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HRI Monthly Economic Review

Hyundai Research Institute

Devoting to economic research
and human resource development
with intellectual conscience and sincerity,
the Hyundai Research Institute leads
the advancement of Korean Economy
in the 21st century by proposing
creative policy alternatives.

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2. Economic Issues Facing Korea

『Major Characteristics of Korean Economy for 2015』 Korean economy for 2015 is likely to be a mixed one of hope and concern. Korea's greatest hope is to be ranked as an advanced nation by joining the '30-50 Club'(countries of a population size of over 50 millionwith a GDP/capita of US$30,000 or over). Korea managed to renew its employment rate record for the last four consecutive years and moved one step closer to '70% of employment rate', and revitalized housing market will act as a vitamin for the domestic economic recovery. However, general concern about deflation is set to continue due to the prolonged basic economic conditions of low growth and low prices. With continued global economic recession resulting from declining demand, falling exports to China and the fear of weak yen, Korea will face a difficult year in 2015.

『Impact of Falling International Oil prices on the Domestic Economy』 Recently, major international oil prices including WTI and Dubai oil dropped to US$80 plus and are expected to stay at a low level. In the beginning of October, WTI traded at US$85.5, Dubai oil US$88.0, and Brent oil US$88.4, the lowest for 23 months, 35 months, and 47 months respectively. International oil prices are likely to stabilize at this low level for the time being considering the current demand and supply situation, funds-flow of global financial markets, and the future direction of the dollar.

3. The North Korean Issues

The recent N. Korean agricultural reform is a similar version to China's reform introduced in 1978 allowing individual farmers freedom to determine all agricultural products minus a certain amount of crops set by the government instead of a collective farming system. During the 10 years following the reform(1978-1987), China's growth rate of the primary industrial production showed an average annual increase of 13.6%, a leaping improvement compared to a meager 2.9% during the period of 1968-1977. China's successful practice of the reform indicates that the N. Korean economy can expand quickly with the value added in the primary industrial sector alone if N. Korea's reform drive proves successful. N. Korea's GDP is estimated to increase by approximately 7.5% in the first year of the reform without even considering the effects of the reform spread in other industrial sectors provided that N. Korean primary industrial output turns out to be as successful as China in the first year of the reform. Assuming N. Korea's GDP grows as estimated, its GDP can reach 63 trillion (based in S. Korean won) in nine years' time, more than twice as much as its GDP of 30 trillion won in 2013.

Ⅰ. Recent Global and Domestic Economic Trends

Major Economies

Although the US maintains economic recovery, Europe's recovery slows. Japan shows signs of recovery and China's economic recovery is marginal.

The US sustains a good recovery trend. Industrial production in September showed a month-on-month rise of 1.0% whilst retail sales showed a month-on-month drop of 0.3%. The number of the employed in non-agricultural sectors recorded a month-on-month increase of 248,000. The unemployment rate marked 5.9%, a month-on-month fall of 0.2%p. The ISM manufacturing industry PMI showed 59.0p, a month-on-month rise of 2.4p. The composite leading index maintains its upturn.

Europe's economic recovery slows down. Industrial production in August dropped by 1.4% while retail sales rose by 1.4% compared to July's figure. Although the unemployment rate is falling marginally, it remained at 10.1% in August. Inflation rate showed a year-on-year increase of less than 1% plus, staying at 0.4% as of September. Major economic sentiment indices such as manufacturing industry PMI and business sentiment index dropped in September compared to the previous month. Exports continue to decline.

Japan shows signs of recovery. Both industrial production and retail sales in September showed a month-on-month increase of 2.7% respectively. Imports and exports in September also recorded a month-on-month rise of 6.9% and 6.2%, showing an upturn from a decline in August. Manufacturing industry PMI in October showed 52.8p, a month-on-month rise of 1.1p. Inflation rate in August, however, marked a year-on-year rise of 3.3%, a marginal drop from 3.4% in July. Composite leading index and coincident composite index also fell marginally following upturn trend up until July.

