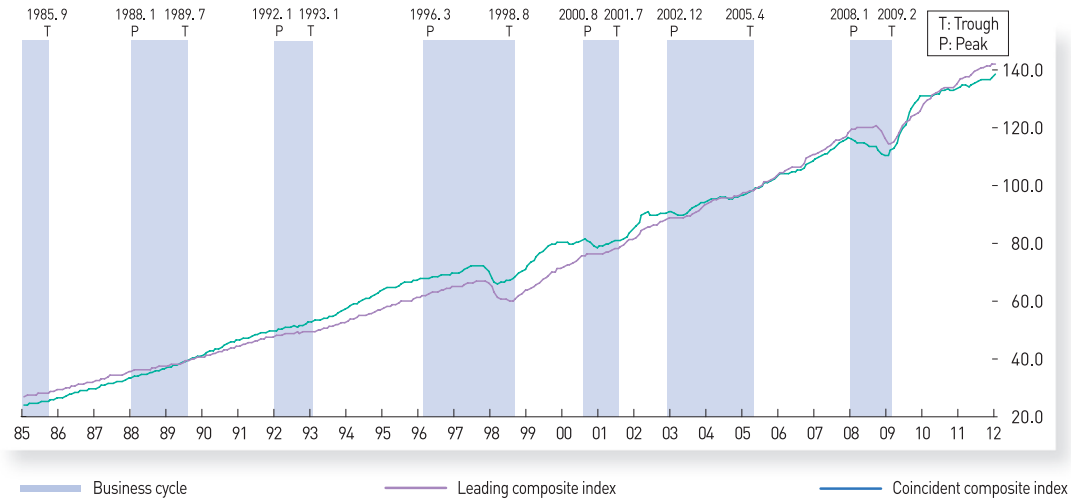
13-2 Leading composite index

Source: Statistics Korea



13-3 Coincident and leading composite indices

Source: Statistics Korea



Featured Issue

Korea as a Global Free Trade Hub

Bark, Taeho
Minister for Trade

Korea and the United States were on a very slippery slope, at least in terms of trade. In this landscape, the free trade agreement between Korea and the United States (KORUS FTA), which entered into force on March 15, could be a game-changer. For Korea, the KORUS FTA means far more than just the reduction and elimination of tariffs. It means to establish Korea as a global free trade hub, revitalizing the economy and creating jobs for young people.

The most immediate impact of the KORUS FTA is its tariff elimination effect on trade. With the KORUS FTA in place, the share of trade between Korea and the United States will regain the significance it once had. Historically, the United States had been Korea's biggest trading partner, but it was overtaken by China in 2003. In 2010, the United States was only a modest number four. And the Korean products' share in the US market was also dwindled to 2%. In terms of the trade intensity index, the bilateral trade between Korea and the United States now stands at 0.8, which means Korea's trade performance in the U.S. comparatively lags behind other countries. The KORUS FTA will eliminate 87% of tariffs on industrial goods immediately, offering a significant opportunity to make a turn for the better.

The KORUS FTA's extensive trade liberalization for the service sector is a challenge but an opportunity at the same time. It is true that the productivity of Korea's services sector falls far behind developed countries, resulting in huge deficits since 2000. However, investment by competitive service industries of the U.S. in the business service areas such as finance, insurance, management consulting, and law would contribute to enhancing the competitiveness of the Korean counterparts. In addition, productivity in certain manufacturing sectors, which have close linkages with service industries, would also be enhanced.

The KORUS FTA, establishing Korea as a robust free trade hub linking Europe, America and Asia, also improved conditions for inbound foreign investment, especially in high-tech areas. Investments by the U.S. companies in South Korea will be targeting not only the Korean market, but also those countries who have signed (or will sign) an FTA with Korea, such as the EU and China. Increased foreign direct investments will revitalize the domestic economy and create jobs, which will then lead to providing more opportunities for our young generations.

The agricultural sector under the KORUS FTA should not remain as a vulnerable sector completely shielded from increased competition from abroad. The Korean government has made necessary transitory measures such as the provision of income compensation to effected farmers and capital investment to increase competitiveness of the agricultural sector. It will help pave the road to exporting certain agricultural products under the FTA's preferential tariff treatment. It will also nourish a seed for a structural shift from a labor-intensive production to a high value-added one in the agricultural sector. The government will help our farmers and ranchers in their efforts toward modernizing production facilities, streamlining distribution systems and developing more high-value varieties.

In addition, the KORUS FTA will benefit domestic consumers. Opening the import market will not only provide our consumers with a wide variety of options, but will help out the household economy by lowering prices through increased competition in the domestic market.

On top of all these economic benefits, the KORUS FTA will strengthen the Korea-US strategic alliance which will add a "Korea Premium" rather than a "Korea Discount". The KORUS FTA will contribute to the political stability in the Korean peninsula and eventually in the Northeast Asian region.

Korea became the 9th country in the world whose trade volume reached US$1 trillion last year. With its limited natural resources and heavy dependence on international trade, Korea has made its commitment to pass the US$2 trillion mark in the near future. The KORUS FTA will be one of the most significant building blocks for this endeavor.

Policy Issues

2012 Plan for Service Industry Development

Background

The Korean government has been persistently pursuing the advancement of the service sector since 2008, releasing five rounds of extensive measures to boost the service sector in 2008 and 2009, and industry-specific policies to nurture promising service industries in 2010 and 2011, with a focus on job creation by those industries. The outcome of such policies was instant and visible in the tourism industry and medical services. As the government approved medical services to foreign patients and introduced the tourist visa for patients in 2009, the number of foreign visitors has steadily increased from 6.02 million in 2005 to 7.82 million in 2009 and 9.79 million in 2011.

Employment in the service sector has been rising but the sector still needs to be nurtured, as its productivity has not increased enough and its trade balance remains in deficit, although showing an improvement this year.

Against this backdrop, the 2012 policies for the development of the service sector focus on increased productivity and improved balance of payments as well as continuous job creation. The government will also keep searching and growing future growth engines in the service sector.

2012 goals and strategies

Enhanced productivity of the service sector as well as creation of quality jobs are the main goals of the 2012 policies. First of all, the government will establish a system to boost productivity, and provide stronger support to help the industry create more jobs. Meanwhile, policies currently under review will be finalized while mid- and long-term ones will be prepared.

2012 plan

1. Finalizing policies currently in progress

- Complete the revision and enactment of the laws which will allow foreign investment in local hospitals in free economic zones
- Work on the process needed to open the Songdo International Hospital in 2016, including the signing of the terms concerning management of the hospital and the start of construction as scheduled
- Push on with the passage of the revised Drugs, Cosmetics and Medical Instruments Law in the National Assembly so that general household medicines can be purchased at 24-hour stores
- Continue to work on the passage of the Framework on the Service Industry Development in the 18th National Assembly and of the laws to help develop the medical service industry, such as the revised laws enabling remote medical services and new laws allowing medical services in the free economic zones and Jeju island

2. Establishing a system to help raise the productivity of the service sector

- Enact the Framework on the Service Industry Development, which will be a legal foundation for the development of the service sector, as it will allow the promotion of R&D investment and improvement of statistical methods to fit the industry
- Carefully examine introduction of incentives to promising service industries, such as health care and medical services, tourism and leisure related services, and those related to broadcasting and communications, contents, advertising, design, consulting, IT, engineering and R&D, when they provide services in free economic zones
- Expand tax incentives for job-generating investments to the service sector
- Expand tax exemptions for businesses in the foreign direct investment zones, from tourism, logistics and R&D related industries to computer programming, system integration and maintenance
- Persistently work on the improvement of service qualities through standardization, R&D, and advanced statistical methods
- Increase the competitiveness of self-employed businesses through financing and training,

and by encouraging the use of cooperative associations and providing detailed information regarding the market to help viable business startups.

