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Republic of Korea
Economic Bulletin

The Green Book: Current Economic Trends

The Green Book

Current Economic Trends

Overview

The Korean economy has seen inflation and employment remain stable, but major indicators appear tepid due, in part, to temporary factors such as labor strikes and typhoons.

In August 364,000 jobs were added on a yearly basis mainly in manufacturing and service jobs, leading to a stable employment rate and jobless rate.

Though typhoons drove up the prices of agricultural products, consumer prices in September stabilized within a 2 percent range on the back of stable core inflation (1.4%) and lower expected inflation (3.6% → 3.4%).

Mining and manufacturing production slid 0.7 percent in August month-on-month due to auto industry worker strikes while service output was down 0.3 percent compared to the previous month due to a decrease in wholesale & retail sales.

In August, retail sales were down 3.0 percent from a month ago due to a decrease in durable goods sales as well as semi-durable and non-durable goods sales.

The facility investment index in August fell 13.9 percent compared to the previous month due to a decrease in machinery and transportation equipment investment. Construction investment declined 6.6 percent month-on-month as both building construction and civil engineering works decreased.

Exports in September fell 1.8 percent from a year earlier due to the eurozone debt crisis, but Korea ran a US$3.15 billion current account surplus.

The cyclical indicator of the coincident composite index in August dropped 0.5 points from a month ago, while the leading composite index fell 0.2 points month-on-month.

In September, domestic financial markets somewhat stabilized with stock prices going up and the won appreciating on the back of monetary easing of major economies and sovereign credit ratings upgrades.

Housing prices continued to decline, registering another 0.2 percent drop in September after in August, in particular led by Seoul metropolitan areas while month-on-month rental price increase accelerated (0.1% → 0.4%).

Amid concerns over a weakening global economy, external and domestic conditions face considerable uncertainty coupled with a delayed recovery in domestic consumption and investment confidence.

The Korean government will closely monitor the global and domestic economy, while reinforcing policy responses to stimulate the economy.

At the same time, the government will focus on stabilizing the lives of low- and middle-income classes through job creation and by stabilizing the prices of necessities, while continuing to carry out policy actions to improve the health of the economy.

1. External economic situation

The US economy is on a modest recovery track, the eurozone is struggling and emerging countries' growth is slowing down.

Major countries' monetary easing measures* and the German constitutional court's decision to approve the European Stability Mechanism boosted the expectation for better global economic conditions, but eurozone anxieties still persist due to uncertainty surrounding a full bailout for Spain and troubled negotiations between Greece and the so-called troika (the ECB, IMF, and EU) regarding Greek austerity measures.

* The ECB's bond-buying program on September 6, the Fed's third round of quantitative easing on September 13, and the Bank of Japan's decision to expand its asset purchase program on September 19.

US

US gross domestic production growth in the second quarter of 2012 was revised down from the initial estimate of 1.7 percent to 1.3 percent at an annual rate, hitting the lowest since the third quarter of last year, but some indicators such as consumption and investment confidence appeared to improve.

Industrial production in August fell 1.2 percent from the previous month, but the ISM Manufacturing Index for September rose above the base level of 50 for the first time since May.

ISM Manufacturing Index (base=50)
53.1 (Dec 2011) → 54.1 (Jan 2012) → 52.4 (Feb) → 53.4 (Mar) → 54.8 (Apr) → 53.5 (May) → 49.7 (Jun) → 49.8 (Jul) → 49.6 (Aug) → 51.5 (Sep)

Personal consumption expenditure in August rose as it did in July, indicating growing consumer confidence.

University of Michigan Consumer Sentiment Index (1964 = base 100, original)
69.9 (Dec 2011) → 75.0 (Jan 2012) → 75.3 (Feb) → 76.2 (Mar) → 76.4 (Apr) → 79.3 (May) → 73.2 (Jun) → 72.3 (Jul) → 74.3 (Aug) → 78.3 (Sep)

In September, the jobless rate fell to 7.8 percent, the lowest since January 2009 when the rate was also 7.8 percent, and nonfarm payroll employment increased by 114,000, rising by more than 100,000 for three consecutive months.

Nonfarm payroll increase (m-o-m, thousand)
275 (Jan 2012) → 259 (Feb) → 143 (Mar) → 68 (Apr) → 87 (May) → 45 (Jun) → 181 (Jul) → 142 (Aug) → 114 (Sep)

Housing prices had increased for six successive months by July, but housing markets were mixed in August, with month-on-month sales of existing homes increasing 7.8 percent and those of new homes falling 0.3 percent.

Case-Shiller home price index (seasonally adjusted)
203.4 (Dec 2006) → 136.6 (Jan 2012) → 136.8 (Feb) → 137.6 (Mar) → 138.8 (Apr) → 140.2 (May) → 141.5 (Jun) → 142.1 (Jul)

New home sales (m-o-m, %)
0.0 (Jan 2012) → 8.0 (Feb) → -3.8 (Mar) → 1.7 (Apr) → 3.1 (May) → -2.2 (Jun) → 3.6 (Jul) → -0.3 (Aug)

(Percentage change from previous period)

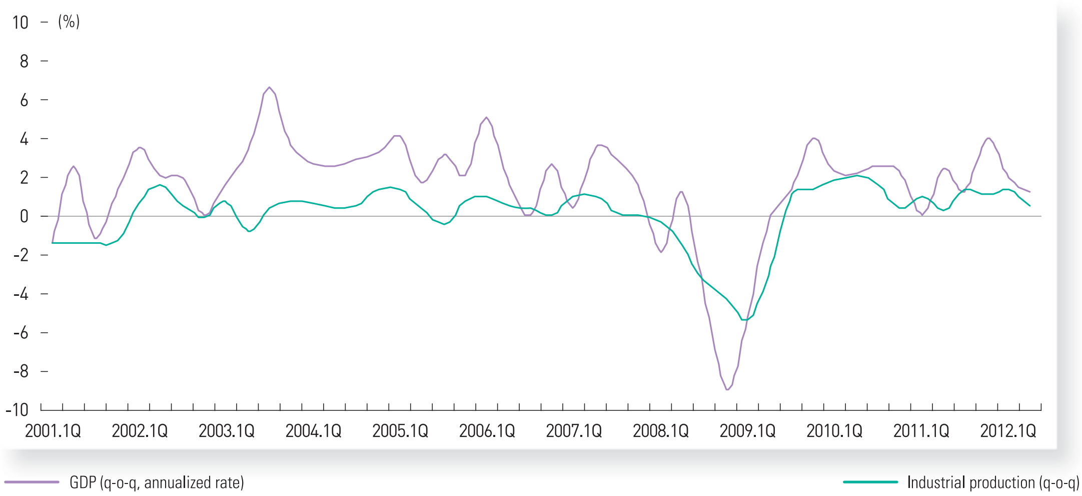
	2010	2011					2012[1]				
	Annual	Annual	Q1	Q2	Q3	Q4	Q1	Q2	Jul	Aug	Sep
Real GDP[2]	2.4	1.8	0.1	2.5	1.3	4.1	2.0	1.3	-	-	-
- Personal consumption expenditure	1.8	2.5	3.1	1.0	1.7	2.0	2.4	1.5	-	-	-
- Corporate fixed investment	0.7	8.6	-1.3	14.5	19.0	9.5	7.5	3.6	-	-	-
- Housing construction investment	-3.7	-1.4	-1.4	4.1	1.4	12.1	20.5	8.5	-	-	-
Industrial production	5.3	4.1	1.2	0.2	1.7	0.9	1.4	0.6	0.5	-1.2	-
Personal consumption expenditure	3.8	4.7	1.5	1.0	1.0	0.8	1.2	0.5	0.4	0.5	-
Existing home sales	-3.4	2.5	9.0	-5.2	-0.2	3.1	4.6	-0.7	2.3	7.8	-
Unemployment rate[3]	9.6	9.0	8.9	9.1	9.1	8.7	8.3	8.2	8.3	8.1	7.8
Consumer prices	1.6	3.1	1.3	1.0	0.8	0.2	0.6	0.2	-0.1	0.1	-

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

1-1 **World GDP growth**

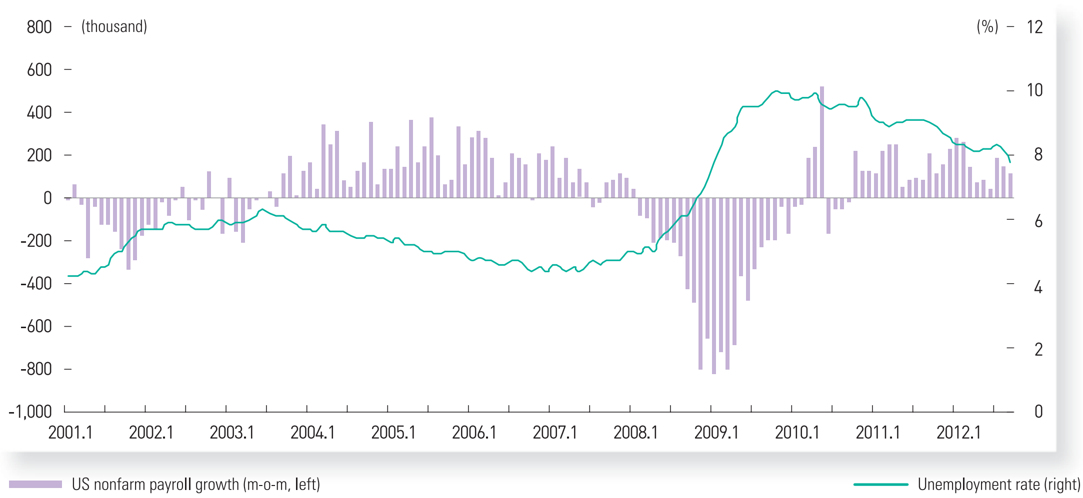
1-2 **US GDP growth and industrial production**

Source: US Department of Commerce & US Federal Reserve Board



1-3 **US nonfarm payroll growth and unemployment rate**

Source: US Department of Labor



China

The Chinese economy continued to slow down as the exports had been hit due to the slowing eurozone economy, with industrial output and retail sales also slowing.

Consumer prices that remained high last year had stabilized, but picked up in August slightly from the previous month.

(Percentage change from same period in previous year)

	2010	2011					2012[1]			
	Annual	Annual	Q1	Q2	Q3	Q4	Q1	Q2	Jul	Aug
Real GDP	10.3	9.2	9.7	9.5	9.1	8.9	8.1	7.6	-	-
Industrial production[2]	15.7	13.9	14.9	13.9	13.8	12.8	11.6	9.5	9.2	8.9
Fixed asset investment (accumulated)	24.5	25.1	32.5	27.0	28.0	28.0	21.3	20.8	20.9	20.7
Retail sales	18.4	17.1	17.1	18.2	17.3	17.5	14.9	13.9	13.1	13.2
Exports	31.3	20.3	26.4	22.0	20.5	14.3	8.9	10.5	1.0	2.7
Consumer prices[2]	3.3	5.4	5.1	5.7	6.3	4.6	3.8	2.9	1.8	2.0
Producer prices[2]	5.5	6.0	7.0	6.9	7.1	3.1	0.1	-1.4	-2.9	-3.5

1. Preliminary   2. Quarterly change: average of monthly change   Source: China National Bureau of Statistics

Japan

The Japanese economy continued to decline, with consumer prices falling for a third consecutive month since June and both industrial outputs and exports also decreasing.

Retail sales, however, rose thanks to an increase in automobile sales on the back of subsidies on environment-friendly vehicles.

Exports continued to slow down for three months in a row since June, contributing to a current account deficit.

Current account balance (¥ billion)

-208 (Dec 2011) → -1,481 (Jan 2012) → 25 (Feb) → -87 (Mar) → -524 (Apr) → -917 (May) → 59 (Jun) → -523 (Jul) → -756 (Aug)

(Percentage change from previous period)

	2010	2011					2012[1]			
	Annual	Annual	Q1	Q2	Q3	Q4	Q1	Q2	Jul	Aug
Real GDP	4.4	-0.8	-2.0	-0.5	1.8	0.1	1.3	0.3	-	-
Industrial production	17.3	-2.4	-2.0	-4.0	4.3	-0.4	1.3	-2.0	-1.0	-1.3
Retail sales (y-o-y)	2.5	-1.2	-2.7	-1.6	-1.0	0.7	5.2	3.2	-0.7	1.8
Exports (y-o-y)	26.1	-2.6	2.7	-8.1	0.6	-5.4	-2.0	5.2	-8.1	-5.8
Consumer prices (y-o-y)	-0.7	-0.3	-0.5	-0.4	0.1	-0.3	0.3	0.1	-0.4	-0.4

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

Eurozone

Despite an increase in industrial production and retail sales, the eurozone economy continued to struggle, with manufacturing PMI falling below the base level of 50 for 14 months in a row.

The unemployment rate in August was unchanged from a month ago for three consecutive months at 11.4 percent, which was the record high in June.

Manufacturing PMI (base = 50)

46.9 (Dec 2011) → 48.8 (Jan 2012) → 49.0 (Feb) → 47.7 (Mar) → 45.9 (Apr) → 45.1 (May) → 45.1 (Jun) → 44.0 (Jul) → 45.1 (Aug) → 46.1 (Sep)

Unemployment rate (%)

10.5 (Oct 2011) → 10.6 (Nov) → 10.7 (Dec) → 10.8 (Jan 2012) → 10.9 (Feb) → 11.0 (Mar) → 11.2 (Apr) → 11.3 (May) → 11.4 (Jun) → 11.4 (Jul) → 11.4 (Aug)

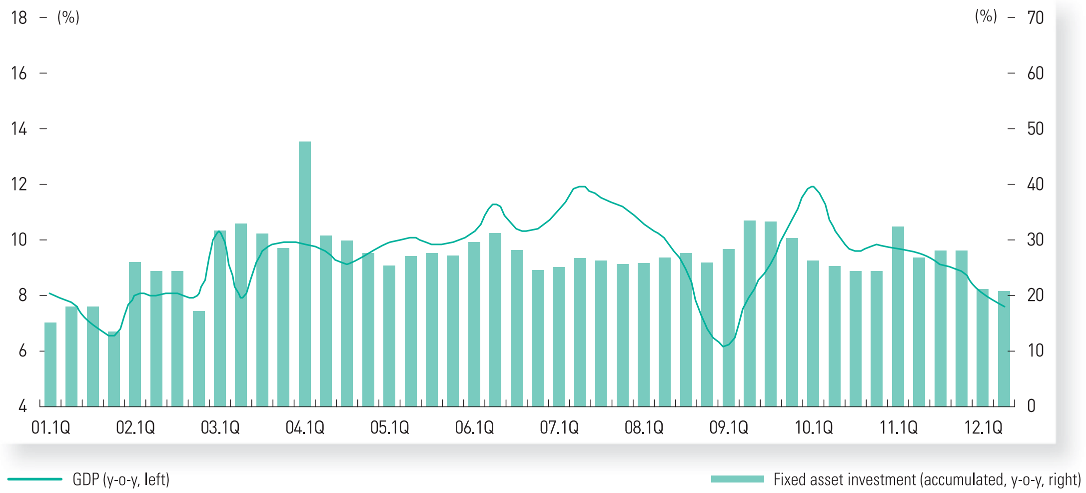
(Percentage change from previous period)

	2010	2011[1]					2012[1]			
	Annual	Annual	Q1	Q2	Q3	Q4	Q1	Q2	Jul	Aug
Real GDP	2.0	1.4	0.6	0.2	0.1	-0.3	0.0	-0.2	-	-
Industrial production	7.4	3.5	0.9	0.2	0.8	-2.1	-0.5	-0.5	0.5	-
Retail sales	0.9	-0.5	-0.1	-0.4	0.3	-1.2	0.2	-0.6	0.1	0.1
Exports (y-o-y)	20.1	12.7	21.5	13.0	9.4	8.3	8.6	8.1	11.3	-
Consumer prices (y-o-y)	1.6	2.7	2.5	2.8	2.7	2.9	2.7	2.5	2.4	2.6

1. Preliminary   Source: Eurostat

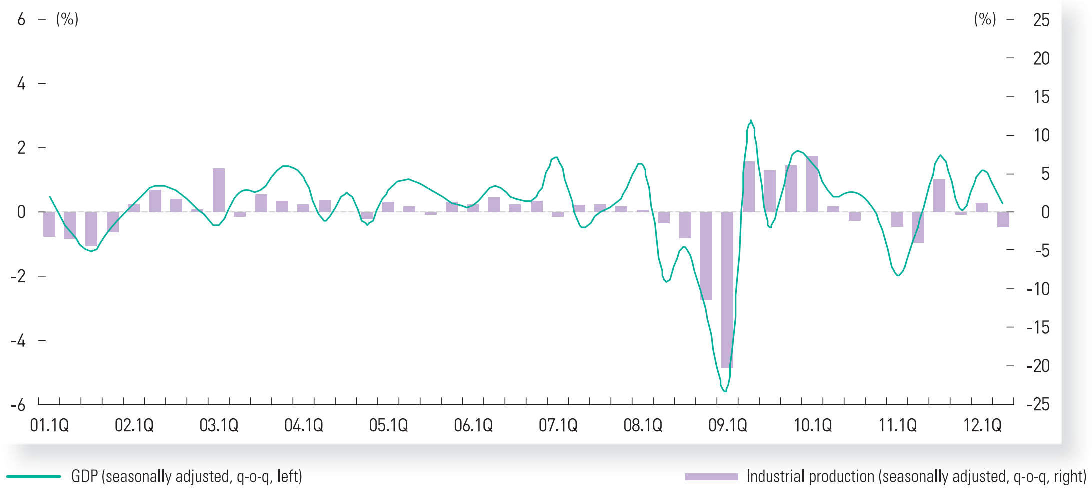
1-4 **China's GDP growth and fixed asset investment**

Source: National Bureau of Statistics of China



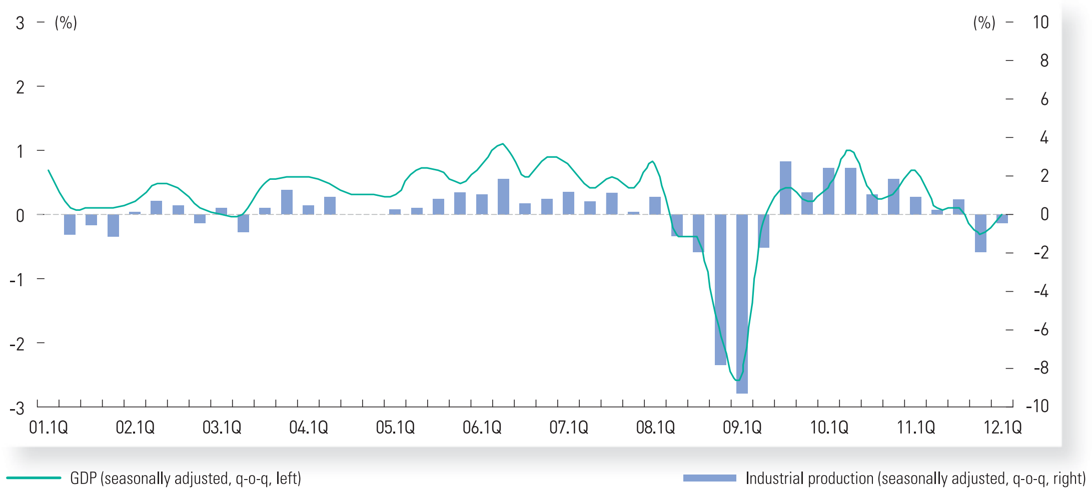
1-5 **Japan's GDP growth and industrial production**

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



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

Source: Eurostat



2. Private consumption

Private consumption *(preliminary GDP)* climbed 0.4 percent quarter-on-quarter and 1.1 percent year-on-year in the second quarter of 2012.

(Percentage change from previous period)

	2010				2011[1]					2012[1]	
	Annual	Q2	Q3	Q4	Annual	Q1	Q2	Q3	Q4	Q1	Q2
Private consumption[2]	4.4	0.7	1.2	0.4	2.3	0.6	0.8	0.2	-0.4	1.0	0.4
y-o-y	-	3.9	3.9	3.0	-	2.9	3.0	2.1	1.1	1.6	1.1

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

Retail sales in August fell 3.0 percent month-on-month and 0.3 percent year-on-year due to a decrease in the sale of durable goods, semi-durable goods and non-durable goods.

Durable goods sales, despite improved sales of computer & telecommunication equipment and electronic appliances, fell 3.5 percent month-on-month due to automobile sales being hit hard by labor strikes in the auto industry. Semi-durable goods and non-durable goods sales also decreased 5.1 percent and 1.4 percent, respectively.

(Percentage change from previous period)

	2010	2011					2012			
	Annual	Annual[1]	Q1	Q2	Q3	Q4	Q1	Q2	Jul[1]	Aug[1]
Consumer goods sales	6.7	4.3	1.5	0.1	1.6	-1.3	1.0	0.2	3.5	-3.0
y-o-y	-	-	5.4	5.7	4.7	1.9	2.0	1.0	2.7	-0.3
- Durable goods[2]	14.8	10.8	4.3	-0.5	1.8	-2.4	3.0	1.3	7.1	-3.5
· Automobiles	11.1	5.9	5.9	-4.9	3.6	-11.3	2.8	8.1	3.0	-13.5
- Semi-durable goods[3]	6.8	4.2	0.8	0.7	1.2	-0.3	-0.3	-0.3	2.0	-5.1
- Non-durable goods[4]	2.2	1.1	0.2	0.0	2.1	-0.5	0.7	-1.0	1.8	-1.4

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

Large discount stores saw their sales increase thanks to operations that resumed on Sundays at some stores, but sales at department stores, specialized retailers and nonstore retailers all decreased.

