

Republic of Korea

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The Green Book

Current Economic Trends

Overview

Korea's economic recovery has gained momentum as major real economic indicators, including production, consumption and investment, all improved, and employment and inflation remain stable.

The economy added 432,000 jobs year-on-year in August, up from 367,000 in the previous month.

Consumer price inflation went down year-on-year in September from 1.3 percent to 0.8 percent due to a fall in agricultural and petroleum product prices.

Despite energy consumption restriction measures negatively affecting steel and chemical industries, mining and manufacturing production rose 1.8 percent month-on-month in August, in line with an improvement in the automobile and IT sectors. Service output increased by 0.7 percent from the previous month due to strong financial & insurance services and entertainment, cultural & sports services.

Retail sales rose 0.4 percent in August compared with the previous month, as strong semi-durable and nondurable goods sales offset a decline in durable goods sales.

Facility investment increased 0.2 percent month-on-month in August backed by strong transportation equipment investment, while construction investment went up by 0.1 percent due to an improvement in building construction.

The cyclical indicator of the coincident composite index went up 0.2 points month-on-month in August, and the leading composite index rose 0.3 points, increasing for five consecutive months.

Exports fell 1.5 percent year-on-year in September, despite strong exports of semiconductors and vessels, and an increase in exports to China and the ASEAN countries, due to two fewer days worked as the *Chuseok* holiday fell in the month. The trade balance remained in the black at US\$3.71 billion.

In September, stock prices rose and the won strengthened, despite worries regarding the early tapering of quantitative easing in the US, due to foreign investors' net buying of Korean stocks and an increase in the current account surplus.

Housing prices increased month-on-month in September for the first time in three months from a 0.13 percent fall to a 0.05 percent rise, while rental prices stayed on an upward track, up from 0.42 percent to 0.51 percent.

The Korean economy has showed clear signs of recovery. However, private sector investment has yet to pick up and external uncertainties, which include the US fiscal situation and the exit from unconventional monetary stimulus, remain.

The Korean government will closely monitor the global and domestic economic situations and continue to pursue policies that stimulate the economy, such as measures to boost investment.

The government will also focus on supporting the lives of the low- and middle-income classes through job creation and by stabilizing the prices of necessities, while continuing to adopt policies to strengthen the economy.

1. External economic situation

The global economy continues to gradually recover led by advanced economies, such as the US. However, concerns remain regarding the slowdown in emerging economies* owing to quantitative easing tapering-related uncertainties.

* The Asian Development Bank (ADB) downgraded on October 2 their forecast for Asia's economic growth in 2013 (6.6% ⇒ 6.0%), and 2014 (6.7% ⇒ 6.2%).

There is a possibility that the Fed will taper its quantitative easing despite ongoing debt limit negotiations*, and there are political anxieties in the eurozone, notably Italy**, as well.

* Treasury Secretary Jack Lew announced on September 25 that the US would exhaust its measures to pay its debts and hit the debt ceiling (*which stands at about 16.7 trillion dollars*) on October 17.

** There are anxieties regarding Italy's ability to form a government as five ministers associated with the People of Freedom party offered their resignations in protest of former Prime Minister Silvio Berlusconi's expulsion from the Senate.

World GDP growth





The US economy grew 2.5 percent (*finalized, annualized q-o-q*) in the second quarter of 2013, leaving the previous estimate unchanged. The recovery is expected to continue in the second half of the year, led by consumption and investment.

Contribution to growth rate (Q1 ⇒ Q2, %p)

1.54 ⇒ 1.24 (private consumption), -0.57 ⇒ 0.56 (corporate investment), 0.34 ⇒ 0.40 (housing investment), 0.93 ⇒ 0.41 (inventory investment), -0.28 ⇒ -0.07 (exports), -0.82 ⇒ -0.07 (government spending)

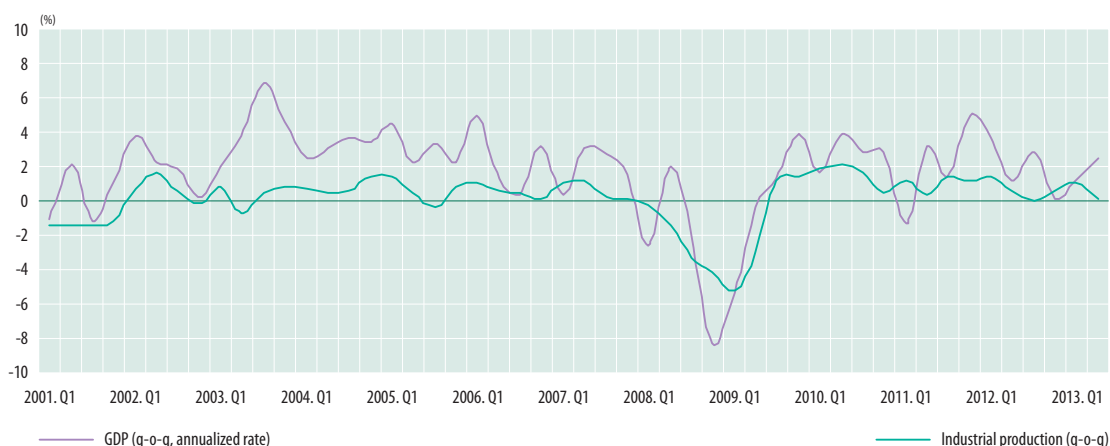
Industrial production in August improved 0.4 percent month-on-month (*up from 0.0%*), and the ISM Manufacturing Index, which forecasts business sentiment, was 56.2 in September. Including the previous month, the index recorded the highest it has registered since April 2011.

ISM Manufacturing Index (base=50)

53.1 (Jan 2013) ⇒ 54.2 (Feb) ⇒ 51.3 (Mar) ⇒ 50.7 (Apr) ⇒ 49.0 (May) ⇒ 50.9 (Jun) ⇒ 55.4 (Jul) ⇒ 55.7 (Aug) ⇒ 56.2 (Sep)

US GDP growth and industrial production

Source: US Department of Commerce & US Federal Reserve Board



Retail sales continued to improve in September, increasing by 0.2 percent compared to the previous month, while the University of Michigan Consumer Sentiment Index fell from 82.1 to 77.5, which is still high.

University of Michigan Consumer Sentiment Index

73.8 (Jan 2013) ⇒ 77.6 (Feb) ⇒ 78.6 (Mar) ⇒ 76.4 (Apr) ⇒ 84.5 (May) ⇒ 84.1 (Jun) ⇒ 85.1 (Jul) ⇒ 82.1 (Aug) ⇒ 77.5 (Sep)

The housing market continues to recover as home sale indicators increased (*in August, existing home sales increased 1.7% and new home sales increased 7.9%*) and housing prices rose for 16 consecutive months.

Case-Shiller Home Price Index (q-o-q, m-o-m, %)

-0.4 (Q1 2012) ⇒ 2.2 (Q2) ⇒ 1.7 (Q3) ⇒ 1.9 (Q4) ⇒ 3.4 (Q1 2013) ⇒ 3.6 (Q2) ⇒ 1.7 (Apr) ⇒ 1.0 (May) ⇒ 0.9 (Jun) ⇒ 0.6 (Jul)

New home sales (m-o-m, %)

15.7 (Jan 2013) ⇒ -2.8 (Feb) ⇒ -0.4 (Mar) ⇒ 0.7 (Apr) ⇒ -1.6 (May) ⇒ 3.6 (Jun) ⇒ -13.4 (Jul) ⇒ 7.9 (Aug)

Despite the unemployment rate decreasing from 7.4 percent to 7.3 percent, the employment market recovery wavered somewhat in August as nonfarm payrolls increased by only 169,000, falling well below expectations (180,000).

Nonfarm payroll increase (m-o-m, thousand)

219 (Dec 2012) ⇒ 148 (Jan 2013) ⇒ 332 (Feb) ⇒ 142 (Mar) ⇒ 199 (Apr) ⇒ 176 (May) ⇒ 172 (Jun) ⇒ 104 (Jul) ⇒ 169 (Aug)

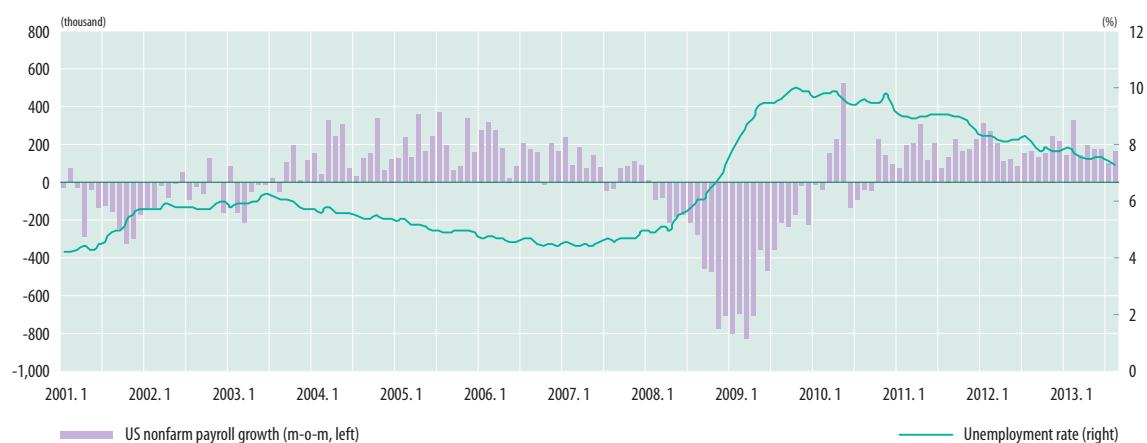
Nonfarm payroll increase in August by industry (Out of 169,000 jobs added, thousand)

152 (private sector): 4 (mining), 14 (manufacturing), 0 (construction), 134 (service)
17 (public sector)

* The release of the September employment numbers was delayed due to the US government shutdown. Initially, the report was scheduled to be released on October 4.

US nonfarm payroll growth and unemployment rate

Source: US Department of Labor



(Percentage change from previous period)

	2011	2012				2013 ¹					
	Annual	Annual	Q1	Q2	Q3	Q4	Q1	Q2	Jul	Aug	Sep
Real GDP ²	1.8	2.8	3.7	1.2	2.8	0.1	1.1	2.5	-	-	-
- Personal consumption expenditure	2.5	2.2	2.9	1.9	1.7	1.7	2.3	1.8	-	-	-
- Corporate fixed investment	7.6	7.3	5.8	4.5	0.3	9.8	-4.6	4.7	-	-	-
- Housing construction investment	0.5	12.9	23.0	5.7	14.1	19.8	12.5	14.2	-	-	-
Industrial production	4.1	3.8	1.4	0.6	0.0	0.6	1.0	0.1	0.0	0.4	-
Retail sales	8.0	5.0	1.7	-0.3	1.3	1.5	1.0	0.9	0.4	0.2	-
Existing home sales	2.4	9.9	5.5	-2.0	5.1	3.3	1.0	2.4	6.5	1.7	-
Unemployment rate ³	9.0	8.1	8.3	8.2	8.1	7.8	7.7	7.6	7.4	7.3	-
Consumer prices	3.2	2.1	2.8	1.9	1.7	1.9	1.7	1.4	2.0	1.5	-

1. Preliminary

2. Annualized rate (%)

3. Seasonally adjusted

Source: US Department of Commerce

The Chinese economy slowed down slightly in the second quarter of 2013, growing 7.5 percent year-on-year compared to 7.7 percent in the first quarter, but major economic indicators, such as industrial production, exports, retail sales and fixed asset investment, recently improved.

Exports had been slowing down owing to weak external demand and the Chinese government's regulations against hot money, but have been recovering somewhat led by the US and Hong Kong, both of which are major destinations of Chinese exports. Exports were up by 5.1 percent in July and 7.2 percent in August.

The manufacturing PMI has increased month-on-month for three consecutive months.

Manufacturing PMI (base = 50)
50.1 (Jun 2013) ⇒ 50.3 (Jul) ⇒ 51.0 (Aug) ⇒ 51.1 (Sep)

In November, the Chinese government will announce economic reform measures, including new urbanization measures, social welfare reforms, financial reforms and measures to strengthen private sector corporate competitiveness.

(Percentage change from same period in previous year)

	2011	2012 ¹					2013 ¹			
	Annual	Annual	Q1	Q2	Q3	Q4	Q1	Q2	Jul	Aug
Real GDP	9.3	7.7	8.1	7.6	7.4	7.9	7.7	7.5	-	-
Industrial production	13.9	10.0	11.6	9.5	9.1	10.0	9.5	9.1	9.7	10.4
Fixed asset investment (accumulated)	23.8	20.6	20.9	20.4	20.5	20.6	20.9	20.1	20.1	20.3
Retail sales	17.1	14.3	14.9	13.9	13.5	14.9	12.4	13.0	13.2	13.4
Exports	20.7	8.3	8.8	10.5	4.5	9.5	18.9	4.2	5.1	7.2
Consumer prices ²	5.4	2.6	3.8	2.8	1.9	2.1	2.4	2.4	2.7	2.6
Producer prices ²	6.0	-1.7	0.1	-1.4	-3.3	-2.3	-1.7	-2.7	-2.3	-1.6

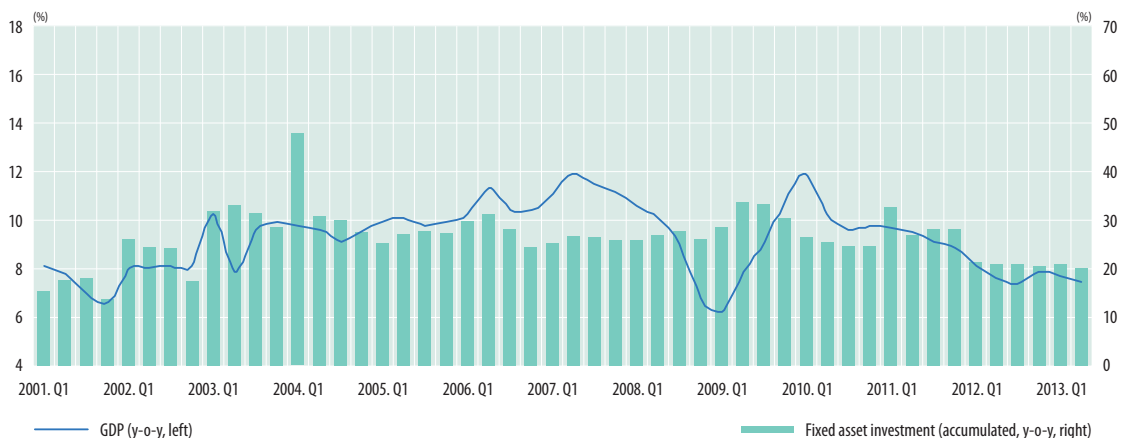
1. Preliminary

2. Quarterly change: average of monthly change

Source: China National Bureau of Statistics

China's GDP growth and fixed asset investment

Source: National Bureau of Statistics of China



Japan

The Japanese economy grew 0.9 percent quarter-on-quarter in the second quarter of 2013, maintaining its recovery momentum from the first quarter when it grew 1.0 percent. The economy continued to improve in August as well, led by exports.

The consumer price index (CPI) rose for the third consecutive month, increasing by 0.9 percent in August. The core CPI rose 0.8 percent.

On October 1, the Japanese government decided to raise the consumption tax from 5 percent to 8 percent starting April 2014, and announced stimulus measures (*about 5 trillion yen*), including tax reductions for corporate investment and an expansion of public sector projects.

(Percentage change from previous period)

	2011	2012 ¹					2013 ¹			
	Annual	Annual	Q1	Q2	Q3	Q4	Q1	Q2	Jul	Aug
Real GDP	-0.6	2.0	1.2	-0.3	-0.9	0.3	1.0	0.9	-	-
Industrial production	-2.4	-0.3	1.2	-2.0	-4.2	-1.9	2.2	1.5	3.4	-0.7
Retail sales	-1.2	1.6	1.2	0.3	-0.9	-0.2	0.6	1.1	-1.7	0.9
Exports (y-o-y)	-2.7	-2.8	-1.6	4.8	-8.2	-5.5	1.2	7.1	12.2	14.6
Consumer prices (y-o-y)	-0.3	-0.0	0.3	0.1	-0.4	-0.2	-0.6	-0.3	0.7	0.9

1. Preliminary

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

Japan's GDP growth and industrial production

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



Eurozone

The eurozone economy grew 0.3 percent in the second quarter of 2013, and appears to have climbed out of the recession that had lasted seven quarters. However, uncertainties remain as August unemployment continued to be high at 12.0 percent.

Manufacturing PMI (base = 50)

47.9 (Jan 2013) ⇒ 47.9 (Feb) ⇒ 46.8 (Mar) ⇒ 46.7 (Apr) ⇒ 48.3 (May) ⇒ 48.8 (Jun) ⇒ 50.3 (Jul) ⇒ 51.4 (Aug) ⇒ 51.1 (Sep)

Unemployment rate (%)

12.0 (Jan 2013) ⇔ 12.1 (Feb) ⇔ 12.1 (Mar) ⇔ 12.1 (Apr) ⇔ 12.1 (May) ⇔ 12.1 (Jun) ⇔ 12.1 (Jul)
⇔ 12.0 (Aug) (youth unemployment : 23.1)

(Percentage change from previous period)

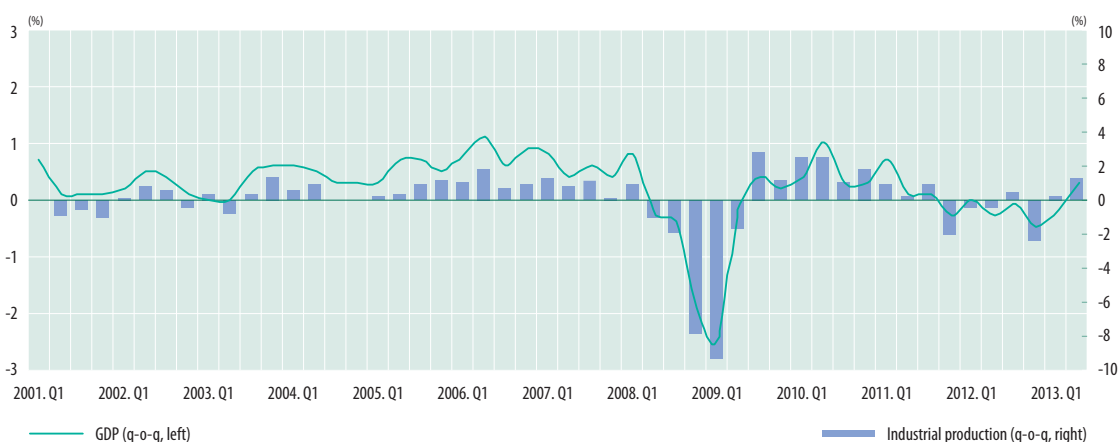
	2011	2012					2013 ¹				
	Annual	Annual	Q1	Q2	Q3	Q4	Q1	Q2	Jul	Aug	Sep
Real GDP	1.4	-0.5	0.0	-0.3	-0.1	-0.5	-0.2	0.3	-	-	-
Industrial production	3.5	-2.4	-0.5	-0.5	0.4	-2.4	0.2	1.2	-1.5	-	-
Retail sales	-0.5	-1.7	-0.3	-0.8	0.0	-1.5	0.3	0.3	0.5	0.7	-
Exports (y-o-y)	12.7	7.4	8.6	8.1	7.4	5.5	1.2	1.9	2.7	-	-
Consumer prices (y-o-y)	2.7	2.1	2.7	2.7	2.5	2.3	1.9	1.4	1.6	1.3	1.1

1. Preliminary

Source: Eurostat

● Eurozone's GDP growth and industrial production

Source: Eurostat



2.

Private consumption

Private consumption in the second quarter (*preliminary GDP*) increased 0.7 percent compared to the previous quarter and 1.8 percent compared to a year ago.

(Percentage change from previous period)

	2011					2012 ¹					2013 ¹	
	Annual	Q1	Q2	Q3	Q4	Annual	Q1	Q2	Q3	Q4	Q1	Q2
Private consumption ²	2.4	0.7	0.6	0.1	-0.2	1.7	0.8	0.4	0.7	0.8	-0.4	0.7
(y-o-y)	-	3.2	3.1	2.1	1.2	-	1.3	1.0	1.7	2.7	1.5	1.8

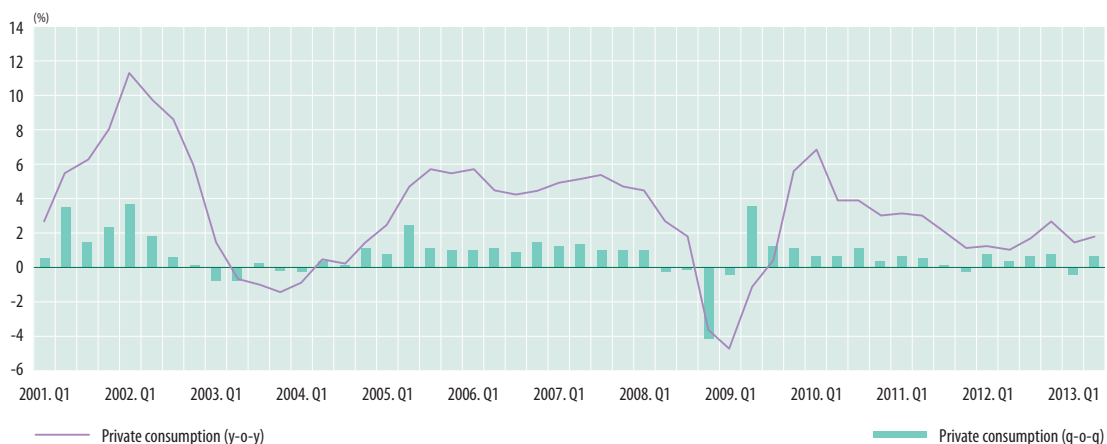
1. Preliminary

2. National accounts

Source: The Bank of Korea

Private consumption

Source: The Bank of Korea (national accounts)



Despite a decrease in durable goods sales (*down 0.3%*), retail sales in August increased 0.4 percent compared to the previous month and 2.5 percent compared to a year ago, as semi-durable goods sales (*up 1.7%*) and nondurable goods sales (*up 0.2%*) both increased.

(Percentage change from previous period)

	2011			2012				2013 ¹				
	Annual	Q3	Q4	Annual	Q1	Q2	Q3	Q4	Q1	Q2 ¹	Jul ¹	Aug ¹
Retail sales	4.5	0.5	0.0	2.3	1.0	0.3	1.2	0.4	-1.2	0.4	1.2	0.4
(y-o-y)	-	4.0	2.6	-	2.8	1.4	2.6	2.5	0.2	1.1	1.0	2.5
- Durable goods ²	10.6	0.7	-0.9	5.3	2.5	1.9	2.8	2.3	-4.4	0.8	1.3	-0.3
• Automobiles	7.0	4.6	-11.3	2.4	2.4	9.4	-1.6	9.0	-9.0	2.1	7.4	-0.9
- Semi-durable goods ³	3.7	1.7	-2.7	-1.1	-0.4	0.3	-1.1	1.7	1.0	-0.7	1.4	1.7
- Nondurable goods ⁴	2.1	-0.1	1.6	2.3	0.9	-0.6	1.5	-1.1	-0.5	0.7	1.0	0.2

1. Preliminary

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

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

4. Nondurable goods: Food, medicine, cosmetics, fuel, tobacco, etc.

Source: Statistics Korea

There is a possibility that retail sales in September slightly fell from August due to a decrease in the sales of automobiles and food products.

Domestic car sales decreased compared to a year ago owing to strikes in the automobile industry and fewer days worked.

Department store sales continued to increase thanks to the strong sales of clothing, although the rate of increase slowed down compared to a year ago.

Large discount store sales greatly fell year-on-year as the sales of marine products decreased due to concerns over radioactivity in Japan.

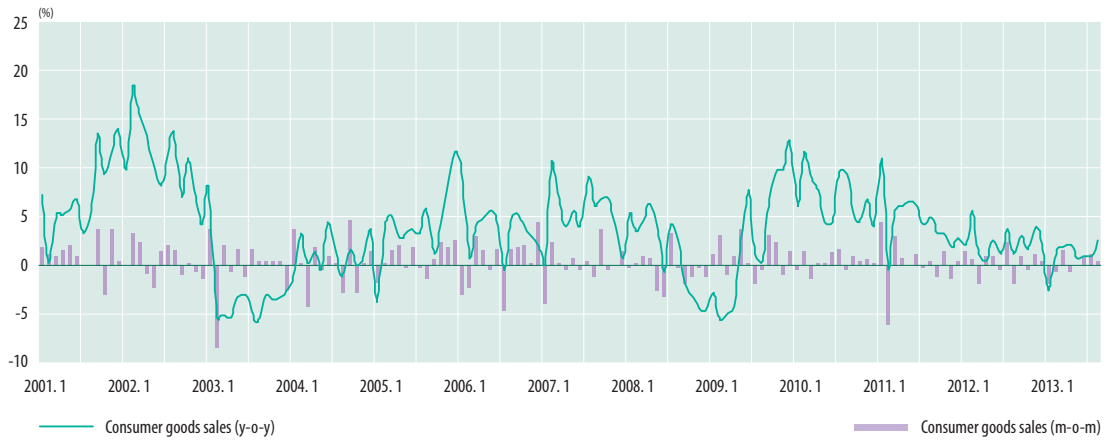
(Percentage change from same period in previous year)

	2013							
	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Credit card use	3.4	5.6	4.5	3.6	4.1	7.2	7.6	1.0
Department store sales	1.7	7.5	-1.9	1.0	4.1	-2.1	7.0	2.8
Large discount store sales	8.9	-4.4	-9.8	-4.3	4.2	-4.9	-2.4	-5.2
Domestic sales of gasoline	-8.0	7.6	6.5	2.6	2.9	-3.4	12.3	1.1
Domestic sales of cars	-13.5	-1.0	0.8	-1.9	-8.5	5.2	23.9	-14.5

Sources: Credit Finance Association of Korea, Ministry of Trade, Industry and Energy, Korea National Oil Corporation, Korea Automobile Manufacturers Association, Ministry of Strategy and Finance (for September data)

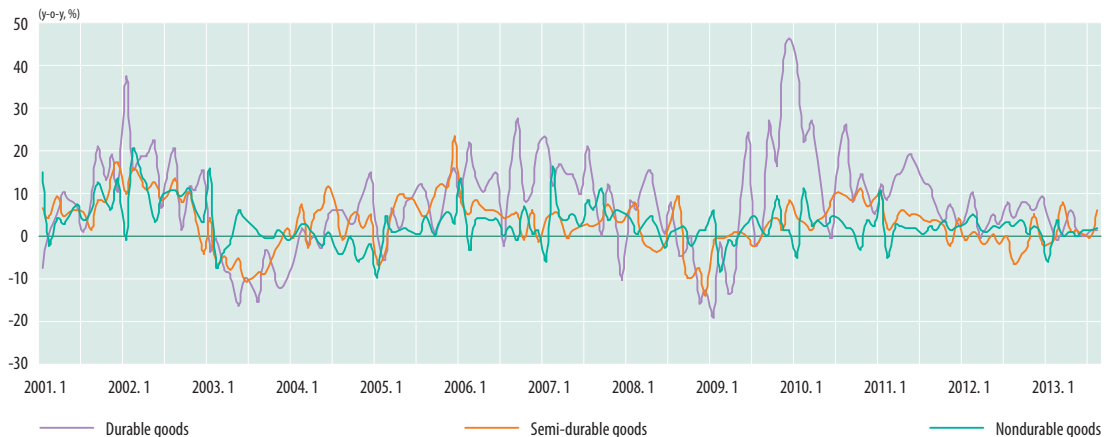
● Retail sales

Source: Statistics Korea (industrial activity trend)



● Retail sales by type

Source: Statistics Korea (industrial activity trend)



Facility investment

Facility investment (*preliminary GDP*) decreased 0.2 percent quarter-on-quarter and 4.6 percent year-on-year in the second quarter of 2013.