3. Nurturing service industries with higher capacities of job creation

- Introduce certified medical interpreters and allow insurance companies to invite patients overseas to help develop medical tourism
- Increase affordable accommodations by easing regulations concerning hotel construction and remodeling
- Draw up plans on how to take advantage of the country's advanced shipbuilding, IT and steel-refining technologies for developing tourism
- Revise laws related to professional sports to help enhance the competitiveness of the sports industry
- Draft extensive strategies, such as the streamlining of processes, to invite qualified foreign educational institutions
- Support new educational businesses such as electronic learning and promote college education given by companies, for example Samsung Electronics' School of Engineering, by allowing the admission of employees from other companies
- Simplify regulations concerning advertising
- Examine on-the-spot service of professional services such as legal services, accounting services and legal services concerning patents
- Work on deregulation of rules which hinder the development of the IT convergence industry, reflecting the ideas of those in the field
- Find ways to help protect intellectual property rights including patents
- Promote the cloud computing service by enacting related laws which, for example, will impose less tight requirements for computer equipment and protect users from accidental release of information due to computer errors
- Nurture convergence industries such as broadcasting and communications, as well as network services and hardware production by establishing policies to facilitate the development of new markets for those industries and through deregulation
- Support content industries such as electronic publishing and digital contents with reinforced regulations, which require more transparent transactions and can settle disputes from dealings of such contents
- Systematically support promising service industries such as medical care, electronic learning, contents and engineering when they go to overseas markets, as the Korea Trade Investment Promotion Agency's overseas facilities will be made available for them

4. Shaping mid- and long-term strategies

- Prepare mid- and long-term strategies to develop service industries in the second quarter
- Hold an international forum for service sector development in September, with agendas to be selected in April and studied by experts before the forum

Policy Issues

Introduction of Korea's Knowledge Sharing Program

Background

Korea officially made the transition from aid beneficiary to aid donor by joining the OECD Development Assistance Committee (DAC) in November 2009. Ever since, Korea has stepped up its efforts to enhance the effectiveness of its development cooperation practices. For instance, the *Framework Act on International Development Cooperation* was enacted in January 2010, and the Committee for International Development Cooperation (CIDC), a coordinating body of aid-giving ministries and agencies chaired by the Korean Prime Minister, adopted the *Strategic Plan for International Development Cooperation* in October of the same year. Through such efforts, Korea is in the process of establishing the legal and institutional basis for development cooperation.

As 'knowledge' emerges as a key to development, international organizations such as the World Bank and the African Development Bank began implementing knowledge sharing programs as a primary medium for promoting development. In line with such global recognition of knowledge as a tool of effective development policy, the *Strategic Plan for International Development Cooperation* states the need to utilize Korea's unique development experience to make meaningful contributions to the international community. Having witnessed Korea's unprecedented economic growth, developing countries have shown great interest in the economic growth model of Korea, and grant aid provided by Korea in the form of knowledge sharing programs has continuously increased, which implies that knowledge sharing has become an integral element of Korea's development cooperation.

Knowledge Sharing Projects by Organization

The Korean aid architecture consists of two pillars. Under the current system, the Ministry of Foreign Affairs and Trade (MOFAT) manages Korea's grant aid through the Korea International Co-operation Agency (KOICA), and the Ministry of Strategy and Finance (MOSF) works through the Korea EximBank and its loan facility, the Economic Development and Co-operation Fund (EDCF), to implement concessional loan programs. Knowledge sharing is also practiced through other ministries and agencies. The table below outlines government organizations and their knowledge sharing projects.

<Knowledge sharing projects by government organization>

Organization	Description of knowledge sharing projects
Ministry of Strategy and Finance	Providing policy consulting based on Korea's economic development experience through the Knowledge Sharing Program in cooperation with the KDI
Ministry of Foreign Affairs and Trade	Providing policy consulting and technical consulting in the field of general administration and education through the KOICA
Ministry for Food, Agriculture, Forestry and Fisheries	Operating projects for rural development and agricultural technology transfer
Ministry of Health and Welfare	Establishing a Korean style healthcare model for aid, and modularizing Korea's development experience in healthcare
Ministry of Education, Science and Technology	Establishing a Korean style education development model based on the analysis of Korea's elementary, secondary, and higher education, its curricula, and education policies
Ministry of Public Administration and Security	Transferring the *Saemaul Movement*[1]
Korea Customs Service	Sharing administrative experience in customs and tax
Korea Communications Commission	Providing support for the establishment of communications policies

Source: Strategic Plan for International Development Cooperation

1. Saemaul movement , also known as the New Village Movement, is a prototype for community-driven rural development program, launched on April 22, 1970 by the Korean government

Among many projects, the Knowledge Sharing Program (KSP) of the Ministry of Strategy and Finance (MOSF) is increasingly gaining attention as Korea's representative knowledge sharing project. It was designated as one of the ten key projects to promote Korea's national image in the inauguration of the President's Council on National Branding in 2009. Further, its importance and potential were repeatedly emphasized in the *Strategic Plan for International Development Cooperation*.

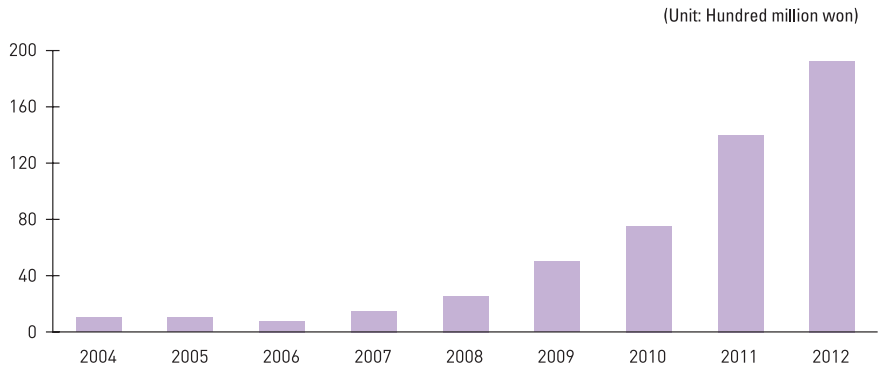
The Knowledge Sharing Program (KSP)

The Knowledge Sharing Program (KSP) is a Korean policy consulting program which integrates research, consulting, education, and training to support the economic and social development of partnership countries. The KSP consists of three interrelated projects: policy consultation, modularization, and joint research with international organizations. The Korea Development Institute (KDI) is the key agency to implement the KSP. From 2004 to 2011, the KDI has provided policy consultation to 34 countries on over 300 topics through the KSP. It has completed modularizing Korea's development experience in over 60 areas. In addition, upon signing MOUs with various international organizations, the KDI has been involved in 10 joint consultation projects, and carried out joint researches with the World Bank, the Asia Foundation, and the Asian Development Bank.

In order to assure enough support the one-year policy consultation project can be extended to up to three years when necessary. In the case of the Dominican Republic, policy research and consultation was provided for export development in 2008. In order to help implement the policy recommendations derived in 2008, the 2009 Dominican Republic KSP involved the EDCF to initiate the project to build the Cibao Trade Center. Furthermore, in 2009, the Dominican Republic also received consultation regarding the improvement of the electric power system. This progressed into a cooperative partnership between the Dominican Corporation of State Electrical Companies (CDEEE) and the Korea Electric Power Corporation (KEPCO).

Reflecting the increasing demand from developing countries for knowledge sharing programs, the budget of the KSP continues to rise as shown in Figure 1. It has increased from 75 hundred million won in 2010 to 140 hundred million won in 2011, and is expected to amount to 192 hundred million won in 2012.