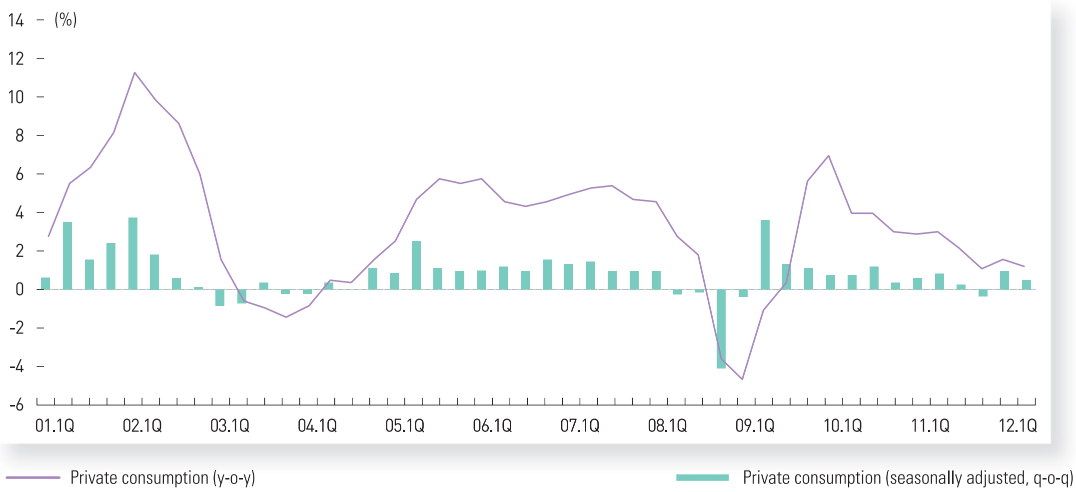
(Percentage change from previous period)

	2010	2011					2012			
	Annual	Annual[1]	Q1	Q2	Q3	Q4	Q1	Q2	Jul[1]	Aug[1]
- Department stores	8.8	8.1	2.2	0.5	1.2	-0.6	-0.8	1.1	6.4	-3.3
- Large discounters	4.5	3.9	1.2	1.0	0.2	0.3	-1.2	-2.1	0.2	4.1
- Specialized retailers[2]	5.7	3.3	1.3	-0.5	2.1	-3.1	1.5	-0.2	4.7	-5.8
- Nonstore retailers	15.6	8.6	1.4	1.2	2.8	0.6	2.7	2.4	5.9	-3.1

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

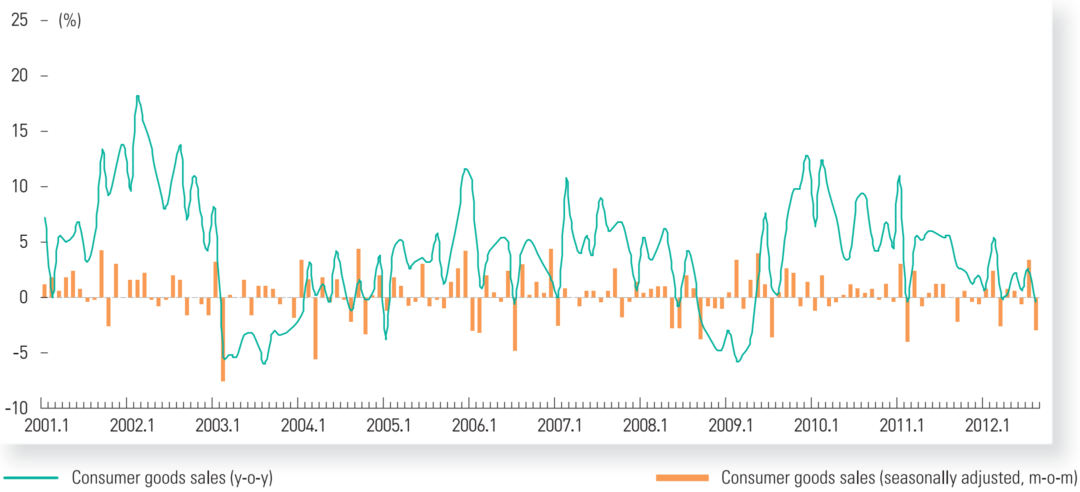
2-1 Private consumption

Source: The Bank of Korea (national accounts)



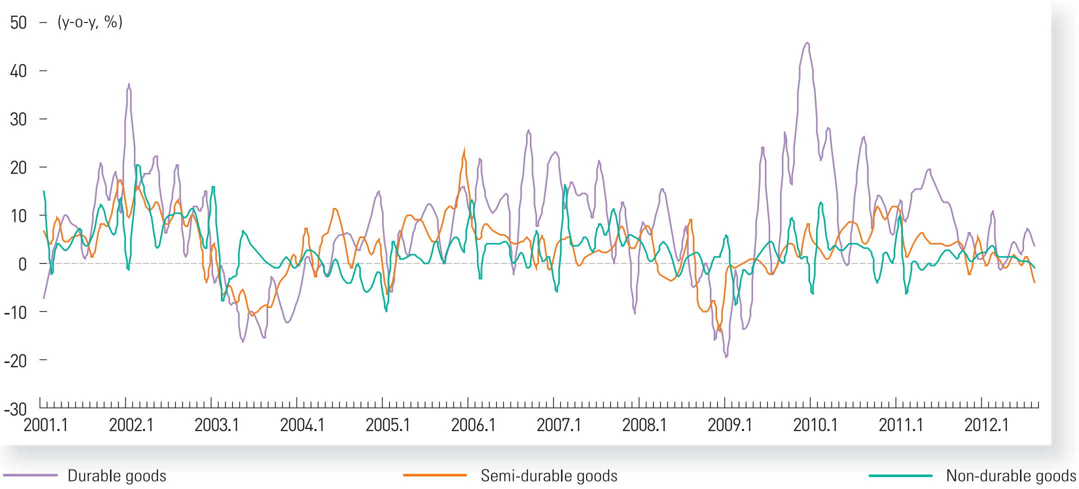
2-2 Consumer goods sales

Source: Statistics Korea (industrial activity trend)



2-3 Consumer goods sales by type

Source: Statistics Korea (industrial activity trend)



September retail sales are expected to increase in the absence of the previous month's temporary factors such as labor strikes and on the back of the *Chuseok* holiday, which fell on a later day than the previous year (from September 12 last year to September 30 this year). Also, advanced indicators are on the rise.

Year-on-year credit card sales significantly rose in September compared to the previous month. The decrease in department store sales decelerated in September due to increased gift demand for the *Chuseok* holiday.

Discount store sales have been decreasing year-on-year at a slower pace, as the stores began to resume operations on Sundays.

Gasoline price growth has slowed down and gasoline sales increased year-on-year due to higher traffic volumes during the *Chuseok* holiday.

Gasoline prices (won per liter)
1,903 (July, 4th week) → 1,924 (Aug, 1st week) → 1,939 (2nd week) → 1,959 (3rd week) → 1,990 (4th week) → 2,014 (5th week)
* Average daily traffic in highways during the *Chuseok* holiday (September 28-30 in 2012) was 4.24 million, up 13.9 percent from the previous year's 3.72 million.

The pace of decrease in automobile sales slowed down compared to the previous year, thanks to the supply that got back to normal after the strikes ended.

(y-o-y, %)

	2012								
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
- Credit card sales	11.2	24.9	14.5	18.3	15.3	13.7	13.7	8.0	15.7
- Department store sales	-4.1	2.9	1.6	-3.4	1.0	-2.0	-1.3	-6.9	-0.1
- Large discounter sales	2.7	-6.4	3.2	-2.4	-5.7	-7.2	-8.2	-3.3	-0.1
- Domestic sales of gasoline	7.6	4.4	4.1	5.6	5.2	8.2	-2.1	-2.7	0.7
- Domestically made car sales	-18.2	6.4	-9.8	-6.9	1.3	-3.7	-4.0	-20.2	-3.1

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

Consumer confidence continues to struggle due to external and domestic uncertainties, but conditions for consumption, such as prices and wages, continue to improve.

Consumer sentiment in September fell below the base level of 100 for a second successive month due to economic uncertainties.

Consumer sentiment index (CSI, base=100)
98 (Jan 2012) → 100 (Feb) → 101 (Mar) → 104 (Apr) → 105 (May) → 101 (Jun) → 100 (Jul) → 99 (Aug) → 99 (Sep)

Low inflation and rebounded wage increase and employment are improving conditions for consumption.

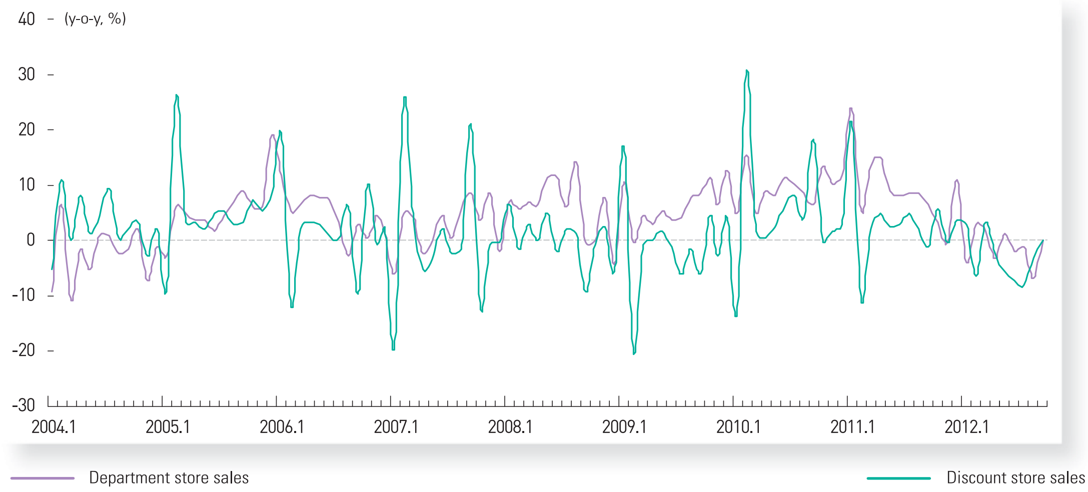
Consumer prices (y-o-y, %)
3.4 (Jan 2012) → 3.1 (Feb) → 2.6 (Mar) → 2.5 (Apr) → 2.5 (May) → 2.2 (Jun) → 1.5 (Jul) → 1.2 (Aug) → 2.0 (Sep)

Employment growth (y-o-y, thousand)
536 (Jan 2012) → 447 (Feb) → 419 (Mar) → 455 (Apr) → 472 (May) → 365 (Jun) → 470 (Jul) → 364 (Aug)

Income growth rate (y-o-y, %)
13.3 (Jan 2012) → 4.2 (Feb) → 5.5 (Mar) → 4.4 (Apr) → 4.7 (May) → 6.2 (Jun) → 3.4 (Jul)

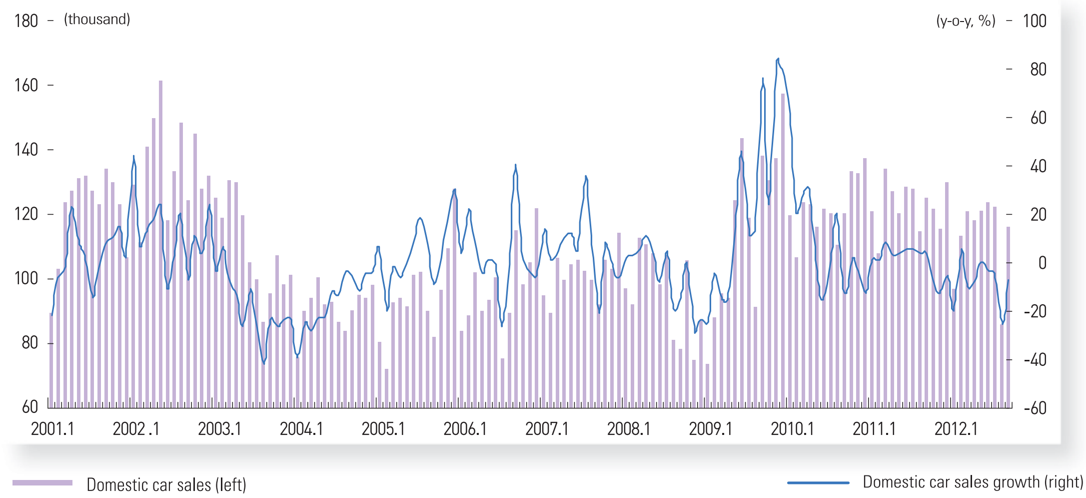
2-4 **Department store and discount store sales** (current value)

Source: Ministry of Knowledge Economy (monthly retail sales)



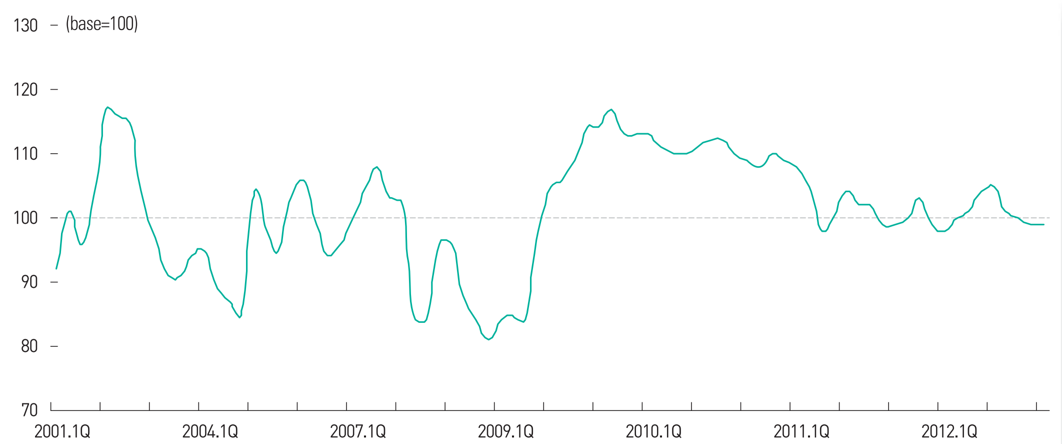
2-5 **Domestically-made automobile sales**

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



2-6 **Consumer sentiment index**

Source: The Bank of Korea



3. Facility investment

Facility investment *(preliminary GDP)* in the second quarter of 2012 decreased 6.4 percent quarter-on-quarter and 2.9 percent year-on-year.

(Percentage change from previous quarter)

	2010			2011[1]					2012[1]	
	Annual	Q3	Q4	Annual	Q1	Q2	Q3	Q4	Q1	Q2
Facility investment[2]	25.7	4.6	-0.2	3.7	-1.6	4.7	-1.8	-4.3	10.3	-6.4
y-o-y	-	26.3	16.9	-	10.3	7.7	1.2	-3.3	8.6	-2.9
- Machinery	31.2	7.1	-1.4	4.1	-1.9	5.0	-2.5	-2.5	11.4	-
- Transportation equipment	8.3	-4.7	4.9	1.9	-0.7	3.7	0.9	-11.2	6.1	-

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

The facility investment index in August fell 13.9 percent month-on-month and 14.3 percent year-on-year due to a decrease in machinery and transportation equipment investment.

(Percentage change from previous quarter)

	2010	2011					2012[1]				
	Annual	Annual	Q1	Q2	Q3	Q4	Q1	Q2[1]	Jun	Jul[1]	Aug[1]
Facility investment index	24.2	0.7	-1.9	3.6	-1.5	-5.0	11.3	-3.3	-4.9	1.5	-13.9
y-o-y	-	-	5.4	5.7	-3.1	-4.7	9.3	-0.4	-4.5	1.3	-14.3
- Machinery	29.4	1.7	-3.5	6.0	-2.2	-3.1	10.2	-4.6	-8.6	3.2	-10.0
- Transportation equipment	4.5	-4.1	6.1	-7.2	1.6	-12.9	14.7	5.1	13.5	-5.9	-33.2

1. Preliminary *Source: Statistics Korea*

Facility investment is projected to have difficulties given leading indicators such as machinery orders and facility investment adjustment pressure, but improved weather conditions in September and the end of labor strikes at major car companies will probably have a positive impact on the investment.

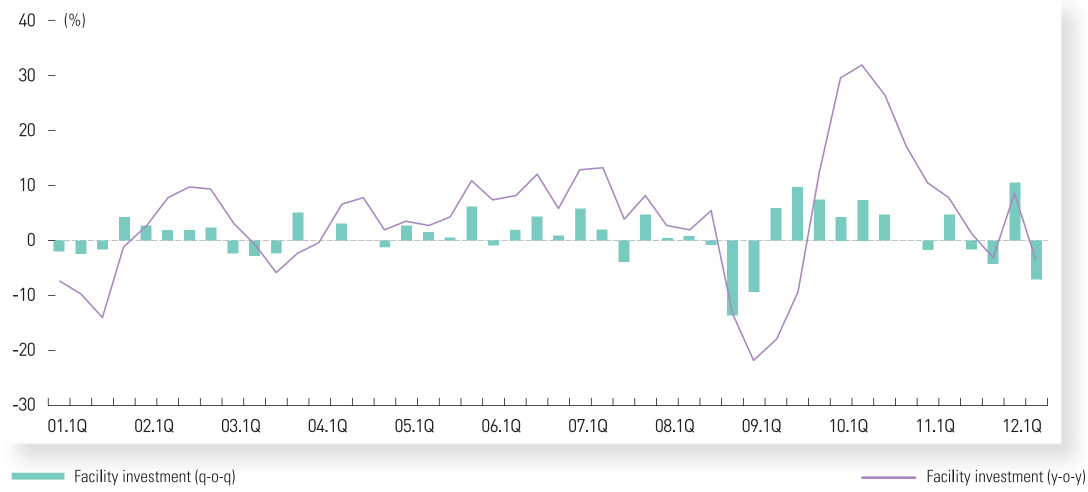
(Percentage change from same period in previous year)

	2010	2011					2012[1]				
	Annual	Annual	Q1	Q2	Q3	Q4	Q1	Q2[1]	Jun	Jul[1]	Aug[1]
Domestic machinery orders	8.3	11.0	19.5	10.0	3.4	11.5	-2.4	-18.5	-33.3	-6.8	-16.1
q-o-q, m-o-m	-	-	9.2	-0.3	-5.4	8.8	-7.1	-12.0	-18.5	20.2	-8.7
- Public	-37.7	11.2	-10.5	81.1	6.1	-3.1	104.5	-47.3	-58.1	72.7	30.2
- Private	18.3	11.0	22.7	4.9	3.2	14.7	-10.8	-15.0	-27.6	-13.4	-19.3
Machinery imports	40.4	7.1	8.1	10.6	9.3	1.0	15.1	-4.3	-14.5	-6.3	-23.5
Manufacturing average operation ratio	80.9	79.9	82.2	79.9	79.6	78.0	79.9	78.9	78.1	77.0	73.8
Facility investment adjustment pressure[2]	8.9	1.6	3.6	1.1	1.0	0.8	0.8	-1.8	-2.0	-3.4	-3.1

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

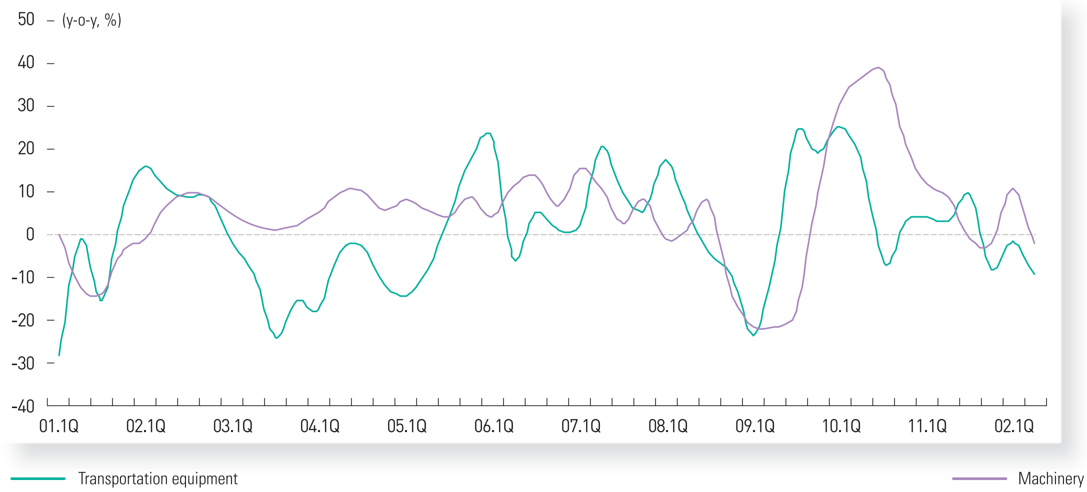
3-1 **Facility investment**

Source: The Bank of Korea (national accounts)



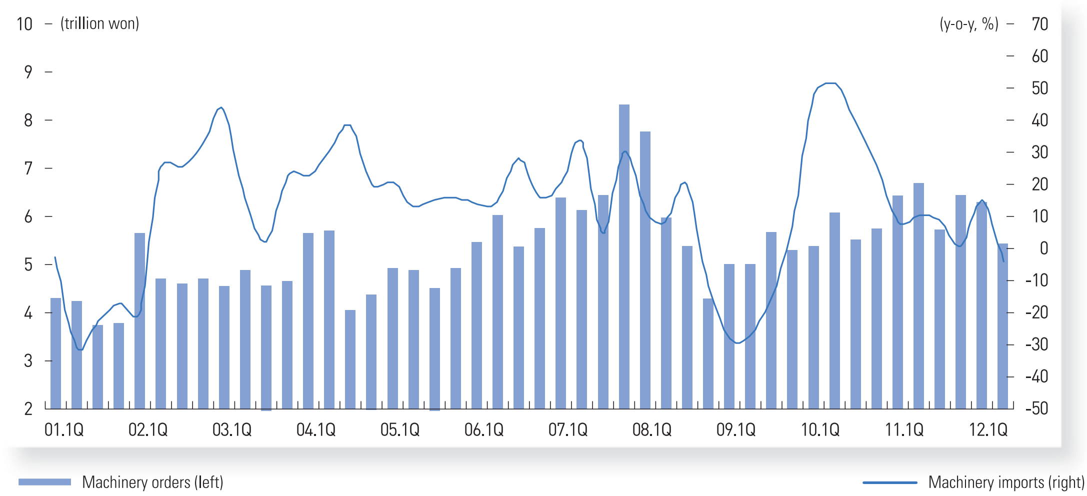
3-2 **Facility investment by type**

Source: The Bank of Korea (national accounts)



3-3 **Machinery orders and machinery imports**

Source: Korea International Trade Association (KITA) & Statistics Korea



4. Construction investment

Construction investment *(preliminary GDP)* in the second quarter of 2012 increased 0.3 percent quarter-on-quarter, but decreased 1.4 percent year-on-year.

(Percentage change from previous quarter)

	2010			2011[1]					2012[1]	
	Annual	Q3	Q4	Annual	Q1	Q2	Q3	Q4	Q1	Q2
Construction investment[2]	-3.7	-0.9	-1.9	-5.0	-4.4	3.5	-0.5	0.1	-1.2	0.3
y-o-y	-	-4.9	-5.2	-	-11.0	-4.2	-4.0	-2.1	1.5	-1.4
- Building construction	-1.6	-1.0	0.1	-4.1	-5.3	4.5	-1.1	-0.6	3.8	-
- Civil engineering works	-6.2	-0.8	-4.6	-6.0	-3.2	2.3	0.3	1.0	-7.7	-

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

The value of completed construction *(constant)* in July fell 6.6 percent month-on-month and 7.3 percent year-on-year, due to a decrease in both building construction and civil engineering works.

(Percentage change from previous quarter)

	2010	2011					2012[1]				
	Annual	Annual	Q1	Q2	Q3	Q4	Q1	Q2[1]	Jun	Jul[1]	Aug[1]
Value of completed construction (constant)	-3.3	-6.7	-3.8	2.0	-4.3	5.7	-6.8	-4.5	-2.8	5.9	-6.6
y-o-y	-	-	-12.6	-6.6	-8.4	-0.5	-3.7	-10.8	-16.2	0.2	-7.3
- Building construction	-7.0	-8.4	-4.7	1.0	-3.7	4.9	-3.4	-10.2	-6.3	10.6	-10.3
- Civil engineering works	2.2	-4.5	-2.5	3.1	-5.1	6.6	-11.2	3.3	1.6	0.6	-2.0

1. Preliminary
Source: Statistics Korea

(Percentage change from same period in previous year)

	2009	2011					2012				
	Annual	Annual	Q1	Q2	Q3	Q4	Q1	Q2[1]	Jun	Jul[1]	Aug[1]
Construction orders (current value)	-17.7	4.0	-11.8	-1.7	1.5	22.4	36.6	0.8	2.6	23.8	-29.9
q-o-q, m-o-m	-	-	12.5	11.7	3.3	-1.9	25.4	-20.9	29.5	-14.1	-16.4
- Building construction	-8.9	10.9	-7.7	-2.5	9.8	40.6	31.3	-4.3	-12.6	57.3	-22.0
- Civil engineering works	-28.3	-6.6	-17.2	0.1	-11.0	-1.1	44.5	11.5	25.8	-4.7	-49.4
Building permit area	19.3	9.9	21.5	3.8	58.7	-14.8	8.7	1.2	8.8	9.4	-27.3

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

Housing markets continue to struggle and leading indicators such as construction orders and building permits are falling. However, the expectations for revitalized housing markets are increasing as construction companies' sentiment rose to a highest level this year in September due to lowered acquisition tax.

Housing transaction growth (y-o-y, %)

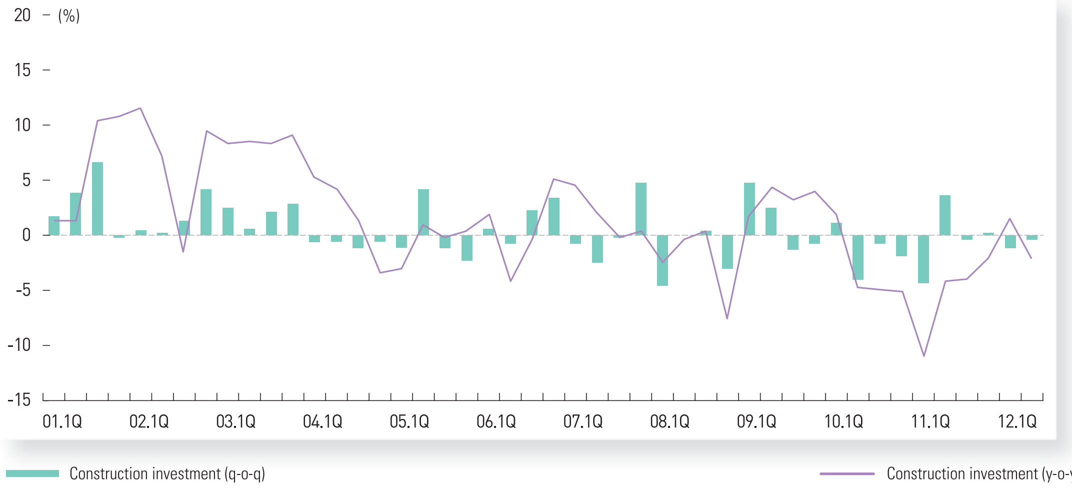
-58.8 (Jan 2012) → -28.4 (Feb) → -29.8 (Mar) → -26.8 (Apr) → -20.2 (May) → -29.3 (Jun) → -22.1 (Jul) → -34.6 (Aug)

	2012								
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Business survey index (base=100) for construction companies	62.3	66.7	69.9	66.4	65.4	63.8	65.7	59.0	70.6

Source: Construction and Economy Research Institute of Korea

4-1 **Construction investment**

Source: The Bank of Korea (national accounts)



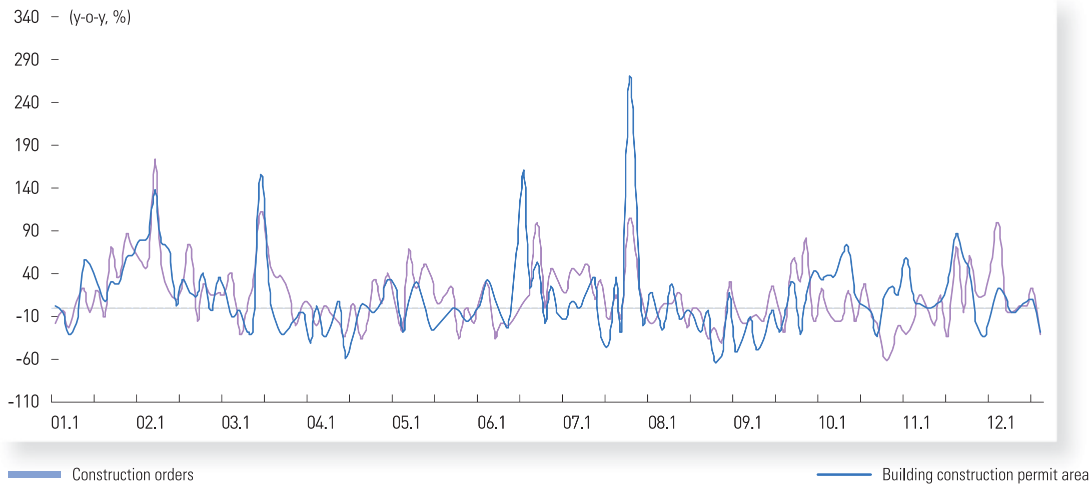
4-2 **Construction investment by type**

Source: The Bank of Korea (national accounts)

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

September exports decreased 1.8 percent *(preliminary)* year-on-year to US$45.66 billion.