China shows gradual recovery. Industrial production and retail sales in September recorded a year-on-year growth of 8.0% and 11.6% respectively. Exports in September showed a year-on-year increase of 15.3% and imports also marked an upturn by 7.0% after showing a downturn in August. The HSBC manufacturing industry PMI in September accounted for 50.4p, a month-on-month increase of 0.2p.

October saw a strong global dollar in the global financial market due to the economic recovery of the US, and weak Japanese yen as a result of additional quantitative easing.

<Economic indices of major countries>

(%)

Economic Sectors		2012	2013	2014		
		Annual	Annual	Jul	Aug	Sep
US	Industrial Production	3.8	2.9	0.2	-0.2	1.0
	Retail Sales	5.1	4.2	0.3	0.6	-0.3
EU	Industrial Production	-2.5	-0.7	0.7	-1.4	-
	Retail Sales	-1.7	-0.8	-0.4	1.4	-
Japan	Industrial Production	0.6	-0.8	0.4	-1.9	2.7
	Retail Sales	1.8	1.0	-0.5	1.9	2.7
China	Industrial Production	10.0	9.7	9.0	6.9	8.0
	Retail Sales	14.3	13.1	12.2	11.9	11.6

(p, yen, euro, yuan)

International Finance Sector		2012	2013	2014		
		Annual	Annual	Sep	Oct	Nov
Stock index	DJIA	13,104	16,577	17,043	17,391	17,384
	DAX	7,612	9,552	9,474	9,327	9,116
	NIKEI	10,395	16,291	16,174	16,414	16,862
	SSE	2,269	2,098	2,364	2,420	2,431
Rate of Exchange	EUR/USD	1.3222	1.3799	1.2631	1.2,607	1.2490
	YEN/USD	85.86	105.04	109.65	109.35	113..80
	CNY/USD	6.2317	6.0617	6.1394	6.1145	6.1183

Source : US Department of Commerce; Eurostat; The People's Bank of China
Note : US, EU, Japan QoQ, China YoY

Korean Economy

Although Korea's export performance improved, the recovery trend of Korean economy is weak. Improving tendency of employment slowed down marginally, and consumer prices remain low.

Domestic economic recovery is weak. Although facility investment rose in September, industrial production and retail sales decreased. Facility investment in September recorded a month-on-month rise of 13.2%, a modest recovery when considering the decrease in August of 10.8%. Industrial production showed a month-on-month drop in August(-0.7%) and in September(-0.9%). Retail sales recorded a month-on-month decrease of 3.2% with falling sales of non-durable goods and semi-durable goods such as foodstuff and cloths.

Foreign trade is improving. Exports in October amounted to US$51.8 billion, a year-on-year increase of 2.5%, and imports showed US$44.3 billion, a year-on-year decrease of 3.0%. Exports in October marked a record-high with a trade surplus of US$7.5 billion, a surplus for 33 consecutive months. In terms of exports by industry, semiconductors performed well, and exports of computers, ships, steels, and general machinery increased.

The improvement of employment has marginally slowed. The number of the employed in September showed a year-on-year rise of 451,000, a modest fall from the increase of over 500,000 for the previous two months due to the increasing number of the employed in manufacturing industry and wholesale/retail sector slowing down. Unemployment rate in September recorded 3.2%, a year-on-year rise of 0.5%p as a result of economically inactive population seeking jobs increasing in line with the expanding number of employed.

Consumer prices remain at a depressed level. The inflation rate showed a month-on-month fall of 0.2% in September, a drop for the 2nd consecutive month, and a year-on-year rise of 1.2%. Although it marginally increased from 1.1% in September, it has lingered at 1% plus level for 24 consecutive months. Falling oil price sand stable agricultural product prices maintain downward pressure on inflation.

The Korean financial market in October saw poor business performances by major Korean conglomerates in the 3rd quarter, a weak yen due to the depressed Japanese economy and expectation for additional quantitative easing, and a strong dollar recovering along with the US economy.