<The budget of the Knowledge Sharing Program (KSP)>



Source: KDI

Expectations

With the success of the KSP, there has been a continuous increase in demand for the KSP by development partnership countries. In 2012, the KDI has received requests for the KSP from over 50 countries, and has decided to proceed with policy consultation projects for 33 partnership countries. This is a significant increase compared to 26 countries in 2011 and 16 countries in 2010. Not only development partnership countries but also various aid-giving institutions such as the Asian Development Bank, the World Bank, the OECD, and the UN show great interest in the KSP and are actively engaged in cooperative efforts with the KDI.

The knowledge sharing program is exceptional as it covers research, consultation, and training based on experiential development knowledge with its goal of sharing development experiences with partnership countries. With such strengths, and through continuous evolution and deepening collaboration with internationally renowned institutions, the KSP is expected to lead the future of knowledge sharing as development cooperation.

** This article was originally written by Yulan Kim of the Korea Development Institute (KDI) and published in International Development Cooperation Analysis Quarterly on February 29, 2012. For further information, please contact Ms. Yulan Kim at +82-2-958-4133 or by email: y.kim@kdi.re.kr*

Economic News Briefing

Overseas direct investment surges 29.5% in 2011

Korea's overseas direct investment hit a record high in 2011, despite increasing uncertainties in the global economy. Outbound foreign direct investment (FDI) in 2011 rose 29.5 percent from the previous year to reach US$44.49 billion. Investments in mining doubled due to active participation in natural resources development projects. On the other hand, investments in finance and insurance decreased 25.7 percent while those in real estate renting fell 53.7 percent. By region, investments in North America and Oceania increased significantly, while investments in Europe and Latin America declined. The top investment destination in 2011 was the United States *(US$16.43 billion, up 222.5% y-o-y)*, followed by China *(US$4.87 billion, up 10.4% y-o-y)*, Australia *(US$4.11 billion, up 438.4% y-o-y)*, Canada *(US$1.89 billion, up 97.9% y-o-y)* and Hong Kong *(US$1.54 billion, up 2.1% y-o-y)*.

(Notification basis)

	2008	2009	2010	2011
Total (US$ billion)	36.81	30.72	34.36	44.49
Growth rate[1] (%)	22.8	-16.6	11.9	29.5

1. Percentage change from the previous year

Korea plans to be 35% energy independent by 2020

Korea plans to boost its oil and gas self-sufficiency rate to 35 percent by 2020, according to the Ministry of Knowledge Economy. The self-sufficiency level of oil and gas has increased significantly during the current administration, from 4.2 percent in 2007 to 13.7 percent in 2011. Meanwhile, the self-sufficiency rate for strategic minerals such as lithium and rare earth metals has increased from 18.5 percent in 2007 to 29 percent in 2011. The government aims to boost the ratio to 43 percent by 2012. In order to ensure steady supply of natural resources in the future, the Ministry has outlined eight strategies, which include setting a timetable for energy independency, participating in large-scale resources development projects, and improving the management efficiency of state firms engaging in the natural resources sector.

Korea receives high grades in taxation transparency

Korea received high grades in an assessment conducted by the OECD Global Forum on Transparency and Exchange of Information for Tax Purposes. The Global Forum gave Korea high grades in nine out of ten categories, notably in obtaining accounting and banking information, access of information by tax authorities and the fulfillment of international tax codes and standards. The study results show that Korea has joined the ranks of advanced nations in terms of taxation transparency and information exchange. Meanwhile, the Global Forum, which has conducted assessments on 107 nations, will release its full report in early April.

Korea to introduce reporting system for massive short selling

Starting as early as the third quarter of this year, investors in Korea will be required to report their short positions that exceed a certain level to both regulatory authorities and the Korea Exchange (KRX), the Financial Services Commission (FSC) announced on March 12. Since the onset of the global financial crisis, the world's major economies have attempted to enhance the transparency of short selling by adopting reporting systems for high volume short sales. By introducing such a system, Korea is joining the global effort to gather information for market supervision and maintain market stability.

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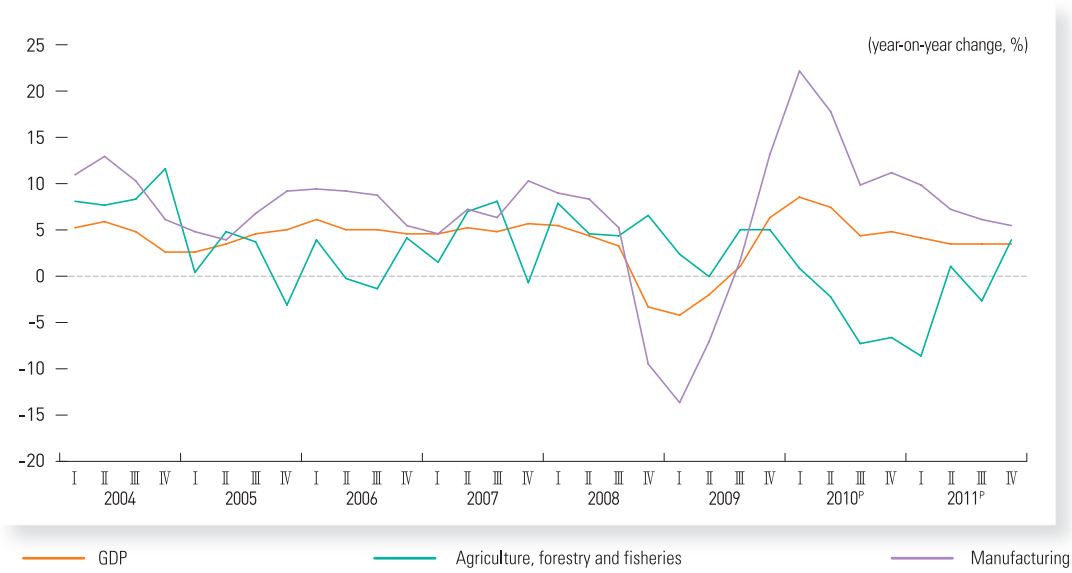
1. National accounts

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

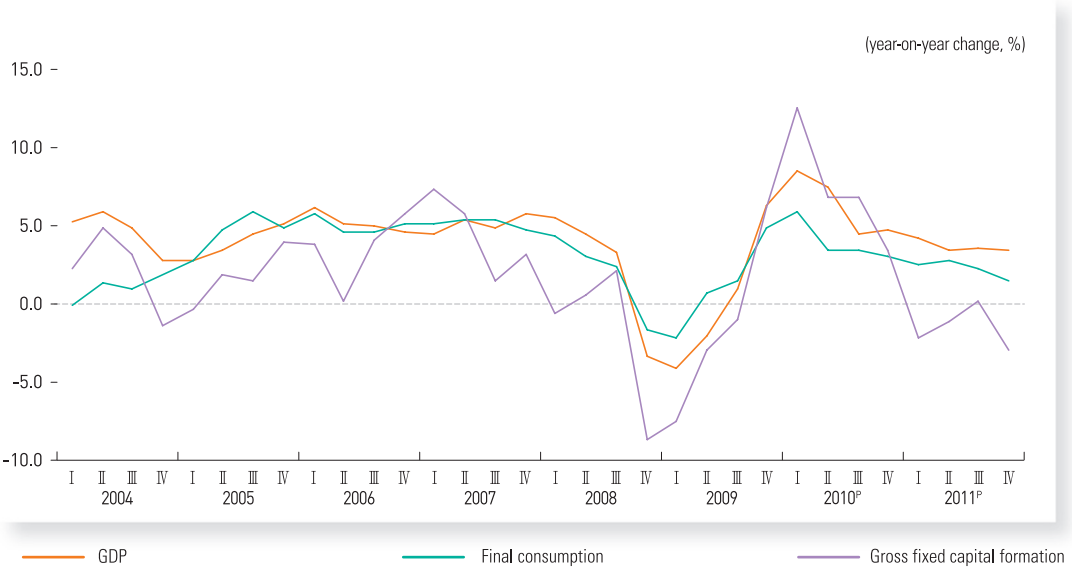
Period	Real GDP			Final consumption expenditure	Gross fixed capital formation		
		Agri., fores. & fisheries	Manufacturing			Construction	Facilities
2004	4.6	9.1	10.0	1.0	2.1	1.3	3.8
2005	4.0	1.3	6.2	4.6	1.9	-0.4	5.3
2006	5.2	1.5	8.1	5.1	3.4	0.5	8.2
2007	5.1	4.0	7.2	5.1	4.2	1.4	9.3
2008	2.3	5.6	2.8	2.0	-1.9	-2.8	-1.0
2009	0.3	3.2	-1.5	1.2	-1.0	3.4	-9.8
2010	6.2	-4.3	14.8	3.9	7.0	-1.4	25.0
2011P	3.6	-1.0	7.1	2.3	-2.1	-6.5	3.8
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 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
2011P 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
III	3.5	-2.7	6.1	2.3	0.1	-4.6	1.0
IV	3.4	4.0	5.5	1.4	-3.0	-4.0	-3.4