(Percentage change from previous quarter)

	2011		2012 ¹					2013 ¹	
	Annual	Q4	Annual	Q1	Q2	Q3	Q4	Q1	Q2
Facility investment ²	3.6	-3.6	-1.9	10.4	-7.8	-5.2	-1.8	2.6	-0.2
(y-o-y)	-	-3.6	-	8.8	-3.5	-6.9	-5.2	-11.9	-4.6
- Machinery	4.2	-1.8	-1.1	11.3	-8.5	-6.0	-3.2	1.1	-
- Transportation equipment	1.4	-10.8	-5.0	6.7	-5.2	-1.7	3.7	7.8	-

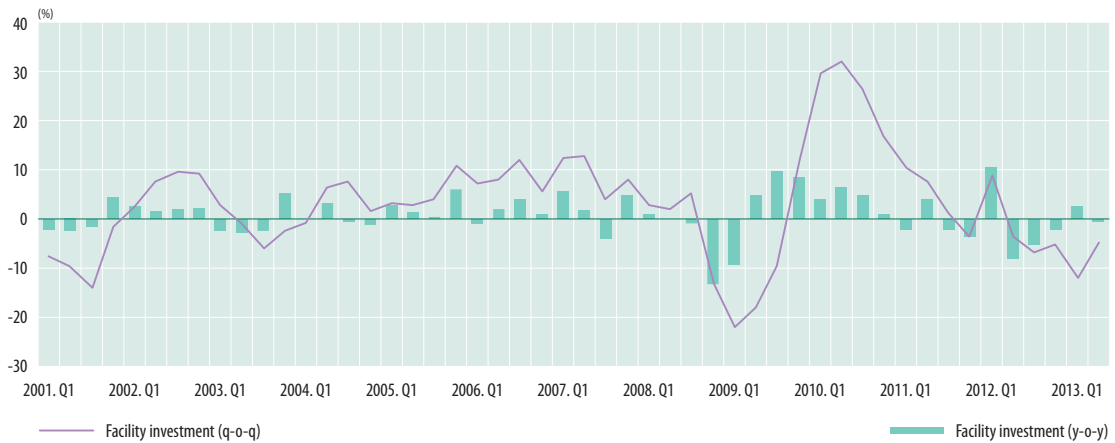
1. Preliminary

2. National accounts

Source: The Bank of Korea

Facility investment

Source: The Bank of Korea (national accounts)



Facility investment by type

Source: The Bank of Korea (national accounts)



The facility investment index rose 0.2 percent month-on-month in August as an increase in transportation equipment investment offset a fall in machinery investment. The index rose 4.6 percent year-on-year.

(Percentage change from previous quarter)

	2011	2012					2013 ¹				
	Annual	Annual	Q1	Q2	Q3	Q4	Q1	Q2	Jun	Jul ¹	Aug ¹
Facility investment index	4.0	-2.0	6.4	-5.0	-6.8	0.8	-4.5	-1.0	6.8	-2.7	0.2
(y-o-y)	-	-	10.7	-2.7	-8.2	-6.9	-15.4	-10.0	-5.9	-8.3	4.6
- Machinery	2.7	-2.2	8.1	-5.5	-6.9	-3.8	-5.7	1.8	5.6	-3.0	-1.7
- Transportation equipment	9.8	-1.1	-1.0	-1.8	-6.7	22.0	0.3	-10.7	11.4	-1.4	9.1

1. Preliminary

Source: Statistics Korea

It remains to be seen whether facility investment will rebound as the index has fluctuated on a monthly basis and its leading indicators, such as domestic machinery orders, facility investment adjustment pressure and average manufacturing operation ratio, have been mixed.

Business survey index for manufacturing sector (Bank of Korea, base = 100)

70 (Jan 2013) ⇒ 72 (Feb) ⇒ 76 (Mar) ⇒ 80 (Apr) ⇒ 81 (May) ⇒ 82 (Jun) ⇒ 78 (Jul) ⇒ 73 (Aug) ⇒ 77 (Sep) ⇒ 82 (Oct)

(Percentage change from same period in previous year)

	2011	2012					2013 ¹				
	Annual	Annual	Q1	Q2	Q3	Q4	Q1	Q2	Jun	Jul ¹	Aug ¹
Domestic machinery orders	7.6	-13.4	-1.1	-19.8	-10.4	-21.5	-10.9	8.7	10.4	5.7	6.4
(q-o-q, m-o-m)	-	-	-5.3	-18.7	-2.0	3.9	5.0	1.7	-16.9	12.4	-11.7
- Public	-2.6	-11.0	126.1	-59.7	86.7	-54.6	-47.0	94.2	11.5	15.8	-52.0
- Private	8.8	-13.6	-8.7	-15.1	-16.0	-15.1	-5.6	4.0	10.3	3.6	13.7
Machinery imports	7.1	-3.0	15.3	-4.3	-12.2	-8.2	-11.8	-2.1	2.2	4.9	17.5
Average manufacturing operation ratio	80.2	78.1	79.6	79.0	76.2	77.8	77.1	75.4	75.4	74.2	76.5
Facility investment adjustment pressure ²	1.1	-1.4	0.7	-1.3	-3.0	-1.5	-2.9	-2.0	-3.8	-0.7	2.0

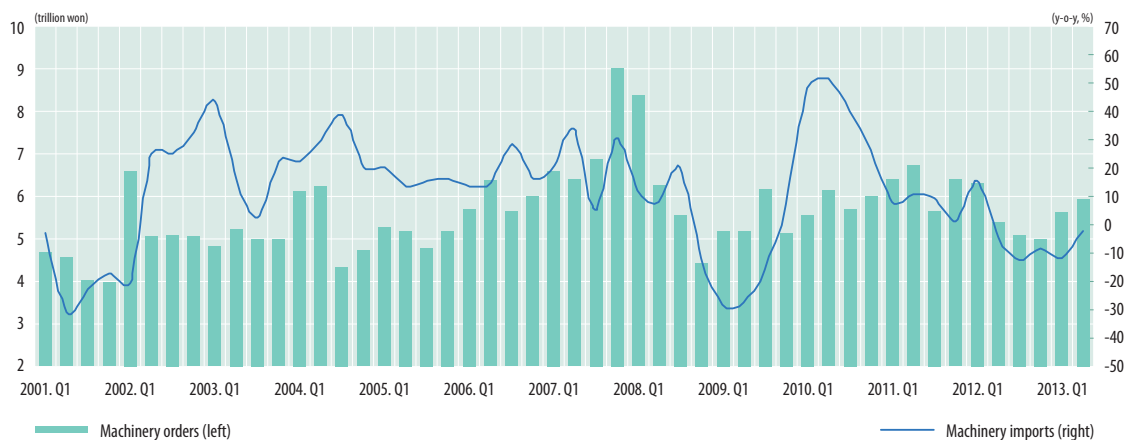
1. Preliminary

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

Sources: Statistics Korea, Korea International Trade Association

● 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 2013 increased 3.4 percent quarter-on-quarter and 7.2 percent year-on-year.

(Percentage change from previous quarter)

	2011 ¹		2012 ¹				2013 ¹		
	Annual	Q4	Annual	Q1	Q2	Q3	Q4	Q1	Q2
Construction investment ²	-4.7	0.1	-2.2	-1.5	-1.3	0.7	-1.2	4.1	3.4
(y-o-y)	-	-1.7	-	-0.4	-3.1	-0.3	-4.2	2.4	7.2
- Building construction	-2.7	-1.0	-1.7	0.3	-2.6	0.1	-0.3	4.6	-
- Civil engineering works	-7.3	1.5	-2.9	-3.9	0.4	1.5	-2.4	3.5	-

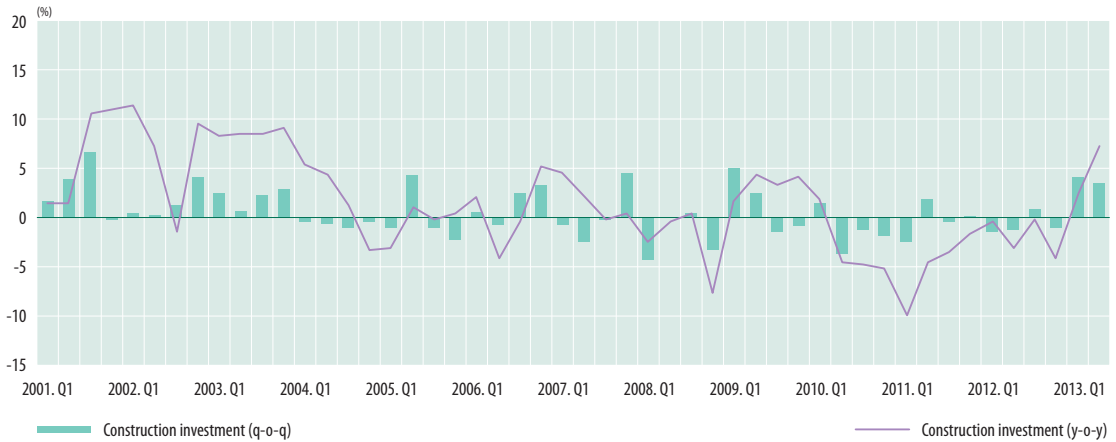
1. Preliminary

2. National accounts

Source: The Bank of Korea

Construction investment

Source: The Bank of Korea (national accounts)



Construction investment by type

Source: The Bank of Korea (national accounts)



The value of construction completed (*constant*) in August increased 0.1 percent month-on-month and 16.8 percent year-on-year, backed by strong building construction.

(Percentage change from previous quarter)

	2011	2012				2013 ¹					
	Annual	Annual	Q1	Q2	Q3	Q4	Q1	Q2	Jun	Jul ¹	Aug ¹
Construction completed (<i>constant</i>)	-6.4	-5.8	-5.6	-0.9	1.0	1.4	4.4	7.7	2.4	-0.9	0.1
(<i>y-o-y</i>)	-	-	-4.9	-9.7	-2.3	-5.6	5.2	15.6	15.1	11.6	16.8
- Building construction	-6.9	-7.6	-4.5	-4.8	1.0	1.8	7.6	8.6	1.1	-4.3	9.1
- Civil engineering works	-5.6	-3.5	-6.9	4.1	0.9	1.0	0.6	6.5	4.0	3.4	-10.5

1. Preliminary

Source: Statistics Korea

Despite a rise in new home sales in new towns, construction investment is likely to slow down as leading indicators, such as construction orders and building permit area, have been poor since the third quarter of 2012.

Unsold houses (thousand, Ministry of Land, Infrastructure and Transport)

75 (Jan 2013) ⇒ 73 (Feb) ⇒ 71 (Mar) ⇒ 70 (Apr) ⇒ 67 (May) ⇒ 65 (Jun) ⇒ 68 (Jul) ⇒ 68 (Aug)

(Percentage change from same period in previous year)

	2011	2012					2013 ¹				
	Annual	Annual	Q1	Q2	Q3	Q4	Q1	Q2	Jun	Jul ¹	Aug ¹
Construction orders (current value)	6.1	-8.9	33.3	-0.7	-13.6	-33.1	-41.2	-28.8	-40.4	-14.6	-11.5
(q-o-q, m-o-m)	-	-	15.1	-14.8	-6.1	-20.4	-5.9	1.0	-10.0	21.3	0.1
- Building construction	14.0	-8.7	27.4	-7.0	-7.1	-27.4	-33.6	-28.3	-13.3	11.7	-22.6
- Civil engineering works	-6.0	-9.3	42.0	12.5	-26.3	-43.7	-51.3	-29.7	-69.6	-55.0	30.1
Building permit area	9.9	-0.5	8.7	1.2	-7.3	-2.3	-12.4	-14.6	-16.7	-1.8	3.9

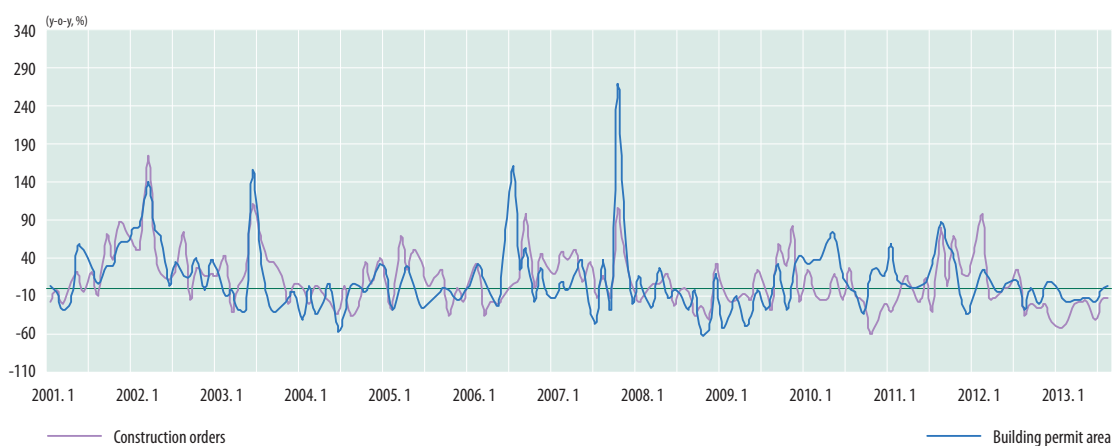
1. Preliminary

Sources: Statistics Korea, Ministry of Land, Infrastructure and Transport

● **Leading indicators of construction investment**

Source: Statistics Korea (construction orders)

Ministry of Land, Infrastructure and Transport (building construction permit area)



5.

Exports and imports

Exports in September fell 1.5 percent (*preliminary*) year-on-year to US\$44.74 billion.

Export growth slowed down due to fewer days worked, as the *Chuseok* holiday fell in the month.

Shipments of vessels and semiconductors, and exports to China and the ASEAN countries continued to grow, but exports by region and by item mostly declined due to a fall in the number of days worked.

Export growth by item (y-o-y, %)

59.7 (vessels), 21.4 (semiconductors), 2.7 (mobile phones), -11.9 (automobiles), -13.0 (petroleum products), -16.3 (steel)

Export growth by region (y-o-y, %)

5.0 (ASEAN countries), 4.7 (Latin America), 1.4 (China), -0.8 (US), -1.5 (Japan), -9.9 (EU)

Average daily exports, an indicator adjusted to days worked, amounted to US\$2.24 billion, up 8.4 percent year-on-year, and exports have continued to grow on a quarterly basis.

Average daily export growth (y-o-y, %)

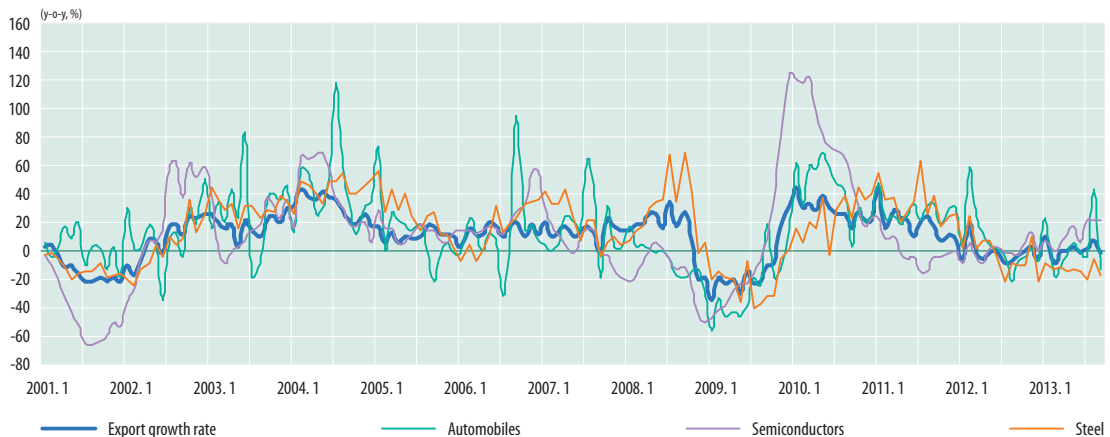
4.5 (Mar 2013) ⇒ -8.0 (Apr) ⇒ 1.0 (May) ⇒ 3.6 (Jun) ⇒ -1.5 (Jul) ⇒ 10.0 (Aug) ⇒ 8.4 (Sep)

Quarterly export growth (y-o-y, %)

-0.4 (Q4 2012) ⇒ 0.4 (Q1 2013) ⇒ 0.8 (Q2) ⇒ 2.9 (Q3)

Exports by item

Source: Korea Customs Service, Ministry of Trade, Industry and Energy (export and import trend)



(US\$ billion)

	2012				2013				
	Annual	Q3	Q4	Sep	Q1	Q2	Jul	Aug	Sep
Exports	547.87	133.13	139.77	45.41	135.47	141.19	45.83	46.38	44.74
(y-o-y, %)	-1.3	-5.8	-0.4	-2.4	0.4	0.8	2.6	7.7	-1.5
Average daily exports	2.00	1.90	2.04	2.06	2.00	2.07	1.83	1.97	2.24

Source: Korea Customs Service

Imports in September declined 3.6 percent (*preliminary*) year-on-year to US\$41.03 billion.

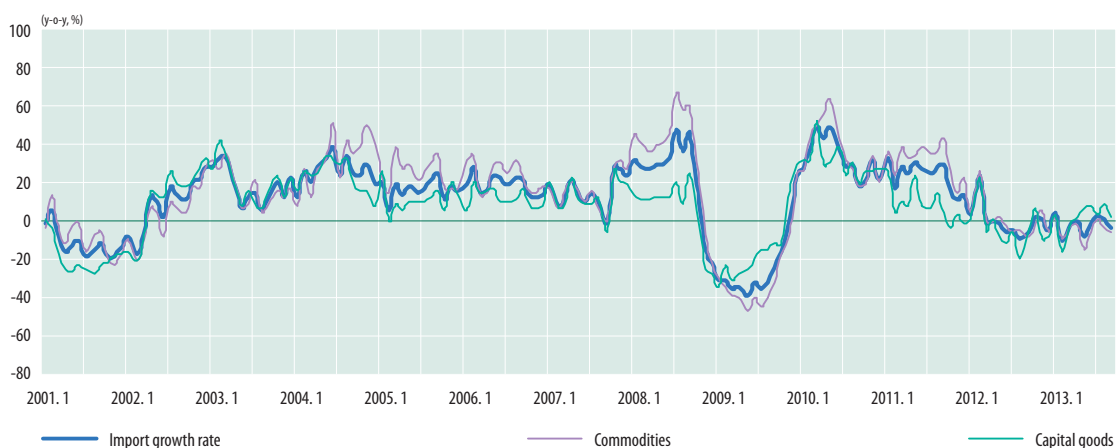
Despite consumer goods and capital goods imports rising modestly, imports declined for the first time in three months in line with a fall in commodities imports, which was affected by low oil prices.

Import growth by category (y-o-y, %)

-6.6 (commodities), 1.2 (consumer goods), 1.4 (capital goods)

Imports by type

Source: Korea Customs Service, Ministry of Trade, Industry and Energy (export and import trend)



(US\$ billion)

	2012				2013				
	Annual	Q3	Q4	Sep	Q1	Q2	Jul	Aug	Sep
Imports	519.58	125.65	129.83	42.56	129.68	126.89	43.29	41.53	41.03
(y-o-y, %)	-0.9	-6.9	-1.1	-6.0	-2.9	-2.7	3.2	1.0	-3.6
Average daily imports	1.90	1.79	1.89	1.94	1.94	1.85	1.73	1.77	2.05

Source: Korea Customs Service

The trade balance (*preliminary*) in September remained in the black for 20 months in a row, posting a surplus of US\$3.71 billion.

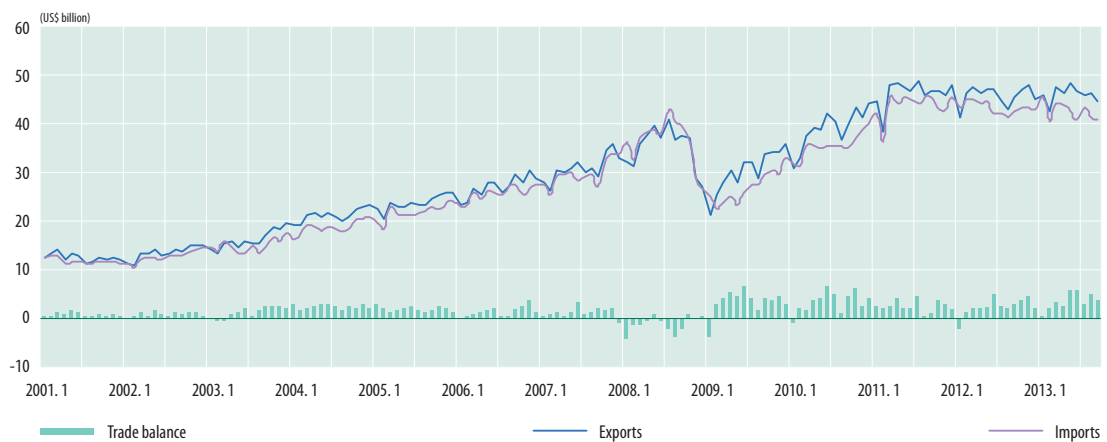
(US\$ billion)

	2012				2013				
	Annual	Q3	Q4	Sep	Q1	Q2	Jul	Aug	Sep
Trade balance	28.29	7.47	9.94	2.85	5.67	14.32	2.54	4.85	3.71

Source: Korea Customs Service

Exports and imports

Source: Korea Customs Service, Ministry of Trade, Industry and Energy (export and import trend)



6. Mining and manufacturing production

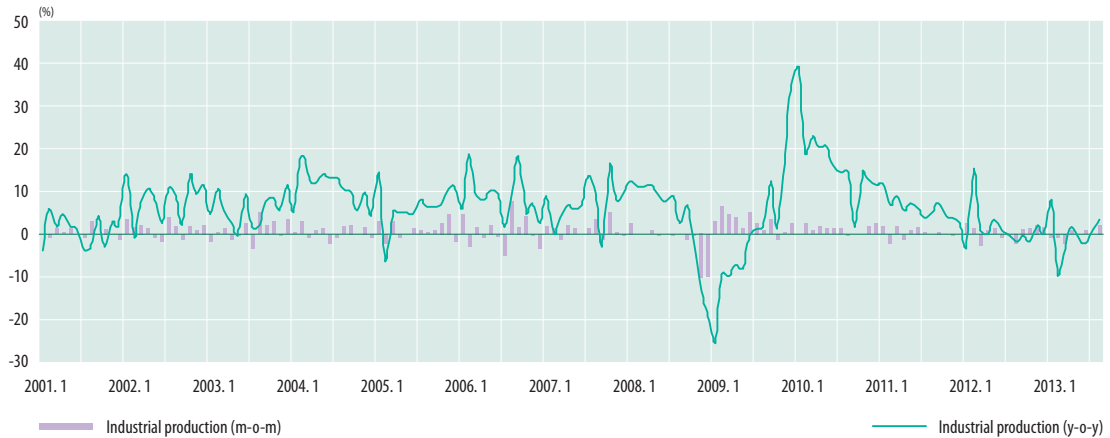
Mining and manufacturing production in August rose 1.8 percent month-on-month, backed by strong automobiles and audio-visual communications equipment, despite poor mechanical equipment and other transportation equipment. Compared to the same period in the previous year, the index rose 3.3 percent.

Compared to the previous month, production of automobiles (*up 18.9%*), audio-visual communications equipment (*up 11.1%*) and semiconductors & parts (*up 1.8%*) rose, while mechanical equipment (*down 4.7%*), other transportation equipment (*down 5.5%*) and processed metals (*down 2.6%*) fell.

Compared to a year ago, production of automobiles (*up 34.0%*), semiconductors & parts (*up 10.0%*) and medical, precision & optical instruments (*up 20.7%*) increased, while other transportation equipment (*down 12.8%*), mechanical equipment (*down 6.0%*) and refined petroleum (*down 6.0%*) went down.

Industrial production

Source: Statistics Korea (industrial activity trend)



The manufacturing inventory-shipment ratio decreased by 2.8 percentage points month-on-month as inventories fell 0.2 percent and shipments rose 2.3 percent.