<Korea Major Economic Indices>

(p, %)

Economic Sectors		2012	2013					2014				
		Annual	Annual	1/4	2/4	3/4	4/4	1/4	2/4	Aug	Sep	Oct
Domestic Market	Retail Sales	2.3	0.7	-1.0	0.9	0.8	0.3	0.3	-0.5	2.7	-3.2	-
	Facility Investment Index	-2.0	-5.0	-3.1	1.1	5.0	5.9	-5.2	2.2	-10.8	13.2	-
	Construction	-5.8	10.5	3.6	6.3	-0.3	1.1	1.6	-0.1	0.5	-5.8	-
Foreign Trade	Export Growth Rate	-1.3	2.2	0.3	0.7	2.8	4.7	1.7	3.2	-0.4	6.9	-
Employment/ Prices	Unemployment Rate	3.2	3.1	3.6	3.1	3.0	2.8	4.0	3.7	3.3	3.2	-
	Consumer Price	2.2	1.3	1.6	1.2	1.4	1.1	1.1	1.6	1.4	1.1	1.2
Employment/ Prices	KOSPI	-	-	2,005	1,863	1,997	2,011	1,986	2,002	2,069	2,020	1,964
	KRW/USD	-	-	1,111	1,142	1,075	1,067	1,065	1,012	1,014	1,055	1,068
	3yr Government Bond	-	-	2.52	2.88	2.82	2.86	2.87	2.68	2.51	2.30	2.14
	Corporate Bond (BBB-)	-	-	8.50	8.99	8.97	9.10	9.00	8.79	8.62	8.43	8.24
Economic Index	Coincident Composite Index	-	-	112.3	113.9	115.1	116.8	118.4	118.8	120.2	120.5	-
	Lending Composite Index	-	-	110.7	113.1	114.6	117.0	118.2	119.7	121.7	122.9	-

Source : Bank of Korea, National Office of Statistics, Foreign Trade Association.

Ⅱ. Economic Issues Facing Korea

1. Major Characteristics of Korean Economy for 2015

Korean Economy with light and shade co-existing

Korean economy for 2015 is likely to be a mixed one of hope and concern. Korea's greatest hope is to be ranked as an advanced nation by joining the '30-50 Club'(countries of a population size of over 50 millionwith a GDP/capita of US$30,000 or over). Korea managed to renew its employment rate record for the last four consecutive years and moved one step closer to '70% of employment rate', and revitalized housing market will act as a vitamin for the domestic economic recovery. However, general concern about deflation is set to continue due to the prolonged basic economic conditions of low growth and low prices. With continued global economic recession resulting from declining demand, falling exports to China and the fear of weak yen, Korea will face a difficult year in 2015.

Major Characteristics of Korean Economy for 2015

(Joining the '30-50 Club') Korea is forecast to join the '30-50 Club' as its 7th member country in 2015. Korea's entry into the '30-50Club' next year will be the most inspiring milestone in nine years since it achieved the GDP/capita of US$20,000 in 2006; most major advanced nations are members of this Club except Canada. Korea's credit rating is expected to be upgraded upon joining the Club which will also contribute to stabilizing macroeconomic sectors including government finance, debt, and prices.

(Renewing employment rate record for four consecutive years)

Employment structure has substantially improved as the middle-aged and women shifted in force from being an economically inactive group to an employed one. With this employment trend continuing, the employment rate for the age group between 15 and 64 is forecast to reach 66.2% in 2015, a record-high for the 4th consecutive year. Quantitative expansion of employment when combined with qualitative improvement will significantly contribute to increasing household income.

(Housing market: a vitamin for the recovery of domestic economy) The strengthening housing market is to energize the domestic economy. The improved housing market will help construction businesses to recover, and the expanding employment created by improved construction and asset growth following the rising property prices will contribute to the recovery of consumption. Housing-related services such as removal, remodeling, lease and financing will also benefit from the improving housing market.

(Concern about deflation to continue) Concern about deflation is to continue as the low growth and low prices economic trends persist. The deflationary gap(an economic situation where the real GDP stays below the potential GDP) has continued for the 8th quarter coupled with a negative price gap (situation where the real price stays be low potential price) lasting for as long as 12quarters. The Government budget for 2015 needs to be drastically increased and the base rate further lowered to stop the low growth/lowprice economic situation and regain economic vitality.