Despite a decline in vessel exports, exports in September fell at a slower pace than in July and August due to an increase in exports of petroleum products and mobile phones.

Exports by item (y-o-y, %)

24.0 (petroleum products), 10.0 (mobile phones), 1.4 (auto parts), -50.6 (vessels), -9.1 (steel), -5.0 (automobiles)

* An increase in exports of petroleum products and mobile phones was attributable to a rise in the unit value of petroleum products from US$121 to US$127 per barrel thanks to rebounded oil prices, as well as overseas production of mobile phones that have expanded fairly since September 2011 and the popularity of newly launched models.
* Vessel exports fell to US$1.6 billion from US$3.2 billion in the previous year, driving down the total amount of exports.

Average daily exports in September was US$2.08 billion, down from the previous year's US$2.11 billion, but up compared to the previous month's US$1.79 billion when the vacation season and other temporary seasonal factors had an impact on exports.

Average daily exports (US$ billion)

2.11 (Sep 2011) → 1.98 (Q4 2011) → 1.97 (Q1 2012) → 2.10 (Q2) → 1.86 (Jul) → 1.79 (Aug) → 2.08 (Sep)

With exports to the EU and the US decreasing, exports to the Middle East and the ASEAN countries have continued to increase, and exports to China turned positive.

Exports by region (y-o-y, %)

-5.1 (EU), -0.4 (US), 1.1 (China), 17.8 (Middle East), 0.4 (ASEAN countries)

However, when excluding vessel exports, which are affected by the economic conditions of two or three years in the past, the exports registered a small increase.

Exports (y-o-y, %)

3.0 (Q1 2012) → -1.6 (Q2) → -8.7 (Jul) → -6.2 (Aug) → -1.8 (Sep)

Exports excluding vessel exports (y-o-y, %)

7.0 (Q1 2012) → 0.1 (Q2) → -3.3 (Jul) → -3.2 (Aug) → 1.7 (Sep)

(US$ billion)

	2010	2011					2012				
	Annual	Annual	Q1	Q2	Q3	Q4	Q1	Q2	Aug	Sep[1]	Jan-Sep[1]
Exports	466.38	555.21	130.99	142.69	141.24	140.37	134.89	140.33	42.97	45.66	408.43
(y-o-y, %)	19.6	19.0	29.6	18.7	21.4	9.0	3.0	-1.6	-6.2	-1.8	-1.5
Average daily exports	1.70	2.01	1.98	2.08	2.03	1.98	1.97	2.09	1.79	2.08	1.99
Imports	425.21	524.41	123.91	134.29	134.92	131.26	133.40	131.11	40.98	42.51	389.67
(y-o-y, %)	31.6	23.3	26.1	27.2	27.7	13.4	7.6	-2.4	-9.7	-6.1	-0.9
Average daily imports	1.46	1.91	1.87	1.96	1.96	1.85	1.95	1.96	1.71	1.93	1.90

1. Preliminary

Source: Korea Customs Service

Imports in September fell 6.1 percent *(preliminary)* year-on-year to US$42.51 billion.

Despite an increase in oil imports caused by rebounded oil prices, imports of commodities *(down 3.9%)* fell due to a decline in those of other commodities. Imports of capital goods *(down 4.0%)* also fell, but those of consumer goods *(up 5.3%)* increased slightly.

The trade balance *(preliminary)* in September posted a surplus of US$3.15 billion.

(US$ billion)

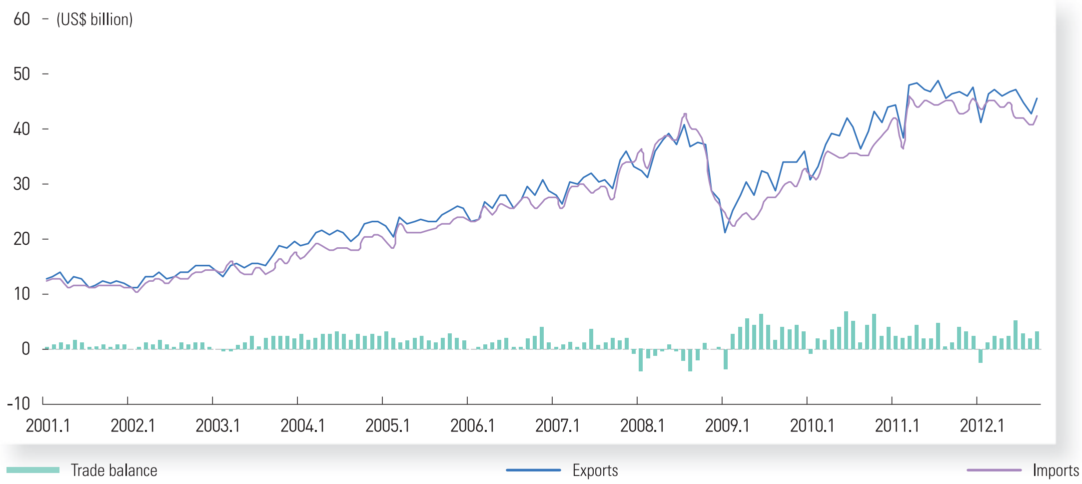
	2010	2011					2012				
	Annual	Annual	Q1	Q2	Q3	Q4	Q1	Q2	Aug	Sep[1]	Jan-Sep[1]
Trade balance	41.17	30.80	7.08	8.40	6.30	9.16	1.45	9.22	2.00	3.15	18.76

1. Preliminary

Source: Korea Customs Service

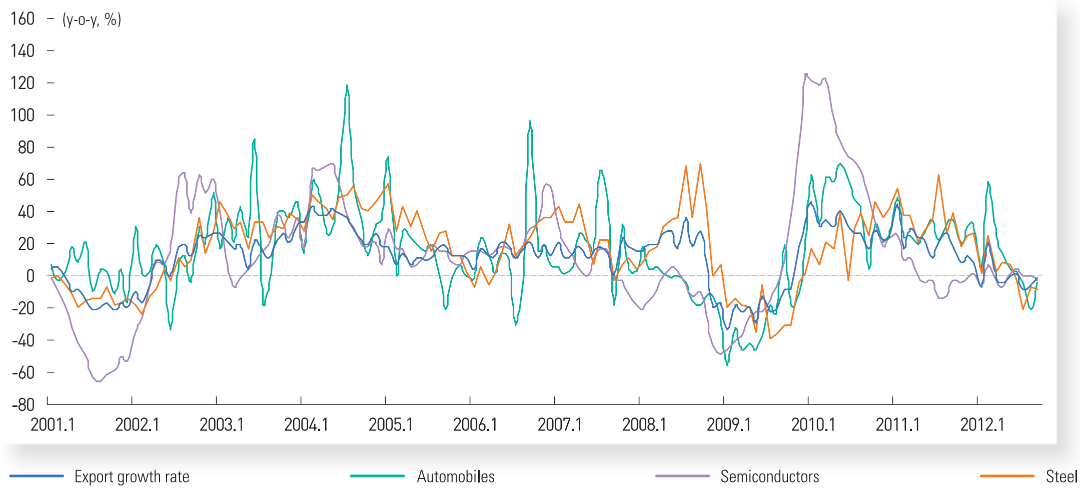
5-1 **Exports and imports**

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



5-2 **Exports by type**

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



5-3 **Imports by type**

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

6. Mining and manufacturing production

Despite an increase in the production of semiconductors & parts and clothing & fur, mining and manufacturing production in August fell 0.7 percent month-on-month due to a decrease in the production of automobiles and machinery equipment. On a yearly basis, however, production increased 0.3 percent.

The production of semiconductors & parts *(up 9.1 %)*, clothing & fur *(up 15.3%)* and medicine & medical products *(up 3.0%)* increased month-on-month, while that of automobiles *(down 17.3%)*, machinery equipment *(down 4.7%)* and processed metals *(down 6.1%)* decreased month-on-month.

The production of semiconductors & parts *(up 11.5%)*, chemical products *(up 6.5%)*, and primary metals *(up 3.4%)* increased year on year, while that of automobiles *(down 19.4%)*, machinery equipment *(down 8.7%)* and audio-visual communications equipment *(down 10.6%)* fell year-on-year.

The manufacturing inventory-shipment ratio increased by 8.7 percentage points month-on-month as inventory increased 4.7 percent and shipments fell 3.1 percent.

Shipments of semiconductors & parts *(up 8.4%)*, clothing & fur *(up 7.4%)*, and medicine & medical products *(up 5.0%)* increased month-on-month, while those of automobiles *(down 15.9%)*, refined petroleum products *(down 10.5%)* and machinery equipment *(down 7.3%)* declined.

Inventories of semiconductors & parts *(up 11.9%)*, refined petroleum products *(up 28.5%)* and chemical products *(up 5.4%)* climbed month-on-month, while those of automobiles *(down 3.9%)* and processed metals *(down 2.0%)* slipped.

The average operation ratio of the manufacturing sector fell by 3.2 percentage points to 73.8 percent month-on-month.

(Percentage change from previous quarter or month)

		2011				2012[1]				
		Annual	Q1	Q4	May	Q1	Q2[1]	Jun	Jul[1]	Aug[1]
Mining and manufacturing activity[2]	Production (q-o-q, m-o-m)	-	4.5	-0.1	1.3	2.2	-0.1	-0.5	-1.9	-0.7
	(y-o-y)	6.9	10.4	5.0	8.3	3.8	1.5	1.6	0.2	0.3
	- Manufacturing (q-o-q, m-o-m)	-	4.6	0.1	1.4	2.2	-0.1	-0.5	-2.1	-0.9
	(y-o-y)	7.0	10.6	5.3	8.5	4.2	1.5	1.6	0.1	0.3
	Shipment	6.7	3.9	-0.3	0.7	2.5	0.1	-0.6	-2.1	-3.1
	- Domestic demand	3.3	2.9	-2.0	1.7	1.6	-0.1	-0.6	1.4	-4.9
	- Exports	10.8	4.9	1.5	-0.4	3.6	0.5	-0.6	-5.8	-1.0
	Inventory[3]	20.8	0.4	9.3	0.7	-2.9	-2.3	-2.9	0.0	4.7
Manufacturing activity	Average operation ratio (%)	79.9	82.2	78.0	79.9	79.9	78.9	78.1	77.0	73.8
	Production capacity[4]	5.4	7.0	4.5	6.1	3.4	3.3	3.6	3.5	3.4

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

3. End-period 4. Percentage change from same period in previous year

Source: Statistics Korea

Mining and manufacturing production may improve as the automobile industry resumed its production after the conclusion of the labor strikes and exports of major items such as semiconductors and petroleum products increased.

Semiconductor exports (US$ billion)

3.76 (Jan 2012) 3.87 (Feb) 4.31 (Mar) 3.83 (Apr) 4.23 (May) 4.35 (Jun) 3.94 (Jul) 4.10 (Aug) 4.46 (Sep)

Petroleum product exports (US$ billion)

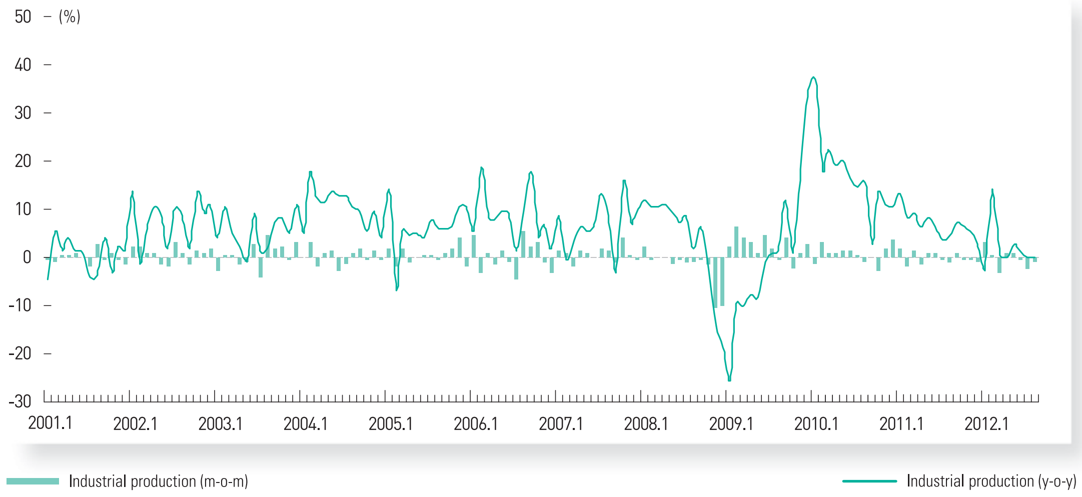
4.41 (Jan 2012) 4.63 (Feb) 4.77 (Mar) 4.29 (Apr) 4.45 (May) 4.61 (Jun) 4.30 (Jul) 4.76 (Aug) 5.26 (Sep)

Automobile exports (US$ billion)

3.43 (Jan 2012) 4.41 (Feb) 4.57 (Mar) 4.17 (Apr) 3.94 (May) 4.50 (Jun) 3.73 (Jul) 2.52 (Aug) 3.52 (Sep)

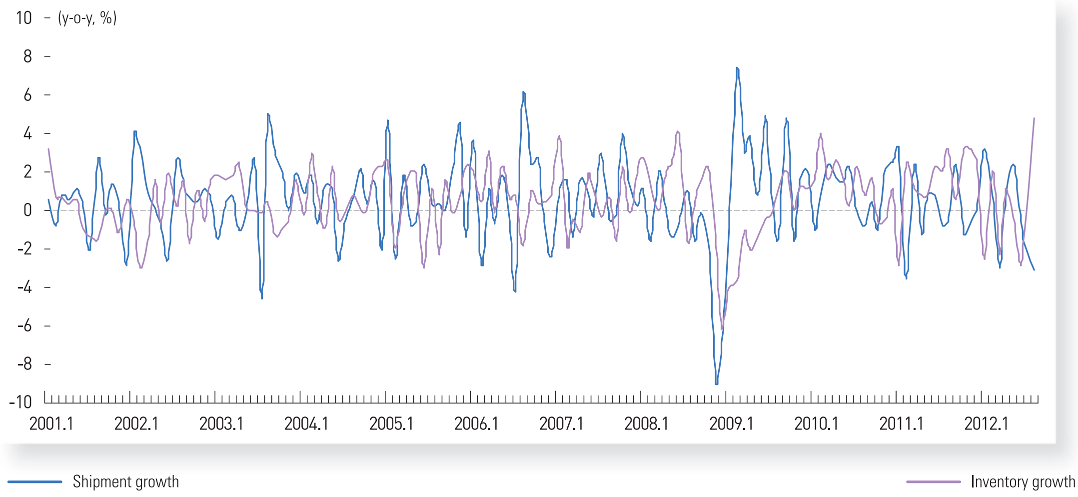
6-1 **Industrial production**

Source: Statistics Korea (industrial activity trend)



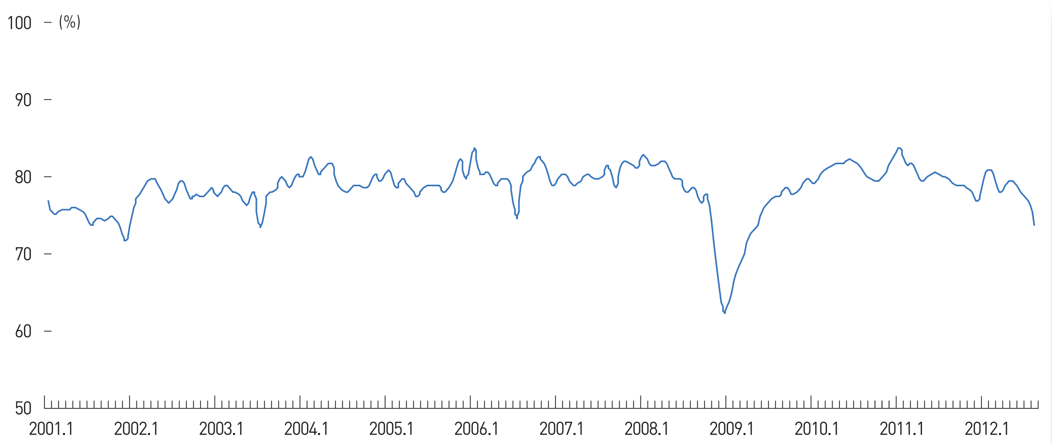
6-2 **Shipment and inventory**

Source: Statistics Korea (industrial activity trend)



6-3 **Average manufacturing operation ratio**

Source: Statistics Korea (industrial activity trend)



7. Service sector activity

Despite an increase in hotels & restaurants and financial & insurance services, service activity in August fell 0.3 percent from the previous month as wholesale & retail showed. On a yearly basis, service activity rose 0.6 percent.

Wholesale & retail was the main factor behind the month-on-month decline in service activity, falling 1.9 percent led by poor sales in automobiles.

Transportation services declined 0.2 percent, due to lower demand for moving services.

Domestic migration (y-o-y, %)

-9.0 (Jan 2012) ➡ 4.2 (Feb) ➡ -13.1 (Mar) ➡ -6.4 (Apr) ➡ -7.0 (May) ➡ -14.0 (Jun) ➡ -2.6 (Jul) ➡ -17.0 (Aug)

Hotels & restaurants and financial & insurance services each showed month-on-month growth for two and three months in a row, respectively.

Real estate & renting rose 0.8 percent month-on-month, but fell 2.9 percent year-on-year.

(Percentage change from previous period)

	Weight	2010	2011					2012			
		Annual	Annual	Q1	Q2	Q3	Q4	Q1	Q2	Jul[1]	Aug[1]
Service activity index	100.0	3.9	3.3	1.6	0.2	1.3	-0.5	1.0	0.1	0.7	-0.3
- Wholesale & retail	21.8	5.7	3.8	1.4	1.4	0.7	-0.7	0.1	0.6	2.3	-1.9
- Transportation services	9.0	11.9	3.9	2.6	-1.6	1.0	-1.0	1.5	-0.2	-0.2	-0.2
- Hotels & restaurants	7.7	1.2	-0.5	-0.4	1.0	-0.3	-1.5	-0.2	2.5	0.1	0.4
- Publishing & communication services	8.4	1.7	4.4	1.1	0.5	2.8	0.3	1.0	0.5	-2.1	0.9
- Financial & insurance services	15.3	4.6	7.3	3.0	0.1	2.7	0.1	1.4	-1.8	1.4	0.1
- Real estate & renting	6.3	-8.5	-10.2	3.3	-2.2	-0.3	-6.4	-0.2	3.1	3.0	0.8
- Professional, scientific & technical services	4.8	-0.5	0.3	-1.5	2.0	1.0	1.4	1.8	-0.9	2.1	-1.5
- Business services	2.9	7.5	4.3	0.8	0.9	0.2	0.4	1.7	1.1	-1.1	-0.8
- Educational services	10.8	2.0	2.4	0.2	-0.9	1.7	0.4	1.2	-1.3	-0.4	1.3
- Healthcare & social welfare services	6.0	8.8	6.3	3.3	0.6	1.4	1.6	1.7	2.4	1.0	0.3
- Entertainment, cultural & sports services	2.9	-0.4	2.3	1.1	0.0	0.7	0.1	4.3	-2.7	-3.5	-0.1
- Membership organizations	3.8	4.3	1.1	-0.3	1.1	-0.3	-2.1	-0.2	0.4	-0.7	-1.5
- Sewerage & waste management	0.4	5.1	0.0	0.1	-0.5	0.2	3.1	1.0	3.8	-2.6	-3.7

1. Preliminary
Source: Statistics Korea

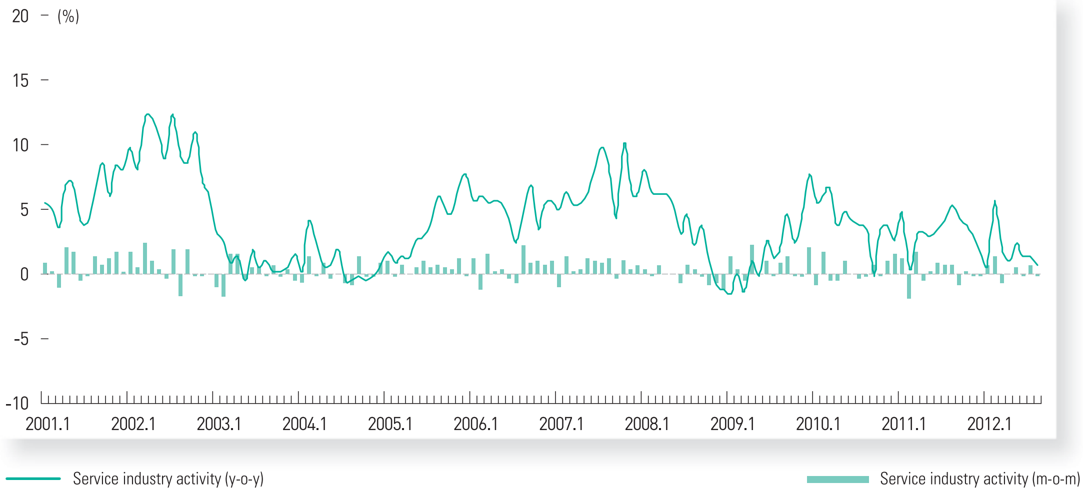
Service activity may improve in September, led by wholesale & retail and financial & insurance services. The *Chuseok* holidays and the conclusion of strikes are expected to have positive effects on wholesale & retail, especially on retail sales. Financial & insurance services will also improve, as the daily stock transaction value surged thanks to the stabilizing financial markets.

