

HRI Quarterly Economic Review

I. Economic Issues Facing Korea
II. North Korean Issues
[Annex] Domestic and Global
Economic indices

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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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< Executive Summary >

I . Economic Issues Facing Korea

『Growth Rate of 3% Achievable with Positive Stimulative Economic Policy』

The weak recovery of the Korean economy looks set to stay. Having run into a soft patch in the aftermath of the Sewol ferry disaster in April last year, the Korean economy suffered another blow in May this year from the outbreak of MERS, prolonging the trends of low economic growth with struggling domestic consumption, coupled with depressed exports. This report will look into the characteristics of the Korean economy that are expected to show in the 2nd half of this year and recommend measures to reinvigorate the economic driving force.

『Characteristics of Recent Consumer Sentiment』

‘Economy is a sentiment’ explains all about the importance of the judgement of the future of economic units to foresee the direction of the economy. Among all economic units, the consumers’ perspective of economy is useful for understanding the direction of future economy, and therefore this report aims to look into the relationship between consumer sentiment and real consumption, determine the current level of consumer sentiment and compare the trend of consumer sentiment indicators to the long-term average(July 2008-July 2015) of the consumer sentiment index by item, income bracket, and age.

『Small Loan Financing Support Policy & Household Debts of Low-Income bracket』

Household debt is increasing faster than disposable income of households, with the low interest rate trend lasting, and so is the risk of failure to repay the household debt, especially for the low-income group in comparison to high or middle income brackets. The trend of major characteristics of household debts for the past three years was analyzed to assess the effectiveness of the government policy to deal with household debts of the low-income bracket and find some better alternatives.

II . The North Korean Issues

While the Korean peninsula index for the 2nd quarter(Q2) of 2015 rose, the expectation index for Q3 dropped, a contradicting assessment for ‘the result and forecast’. The peace index for Q2 accounted for 37.1, reflecting a continuing ‘acutely strained relations’ between the two Koreas, following disappointing figures in Q1. The expectation index for Q3 recorded 35.3, lower than Q2 by 4.9p, indicating a negative forecast on North-South relations for the two consecutive quarters.

I . Economic Issues Facing Korea

1. Growth Rate of 3% Achievable with Positive Stimulative Economic Policy

Korean Economy, Concern over the Prolonged Weak Recovery

The weak recovery of the Korean economy looks set to stay. Having run into a soft patch in the aftermath of the Sewol ferry disaster in April last year, the Korean economy suffered another blow in May this year from the outbreak of MERS, prolonging the trends of low economic growth with struggling domestic consumption, coupled with depressed exports. This report will look into the characteristics of the Korean economy that are expected to show in the 2nd half of this year and recommend measures to reinvigorate the economic driving force.

Major Characteristics of Korean Economy in the 2nd half of 2015

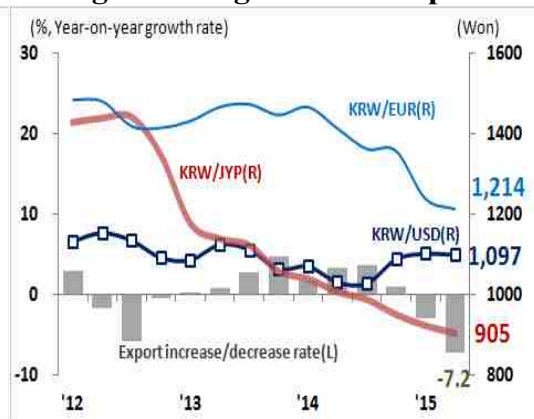
Fear for 3-Lows and Concern over Shrinking Domestic & Export Demands - The Korean economy is feared to show signs of entering depression in both domestic and export demands and an L-shape weak recovery, due to the lasting low growth and low inflation trends and the negative growth of export performance resulting from low foreign exchange rates. The GDP gap and the inflation gap have shown negative growth for more than 10 quarters, and this trend looks set to continue in the 2nd half of 2015. The inflation rate in particular is set to stay at 0.7% in 2015 and is likely to renew the lowest inflation rate of 0.8%, set in 1999 at the time of the Asian foreign exchange crisis. Korea's export volume will decrease substantially due to the plummeting KRW/JPY and KRW/EUR exchange rates and weak global economic recovery.

< Economic Growth Rate >



Source : Bank of Korea.