P: Preliminary
Source: The Bank of Korea

Growth rate by economic activity



Growth rate by expenditure on GDP



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

(constant prices, 2005 = 100)

Period	Production index	Y-o-Y change (%)	Shipment index	Y-o-Y change (%)	Inventory index	Y-o-Y change (%)	Service production index	Y-o-Y change (%)
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
2011P	148.7	6.8	142.1	6.5	163.4	20.6	127.0	3.3
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	151.2	7.2	144.8	7.2	142.7	10.0	127.0	3.3
III	146.1	5.1	139.3	5.0	149.0	10.7	126.7	4.2
IVP	154.0	5.0	146.4	3.3	163.4	20.6	130.8	2.7
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	152.3	6.6	145.4	5.9	142.7	10.0	128.4	3.5
7	148.7	3.9	135.9	3.1	147.2	9.8	127.0	3.8
8	142.9	4.7	136.5	4.2	150.4	11.8	126.8	4.9
9	146.8	6.9	141.3	7.5	149.1	10.8	126.2	3.8
10	154.6	6.4	147.0	4.4	153.1	14.7	127.4	3.4
11	153.7	5.8	145.8	3.1	157.4	18.5	127.2	2.7
12P	153.6	2.8	147.0	2.4	163.4	20.6	137.1	1.6
2012 1P	143.8	-2.0	137.5	-2.4	163.4	20.9	125.1	0.9

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	128.7	7.9	101.7	8.4	80.9
2011P	135.7	5.4	100.5	-1.2	80.0
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	124.9	6.8	97.1	18.8	80.3
II	127.3	7.9	105.3	10.5	81.9
III	130.4	8.6	99.3	1.5	80.6
IV	132.1	8.1	105.0	4.7	80.8
2011 I	133.7	7.0	99.0	2.0	82.2
II	135.2	6.2	103.7	-1.5	79.9
III	136.0	4.3	98.0	-1.3	79.6
IVP	138.1	4.5	101.5	-3.3	78.1
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	124.2	6.2	96.9	31.5	79.2
2	124.5	6.5	88.1	10.4	80.5
3	125.9	7.5	106.4	16.2	81.2
4	126.3	7.3	105.8	12.4	81.7
5	127.4	8.2	103.5	10.9	81.7
6	128.3	8.3	106.7	8.4	82.2
7	129.5	8.5	104.9	6.2	81.7
8	130.6	9.0	96.1	5.6	80.4
9	131.1	8.3	96.8	-6.6	79.7
10	131.6	8.2	106.1	7.1	79.5
11	131.9	8.2	104.8	4.3	80.5
12	132.9	8.0	104.2	3.0	82.3
2011 1	133.1	7.2	101.6	4.9	83.6
2	133.4	7.1	88.5	0.5	81.8
3	134.5	6.8	106.8	0.4	81.3
4	135.0	6.9	103.0	-2.6	79.4
5	135.2	6.1	103.1	-0.4	79.9
6	135.4	5.5	104.9	-1.7	80.5
7	135.7	4.8	101.0	-3.7	79.9
8	135.8	4.0	95.3	-0.8	79.8
9	136.6	4.2	97.6	0.8	79.0
10	137.8	4.7	102.9	-3.0	78.8
11	138.2	4.8	101.9	-2.8	78.4
12P	138.2	4.0	99.6	-4.4	77.0
2012 1P	138.2	3.8	92.7	-8.8	80.6

P: Preliminary
Source: Statistics Korea

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

(constant prices, 2005 = 100)

Period	Consumer goods sales index	Y-o-Y change (%)	Durable goods	Y-o-Y change (%)	Semi-durable goods	Y-o-Y change (%)	Non-durable goods	Y-o-Y change (%)
2009	113.6	2.7	136.8	8.2	106.3	1.3	111.3	1.2
2010	121.2	6.7	157.1	14.8	113.5	6.8	113.8	2.2
2011P	126.4	4.3	174.0	10.8	118.3	4.2	115.0	1.1
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	116.6	9.5	148.7	29.6	105.9	2.7	110.8	2.9
II	118.8	4.8	149.9	5.6	114.6	6.4	112.9	3.4
III	120.4	7.6	158.5	17.0	100.4	6.5	118.0	3.2
IV	128.8	5.2	171.5	10.6	133.3	10.9	113.4	-0.4
2011 I	122.9	5.4	167.3	12.5	112.0	5.8	112.4	1.4
II	125.6	5.7	175.9	17.3	120.3	5.0	112.2	-0.6
III	126.0	4.7	175.6	10.8	104.5	4.1	120.1	1.8
IVP	131.2	1.9	177.3	3.4	136.5	2.4	115.3	1.7
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	115.5	6.5	145.5	39.8	108.4	4.6	108.2	-5.7
2	113.9	12.5	141.4	21.9	99.7	2.7	111.7	12.6
3	120.3	9.7	159.2	28.4	109.6	1.0	112.6	3.1
4	116.5	7.3	144.5	16.6	113.6	3.9	110.5	3.5
5	121.2	3.6	147.1	2.2	120.9	6.7	116.0	2.6
6	118.8	3.7	158.0	0.0	109.2	8.8	112.1	4.2
7	120.8	9.0	163.9	18.6	103.4	8.4	115.4	4.2
8	116.6	9.3	154.4	26.0	90.1	4.2	116.3	3.0
9	123.9	4.8	157.1	7.7	107.6	6.4	122.3	2.5
10	125.8	4.3	165.3	14.2	129.8	11.8	111.7	-4.2
11	127.8	6.9	171.9	12.0	133.0	9.2	111.9	2.5
12	132.9	4.6	177.3	6.1	137.0	11.7	116.7	0.6
2011 1	128.2	11.0	164.9	13.3	120.1	10.8	119.2	10.2
2	113.5	-0.4	153.7	8.7	101.7	2.0	104.6	-6.4
3	126.9	5.5	183.2	15.1	114.1	4.1	113.3	0.6
4	122.6	5.2	167.0	15.6	120.9	6.4	109.0	-1.4
5	128.6	6.1	175.8	19.5	126.4	4.5	115.9	-0.1
6	125.7	5.8	184.9	17.0	113.7	4.1	111.7	-0.4
7	127.5	5.5	185.5	13.2	107.5	4.0	117.7	2.0
8	123.1	5.6	173.3	12.2	93.4	3.7	119.5	2.8
9	127.5	2.9	167.9	6.9	112.6	4.6	123.1	0.7
10	128.8	2.4	169.8	2.7	134.7	3.8	114.8	2.8
11	129.3	1.2	183.0	6.5	130.2	-2.1	112.2	0.3
12P	135.6	2.0	179.0	1.0	144.6	5.5	119.0	2.0
2012 1P	129.3	0.9	168.0	1.9	120.1	0.0	121.8	2.2