Daily stock transaction value (trillion won)

8.2 (Jan 2012) ➡ 9.8 (Feb) ➡ 7.6 (Mar) ➡ 6.9 (Apr) ➡ 6.3 (May) ➡ 5.8 (Jun) ➡ 5.8 (Jul) ➡ 6.2 (Aug) ➡ 7.9 (Sep)

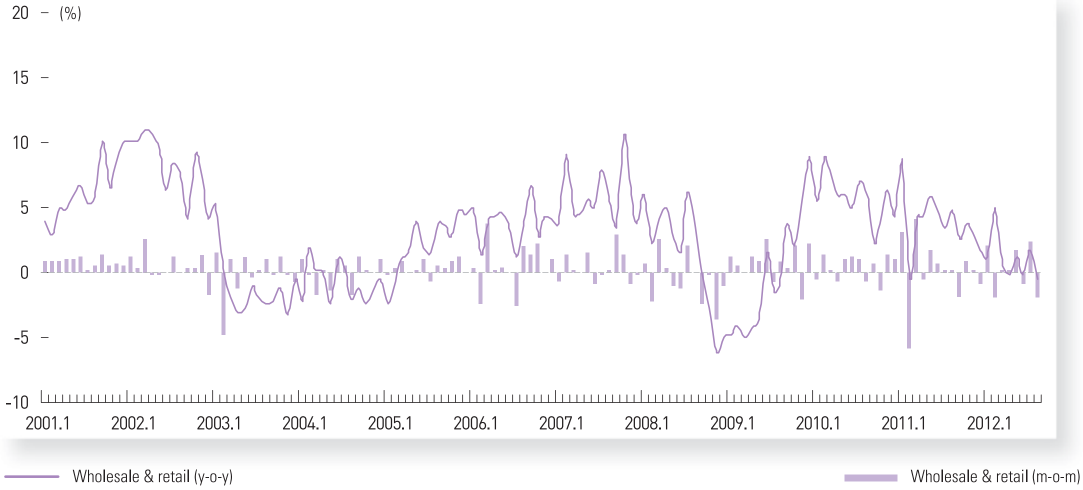
7-1 Service industry

Source: Statistics Korea (service industry activity trend)



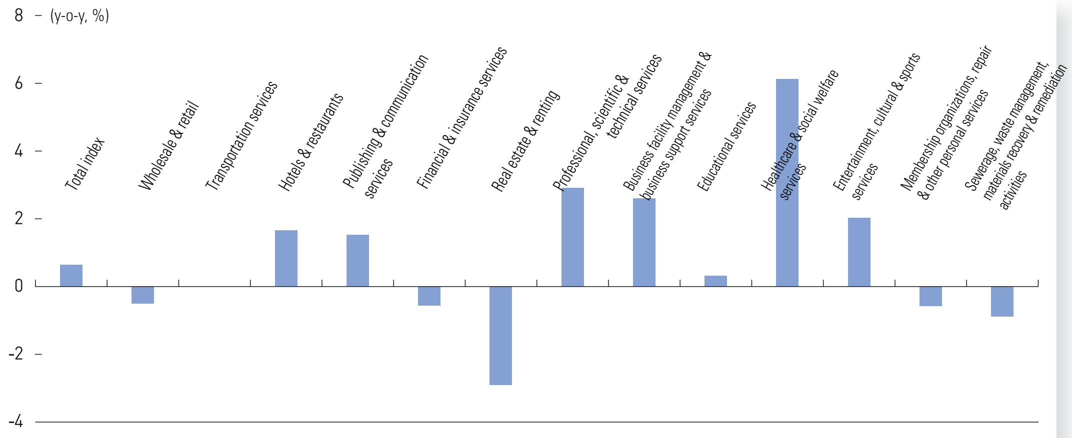
7-2 Wholesale & retail

Source: Statistics Korea (service industry activity trend)



7-3 August 2012 service industry by business

Source: Statistics Korea (service industry activity trend)



8. Employment

The number of workers on payroll in August increased by 364,000 from a year earlier to 24,860,000 and the employment rate rose by 0.1 percentage points year-on-year to 59.7 percent.

Although year-on-year employment growth decelerated slightly due to a base effect, employment has continued to rise, with the number of workers on payroll increasing by 38,000 from July.

Employment growth *(thousand, m-o-m, seasonally adjusted)*
91 (May 2012) → -48 (Jun) → 80 (Jul) → 38 (Aug)

By industry, the service sector *(up 330,000)* led job growth, with health & welfare *(up 92,000)*, and science & technology *(up 89,000)* adding jobs. Manufacturing *(up 80,000)* increased for two months in a row. However, construction jobs decreased due to the construction industry's downturn in the first half of the year and rainfall during the period when the job survey was conducted.

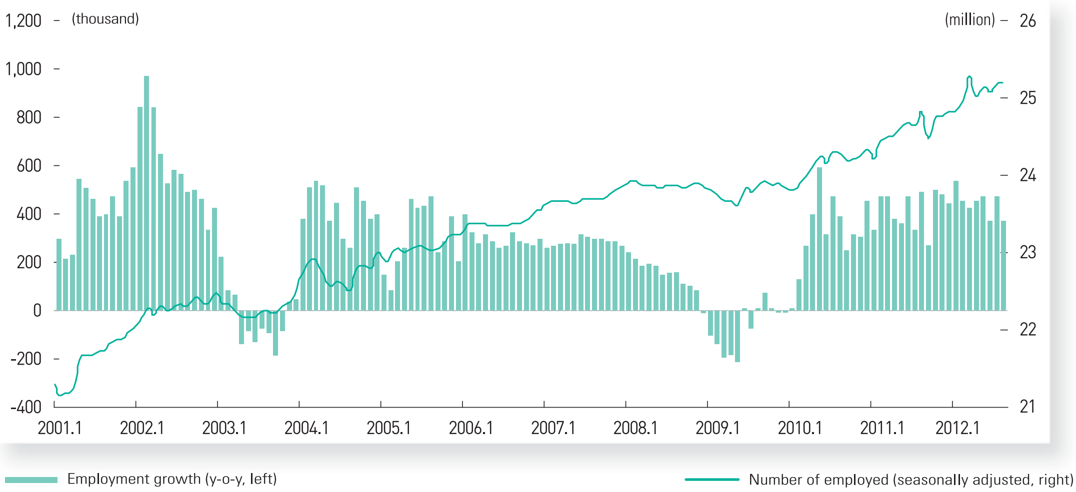
By status of workers, the number of regular workers *(up 494,000)* continued to rise and that of self-employed workers *(up 123,000)* is also rising but by a smaller margin.

	2010			2011						2012			
	Annual	Q3	Q4	Annual	Aug	Q1	Q2	Q3	Q4	Jul	Aug	Q1	Q2
Number of employed (million)	23.83	24.12	23.99	24.24	24.50	23.46	24.57	24.48	24.46	25.11	24.86	23.93	25.00
Employment rate (%)	58.7	59.3	58.9	59.1	59.6	57.4	59.9	59.5	59.4	60.3	59.7	57.8	60.2
(Seasonally adjusted)	58.7	58.9	58.7	59.1	59.5	58.8	59.1	59.1	59.2	59.4	59.5	59.3	59.4
Employment growth (y-o-y, thousand)	323	369	358	415	490	423	402	363	474	470	364	467	430
(Excluding agriculture, forestry & fishery)	405	414	393	440	529	451	399	414	497	457	384	498	454
- Manufacturing	191	262	269	63	-28	228	112	-12	-75	34	80	-102	-66
- Construction	33	92	57	-2	-1	-3	-41	-35	71	27	-35	79	33
- Services	200	83	80	386	572	224	331	472	514	394	330	541	491
- Agriculture, forestry & fishery	-82	-45	-35	-25	-38	-28	3	-51	-23	13	-20	-31	-24
- Wage workers	517	541	532	427	462	519	421	392	374	244	224	360	281
· Regular workers	697	671	699	575	559	605	621	572	500	435	494	413	379
· Temporary workers	-34	-26	-114	-78	-91	-88	-137	-76	-10	-56	-96	110	73
· Daily workers	-146	-104	-53	-70	-6	2	-63	-104	-115	-135	-174	-163	-171
- Non-wage workers	-194	-172	-174	-11	-28	-96	-19	-29	100	227	140	108	150
· Self-employed workers	-118	-130	-146	1	53	-115	-39	34	125	196	123	149	173
- Male	181	207	212	238	267	266	221	208	257	276	225	238	242
- Female	142	163	146	177	223	157	181	155	216	194	139	230	188
- 15 to 29	-43	-44	-57	-35	39	-49	-74	-1	-18	-30	-82	1	-8
- 30 to 39	-4	21	17	-47	-93	-34	-13	-83	-56	-7	42	-65	-80
- 40 to 49	29	40	50	57	61	77	59	46	47	-19	-7	28	8
- 50 to 59	294	295	287	291	300	286	294	270	315	275	218	326	260
- 60 or more	47	57	60	149	182	143	137	131	185	251	192	178	251

Source: Statistics Korea

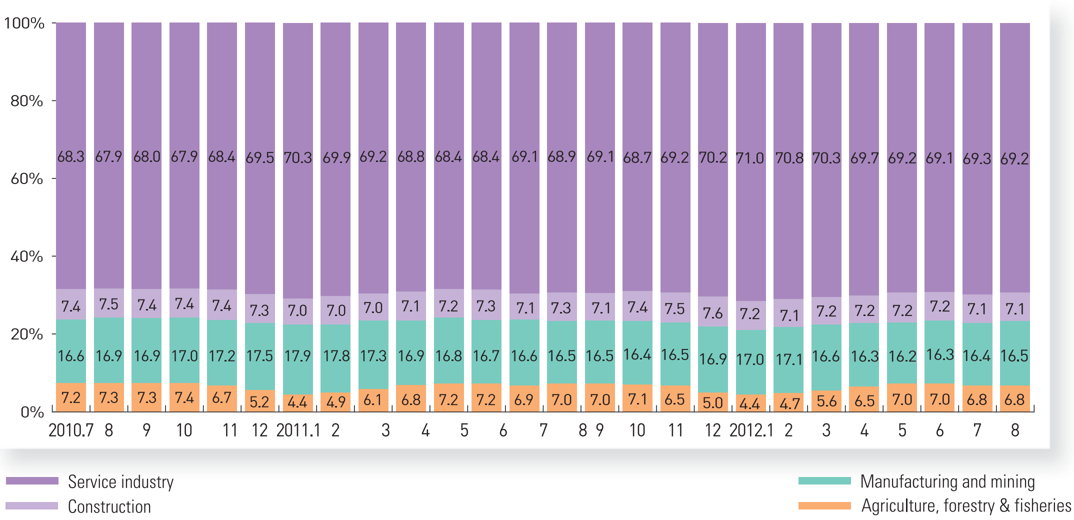
8-1 Number of employed and employment growth

Source: Statistics Korea (employment trend)



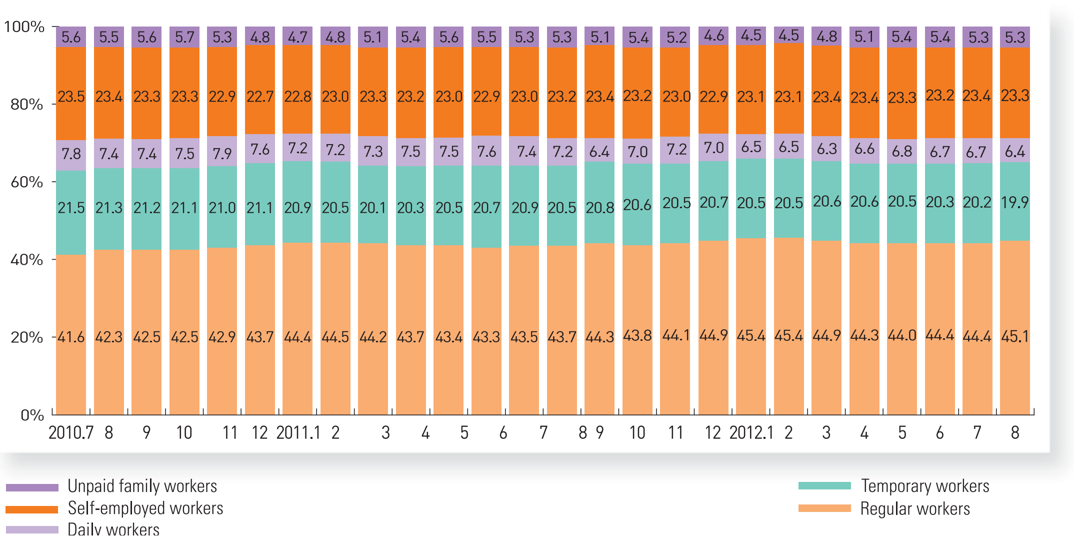
8-2 Share of employed by industry

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 August increased by 2,000 year-on-year to 764,000, while the unemployment rate stayed flat at 3.0 percent.

The unemployment rate of youths aged 15 to 29 rose 0.1 percentage points year-on-year to 6.4 percent.

	2010			2011						2012			
	Annual	Q3	Q4	Annual	Aug	Q1	Q2	Q3	Q4	Jul	Aug	Q1	Q2
Number of unemployed (thousand)	920	873	808	855	762	1,028	865	786	740	795	764	947	841
Unemployment growth (y-o-y, thousand)	31	-13	-10	-65	-69	-101	-3	-88	-68	-42	2	-82	-23
- Male	-7	-48	-16	-48	-37	-70	-32	-48	-41	-29	-12	-54	-19
- Female	38	35	6	-17	-32	-32	29	-40	-27	-13	14	-28	-4
Unemployment rate (%)	3.7	3.5	3.3	3.4	3.0	4.2	3.4	3.1	2.9	3.1	3.0	3.8	3.3
(Seasonally adjusted)	3.7	3.6	3.4	3.4	3.1	3.8	3.4	3.2	3.1	3.1	3.1	3.5	3.3
- 15 to 29	8.0	7.6	7.1	7.6	6.3	8.8	7.9	6.7	7.1	7.3	6.4	8.2	8.1
- 30 to 39	3.5	3.5	3.2	3.4	3.4	4.0	3.5	3.2	2.9	2.9	2.8	3.2	3.2
- 40 to 49	2.5	2.5	2.2	2.1	2.0	2.5	2.1	2.0	1.9	1.8	2.0	2.4	2.0
- 50 to 59	2.5	2.3	2.3	2.1	2.0	2.7	2.0	2.1	1.8	2.1	2.3	2.3	2.0
- 60 or more	2.8	2.0	1.9	2.6	1.8	4.5	2.3	2.1	1.8	2.0	2.1	4.4	2.0

Source: Statistics Korea

The economically inactive population in August was up 180,000 from a year earlier to 16,040,000. Meanwhile, the labor force participation rate rose by 0.1 percentage points to 61.5 percent.

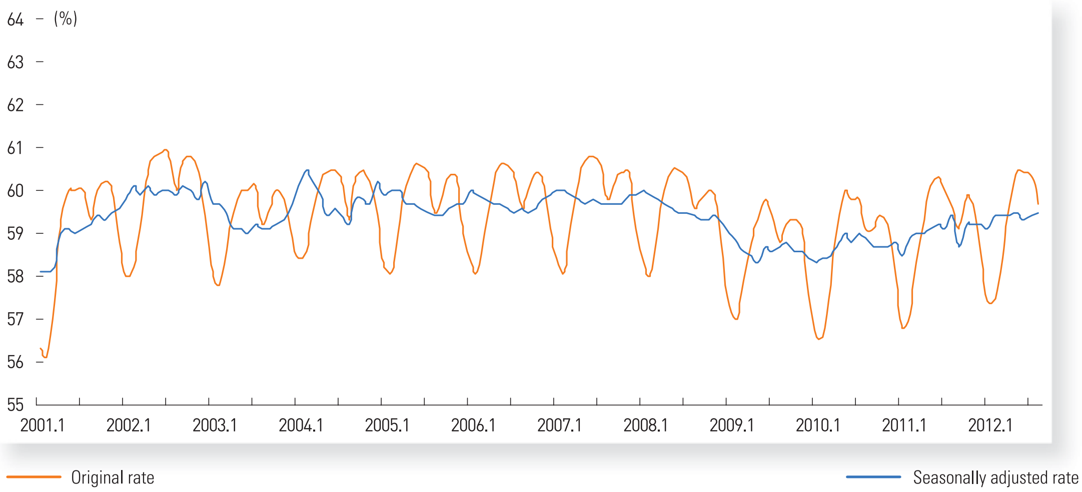
The number of workers quitting jobs due to housework *(up 162,000)* and old age *(up 155,000)* increased while those who quit jobs due to rest, time-off and leisure *(down 84,000)* and disability *(down 30,000)* decreased.

	2010			2011						2012			
	Annual	Q3	Q4	Annual	Aug	Q1	Q2	Q3	Q4	Jul	Aug	Q1	Q2
Economically inactive population (million)	15.84	15.66	15.96	15.95	15.86	16.39	15.56	15.85	16.01	15.73	16.04	16.50	15.67
Labor force participation rate (%)	61.0	61.5	60.8	61.1	61.4	59.9	62.0	61.5	61.1	62.2	61.5	60.1	62.3
(seasonally adjusted)	61.0	61.1	60.8	61.1	61.3	61.1	61.2	61.0	61.1	61.3	61.4	61.4	61.4
Growth in economically inactive population (y-o-y, thousand)	143	128	133	112	47	138	66	191	53	113	180	103	110
- Childcare	-125	-149	-107	-5	19	-44	-16	17	23	-14	-14	-	4
- Housework	201	203	189	101	78	130	27	143	103	144	162	85	181
- Education	12	46	55	-51	-125	-16	-39	-78	-69	12	18	-28	-64
- Old age	80	43	25	-45	-12	-103	-58	-22	2	159	155	76	174
- Rest, time-off and leisure	-56	15	-27	182	162	241	163	193	131	-92	-84	126	-71

Source: Statistics Korea

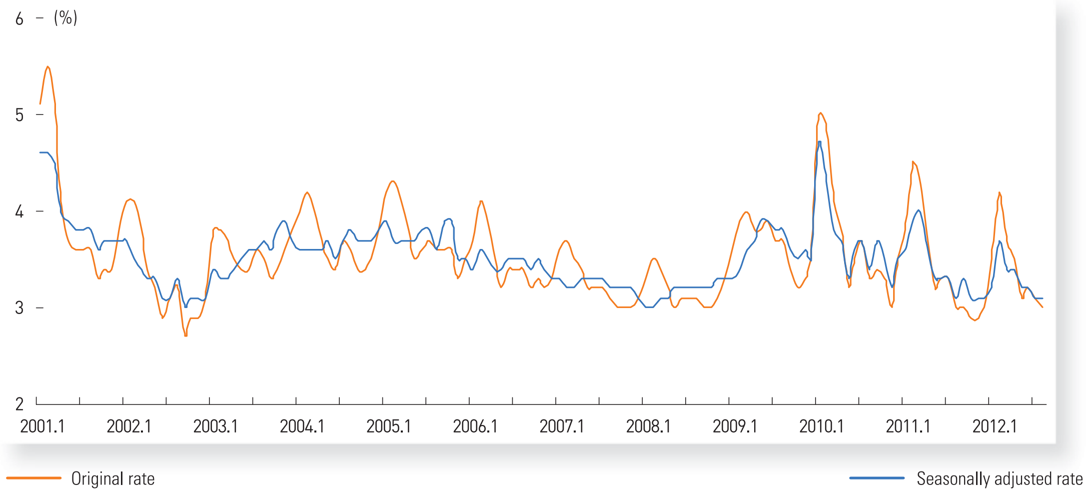
8-4 **Employment rate**

Source: Statistics Korea (employment trend)



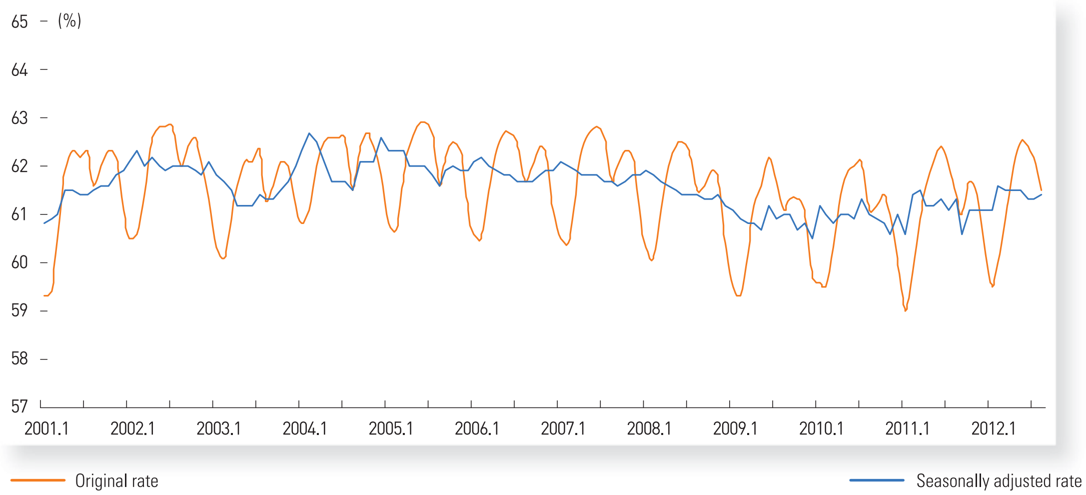
8-5 **Unemployment rate**

Source: Statistics Korea (employment trend)



8-6 **Labor force participation rate**

Source: Statistics Korea (employment trend)



9. Financial market

9.1 Stock market

The Korean stock price index in September rose 4.8 percent to 1,996 points from the previous month's 1,905 points.

The KOSPI Composite soared after the US Federal Reserve announced a third round of QE and S&P upgraded Korea's sovereign credit rating from 'A' to 'A+' on September 14.

Foreign investors remained net buyers of Korean stocks, though the amount decreased from 5 trillion won to 3.3 trillion won.

(End-period, point, trillion won)

	KOSPI			KOSDAQ		
	Aug 2012	Sep 2012	Change[1]	Aug 2012	Sep 2012	Change[1]
Stock price index	1,905.1	1,996.2	91.1 (+4.8%)	508.4	523.8	15.4 (+3.0%)
Market capitalization	1,098.1	1,150.6	52.5 (+4.8%)	111.2	114.8	3.6 (+3.2%)
Average daily trade value	4.4	5.2	0.8 (+18.2%)	1.84	2.68	0.84 (+45.7%)
Foreign stock ownership	34.1	34.4	0.3 (+0.9%)	8.00	8.06	0.06 (+0.8%)

1. Change from the end of the previous month
Souce: Korea Exchange

9.2 Exchange rate

The won/dollar exchange rate in September fell by 23.3 won to 1,111.4 won from 1,134.7 won at the end of August.

The won/dollar exchange rate fell gradually from the 1,130 won range to the 1,110 won range after Fitch and S&P raised Korea's debt rating, the European Central Bank (ECB) announced its plan to purchase unlimited amounts of sovereign bonds, and the Bank of Japan (BOJ) planned to expand its asset purchase program.

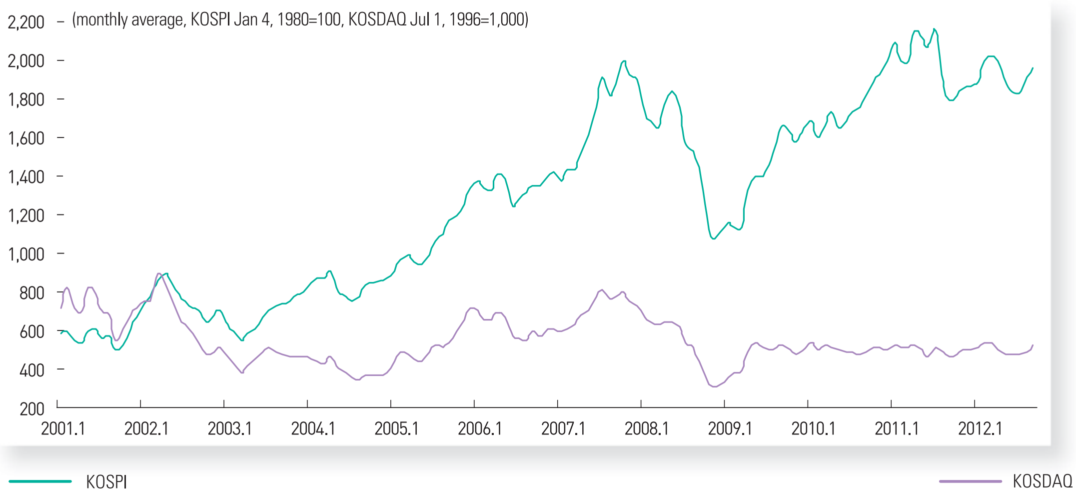
The won/100 yen exchange rate fell by 21.03 won in September, as the won advanced against the dollar as a consequence of QE3, while the yen weakened against the dollar after the BOJ's decision to expand its asset purchase program.

(End-period)

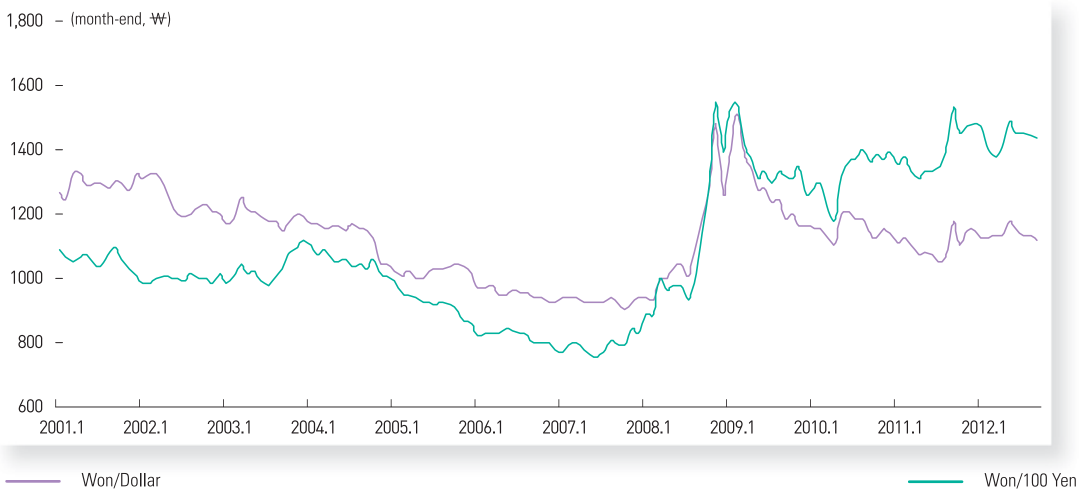
	2008	2009	2010	2011	2012		
	Dec	Dec	Dec	Dec	Aug	Sep	Change[1]
Won/Dollar	1,259.5	1,164.5	1,134.8	1,151.8	1,134.7	1,111.4	3.5
Won/100 Yen	1,396.8	1,264.5	1,393.6	1,481.2	1,446.4	1,425.37	3.9

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.