< Increase/Decrease Rates of Foreign Exchange Rate & Exports >



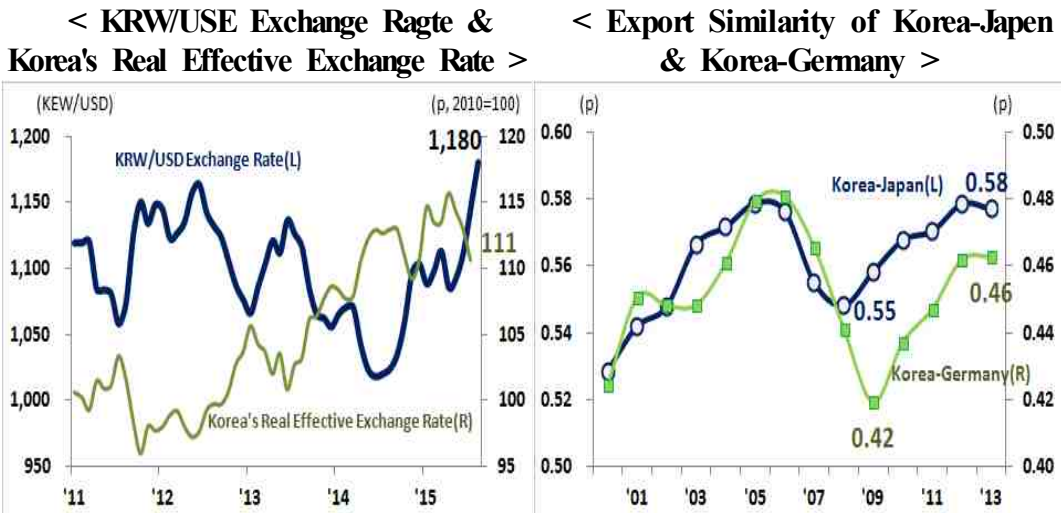
Source : Bank of Korea, Korea International Trade Association.

Private Consumption fallen into a trap of 1% - With recent private consumption staying around only 1% plus growth, consumption recovery is being delayed due to tied up income, accumulating household debts and declining average propensity to consume. The growth rate of private consumption looks unlikely to come off the trap of 1% plus, staying at 1.9% in 2015 following 1.9%, 1.9%, and 1.8% in 2012, 2013, and 2014 respectively. The power of connecting income to consumption expenditure is weakening due to tied up income, the burden of repaying the principal and interest coupled with a sense of insecurity over housing, job, and old age.

Housing and construction business, the locomotive for the domestic economic recovery - The recovery trend of the housing and construction business will gain strength thanks to improving construction order and continued introduction of government policies to stimulate real estate business. The housing sales volume amounted to 124,880 in April 2015, the highest since 2006 when the recording first began, and the housing transaction price index and housing sales index are likely to be on the increase. In the meantime, construction order volume, which has increased sharply since 2013, is expected to tow construction business in the 2nd half of 2015. However, risk factors such as population aging, decreasing

number of households and household debts, still exist in the medium and long term.

Foreign exchange rate, seemingly good, poor in practice - Korea's exports will fall as the real value of the Korean won appreciates. With the impending rise of the base rate by the Fed and continued strength of the US dollar, Korea's real effective exchange rate will rise as the value of the euro and the yen will fall more than Korean won. The falling KRW/JPY and KRW/EUR exchange rates will lead to reduced exports as the level of Korea-Japan and Korea-Germany export similarity increases.



Source : BIS, Bank of Korea.

Source : HRI(based on UN comtrade).

- Note : 1) HS code based on 4-digit firmess..
 2) The closer export similarity to 1, the more intensified the competition.

Trade surplus by depression & Current account surplus - The trade surplus by recession and current account surplus are set to achieve a highest ever record . Despite falling export prices following rising exchange rates, its effect to boost export looks limited due to the shortage of global effective demand. Exports and imports fell at the same time due to the falling oil price and depressed economy of the domestic and global markets. Korea's imports declined more than its exports, forecasting a trade surplus of US\$81 billion and a current account surplus of US\$101 billion, the highest amount ever recorded.

Global economic recovery: Limited with one-boat pulling by the US alone - Although the US economy shows a healthy growth, the recovery of the European and Japanese economy is weak while emerging economies are feared to slow down. China, with its considerable level of contribution to the global economy, is now facing the lowest economic growth rate of 6% plus due to the declining exports and structural reform, which will affect Korea's export business. The US economic growth rate is also likely to suffer a temporary setback due to a decline in exports as a direct result of the strong US dollar.

Economic stimulation: Fiscal policy might be more effective - Despite the fear for 3-Lows, the target of a 3% economic growth rate could be achieved this year if supported by effective fiscal policy. Short-term economic stimulus measures should be introduced as a prolonged low growth rate and low inflation rate will damage growth potentials, causing a growing concern over the risk of deflation. However, lowering the base rate will result in more loss than gain. Lowering the base rate as many as four times seems to have failed to improve consumption and investment to the intended scale, but rather restricted consumption due to the increased burden of repayment of the principal and interest following the rapid rise of household debts. On the contrary, the expansion of public finance is effective for economic stimulation and Korea can afford to enforce the policy as its national debt is relatively low.