P: Preliminary
Source: Statistics Korea

5. Consumer goods shipment index and consumer sentiment index

See graph 2-6

Period	Domestic consumer goods shipment index (2005=100)	Y-o-Y change (%)	Durable goods	Y-o-Y change (%)	Non-durable goods	Y-o-Y change (%)	Consumer sentiment index
2009	116.4	1.4	135.1	6.5	108.9	-0.9	-
2010	122.4	5.2	140.5	4.0	115.2	5.8	-
2011P	121.0	-1.1	135.4	-3.6	115.3	0.1	-
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	118.9	10.4	137.3	21.1	111.4	5.8	-
II	120.2	4.7	140.2	0.2	112.2	7.2	-
III	122.6	2.3	140.3	0.6	115.5	3.1	-
IV	128.1	3.9	144.1	-2.5	121.7	7.3	-
2011 I	121.3	2.0	135.5	-1.3	115.6	3.8	-
II	117.9	-1.9	135.2	-3.6	111.0	-1.1	-
III	121.7	-0.7	137.1	-2.3	115.5	0.0	-
IVP	123.3	-3.7	133.8	-7.1	119.1	-2.1	-
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	124.2	15.4	136.5	37.9	119.2	7.4	113
2	110.7	6.6	130.2	12.7	102.8	3.8	111
3	121.7	9.0	145.1	15.4	112.3	5.9	110
4	120.8	7.3	136.0	12.8	114.8	5.0	110
5	117.6	3.6	136.2	-3.2	110.2	7.4	111
6	122.2	3.2	148.4	-6.3	111.7	9.2	112
7	122.4	2.9	146.7	0.3	112.7	4.4	112
8	121.3	9.4	134.7	7.1	116.0	10.6	110
9	124.1	-4.3	139.6	-4.4	117.9	-4.2	109
10	129.7	6.6	146.7	5.2	122.9	7.3	108
11	128.7	8.6	145.8	-0.6	121.9	13.7	110
12	125.9	-2.9	139.9	-10.9	120.2	1.3	109
2011 1	130.2	4.8	134.0	-1.8	128.7	8.0	108
2	106.3	-4.0	126.1	-3.1	98.4	-4.3	105
3	127.3	4.6	146.5	1.0	119.6	6.5	98
4	118.8	-1.7	133.7	-1.7	112.8	-1.7	100
5	115.8	-1.5	132.0	-3.1	109.3	-0.8	104
6	119.2	-2.5	139.9	-5.7	110.9	-0.7	102
7	120.2	-1.8	142.5	-2.9	111.3	-1.2	102
8	122.2	0.7	132.9	-1.3	117.9	1.6	99
9	122.6	-1.2	136.0	-2.6	117.3	-0.5	99
10	124.3	-4.2	132.5	-9.7	121.0	-1.5	100
11	121.5	-5.6	131.4	-9.9	117.5	-3.6	103
12P	124.1	-1.4	137.5	-1.7	118.7	-1.2	99
2012 1P	119.8	-8.0	128.3	-4.3	116.4	-9.6	98
2	-	-	-	-	-	-	100

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	22,731	2,337	20,394	12,279	132.2	132.4
2011P	25,240	2,599	22,641	13,848	133.1	134.1
2010 I	5,394	525	4,869	2,915	120.2	117.0
II	6,070	402	5,668	3,566	136.7	142.2
III	5,514	380	5,133	3,016	137.5	132.3
IV	5,754	1,030	4,723	2,782	134.2	138.3
2011 I	6,445	470	5,975	3,695	126.7	127.8
II	6,676	728	5,948	3,677	144.5	147.3
III	5,703	404	5,300	3,109	133.3	128.4
IVP	6,416	998	5,418	3,367	127.8	133.1
2010 7	2,026	105	1,921	1,069	137.8	135.5
8	1,686	106	1,579	898	139.0	128.6
9	1,802	169	1,633	1,050	135.7	132.9
10	1,676	101	1,575	965	128.8	128.6
11	1,731	102	1,621	989	133.0	133.3
12	2,347	820	1,527	827	140.9	152.9
2011 1	2,009	115	1,894	1,109	123.3	121.5
2	2,045	122	1,923	1,146	112.4	118.3
3	2,391	233	2,158	1,441	144.5	143.7
4	1,951	99	1,853	1,155	134.4	137.5
5	2,113	142	1,971	1,186	146.8	149.4
6	2,611	487	2,124	1,336	152.3	154.9
7	1,990	152	1,838	1,027	133.7	135.2
8	1,800	115	1,685	1,006	135.0	124.1
9	1,913	137	1,776	1,076	131.3	125.8
10	1,977	301	1,676	966	114.8	122.5
11	2,317	474	1,843	1,124	129.3	127.3
12P	2,122	223	1,899	1,277	139.3	149.5
2012 1P	1,956	117	1,839	1,101	132.9	121.6
	Y-o-Y change (%)					
2010	8.3	-37.7	18.3	32.3	24.2	20.1
2011P	11.0	11.2	11.0	12.8	0.7	1.3
2010 I	7.4	-43.7	19.0	45.9	29.7	18.4
II	21.4	-42.2	31.7	58.7	28.8	24.0
III	-2.7	-71.7	18.8	27.0	28.0	23.8
IV	8.5	31.4	4.4	4.6	12.5	14.7
2011 I	19.5	-10.5	22.7	26.8	5.4	9.2
II	10.0	81.1	4.9	3.1	5.7	3.6
III	3.4	6.1	3.2	3.1	-3.1	-2.9
IVP	11.5	-3.1	14.7	21.0	-4.8	-3.8
2010 7	-19.0	-90.2	34.4	41.9	30.4	25.2
8	25.1	48.9	23.7	37.2	39.8	32.6
9	-0.8	-15.5	1.1	8.4	15.9	15.2
10	7.3	20.8	6.5	13.4	19.5	19.3
11	-11.1	-76.5	7.0	5.1	11.8	16.5
12	31.1	213.9	-0.2	-4.5	7.4	9.5
2011 1	15.6	-32.1	20.7	9.8	19.4	11.5
2	28.0	14.0	29.0	29.8	-0.2	14.1
3	16.2	-6.3	19.3	40.9	-0.2	4.0
4	9.0	-22.3	11.4	9.4	2.2	0.2
5	-0.8	23.4	-2.2	-10.8	11.7	8.5
6	21.4	205.2	6.7	13.1	3.5	2.2
7	-1.7	44.9	-4.3	-3.9	-3.0	-0.2
8	6.8	8.0	6.7	12.0	-2.9	-3.5
9	6.1	-19.1	8.8	2.5	-3.2	-5.3
10	18.0	197.7	6.4	0.0	-10.9	-4.7
11	33.9	333.3	13.7	13.6	-2.8	-4.5
12P	-9.6	-72.8	24.3	54.4	-1.1	-2.2
2012 1P	-2.6	1.8	-2.9	-0.7	7.8	0.1