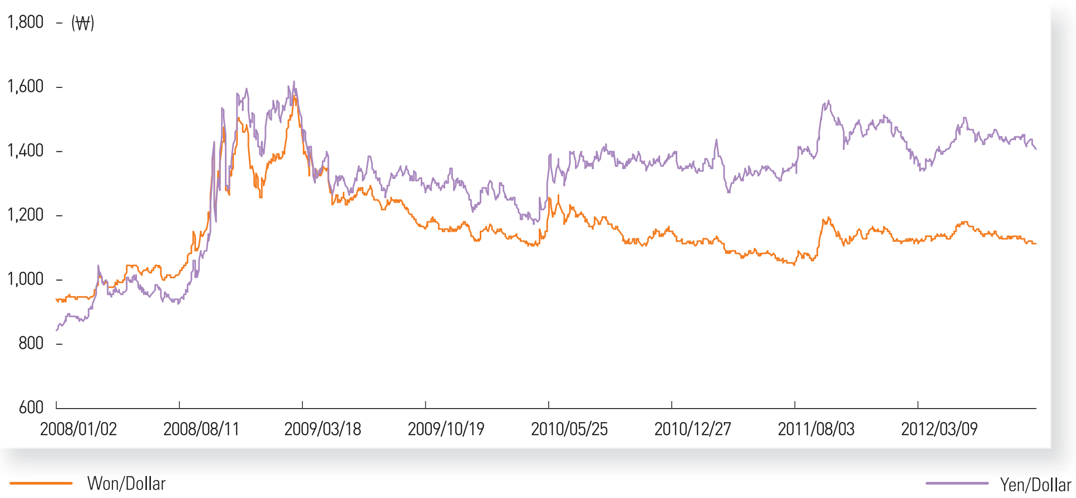
9-1 Stock prices



9-2 Foreign exchange rate



9-3 Recent foreign exchange rate



9.3 Bond market

3-year Treasury bond yields rose 3 basis points in September to 2.79 percent from the previous month's 2.76. Although US government bond yields rose and the Bank of Korea froze its benchmark interest rate, Treasury bond yields pared gains due to expectations that demand for Treasury bonds may rise after S&P upgraded Korea's sovereign debt rating.

(End-period, %)

	2006	2007	2008	2009	2010	2011	2012		
	Dec	Dec	Dec	Dec	Dec	Dec	Aug	Sep	Change[1]
Call rate (1 day)	4.60	5.02	3.02	2.01	2.51	3.29	3.00	2.99	-1
CD (91 days)	4.86	5.82	3.93	2.88	2.80	3.55	3.16	3.09	-7
Treasury bonds (3 yrs)	4.92	5.74	3.41	4.44	3.38	3.34	2.76	2.79	3
Corporate bonds (3 yrs)	5.29	6.77	7.72	5.56	4.27	4.21	3.27	3.30	3
Treasury bonds (5 yrs)	5.00	5.78	3.77	4.98	4.08	3.46	2.86	2.87	1

1. Basis point, changes from the previous month

9.4 Money supply & money market

The M2 (monthly average) in July expanded 6.0 percent from a year earlier excluding cash management accounts (CMAs), which were included in M2 since July 2009.

Money supply from the government sector increased, and private credit growth also expanded due to an increase in holdings of marketable securites by asset management companies (AMCs).

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

	2008	2009	2010	2011				2012				
	Annual	Annual	Annual	Annual	Q2	Q3	Q4	Q1	Q2	Jun	Jul	Jul[1]
M1[2]	-1.8	16.3	11.8	6.6	7.5	4.8	2.6	1.8	3.6	4.7	5.4	443.1
M2	14.3	10.3	8.7	4.2	3.5	3.8	4.4	5.3	5.6	5.9	6.0	1,805.9
Lf[3]	11.9	7.9	8.2	5.3	4.3	5.3	6.2	7.5	8.5	8.5	8.4[4]	2,390.9[4]

1. Balance at end July 2012, 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 rose by a small margin in August while AMC deposits slightly declined. Bank deposits grew as instant access deposits pared losses due to fewer amounts of tax payments and also as inflows into time deposits continued. AMC deposit growth turned negative after money market funds (MMF) declined due to withdrawals of corporate funds and suffered outflows caused by profit-taking.

(Monthly change, end-period, trillion won)

	2009	2010		2011		2012		
	Annual	Annual	Aug	Annual	Aug	Jul	Aug	Aug[1]
Bank deposits	54.8	36.9	-3.5	58.9	3.9	-7.2	0.7	1,115.5
AMC deposits	-27.6	-16.7	0.6	-16.6	4.4	12.5	-0.1	324.3

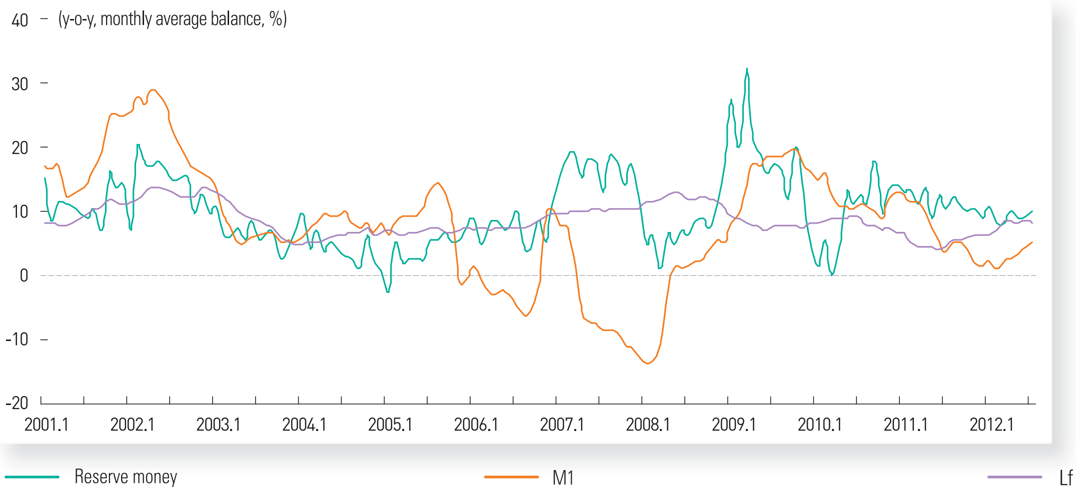
1. Balance at end August 2012, trillion won

9-4 **Interest rates**

Source: The Bank of Korea

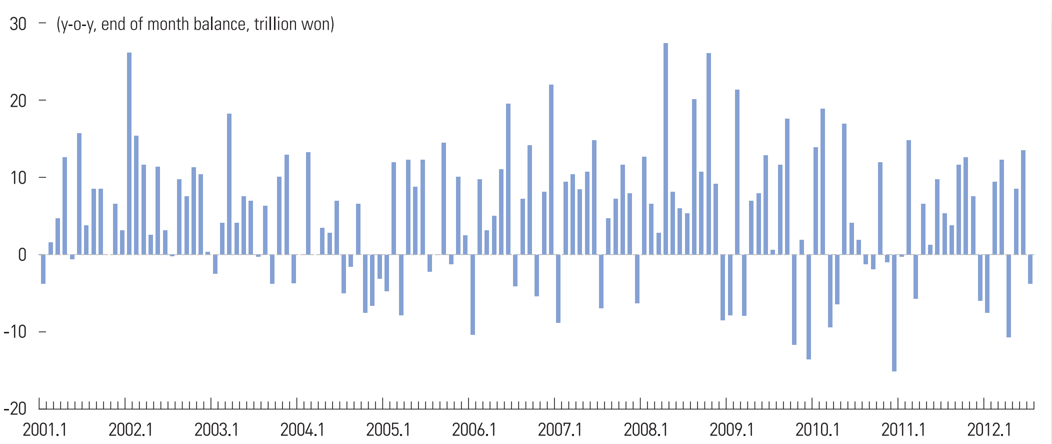
9-5 **Total money supply**

Source: The Bank of Korea



9-6 **Deposits in financial institutions**

Source: The Bank of Korea



10. Balance of payments

Korea's current account *(preliminary)* in August posted a surplus of US$2.36 billion.

The goods account surplus narrowed to US$2.37 billion from US$5.32 billion in the previous month, as the vacation season and a decline in the exports of major items led to fewer exports overall.

Goods exports (US$ billion)
46.62 (Jul) → 42.81 (Aug)

Goods imports (US$ billion)
41.28 (Jul) → 40.43 (Aug)

The service account swung to a deficit of US$0.26 billion from a surplus of US$0.59 billion, as the travel account deficit widened due to seasonal factors such as the vacation season and also as payments of intellectual property rights increased.

Overseas travelers (million)
1.11 (Jun 2012) → 1.30 (Jul) → 1.34 (Aug)

The primary income account surplus widened to US$0.44 billion from US$0.4 billion as the investment income balance improved due to a decrease in dividend payments. The secondary income account deficit remained unchanged from the previous month at US$0.19 billion.

The current account surplus in August was smaller compared to the previous month because of seasonal factors. The seasonally adjusted current account posted the same level of surplus as in July.

Seasonally adjusted current account balance (US$ billion)
3.12 (Mar 2012) → 1.58 (Apr) → 3.13 (May) → 3.73 (Jun) → 4.42 (Jul) → 4.31 (Aug)

(US$ billion)

	2010	2011					2012				
	Annual	Annual	Q1	Q2	Q3	Q4	Q1	Q2	Jul	Aug[1]	Jan-Aug[1]
Current account	29.39	26.51	2.61	5.49	7.00	11.52	2.56	11.14	6.14	2.36	22.25
- Goods balance	40.08	30.95	5.84	7.66	7.20	10.25	2.62	8.48	5.34	2.37	18.85
- Service balance	-8.63	-4.38	-2.54	-0.80	-1.20	0.15	-0.65	2.31	0.59	-0.26	2.00
- Income balance	1.02	2.46	0.39	-0.82	1.31	1.58	1.48	0.82	0.40	0.44	3.15
Current transfer	-3.08	-2.52	1.08	-0.55	-0.42	-0.47	-0.89	-0.47	-0.19	-0.19	-1.74

1. Preliminary *Source: The Bank of Korea*

The capital and financial account *(preliminary)* in August posted a net outflow of US$0.63 billion.

Capital & financial account balance (US$ billion)
-1.25 (Q1 2012) → 7.98 (Q2) → -7.84 (Jul) → -0.63 (Aug) → -17.82 (Jan-Aug)

Net outflow in direct investment widened to US$1.61 billion from the previous month's US$1.44 billion due to an increase in overseas direct investment.

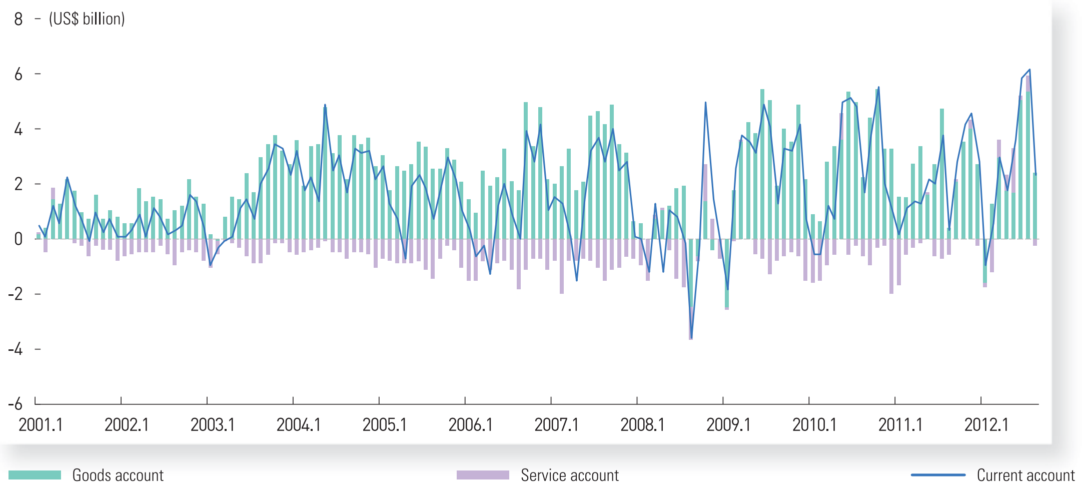
Despite an increase in foreign investment in stocks, the net inflow in the portfolio investment account narrowed to US$0.58 billion from US$2.53 billion as foreign investors' debt securities investment switched to a net outflow.

Net inflow in financial derivatives narrowed to US$0.07 billion from US$0.27 billion, while the other investment account switched to a net inflow of US$1.43 billion from a net outflow of US$7.68 billion as local banks collected debt.

The current account in September is expected to maintain a surplus, helped by a goods account surplus resulting from a trade surplus in August.

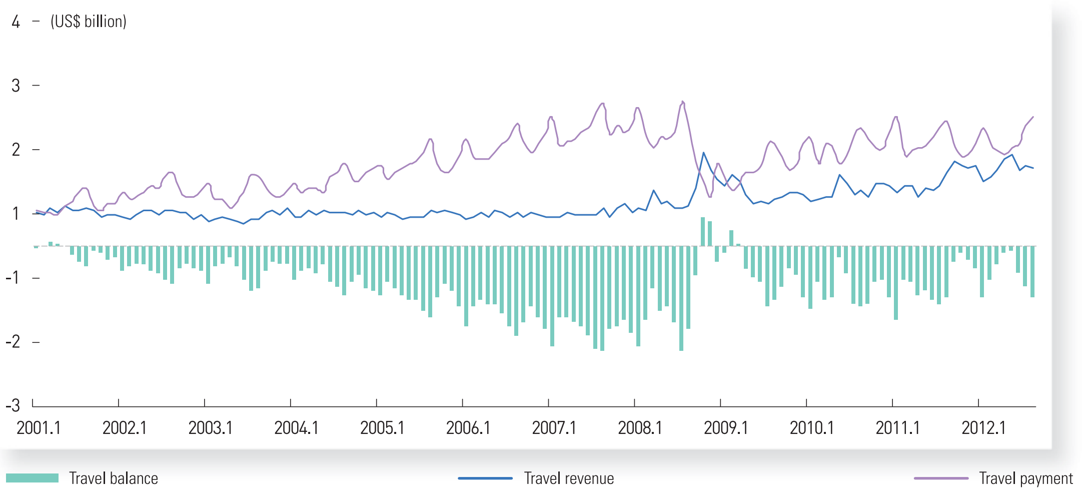
10-1 **Current account balance**

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



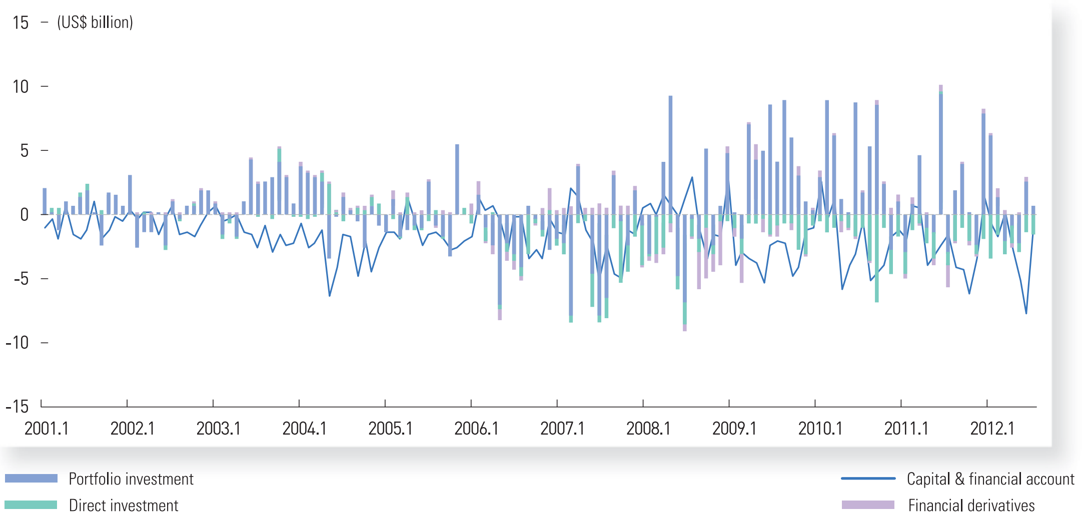
10-2 **Travel balance**

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



10-3 **Capital & financial account balance**

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



11. Prices and international commodity prices

11.1 Prices

Consumer prices in September rose 2.0 percent year-on-year *(up 0.7%, m-o-m)*, staying stable within the 2-percent range since March.

Core consumer prices, which exclude oil and agricultural products, rose 1.4 percent year-on-year and 0.1 percent month-on-month. Core consumer prices based on the OECD method, which exclude food and energy, also rose 1.4 percent year-on-year and 0.1 percent month-on-month. Consumer prices for basic necessities, a barometer of perceived consumer prices, were up 1.7 percent year-on-year *(up 1.0%, m-o-m)*.

The average annual expected inflation rate fell 0.2 percentage points month-on-month to 3.4 percent, while the import prices climbed 0.3 percent year-on-year.

Expected inflation (%)
4.2 (Oct 2011) ➔ 4.1 (Nov) ➔ 4.0 (Dec) ➔ 4.1 (Jan 2012) ➔ 4.0 (Feb) ➔ 3.9 (Mar) ➔ 3.8 (Apr) ➔ 3.7 (May) ➔ 3.7 (Jun) ➔ 3.6 (Jul) ➔ 3.6 (Aug) ➔ 3.4 (Sep)

Import price increases (y-o-y, %, won base)
7.9 (Jan 2012) ➔ 5.2 (Feb) ➔ 3.5 (Mar) ➔ 1.7 (Apr) ➔ 2.1 (May) ➔ -1.2 (Jun) ➔ -1.0 (Jul) ➔ 0.3 (Aug)

Consumer price inflation

(%)

	2011				2012								
	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Month-on-Month	-0.1	-0.2	0.1	0.4	0.5	0.4	-0.1	0.0	0.2	-0.1	-0.2	0.4	0.7
Year-on-Year	3.8	3.6	4.2	4.2	3.4	3.1	2.6	2.5	2.5	2.2	1.5	1.2	2.0
Consumer prices excluding oil and agricultural products (y-o-y)	3.3	3.2	3.5	3.6	3.2	2.5	1.9	1.8	1.6	1.5	1.2	1.3	1.4
Consumer prices excluding food and energy (y-o-y)	2.6	2.6	2.8	2.7	2.5	2.6	1.7	1.6	1.5	1.4	1.2	1.2	1.4
Consumer prices for basic necessities (y-o-y)	3.8	3.6	4.5	4.4	3.3	2.8	2.0	2.0	2.2	1.8	0.8	0.6	1.7

Source: Statistics Korea

The prices of agricultural and oil products rose month-to-month as a result of three consecutive typhoons, while those of public utilities and personal services stabilized.

Agricultural, livestock & fishery product prices rose 5.2 percent month-on-month. Typhoon damage caused agricultural prices to rise 8.3 percent and livestock products to rise 1.4 percent, while the prices of fishery products fell 0.2 percent.

The prices of manufactured products rose 0.8 percent from the previous month. The prices of oil *(up 2.8%, m-o-m)* and processed goods *(up 0.7%, m-o-m)* increased, while those of durable goods *(down 0.1%, m-o-m)* and pharmaceuticals *(up 0.1%, m-o-m)* stabilized.

Public service prices, which include public utilities and transportation, remained unchanged from the previous month. Personal service prices decreased 0.2 percent month-on-month due to declining summer vacation costs, with domestic group tour fees falling 7.5 percent.

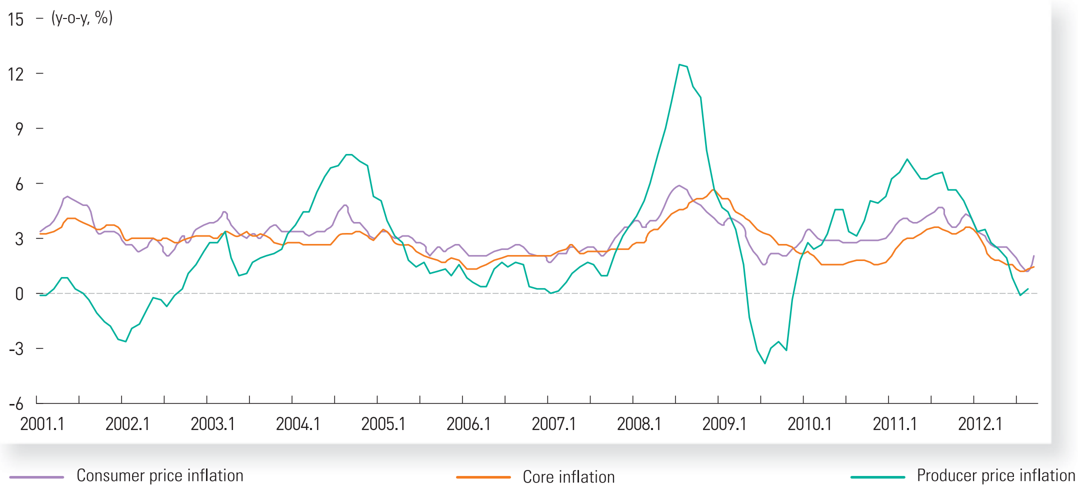
Consumer price inflation in major sectors

	Total	Agricultural, livestock & fishery products	Manufactured products	Oil products	Public utilities	Housing rents	Public services	Personal services
Month-on-Month (%)	0.7	5.2	0.8	2.8	0.0	0.2	0.0	-0.2
Contribution (%p)	0.66	0.42	0.27	0.16	0.00	0.02	0.00	-0.06
Year-on-Year (%)	2.0	4.1	2.5	3.2	5.9	3.8	1.0	0.5
Contribution (%p)	2.00	0.34	0.79	0.19	0.29	0.35	0.14	0.15

Source: Statistics Korea

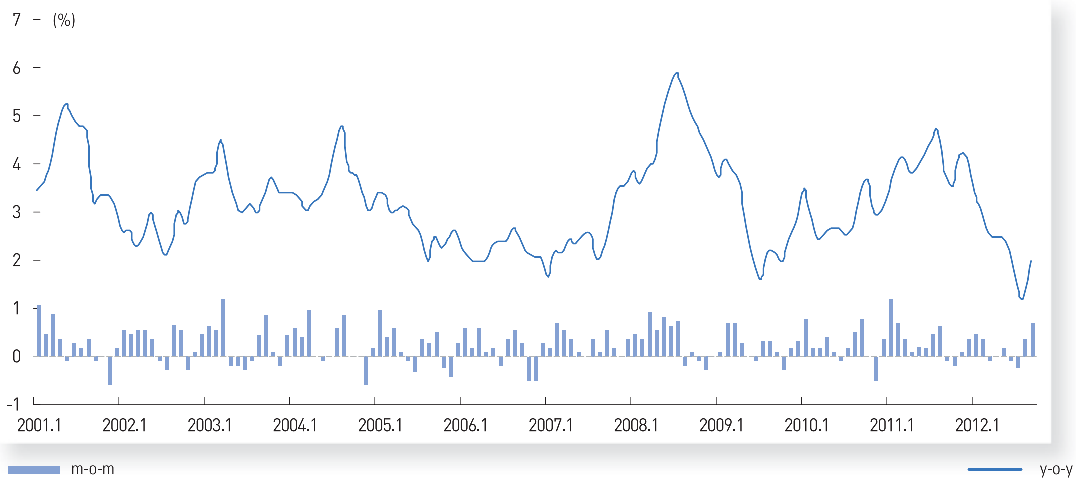
11-1 Prices

Source: Statistics Korea (consumer price trend) & The Bank of Korea (producer prices)



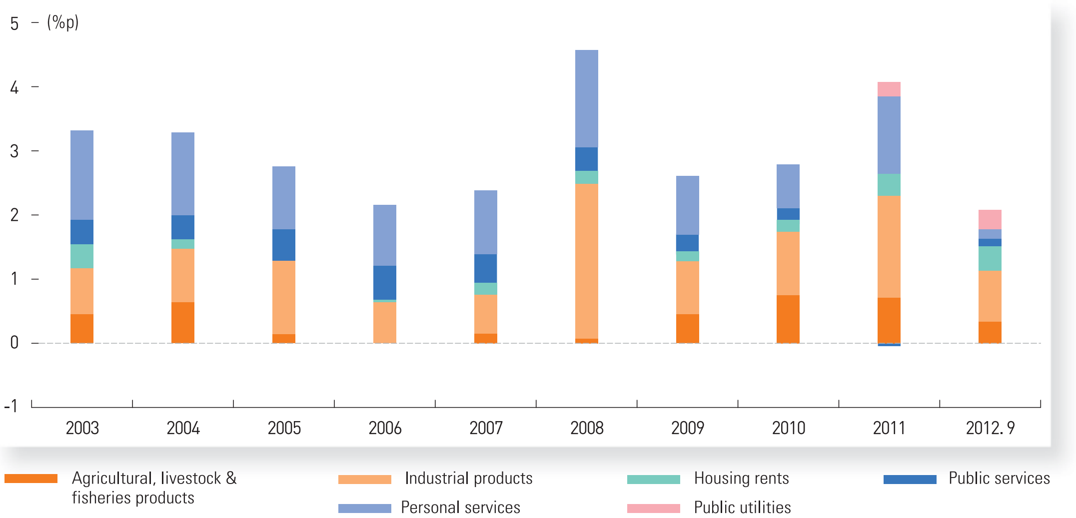
11-2 Consumer price inflation

Source: Statistics Korea (consumer price trend)



11-3 Contribution to consumer price inflation

Source: Statistics Korea (consumer price trend)



11.2 International oil and commodity prices

International oil prices fluctuated, while domestic oil product prices continued to rise in September.