(Global Economy, Concern over long-term Depression due to falling demand) The world economy is feared to face a long term depression(secular stagnation) in 2015 due to the shortage of effective demand such as consumption and investment. The average spending growth rate of major nations is below the long-term average, and gross investment is likely to fall short of the total savings due to the low expectation for economic recovery.

(Korea's exports fettered by China) The Chinese economy which used to drive Korea's total export growth in the past is now exerting a negative influence on Korea's export economy. The falling economic growth rate of China and the increasing self-sufficiency rate following the upgrade of industrial infrastructure in China, and changing trade structure due to the dwindling processing trade are the main causes for the falling exports to China, and this tendency is set to continue in 2015.

(Fear for weak yen and weakening competitive edge of Korea's export items) The KRW/JPY exchange rate is expected to fall further in 2015, and the level of export competition with Japan has steadily increased since the financial crisis. Japanese businesses are likely to make a move to lower export prices in earnest in 2015, which will further weaken Korean export items' competitive edge. When the KRW/JPY exchange falls to the average 950 won/100 yen level, Korea's total export amount is expected to drop by 4.2%, and by 8.8% if the exchange rate falls to 900 won/100 yen.

<Economic Forecast for 2015>

classification	2013	2014			2015(E)		
		first-half	second-half(E)	annual(E)	first-half	second-half	annual
Economic Growth Rate (%)	3.0	3.7	3.6	3.6	3.5	3.6	3.6
Private Consumpption (%)	2.0	2.0	2.6	2.3	3.0	2.6	2.8
Construction Investment (%)	6.7	1.9	1.8	1.9	1.6	4.3	3.0
Facility Investment(%)	-1.5	7.5	3.9	5.7	4.2	6.0	5.1
Intellectual Property Investment (%)	7.3	6.5	5.9	6.2	7.3	7.0	7.1
Export (%)	2.1	2.5	3.7	3.1	4.1	4.7	4.4
Inflation Rate (%)	1.3	1.4	1.9	1.7	2.0	1.9	1.9
Employment Rate of 15-64 Age Group(%)	64.4	65.0	65.6	65.3	66.0	66.5	66.2

Source :HRI.

Policy Suggestions

Positive action by the government is desperately needed to emerge from the low growth/low prices economic situation:

1. The budget for the year 2015 should be expanded and implemented early in the first half of the year with the option of further reduction in the base interest rate.
2. Countermeasures for revitalizing the housing market should be strengthened to promote asset growth effects to create a virtuous circulation leading to recovery of private consumption and construction business.
3. The government should introduce a policy to initiate quantitative expansion as well as qualitative improvement of employment to promote growth of household income.
4. Some fine tuning needs to be implemented to adjust the speed of falling exchange rate, and to ensure that the exchange rates do not breakaway too far off the equilibrium exchange rate. Policies to enhance potential growth rate should be enforced without a break.

2. Impact of Falling International Oil prices on the Domestic Economy

Falling International Oil Prices

Recently, major international oil prices including WTI and Dubai oil dropped to US$80 plus and are expected to stay at a low level. In the beginning of October, WTI traded at US$85.5, Dubai oil US$88.0, and Brent oil US$88.4, the lowest for 23 months, 35 months, and 47 months respectively.

Forecast on International Oil Prices

International oil prices are likely to stabilize at this low level for the time being considering the current demand and supply situation, funds-flow of global financial markets, and the future direction of the dollar.

In terms of demand, pressure for oil demand is expected to be eased due to the weak global economic recovery and the delayed economic recovery of developing nations including China which played a major role in triggering demand for oil. According to the IMF forecast released in October, the global economy is expected to mark a growth rate of 0.2%p lower than the July forecast, and the developing countries are set to follow. Consequently, the oil consumption growth rate of OECD nations is likely to turn negative from the second half of 2015. International oil prices are expected to stabilize at a depressed level as the oil consumption growth rate of the US and China, two major oil consuming nations, is likely to drop to below 3%.