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	92,276	35,161	52,824	89,814	29,197	55,086
2011P	91,638	35,508	51,273	93,428	28,459	60,333
2010 I	20,345	7,480	11,980	18,450	8,069	9,235
II	24,085	9,128	13,935	25,540	6,889	16,868
III	22,018	7,803	13,156	19,352	6,807	11,477
IV	25,828	10,750	13,752	26,472	7,433	17,506
2011 I	19,088	7,325	10,852	16,276	4,095	11,102
II	23,904	9,324	13,182	25,101	6,307	17,509
III	21,499	7,841	12,533	19,638	6,593	12,245
IVP	27,146	11,017	14,706	32,413	11,463	19,477
2010 7	7,450	2,692	4,414	7,589	3,878	3,387
8	7,147	2,459	4,367	4,226	1,337	2,729
9	7,422	2,653	4,375	7,537	1,592	5,361
10	7,376	2,853	4,160	4,407	1,183	3,047
11	8,015	3,253	4,403	7,667	2,037	5,292
12	10,437	4,644	5,189	14,398	4,213	9,167
2011 1	6,208	2,480	3,475	4,927	1,330	2,904
2	5,247	2,015	2,991	4,088	1,397	2,546
3	7,633	2,831	4,386	7,262	1,369	5,651
4	7,053	2,724	3,978	6,670	1,432	4,609
5	7,430	2,817	4,222	6,984	1,895	4,598
6	9,422	3,783	4,982	11,448	2,979	8,303
7	6,786	2,432	4,046	5,098	1,819	3,103
8	6,901	2,513	4,056	7,300	1,504	5,509
9	7,813	2,896	4,431	7,240	3,270	3,633
10	8,022	2,963	4,678	7,111	2,295	4,630
11	7,945	3,250	4,300	8,745	2,948	5,668
12P	11,179	4,804	5,729	16,556	6,220	9,179
2012 1P	6,099	2,400	3,382	7,033	1,973	4,920
	Y-o-Y change (%)					
2010	2.7	8.5	0.6	-17.7	-43.3	3.6
2011P	-0.7	1.0	-2.9	4.0	-2.5	9.5
2010 I	6.4	14.0	3.8	0.3	-13.6	9.8
II	2.0	5.5	2.7	-5.8	-61.9	107.1
III	-0.3	-0.9	1.0	-2.3	-22.1	14.0
IV	3.3	15.6	-4.5	-39.5	-51.6	-34.0
2011 I	-6.2	-2.1	-9.4	-11.8	-49.2	20.2
II	-0.7	2.2	-5.4	-1.7	-8.4	3.8
III	-2.4	0.5	-4.7	1.5	-3.1	6.7
IVP	5.1	2.5	6.9	22.4	54.2	11.3
2010 7	6.6	14.0	3.8	27.5	22.7	39.7
8	6.4	1.3	11.2	-10.8	-25.7	-3.9
9	-11.5	-14.0	-9.7	-17.4	-57.8	11.5
10	1.2	10.4	-4.2	-58.9	-75.0	-46.8
11	-0.8	16.2	-9.4	-47.9	-61.2	-40.4
12	8.4	18.5	-0.2	-21.5	-21.5	-23.1
2011 1	-4.5	9.5	-12.5	-31.9	-46.6	-33.3
2	-14.7	-12.6	-17.2	-16.0	-36.2	10.7
3	-0.8	-2.7	-0.2	14.2	-59.6	119.0
4	-4.0	3.8	-10.7	0.1	-21.0	3.0
5	-4.0	-0.8	-6.9	-21.0	12.7	-31.8
6	4.7	3.3	0.7	14.1	-12.2	46.9
7	-8.9	-9.7	-8.3	-32.8	-53.1	-8.4
8	-3.4	2.2	-7.1	72.8	12.5	101.8
9	5.3	9.2	1.3	-3.9	105.4	-32.2
10	8.8	3.9	12.4	61.4	94.1	52.0
11	-0.9	-0.1	-2.3	14.1	44.7	7.1
12P	7.1	3.4	10.4	15.0	47.6	0.1
2012 1P	-1.8	-3.2	-2.7	42.8	48.4	69.4

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)	Coincident index (2005=100)	Cycle of coincident index (2005=100)	BSI (results)	BSI (prospects)
2008 1	115.8	119.9	103.1	95.2	103.0
2	115.3	120.4	103.0	95.6	94.8
3	114.7	120.7	102.9	101.1	102.1
4	114.4	120.8	102.6	101.7	98.1
5	113.9	120.8	102.1	98.1	104.7
6	113.0	120.4	101.4	79.1	95.3
7	112.3	120.3	100.9	80.8	83.2
8	112.8	120.6	100.7	83.1	80.8
9	113.7	121.1	100.7	76.8	98.3
10	114.4	121.1	100.3	64.6	84.9
11	114.5	120.1	99.1	53.7	63.7
12	114.9	118.1	97.1	52.4	55.0
2009 1	115.5	116.7	95.6	58.1	52.0
2	116.6	116.7	95.2	62.4	66.0
3	117.4	117.7	95.6	89.0	76.1
4	119.7	119.2	96.4	93.7	86.7
5	121.5	120.0	96.7	100.9	103.8
6	123.7	122.0	97.7	96.6	100.2
7	124.6	123.0	98.3	98.5	98.7
8	125.6	123.8	98.5	96.0	99.8
9	126.7	124.7	98.8	110.5	117.0
10	128.5	125.8	99.2	107.5	116.5
11	130.1	126.8	99.6	103.8	109.0
12	131.0	127.5	99.7	104.8	105.9
2010 1	131.5	128.2	99.8	99.2	103.1
2	131.5	129.4	100.3	98.7	102.3
3	131.5	130.2	100.5	113.1	116.2
4	131.2	131.1	100.7	108.9	111.2
5	131.6	131.8	100.8	111.9	113.4
6	132.1	132.4	100.9	109.4	108.9
7	132.9	133.3	101.1	105.0	107.3
8	133.2	133.6	100.9	98.6	100.7
9	133.5	133.6	100.5	104.1	111.1
10	133.0	133.5	99.9	104.3	113.1
11	133.3	134.0	99.9	103.5	107.1
12	133.5	135.0	100.2	102.1	104.2
2011 1	134.6	136.7	101.1	99.1	101.8
2	134.8	137.1	100.9	92.2	98.0
3	134.7	137.6	100.8	107.8	113.5
4	134.3	137.5	100.3	98.4	99.3
5	134.8	138.2	100.4	98.9	104.3
6	135.7	139.1	100.6	99.6	104.3
7	136.4	140.0	100.8	96.2	101.3
8	136.6	140.7	100.9	86.8	98.9
9	136.6	140.7	100.4	96.4	96.3
10	136.8	141.1	100.3	95.0	101.4
11	137.1	141.1	99.8	93.0	96.4
12	137.7	141.7	99.8	90.1	94.8
2012 1	138.7	142.1	99.7	88.6	88.3
2	-	-	-	92.2	91.0
3	-	-	-	-	106.1

Source: Statistics Korea & The Federation of Korean Industries

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

(million US$)