Dubai crude prices, which had been on the rise until mid-August, backed by the US Federal Reserve's QE3 announcement, pared the gains from earlier, as Saudi Arabia signaled the intention to boost production and oil demand is expected to decrease amid uncertainties in major economies, ending a little higher compared to the previous month. On September 18, Saudi Arabia expressed its intention to increase its oil production by the end of this year to ensure stability regardless of the market situation.

Dubai crude ($/barrel)

111.8 (Sep 1) → 115.4 (Sep 14) → 105.6 (Sep 20) → 110.6 (Sep 28, up 0.2% since end of August)

(US$/barrel, period average)

	2009	2010	2011	2012						
	Annual	Annual	Annual	Mar	Apr	May	Jun	Jul	Aug	Sep
Dubai crude	61.9	78.1	105.9	122.5	117.3	107.3	94.4	99.1	108.6	111.2
Brent crude	61.7	79.7	110.0	124.9	120.0	109.7	95.2	102.7	113.0	113.0
WTI crude	61.9	79.5	95.1	106.3	103.4	94.7	82.4	87.9	94.1	94.5

Source: Korea National Oil Corporation

Domestic oil products prices turned negative since mid-August due to falling international oil product prices.

Gasoline prices (won/liter)

2,022.5 (Sep 1) → 2,026.9 (Sep 10) → 2,017.8 (Sep 30, down 0.2% since end of August)

(Won/liter, period average)

	2009	2010	2011	2012						
	Annual	Annual	Annual	Mar	Apr	May	Jun	Jul	Aug	Sep
Gasoline prices	1,600.7	1,710.4	1,929.3	2,030.0	2,058.7	2,035.8	1,968.8	1,901.4	1,971.3	2,024.5
Diesel prices	1,397.5	1,502.8	1,745.7	1,853.6	1,865.6	1,839.6	1,777.7	1,726.6	1,784.8	1,836.7

Source: Korea National Oil Corporation

International grain prices fell in September along with improving weather conditions, while non-ferrous metal prices all rose thanks to economic stimulus.

Grain prices declined, led by corn, due to expectations for a larger harvest than previously estimated and also due to improving weather conditions in South America. However, wheat prices may rise as a result of the possibility of export restrictions in Russia.

Prices of grain in September (m-o-m, %)

Coffee (3.4), soybeans (0.7), wheat (-0.2), raw sugar (-5.2), corn (-5.6)

Despite economic downturn in major countries, non-ferrous metal prices rose due to QE3 from the US, the ECB's decision to buy sovereign debts and China's 1 trillion yuan infrastructure investment.

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

Lead (14.3), zinc (10.8), tin (10.8), aluminum (10.4), nickel (9.9), copper (7.7)

Reuters index*

(Period average)

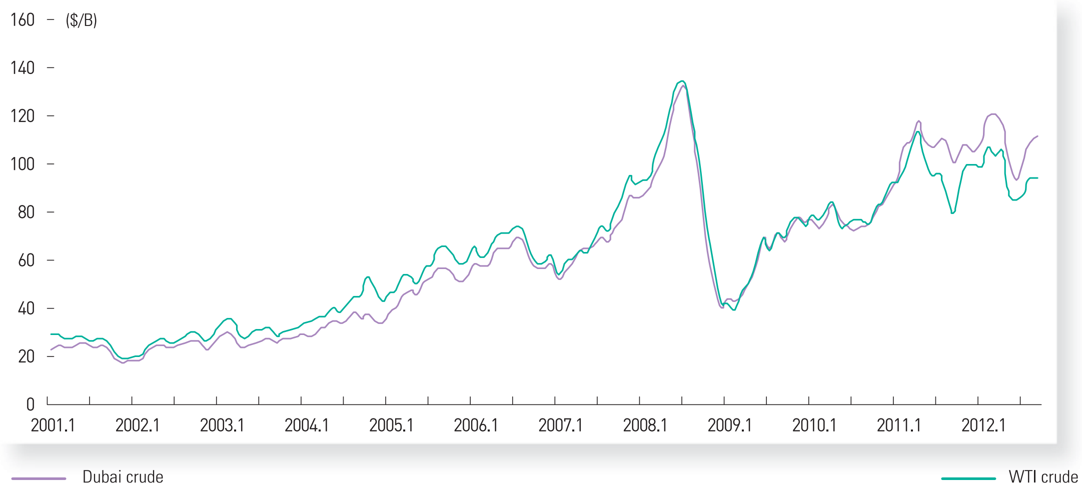
2009	2010	2011	2012						
Annual	Annual	Annual	Mar	Apr	May	Jun	Jul	Aug	Sep
2,079	2,553	3,062	2,968	2,969	2,912	2,876	3,065	3,108	3,172

** A weighted average index of 17 major commodities*

Source: KOREA PDS

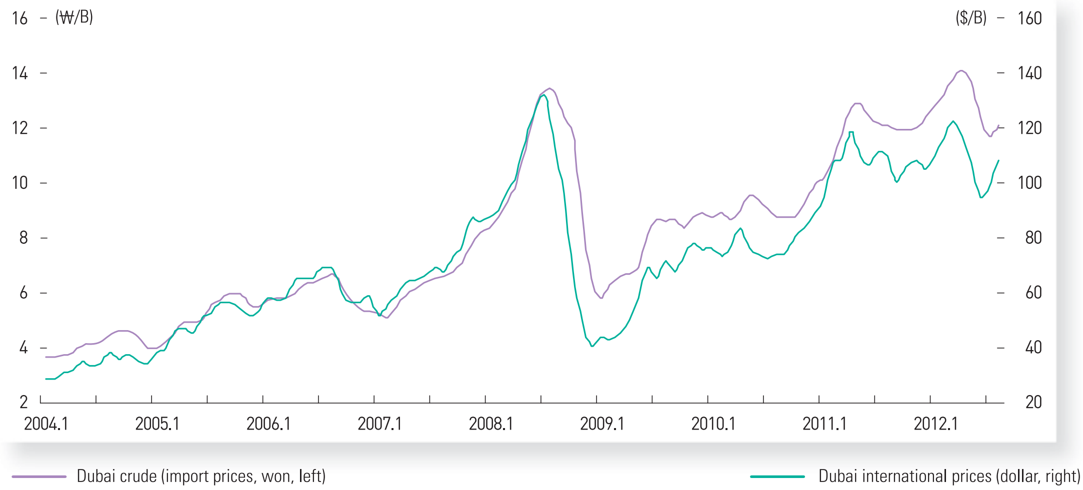
11-4 International oil prices

Source: Korea National Oil Corporation



11-5 Dubai crude prices and import prices

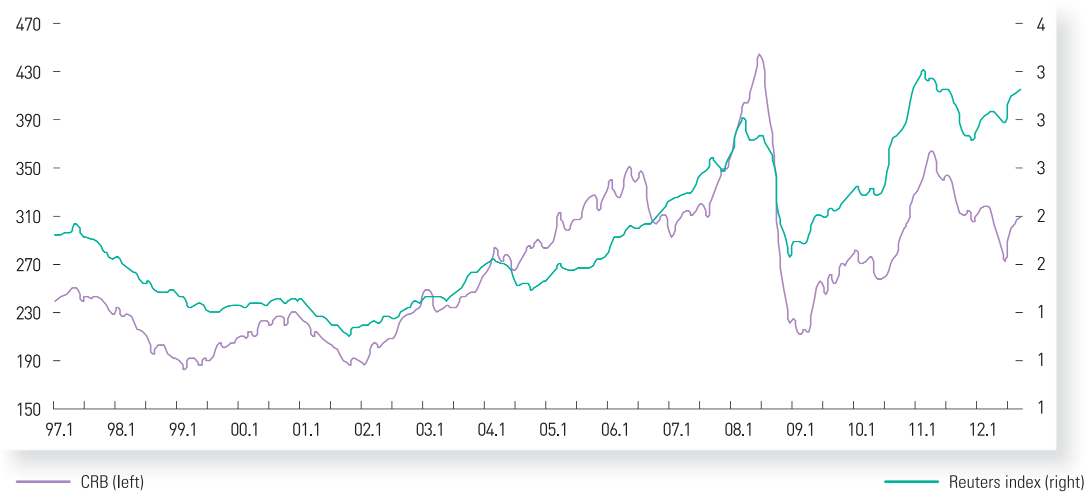
Source: Korea National Oil Corporation



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 kept the downward trend in September, falling 0.2 percent from the previous month.

Apartment sales prices in the Seoul metropolitan area *(down 0.6%, m-o-m)* declined by a larger margin than the previous month *(down 0.4%, m-o-m)*.

Apartment sales prices continued to rise in areas excluding the Seoul metropolitan area, in particular Daegu *(up 0.6%, m-o-m)*, South Chungcheong Province *(up 0.7%, m-o-m)* and North Gyeongsang Province *(up 0.6%, m-o-m)*. Apartment prices in 5 metropolitan cities and other cities rose 0.1 percent each.

Nationwide apartment sales prices

(Percentage change from previous period)

	2009	2010	2011	2012											
	Annual	Annual	Annual	Jan-Sep	Q1	Q2	May	Jun	Jul	Aug	Sep	Sep 3[1]	Sep 10[1]	Sep 17[1]	Sep 24[1]
Nationwide	1.6	2.5	9.6	0.2	0.6	0.1	0.0	-0.1	-0.1	-0.2	-0.2	-0.06	-0.06	-0.06	-0.05
Seoul	2.6	-2.2	-0.4	-3.2	-0.5	-0.1	-0.3	-0.3	-0.5	-0.5	-0.6	-0.19	-0.17	-0.15	-0.17
Gangnam[2]	3.9	-1.8	-0.6	-3.8	-0.7	-1.2	-0.3	-0.4	-0.6	-0.6	-0.8	-0.22	-0.19	-0.16	-0.15
Gangbuk[3]	0.9	-2.7	-0.2	-2.4	-0.4	-0.7	-0.2	-0.2	-0.5	-0.3	-0.5	-0.14	-0.15	-0.14	-0.20
Seoul metropolitan area	0.7	-2.9	0.4	-2.7	-0.5	-0.9	-0.3	-0.3	-0.4	-0.4	-0.6	-0.15	-0.17	-0.16	-0.15
5 metropolitan cities	2.8	8.7	20.3	2.8	1.6	1.0	0.3	0.1	0.1	0.0	0.0	0.02	0.04	0.04	0.05

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

Nationwide apartment rental prices climbed at a faster pace in September *(up 0.4%, m-o-m)*. Rental prices in the Seoul metropolitan area and 5 metropolitan cities rose 0.5 percent and 0.3 percent, respectively.

Apartment rental price increase in major districts in Seoul (m-o-m, %)
Gangnam (0.5), Seocho (1.0), Songpa (1.1), Gwangjin (0.8), Jungnang (1.1)

Nationwide apartment rental prices

(Percentage change from previous period)

	2009	2010	2011	2012											
	Annual	Annual	Annual	Jan-Sep	Q1	Q2	May	Jun	Jul	Aug	Sep	Sep 3[1]	Sep 10[1]	Sep 17[1]	Sep 24[1]
Nationwide	4.5	8.8	16.2	2.8	1.3	0.9	0.2	0.1	0.2	0.1	0.4	0.10	0.13	0.16	0.14
Seoul	8.1	7.4	13.4	0.8	0.4	-0.1	-0.1	0.0	-0.1	0.0	0.5	0.14	0.16	0.18	0.11
Gangnam[2]	10.4	8.8	12.5	0.6	0.3	-0.2	-0.1	0.0	-0.1	0.0	0.6	0.18	0.16	0.25	0.13
Gangbuk[3]	5.4	5.6	14.6	0.9	0.5	0.1	0.0	-0.1	0.0	0.0	0.5	0.10	0.16	0.09	0.10
Seoul metropolitan area	5.6	7.2	13.9	1.2	0.5	0.1	0.0	0.0	0.1	0.1	0.5	0.14	0.16	0.18	0.14
5 metropolitan cities	3.9	12.0	18.9	3.9	2.0	1.4	0.4	0.2	0.1	0.1	0.3	0.06	0.12	0.15	0.15

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

Apartment sales transactions in August decreased 16.9 percent from the previous month's 37,729 to 31,361, and were down 39.0 percent from 51,406 a year earlier.

Apartment sales transactions

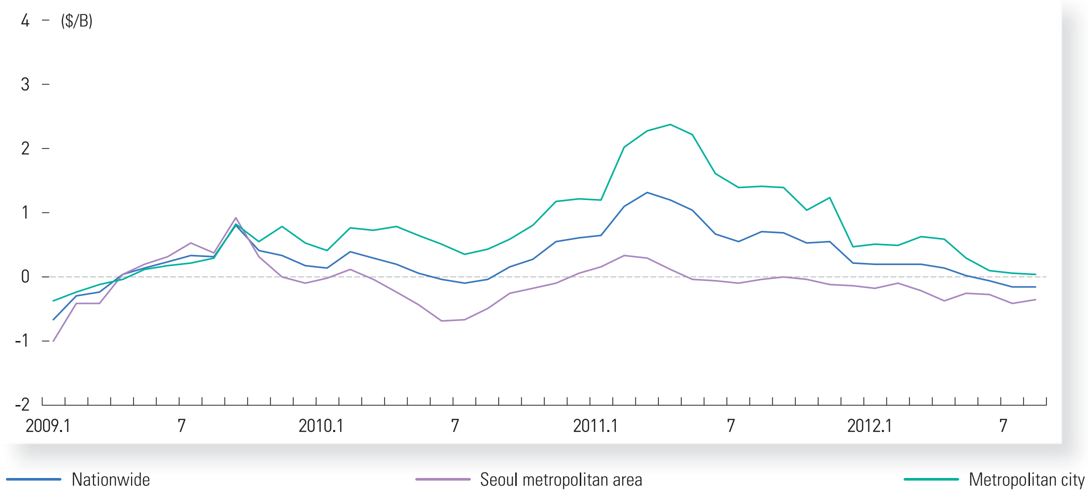
(Monthly average, thousand)

	2009	2010	2011							2012							
	Annual	Annual	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Nationwide	53	48	55	51	51	50	55	55	77	18	39	47	45	46	37	38	31

Source: Ministry of Land, Transport and Maritime Affairs

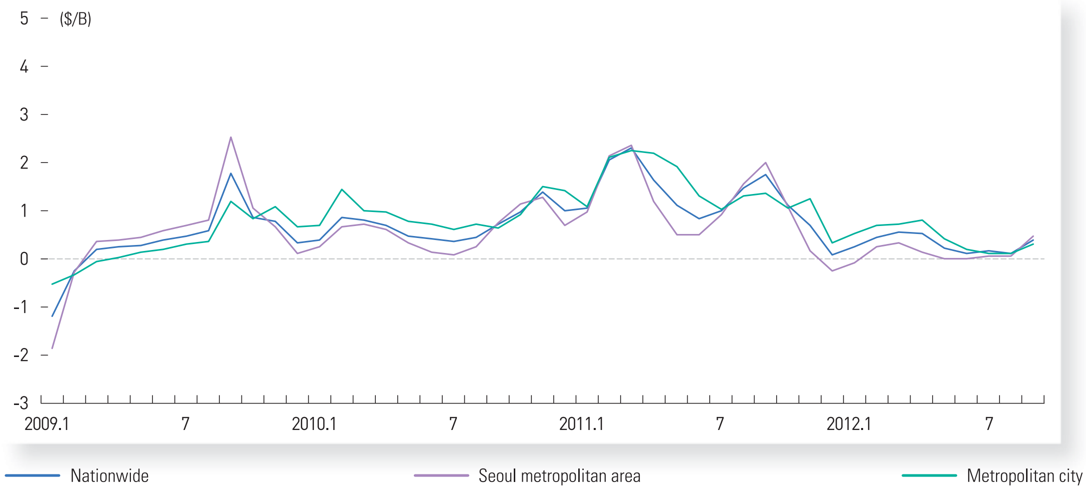
12-1 **Apartment sales prices by region**

Source: Kookmin Bank



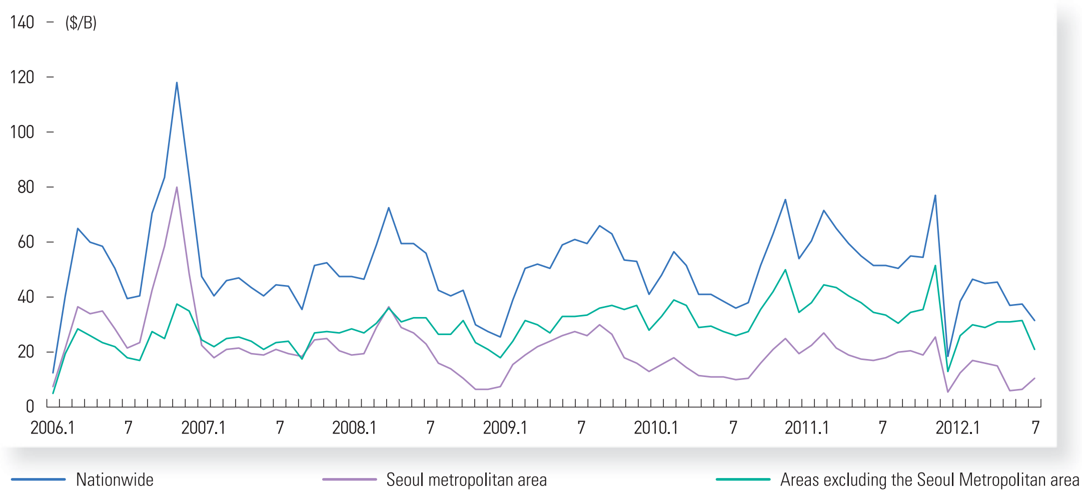
12-2 **Apartment rental prices by region**

Source: Kookmin Bank



12-3 **Monthly transaction volume**

Source: Ministry of Land, Transport and Maritime Affairs



12.2 Land market

Nationwide land prices rose at a slower pace in August *(up 0.03%, m-o-m)*, and were still 0.34 percent lower than the pre-crisis peak reached in October 2008.

Land prices in Seoul *(down 0.06%, m-o-m)* fell at a faster pace, and prices in the Seoul metropolitan area *(down 0.01%, m-o-m)* turned negative.

Land price increases in Seoul metropolitan area (m-o-m, %)
0.07 (Jan 2012) → 0.07 (Feb) → 0.11 (Mar) → 0.11 (Apr) → 0.10 (May) → 0.10 (Jun) → 0.03 (Jul) → -0.01 (Aug)

Land price increase in areas excluding the Seoul metropolitan area slowed down, rising 0.11 percent month-on-month, while Sejong City *(up 0.64%, m-o-m)* posted the highest growth rate in the nation for the sixth straight month.

Land price increases in areas excluding Seoul metropolitan area (m-o-m, %)
0.12 (Jan 2012) → 0.13 (Feb) → 0.14 (Mar) → 0.14 (Apr) → 0.14 (May) → 0.13 (Jun) → 0.13 (Jul) → 0.11 (Aug)

Land prices by region

(Percentage change from previous period)

	2008	2009	2010	2011					2012							
	Annual	Annual	Annual	Annual	Q1	Q2	Q3	Q4	Jan-Aug	Q1	Q2	Apr	May	Jun	Jul	Aug
Nationwide	-0.31	0.96	1.05	1.17	0.29	0.30	0.29	0.29	0.72	0.30	0.33	0.12	0.11	0.10	0.07	0.03
Seoul	-1.00	1.40	0.53	0.97	0.40	0.28	0.17	0.12	0.34	0.17	0.26	0.10	0.09	0.06	-0.03	-0.06
Gyeonggi	-0.26	1.22	1.49	1.47	0.26	0.38	0.43	0.39	0.83	0.34	0.34	0.12	0.11	0.11	0.10	0.05
Incheon	1.37	1.99	1.43	0.66	0.17	0.18	0.15	0.15	0.35	0.21	0.16	0.05	0.06	0.05	0.02	-0.03

Source: Korea Land & Housing Corporation

Nationwide land transactions in August were 150,000 land lots, down 10.1 percent from the previous month and down 17.7 percent from 183,000 a year earlier.

Monthly land transactions decreased in Gyeonggi Province *(down 14.1%, m-o-m)*, Gangwon Province *(down 16.2%, m-o-m)*, South Chungcheong Province *(down 17.5%, m-o-m)*, and South Gyeongsang Province *(down 20.7%, m-o-m)*.

Transactions of vacant land decreased 8.2 percent year-on-year to 70,000 lots, making up 46.3 percent of the total amount of transactions.