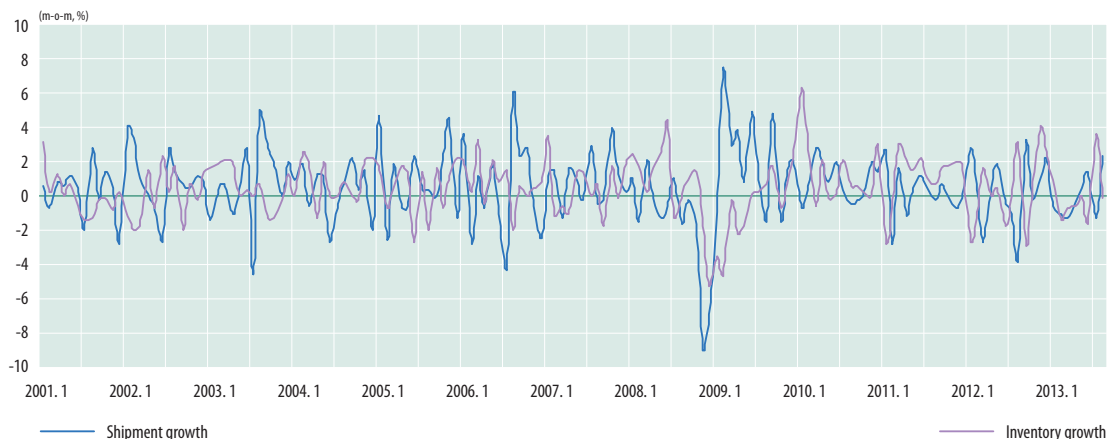
Inventories of automobiles (*up 5.2%*), audio-visual communications equipment (*up 18.9%*) and semiconductors & parts (*up 1.8%*) rose month-on-month, while refined petroleum (*down 14.6%*), chemical products (*down 3.0%*) and primary metals (*down 1.6%*) declined.

Shipments of automobiles (*up 12.1%*), semiconductors & parts (*up 3.0%*) and audio-visual communications equipment (*up 12.2%*) climbed, while mechanical equipment (*down 3.5%*), other transportation equipment (*down 5.0%*) and processed metals (*down 3.8%*) slipped.

The average operation ratio of the manufacturing sector rose by 2.3 percentage points month-on-month to 76.5 percent.

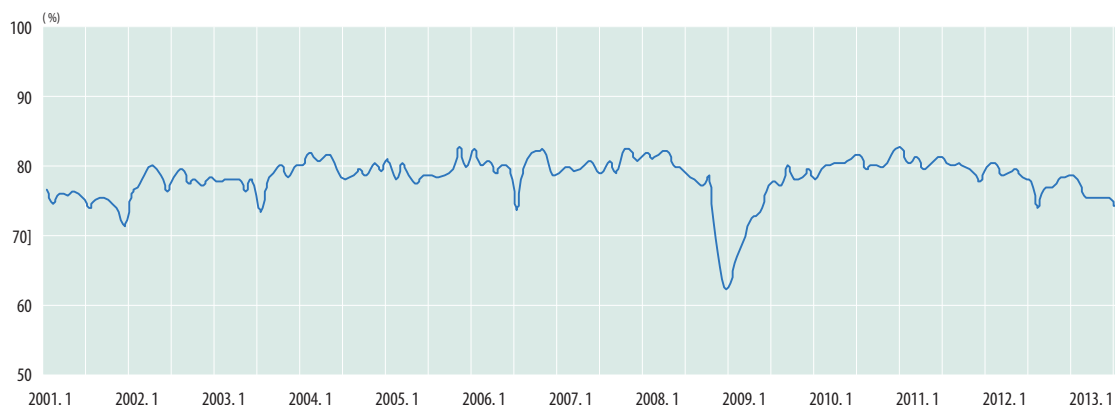
Shipment and inventory

Source: Statistics Korea (industrial activity trend)



● Average manufacturing operation ratio

Source: Statistics Korea (industrial activity trend)



(Percentage change from previous period)

		2012						2013 ¹				
		Annual	Q1	Q2	Q3	Q4	Aug	Q1	Q2	Jun	Jul ¹	Aug ¹
Mining and manufacturing activity ²	Mining production (q-o-q, m-o-m)	-	1.7	-0.5	-2.2	2.9	-2.4	-0.9	-1.4	0.8	-0.3	1.8
	(y-o-y)	0.8	3.6	1.1	-1.0	-0.1	-2.1	-1.7	-0.7	-2.4	0.9	3.3
	Manufacturing production (q-o-q, m-o-m)	-	1.7	-0.5	-2.3	3.0	-2.5	-0.9	-1.4	0.7	-0.3	1.8
	(y-o-y)	0.8	3.8	1.0	-1.1	-0.2	-2.4	-1.8	-0.8	-2.5	0.9	3.4
	Shipment	0.7	1.8	-0.3	-2.4	2.0	-3.8	-0.5	-1.0	1.5	-1.3	2.3
	- Domestic demand	-1.1	0.7	-0.3	-1.4	1.0	-4.4	-0.8	-1.3	1.6	-0.1	2.9
	- Exports	3.0	3.2	-0.3	-3.6	3.2	-3.1	-0.2	-0.7	1.5	-2.9	1.5
Inventory ³	2.3	1.6	-1.8	-3.0	2.3	3.1	-0.8	-1.5	-1.5	3.8	-0.2	
Manufacturing activity	Average operation ratio (%)	78.1	79.6	79.0	76.2	77.8	74.0	77.1	75.4	75.4	74.2	76.5
	Production capacity ⁴	2.2	3.1	2.3	1.9	1.3	0.5	1.1	1.2	1.3	1.6	1.4

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 is expected to be influenced by negative factors in September, such as strikes in the car manufacturing industry and fewer days worked due to the *Chuseok* holiday, although energy consumption restriction measures, which led to a cut in the production of steel, chemicals and vessels in August, have been lifted.

Growth of automobile exports (y-o-y, %)

-16.3 (Feb 2013) ⇒ -11.5 (Mar) ⇒ -2.6 (Apr) ⇒ 5.3 (May) ⇒ -1.6 (Jun) ⇒ -4.1 (Jul) ⇒ 43.9 (Aug) ⇒ -11.9 (Sep)

Growth of semiconductors exports (y-o-y, %)

0.9 (Feb 2013) ⇒ 6.6 (Mar) ⇒ 12.5 (Apr) ⇒ 17.2 (May) ⇒ 6.7 (Jun) ⇒ 21.7 (Jul) ⇒ 22.1 (Aug) ⇒ 21.4 (Sep)

Growth of mobilephone exports (y-o-y, %)

15.1 (Feb 2013) ⇒ 21.8 (Mar) ⇒ 47.9 (Apr) ⇒ 57.1 (May) ⇒ 6.3 (Jun) ⇒ 27.3 (Jul) ⇒ 25.9 (Aug) ⇒ 2.7 (Sep)

7.

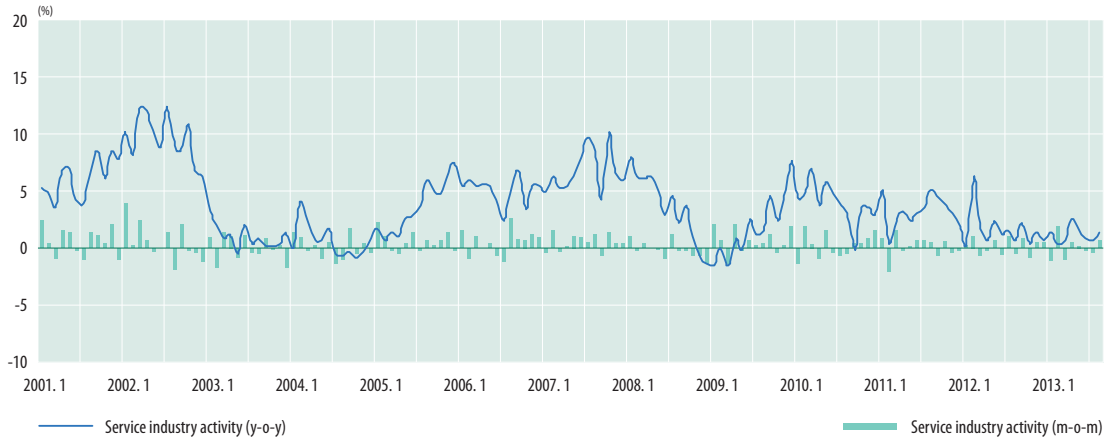
Service sector activity

Service output in August grew 0.7 percent month-on-month and 1.3 percent year-on-year, led by educational, leisure and financial services.

Hotels & restaurants and leisure-related services grew 0.7 percent and 3.7 percent, respectively, boosted by the summer vacation.

Service output

Source: Statistics Korea (service industry activity trend)

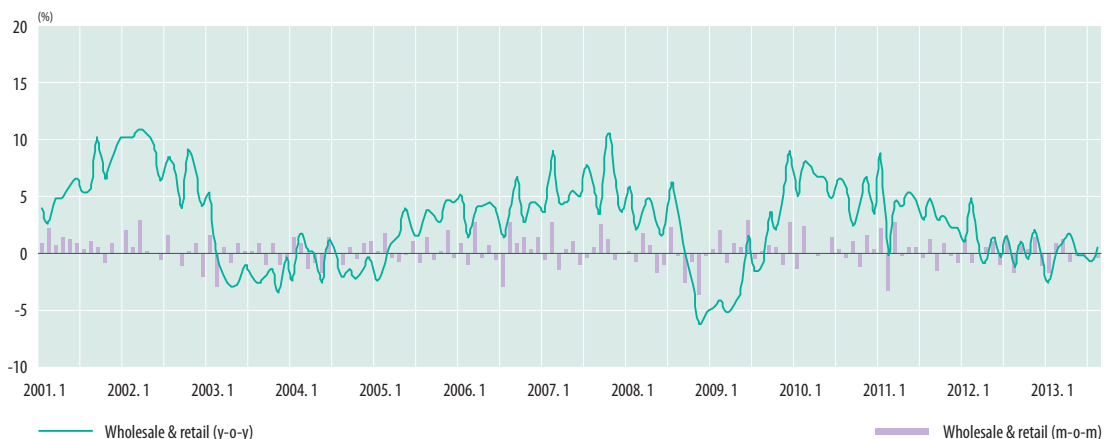


Growth in financial services turned positive (*up 1.7%, m-o-m*), due to a rise in average daily stock transactions, which were up from 5.3 trillion won in July to 5.7 trillion won in August.

Education services grew 2.0 percent, due to college scholarship payments, while professional, scientific & technical services and wholesale & retail declined 1.2 percent and 0.3 percent, respectively.

Wholesale & retail

Source: Statistics Korea (service industry activity trend)



(Percentage change from previous period)

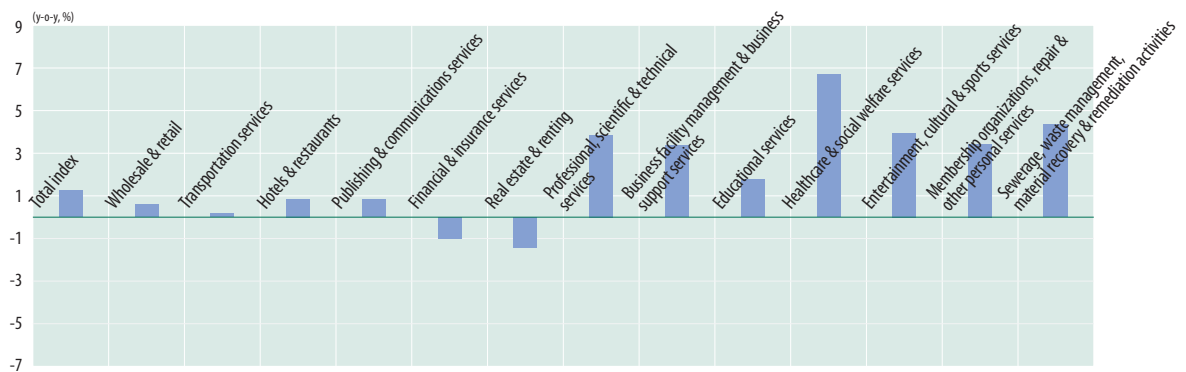
	Weight	2011			2012					2013 ¹			
		Annual	Q3	Q4	Annual	Q1	Q2	Q3	Q4	Q1	Q2	Jul ¹	Aug ¹
Service activity index	100.0	3.2	1.2	0.0	1.6	0.5	0.1	0.9	0.0	0.3	0.4	-0.4	0.7
- Wholesale & retail	21.6	3.8	0.4	-0.3	0.7	-0.1	0.6	0.1	0.7	-1.0	0.2	0.0	-0.3
- Transportation services	8.5	4.5	1.1	-1.3	1.2	1.2	0.2	0.9	0.6	0.7	-0.2	-2.6	1.7
- Hotels & restaurants	7.2	-1.3	-2.7	-1.4	-1.2	-0.1	0.9	1.3	-1.9	-0.6	0.8	-1.4	0.7
- Publishing & communications services	8.4	5.1	3.3	1.0	3.0	-0.4	0.6	1.6	-0.6	1.1	-1.7	2.9	0.0
- Financial & insurance services	14.7	6.8	3.9	-0.8	2.8	2.3	-2.6	3.1	0.5	1.1	-2.5	-1.1	1.7
- Real estate & renting	5.3	-7.6	0.9	-2.9	-4.3	-4.0	2.3	-1.3	1.6	-2.7	8.7	-9.5	-0.7
- Professional, scientific & technical services	5.6	0.5	1.1	4.1	4.0	-0.6	0.8	0.4	-0.7	-1.6	6.9	2.6	-1.2
- Business services	3.3	5.2	0.5	0.3	3.5	2.9	1.2	-1.7	-0.2	2.4	0.3	-1.4	2.0
- Educational services	10.9	2.2	1.1	1.0	0.9	0.6	-1.4	0.0	0.9	0.9	-1.2	0.7	2.0
- Healthcare & social welfare services	7.5	6.4	1.4	1.5	5.8	1.4	2.5	1.0	0.2	1.4	1.8	1.0	1.9
- Entertainment, cultural & sports services	2.9	2.7	-1.0	1.4	2.8	0.9	2.7	-1.5	-3.0	-0.1	3.9	-5.4	3.7
- Membership organizations	3.6	1.6	-0.2	-1.2	-1.4	-0.8	-0.4	1.9	-0.6	2.4	-0.6	6.6	-4.2
- Sewerage & waste management	0.6	3.3	0.8	2.9	-0.3	-7.3	5.8	0.3	-4.8	-1.0	2.5	4.3	3.8

1. Preliminary

Source: Statistics Korea

August 2013 service output by business

Source: Statistics Korea (service industry activity trend)



Service output in September is likely to be affected by upside factors such as an increase in real estate transactions and financial services, and also downside factors such as poor car sales and declining wholesale & retail.

Average daily stock transactions (trillion won)

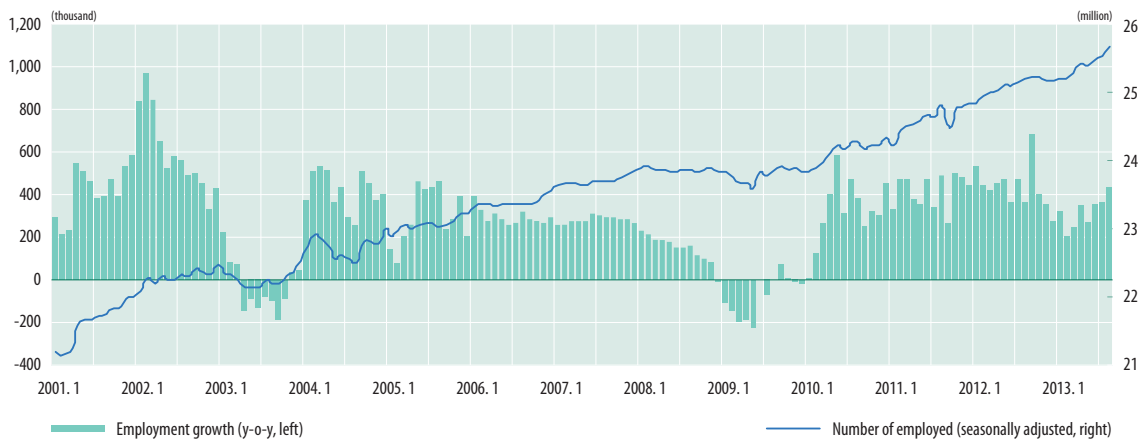
6.3 (Jan 2013) ⇒ 5.5 (Feb) ⇒ 6.0 (Mar) ⇒ 6.9 (Apr) ⇒ 6.5 (May) ⇒ 5.8 (Jun) ⇒ 5.3 (Jul) ⇒ 5.7 (Aug) ⇒ 6.1 (Sep)

Employment

The number of workers on payroll in August increased by 432,000 from a year earlier to 25,290,000 and the employment rate rose 0.3 percentage points to 60.0 percent.

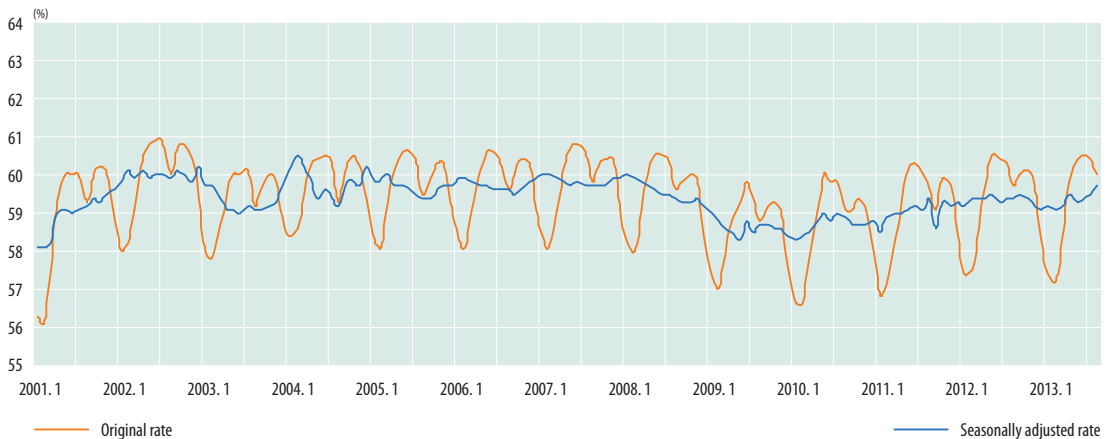
Number of persons employed and employment growth

Source: Statistics Korea (employment trend)



Employment rate

Source: Statistics Korea (employment trend)



By industry, employment growth in the manufacturing sector slowed while that in services and agriculture, forestry & fisheries accelerated. Meanwhile, employment growth in construction turned negative.

● Employment by industry

Source: Statistics Korea (employment trend)



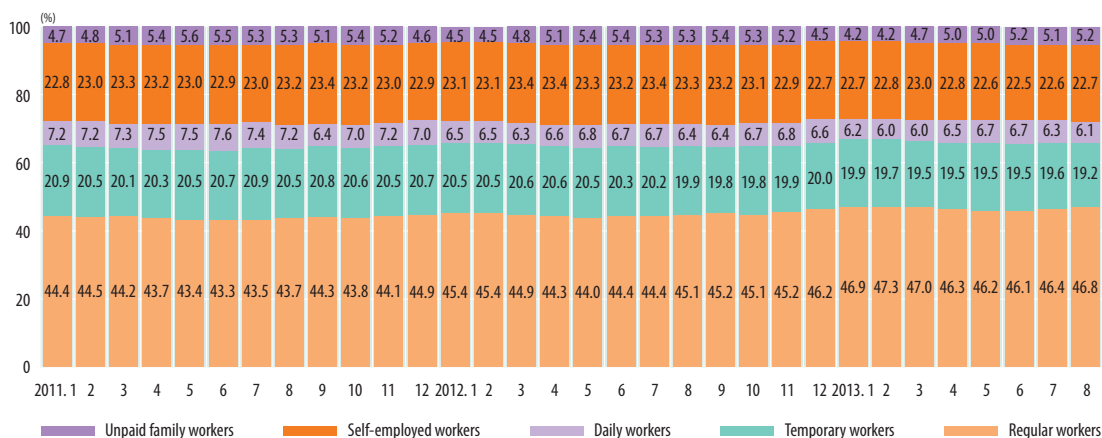
By status of workers, employment growth among regular workers slowed while employment growth among temporary, daily and self-employed workers accelerated.

	2010	2011		2012					2013				
	Annual	Annual	Q4	Annual	Q1	Q2	Q3	Q4	Aug	Q1	Q2	Jul	Aug
Number of employed (million)	23.83	24.24	24.46	24.68	23.93	25.00	24.99	24.80	24.86	24.18	25.33	25.47	25.29
Employment rate (%)	58.7	59.1	59.4	59.4	57.8	60.2	60.0	59.4	59.7	57.7	60.2	60.4	60.0
(Seasonally adjusted)	58.7	59.1	59.2	59.4	59.3	59.4	59.5	59.3	59.4	59.2	59.4	59.5	59.7
Employment growth (y-o-y, thousand)	323	415	474	437	467	430	506	342	364	257	324	367	432
(Excluding agriculture, forestry & fisheries)	405	440	497	451	498	454	504	344	384	266	351	364	404
- Manufacturing	191	63	-75	14	-102	-66	85	140	80	119	122	53	5
- Construction	33	-2	71	22	79	33	17	-40	-35	-64	-6	11	-7
- Services	200	386	514	416	541	491	397	236	330	199	212	282	386
- Agriculture, forestry & fisheries	-82	-25	-23	-14	-31	-24	2	-2	-20	-9	-27	3	28
- Wage workers	517	427	374	315	360	281	317	303	224	329	472	503	506
• Regular workers	697	575	500	436	413	379	485	469	494	554	638	661	639
• Temporary workers	-34	-78	-10	-2	110	73	-79	-109	-96	-152	-169	-98	-73
• Daily workers	-146	-70	-115	-120	-163	-171	-89	-57	-174	-73	3	-61	-60
- Non-wage workers	-194	-11	100	121	108	150	189	39	140	-71	-148	-136	-74
• Self-employed workers	-118	1	125	124	149	173	143	33	123	-28	-104	-113	-57
- Male	181	238	257	234	238	242	284	172	225	123	179	166	167
- Female	142	177	216	203	230	188	223	170	139	135	145	202	266
- 15 to 29	-43	-35	-18	-36	1	-8	-57	-80	-82	-117	-88	-102	-60
- 30 to 39	-4	-47	-56	-31	-65	-80	33	-10	42	-15	8	-49	-23
- 40 to 49	29	57	47	11	28	8	12	-3	-7	12	-6	31	45
- 50 to 59	294	291	315	270	326	260	273	220	218	196	254	285	288
- 60 or more	47	149	185	222	178	251	245	215	192	181	156	201	182

Source: Statistics Korea

○ Employment by status of workers

Source: Statistics Korea (employment trend)



The number of unemployed persons in August increased 19,000 year-on-year to 783,000, while the unemployment rate was unchanged at 3.0 percent.

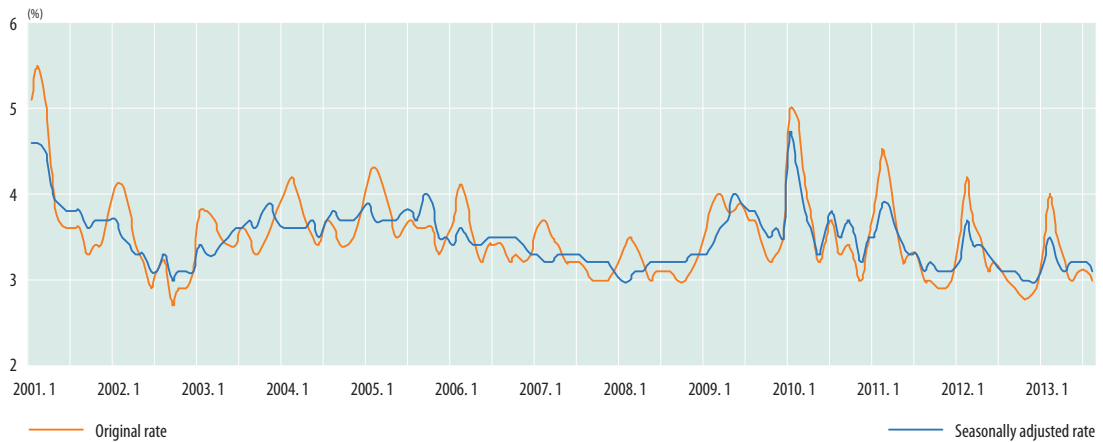
The unemployment rate among young adults and those in their 30s rose year-on-year, while the unemployment rate among those over 50 declined.

	2010		2011		2012					2013			
	Annual	Annual	Q4	Annual	Q1	Q2	Q3	Q4	Aug	Q1	Q2	Jul	Aug
Number of unemployed (thousand)	920	855	740	820	947	841	770	722	764	907	812	828	783
Unemployment growth (y-o-y, thousand)	31	-65	-68	-35	-82	-23	-16	-18	2	-40	-29	33	19
- Male	-7	-48	-41	-26	-54	-19	-16	-13	-12	-7	-20	28	25
- Female	38	-17	-27	-9	-28	-4	0	-6	14	-33	-9	4	-6
Unemployment rate (%)	3.7	3.4	2.9	3.2	3.8	3.3	3.0	2.8	3.0	3.6	3.1	3.1	3.0
(Seasonally adjusted)	3.7	3.4	3.1	3.2	3.5	3.3	3.1	3.0	3.1	3.3	3.1	3.2	3.1
- 15 to 29	8.0	7.6	7.1	7.5	8.2	8.1	6.8	7.0	6.4	8.4	7.9	8.3	7.6
- 30 to 39	3.5	3.4	2.9	3.0	3.2	3.2	2.8	2.7	2.8	3.3	3.0	3.0	3.1
- 40 to 49	2.5	2.1	1.9	2.0	2.4	2.0	2.0	1.8	2.0	2.1	2.1	2.1	2.0
- 50 to 59	2.5	2.1	1.8	2.1	2.3	2.0	2.2	1.8	2.3	2.3	1.8	1.9	1.9
- 60 or more	2.8	2.6	1.8	2.4	4.4	2.0	1.9	1.6	2.1	3.4	1.6	1.2	1.2

Source: Statistics Korea

Unemployment rate

Source: Statistics Korea (employment trend)



The economically inactive population in August was up 53,000 from a year earlier to 16,090,000, while the labor force participation rate rose 0.3 percentage points to 61.8 percent.