Period	Current balance	Goods trade balance	Exports	Imports	Services trade balance	Income trade balance	Current transfers
2009	32,790.5	37,866.0	358,189.7	320,323.7	-6,640.5	2,276.7	-711.7
2010	29,393.5	40,082.5	461,444.9	421,362.4	-8,626.0	1,015.9	-3,078.9
2011	26,505.3	30,950.3	552,564.3	521,614.0	-4,377.4	2,455.8	-2,523.4
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 I	67.8	4,296.2	100,951.1	96,654.9	-4,067.7	595.6	-756.3
II	10,734.7	12,307.0	117,120.4	104,813.4	-200.0	-901.4	-470.9
III	10,121.7	11,566.2	116,756.4	105,190.2	-1,787.5	1,289.2	-946.2
IV	8,469.3	11,913.1	126,617.0	114,703.9	-2,570.8	32.5	-905.5
2011 I	2,610.3	5,842.7	127,691.2	121,848.5	-2,538.0	387.9	-1,082.3
II	5,492.2	7,661.0	142,722.8	135,061.8	-796.0	-824.8	-548.0
III	6,896.0	7,197.7	141,393.5	134,195.8	-1,198.2	1,314.9	-418.5
IV	11,506.8	10,248.9	140,756.8	130,507.9	154.8	1,577.8	-474.7
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 1	-599.5	891.0	31,782.7	30,891.7	-1,596.2	456.5	-350.8
2	-549.2	633.2	31,111.0	30,477.8	-1,495.3	549.9	-237.0
3	1,216.5	2,772.0	38,057.4	35,285.4	-976.2	-410.8	-168.5
4	724.5	3,333.9	38,740.1	35,406.2	-561.5	-1,514.5	-533.4
5	4,923.1	3,625.4	38,083.5	34,458.1	932.8	390.0	-25.1
6	5,087.1	5,347.7	40,296.8	34,949.1	-571.3	223.1	87.6
7	4,779.0	4,934.9	40,473.4	35,538.5	-219.6	359.9	-296.2
8	1,668.5	2,224.0	37,186.1	34,962.1	-630.1	540.2	-465.6
9	3,674.2	4,407.3	39,096.9	34,689.6	-937.8	389.1	-184.4
10	5,489.1	5,403.2	42,008.4	36,605.2	-352.6	654.2	-215.7
11	2,024.4	3,241.2	41,822.0	38,580.8	-201.2	-775.6	-240.0
12	955.8	3,268.7	42,786.6	39,517.9	-2,017.0	153.9	-449.8
2011 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	3,773.6	4,728.0	48,555.9	43,827.9	-690.9	72.3	-335.8
8	292.6	371.5	45,634.9	45,263.4	-577.9	699.6	-200.6
9	2,829.8	2,098.2	47,202.7	45,104.5	70.6	543.0	118.0
10	4,132.9	3,547.2	46,451.7	42,904.5	2.8	643.5	-60.6
11	4,564.6	3,997.2	46,656.2	42,659.0	357.2	445.6	-243.5
12	2,809.3	2,704.5	47,648.9	44,944.4	-205.2	488.7	-178.7
2012P 1	-772.2	-1,424.0	41,527.0	42,951.0	-128.8	1,191.7	-411.1

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

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

(million US$)

Period	Capital & financial account	Direct investment	Portfolio investment	Financial derivative	Other investment	Capital transfers & acquisition of non-financial assets	Changes in reserve assets	Errors and omissions
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	-27,478.5	-22,184.3	42,479.8	828.9	-21,414.4	-217.9	-26,970.6	-1,915.0
2011	-31,964.6	-15,694.0	10,312.2	-1,735.3	-11,084.9	150.0	-13,912.6	4,960.1
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 I	743.2	-2,873.4	11,725.9	829.9	-191.2	-179.8	-8,568.2	-811.0
II	-8,818.0	-2,898.6	7,207.0	-882.1	-6,727.8	20.3	-5,536.8	-1,916.7
III	-9,103.9	-6,617.3	15,659.9	-241.4	-7,519.0	-8.2	-10,377.9	-1,017.8
IV	-10,299.8	-9,795.0	7,887.0	1,122.5	-6,976.4	-50.2	-2,487.7	1,830.5
2011 I	-2,754.1	-4,696.3	-1,379.1	730.3	6,251.6	-181.4	-3,479.2	143.8
II	-6,808.0	-4,138.1	2,035.4	-542.9	-1,432.5	-111.9	-2,618.0	1,315.8
III	-8,320.9	-2,807.6	8,108.4	-1,490.7	-18,692.6	235.5	6,326.1	1,424.9
IV	-14,081.6	-4,052.0	1,547.5	-432.0	2,788.6	207.8	-14,141.5	2,574.8
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 1	-1,176.7	-936.1	171.9	230.0	6,410.8	-70.6	-6,982.7	1,776.2
2	2,454.3	-549.9	2,771.5	593.4	-912.6	-46.1	598.0	-1,905.1
3	-534.4	-1,387.4	8,782.5	6.5	-5,689.4	-63.1	-2,183.5	-682.1
4	1,044.1	-1,102.5	6,093.5	126.2	5,337.6	-120.5	-9,290.2	-1,768.6
5	-5,831.6	-677.6	1,073.0	-799.8	-12,610.7	100.2	7,083.3	908.5
6	-4,030.5	-1,118.5	40.5	-208.5	545.3	40.6	-3,329.9	-1,056.6
7	-3,182.5	-1,758.4	8,698.4	-227.3	-3,633.0	-0.5	-6,261.7	-1,596.5
8	-615.0	-1,139.5	1,650.2	124.6	-25.7	12.0	-1,236.6	-1,053.5
9	-5,306.4	-3,719.4	5,311.3	-138.7	-3,860.3	-19.7	-2,879.6	1,632.2
10	-4,519.4	-6,893.6	8,528.1	366.2	-3,814.4	-47.1	-2,658.6	-969.7
11	-3,996.0	-1,119.5	2,243.9	251.4	-3,627.2	-25.3	-1,719.3	1,971.6
12	-1,784.4	-1,781.9	-2,885.0	504.9	465.2	22.2	1,890.2	828.6
2011 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	-2,469.2	327.1	9,258.3	526.6	-6,581.0	13.8	-6,014.0	-1,304.4
8	-1,690.6	-1,036.4	-2,923.0	-1,868.6	4,638.4	41.5	-542.5	1,398.0
9	-4,161.1	-2,098.3	1,773.1	-148.7	-16,750.0	180.2	12,882.6	1,331.3
10	-4,391.9	-1,132.2	3,919.1	108.5	2,784.7	109.7	-10,181.7	259.0
11	-6,191.9	-2,077.1	39.8	-379.9	-6.2	98.1	-3,866.6	1,627.3
12	-3,497.8	-842.7	-2,411.4	-160.6	-640.0	10.1	-93.2	688.5
2012P 1	-1,217.7	-2,013.3	7,737.0	434.2	-2,278.3	-1.7	-2,660.2	-445.5