In terms of supply, downward oil price pressure is on the increase as oil production by non-OPEC nations including the US has steadily increased. Compared to 2011, the oil production by OPEC nations is forecast to drop by 0.3% in 2015 while the same by the non-OPEC countries is expected to rise by 8.3%, making the overall oil production increase by 4.3%. The oil production by the US, in particular, is expected to triple for the same period with booming development of non-traditional oils(tight oil).

Meanwhile, mass withdrawals of speculative funds from international commodity markets and the strong dollar are other factors to bring down international oil prices. The WTI straight purchase futures position of the New York Mercantile Exchange(NYMEC) dropped by approximately 36%

in the beginning of October as compared to June and the Brent oil straight purchase futures position of the ICE(Intercontinental Exchange, Inc) also fell by 82% for the same period. Furthermore, the strong dollar is also joining the force of pushing down international oil prices, and the dollar is forecast to remain strong until the end of 2015.

The tendency of falling oil prices is likely to last for the time being, considering the current demand-supply status and funds-flow of international financial markets. According to the latest forecasts of major relevant organizations, international oil prices are currently targeted at US$88.3-US$94.6/barrel for WTI, US$101.7-US$103.8 for Brent oil, and US$101.7 for Dubai oil, and these prices could drop further if current demand-supply status and the funds-flow of international financial market remains unchanged in 2015.

Impact of Falling International Oil prices on the Domestic Economy

Falling oil prices is expected to help the domestic economy improve as it will cause not only effects of increasing consumption and production by rising household incomes and bringing down the cost of living, but also effecting an increase in investments with improving business investment sentiment.

In terms of domestic economy, when oil prices fall by 10%, consumption is anticipated to rise by 0.68%, investment by 0.02%, and exports by 1.19%, pushing the GDP up by 0.27% and GNI by 0.41%, while bringing down consumer prices by 0.46%. The low-price economic tendency is likely to be sustained when the current domestic economic condition is taken into consideration.

<Impact of Falling International Oil prices on Domestic Economy>

Section	Period (1stQuarter,2000–3rdQuarter,2013)					
	GDP	GNI	Consumption	Investment	Export	Inflation Rate
After 4 quarters	-0.27%	-0.41%	-0.68%	-0.02%	-1.19%	0.46%

Note :Impulse response when international oil prices fall by10%.

Policy Suggestion

Although falling oil prices will help improve the domestic economic recovery, the continued deflation phenomenon is feared to cause persistence of a low-price economic situation, and therefore, the following policies need to be implemented:

1. Falling international oil prices should be strategically utilized to reduce expenses for oil imports and to enhance investment efficiency of oil resource development by increasing oil reserves and adjusting long-term supply contracts with oil producing nations during the period of falling oil prices.

2. The cost-cutting effect created by falling oil prices should be spread throughout the economy leading to economic recovery. While controlling unfair oil trade practices, the policy should be implemented to strengthen monitoringof commodities prices sensitive to oil price fluctuation and to enhance fair trade practices.

3. Policies should also be introduced to ensure the cost-cut effect created by falling oil prices leads to reinforcement of R&D activities and human resource development, thereby enhancing business's competitive edge.

4. The government should make every effort to create effective demand by adopting positive monetary and fiscal policies as the circumstances are right for the government to implement these policies with oil prices set to remain low for the time being.

5. Businesses should also ensure the cost-cut effect created by falling oil prices leads to enhancing overall productivity.

Ⅲ. North Korean Issues

1. Impact of N. Korean Agricultural Reform on N. Korea's GDP

N. Korea Promoting Agricultural Reform

Since the Kim JongUn regime came to power, N. Korea appears to be gradually stabilized, and has recently been promoting policies for economic recovery through agricultural reform, which is a part of the regime's economic recovery action plan. According to the plan, the basic production unit will shift from the existing collective management system of subgroups of 4 to 6 cooperative farmers to a self-managing family unit. The distribution system will also change from the existing method of 70% to the government and 30% to the basic unit to only 40% to the government and 60% to the family with a land-reform act allowing each family 3,300m²/person.