Land sales transactions

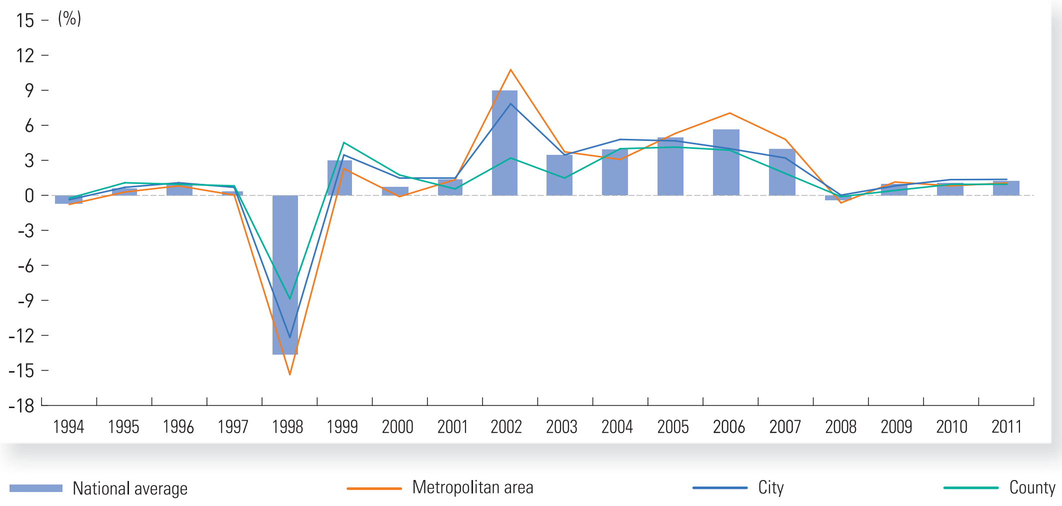
(Land lot, thousand)

	2008	2009	2010	2011							2012							
	Annual[1]	Annual[1]	Annual[1]	Annual[1]	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Nationwide	208	203	187	208	197	184	183	171	184	195	240	129	165	187	182	186	163	167	150
Seoul	26	22	16	18	16	14	15	14	15	15	19	9	12	14	15	15	13	12	10
Gyeonggi	45	46	41	43	38	37	36	36	37	39	48	24	30	37	36	35	32	34	30
Incheon	13	10	8	10	9	9	8	8	8	8	10	5	6	7	7	8	7	7	8

1. Monthly average
Source: Korea Land & Housing Corporation

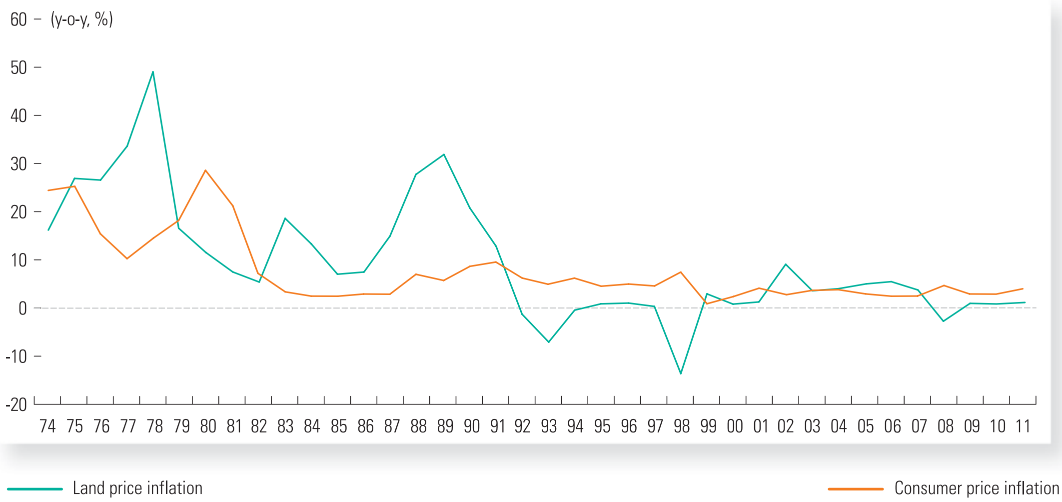
12-4 **Land prices by region**

Source: Korea Land Corporation (land price trend)



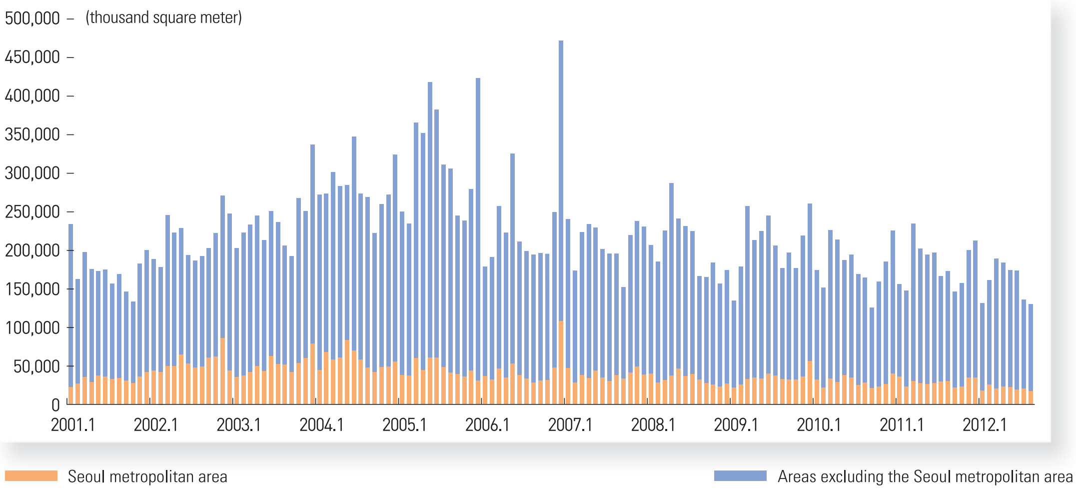
12-5 **Land and consumer prices since 1970s**

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



12-6 **Land trade volume**

Source: Korea Land Corporation (land trade trend)



13. Composite indices of business cycle indicators

Industrial output in August decreased 1.7 percent month-on-month and 0.2 percent year-on-year. Output in services *(down 0.3%, m-o-m)*, construction *(down 6.6%, m-o-m)*, public administration *(down 13.8%, m-o-m)* and mining & manufacturing *(down 0.7%, m-o-m)* fell.

The cyclical indicator of the coincident composite index fell 0.5 points in August.

Service activity and number of non-farm payroll employment increased month-on-month while five other components, such as mining & manufacturing production, value of construction completion and domestic shipment, declined.

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

Mining & manufacturing production (-1.1%), value of construction completion (-1.3%), wholesale & retail sales (-0.1%), value of imports (-0.8%), domestic shipment (-1.2%), service activity (0.2%), number of non-farm payroll employment (0.1%)

The cyclical indicator of the leading composite index fell 0.2 points from the previous month.

Three components of the leading composite index, including the indicator of inventory cycle and KOSPI, increased while five components, such as consumer expectations index and value of construction orders received, were lower compared to the previous month. The ratio of export to import prices stayed unchanged.

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

Consumer expectations index (-1.8%), value of construction orders received (-1.7%), domestic shipment of machinery (-0.9%), ratio of job openings to job seekers (-0.3%p), spreads between long & short term interest rates (-0.1%p), indicator of inventory cycle (0.8%p), international commodity prices (0.9%), KOSPI (0.6%), ratio of export to import prices (0.0%)

	2011	2012							
	Dec	Jan	Feb	Mar	Apr	May	Jun[1]	Jul[1]	Aug[1]
Industrial output (m-o-m, %)	0.1	1.0	1.3	-1.1	-0.2	0.6	-0.2	0.2	-1.7
(y-o-y, %)	1.6	-1.0	8.7	0.5	0.4	1.8	0.3	1.5	-0.2
Coincident composite index (m-o-m, %)	0.4	0.1	0.8	0.1	0.2	-0.1	0.4	0.6	0.0
Cyclical indicator of coincident composite index	99.8	99.6	100.0	99.6	99.4	98.9	98.9	99.1	98.6
(m-o-m, p)	0.0	-0.2	0.4	-0.4	-0.2	-0.5	0.0	0.2	-0.5
Leading composite index (m-o-m, %)	0.4	0.7	1.0	0.4	0.4	0.1	1.1	0.6	0.2
Cyclical indicator of leading composite index	99.0	99.2	99.9	99.8	99.8	99.4	100.1	100.3	100.1
(m-o-m, p)	0.0	0.2	0.7	-0.1	0.0	-0.4	0.7	0.2	-0.2

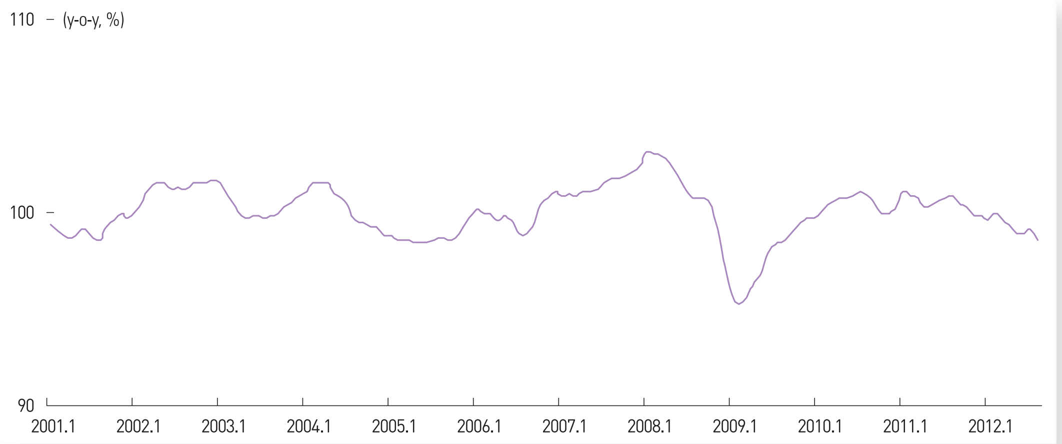
1. Preliminary

13-1 Industrial output

Source: Statistics Korea

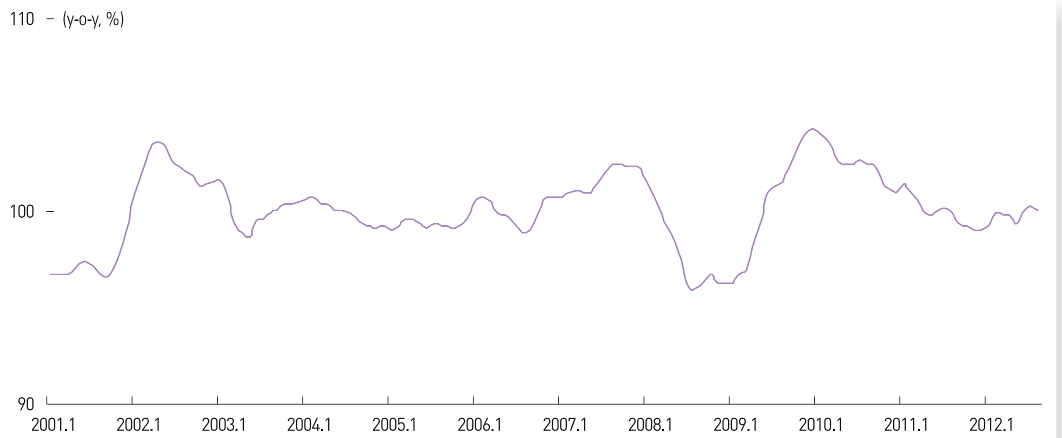
13-2 Cyclical indicator of coincident composite index

Source: Statistics Korea



13-3 Cyclical indicator of leading composite index

Source: Statistics Korea



Policy Issues

2013 Budget Proposal

2013 Budget Overview

Economic and fiscal conditions

Due to strengthened policy responses by major countries, the global economy seemed to be gradually recovering, but with the persistence of the European fiscal crisis, uncertainties remain.

Total government revenue growth is forecast to slow down as the economy continues to struggle owing to worsening external conditions, such as the European fiscal crisis. Total government expenditures are forecast to increase, due to non-discretionary spending and the demand for the government to increase its role. Non-discretionary spending has increased mainly because of entitlements, including the four major entitlements, such as the public pension and health insurance. The demand for expanded government expenditure will continue in order to boost economic dynamism, ease gaps among industries, and improve social security.

2013 total fiscal amount

Total government spending will increase in 2013 by 5.3 percent, which is a 20 basis point increase over the average spending rate increase forecast from 2011 to 2015 of 5.1 percent.

In 2013, there will be a budget deficit of 0.3 percent of GDP. However, the ratio of sovereign debt to GDP will fall compared to this year from 34 percent to 33.2 percent.

Improved fiscal management methods will be used to increase the effect of total government spending without worsening the fiscal balance. The actual total government fiscal spending will be increased by 2 percentage points from 5.3 percent to 7.3 percent through financing from public and private financial institutions, and the government will pay the difference on the spread between government loans and these financial institutions' loans.

1. Total revenue and total spending

Total revenue for 2013 is forecast to be 373.1 trillion won, an increase of 8.6% from this year and total spending will be 342.5 trillion won, up 5.3% from this year.

(Trillion won, %)

	'12 Budget	Growth	'13 Budget Proposal	Growth
• Total Revenue	343.5	9.3	373.1	8.6
- Budget	234.0	10.3	253.8	8.4
(National Tax)	(205.8)	(9.7)	(216.4)	(5.2)
- Funds	109.5	7.1	119.3	8.9
• Total Spending	325.4	5.3	342.5	5.3
- Budget	228.1	5.4	242.4	6.3
- Funds	97.3	5.0	100.1	2.8
Actual Spending*	325.4	5.3	349.2	7.3

** After including the public and private financing, real total spending increases from 5.3% to 7.3%*

2. Fiscal balance and sovereign debt

There will be a small budget deficit of 0.3 percent of GDP in 2013, which maintains a path towards fiscal balance. This is an improvement of 0.8 percentage points from the previous year's 1.1 percent.

The debt-to-GDP ratio will be reduced to 33.2 percent from 34 percent.

(Trillion won, %)

	'12 Budget	'13 Budget Proposal	Change
• Fiscal balance*	-14.3	-4.8	9.5
(% GDP)	(-1.1)	(-0.3)	(0.8p)
Consolidated Fiscal Balance	18.1	30.6	12.5
• Sovereign Debt	445.2	464.6	19.4
(% GDP)	(34.0)	(33.2)	(-0.1p)

** The fiscal balance does not include social security funds.*

3. The main points of the 2013 budget proposal

The 2013 budget proposal is a *vitalizing budget* for economic recovery. This budget supports the recovery of the real economy by strengthening export support and reinvigorating domestic consumption. Regional economies will be revitalized with enhanced regional SOC investment and fiscal support for local governments.

This is a *confident budget* that promotes job creation, welfare and safety. Welfare support will be tailored in accordance with the recipient's class and stage in life. Income and welfare will be promoted through job creation measures and improved job markets. Investment for the prevention of violence and natural disasters will be expanded, and investment for core military strategies will be strengthened.

This is a *strong budget* that transforms Korea's economic constitution. High-level domestic talent will be trained, and future growth engines will be nurtured by fostering the service industry and expanding investment in creative and leading R&D. Both the sectors in which Korea has a core competency, such as steel, fabric and IT, and vulnerability, such as small businesses, agricultural and fishery industries and household debt will receive enhanced support.

This is a *frugal budget* that sheds 'fiscal fat.' Fiscal management methods will be improved and expenditure restructuring will be promoted. This is a trimmed-down budget that invests in areas that most need it, such as public welfare stability and economic response measures.

Main Tasks

A vitalizing budget for economic recovery

The 2013 budget proposal will energize the economy in the face of economic difficulties by growing the domestic economy, supporting exporters, and revitalizing the regional economy.

1. Growing the domestic economy

To support small- and medium-sized enterprises (SMEs), a total of 78 trillion won will be made available to SMEs from both the public and private sector. The government will make a 60 billion won investment in the facility investment fund that the government-owned Korea Development Bank and the Industrial Bank of Korea established to finance SMEs. Also, the government will give support to companies returning to Korea and actively attract foreign direct investment.

2. Supporting exporters

Trade finance will be expanded by 30 trillion won to 300 trillion won, with finance for exporters increasing by 10 trillion won and government support for trade insurance rising by 20 trillion won. The government will help exporters open new markets and promote their products effectively by setting up new overseas offices. To help companies increase exports through free trade agreements (FTAs), the government will provide consulting services and set up a database which gives information on product origins. Also, the government will compile a list of international patent law cases, gather information about the related industries, and support exporters when they face international patent conflicts.

3. Revitalizing regional economies

The government will provide local governments with 1.3 trillion won, as the local governments saw their tax revenues decrease due to the acquisition tax cut in 2011 and 2012 and childcare benefits in 2012. The government will invest 1.2 trillion won in local infrastructure building to help grow regional industries. The government will prioritize infrastructure projects that need to be urgently completed and spend 23.9 trillion won on them. Investment in 30 major projects, which are expected to contribute substantially to regional economic growth, will also be increased.

<Economic Revitalization Budget>

(billion won)

	2012 budget	2013 proposal	Change (%)
SMEs	3,608.8	3,548.1	-60.7 (-1.7)
Facility investment	-	60	60
Support for returning companies	-	35.5	35.5
Investment in Korea Exim Bank	-	50.0	50.0
Investment in trade insurance fund	30.0	250.0	220.0 (733.3)
Financing local governments for their losses from acquisition tax cut	-	1,300.0	1,300.0
Tax allocated to local governments	33,029.5	35,538.5	2,509.0 (7.6)
Construction of roads to industrial complex	623.0	770.8	147.8 (23.7)
30 major projects	4,546.6	4,808.8	262.2 (5.8)
Investment in regional universities' facilities	251.2	353.1	101.9 (40.6)

Increasing Social Safety

The social safety budget proposal covers job creation, employment-related entitlements, welfare services, violence and disaster prevention, food safety and national security,

<Social Safety Budget >

(billion won)

		2012 budget	2013 proposal	Change (%)
Job creation	Government projects	2,508.1	2,672.2	164.1 (6.5)
	Senior job creation	-	29.8	29.8
	Employment Success Program	268.6	347.6	79.0 (29.4)
	Social security insurance for low income class	265.4	479.7	214.3 (80.7)
Welfare	Child care	102.6	627.2	524.6 (511.3)
	College scholarship	1,750.0	2,250.0	500.0 (28.6)
	Senior employment	185.4	237.6	52.2 (28.2)
	Employment benefits for low income class	14.6	23.5	8.9 (60.9)
	Allowance for the disabled	294.6	344.0	49.4 (16.8)
	College student mentoring program for multicultural families	5.0	7.0	2.0 (40.0)
	Farm mortgage-backed retirement plan	19.0	23.7	4.6 (24.3)
	Veterans' allowance	414.6	495.9	81.3 (19.6)
Safety	Crime reporting centers and CCTV installation	1.0	14.4	13.4 (1340.0)
	Mental health care for youths	27.7	34.2	6.5 (23.5)
	Natural disaster prevention	368.8	378.7	9.9 (2.7)
	ODA for green growth	196.7	273.5	76.8 (39.0)

Promoting Sustainable Growth

The budget proposes to promote sustainable growth by developing future growth engines and quality human resources, reinvigorating Korea's core competencies and improving the vulnerable sectors of the economy.

1. Future growth engine development

More than 50 percent of the R&D budget will be spent on scientific researches and source technology development. 3.5 trillion won will be invested in new growth engine R&D, and 2 billion won will be allocated to the commercialization of newly developed technologies. There will be a 21.3 trillion won investment made in the green industry, along with increased investment in energy resources development, which includes shale gas and oil.

Special SME guarantees of 1.0 trillion won will be made available to service industries that generate more jobs, such as those related to environment protection, culture and logistics. There will be various kinds of support for the entertainment and performance industries. The government will invest 20 billion won in the pharmaceutical fund to be used for the M&A of global pharmaceutical companies. Support for developing next-generation web technologies will be increased from 9.1 billion won in 2012 to 25.2 billion.

2. Nurturing human resources

There will be 9.3 billion won more support to raise the academic competitiveness of universities, and 51 universities that are designated as 'leaders in industry-university cooperation' will receive increased support of 216.9 billion won. Support for the 'Pre-college Employment Program' will be raised by 2.5 folds.

3. Improving core competency and aiding vulnerable sectors

To upgrade leading Korean industries, the government will invest in metal molding and welding technologies and facilities and increase support for clothing industries, such as fabric and design. Small enterprises will receive 1.1 trillion won, the largest of its kind, in 2013 through a new account for small enterprises. The government will invest 120 billion won in the Korea Housing Finance Corporation to encourage a soft landing for household debt, and reduce mortgage interest rates by up to 1.0 percentage points for low income families.

<Budget Allocation for Sustainable Growth>

(billion won)

	2012 budget	2013 proposal	Change (%)
WC 300 project*	30.0	55.0	25.0 (83.3)
Green technology R&D	3,008.8	3,629.5	620.7 (20.6)
Special guarantee for promising service industries	-	100.0	100.0
Raising competitive academics	15.6	21.6	6.0 (38.5)
Leaders in Industry-University Corporation	168.0	216.9	48.9 (29.1)
Raising competitiveness in vocational colleges	7.0	21.0	14.0 (200.0)
Fabric industries	17.5	48.4	30.9 (176.6)
Small enterprises financing	455.0	860.0	405.0 (89.0)
Support for agricultural and fishery industries in their preparation for FTAs	2,123.1	2,525.5	402.4 (19.0)
Investment in the Korea Housing Finance	-	120.0	120.0
Loan guarantee for low class households	120	120.0	-

World Class 300 project, one of the government's R&D projects

4. Effective spending

In 2013, the government will finance borrowing through financial institutions rather than by direct financing, and in this way fiscal resources are expected to be used more effectively. Only a small portion of the 3.5 trillion won assigned to government loans will be used to pay the borrowing cost difference between government loans and financial institutions' loans. The available loan amount will be 6.7 trillion won, 3.5 trillion won from public institutions and 3.2 trillion won from private institutions. The government will spend the amount made available through the method on Social Overhead Capital investment, SME support, job creation, social security improvement, and local governments.

The 2013 Budget Proposal is expected to save 3.7 trillion won through prudent spending: 2.2 trillion won will be saved by cutting budgets for underperforming projects and 1.5 trillion won will be saved through adjustments made in R&D, subsidy and national defense budgets.

Total Budget Spending by Area

(trillion won, %)

	2012	2013	2014	2015	2016	Average of 2012 - 2016 (%)
Total spending	325.4	342.5	357.5	373.1	389.7	4.6
(Increase, %)	(5.3)	(5.3)	(4.4)	(4.4)	(4.4)	
Welfare and employment	92.6	97.1	102.1	107.2	112.9	5.1
Education	45.5	49.1	53.2	56.7	59.9	7.1
(Subsidies for local governments)	(38.4)	(41.0)	(45.3)	(49.1)	(53.1)	(8.4)
Culture, sports, tourism	4.6	4.8	4.8	4.9	5.1	2.5
Environment	5.9	6.3	6.4	6.5	6.6	2.5
R&D	16.0	16.9	17.5	18.2	19.5	5.0
Industry, SMEs, energy	15.1	15.7	15.3	15.3	15.4	0.5
Social Overhead Capital	23.1	23.9	23.0	22.7	22.7	-0.5
Agriculture, Fishery, Food	18.1	18.3	18.5	18.5	18.6	0.6
National Defense	33.0	34.6	36.2	37.8	39.4	4.5
Diplomacy and reunification	3.9	4.1	4.4	4.7	5.0	5.9
Public orders and social safety	14.5	15.0	15.7	16.5	17.3	4.5
Public administration	55.1	57.3	61.6	65.7	70.0	6.1
(Subsidies for local governments)	(33.0)	(35.5)	(39.6)	(43.1)	(46.9)	(9.2)

Economic News Briefing

Bank of Korea cuts benchmark interest rate

The Bank of Korea (BOK) decided on October 11 to lower its benchmark interest rate by 25 basis points to 2.75 percent, reflecting weak economic growth amid lackluster exports and domestic demand. This was the second rate cut this year, after the central bank lowered the key rate by 25 basis points to 3.00 percent in July. The Monetary Policy Committee assessed that the global economy will grow at a modest pace and that there are considerable downside risks owing to the spillover effects of the eurozone crisis on the real economy and the possibility of the fiscal cliff materializing in the US. Meanwhile, the central bank revised down its economic growth outlook for 2012 to 2.4 percent from an earlier forecast of 3.0 percent, and also lowered its 2013 forecast to 3.2 percent from 3.8 percent.

Korea-Japan currency swap arrangement comes to an end

The Ministry of Strategy and Finance (MOSF) of Korea, the Bank of Korea (BOK), the Ministry of Finance (MOF) of Japan and the Bank of Japan (BOJ) jointly announced on October 9 an expiration of the temporary measure to increase the amount of the Korea-Japan currency swap arrangement as of October 31. The decision takes into account the fact that the three top international credit rating agencies have upgraded Korea's credit rating and that Korea's external balance sheet has significantly improved, with regional financial markets stabilizing as well.

The finance ministries and the central banks of the two countries find that the measure has abated adverse influences from the global financial uncertainties and contributed to stability of the Korean foreign exchange market and regional financial markets. Given the stable financial markets and sound macroeconomic conditions of the two countries, the four institutions concluded that extending the temporary swap arrangement is unnecessary, and agreed to cooperate when needs arise while monitoring the global economic conditions.

IMF cuts world growth outlook

The global economic growth is slowing down and uncertainties still remain high mainly due to the continuing Eurozone crisis, the International Monetary Fund (IMF) assessed in its lasted World Economic Outlook released on October 9. The IMF revised down the global economic growth outlook to 3.3 percent this year and 3.6 percent for 2013 from July's outlook of 3.5 percent and 3.9 percent. The IMF identified as short-term risks the deepening Eurozone crisis, the US fiscal cliff and rising oil prices while the side effects of quantitative easing, the high level of public debt and slowing growth potential were considered as mid-term risks. The IMF estimates that there is a 17 percent possibility for the global economic growth rate to fall under 2 percent in 2013. Meanwhile, the IMF downgraded the outlook for Korea's 2012 growth rate to 2.7 percent from 3 percent. The growth rate outlook for 2013 was also cut to 3.6 percent from 3.9 percent.

Korea wins bid to host Green Climate Fund

Korea has been selected to host the secretariat of the UN Green Climate Fund (GCF), an international financial institution whose mission is to help developing countries to reduce greenhouse gas emissions and cope with climate change. Korea was selected among six candidates at a board meeting held in Incheon on October 20. The decision will be presented for approval at the UN Framework Convention on Climate Change (UNFCCC) conference to be held in Doha, Qatar during November 26-27. The GCF, which plans to raise US$100 billion every year until 2020 to support developing countries, will be the first major international organization to be based in Korea.

Mid- to long-term public institution financial management plan confirmed

The government confirmed a mid- to long-term financial management plan for public institutions for the first time on September 26, aiming to examine the fiscal soundness of public institutions and continuously monitor them to prevent problems from building up in the future. According to the plan, public institutions with assets of over 2 trillion won will be required to self-assess their financial status and set mid- to long-term financial management plans, which will then have to be submitted to the National Assembly. This will prompt public institutions to become more transparent about their financial status and to maintain fiscal soundness by various means such as boosting management efficiency.