Policy Suggestions

The Korean economy is vulnerable to the risk of damaging growth potentials, with struggling economic recovery and sharply falling exports. A short-term expansionary policy is desperately required. Together with the early execution of government expenditure, a revised supplementary budget should be carried out without a failure. Government revenue/expenditure and revised supplementary budget should be drawn together to enhance the economic growth rate to 3% plus and to prevent

growth potentials from being damaged. Lowering the base rate is to be controlled with caution as it can do more harm than good. However, the financial intermediation support system and other similar services should be strengthened to finance the real economic sector that is desperate for investment. Additionally, fine tuning is required to prevent wild fluctuations of the foreign exchange rate and a support system for insuring against foreign exchange fluctuations and export financing should be expanded. It is especially important to consider co-movement of the Korean won with the Japanese yen in order to avoid further falling of the KRW/JPY exchange rate. Policies for enhancing growth potentials should be promoted without stoppage.

2. Characteristics of Recent Consumer Sentiment

Summary

‘Economy is a sentiment’ explains all about the importance of the judgement of the future of economic units to foresee the direction of the economy. Among all economic units, the consumers’ perspective of economy is useful for understanding the direction of future economy, and therefore this report aims to look into the relationship between consumer sentiment and real consumption, determine the current level of consumer sentiment and compare the trend of consumer sentiment indicators to the long-term average(July 2008-July 2015) of the consumer sentiment index by item, income bracket, and age.

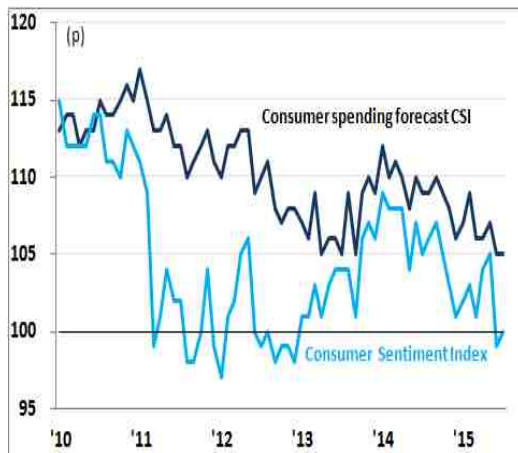
Consumer Sentiment and Real Consumption

Among all consumer confidence indicators, the one directly related to real household consumption is the consumer sentiment index, which is a combination of the consumer spending forecast and individual consumer

survey index. We examined the correlation between these two consumer sentiment indicators and real consumption indicators, private consumption and retail sales index, the outcome of which shows a strong correlation between the consumer sentiment index and real consumption. The consumer sentiment index affects the economy a quarter in advance.

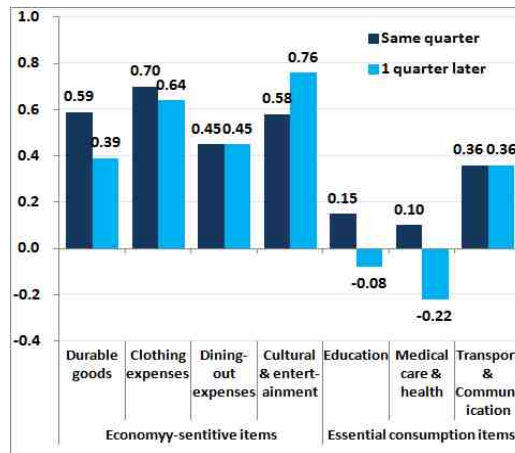
Additionally, the correlation between consumer sentiment index by item and real consumption was analyzed and the result indicated that there is a close correlation between consumer sentiment index and real consumption in relation to economy-sensitive durable goods, such as clothing, dining-out expenses, costs for cultural events and entertainment, while in the case of essential consumption items, the real consumption of households is unlikely to be reduced even if the consumer sentiment shrinks.

< Trend of Consumer Sentiment Index >



Source : Bank of Korea.

< Lag Correlation Coefficient Between Consumer Spending Forecast Index by Item & Consumer Spending Growth Rate >



Source : Calculated by HRI based on the data of Bank of Korea.

Consumer Spending Forecast by Sector

The consumer sentiment indicator was examined to see how it changes depending on item, income bracket and age group by comparing the long-term average index of the consumer spending forecast to that of the present and reviewing the trending movements of the consumer spending forecast.

Consumption Items - The consumer sentiment of economy-sensitive items, such as eating-out expenses, travelling costs and cultural and entertainment expenses is on the decrease. The consumer sentiment level regarding clothing, culture and entertainment is very low against the long-term average. The sentiment level of essential items such as medical care, health service and education also remains low compared to the long-term average. The tendency of consumer sentiment shows that the burden of consumer expenditure for medical care, health service and education has been eased thanks to the support of government policy, although the expenditure forecast for transport and communication expenses are on the increase despite a fall in oil price due to the recent rise of bus and underground fares.