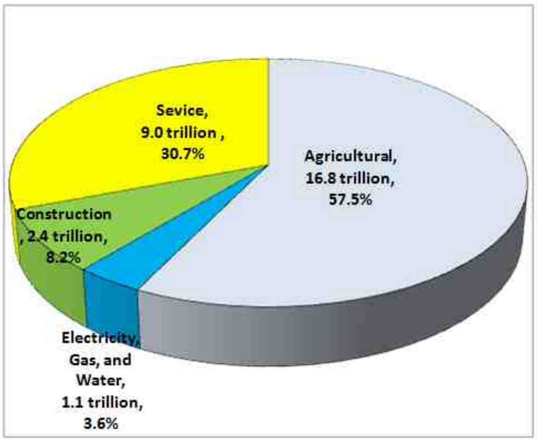
<Comparison of Agricultural Reform between the Two Regimes>

Section	Kim JongIl Regime	Kim JongEun Regime	
	July 1, 2002	June 28, 2012	May 30, 2014
Agricultural Area	- Government purchase quantity reduced - Farmer's autonomy expanded - Introduction of terminal production subgroup of cooperative farmers - Size of the subgroup farmers: 10-25	- Expansion of subgroup co-op farmers system (Downsizing of the subgroup to 4-6 farmers) - Substantial expansion of freedom to sell excessive production. - 70% of production to the government, 30% to the subgroup	- Introduction of family unit autonomy from 2015 - Provision of 3,300m²/person. - 40% to the government, 60% to family farmers.

Impact of the Agricultural Reform on N. Korean Economy

The recent N. Korean agricultural reform is a similar version to China's reform introduced in 1978 allowing individual farmers freedom to determine all agricultural products minus a certain amount of crops set by the government instead of a collective farming system. During the 10 years following the reform(1978-1987), China's growth rate of the primary industrial production showed an average annual increase of 13.6%, a leaping improvement compared to a meager 2.9% during the period of 1968-1977. China's successful practice of the reform indicates that the N. Korean economy can expand quickly with the value added in the primary industrial sector alone if N. Korea's reform drive proves successful. N. Korea's GDP is estimated to increase by approximately 7.5% in the first year of the reform without even considering the effects of the reform spread in other industrial sectors provided that N. Korean primary industrial output turns out to be as successful as China in the first year of the reform. Assuming N. Korea's GDP grows as estimated, its GDP can reach 63 trillion (based in S. Korean won) in nine years' time, more than twice as much as its GDP of 30 trillion won in 2013.

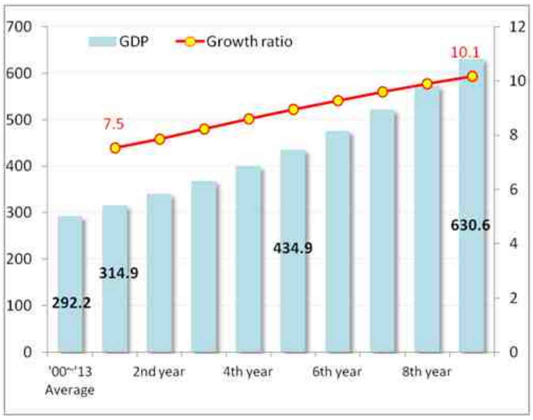
<N. Korea's GDP by Industrial Sector2000-2013(S. Korean won) >



Source : Bank of Korea.

<N. Korea's Post-Agricultural Reform GDP Change>

(100 billion S. Korean won) (%)



Source : Estimated by HRI.

Policy Suggestion

With N. Korea's agricultural reform set to encourage N. Korea's market economy and play an important role for its economic recovery, S. Korea needs to consider offering assistance as follows not only to help N. Korea recover economically, but also to save unification costs in the future and on humanitarian grounds:

1. Provision of agro-materials and assistance to improve N. Korea's agro-infrastructure should be considered to strengthen N. Korea's drive for reform.

2. Apart from agricultural industry, assistance need to be provided to help N. Korea modernize fishery, livestock, forestry, and food industries to assist N. Korea to be able to deal with food-shortage problem for itself.

3. North-South economic cooperation should be expanded focusing on primary industry to strengthen N. Korea's ability for economic recovery, which will eventually save cost for unification.