P: Preliminary
Source: The Bank of Korea

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

Period	Consumer prices (2010=100)				Producer prices (2005=100)		Export & import prices (2005=100)	
	All Items	Commodity	Service	Core	All items	Commodity	Export	Import
2010	100.0	100.0	100.0	100.0	115.1	117.0	106.4	145.0
2011	104.0	105.7	102.7	103.2	122.1	125.8	111.1	164.4
2010 1	98.8	98.3	99.2	99.3	112.7	113.9	103.5	136.9
2	99.0	98.6	99.4	99.5	113.0	114.5	104.7	137.6
3	99.2	98.9	99.5	99.4	113.7	115.3	104.0	139.2
4	99.6	99.6	99.7	99.6	114.6	116.4	103.8	140.9
5	99.7	99.5	99.9	99.8	115.2	117.1	106.7	144.7
6	99.6	99.2	99.9	99.9	114.8	116.6	109.9	147.6
7	99.8	99.5	100.2	100.1	114.9	116.7	109.4	147.0
8	100.3	100.3	100.3	100.3	115.2	117.1	107.4	147.4
9	101.1	102.0	100.4	100.4	116.3	118.6	106.9	147.4
10	101.1	102.0	100.4	100.4	116.4	118.6	105.0	146.1
11	100.6	100.8	100.6	100.4	116.7	118.9	106.3	149.2
12	101.0	101.5	100.7	100.7	117.8	120.5	109.6	156.1
2011 1	102.2	103.4	101.2	101.4	119.7	122.7	108.6	156.1
2	102.9	104.4	101.7	102.1	120.5	123.9	110.6	160.9
3	103.3	104.9	102.1	102.4	122.0	125.8	113.5	166.5
4	103.4	104.6	102.4	102.6	122.4	126.2	111.8	167.6
5	103.6	104.7	102.6	103.0	122.3	126.0	110.2	163.9
6	103.8	105.0	102.8	103.4	121.9	125.5	109.4	163.2
7	104.3	105.9	103.1	103.7	122.4	126.0	108.0	161.4
8	105.0	107.1	103.3	103.8	122.8	126.7	109.4	162.1
9	104.9	107.1	103.1	103.7	122.9	126.9	113.1	168.1
10	104.7	106.6	103.2	103.6	122.9	126.9	114.7	169.5
11	104.8	106.8	103.3	103.9	122.6	126.5	112.0	166.8
12	105.2	107.3	103.5	104.3	122.9	127.0	112.4	167.2
2012 1	105.7	107.9	103.9	104.6	123.8	122.8	113.6	168.5
2	106.1	108.5	104.2	104.7	124.7	129.0	112.8	169.3
	Y-o-Y change (%)							
2010	3.0	4.6	1.9	1.8	3.8	4.6	-2.6	5.3
2011	4.0	5.7	2.7	3.2	6.1	7.5	4.4	13.4
2010 1	3.5	5.8	2.1	2.3	2.8	3.2	-6.9	-0.9
2	3.0	4.5	2.2	2.1	2.4	2.7	-10.2	-4.1
3	2.5	3.7	1.7	1.6	2.6	2.9	-12.2	-4.3
4	2.6	4.0	1.8	1.6	3.2	3.8	-6.7	5.1
5	2.7	4.1	2.0	1.6	4.6	5.5	0.4	11.3
6	2.7	4.0	1.9	1.6	4.6	5.5	1.5	8.0
7	2.5	3.8	1.8	1.7	3.4	4.1	0.3	7.5
8	2.7	4.1	1.7	1.8	3.1	3.7	-1.7	5.7
9	3.4	5.8	1.8	1.8	4.0	5.0	-0.4	7.8
10	3.7	6.4	1.8	1.7	5.0	6.1	1.0	8.1
11	3.0	4.9	1.9	1.5	4.9	5.7	1.9	8.2
12	3.0	4.9	1.9	1.7	5.3	6.5	4.3	12.7
2011 1	3.4	5.2	2.0	2.1	6.2	7.7	4.9	14.1
2	3.9	5.9	2.3	2.6	6.6	8.2	5.6	16.9
3	4.1	6.1	2.6	3.0	7.3	9.1	9.1	19.6
4	3.8	5.0	2.7	3.0	6.8	8.4	7.7	19.0
5	3.9	5.2	2.7	3.2	6.2	7.6	3.3	13.2
6	4.2	5.8	2.9	3.5	6.2	7.6	-0.4	10.5
7	4.5	6.4	2.9	3.6	6.5	8.0	-1.3	9.8
8	4.7	6.8	3.0	3.5	6.6	8.2	1.8	10.0
9	3.8	5.0	2.7	3.3	5.7	7.0	5.8	14.0
10	3.6	4.5	2.8	3.2	5.6	7.0	9.2	16.0
11	4.2	6.0	2.7	3.5	5.1	6.4	5.4	11.8
12	4.2	5.7	2.8	3.6	4.3	5.4	2.5	7.1
2012 1	3.4	4.4	2.7	3.2	3.4	4.2	4.6	7.9
2	3.1	3.9	2.5	2.5	3.5	4.1	2.1	5.2

Source: The Bank of Korea

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

Period	Economically active persons (thous.)				Unemployment (%)	Wage workers (thous.)			
		Employed persons (thous.)					Regular	Temporary	Daily
		All industry	Manufacturing	S.O.C&service					
2010	24,748	23,829	4,028	18,214	3.7	16,971	10,086	5,068	1,817
2011	25,099	24,244	4,091	18,595	3.4	17,397	10,661	4,990	1,746
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
8	25,257	24,495	4,031	18,739	3.0	17,510	10,710	5,031	1,769
9	25,076	24,318	4,014	18,595	3.0	17,378	10,764	5,047	1,567
10	25,409	24,673	4,044	18,856	2.9	17,608	10,796	5,094	1,718
11	25,318	24,589	4,054	18,921	2.9	17,650	10,838	5,047	1,765
12	24,880	24,125	4,071	18,833	3.0	17,496	10,824	4,986	1,686
2012 1	24,585	23,732	4,034	18,631	3.5	17,184	10,769	4,868	1,547
	Y-o-Y change (%)								
2010	1.5	1.4	5.0	1.2	-	3.1	7.4	-0.7	-7.4
2011	1.4	1.7	1.6	2.1	-	2.5	5.7	-1.5	-3.9
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
8	1.7	2.0	-0.7	3.1	-	2.7	5.5	-1.8	-0.3
9	0.7	1.1	-1.2	2.1	-	1.6	5.4	-1.2	-11.9
10	1.6	2.1	-1.3	3.2	-	2.5	5.0	0.1	-5.0
11	1.9	2.0	-2.1	3.2	-	2.0	4.9	-0.4	-7.0
12	1.4	1.9	-2.1	3.1	-	2.0	4.6	-0.3	-6.7
2012 1	2.0	2.3	-2.8	3.5	-	2.1	4.5	0.4	-7.9

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)
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
9	3.3	3.6	4.2	3.5	3.6	1,769.65
10	3.2	3.6	4.3	3.5	3.6	1,909.03
11	3.3	3.6	4.2	3.4	3.5	1,847.51
12	3.3	3.6	4.2	3.4	3.5	1,825.74
2012 1	3.3	3.6	4.2	3.2	3.5	1,955.79
2	3.3	3.5	4.3	3.4	3.6	2,030.25

Source: The Bank of Korea

14. Monetary indicators See graph 9-5

(period average) *(billion won)*

Period	Reserve money	M1	M2	Lf
2010	67,585.1	399,412.3	1,639,675.1	2,096,534.8
2011	75,232.0	425,675.1	1,708,984.5	2,974,440.3
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
8	75,642.3	422,649.3	1,719,437.8	2,230,191.9
9	77,942.2	425,196.4	1,729,531.1	2,243,675.6
10	76,944.6	421,480.1	1,742,645.4	2,263,627.7
11	76,617.3	423,111.9	1,753,296.4	2,279,234.1
12	77,842.5	432,602.2	1,756,579.4	2,974,440.3
2012 1	81,635.4	440,852.9	1,758,558.7	2,293,667.3
		Y-o-Y change (%)		
2010	9.5	11.8	8.7	8.2
2011	11.3	6.6	4.2	9.4
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
8	12.4	5.4	4.0	5.5
9	10.9	5.1	4.2	5.7
10	10.1	4.1	4.4	6.1
11	10.3	2.0	4.4	6.2
12	8.9	1.6	4.4	6.2
2012 1	11.0	2.7	4.9	6.5

Source: The Bank of Korea

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

Period	₩/US$		₩/100¥		₩/Euro	
	End-period	Average	End-period	Average	End-period	Average
2010	1,138.9	1,156.3	1,397.1	1,320.6	1,513.6	1,532.9
2011	1,153.3	1,108.1	1,485.2	1,391.3	1,494.1	1,541.4
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
9	1,179.5	1,118.6	1,536.6	1,456.5	1,601.4	1,542.4
10	1,104.5	1,155.5	1,458.0	1,508.2	1,562.7	1,584.0
11	1,150.3	1,132.3	1,475.7	1,460.0	1,532.9	1,536.6
12	1,153.3	1,147.5	1,485.2	1,473.4	1,494.1	1,511.0
2012 1	1,125.0	1,145.9	1,473.1	1,488.7	1,478.2	1,477.2
2	1,126.5	1,123.4	1,399.2	1,433.7	1,516.3	1,486.0
	Y-o-Y change (%)					
2010	-2.5	-9.4	10.6	-3.1	-9.6	-13.6
2011	1.3	-4.2	6.3	5.4	-1.3	0.6
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
9	3.3	-4.1	12.7	5.2	2.9	1.6
10	-2.0	2.8	4.8	10.0	-0.4	1.6
11	-0.6	0.5	7.4	6.8	1.0	-0.3
12	1.3	0.0	6.3	7.0	-1.3	-0.3
2012 1	1.0	2.3	8.6	9.8	-2.4	-1.2
2	-0.1	0.5	1.3	6.1	-2.1	-2.5

Source: The Bank of Korea

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