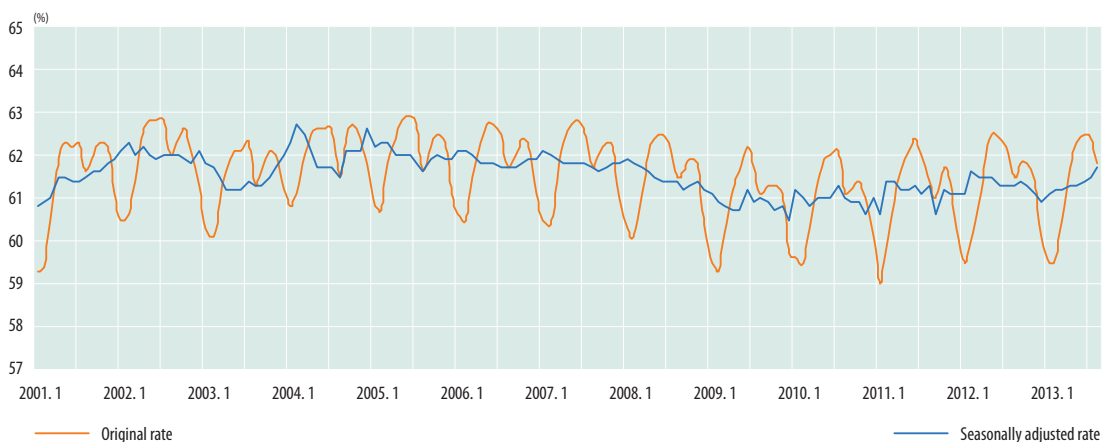
The number of those economically inactive due to housework (*down 96,000, y-o-y*) and rest (*down 38,000, y-o-y*) decreased, while those due to education (*up 111,000, y-o-y*), old age (*up 36,000, y-o-y*) and childcare (*up 6,000, y-o-y*) increased.

	2010	2011		2012						2013			
	Annual	Annual	Q4	Annual	Q1	Q2	Q3	Q4	Aug	Q1	Q2	Jul	Aug
Economically inactive population (million)	15.84	15.95	16.01	16.08	16.50	15.67	15.90	16.26	16.04	16.83	15.91	15.84	16.09
Labor force participation rate (%)	61.0	61.1	61.1	61.3	60.1	62.3	61.8	61.1	61.5	59.9	62.2	62.4	61.8
(seasonally adjusted)	61.0	61.1	61.1	61.3	61.4	61.4	61.4	61.1	61.4	61.2	61.3	61.5	61.7
Growth in economically inactive population (y-o-y, thousand)	143	112	53	128	103	110	57	244	180	336	242	116	53
- Childcare	-125	-5	23	-2	-	4	-7	-3	-14	0	10	24	6
- Housework	201	101	103	123	85	181	101	126	162	143	36	-83	-96
- Education	12	-51	-69	-12	-28	-64	5	39	18	118	147	152	111
- Old age	80	-45	2	148	76	174	156	186	155	154	7	22	36
- Rest	-56	182	131	-53	126	-71	-142	-125	-84	-106	44	-19	-38

Source: Statistics Korea

● Labor force participation rate

Source: Statistics Korea (employment trend)



9.

Financial markets

9.1 Stock market

The Korean stock price index in September rose 3.7 percent to 1,997 points from the previous month's 1,926 points.

Despite increasing uncertainties in the global financial market and anxieties in some emerging markets, foreign investors' net buying of Korean shares continued to expand, affected by the US Federal Reserve's decision in September to continue its quantitative easing program. Net buying by foreign investors expanded from 2.2 trillion won in August to 7.7 trillion won in September.

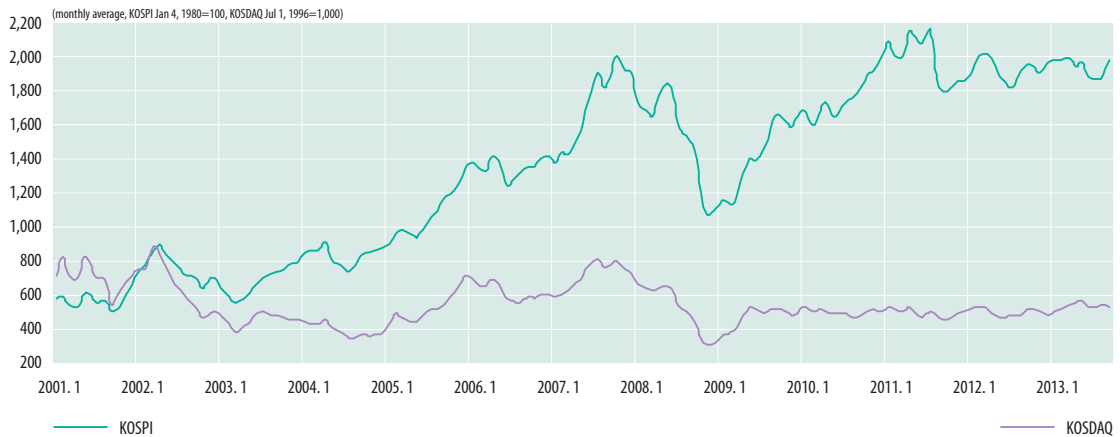
(End-period, point, trillion won)

	KOSPI			KOSDAQ		
	Aug 2013	Sep 2013	Change ¹	Aug 2013	Sep 2013	Change ¹
Stock price index (points)	1,926.4	1,997.0	70.6 (3.7%)	516.7	534.9	18.2 (3.5%)
Market capitalization (trillion won)	1,128.2	1,168.0	39.8 (3.5%)	120.1	124.6	4.5 (3.7%)
Average daily trade value (trillion won)	3.8	4.5	0.7 (18.4%)	1.9	1.6	-0.3 (-15.8%)
Foreign stock ownership (%)	34.2	34.7	0.5 (1.5%)	9.3	9.7	0.4 (4.3%)

1. Change from the end of the previous month

Source: Korea Exchange

Stock prices



9.2 Exchange rate

The won/dollar exchange rate in September fell 35.3 won to 1,074.7 won from 1,110.0 won at the end of August.

The won/dollar exchange rate fell to the 1,070 won range, as the value of the dollar fell after the US Federal Reserve announced on September 18 that it will continue its quantitative easing program. The exchange rate was also affected by Korea's persistent current account surplus and foreign investors' buying of Korean shares.

The won/100 yen exchange rate dropped to 1,082 won due to the strong won, but ended up at 1,098 won at the end of the month as the yen strengthened.

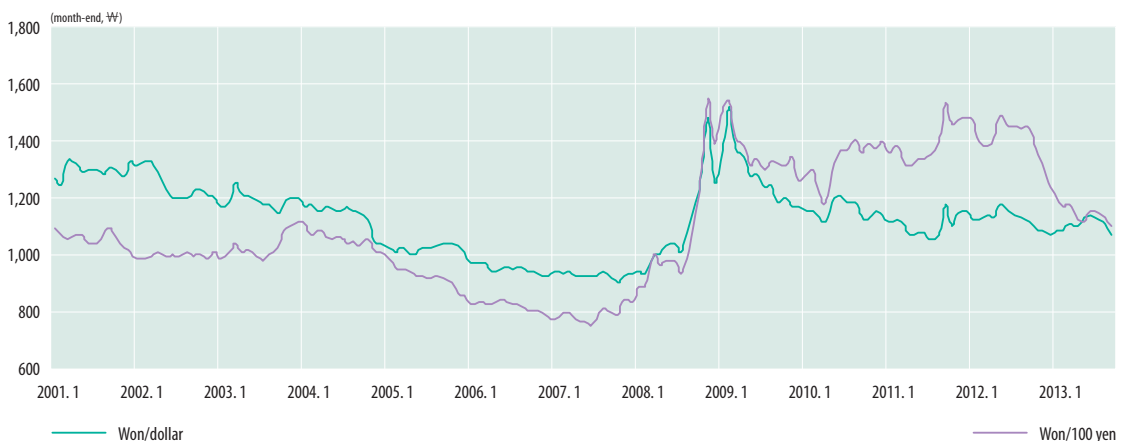
(End-period)

	2008	2009	2010	2011	2012	2013		
	Dec	Dec	Dec	Dec	Dec	Aug	Sep	Change ¹
Won/dollar	1,259.5	1,164.5	1,134.8	1,151.8	1,070.6	1,110.0	1,074.7	-0.4
Won/100 yen	1,396.8	1,264.5	1,393.6	1,481.2	1,238.3	1,130.6	1,098.3	12.7

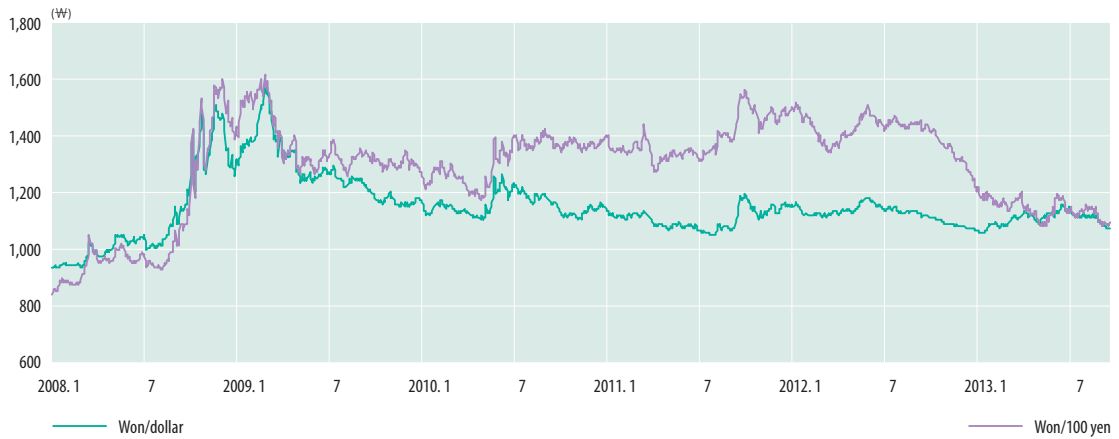
1. Appreciation from the end of the previous year (%)

* The exchange rate is based on the closing price at 3:00 p.m., local time.

Foreign exchange rate



○ Daily foreign exchange rate trend



9.3 Bond market

3-year Treasury bond yields declined 6 basis points in September to 2.82 percent from the previous month's 2.88 percent.

Following the decision by the US to maintain quantitative easing, Treasury bond yields in major countries including Korea declined.

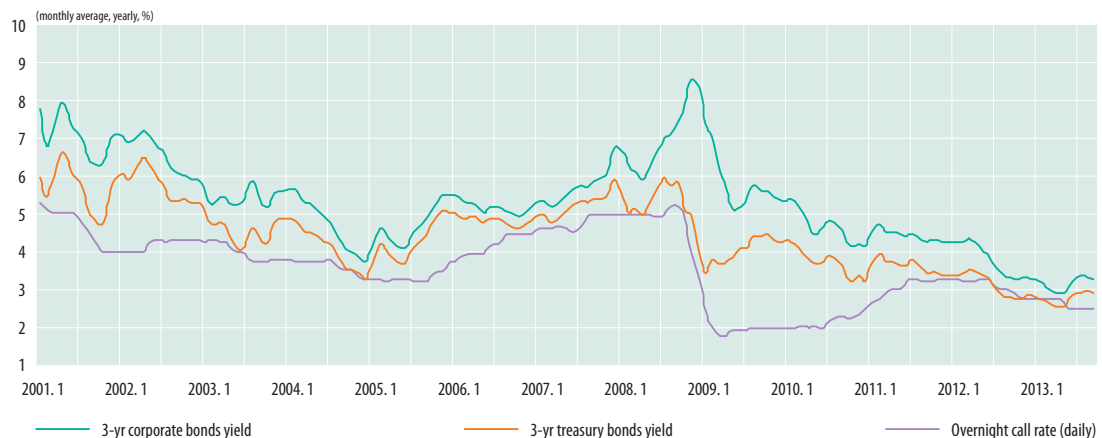
(End-period, %)

	2008	2009	2010	2011	2012	2013				Change ¹
	Dec	Dec	Dec	Dec	Dec	Jun	Jul	Aug	Sep	
Call rate (1 day)	3.02	2.01	2.51	3.29	2.77	2.50	2.53	2.51	2.50	-1
CD (91 days)	3.93	2.88	2.80	3.55	2.89	2.69	2.66	2.66	2.66	0
Treasury bond (3 yrs)	3.41	4.44	3.38	3.34	2.82	2.88	2.92	2.88	2.82	-6
Corporate bond (3 yrs)	7.72	5.56	4.27	4.21	3.29	3.31	3.36	3.25	3.24	-1
Treasury bond (5 yrs)	3.77	4.98	4.08	3.46	2.97	3.14	3.20	3.17	3.05	-12

1. Basis point, changes from the previous month

○ Interest rates

Source: The Bank of Korea



9.4 Money supply & money market

M2 (monthly average) in July expanded 4.6 percent from a year earlier.

M2 grew at a slower pace compared to the previous month, as growth in bank loans and government sector money supply decelerated, while money supply in the overseas sectors grew thanks to the current account surplus and growing foreign investment in Korean shares.

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

	2008	2009	2010	2011	2012					2013				
	Annual	Annual	Annual	Annual	Annual	Q1	Q2	Q3	Q4	Apr	May	Jun	Jul	Jul ¹
M1 ²	-1.8	16.3	11.8	6.6	3.8	1.8	3.6	4.3	5.5	8.7	8.4	10.2	10.7	489.0
M2	14.3	10.3	8.7	4.2	5.2	5.3	5.6	5.6	4.5	5.1	4.8	4.9	4.6	1,890.7
Lf ³	11.9	7.9	8.2	5.3	7.8	7.5	8.5	7.9	7.1	6.9	6.8	6.6	6.5 ⁴	2,549.4 ⁴

1. Balance at end July 2013, trillion won

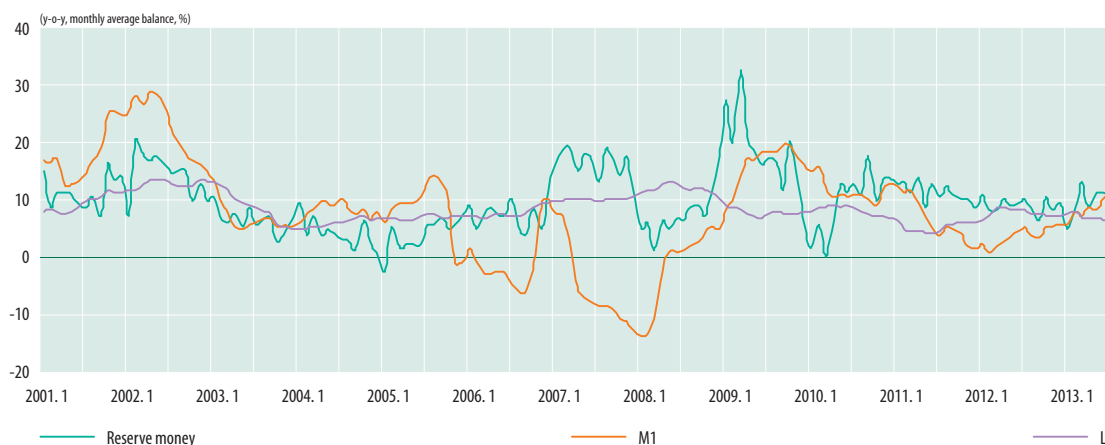
2. M1 excluding corporate MMFs and individual MMFs while including CMA

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

4. Preliminary

○ Total money supply

Source: The Bank of Korea



Bank deposits surged in August while asset management company (AMC) deposits continued to decline.

Bank deposit growth was led by instant access deposits (-23.4 trillion won ⇒ 7 trillion won) and time deposits (0.7 trillion won ⇒ 5.9 trillion won), in line with the inflow of tax payments and banks' bids to attract funds.

AMC deposits decreased, led by equity funds (0.7 trillion won ⇒ -1.7 trillion won), due to a slowdown in the inflow of new funds and financial uneasiness in emerging markets.

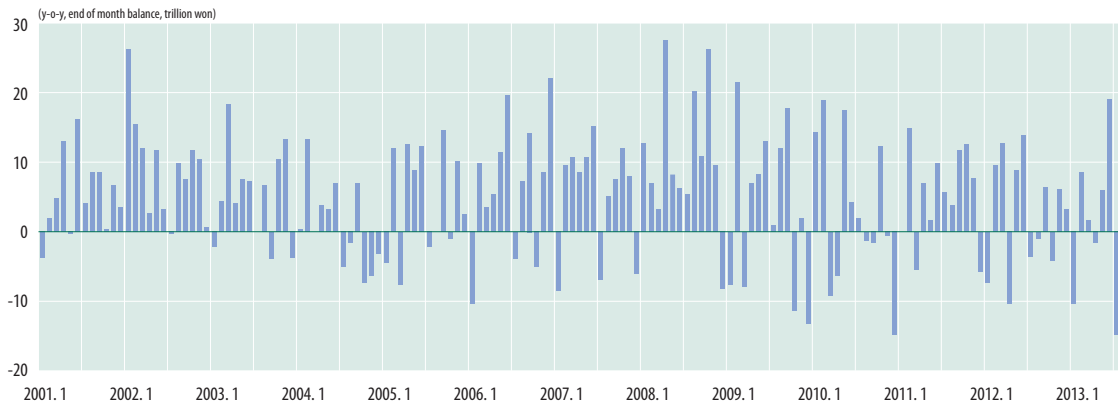
(Monthly change, end-period, trillion won)

	2009	2010	2011		2012		2013				
	Annual	Annual	Annual	Aug	Annual	Aug	May	Jun	Jul	Aug	Aug ¹
Bank deposits	54.8	36.9	58.9	3.9	37.0	0.7	12.2	18.1	-17.1	15.5	1,156.4
AMC deposits	-27.6	-16.7	-16.6	4.4	18.8	-0.1	10.0	-1.7	-1.0	-1.7	337.3

1. Balance at end August 2013, trillion won

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\$5.74 billion, staying in the black for 19 consecutive months.

Exports continued to rise year-on-year, led by improving exports of IT products and automobiles as well as exports to China and the US. However, the goods account surplus declined from US\$5.67 billion in July to US\$5.33 billion in August due to the narrowing export-import gap.

Export growth by item (y-o-y, %)

42.9 (automobiles), 23.7 (mobile phones), 22.4 (vessels), 22.0 (semiconductors), -3.7 (steel)

Export growth by region (y-o-y, %)

17.9 (US), 15.8 (ASEAN), 12.8 (China), -8.9 (EU), -13.3 (Japan)

The service account surplus declined from US\$0.36 billion to US\$0.10 billion, as deficits in the travel and intellectual property rights accounts increased.

Service account (US\$ billion, July ⇌ August)

-0.84 ⇌ -1.02 (travel), -0.10 ⇌ -0.72 (intellectual property rights), 0.43 ⇌ 0.85 (transportation), 1.05 ⇌ 1.14 (construction), -0.41 ⇌ -0.34 (business services)

The primary income account surplus contracted from US\$0.78 billion to US\$0.48 billion due to a fall in dividend earnings, while the secondary income account deficit expanded from US\$0.04 billion to US\$0.17 billion.

(US\$ billion)

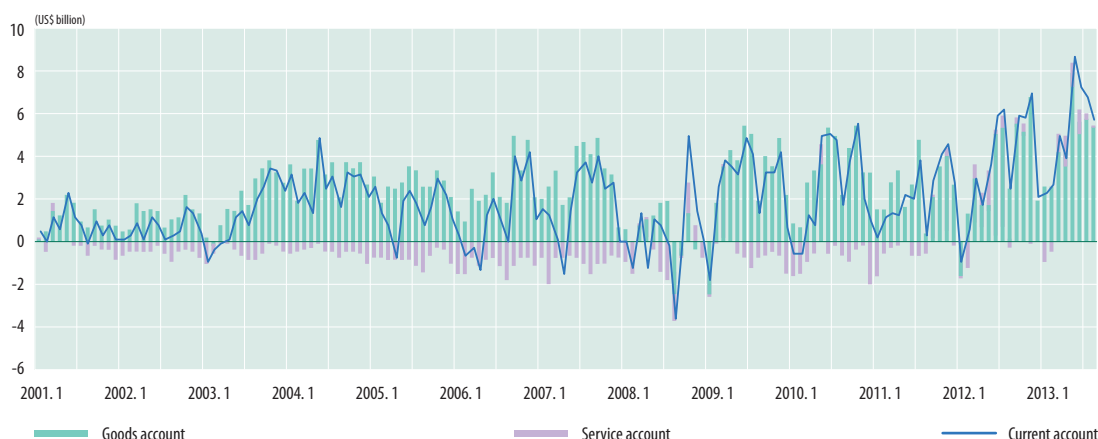
	2012						2013			
	Annual	Q1	Q2	Q3	Q4	Aug	Q1	Q2	Jul	Aug ¹
Current account	43.14	2.56	11.19	14.56	14.94	2.50	10.02	19.80	6.77	5.74
- Goods balance	38.34	2.61	8.52	13.34	13.98	2.51	9.39	15.84	5.68	5.33
- Service balance	2.68	-0.65	2.31	0.65	0.36	-0.26	-0.48	3.76	0.36	0.10
- Primary income balance	4.89	1.49	0.82	1.04	1.54	0.44	1.38	0.06	0.78	0.48
- Secondary income balance	-2.76	-0.89	-0.47	-0.25	-0.93	-0.18	-0.26	0.14	-0.04	-0.17

1. Preliminary

Source: The Bank of Korea

Current account balance

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



The capital and financial account (*preliminary*) in August posted a net outflow of US\$7.62 billion.

Capital & financial account balance (US\$ billion)

-3.27 (Feb 2013) ⇌ -6.72 (Mar) ⇌ -2.61 (Apr) ⇌ -11.6 (May) ⇌ -4.91 (Jun) ⇌ -7.44 (Jul) ⇌ -7.62 (Aug)

Net outflows of direct investments fell from US\$0.98 billion in the previous month to US\$0.92 billion due a decline in overseas direct investment.

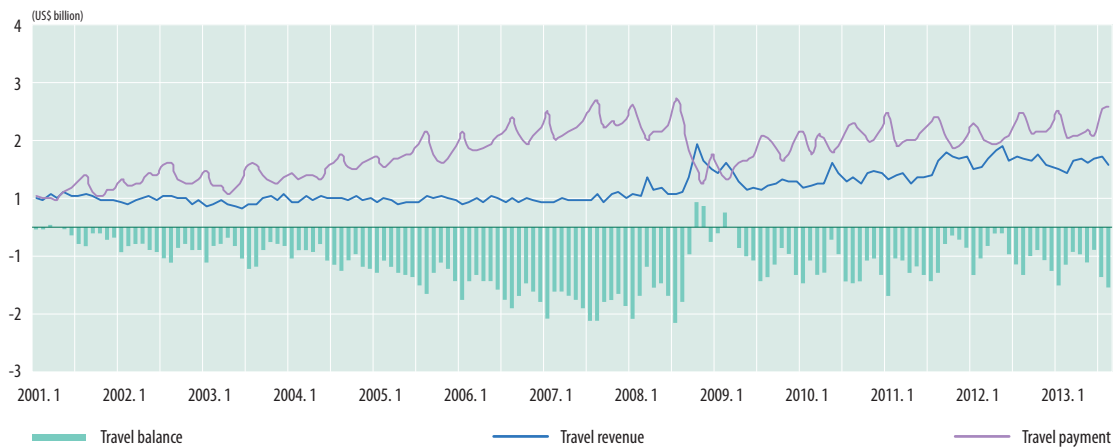
Net inflows of portfolio investments contracted from US\$1.85 billion to US\$1.44 billion as a result of a decline in foreign investors' bond investment.

Net inflows of financial derivatives fell from US\$0.44 billion to US\$0.22 billion, while net outflows of the other investment account inched up from US\$6.64 billion to US\$6.74 billion as overseas deposits increased.

The current account in September is expected to maintain a surplus, helped by a goods account surplus which results from a trade surplus (US\$3.71 billion).

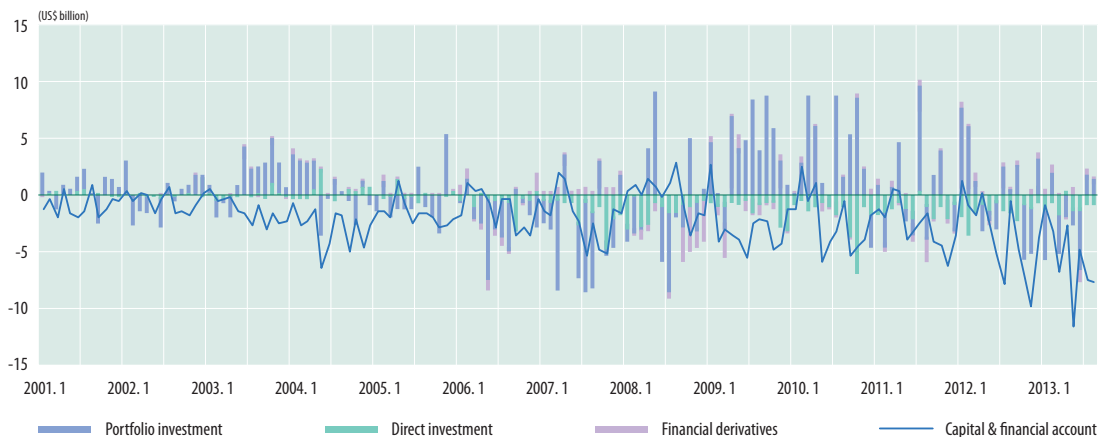
Travel account balance

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



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 0.2 percent from the previous month and 0.8 percent compared to a year ago. The index registered less than 1.0 percent growth year-on-year for the first time since September 1999, when prices grew 0.8 percent.

Core consumer prices, which exclude oil and agricultural products and show long-term price trends, stayed stable in the 1.0 percent range year-on-year, rising 1.6 percent. The index rose 0.4 percent month-on-month.

The average expected annual inflation declined 0.1 percentage point from the previous month to 2.9 percent and the import prices fell 5.3 percent year-on-year.