4. With a quickening pace of investments in N. Korea's reform projects from neighboring nations such as China, Russia, and Japan, S. Korea should make a first move through investing in N. Korea to preempt unification reap the benefits to come.

[Annex] Domestic and Global Economic Indices

□ Global Growth Rate

Category	2012					2013					2014
	Annual	1/4	2/4	3/4	4/4	Annual	1/4	2/4	3/4	4/4	Annual(E)
US	2.8	3.7	1.2	2.8	0.1	1.9	2.7	1.8	4.5	3.5	1.8
Euro Region	-0.6	-0.1	-0.3	-0.1	-0.5	-0.4	-0.2	0.3	0.1	0.3	0.8
Japan	2.0	3.7	-1.7	-3.1	-0.2	1.7	5.2	3.4	1.4	-0.2	0.9
China	7.7	8.1	7.6	7.4	7.9	7.7	7.7	7.5	7.8	7.7	7.4

Note: 1) IMF figures of October 2014 for 2014 global projections.
2) Annual rates were compared with those of previous term for the US and Japan, with the rates of the previous term for Euro region, and with the same term in the previous year for China.

□ Economic Indicators of South Korea

Division		2013	2014			2015(E)
			the first half	the second half(E)	Annual(E)	
National Account	Economic Growth rate (%)	3.0	3.7	3.6	3.6	3.6
	Private Consumption (%)	2.0	2.0	2.6	2.3	2.8
	Construction Investment (%)	6.7	1.9	1.8	1.9	3.0
	Facility Investment (%)	-1.5	7.6	3.9	5.7	5.1
	Intellectual Property Investment(%)	7.3	6.1	5.9	6.0	7.1
Foreign Trade	Current Account (100 million Dollars)	799	392	408	800	680
	Exports (100 million Dollars) [Increase rate, %]	5,596 [2.1]	2,833 [2.5]	2,936 [3.7]	5,770 [3.1]	6,023 [4.4]
	Imports (100 million Dollars) [Increase rate, %]	5,156 [-0.8]	2,631 [2.6]	2,705 [4.4]	5,336 [3.5]	5,597 [4.9]
Consumer Price (Average, %)		1.3	1.4	1.9	1.7	1.9
Employment rate (15~64, Average, %)		64.4	65.0	65.6	65.3	66.2

□ Economic Indicators of North Korea

		2005	2006	2007	2008	2009	2010	2011	2012	2013
Per capita GNI (10,000 won)		105	103	104	114	119	124	133	137	138
Amount of Trade by Year (USD million)	South-to-North	715.5	830.2	1,032.6	888.1	744.8	868.3	800.2	897.2	520.6
	North-to-South	340.3	519.5	765.3	932.3	934.3	1,043.9	913.7	1,074.0	615.2
	Total	1,055.8	1,349.7	1,797.9	1,820.4	1,679.1	1,912.2	1,713.9	1,971.2	1,135.8

Source: THE BANK OF KOREA, Ministry of Unification.

Hyundai Research Institute

Current Status

HRI is established by Chung Ju-yung, the first CEO, founder and honorary chairman of Hyundai Group in 1986. HRI is a leading Korean research think tank committed to studying and analyzing the economic and industrial environment as well as reunification economy of Korea. HRI, further, has it's own businesses such as business consulting, education and training service, and knowledge-content business.

Main Research Topics

HRI is mainly composed of four divisions. The major working areas of each part are as following :

Research Sector deals with the macroeconomic issues relating to domestic-and-international economy as well as the industrial trends and issues. Reunification Economy Center is one of it's sub-sectors, specialized in both the North Korean political and economic issues.

Business Consulting Sector devotes to helping domestic and international companies improve their competitiveness by providing strategic solutions.

Knowledge-Business Sector produces a great deal of invaluable online-and-offline contents such as educational videos and reading materials.

Human Resource Development and Education Sector provides HR development consulting services to companies for improved talent management, and also provides educational services such as training and lectures.

Messages to Future-Cooperation Partner

HRI is prepared for cooperation and coworks with your institute, especially in the field of survey, economic trend analysis and business consulting. For more information on cooperation, please contact us.

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