The debt levels of Korea's public institutions have been surging recently. 41 public institutions with assets exceeding 2 trillion won has seen their debt levels increase by 61 trillion won to 444 trillion won from 2010 to 2011, and the debt ratio during this period rose 36 percentage points to 207 percent. Once the mid- to long-term plan is implemented, the debt ratio of the 41 largest public institutions is expected to rise through 2013, after which it will start to stabilize.

<Financial outlook for public institutions>

	2011	2012	2013	2014	2015	2016
Assets (trillion won)	659.0	704.0	759.4	806.4	838.7	869.6
Debts (trillion won)	444.4	485.4	532.3	561.0	575.9	588.6
Debt ratio (%)	207.1	222.1	228.4	228.5	219.1	209.5

WTO reviews Korea's trade policy

On September 19 and 21, the World Trade Organization (WTO) held a Trade Policy Review (TPR) on Korea for the first time in four years. The WTO periodically examines the trade policies of its member countries, and the last review on Korea was in 2008. At the latest TPR meeting, WTO members praised Korea's open trading policy, stating that the nation had overcome the 2008 global financial crisis by aggressively pursuing free trade agreements instead of resorting to protectionist measures. Meanwhile, WTO members pointed out that Korea needs to improve its service industry and the investment climate, mentioning the fact that productivity in the service sector is currently only about half the level in manufacturing and that Korea's FDI levels are low compared to that of other OECD member countries.

FDI in Jan-Sep 2012 posts record high for the period

Foreign direct investment (FDI) inflows into Korea in the first three quarters of 2012 posted a record high, rising 47.7 percent year-on-year to US$11.2 billion. Third quarter FDI in particular rose 84.3 percent from the same period of the previous year to US$4.4 billion. Investment from Japan surged 131 percent to US$3.3 billion during the January-September period, while investment from the Greater China Region (China, Taiwan, Hong Kong, Singapore, Malaysia) rose 146 percent to US$2.8 billion. In contrast, FDI inflows from the EU fell 27 percent to US$2.1 billion. Free Trade Agreements (FTA) with major trade partners have improved the investment climate in Korea, boosting investment in the manufacturing and service industries.

(Notification basis, US$ million, %)

	2008[1]	2009[1]	2010[1]	2011		2012	
				Jan-Sep	Q3	Jan-Sep	Q3
Total amount	7,423	8,019	7,265	7,584	2,220	11,199	4,093
Growth rate[2]	17.4	8.0	-9.4	4.4	-24.3	47.7	84.3

1. Jan-Sep

2. Percentage change from the same period of the previous year

Korea announces measures to boost foreign investment

The Ministry of Knowledge Economy (MKE) announced on September 18 new measures to boost foreign investment, which include designating eight foreign investment zones and expanding the cash grant limit for global enterprises building research and development (R&D) centers. Eight foreign investment zones were newly designated in order to meet the demand of major investors from Japan, the US and the EU, and they will provide various tax benefits, such as a seven-year national tax reduction (100 percent for five years and 50 percent for two years) and a local tax (acquisition tax, property tax) reduction. The new foreign investment zones are expected to attract as much as 2 trillion won in foreign investment (including direct investment of 980 billion won) and create around 55,000 jobs directly and indirectly.

In order to attract R&D centers of leading global enterprises, the ceiling for cash grants for those companies will be raised from 30 percent to 40 percent of the total amount invested. In addition, foreign enterprises operating outside the foreign investment zones will be allowed to transfer into the zone if they increase their capital by more than 30 percent. Also, firms will be allowed to pay their rent deposits in installments over the course of a year and substitute their rent deposits with surety insurance policies or bank pledges.

Government injects 100 billion won into Eximbank

The Ministry of Strategy and Finance (MOSF) announced on September 17 that the government injected 100 billion won into the Export-Import Bank of Korea (Korea Eximbank) in order to expand the bank's financing capacity for small- and medium-sized enterprises (SMEs) and the shipbuilding industry. This move is expected to help cash-strapped shipbuilders and SMEs to recover from the global recession. The government used 9.55 million shares (0.38 percent of total stocks issued) in the Korea Expressway Corporation to make the contribution, and as a result the government's stake in Korea Eximbank rose from 67.1 percent to 67.5 percent.

<Government's stake in Eximbank>

(billion won, %)

	Before injection		After injection	
	Amount	Stake	Amount	Stake
Government	4,719	67.1	4,819	67.5
Bank of Korea	1,165	16.5	1,165	16.3
Korea Finance Corporation	1,153	16.4	1,153	16.2
Total	7,038	100.0	7,138	100.0

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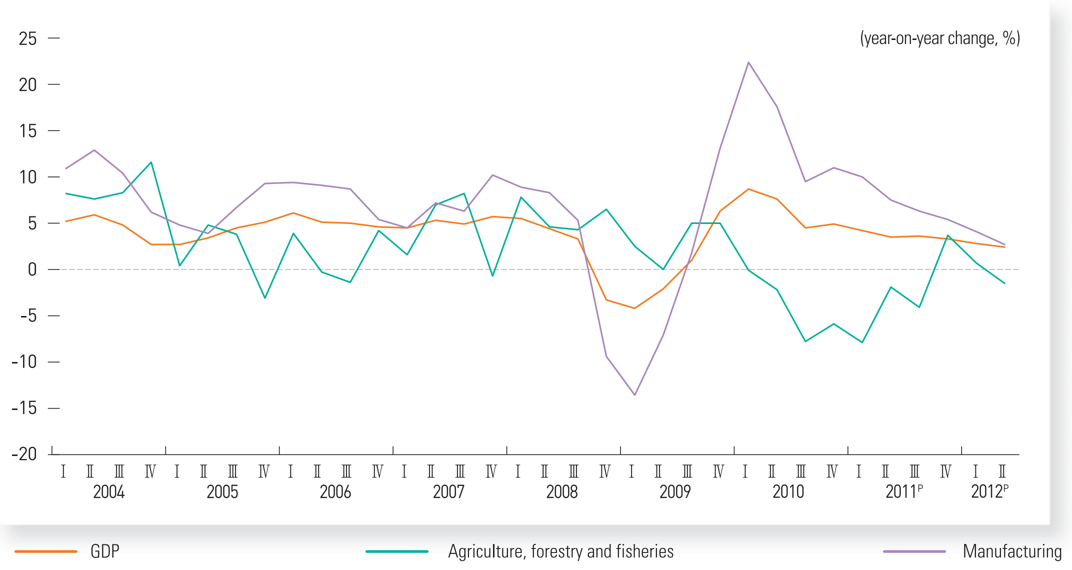
1. National accounts

(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		6.3	-4.4	14.7	4.1	5.8	-3.7	25.7
2011P		3.6	-2.0	7.2	2.2	-1.1	-5.0	3.7
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	8.7	-0.1	22.4	6.1	11.2	1.8	29.6
	II	7.6	-2.2	17.6	3.6	5.8	-4.7	32.0
	III	4.5	-7.8	9.5	3.5	5.6	-4.9	26.3
	IV	4.9	-5.9	11.0	3.0	2.3	-5.2	16.9
2011P	I	4.2	-7.9	10.0	2.6	-2.1	-11.0	10.3
	II	3.5	-1.9	7.5	2.7	0.7	-4.2	7.7
	III	3.6	-4.1	6.3	2.3	-1.5	-4.0	1.2
	IV	3.3	3.7	5.4	1.3	-1.8	-2.1	-3.3
2012P	I	2.8	0.7	4.1	2.2	4.6	1.5	8.6
	II	2.3	-1.6	2.6	1.7	-2.1	-2.1	-3.5

P: Preliminary
Source: The Bank of Korea

Growth rate by economic activity



Growth rate by expenditure on GDP

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

(constant prices, 2005 = 100)

Period		Production index	Y-o-Y change (%)	Shipment index	Y-o-Y change (%)	Inventory index	Y-o-Y change (%)	Service production index	Y-o-Y change (%)
2010		139.1	16.2	133.5	14.4	135.6	17.4	122.9	3.9
2011		148.8	6.9	142.1	6.5	163.6	20.7	127.0	3.3
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	2.8
	II	151.2	7.2	144.8	7.2	142.7	10.0	126.8	3.2
	III	146.1	5.1	139.3	5.0	149.0	10.7	127.1	4.5
	IV	154.0	5.0	146.4	3.3	163.6	20.7	130.8	2.7
2012	I	149.1	3.8	142.5	3.0	159.0	16.0	126.2	2.5
	II	153.4	1.5	146.6	1.5	155.7	9.8	128.9	1.7
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
	12	153.7	2.8	147.0	2.4	163.6	20.7	137.1	1.6
2012	1	143.7	-2.1	137.2	-2.6	164.0	21.4	124.7	0.6
	2	148.4	14.4	141.7	13.5	164.0	20.0	123.6	5.6
	3	155.2	0.6	148.5	-0.5	159.0	16.0	130.4	1.6
	4	149.6	0.0	142.8	-1.0	158.6	16.2	126.7	1.0
	5	155.9	2.9	149.0	3.5	160.7	15.3	129.9	2.4
	6	154.6	1.6	148.0	2.1	155.7	9.8	130.0	1.4
	7P	148.9	0.2	141.0	1.1	157.7	7.6	129.1	1.4
	8P	143.5	0.3	135.1	-1.0	164.1	9.5	127.9	0.6

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 (%)
2010		128.7	7.9	101.7	8.4	80.9
2011		135.7	5.4	100.5	-1.2	79.9
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
	IV	138.1	4.5	101.4	-3.4	78.0
2012	I	138.3	3.4	97.6	-1.4	79.9
	II	139.6	3.3	101.1	-2.5	78.9
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
	12	138.2	4.0	99.5	-4.5	76.9
2012	1	138.2	3.8	92.6	-8.9	80.5
	2	138.3	3.7	97.6	10.3	81.0
	3	138.5	3.0	102.6	-3.9	78.1
	4	138.7	2.7	98.8	-4.1	79.2
	5	139.8	3.4	102.4	-0.7	79.3
	6	140.3	3.6	101.9	-2.9	78.1
	7P	140.4	3.5	97.5	-3.5	77.0
	8P	140.4	3.4	88.8	-6.8	73.8

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 (%)
2010		121.2	6.7	157.1	14.8	113.5	6.8	113.8	2.2
2011		126.4	4.3	174.0	10.8	118.3	4.2	115.0	1.1
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
	IV	131.2	1.9	177.3	3.4	136.5	2.4	115.3	1.7
2012	I	125.3	2.0	173.3	3.6	112.8	0.7	115.0	2.3
	II	126.9	1.0	179.7	2.2	120.8	0.4	113.4	1.1
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
	12	135.6	2.0	179.0	1.0	144.6	5.5	119.0	2.0
2012	1	129.2	0.8	168.0	1.9	119.4	-0.6	121.9	2.3
	2	119.6	5.4	170.8	11.1	104.2	2.5	108.4	3.6
	3	127.0	0.1	181.1	-1.1	114.9	0.7	114.7	1.2
	4	123.0	0.3	167.5	0.3	120.1	-0.7	110.6	1.5
	5	131.4	2.2	183.7	4.5	128.8	1.9	117.5	1.4
	6	126.4	0.6	187.9	1.6	113.4	-0.3	112.2	0.4
	7P	131.0	2.7	199.1	7.3	108.8	1.2	118.3	0.5
	8P	122.7	-0.3	179.4	3.5	89.5	-4.2	118.4	-0.9

P: Preliminary
Source: Statistics Korea

5. Consumer goods shipment index and consumer sentiment index

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
2010		122.4	5.2	140.5	4.0	115.2	5.8	-
2011		121.1	-1.1	135.4	-3.6	115.3	0.1	-
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	-
	IV	123.3	-3.7	133.9	-7.1	119.1	-2.1	-
2012	I	119.9	-1.2	135.5	0.0	113.6	-1.7	-
	II	120.7	2.4	136.9	1.3	114.3	3.0	-
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
	12	124.2	-1.4	137.8	-1.5	118.7	-1.2	99
2012	1	120.4	-7.5	128.2	-4.3	117.2	-8.9	98
	2	117.3	10.3	136.6	8.3	109.5	11.3	100
	3	122.1	-4.1	141.6	-3.3	114.2	-4.5	101
	4	119.7	0.8	129.4	-3.2	115.9	2.7	104
	5	123.2	6.4	139.1	5.4	116.9	7.0	105
	6	119.4	0.2	142.3	1.7	110.2	-0.6	101
	7P	122.1	1.6	141.9	-0.4	114.1	2.5	100
	8P	118.6	-2.9	120.1	-9.6	118.0	0.1	99
	9	-	-	-	-	-	-	99

Source: Statistics Korea & The Bank of Korea

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

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		
2011		25,240	2,599	22,641	13,848	133.1	134.2
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
	IV	6,416	998	5,418	3,367	127.9	133.2
2012	I	6,292	960	5,332	2,986	138.5	130.3
	II	5,440	383	5,057	2,770	143.9	137.2
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
	12	2,122	223	1,899	1,277	139.3	149.8
2012	1	2,012	115	1,897	1,131	129.3	119.7
	2	2,490	712	1,778	1,013	139.8	132.5
	3	1,790	133	1,658	842	146.4	138.6
	4	1,816	98	1,719	941	141.3	134.0
	5	1,883	82	1,801	972	144.9	135.2
	6	1,741	204	1,537	858	145.5	142.4
	7P	1,855	263	1,593	802	135.4	129.3
	8P	1,510	150	1,361	656	115.7	115.4
		Y-o-Y change (%)					
2011		11.0	11.2	11.0	12.8	0.7	1.4
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
	IV	11.5	-3.1	14.7	21.0	-4.7	-3.7
2012	I	-2.4	104.5	-10.8	-19.2	9.3	2.0
	II	-18.5	-47.3	-15.0	-24.7	-0.4	-6.9
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
	12	-9.6	-72.8	24.3	54.4	-1.0	-2.0
2012	1	0.1	0.2	0.1	2.0	4.9	-1.5
	2	21.8	485.1	-7.5	-11.6	24.4	12.0
	3	-25.1	-43.0	-23.2	-41.6	1.3	-3.5
	4	-6.9	-1.2	-7.2	-18.6	5.1	-2.5
	5	-10.9	-42.4	-8.6	-18.1	-1.3	-9.5
	6	-33.3	-58.1	-27.6	-35.8	-4.5	-8.1
	7P	-6.8	72.7	-13.4	-21.9	1.3	-4.4
	8P	-16.1	30.2	-19.3	-34.8	-14.3	-7.0

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
2011		91,638	35,508	51,273	93,428	28,459	60,333
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
	IV	27,146	11,017	14,706	32,413	11,463	19,477
2012	I	19,195	7,496	10,778	22,232	5,640	15,959
	II	21,925	8,731	12,143	25,304	5,557	18,782
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
	12	11,179	4,804	5,729	16,556	6,220	9,179
2012	1	5,901	2,227	3,382	7,033	1,973	4,920
	2	5,978	2,364	3,363	8,193	2,175	5,912
	3	7,316	2,905	4,034	7,006	1,491	5,127
	4	6,714	2,608	3,818	6,374	1,438	4,483
	5	7,139	2,822	3,997	7,186	1,063	6,028
	6	8,071	3,301	4,328	11,744	3,056	8,271
	7P	6,885	2,324	4,184	6,311	2,292	3,813
	8P	6,480	2,273	3,901	5,117	1,329	3,747
		Y-o-Y change (%)					
2011		-0.7	1.0	-2.9	4.0	-2.5	9.5
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
	IV	5.1	2.5	6.9	22.4	54.2	11.3
2012	I	0.6	2.3	-0.7	36.6	37.7	43.7
	II	-8.3	-6.4	-7.9	0.8	-11.9	7.3
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
	12	7.1	3.4	10.4	15.0	47.6	0.1
2012	1	-5.0	-10.2	-2.7	42.8	48.4	69.4
	2	13.9	17.3	12.4	100.4	55.7	132.2
	3	-4.1	2.6	-8.0	-3.5	9.0	-9.3
	4	-4.8	-4.2	-4.0	-4.4	0.4	-2.7
	5	-3.9	0.2	-5.3	2.9	-43.9	31.1
	6	-14.3	-12.7	-13.1	2.6	2.6	-0.4
	7P	1.5	-4.5	3.4	23.8	26.0	22.9
	8P	-6.1	-9.6	-3.8	-29.9	-11.7	-32.0

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	141.9	99.6	88.6	88.3
	2	140.1	143.1	100.0	92.2	91.0
	3	140.6	143.3	99.6	101.4	106.1
	4	141.2	143.6	99.4	97.5	98.4
	5	141.3	143.5	98.9	95.7	104.7
	6	142.8	144.9	98.9	90.4	98.3
	7	143.7	145.0	99.1	82.1	89.7
	8	144.0	144.9	98.6	84.4	82.7
	9	-	-	-	89.3	99.5
	10	-	-	-	-	97.0

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
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
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
2012P	I	2,559.9	2,612.4	134,627.6	132,015.2	-648.4	1,487.6	-891.7
	II	11,188.8	8,520.5	138,784.9	130,264.4	2,312.7	821.4	-465.8
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	-968.8	-1,624.0	41,383.8	43,007.8	-128.8	1,191.7	-407.7
	2	557.3	1,310.1	45,863.0	44,552.9	-1,219.3	613.4	-146.9
	3	2,971.4	2,926.3	47,380.8	44,454.5	699.7	-317.5	-337.1
	4	1,734.0	1,750.8	45,820.3	44,069.5	549.7	-422.0	-144.5
	5	3,574.9	1,751.9	46,162.8	44,446.9	1,593.0	341.6	-75.6
	6	5,879.9	5,053.8	46,801.8	41,748.0	170.1	901.8	-245.7
	7	6,144.3	5,340.6	46,620.5	41,279.9	593.3	401.9	-191.5
	8	2,357.3	2,371.9	42,806.0	40,434.1	-262.2	435.5	-187.9

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
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
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
2012P I	-1,377.1	-7,203.3	15,156.1	1,355.0	-4,232.7	134.3	-6,586.4	-1,182.8
II	-7,986.0	-3,015.2	5,481.3	-65.3	-599.2	284.3	890.7	-3,158.7
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	1,305.6	-2,013.3	7,737.0	434.2	-2,190.4	-1.7	-2,660.2	-336.8
2	-920.3	-3,572.6	6,115.2	214.1	-1,526.1	36.0	-2,186.8	363.0
3	-1,762.4	-1,617.4	1,303.9	706.7	-516.2	100.0	-1,739.4	-1,209.0
4	157.7	-940.4	-2,213.3	320.5	2,667.4	102.3	221.2	-1,891.7
5	-2,897.4	-1,382.0	-937.1	-390.4	-1,600.9	144.2	1,268.8	-677.5
6	-5,228.3	-692.8	-2,330.9	4.6	-1,647.7	37.8	-599.3	-651.6
7	-7,840.1	-1,443.6	-2,529.2	267.1	-7,625.3	36.3	-1,603.8	1,695.8
8	-636.1	-1,607.1	580.9	68.3	1,432.9	8.0	-1,119.2	1,721.2

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	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
	3	106.0	109.2	103.5	104.3	125.4	129.9	113.4	172.3
	4	106.0	108.9	103.7	104.4	125.3	129.7	114.1	170.5
	5	106.2	109.2	103.9	104.6	124.6	128.8	113.7	167.2
	6	106.1	108.8	104.0	104.9	122.9	126.5	111.8	161.2
	7	105.9	107.9	104.2	104.9	122.3	125.7	110.4	159.8
	8	106.3	108.8	104.4	105.1	123.2	126.9	110.6	162.6
	9	107.0	110.4	104.4	105.2	124.1	128.1	110.9	164.1
		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	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
	3	2.6	4.1	1.4	1.9	2.8	3.3	-0.0	3.5
	4	2.5	4.1	1.3	1.8	2.4	2.8	2.0	1.7
	5	2.5	4.3	1.3	1.6	1.9	2.2	3.2	2.1
	6	2.2	3.6	1.2	1.5	0.8	0.8	2.2	-1.2
	7	1.5	1.9	1.1	1.2	-0.1	-0.2	2.2	-1.0
	8	1.2	1.6	1.1	1.3	0.3	0.2	1.1	0.3
	9	2.0	3.1	1.3	1.4	1.0	0.9	-1.9	-2.4

Source: The Bank of Korea

12. Employment See graphs 8-1, 8-2, 8-3 & 8-5

Period	Economically active persons (thous.)	Employed persons (thous.)			Unemploy-ment (%)	Wage workers (thous.)			
		All industry	Manufacturing	S.O.C&service			Regular	Temporary	Daily
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 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
2	24,825	23,783	4,060	18,599	4.2	17,225	10,807	4,877	1,542
3	25,210	24,265	4,018	18,870	3.7	17,421	10,899	4,997	1,525
4	25,653	24,758	4,027	19,103	3.5	17,679	10,957	5,095	1,627
5	25,939	25,133	4,071	19,292	3.1	17,935	11,064	5,153	1,718
6	25,939	25,117	4,084	19,248	3.2	17,932	11,157	5,094	1,681
7	25,901	25,106	4,114	19,265	3.1	17,911	11,153	5,081	1,676
8	25,623	24,859	4,111	19,040	3.0	17,743	11,203	4,935	1,595
				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 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
2	1.6	1.9	-2.1	3.2	-	2.2	4.0	2.0	-8.5
3	1.2	1.8	-2.5	3.4	-	2.1	3.4	4.5	-12.3
4	1.6	1.9	-2.0	3.1	-	1.9	3.2	3.4	-10.2
5	1.8	1.9	-1.6	3.0	-	1.8	3.3	1.8	-7.4
6	1.4	1.5	-1.2	2.3	-	1.2	4.1	-0.7	-10.2
7	1.7	1.9	0.8	2.2	-	1.4	4.1	-1.1	-7.5
8	1.4	1.5	2.0	1.6	-	1.3	4.6	-1.9	-9.8

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
	3	3.3	3.5	4.4	3.6	3.7	2,014.04
	4	3.3	3.5	4.3	3.5	3.6	1,981.99
	5	3.3	3.5	4.0	3.4	3.5	1,843.47
	6	3.3	3.5	3.9	3.3	3.4	1,854.01
	7	3.1	3.3	3.0	3.1	3.6	1,881.99
	8	3.0	3.2	3.4	2.8	2.9	1,905.12
	9	3.0	3.1	3.3	2.8	2.9	1,996.21

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	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	1,756,597.4	2,288,816.9
2012	1	81,635.4	439,352.9	1,757,058.7	2,292,213.5
	2	81,655.3	437,193.9	1,762,988.4	2,302,065.8
	3	79,068.0	440,075.4	1,773,172.9	2,341,626.9
	4	80,641.8	437,445.3	1,777,114.7	2,349,723.2
	5	80,547.7	438,795.3	1,784,220.5	2,357,701.0
	6	81,804.0	441,611.0	1,796,981.5	2,377,045.8
	7	81,557.7	441,760.6	1,807,289.2	2,393,737.7
	8	82,369.1	439,573.2	1,817,134.9	2,405,225.7
		Y-o-Y change (%)			
2010		9.5	11.8	8.7	8.2
2011		11.3	6.6	4.2	9.4
2010	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	2.3	4.8	6.5
	2	8.3	1.1	5.3	7.2
	3	8.3	2.1	5.7	8.8
	4	10.2	2.8	5.5	8.6
	5	9.1	3.5	5.5	8.4
	6	9.5	4.7	5.9	8.5
	7	10.1	5.4	6.0	8.4
	8	8.9	4.0	5.7	7.8

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	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
	3	1,137.8	1,125.9	1,380.7	1,364.1	1,513.4	1,487.1
	4	1,134.2	1,135.6	1,412.0	1,393.9	1,501.7	1,495.6
	5	1,177.8	1,154.3	1,489.1	1,447.1	1,456.6	1,478.6
	6	1,153.8	1,165.5	1,453.8	1,469.1	1,435.0	1,462.3
	7	1,136.2	1,143.4	1,453.6	1,446.4	1,393.1	1,407.0
	8	1,134.6	1,131.7	1,444.0	1,438.4	1,419.6	1,402.8
	9	1,118.6	1,124.8	1,441.1	1,438.6	1,444.3	1,446.0
				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	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
	3	2.8	0.3	3.7	-0.9	-3.2	-5.4
	4	5.8	4.5	7.5	6.8	-5.6	-4.7
	5	9.0	6.5	11.5	8.5	-6.0	-4.7
	6	7.0	7.8	8.8	9.4	-8.0	-6.0
	7	7.9	7.9	7.4	8.5	-7.6	-7.2
	8	5.9	5.5	3.4	3.4	-8.3	-8.8
	9	-5.2	0.6	-6.2	-1.2	-9.8	-6.3

Source: The Bank of Korea

Useful Economy-related Websites

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

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

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

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

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

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

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http://www.bok.or.kr/eng

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