Expected inflation (% over the next 12 months)

3.2 (Nov 2012) ⇒ 3.1 (Dec) ⇒ 3.2 (Jan 2013) ⇒ 3.2 (Feb) ⇒ 3.2 (Mar) ⇒ 3.1 (Apr) ⇒ 2.9 (May) ⇒ 2.8 (Jun) ⇒ 2.9 (Jul) ⇒ 3.0 (Aug) ⇒ 2.9 (Sep)

Import price increases (y-o-y, %, won base)

-10.6 (Jan 2013) ⇒ -8.6 (Feb) ⇒ -10.8 (Mar) ⇒ -9.7 (Apr) ⇒ -9.7 (May) ⇒ -4.3 (Jun) ⇒ -4.3 (Jul) ⇒ -5.3 (Aug)

<Consumer price inflation>

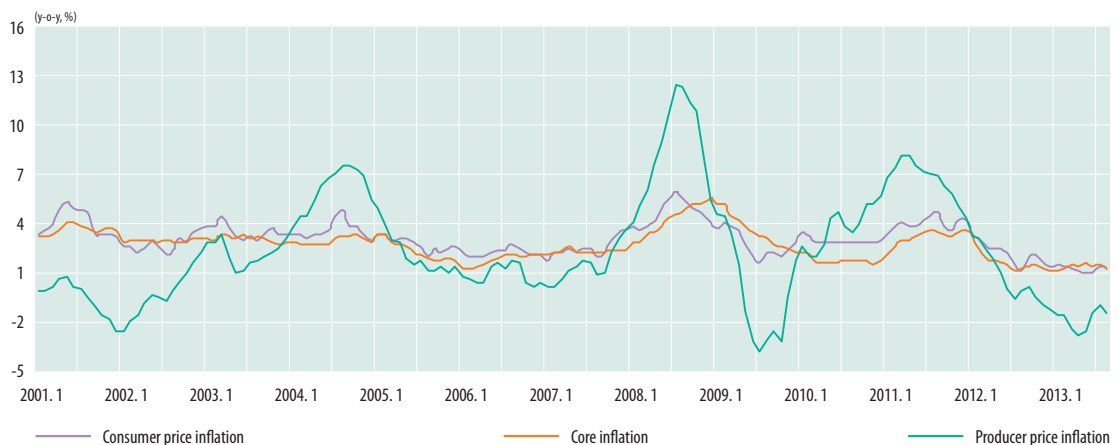
(%)

	2012					2013								
	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Month-on-Month	0.4	0.7	-0.1	-0.4	0.2	0.6	0.3	-0.2	-0.1	0.0	-0.1	0.2	0.3	0.2
Year-on-Year	1.2	2.0	2.1	1.6	1.4	1.5	1.4	1.3	1.2	1.0	1.0	1.4	1.3	0.8
Consumer prices excluding oil and agricultural products (y-o-y)	1.3	1.4	1.5	1.3	1.2	1.2	1.3	1.5	1.4	1.6	1.4	1.5	1.3	1.6
Consumer prices excluding food and energy (y-o-y)	1.2	1.4	1.4	1.4	1.4	1.4	1.2	1.4	1.4	1.3	1.3	1.3	1.2	1.3
Consumer prices for basic necessities (y-o-y)	0.6	1.7	1.6	1.0	0.7	0.8	0.8	0.8	0.7	0.2	0.3	0.9	0.8	-0.1

Source: Statistics Korea

Prices

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



The prices of manufactured products, such as cosmetics and processed food, rose while the prices of agricultural & livestock products and personal services declined.

The prices of cosmetics surged 17.4 percent month-on-month due to the ending of the discount price periods, and the prices of processed food, including milk, rose 1.0 percent. However, oil product prices fell 0.6 percent.

Agricultural product prices fell 2.0 percent due to favorable weather conditions.

Travel-related service prices declined as the summer vacation season ended.

Travel-related service price increases (m-o-m, %)

-5.9 (overseas group travel expenses), -20.1 (resort fees), -10.4 (hotel room rates)

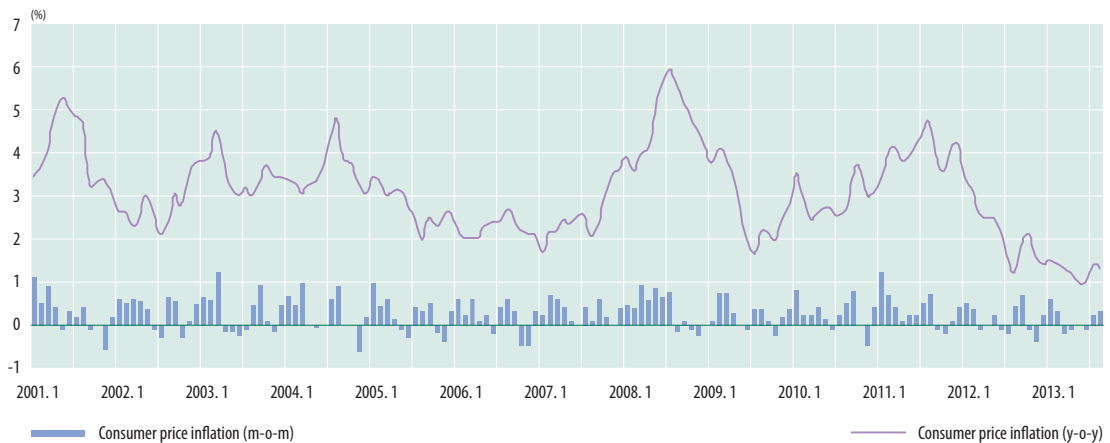
<Consumer price inflation in major sectors>

	Total	Agricultural, livestock & fishery products	Manufactured products	Oil products	Public utilities	Housing rents	Public services	Personal services
Month-on-Month (%)	0.2	-1.0	0.9	-0.6	0.0	0.2	0.0	-0.2
Year-on-Year (%)	0.8	-3.8	0.8	-3.8	3.4	2.6	0.5	1.2

Source: Statistics Korea

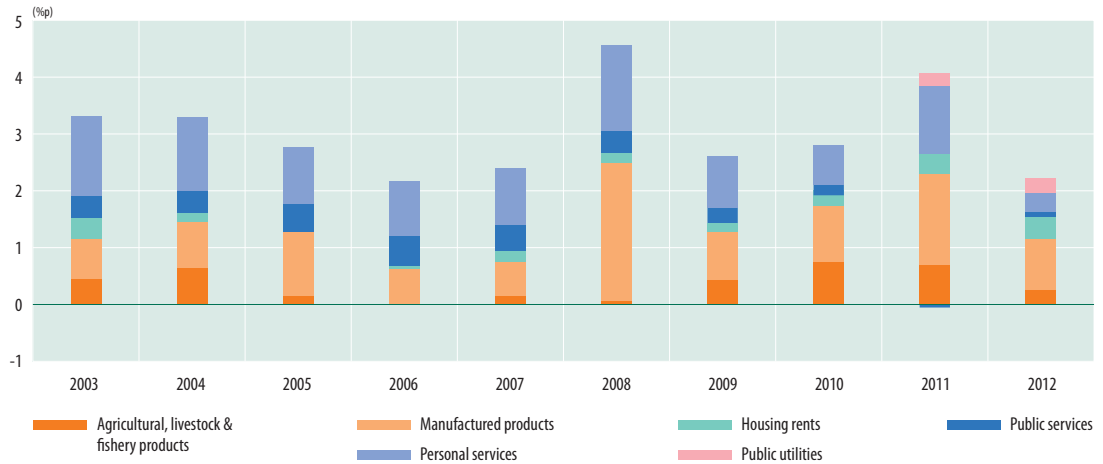
● Consumer price inflation

Source: Statistics Korea (consumer price trend)



Contribution to consumer price inflation

Source: Statistics Korea (consumer price trend)



11.2 International oil and commodity prices

International oil prices stabilized in September as geopolitical risks in Syria and Iran decreased and the US and OPEC increased oil production.

Dubai crude prices dropped to US\$103.6 per barrel at the end of September, as the US and Russia reached an agreement on Syria's chemical weapons, and as oil production was partly resumed in Libya.

Dubai crude (\$/barrel)

110.0 (1st week Sep) ⇒ 109.5 (2nd week) ⇒ 108.0 (3rd week) ⇒ 105.2 (4th week)

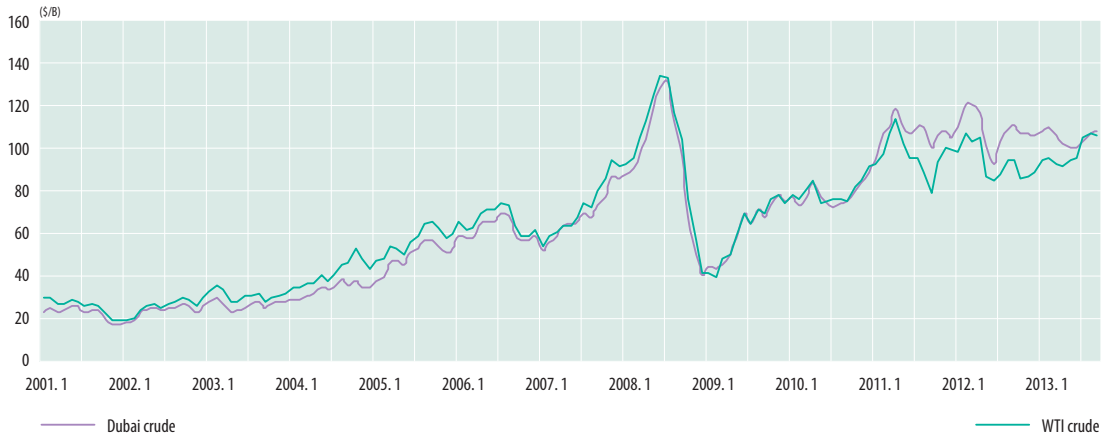
(US\$/barrel, period average)

	2011	2012	2013							
	Annual	Annual	Annual	Mar	Apr	May	Jun	Jul	Aug	Sep
Dubai crude	105.9	109.0	104.6	105.6	101.7	100.3	100.2	103.5	107.1	107.9
Brent crude	111.0	111.7	108.1	109.0	102.8	102.8	103.1	107.7	110.8	111.6
WTI crude	95.1	93.8	97.2	92.9	92.0	94.7	95.8	104.7	106.7	106.2

Source: Korea National Oil Corporation

International oil prices

Source: Korea National Oil Corporation



Domestic oil product prices decreased due to falling international gasoline prices.

Gasoline prices (won/liter)

1,941.4 (1st week Sep) ⇒ 1,939.1 (2nd week) ⇒ 1,934.6 (3rd week) ⇒ 1,929.9 (4th week)

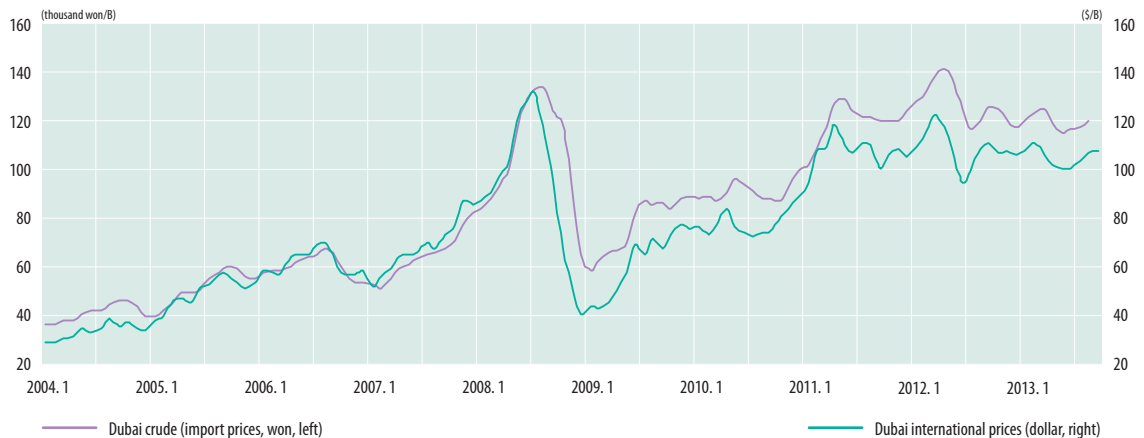
(won/liter, period average)

	2011	2012	2013							
	Annual	Annual	Annual	Mar	Apr	May	Jun	Jul	Aug	Sep
Gasoline prices	1,929.3	1,985.8	1,937.0	1,986.5	1,949.4	1,899.9	1,902.0	1,933.1	1,947.7	1,934.6
Diesel prices	1,745.7	1,806.3	1,740.1	1,786.0	1,745.2	1,699.4	1,701.0	1,729.7	1,743.6	1,734.3

Source: Korea National Oil Corporation

Dubai crude prices and import prices

Source: Korea National Oil Corporation



International grain prices showed a mixed trend in September, while most nonferrous metal prices declined.

Corn prices fell due to expectations of increased production, while the prices of soybeans and wheat rose due to unfavorable weather conditions in major cultivation areas.

World grain supply outlook for 2013-14 (US Department of Agriculture, September, y-o-y) production (11.2%), stocks-to-use ratio (2.2%p)

International grain prices in September (m-o-m, %) corn (-2.0), soybean (1.0), wheat (6.2)

Nonferrous metal prices were slightly down, as uncertainties regarding when the US will start tapering its quantitative easing program increased.

Nonferrous metal prices in September (m-o-m, %) tin (5.2), lead (-3.9), nickel (-3.5), copper (-0.3), zinc (-2.4), aluminum (-3.0)

<Reuters index*>

(Period average)

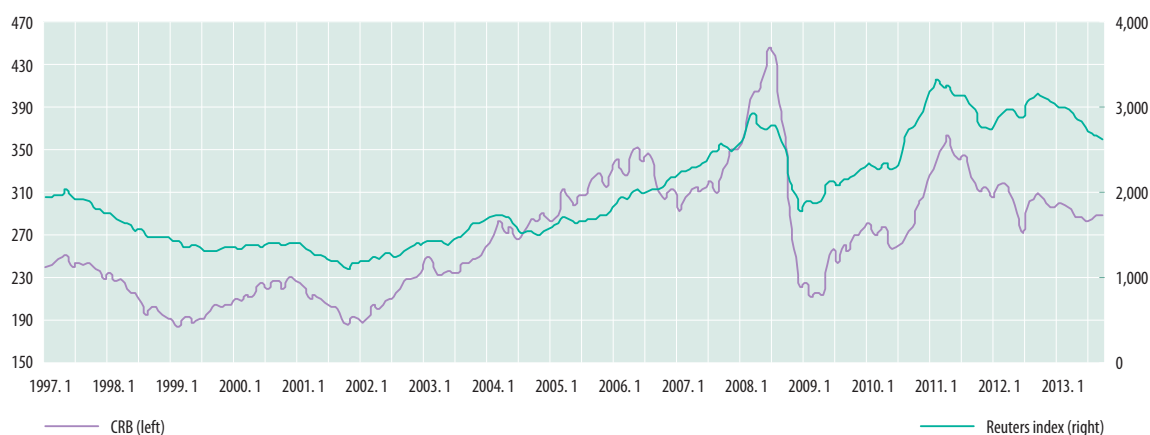
2010	2011	2012		2013									
Annual	Annual	Annual	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
2,553	3,062	3,006	3,067	3,037	2,996	2,990	2,947	2,880	2,828	2,756	2,701	2,662	2,630

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

● International commodity prices

Source: Bloomberg (CRB), The Bank of Korea (Reuters index)

* CRB demonstrates a 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 rose 0.1 percent month-on-month in September, rising for the first time in two months.

Apartment sales prices rebounded in the Seoul metropolitan area (*up 0.1%, m-o-m*), including Seoul (*up 0.1%, m-o-m*).

Apartment sales prices in areas excluding the Seoul metropolitan area (*up 0.1%, m-o-m*) maintained its previous pace of growth. Apartment prices in the five metropolitan cities and the eight provinces rose 0.1 percent, respectively.

Apartment sales price increase in five metropolitan cities (m-o-m, %)

Busan (0.0), Daejeon (-0.1), Daegu (0.6), Ulsan (0.0), Gwangju (0.0)

<Nationwide apartment sales prices>

(Percentage change from previous period)

	2010	2011	2012				2013									
	Annual	Annual	Annual	Q2	Q3	Q4	Jan-Sep	Q1	Q2	Jul	Aug	Sep	Sep 9 ¹	Sep 16 ¹	Sep 23 ¹	Sep 30 ¹
Nationwide	1.9	8.2	-2.1	-0.5	-1.2	-0.8	-0.2	-0.7	0.5	-0.1	-0.1	0.1	0.08	0.07	0.07	0.10
Seoul	-2.9	0.3	-5.8	-1.4	-2.1	-1.7	-1.7	-1.3	0.2	-0.3	-0.3	0.1	0.09	0.08	0.07	0.13
Gangnam ²	-2.1	-0.4	-6.7	-1.9	-2.2	-1.8	-1.9	-1.1	0.2	-0.5	-0.5	0.1	0.13	0.12	0.08	0.16
Gangbuk ³	-1.7	-0.5	-8.0	-2.2	-3.0	-1.9	-1.3	-1.0	0.5	-0.7	-0.4	0.3	0.24	0.12	0.09	0.19
Seoul metropolitan area	-2.6	-0.2	-5.0	-1.5	-1.3	-1.6	-2.5	-1.2	-0.3	-0.4	-0.5	-0.1	0.00	0.11	0.06	0.14
5 metropolitan cities	7.9	18.3	1.7	0.3	-0.2	0.2	1.3	0.1	0.8	0.2	0.1	0.1	0.07	0.06	0.06	0.06

1. Weekly trends

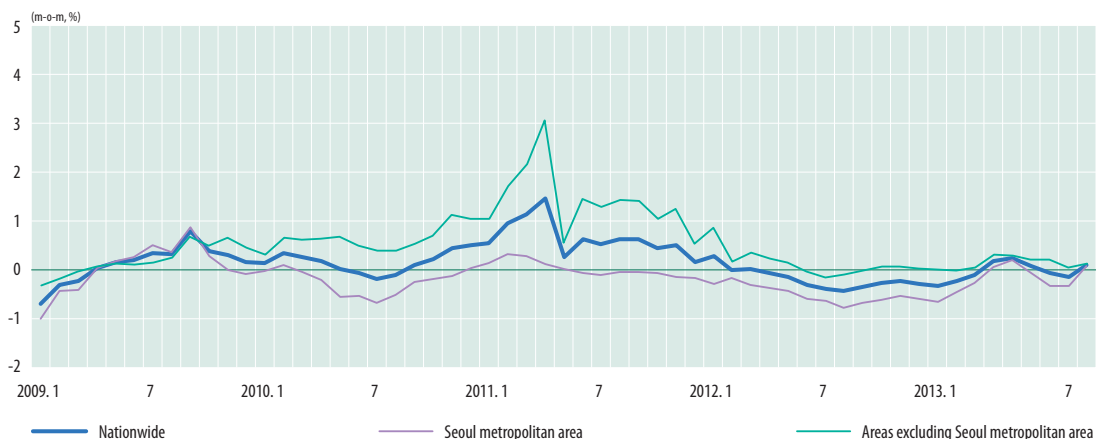
2. Upscale area of Southern Seoul

3. Northern Seoul

Source: Korea Appraisal Board

Apartment sales prices by region

Source: Korea Appraisal Board



Nationwide apartment rental prices in September rose 0.7 percent month-on-month.

Rental prices continued to rise in the Seoul metropolitan area (*up 1.1%, m-o-m*), led by Seoul (*up 1.3%, m-o-m*), and rental prices in regions excluding the Seoul metropolitan area (*up 0.3%, m-o-m*) increased at the same pace as the previous month.

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

Gangnam (2.3), Seocho (1.4), Songpa (1.9), Yeongdeungpo (2.0), Gwangjin (1.8), Nowon (1.8)

<Nationwide apartment rental prices>

(Percentage change from previous period)

	2010	2011	2012				2013									
	Annual	Annual	Annual	Q2	Q3	Q4	Jan-Sep	Q1	Q2	Jul	Aug	Sep	Sep 9 ¹	Sep 16 ¹	Sep 23 ¹	Sep 30 ¹
Nationwide	8.5	15.4	1.9	0.1	0.0	1.1	4.2	1.0	1.4	0.4	0.6	0.7	0.21	0.22	0.18	0.22
Seoul	7.1	13.3	0.3	-0.7	-0.2	1.1	4.9	1.1	1.3	0.5	0.9	1.1	0.30	0.35	0.25	0.30
Gangnam ²	7.3	13.0	0.0	-1.2	-0.2	1.7	5.5	1.7	0.7	0.7	1.1	1.3	0.34	0.40	0.29	0.34
Gangbuk ³	8.8	11.7	0.2	-1.4	-0.2	2.2	5.6	1.6	1.1	0.8	1.2	1.4	0.41	0.48	0.33	0.45
Seoul metropolitan area	5.5	14.6	-0.2	-1.1	-0.2	1.2	5.4	1.7	0.3	0.5	0.9	1.2	0.26	0.30	0.23	0.22
5 metropolitan cities	10.2	17.9	3.6	0.8	0.2	1.1	3.6	1.0	1.5	0.4	0.3	0.3	0.11	0.10	0.11	0.15

1. Weekly trends

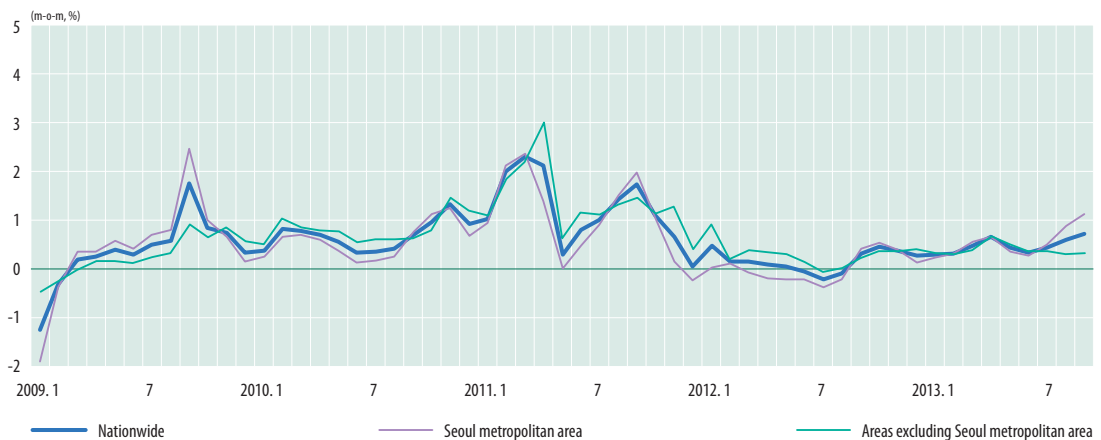
2. Upscale area of Southern Seoul

3. Northern Seoul

Source: Korea Appraisal Board

Apartment rental prices by region

Source: Korea Appraisal Board



Apartment sales transactions in August increased 22.8 percent from the previous month's 25,079 to 30,794, but were down 1.8 percent from a year earlier (31,361).

<Apartment sales transactions>

(thousand)

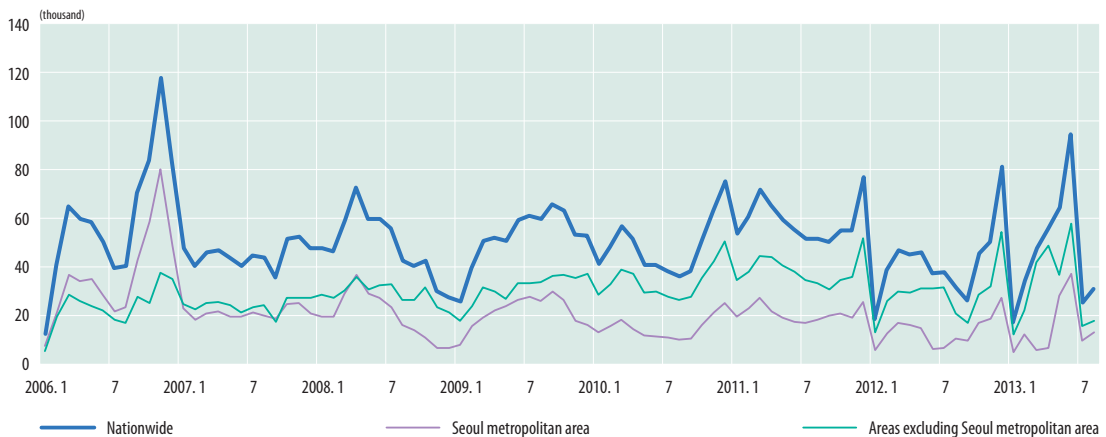
	2009	2010	2011	2012								2013							
	Annual ¹	Annual ¹	Annual ¹	Annual ¹	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Nationwide	53	48	59	42	37	38	31	26	45	50	81	17	34	47	55	65	95	25	31

1. Monthly average

Source: Ministry of Land, Infrastructure and Transport

Monthly apartment transaction volume

Source: Ministry of Land, Infrastructure and Transport



12.2 Land market

Nationwide land prices in August remained unchanged from the previous month.

Land prices in the Seoul metropolitan area fell 0.02 percent month-on-month, with Seoul and Gyeonggi Province declining 0.03 percent and 0.02 percent, respectively.

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

0.06 (Dec 2012) ⇒ -0.01 (Jan 2013) ⇒ 0.05 (Feb) ⇒ 0.10 (Mar) ⇒ 0.13 (Apr) ⇒ 0.14 (May) ⇒ 0.09 (Jun) ⇒ 0.00 (Jul) ⇒ -0.02 (Aug)

Land price growth slowed overall in areas excluding the Seoul metropolitan area (up 0.04%, m-o-m), led by Busan (up 0.01%, m-o-m) and Sejong (up 0.21%, m-o-m).

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

0.12 (Dec 2012) ⇒ 0.11 (Jan 2013) ⇒ 0.11 (Feb) ⇒ 0.12 (Mar) ⇒ 0.13 (Apr) ⇒ 0.11 (May) ⇒ 0.13 (Jun) ⇒ 0.05 (Jul) ⇒ 0.04 (Aug)

<Land prices by region>

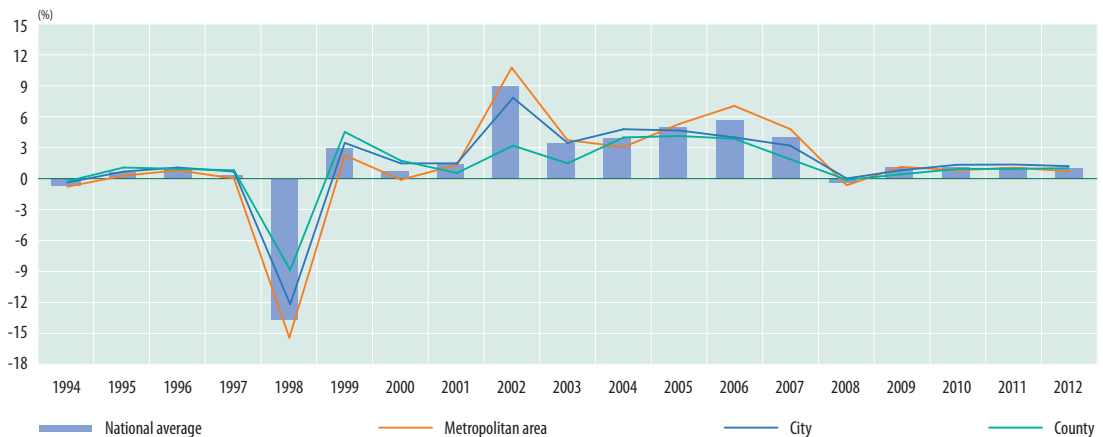
(Percentage change from previous period)

	2009	2010	2011				2012					2013					
	Annual	Annual	Annual	Q2	Q3	Q4	Annual	Q1	Q2	Q3	Q4	Jan-Aug	Q1	Q2	Jun	Jul	Aug
Nationwide	0.96	1.05	1.17	0.30	0.29	0.29	0.87	0.30	0.33	0.12	0.21	0.60	0.21	0.37	0.11	0.02	0.00
Seoul	1.40	0.53	0.97	0.28	0.17	0.12	0.33	0.17	0.26	-0.14	0.09	0.44	0.10	0.41	0.10	-0.04	-0.03
Gyeonggi	1.22	1.49	1.47	0.38	0.43	0.39	0.97	0.34	0.34	0.17	1.32	0.53	0.17	0.33	0.09	0.05	-0.02
Incheon	1.99	1.43	0.66	0.18	0.15	0.15	0.36	0.21	0.16	-0.03	0.13	0.59	0.21	0.37	0.11	-0.01	0.02

Source: Korea Appraisal Board

Land prices by region

Source: Korea Appraisal Board



Nationwide land transactions in August were 153,000 land lots, down 9.9 percent from the previous month but up 1.5 percent from 150,000 a year earlier.

Monthly land transactions fell in Seoul (down 1.1%, m-o-m), Daejeon (down 7.0%, m-o-m), Daegu (down 9.9%, m-o-m), Gyeonggi Province (down 12.0%, m-o-m) and South Gyeongsang Province (down 22.2%, m-o-m).

Transactions of vacant land decreased 15.8 percent month-on-month to 67,000 lots, making up 43.8 percent of the total transactions, and were down 4.0 percent from a year earlier (70,000).

<Land sales transactions>

(Land lot, thousand)

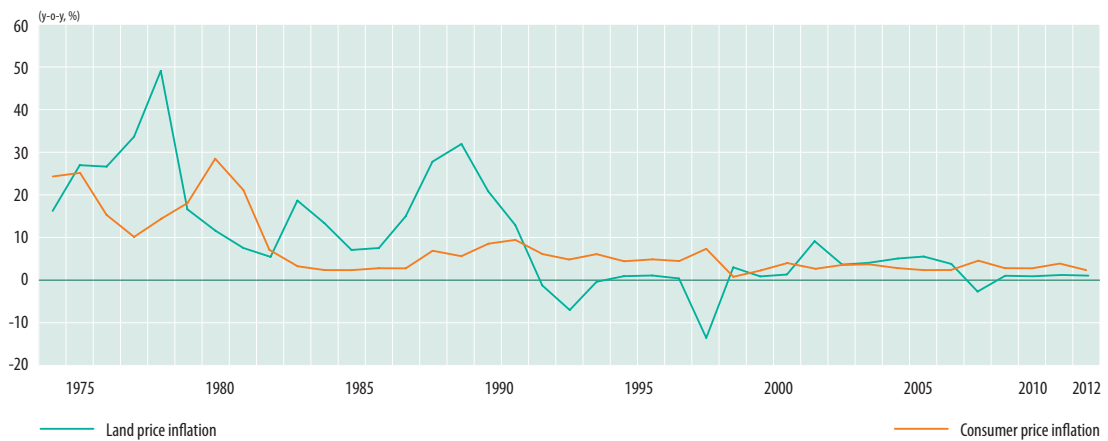
	2009	2010	2011	2012								2013							
	Annual ¹	Annual ¹	Annual ¹	Annual ¹	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	
Nationwide	203	187	208	170	167	150	133	172	185	224	141	142	181	206	216	246	169	153	
Seoul	22	16	18	13	12	10	9	15	16	20	10	10	15	18	20	26	13	13	
Gyeonggi	46	41	43	33	34	30	27	35	36	45	29	28	33	39	43	49	33	29	
Incheon	10	8	10	8	7	8	8	10	9	10	5	5	8	9	9	11	6	6	

1. Monthly average

Source: Korea Land & Housing Corporation

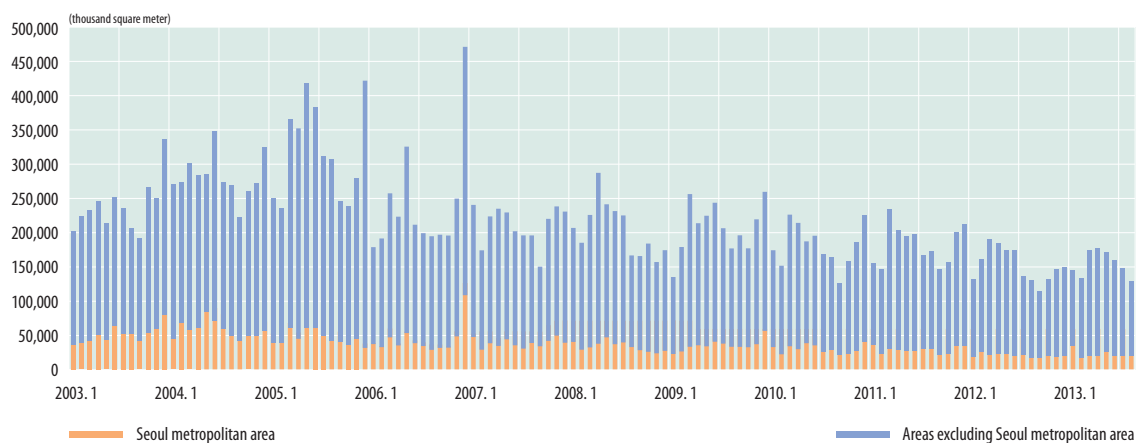
Land and consumer prices since 1970s

Source: Korea Appraisal Board (land prices), Statistics Korea (consumer prices)



Land transaction volume

Source: Korea Land & Housing Corporation (land trade trend)



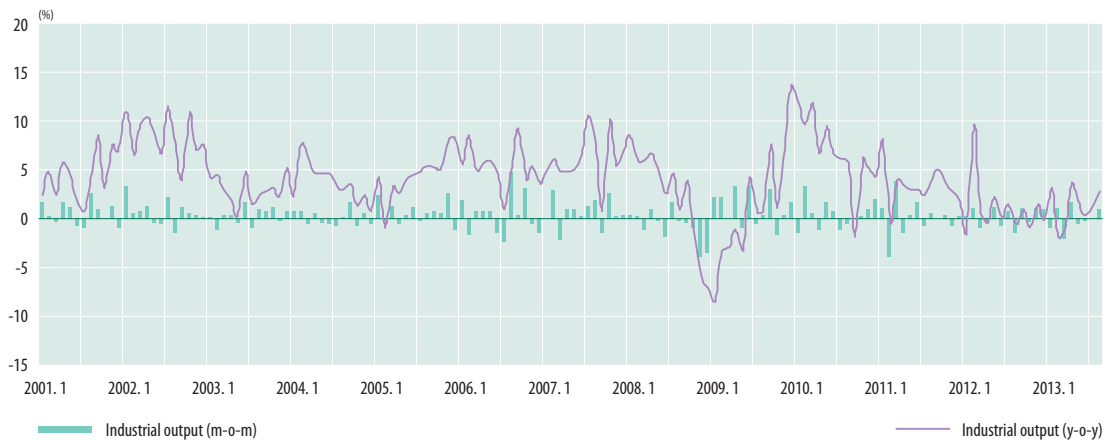
13.

Composite indices of business cycle indicators

Industrial output in August increased 1.0 percent month-on-month and 2.8 percent year-on-year. Output rose in mining & manufacturing (*up 1.8%, m-o-m*), services (*up 0.7%, m-o-m*), construction (*up 0.1%, m-o-m*), and public administration (*up 1.2%, m-o-m*).

Industrial output

Source: Statistics Korea (industrial activity trend)



The cyclical indicator of the coincident composite index climbed 0.2 points month-on-month in August.

All components of the coincident composite index except imports rose.

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

retail sales (0.8%), domestic shipments (1.5%), mining & manufacturing production (0.8%), nonfarm payroll employment (0.3%), value of construction completed (0.5%), service activity (0.1%), imports (-0.8%)

The cyclical indicator of the leading composite index increased 0.3 points from the previous month.

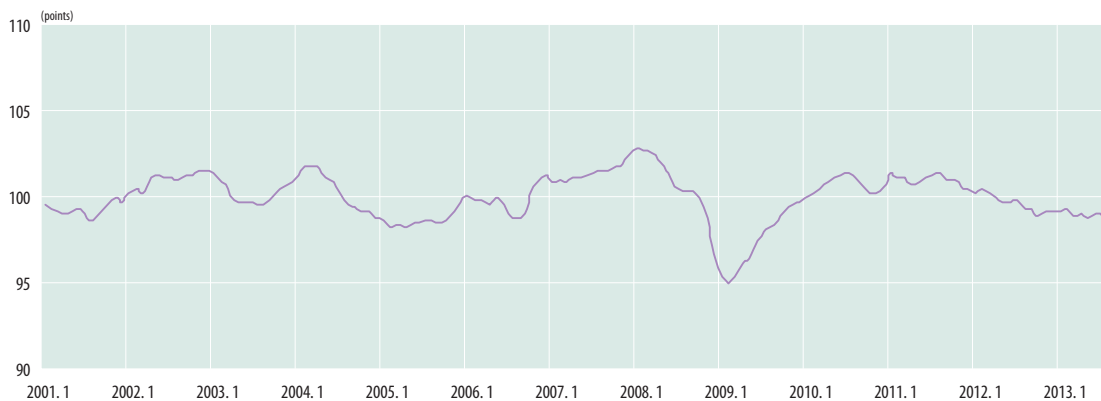
Three components, including the KOSPI and the ratio of export to import prices, fell month-on-month, while five others, such as the value of construction orders received and the indicator of inventory cycles, rose.

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

value of construction orders received (3.0%), indicator of inventory cycle (2.1%p), domestic shipments of machinery (1.8%), international commodity prices (0.4%), spreads between long & short term interest rates (0.1%p), KOSPI (-1.4%), consumer expectations index (-0.1p), ratio of export to import prices (-0.3%), ratio of job openings to job seekers (0.0%p)

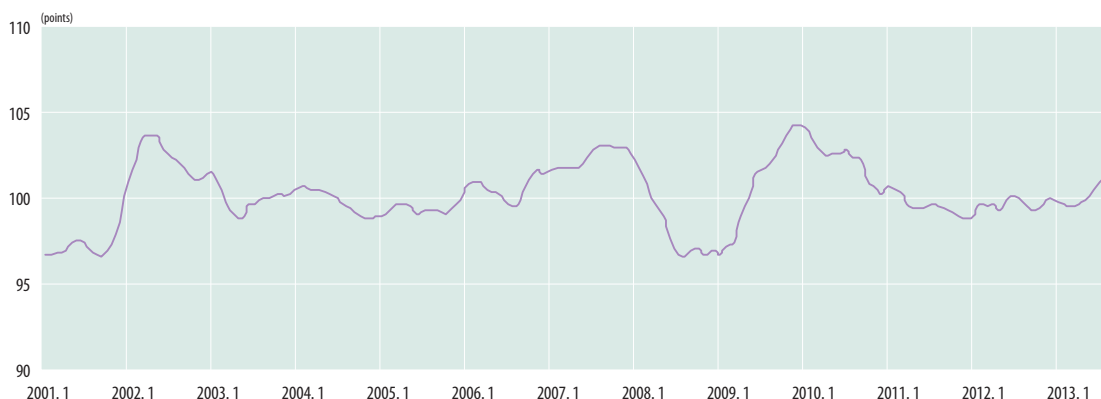
● Cyclical indicator of coincident composite index

Source: Statistics Korea (industrial activity trend)



● Cyclical indicator of leading composite index

Source: Statistics Korea (industrial activity trend)



	2013							
	Jan	Feb	Mar	Apr	May	Jun ¹	Jul ¹	Aug ¹
Industrial output (m-o-m, %)	-0.9	1.1	-2.0	1.7	-0.6	-0.1	0.0	1.0
(y-o-y, %)	3.2	-1.9	-0.8	3.6	1.1	0.4	1.4	2.8
Coincident composite index (m-o-m, %)	0.4	0.4	0.0	0.5	0.3	0.6	0.3	0.6
Cyclical indicator of coincident composite index (m-o-m, p)	99.2	99.3	98.9	99.0	98.8	99.0	98.9	99.1
Leading composite index (m-o-m, %)	0.2	0.3	0.3	0.5	0.6	0.9	0.8	0.7
Cyclical indicator of leading composite index (m-o-m, p)	99.8	99.6	99.5	99.6	99.9	100.5	100.9	101.2

1. Preliminary



Policy Issues

2014 Budget Proposal

The 2014 budget proposal promotes job creation and the economic recovery while minimizing the burden on the public.

1. Current fiscal climate

The 2014 budget proposal bears in mind the current troublesome tax revenue conditions, emphasizing the role that public finance plays in stimulating the economy without hampering Korea's strong fiscal position.

Total government revenues are expected to drop to 370.7 trillion won, a 0.5 percent decrease from the original 2013 budget, due to a decrease in nontax receipts and a slowdown in the growth rate of national tax revenue. Total government expenditures will rise to 357.7 trillion won, an increase of 4.6 percent compared to the original 2013 budget, in order to promote economic recovery. The government will support the economic recovery by making the most of the increase in total government expenditures in 2014, while holding the deficit in the fiscal balance in line with the 2013 budget.

The fiscal balance as a percentage of GDP is expected to post a deficit of 1.8 percent, the same level as the 2013 final budget. National debt as a percentage of GDP is expected to marginally rise compared to the 2013 final budget due to the poor tax revenue situation.

* National debt (%GDP, 2012): 108.8 (OECD average), 106.3 (USA), 219.1 (Japan), 89.2 (Germany), 103.9 (UK)

(trillion won, %)

	2013 budget				2014 budget proposal	Growth rate	
	Budget	Growth rate	Budget + supplementary budget	Growth rate		Budget	Budget + supplementary budget
Total government revenues	372.6	8.5	360.8	5.0	370.7	-0.5	2.8
Total government expenditures	342.0	5.1	349.0	7.2	357.7	4.6	2.5
Consolidated fiscal balance minus social security (% GDP)	-4.7 (-0.3)		-23.4 (-1.8)		-25.9 (-1.8)		
National debt (% GDP)	464.6 (34.3)		480.3 (36.2)		515.2 (36.5)		

Fiscal soundness will gradually improve over the middle- to long-term. The fiscal balance will improve due to increased tax revenues, and a decrease in the growth rate of total government expenditures. The government will promote maintaining a strong fiscal position: tax expenditures will be reduced and the tax base will be widened, fiscal management systems will be tightened, and fiscal risk management systems will be improved.

The fiscal deficit will be reduced to just 0.4 percent of GDP in 2017, and national debt will stabilize in the 30 percent range (35.6% GDP in 2017).

Managing Korea's fiscal position

The government will tighten its middle- to long-term fiscal principles. The growth rate of total government expenditures (3.5%) will be maintained at 1.5 percentage points below the growth rate of total government revenues (5.0%).

* Growth rate of total government expenditures (%): 4.8 (2011-2015), 4.6 (2012-2016), 3.5 (2013-2017)

The government will review 'Paygo' related legislation. Paygo is a system where any increases in mandatory spending or any costs incurred as a result of legislation are offset by other spending cuts or tax increases.

Self-evaluations and in-depth evaluations for fiscal projects will be expanded, and fiscal evaluations by a number of public institutions will be streamlined.

The government will work to decrease public sector expenditures, such as government operating costs, travel expenses and event costs, and eliminate waste through long-lasting fiscal reforms by revising current legislation. The tax base will be broadened by modifying tax exemptions and deductions, and by legalizing the underground economy.

The government will strengthen its analysis and management of potential fiscal risk factors, such as public sector debt. The government will accurately calculate and manage all public sector debt (*central government, local governments and public enterprises*) by 2014, and will also determine the long-term fiscal outlook and construct fiscal risk monitoring systems.

2. Key polices for 2014 budget proposal

The 2014 budget will prioritize five initiatives: 1) stimulating the economic recovery and boosting growth potential, 2) creating jobs, 3) supporting the working class, 4) strengthening national security and realizing a safe society, and 5) improving fiscal soundness and tightening fiscal management.

1) Stimulating the economic recovery and boosting growth potential

The 2014 budget will focus on boosting domestic demand including investment, while increasing tailored support for exporters. To boost local economies, the government will increase subsidies to local governments and continue to invest in regional SOC projects. There will be increased support to foster a creative economy and develop future growth engines.

2) Creating jobs

The 2014 budget will provide strengthened employment support, which is tailored to different age groups and women. The government will help ease mismatches between job openings and job seekers by promoting part time jobs and flexible work hours, and will increase support for job training and education programs which are tailored to specific industrial demand.

3) Supporting the working class

Working class families will receive strengthened welfare support, which are tailored to recipients' life cycles and their specific situations. Welfare recipients will be encouraged to work as they are provided with work-inducing incentives. Welfare for artists will be increased while vulnerable groups will receive expanded support for art appreciation.

4) Strengthening national security and realizing a safe society

The government will work on eliminating four major social evils (sexual crimes, school violence, domestic violence and unsanitary food), enhancing national security capabilities and diplomatic capabilities, and founding a basis for peaceful reunification. The government will continue to work on the Government 3.0 project, which is aimed at realizing a citizen-friendly government by sharing information and providing the most convenient administrative services.

5) Improving fiscal soundness and tightening fiscal management

The government will continue to pursue fiscal soundness by cutting public sector spending and streamlining fiscal projects. Effective budget spending will be sought through inter-ministerial cooperation and citizen feedback about administrative services.

2014 budget vs. 2013 budget

The 2014 budget is on the basis of the administration's Campaign Pledge Funding Plan, and also focuses on preventing ineffective budget spending and minimizing the tax burden.

Budget change (2013 → 2014)	Support plans
Stimulating the economic recovery	
R&D investment (16.9 trillion won → 17.5 trillion won)	R&D investment worth 5.0 percent of GDP by 2017
Rocket development (80 billion won → 240 billion won)	Planning to develop earlier than originally scheduled (2021)
Public housing construction (953.0 billion won for 46,000 houses)	Supplying 200,000 homes for 2013 – 2017
National disaster insurance for agricultural and fishery industries (0.2 trillion won → 0.3 trillion won)	Pear insurance to be expanded (3 → 12 regions)
Government scholarships (2.8 trillion won → 3.2 trillion won)	An increase of 225,000 won to 1.8 million won a year per person
Improving welfare	
Reduced medical expenses for individuals with four critical diseases (940,000 won → 340,000 won)	National health insurance to cover anticancer medicines and MRI examinations
Support to be expanded for the vulnerable left out of existing welfare systems (120,000 recipients to be added)	Transferring social security system to individual entitlement system by October 2014
Adoption of social security pension (1.20 million won → up to 2.40 million won a year)	Social security pension to cover those in 7 th income percentile or lower by July 2014
College tuition support for the third child (122.5 billion won per freshmen)	College tuition support for third children to cover all college years in 2017
Increase in police forces by 4,000 (103.1 billion won)	Police forces to increase by 20,000 at the end of 2017
Promoting culture	
Investment in culture (5.0 trillion won → 5.3 trillion won)	2.0 percent of GDP as of 2017
Investment in art & literature fund (0.1 trillion won → 0.2 trillion won)	Support for private sector performance teams to be increased
Welfare for artists (10 billion won → 20 billion won)	Artists to be made eligible for social security insurance support
Loans for tourism (0.3 trillion won → 0.5 trillion won)	Facility improvement support for middle-class hotels
Support for Pyeongchang Winter Olympics (1.1 trillion won → 1.2 trillion won)	Support for stadium and road construction
Founding a basis for reunification	
Pay increase for soldiers by 15 percent	Pay increase by two folds from 2012 by 2017
Veteran allowance to be increased (529.8 billion won → 543.6 billion won)	10,000 won monthly increase by 2017
ODA increase (2.1 trillion won → 2.3 trillion won)	Ratio of ODA to GNI to be increased from 0.15 to 0.16

Plans to support local governments and keep campaign pledges for local economies

A total of 3.3 trillion won will be spent for local economic development, an increase of 0.3 trillion won compared with the original plan set up in 2013. Local economic support will prioritize job creation, public safety and locally popular projects.

There will be some adjustment between the central government and local governments regarding the role of government and how local governments obtain fiscal resources. Local government tax systems will be revised to help support themselves. The central government will increase childcare subsidies by 10 percentage points and plug local governments' temporary revenue gaps, most of which have arisen due to acquisition tax cuts, by utilizing emergency funds.

Starting 2015, the central government will take charge of public care facilities for the elderly, disabled and mentally ill.

Local government consumption taxes will be increased by 6 percentage points as of 2015, from the current 5 percent to 8 percent in 2014 and to 11 percent in 2015. Revenues from the tax increase will be utilized to supply welfare demand.

Taking into account increases in tax revenues and central government subsidies, which are expected to amount to an average of 1.1 trillion won a year and 0.4 trillion won, respectively, local governments will have an average annual revenue increase of 1.5 trillion won for the next 10 years.

There will be further discussion about adjustments in managing fiscal resources between the central and local governments. From 2015, when the adjustments are implemented, local government revenues are expected to increase by an annual average of 5.0 trillion won for the next 10 years.

Policy Issues

Third Round of Measures to Boost Investment

The government unveiled three major focuses of its third round of measures to boost investment: 1) to facilitate the restart of the projects suspended due to regulations, which will have effects on the economy in a short period of time, 2) to redress environmental regulations for companies given the recent advances in environmental technology and minimize corporate burdens arising from the introduction of the Toxic Chemicals Control Act and the Act on the registration and evaluation of chemicals (K-REACH), and 3) to strengthen the competitiveness of industrial complexes by realigning them in accordance with the changing industrial environment.

1. Facilitating restart of projects suspended due to regulations

The government selected five large projects suspended due to regulations and will provide tailored support to encourage investment. When the five projects are carried out, they are expected to induce investment of around 5.7 trillion won.

The five projects are as follows:

- *Construction of tourist accommodations with no facilities harmful to kids within school zones, which has been put on hold*

These projects will go through revised approval procedures, and receive an approval or denial notice with full explanation. Denied projects will be able to reapply for deliberation when plans are changed appropriately. Any potential risks to the school environment will be addressed through complementary measure development. These projects are likely to induce 2 trillion won worth of investment.

- Construction of theme parks in resorts, which have been suspended due to lack of incentives such as infrastructure support

The government will support municipal governments in building infrastructure and designate the sites as foreign investment zones to offer free land. The government expects these projects will attract around 300 billion won in investment by 2016 and additional 300 billion won from 2017 and onwards.

- Plant construction in areas which used to be designated for environmental protection but not any more

The government will allow immediate construction of plants in those areas as long as the plants have pollution prevention facilities and are evaluated to meet the government's pollutant emission criteria. This will attract investment worth 1 trillion won by 2017 and an additional 1.4 trillion won after 2018.

- LED bulb installations at public facilities

Although public enterprises are required to change all the conventional bulbs in their facilities to energy efficient LED bulbs by 2020, the LED bulb installation project has not been carried out satisfactorily due to huge costs. Public facilities that utilize a large number of light fixtures, such as tunnels and stations, will take the lead in carrying out the LED bulb installation projects. The government expects this project will induce around 600 billion won worth of investment.

- Development of tourist locations in livestock farms, which has been suspended due to regulations

The government will designate the tourist locations as special zones and allow tourist facilities on green pastures. This will induce around 60 billion won worth of investment.

2. Improving environmental regulations

The government will strictly control environmental hazards, however, flexibly enforce environmental regulations by taking into account advances in pollution reduction technologies.

- Introducing an integrated permit system based on BAT

The government will integrate the existing permit system which is based on pollutants into a single permit system by business operation in order to address overlapping regulations and to incorporate advances in environmental technologies. The permit system will be tailored to individual business operations based on best available techniques (BAT) and the government in cooperation with businesses and experts will draft BAT standards for each type of businesses and determine the permissible levels of pollution. With the integrated permit system, the corporate burden related to pollution regulations will be eased, and about 330 billion won of investment will be made annually, creating around 6 thousand jobs in the next five years.

- Improving location-related regulations

The government will allow factories that dispose small amount of water waste and produce products used in everyday lives of citizens to be located in areas designated for water supply source protection. Factories will be allowed in areas designated for preservation, while the assessment of impact on the environment will be streamlined.

The government will allow exceptions for companies which located factories before strengthened pollution regulations took effect, while setting clear environment pollution control standards.

The government will ease regulations on recycling and allow waste recycling as long as the recycled waste is environmentally safe. This will help commercialize recycling technologies and increase investment in recycling facilities up to 200 billion won annually.

- Minimizing corporate burden arising from the introduction of new chemicals control regulations

The government will set up a 'chemicals control committee' composed of industrial experts, relevant government officials and businesses in order to draft sub-provisions of chemicals control related laws. The government will enforce the related laws and regulations in a way that minimizes corporate burdens.

3. Strengthening competitiveness of industrial complexes

The government will set up new development principles for industrial complexes to transform into multi-functional and high-technology based industrial complexes. First, the government will ease regulations on land use and business types to boost integrated industrial complexes. Second, the government will support innovative capabilities and provide comfortable living conditions. Third, the government will increase incentives to attract private investment.

In addition, the government will supply land at affordable prices to help develop new industrial complexes. The government will increase the number of new urban industrial complexes to nine by 2015 and ease the green area requirement in the complexes from 5-13 percent to 2.5-6.5 percent.

The government will revise its zoning policy to allow residential, commercial and industrial facilities to be located in the same zone, and increase the number of service businesses allowed to be operated in industrial complexes.

The government will promote renovating old industrial complexes by increasing investment incentives. As many as 25 industrial complexes will be under renovation over the next five years.

The government will improve regulations regarding housing, welfare and cultural facilities within industrial complexes, which is expected to encourage workers and boost productivity while attracting young workers to the complexes.

Economic News Briefing

G20 Finance Ministers and Central Bank Governors' Meeting

The G20 Finance Ministers and Central Bank Governors' Meeting was held on October 11-12 in Washington D.C. The meeting, which followed the G20 Leaders' Summit that was held in September, looked into global financial markets, diagnosed risk factors and discussed ways to increase international cooperation. The meeting looked back on the role that the G20 has played in the last five years, and discussed the direction that the group is headed in regard to the global economic recovery.

Three main outcomes of the meeting included a joint G20 message urging the US to address short-term fiscal uncertainties, promises to make structural reforms in preparation of the tapering of quantitative easing in the US, and discussions on how to improve G20 operations. Regarding quantitative easing tapering, Deputy Prime Minister and Minister of Strategy and Finance Hyun Oh-Seok noted that despite the fact that ending of conventional monetary policy could be delayed, it could begin at any time, and each country should prepare for it.

Meanwhile, the Deputy Prime Minister attended the International Monetary and Financial Committee (IMFC) Meeting on October 12, where he suggested stepping up efforts to build sustainable growth momentum, and called for the International Monetary Fund (IMF) to analyze spillover effects that the policies of one country can have on the others.

Crowdfunding system to be launched next year

Korea will launch a crowdfunding system as early as next year to help finance venture startups. The government is planning to revise the Financial Investment Services and Capital Markets Act and see that the National Assembly passes the revised bill by the end of the year. The system will help entrepreneurs get funding.

Crowdfunding allows entrepreneurs to pitch their ideas or business plans to a number of small investors through an online platform and receive funding from them. Crowdfunding has become a global trend in recent years, as the widespread use of the Internet and social network services makes it easier for entrepreneurs and investors to get together. In Korea, the government currently supports startups through various means, but the efforts are not sufficient. Crowdfunding will complement the government's existing startup support policies.

The crowdfunding system is expected to make it easier for startups to raise funds, which in turn will contribute to job creation and economic growth. The system will put a limit on the amount that can be raised and the amount that an investor can contribute, to protect investors. The new system will ultimately contribute to the development of the capital market by providing various investment opportunities to investors.

Korea makes currency swap deals with Indonesia and UAE

Korea and Indonesia agreed to sign a bilateral currency swap arrangement worth up to US\$10 billion, an equivalence of 10.7 trillion won and 115 trillion Indonesian rupiah. Talks regarding the currency swap arrangement were held on the sidelines of the IMF and World Bank's annual meetings on October 12. The currency swap deal, which expires in three years and can be extended if needed, is expected to boost trade and increase economic and financial cooperation between the two countries by reducing dollar dependency in settlements. Indonesia is Korea's largest trade partner and investment destination among the ASEAN countries.

Meanwhile, Korea and UAE signed a three-year currency swap deal worth US\$5.4 billion on October 13. Under the arrangement, the two countries can swap 5.8 trillion won for 20 billion dirham, or vice versa. Korea and UAE agreed to boost trade and increase financial cooperation in order to help the two economies grow and financial markets develop.

GCF office to open on Dec 14

Korea announced plans to open the Green Climate Fund (GCF) headquarters on Dec 14 in Songdo, Incheon, and to designate the first week of December as Climate Finance Week. The plans were unveiled at the GCF Board Meeting held in Paris on October 7-10. The GCF's business model, management and fundraising plans were also discussed at the meeting. The GCF, which is an international financial institution whose mission is to help developing countries to reduce greenhouse gas emissions and cope with climate change, is the first major international organization to be based in Korea.

Plans announced for WBG office in Korea

Deputy Prime Minister Hyun Oh-Seok met with World Bank President Jim Yong Kim on October 10. The two leaders planned in detail the opening of a World Bank Group (WBG) office in Korea and discussed its location and management. The main office will be located in Songdo, Incheon, and the liaison office will be located in Seoul. The WBG office is expected to contribute to strengthening the bilateral cooperation, increasing opportunities for Korean enterprises and people to go into overseas markets, and sharing Korea's development experience.

Overseas plant orders rise 22.7% in first nine months of 2013

Overseas plant orders rose 22.7 percent year-on-year in the first nine months of 2013, led by a surge in orders for power and desalination plants. Due to the slow recovery of the global economy, overseas plant orders performed poorly in the first two quarters of the year, growing 0.7 percent year-on-year in the first quarter and contracting 3.7 percent in the second, but rebounded strongly in the third quarter, registering a growth rate of 100.7 percent.

Orders from the Asian market rose 46.5 percent from a year ago, and the African market also showed persistent growth, rising 56.4 percent. By category, power and desalination plants led the growth, with orders increasing 77.9 percent year-on-year. Major projects include the Shuquaiq thermal power plant in Saudi Arabia, worth US\$3.26 billion, and the Safi power plant in Morocco, worth US\$1.77 billion.



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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	
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
2011		3.7	-2.1	7.3	2.3	-1.0	-4.7	3.6
2012 ^P		2.0	-0.6	2.2	2.2	-1.7	-2.2	-1.9
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
2011	I	4.3	-9.7	10.3	2.8	-1.4	-10.0	10.5
	II	3.5	-2.6	7.4	2.8	0.4	-4.7	7.7
	III	3.6	-5.8	6.4	2.4	-1.4	-3.6	1.1
	IV	3.4	7.1	5.5	1.3	-1.8	-1.7	-3.6
2012 ^P	I	2.8	-0.4	4.1	2.1	3.7	-0.4	8.8
	II	2.4	-1.8	2.7	1.6	-2.6	-3.1	-3.5
	III	1.6	0.3	0.9	2.1	-2.5	-0.3	-6.9
	IV	1.5	-0.5	1.3	2.8	-4.2	-4.2	-5.2
2013 ^P	I	1.5	0.3	1.0	1.4	-3.8	2.4	-11.9
	II	2.3	2.7	2.1	2.3	2.9	7.2	-4.6

P: Preliminary

Source: The Bank of Korea

Production, shipment and inventory

(constant prices, 2010=100)

Period	Production index		Shipment index		Inventory index		Service production index		
		Y-o-Y change (%)		Y-o-Y change (%)		Y-o-Y change (%)		Y-o-Y change (%)	
2011	105.9	5.9	105.6	5.6	120.2	14.9	103.2	3.2	
2012	106.8	0.8	106.4	0.8	124.1	3.2	104.8	1.6	
2011	I	102.6	9.3	103.3	10.0	104.7	7.7	99.5	2.8
	II	107.4	6.1	106.6	5.4	110.0	12.0	103.4	2.9
	III	103.9	5.3	103.1	4.6	112.7	11.9	103.2	4.5
	IV	109.7	3.3	109.2	2.6	120.2	14.9	106.7	2.8
2012	I	106.3	3.6	106.3	2.9	117.8	12.5	102.1	2.6
	II	108.6	1.1	108.1	1.4	115.2	4.7	104.9	1.5
	III	102.9	-1.0	102.6	-0.5	114.6	1.7	104.7	1.5
	IV	109.6	-0.1	108.4	-0.7	124.1	3.2	107.6	0.8
2013	I	104.5	-1.7	104.1	-2.1	122.4	3.9	102.9	0.8
	II	107.8	-0.7	107.3	-0.7	118.9	3.2	106.7	1.7
2011	1	105.3	11.9	105.8	12.8	104.6	7.6	100.1	5.1
	2	91.8	6.7	93.3	8.6	102.8	4.2	94.2	0.4
	3	110.6	8.9	110.8	8.6	104.7	7.7	104.1	2.6
	4	106.8	5.5	106.8	5.2	105.8	7.6	102.1	3.3
	5	107.1	6.9	106.0	6.6	108.6	9.5	103.5	2.3
	6	108.3	5.9	107.0	4.5	110.0	12.0	104.7	3.1
	7	105.9	3.6	104.0	2.9	111.8	10.7	103.1	3.6
	8	101.5	5.1	101.2	4.1	112.2	10.9	103.1	5.1
	9	104.4	7.2	104.2	6.9	112.7	11.9	103.3	4.4
	10	109.7	4.2	109.1	3.5	115.6	13.6	104.2	3.7
	11	109.3	3.5	108.2	1.9	117.9	15.6	103.7	3.1
	12	110.1	2.3	110.3	2.5	120.2	14.9	112.3	1.9
2012	1	101.9	-3.2	102.6	-3.0	119.4	14.1	100.5	0.4
	2	105.8	15.3	105.8	13.4	117.5	14.3	100.0	6.2
	3	111.2	0.5	110.6	-0.2	117.8	12.5	105.9	1.7
	4	106.4	-0.4	105.9	-0.8	116.6	10.2	102.7	0.6
	5	110.4	3.1	109.6	3.4	118.4	9.0	105.9	2.3
	6	108.9	0.6	108.9	1.8	115.2	4.7	106.0	1.2
	7	105.6	-0.3	104.8	0.8	115.8	3.6	104.7	1.6
	8	99.4	-2.1	98.5	-2.7	119.5	6.5	103.8	0.7
	9	103.6	-0.8	104.6	0.4	114.6	1.7	105.9	2.2
	10	107.6	-1.9	106.6	-2.3	115.5	-0.1	104.6	0.4
	11	111.6	2.1	109.5	1.2	120.4	2.1	105.2	1.4
	12	109.7	-0.4	109.0	-1.2	124.1	3.2	113.1	0.7
2013	1	109.7	7.7	107.9	5.2	127.8	7.0	101.8	1.3
	2	95.8	-9.5	96.4	-8.9	124.1	5.6	100.3	0.3
	3	108.0	-2.9	108.1	-2.3	122.4	3.9	106.6	0.7
	4	108.0	1.5	107.3	1.3	120.2	3.1	105.4	2.6
	5	109.0	-1.3	108.1	-1.4	121.6	2.7	107.6	1.6
	6	106.3	-2.4	106.5	-2.2	118.9	3.2	107.0	0.9
	7 ^P	106.5	0.9	105.1	0.3	123.9	7.0	105.3	0.6
	8 ^P	102.7	3.3	103.1	4.7	123.6	3.4	105.2	1.3

P: Preliminary

Source: Statistics Korea

Production capacity and operation ratio

Period	Production capacity index (2010=100)		Operation ratio index (2010=100)		Average operation ratio (%)	
		Y-o-Y change (%)		Y-o-Y change (%)		
2011	104.9	4.9	99.8	-0.2	80.2	
2012	107.2	2.2	97.0	-2.8	78.1	
2011	I	103.6	5.9	97.6	2.0	81.4
	II	104.7	5.2	103.1	0.4	80.4
	III	105.2	4.5	97.3	-0.3	80.4
	IV	106.1	4.0	101.3	-2.6	78.8
2012	I	106.8	3.1	96.9	-0.7	79.6
	II	107.1	2.3	100.3	-2.7	79.0
	III	107.2	1.9	92.8	-4.6	76.2
	IV	107.5	1.3	97.9	-3.4	77.8
2013	I	108.0	1.1	92.7	-4.3	77.1
	II	108.4	1.2	96.8	-3.5	75.4
2011	1	103.2	6.1	100.3	4.6	82.5
	2	103.4	5.9	87.0	-0.1	80.3
	3	104.2	5.8	105.4	1.3	81.3
	4	104.6	5.7	102.3	-1.0	79.6
	5	104.6	5.2	102.8	1.5	80.2
	6	104.9	4.9	104.3	0.7	81.3
	7	105.1	4.7	100.4	-2.6	80.9
	8	105.2	4.6	94.4	0.0	80.0
	9	105.4	4.3	97.2	2.1	80.4
	10	106.0	4.2	102.4	-1.8	79.7
	11	106.1	4.1	101.6	-1.8	78.9
	12	106.2	3.7	99.9	-4.1	77.7
2012	1	106.7	3.4	91.8	-8.5	79.7
	2	106.8	3.3	96.5	10.9	80.4
	3	106.9	2.6	102.3	-2.9	78.7
	4	107.0	2.3	98.2	-4.0	79.0
	5	107.1	2.4	102.0	-0.8	79.5
	6	107.2	2.2	100.8	-3.4	78.4
	7	106.9	1.7	96.8	-3.6	77.8
	8	107.4	2.1	87.9	-6.9	74.0
	9	107.3	1.8	93.8	-3.5	76.7
	10	107.4	1.3	97.7	-4.6	77.0
	11	107.6	1.4	100.3	-1.3	78.0
	12	107.6	1.3	95.8	-4.1	78.4
2013	1	107.9	1.1	97.9	6.6	78.6
	2	108.0	1.1	84.1	-12.8	77.2
	3	108.1	1.1	96.2	-6.0	75.4
	4	108.1	1.0	96.8	-1.4	75.4
	5	108.4	1.2	98.3	-3.6	75.4
	6	108.6	1.3	95.3	-5.5	75.4
	7 ^P	108.6	1.6	93.9	-3.0	74.2
	8 ^P	108.9	1.4	90.3	2.7	76.5

P: Preliminary

Source: Statistics Korea

4.

Consumer goods sales index

(constant prices, 2010=100)

Period	Consumer goods sales index								
		Y-o-Y change (%)	Durable goods		Semi-durable goods		Non-durable goods		
				Y-o-Y change (%)		Y-o-Y change (%)		Y-o-Y change (%)	
2011	104.5	4.5	110.6	10.6	103.7	3.7	102.1	2.1	
2012	106.9	2.3	116.5	5.3	102.6	-1.1	104.4	2.3	
2011	I	100.7	5.3	105.4	11.5	98.3	5.1	99.6	2.7
	II	104.8	6.2	112.2	16.9	105.5	5.2	101.2	2.0
	III	103.7	4.0	111.4	10.3	94.2	3.6	104.4	1.5
	IV	108.9	2.6	113.3	4.4	116.7	1.2	103.3	2.4
2012	I	103.5	2.8	110.0	4.4	98.0	-0.3	102.9	3.3
	II	106.3	1.4	115.5	2.9	104.4	-1.0	102.8	1.6
	III	106.4	2.6	118.8	6.6	90.9	-3.5	107.5	3.0
	IV	111.6	2.5	121.8	7.5	117.1	0.3	104.3	1.0
2013	I	103.7	0.2	111.3	1.2	99.8	1.8	101.9	-1.0
	II	107.5	1.1	118.1	2.3	105.3	0.9	103.5	0.7
2011	1	105.4	10.9	104.0	12.1	104.9	10.4	106.3	10.7
	2	92.8	-0.5	97.8	8.2	90.0	1.7	91.7	-5.3
	3	103.9	5.6	114.5	14.2	99.8	3.1	100.8	2.6
	4	102.5	6.1	106.4	14.8	105.6	5.9	99.4	2.4
	5	107.3	6.6	112.6	19.0	109.9	4.7	103.6	2.0
	6	104.7	6.1	117.5	16.7	100.9	4.9	100.5	1.7
	7	104.2	4.1	117.0	12.5	96.2	3.8	101.8	0.2
	8	100.9	4.9	109.7	11.7	86.2	3.4	103.4	2.5
	9	106.0	3.2	107.6	6.9	100.1	3.7	107.9	1.5
	10	107.4	3.3	109.0	3.4	116.1	2.2	102.7	3.6
	11	107.2	1.8	116.3	7.4	111.9	-2.6	100.9	1.3
	12	112.0	2.7	114.5	2.3	122.1	4.0	106.4	2.3
2012	1	107.5	2.0	107.7	3.6	103.6	-1.2	109.2	2.7
	2	97.9	5.5	107.9	10.3	91.0	1.1	96.3	5.0
	3	105.0	1.1	114.4	-0.1	99.3	-0.6	103.1	2.3
	4	102.9	0.4	107.8	1.3	103.7	-1.8	100.2	0.8
	5	110.0	2.5	118.1	4.9	110.4	0.5	106.0	2.3
	6	105.9	1.1	120.5	2.6	99.2	-1.7	102.1	1.6
	7	108.0	3.6	126.2	7.9	96.0	-0.2	105.0	3.1
	8	102.0	1.1	114.3	4.2	80.7	-6.4	105.8	2.3
	9	109.1	2.9	115.9	7.7	96.0	-4.1	111.7	3.5
	10	109.0	1.5	117.1	7.4	113.5	-2.2	103.2	0.5
	11	111.5	4.0	123.0	5.8	117.8	5.3	103.3	2.4
	12	114.2	2.0	125.3	9.4	119.9	-1.8	106.5	0.1
2013	1	104.6	-2.7	112.0	4.0	101.4	-2.1	102.6	-6.0
	2	99.5	1.6	106.6	-1.2	91.1	0.1	99.9	3.7
	3	106.9	1.8	115.2	0.7	106.9	7.7	103.1	0.0
	4	105.0	2.0	114.0	5.8	104.7	1.0	101.0	0.8
	5	110.7	0.6	119.9	1.5	111.9	1.4	105.9	-0.1
	6	106.7	0.8	120.5	0.0	99.4	0.2	103.6	1.5
	7 ^P	109.1	1.0	127.7	1.2	95.9	-0.1	106.4	1.3
	8 ^P	104.6	2.5	115.8	1.3	85.5	5.9	107.9	2.0

P: Preliminary

Source: Statistics Korea

Consumer goods shipment index and consumer sentiment index

Period	Domestic consumer goods shipment index (2010=100)						Consumer sentiment index	
		Y-o-Y change (%)	Durable goods		Non-durable goods			
				Y-o-Y change (%)		Y-o-Y change (%)		
2011		109.2	0.9	100.2	0.2	101.2	1.2	-
2012		101.1	0.2	98.5	-1.7	102.3	1.1	-
2011	I	100.8	4.3	99.5	4.1	101.4	4.6	-
	II	97.9	1.0	100.7	3.1	96.7	0.2	-
	III	101.2	0.6	100.8	-0.4	101.4	1.0	-
	IV	103.8	-2.1	99.9	-5.3	105.4	-0.8	-
2012	I	100.0	-0.8	97.4	-2.1	101.2	-0.2	-
	II	99.7	1.8	98.9	-1.8	100.1	3.5	-
	III	100.9	-0.3	96.0	-4.8	103.0	1.6	-
	IV	103.9	0.1	101.7	1.8	104.8	-0.6	-
2013	I	98.4	-1.6	95.3	-2.2	99.7	-1.5	-
	II	95.2	-4.5	91.7	-7.3	96.6	-3.5	-
2011	1	108.6	7.0	100.9	5.1	111.9	7.8	111
	2	88.7	-1.6	92.6	1.5	87.1	-2.8	109
	3	105.2	7.2	105.1	5.4	105.2	8.0	110
	4	98.2	0.9	97.3	2.2	98.6	0.4	102
	5	96.1	0.9	99.3	4.1	94.7	-0.4	105
	6	99.3	1.2	105.4	2.9	96.7	0.5	103
	7	99.7	-0.8	104.2	-1.2	97.8	-0.6	103
	8	102.1	2.3	98.1	0.4	103.8	3.0	99
	9	101.8	0.4	100.0	-0.3	102.6	0.7	99
	10	105.0	-1.6	100.3	-5.4	107.0	0.1	101
	11	102.1	-3.8	98.6	-7.4	103.6	-2.2	105
	12	104.2	-1.0	100.9	-3.1	105.7	-0.1	100
2012	1	100.2	-7.7	92.2	-8.6	103.7	-7.3	98
	2	97.9	10.4	98.0	5.8	97.9	12.4	102
	3	101.9	-3.1	102.1	-2.9	101.9	-3.1	102
	4	98.7	0.5	93.6	-3.8	100.9	2.3	106
	5	101.9	6.0	100.2	0.9	102.7	8.4	106
	6	98.6	-0.7	102.9	-2.4	96.7	0.0	101
	7	101.6	1.9	105.1	0.9	100.1	2.4	100
	8	98.5	-3.5	87.5	-10.8	103.1	-0.7	101
	9	102.7	0.9	95.4	-4.6	105.8	3.1	99
	10	103.7	-1.2	98.4	-1.9	105.9	-1.0	100
	11	104.2	2.1	101.0	2.4	105.6	1.9	100
	12	103.7	-0.5	105.7	4.8	102.8	-2.7	99
2013	1	104.0	3.8	96.8	5.0	107.0	3.2	102
	2	92.3	-5.7	92.7	-5.4	92.2	-5.8	102
	3	98.8	-3.0	96.4	-5.6	99.8	-2.1	104
	4	96.6	-2.1	90.3	-3.5	99.2	-1.7	102
	5	96.2	-5.6	92.2	-8.0	97.9	-4.7	104
	6	92.8	-5.9	92.6	-10.0	92.8	-4.0	105
	7 ^p	99.3	-2.3	99.1	-5.7	99.4	-0.7	105
	8 ^p	100.3	1.8	96.1	9.8	102.1	-1.0	105
	9	-	-	-	-	-	-	102

Source: Statistics Korea

Machinery orders received, domestic machinery shipment and estimated facility investment index

Period	Domestic machinery orders received excluding ship (billion won, constant value)				Estimated facility investment index (2005=100)	Domestic machinery shipment excluding ship (2010=100)
	Total	Public	Private			
			Manufacturing			
2012	21,789	2,142	19,647	10,482	136.4	98.8
2012 I	6,310	810	5,500	3,055	144.5	103.4
2012 II	5,391	285	5,106	2,765	145.7	104.6
2012 III	5,079	579	4,500	2,320	128.1	90.9
2012 IV	5,004	468	4,536	2,339	127.4	96.4
2013 I	5,621	429	5,192	2,928	122.3	83.5
2013 II	5,862	554	5,308	3,037	131.2	93.8
2012 1	1,933	52	1,881	1,158	139.4	95.0
2012 2	2,541	695	1,846	1,036	146.8	106.0
2012 3	1,836	63	1,773	860	147.4	109.1
2012 4	1,845	56	1,789	927	143.1	104.1
2012 5	1,830	39	1,791	988	145.9	103.8
2012 6	1,716	190	1,526	850	148.1	105.8
2012 7	1,835	310	1,525	779	140.4	96.4
2012 8	1,516	169	1,347	689	118.2	87.8
2012 9	1,729	100	1,629	852	125.7	88.6
2012 10	1,545	86	1,458	733	119.7	92.7
2012 11	1,689	127	1,562	833	124.4	93.8
2012 12	1,771	255	1,516	773	138.1	102.6
2013 1	1,864	139	1,724	991	117.5	81.1
2013 2	1,675	168	1,506	858	113.8	76.6
2013 3	2,083	121	1,961	1,078	135.7	92.7
2013 4	1,839	92	1,747	957	125.8	88.9
2013 5	2,128	250	1,878	1,109	128.3	92.2
2013 6	1,895	212	1,683	972	139.4	100.4
2013 7 ^P	1,939	359	1,580	981	128.7	89.3
2013 8 ^P	1,612	81	1,531	937	123.6	84.5
Y-o-Y change (%)						
2012	-13.4	-11.0	-13.6	-25.9	-2.0	-5.3
2012 I	-1.1	126.1	-8.7	-19.0	10.7	4.4
2012 II	-19.8	-59.7	-15.1	-27.3	-2.7	-5.0
2012 III	-10.4	86.7	-16.0	-26.6	-8.2	-10.7
2012 IV	-21.5	-54.6	-15.1	-31.4	-6.9	-9.4
2013 I	-10.9	-47.0	-5.6	-4.2	-15.4	-19.2
2013 II	8.7	94.2	4.0	9.8	-10.0	-10.3
2012 1	-0.8	-22.2	0.0	3.9	10.3	1.0
2012 2	25.1	829.0	-5.7	-12.3	27.3	16.5
2012 3	-23.6	-70.9	-18.9	-41.7	-1.7	-2.5
2012 4	-4.4	-10.3	-4.3	-22.4	2.8	-0.3
2012 5	-14.4	-72.8	-10.2	-19.1	-3.3	-6.8
2012 6	-35.4	-62.2	-29.1	-38.7	-7.0	-7.6
2012 7	-9.4	135.5	-19.5	-25.1	-0.4	-6.9
2012 8	-13.8	105.9	-19.7	-32.7	-15.6	-12.2
2012 9	-8.1	3.5	-8.7	-22.4	-8.6	-13.1
2012 10	-20.8	-72.3	-11.0	-24.3	-3.5	-8.5
2012 11	-26.4	-75.8	-11.6	-25.0	-10.8	-8.4
2012 12	-17.0	31.2	-21.8	-42.0	-6.3	-11.2
2013 1	-3.6	169.8	-8.3	-14.4	-15.7	-14.6
2013 2	-34.1	-75.8	-18.4	-17.2	-22.5	-27.7
2013 3	13.4	92.2	10.6	25.3	-7.9	-15.0
2013 4	-0.3	63.8	-2.4	3.2	-12.1	-14.6
2013 5	16.3	542.9	4.8	12.1	-12.1	-11.2
2013 6	10.4	11.5	10.3	14.4	-5.9	-5.1
2013 7 ^P	5.7	15.8	3.6	25.9	-8.3	-7.4
2013 8 ^P	6.4	-52.0	13.7	36.0	4.6	-3.8

P: Preliminary

Source: Statistics Korea

Value of construction completed and domestic construction orders received

(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
2012	88,031	33,578	50,260	86,821	26,103	57,202
2012 I	19,106	7,385	10,795	21,772	5,531	15,549
2012 II	22,203	8,813	12,333	25,136	5,602	18,515
2012 III	21,135	7,499	12,584	17,665	5,478	11,632
2012 IV	25,587	9,881	14,548	22,248	9,492	11,506
2013 I	20,113	6,984	12,364	12,805	4,279	8,255
2013 II	25,615	9,287	15,348	17,888	5,306	11,899
2012 1	5,742	2,106	3,339	7,244	1,796	5,100
2012 2	5,979	2,358	3,371	8,122	2,165	5,812
2012 3	7,385	2,921	4,086	6,406	1,390	4,636
2012 4	6,789	2,625	3,875	6,033	1,448	4,097
2012 5	7,225	2,839	4,066	7,215	1,072	6,034
2012 6	8,189	3,349	4,393	11,887	3,082	8,385
2012 7	6,970	2,337	4,254	6,450	2,284	3,886
2012 8	6,508	2,292	3,907	5,120	1,341	3,738
2012 9	7,658	2,870	4,423	6,195	1,852	4,008
2012 10	7,298	2,574	4,432	5,501	1,962	3,507
2012 11	8,030	2,974	4,742	7,232	2,148	4,743
2012 12	10,259	4,333	5,375	9,516	5,382	3,255
2013 1	6,258	2,065	3,948	3,424	1,306	1,970
2013 2	6,217	2,341	3,650	4,304	1,280	2,955
2013 3	7,638	2,579	4,766	5,077	1,694	3,329
2013 4	8,062	2,820	4,948	4,910	1,551	2,944
2013 5	8,105	2,782	5,050	5,889	1,552	4,219
2013 6	9,448	3,686	5,350	7,090	2,203	4,736
2013 7 ^P	7,812	2,628	4,875	5,420	1,422	3,903
2013 8 ^P	7,622	2,540	4,795	4,531	1,497	3,021
Y-o-Y change (%)						
2012	-4.0	-4.4	-2.7	-8.9	-8.8	-7.5
2012 I	-0.9	0.9	-2.1	33.3	34.3	40.0
2012 II	-7.7	-5.1	-7.5	-0.7	-11.2	4.9
2012 III	-1.3	-2.4	-0.1	-13.6	-18.4	-9.6
2012 IV	-5.1	-8.7	-1.0	-33.1	-17.3	-43.1
2013 I	5.3	-5.4	14.5	-41.2	-22.6	-46.9
2013 II	15.4	5.4	24.4	-28.8	-5.3	-35.7
2012 1	-7.2	-13.6	-4.3	47.5	50.2	75.6
2012 2	12.2	16.3	10.1	99.1	53.7	131.7
2012 3	-4.8	2.3	-8.8	-12.8	0.3	-18.6
2012 4	-5.4	-4.3	-4.7	-10.1	1.4	-11.5
2012 5	-2.9	1.8	-4.3	0.9	-43.3	27.3
2012 6	-13.3	-10.9	-12.5	3.7	3.0	1.3
2012 7	3.2	-1.7	4.8	23.1	23.1	25.6
2012 8	-5.6	-6.8	-4.7	-32.4	-10.9	-35.4
2012 9	-1.5	0.9	-0.3	-19.7	-44.7	0.4
2012 10	-8.3	-11.3	-5.1	-26.6	-15.3	-29.7
2012 11	2.2	-6.2	10.5	-20.0	-28.1	-19.2
2012 12	-7.9	-8.8	-6.2	-43.0	-12.9	-65.2
2013 1	9.0	-2.0	18.3	-52.7	-33.9	-61.4
2013 2	4.0	-0.7	8.3	-47.0	-40.9	-49.2
2013 3	3.4	-11.7	16.6	-20.7	21.8	-28.2
2013 4	18.7	7.4	27.7	-18.6	7.1	-28.1
2013 5	12.2	-2.0	24.2	-18.4	44.8	-30.1
2013 6	15.4	10.1	21.8	-40.4	-28.5	-43.5
2013 7 ^P	12.1	12.5	14.6	-14.6	-37.8	0.4
2013 8 ^P	17.1	10.8	22.7	-11.5	11.6	-19.2

P: Preliminary

Source: Statistics Korea

Composite indices of business cycle indicators and BSI

Period	Leading index (2010=100)	Coincident index (2010=100)	Cycle of coincident index (2010=100)	BSI (results)	BSI (prospects)
2009					
1	87.4	88.5	95.3	58.1	52.0
2	88.2	88.5	95.0	62.4	66.0
3	88.7	89.2	95.4	89.0	76.1
4	90.5	90.3	96.1	93.7	86.7
5	91.9	90.8	96.4	100.9	103.8
6	93.6	92.3	97.5	96.6	100.2
7	94.3	93.1	98.0	98.5	98.7
8	95.0	93.7	98.3	96.0	99.8
9	95.9	94.3	98.6	110.5	117.0
10	96.9	95.3	99.2	107.5	116.5
11	98.2	96.0	99.6	103.8	109.0
12	98.8	96.5	99.7	104.8	105.9
2010					
1	99.2	97.0	99.9	99.2	103.1
2	99.1	97.7	100.2	98.7	102.3
3	99.0	98.4	100.5	113.1	116.2
4	99.0	99.1	100.8	108.9	111.2
5	99.6	99.8	101.1	111.9	113.4
6	100.1	100.3	101.2	109.4	108.9
7	100.7	100.9	101.4	105.0	107.3
8	100.8	101.1	101.1	98.6	100.7
9	101.0	101.1	100.7	104.1	111.1
10	100.5	101.0	100.2	104.3	113.1
11	100.5	101.4	100.2	103.5	107.1
12	100.5	102.2	100.6	102.1	104.2
2011					
1	101.3	103.5	101.4	99.1	101.8
2	101.6	103.6	101.1	92.2	98.0
3	101.7	104.0	101.1	107.8	113.5
4	101.3	104.0	100.7	98.4	99.3
5	101.6	104.7	100.9	98.9	104.3
6	102.0	105.3	101.1	99.6	104.3
7	102.6	105.9	101.2	96.2	101.3
8	102.9	106.5	101.4	86.8	98.9
9	103.2	106.5	101.0	96.4	96.3
10	103.3	107.0	101.0	95.0	101.4
11	103.4	106.9	100.6	93.0	96.4
12	103.7	107.4	100.5	90.1	94.8
2012					
1	104.4	107.4	100.2	88.6	88.3
2	105.4	108.2	100.5	92.2	91.0
3	105.7	108.3	100.2	101.4	106.1
4	106.2	108.6	100.0	97.5	98.4
5	106.3	108.7	99.7	95.7	104.7
6	107.4	109.1	99.7	90.4	98.3
7	108.0	109.7	99.8	82.1	89.7
8	108.1	109.6	99.3	84.4	82.7
9	108.0	110.1	99.3	89.3	99.5
10	108.3	110.0	98.9	88.9	97.0
11	109.1	110.7	99.1	82.2	92.5
12	109.9	111.3	99.2	87.0	82.0
2013					
1	110.1	111.8	99.2	85.0	85.7
2	110.4	112.3	99.3	83.0	86.7
3	110.7	112.3	98.9	101.3	104.4
4	111.3	112.9	99.0	94.1	101.5
5	112.0	113.2	98.8	97.6	99.8
6	113.0	113.9	99.0	95.0	97.2
7	113.9	114.2	98.9	91.1	90.7
8	114.7	114.9	99.1	89.8	92.7
9	-	-	-	93.0	94.4
10	-	-	-	-	101.1

Source: Statistics Korea & The Bank of Korea

Balance of payments (I)

(million US\$)

Period	Current balance							
		Goods trade balance			Services trade balance	Income trade Balance	Current transfers	
		Exports	Imports					
2011	26,068.2	31,660.0	551,765.4	520,105.4	-5,849.5	2,890.9	-2,633.2	
2012	43,138.5	38,337.7	552,565.3	514,227.6	2,676.2	4,885.5	-2,760.9	
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
2012	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
	III	14,561.7	13,341.2	137,086.0	123,744.8	654.4	1,041.3	-475.2
	IV	14,828.1	13,863.6	142,066.8	128,203.2	357.5	1,535.2	-928.2
2013 ^P	I	9,971.8	9,339.8	137,293.0	127,953.2	-483.0	1,375.0	-260.0
	II	19,803.0	15,838.1	142,434.4	126,596.3	3,761.9	62.2	140.8
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
2012	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	1,715.9	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	2,504.3	2,514.0	42,895.6	40,381.6	-262.2	435.5	-183.0
	9	5,913.1	5,486.6	47,569.9	42,083.3	323.3	203.9	-100.7
	10	5,781.7	5,168.9	48,144.1	42,975.2	378.3	521.9	-287.4
	11	6,906.2	6,777.4	49,636.8	42,859.4	-51.6	374.3	-193.9
	12	2,140.2	1,917.3	44,285.9	42,368.6	30.8	639.0	-446.9
2013 ^P	1	2,331.7	2,617.7	47,163.0	44,545.3	-927.1	968.4	-327.3
	2	2,712.9	2,562.9	42,218.6	39,655.7	-461.0	628.9	-17.9
	3	4,927.2	4,159.2	47,911.4	43,752.2	905.1	-222.3	85.2
	4	3,926.9	3,543.3	47,482.1	43,938.8	1,447.6	-1,088.6	24.6
	5	8,638.8	7,270.0	49,593.9	42,323.9	1,130.5	193.6	44.7
	6	7,237.3	5,024.8	45,358.4	40,333.6	1,183.8	957.2	71.5
	7	6,766.7	5,674.0	48,387.5	42,713.5	357.0	776.5	-40.8
	8	5,735.4	5,331.3	46,293.8	40,962.5	100.6	475.2	-171.7

P: Preliminary

Source: The Bank of Korea

Balance of payments (II)

(million US\$)

Period	Capital & financial account						Changes in reserve assets	Errors and omissions
	Direct investment	Portfolio investment	Financial derivative	Other investment	Capital transfers & acquisition of non-financial assets			
2011	-26,778.0	-16,410.0	13,109.3	-1,031.3	-8,468.6	-24.7	-13,952.8	709.8
2012	-43,619.1	-18,628.1	10,114.8	3,075.2	-26,897.7	602.1	-11,885.4	480.6
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	-20,931.2	-2,980.7	-5,338.8	1,086.4	-11,733.2	106.8	-2,071.7	6,103.1
2012								
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	-7,968.0	-3,015.2	-5,481.3	-65.3	-581.2	284.3	890.7	-3,220.8
III	-13,342.8	-5,428.9	5,778.8	699.1	-10,350.6	76.7	-4,118.0	-1,218.9
IV	-20,931.2	-2,980.7	-5,338.8	1,086.4	-11,733.2	106.8	-2,071.7	6,103.1
2013 ^P								
I	-10,901.4	-4,065.9	-5,769.9	1,418.9	1,294.3	152.0	-3,930.8	929.6
II	-19,112.7	-2,554.7	-8,374.8	-604.6	-11,584.9	-59.6	4,065.9	-690.3
2011								
1	-1,282.0	-1,725.4	904.6	569.3	1,773.30	-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	-738.8	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	10.1	0.0	-93.2	688.5
2012								
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	-605.0	-1,607.1	580.9	68.3	1,464.0	8.0	-1,119.2	-1,899.3
9	-4,897.7	-2,378.2	2,668.7	363.7	-4,189.3	32.4	-1,395.0	-1,015.4
10	-7,259.3	-975.0	-4,657.2	-135.3	-15.5	-6.1	-1,470.2	1,477.6
11	-9,838.2	-1,336.2	-3,875.8	612.6	-2,683.7	5.8	-2,560.9	2,932.0
12	-3,833.7	-669.5	3,194.2	609.1	-9,034.0	107.1	1,959.4	1,693.5
2013 ^P								
1	-910.3	-1,417.7	-4,374.3	586.9	4,643.9	48.5	-397.6	-1,421.4
2	-3,269.1	-777.8	1,993.5	686.9	-3,218.3	37.8	-1,991.2	556.2
3	-6,722.0	-1,870.4	-3,389.1	145.1	-131.3	65.7	-1,542.0	1,794.8
4	-2,606.4	303.3	-1,917.5	-313.2	-1,584.7	-36.8	942.5	-1,320.5
5	-11,596.0	-1,482.2	-1,171.9	649.2	-8,534.9	-16.8	-1,039.4	2,957.2
6	-4,910.3	-1,375.8	-5,285.4	-940.6	-1,465.3	-6.0	4,162.8	-2,327.0
7	-7,442.6	-981.0	1,847.4	443.3	-6,641.3	-119.5	-1,991.5	675.9
8	-7,619.7	-915.2	1,438.4	218.1	-6,744.1	66.8	-1,683.7	1,884.3

P: Preliminary

Source: The Bank of Korea

Prices

(2010=100)

Period	Consumer Prices				Producer prices		Export & import prices		
	All Items	Commodity	Service	Core	All Items	Commodity	Export	Import	
2011	104.0	105.7	102.7	103.2	106.7	108.7	100.2	111.6	
2012	106.3	108.9	104.2	104.9	107.5	108.9	97.9	110.8	
2011	7	104.3	105.9	103.1	103.7	107.2	109.3	97.4	109.5
	8	105.0	107.1	103.3	103.8	107.4	109.5	98.1	109.8
	9	104.9	107.1	103.1	103.7	107.4	109.6	101.0	113.6
	10	104.7	106.6	103.2	103.6	107.3	109.4	102.2	114.8
	11	104.8	106.8	103.3	103.9	107.0	108.9	99.5	113.1
	12	105.2	107.3	103.5	104.3	107.1	109.0	99.4	113.3
2012	1	105.7	107.9	103.9	104.6	107.7	109.5	100.4	114.4
	2	106.1	108.5	104.2	104.7	108.4	110.5	100.0	115.0
	3	106.0	109.2	103.5	104.3	108.9	111.2	100.6	116.9
	4	106.0	108.9	103.7	104.4	109.0	111.1	101.0	115.6
	5	106.2	109.2	103.9	104.6	108.4	110.3	100.2	113.5
	6	106.1	108.8	104.0	104.9	107.1	108.4	98.8	109.4
	7	105.9	107.9	104.2	104.9	106.6	107.6	97.5	108.5
	8	106.3	108.8	104.4	105.1	107.2	108.6	97.5	110.3
	9	107.0	110.4	104.4	105.2	107.6	109.2	97.6	111.1
	10	106.9	109.8	104.6	105.2	106.8	107.8	95.6	107.4
	11	106.5	108.9	104.6	105.3	106.1	106.8	92.9	104.3
	12	106.7	109.0	104.8	105.5	105.8	106.4	92.3	103.2
2013	1	107.3	109.8	105.2	105.9	106.0	106.8	92.2	102.3
	2	107.6	110.2	105.5	106.1	106.7	107.8	94.4	105.1
	3	107.4	110.3	105.1	105.9	106.3	107.1	94.7	104.3
	4	107.3	109.8	105.3	105.9	105.9	106.6	95.3	104.4
	5	107.3	109.6	105.4	106.3	105.6	106.1	94.4	102.5
	6	107.2	109.3	105.4	106.4	105.5	106.0	96.8	104.7
	7	107.4	109.6	105.6	106.5	105.5	106.0	96.0	103.8
	8	107.7	110.2	105.8	106.5	105.8	106.2	95.3	104.5
	9	107.9	110.7	105.7	106.9	105.7	106.1	93.1	102.1
Y-o-Y change (%)									
2011		4.0	5.7	2.7	3.2	6.7	8.7	0.2	11.6
2012		2.2	3.0	1.5	1.6	0.7	0.2	-2.4	-0.7
2011	7	4.5	6.4	2.9	3.6	7.0	9.1	-6.0	7.6
	8	4.7	6.8	3.0	3.5	6.9	8.9	-2.7	8.0
	9	3.8	5.0	2.7	3.3	6.3	8.0	1.0	11.9
	10	3.6	4.5	2.8	3.2	5.8	7.4	5.3	14.5
	11	4.2	6.0	2.7	3.5	5.1	6.5	2.0	10.7
	12	4.2	5.7	2.8	3.6	4.3	5.3	-1.0	6.1
2012	1	3.4	4.4	2.7	3.2	3.2	3.6	1.7	7.7
	2	3.1	3.9	2.5	2.5	3.1	3.6	-0.7	5.2
	3	2.6	4.1	1.4	1.9	2.4	2.7	-3.0	3.3
	4	2.5	4.1	1.3	1.8	1.9	1.9	-1.2	1.5
	5	2.5	4.3	1.3	1.6	1.0	0.7	-0.3	1.8
	6	2.2	3.6	1.2	1.5	0.0	-0.7	-0.5	-1.3
	7	1.5	1.9	1.1	1.2	-0.6	-1.5	0.1	-0.9
	8	1.2	1.6	1.1	1.3	-0.1	-0.9	-0.7	0.5
	9	2.0	3.1	1.3	1.4	0.2	-0.4	-3.4	-2.2
	10	2.1	3.0	1.4	1.5	-0.5	-1.4	-6.5	-6.4
	11	1.6	2.0	1.3	1.3	-0.9	-1.9	-6.6	-7.9
	12	1.4	1.6	1.3	1.2	-1.2	-2.3	-7.2	-9.0
2013	1	1.5	1.8	1.3	1.2	-1.6	-2.5	-8.1	-10.6
	2	1.4	1.6	1.2	1.3	-1.6	-2.5	-5.6	-8.6
	3	1.3	1.0	1.5	1.5	-2.4	-3.7	-5.9	-10.8
	4	1.2	0.8	1.5	1.4	-2.8	-4.1	-5.7	-9.7
	5	1.0	0.4	1.4	1.6	-2.6	-3.8	-5.8	-9.7
	6	1.0	0.5	1.3	1.4	-1.4	-2.2	-2.0	-4.3
	7	1.4	1.6	1.3	1.5	-1.0	-1.6	-1.5	-4.3
	8	1.3	1.3	1.3	1.3	-1.3	-2.1	-2.2	-5.3
	9	0.8	0.3	1.2	1.6	-1.8	-2.8	-4.6	-8.1

Source: The Bank of Korea

Employment

Period	Economically active persons (thous.)				Unemployment (%)	Wage workers				
		Employed persons (thous.)				Regular	Temporary	Daily		
		All industry	Manufacturing	S.O.C & service						
2011	25,099	24,244	4,091	18,595	3.4	17,397	10,661	4,990	1,746	
2012	25,501	24,681	4,105	19,033	3.2	17,712	11,097	4,988	1,627	
2011	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	17,734	11,203	4,935	1,595	
9	25,755	25,003	4,153	19,125	2.9	17,862	11,291	4,961	1,610	
10	25,787	25,069	4,188	19,128	2.8	17,958	11,302	4,964	1,692	
11	25,652	24,941	4,218	19,088	2.8	17,941	11,281	4,960	1,700	
12	25,139	24,402	4,183	19,010	2.9	17,763	11,282	4,875	1,606	
2013	1	24,901	24,054	4,189	18,810	3.4	17,581	11,292	4,791	1,498
2	24,973	23,984	4,139	18,736	4.0	17,493	11,336	4,725	1,431	
3	25,397	24,514	4,141	18,989	3.5	17,743	11,510	4,769	1,465	
4	25,928	25,103	4,192	19,303	3.2	18,145	11,616	4,892	1,636	
5	26,195	25,398	4,175	19,492	3.0	18,388	11,726	4,964	1,699	
6	26,291	25,478	4,180	19,531	3.1	18,429	11,750	4,980	1,699	
7	26,301	25,473	4,167	19,577	3.1	18,413	11,814	4,984	1,615	
8	26,074	25,291	4,116	19,438	3.0	18,240	11,842	4,862	1,536	
9	26,186	25,466	4,174	19,540	2.7	18,429	11,888	4,937	1,605	
Y-o-Y change (%)										
2011	1.4	1.7	1.6	2.1	-	2.5	5.7	-1.5	-3.9	
2012	1.6	1.8	0.3	2.4	-	1.8	4.1	0.0	-6.9	
2011	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	
9	2.7	2.8	3.5	2.8	-	2.8	4.9	-1.7	2.7	
10	1.5	1.6	3.6	1.4	-	2.0	4.7	-2.5	-1.5	
11	1.3	1.4	4.0	0.9	-	1.7	4.1	-1.7	-3.6	
12	1.0	1.1	2.8	0.9	-	1.5	4.2	-2.2	-4.7	
2013	1	1.3	1.4	3.9	1.0	-	2.3	4.9	-1.6	-3.1
2	0.6	0.8	1.9	0.7	-	1.6	4.9	-3.1	-7.1	
3	0.7	1.0	3.1	0.6	-	1.8	5.6	-4.6	-4.0	
4	1.1	1.4	4.1	1.0	-	2.6	6.0	-4.0	0.6	
5	1.0	1.1	2.6	1.0	-	2.5	6.0	-3.7	-1.1	
6	1.4	1.4	2.3	1.5	-	2.8	5.3	-2.2	1.0	
7	1.5	1.5	1.3	1.6	-	2.8	5.9	-1.9	-3.6	
8	1.7	1.7	0.1	2.1	-	2.9	5.7	-1.5	-3.7	
9	1.7	1.9	0.5	2.2	-	3.2	5.3	-0.5	-0.4	

Source: Statistics Korea

Financial indicators

(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)	
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	3.4	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	3.6	3.0	3.1	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
	10	2.8	2.9	3.3	2.8	2.9	1,912.06
	11	2.8	2.9	3.3	2.8	2.9	1,932.90
	12	2.8	2.9	3.3	2.9	3.0	1,997.05
2013	1	2.8	2.9	3.2	2.8	2.9	1,961.94
	2	2.8	2.8	3.1	2.7	2.8	2,026.49
	3	2.7	2.8	3.0	2.6	2.7	2,004.89
	4	2.8	2.8	2.9	2.6	2.6	1,963.95
	5	2.6	2.7	3.0	2.6	2.7	2,001.05
	6	2.5	2.7	3.2	2.9	3.1	1,863.32
	7	2.5	2.7	3.4	2.9	3.2	1,914.03
	8	2.5	2.7	3.3	2.9	3.2	1,926.36
	9	2.5	2.7	3.3	2.9	3.2	1,996.96

Source: The Bank of Korea

Monetary indicators

(billion won)

Period	Reserve money	M1	M2	Lf
2011	75,232.0	425,675.1	1,708,984.5	2,208,170.4
2012	82,131.1	441,963.6	1,798,625.7	2,379,518.7
2011	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	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	2,377,071.3
7	81,555.7	441,760.6	1,807,289.2	2,393,737.7
8	82,369.1	439,573.2	1,817,134.9	2,405,239.9
9	82,958.7	440,034.3	1,819,290.1	2,415,263.5
10	85,078.6	444,477.8	1,822,420.9	2,424,000.4
11	82,956.5	445,463.9	1,830,280.3	2,440,062.8
12	85,302.7	457,778.9	1,835,556.7	2,455,962.9
2013	85,839.3	464,914.5	1,841,128.1	2,469,789.3
2	88,855.7	472,239.6	1,857,135.0	2,488,539.0
3	89,523.5	472,430.1	1,862,405.5	2,499,718.1
4	87,729.0	475,330.0	1,867,726.3	2,512,459.7
5	89,654.8	475,526.7	1,870,289.7	2,518,239.1
6	91,207.6	486,587.5	1,884,193.2	2,533,750.8
7	90,643.7	488,982.7	1,890,728.6	2,549,443.5
8	93,729.6	481,416.9	1,888,658.4	2,557,336.3
Y-o-Y change (%)				
2011	11.3	6.6	4.2	5.3
2012	9.2	3.8	5.2	7.8
2011	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	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
9	6.4	3.5	5.2	7.6
10	10.6	5.5	4.6	7.1
11	8.3	5.3	4.4	7.1
12	9.6	5.8	4.5	7.3
2013	5.1	5.8	4.8	7.7
2	8.8	8.0	5.3	8.1
3	13.2	7.4	5.0	6.8
4	8.8	8.7	5.1	6.9
5	11.3	8.4	4.8	6.8
6	11.5	10.2	4.9	6.6
7	11.1	10.7	4.6	6.5
8	13.8	9.5	3.9	6.3

Source: The Bank of Korea

Exchange rates

Period	₩/US\$		₩/100 ¥		₩/Euro		
	End-period	Average	End-period	Average	End-period	Average	
2011	1,153.3	1,108.1	1,485.2	1,391.3	1,494.1	1,541.4	
2012	1,071.1	1,126.9	1,247.5	1,413.1	1,416.3	1,448.2	
2011	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
	10	1,094.1	1,106.9	1,374.5	1,400.9	1,418.3	1,436.0
	11	1,084.7	1,087.5	1,320.6	1,344.0	1,407.3	1,395.9
	12	1,071.1	1,077.0	1,247.5	1,288.1	1,416.3	1,411.4
2013	1	1,082.7	1,065.4	1,188.5	1,196.8	1,469.3	1,415.7
	2	1,085.4	1,086.7	1,176.2	1,166.4	1,425.8	1,452.3
	3	1,112.1	1,102.2	1,180.1	1,161.1	1,425.2	1,427.5
	4	1,108.1	1,121.8	1,132.0	1,148.4	1,451.3	1,459.6
	5	1,128.3	1,110.7	1,116.6	1,100.3	1,471.4	1,441.5
	6	1,149.7	1,135.2	1,167.2	1,165.7	1,498.2	1,498.7
	7	1,113.6	1,127.2	1,135.4	1,130.7	1,476.7	1,475.1
	8	1,110.9	1,117.0	1,129.2	1,142.1	1,470.6	1,488.4
	9	1,075.6	1,087.4	1,098.7	1,095.1	1,451.3	1,449.0
				Y-o-Y change (%)			
2011		1.3	-4.2	6.3	5.4	-1.3	0.6
2012		-7.1	1.7	-16.0	1.6	-5.2	-6.0
2011	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
	10	-0.9	-4.2	-5.7	-7.1	-9.2	-9.3
	11	-5.7	-4.0	-10.5	-7.9	-8.2	-9.2
	12	-7.1	-6.1	-16.0	-12.6	-5.2	-6.6
2013	1	-3.8	-7.0	-19.3	-19.6	-0.6	-4.2
	2	-3.6	-3.3	-15.9	-18.6	-6.0	-2.3
	3	-2.3	-2.1	-14.5	-14.9	-5.8	-4.0
	4	-2.3	-1.2	-19.8	-17.6	-3.4	-2.4
	5	-4.2	-3.8	-25.0	-24.0	1.0	-2.5
	6	-0.4	-2.6	-19.7	-20.7	4.4	2.5
	7	-2.0	-1.4	-21.9	-21.8	6.0	4.8
	8	-2.1	-1.3	-21.8	-20.6	3.6	6.1
	9	-3.8	-3.3	-23.8	-23.9	0.5	0.2

Source: The Bank of Korea

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