Income Brackets - In the case of the high income bracket, a similar consumer sentiment level to the past has been maintained while the sentiment level of households with a monthly income of under US\$900 shows a huge gap from the long-term average. The consumer sentiment of the similar income bracket also appears to be fast deteriorating. Low-income people are generally engaged in daily, temporary, or small-size self-employment and are therefore heavily affected by economic recession.

Age Group - The older the age, the bigger the gap between consumer sentiment and the long-term average. Households of the 50s age group showed the least difference between the consumer sentiment and the long-term average while the consumer sentiment of the rest of the age groups, especially the older age group, is rapidly deteriorating. Although the consumer expenditure forecast of the households of the aged groups rose following the introduction of the basic pension, the consumer sentiment is now on a sharp decline due to the recent economic recession and increasing sense of insecurity of their old age life.

Policy Suggestions

The consumer sentiment of vulnerable social groups, including the low-income bracket and the aged, is rapidly worsening, causing a negative effect on real consumption. Therefore, the following measures should be introduced to avoid the deterioration of consumer sentiment:

First, expansionary fiscal policy should be maintained and businesses should increase investment while preventing the deterioration of consumer sentiment of economic units by supporting economy-sensitive industries.

Second, job creation for the low-income social group and national basic livelihood security system should be reinforced to recover the fast falling consumer sentiment of low-income households.

Third, policies to revitalize private pension and create bridge jobs should be enforced to avoid the worsening of consumer sentiment of the aged.

3. Small Loan Financing Support Policy & Household Debts of Low-Income bracket

Summary

Household debt is increasing faster than disposable income of households, with the low interest rate trend lasting, and so is the risk of failure to repay the household debt, especially for the low-income group in comparison to high or middle income brackets. The trend of major characteristics of household debts for the past three years was analyzed to assess the effectiveness of the government policy to deal with household debts of the low-income bracket and find some better alternatives.

Current State of Small Loan Financing Support Policy

The government has provided a variety of supportive measures since the global financial crisis in three areas, such as income enhancement, expansion of small loan financing service, and credit recovery, to address the issue of household debts of the low-income bracket. The government is supporting employment of the low-income group through ‘successful finding of a job package’, and also helping self-employers with low income with financing and management consulting. Small loan financing such as ‘sunshine loan’, ‘swap loan’, and ‘new hope spore’ is constantly made available for the low-income group. People in default are assisted with a ‘national happiness fund’ for their recovery. These government measures are assessed to have been effective in achieving quantitative results such as enhancing the employment of the low-income bracket, increasing low-interest loans, and expanding schemes for rescheduling of debt. Other measures are also constantly promoted to improve qualitative outcome for the low-income bracket.

Major Characteristics of Household Debts of Low-Income Bracket

1. The ability of low-income households to repay their debt with a loan appears to have improved marginally. The amount of repaid loans has steadily increased, and the average amount of debt per low-income bracket household decreased from US\$36,500 in 2013 to US\$31,630 in 2014. With the size of the debt reduced, the ability to repay the debt improved, within limits. The disposable income to the repaid amount of the principal and interest ratio dropped by a small margin from 65.7% in 2013 to 63.3% in 2014, and the disposable income to the total liability ratio also fell from 613.1% in 2013 to 516.8% in 2014. However, the ability of the low-income households to repay their debt is still vulnerable as the figure of the ability index to repay debt is relatively very high.

2. The average annual income of the low-income group appears to have risen. The average annual earned income increased from US\$5,596 in 2013 to US\$6,050 in 2014 due to the increasing number of full-time workers, thanks to the government's measures, including the 'successful finding job package', while the average annual business income has fallen from US\$2,588 in 2013 to US\$2,151 in 2014.

3. The number of households in arrears has substantially dropped. The number of low-income households in arrears fell from 481,000(38.5%) in 2013 to 391,000(30.9%) in 2014. Another positive sign is that the ability of these households in arrears to repay their debt has somewhat improved, which is believed to contribute to the outcome of the successful introduction of one of the support measures called the 'national happiness fund'.

4. The amount of loans provided to the low-income bracket by secondary financial institutions appears to have dropped marginally. The average outstanding debt per low-income household, lent by secondary institutions, slightly dropped from US\$10,706 in 2013 to US\$10,690 in 2014. However, the number of households with multiple debts(households with two or more loans from financial institutions including the secondary one) whose debt-repayment ability is relatively low, increased from 270,000 households in 2012 to 396,000 in 2014 and its ratio to the total low-income bracket households is also rising.

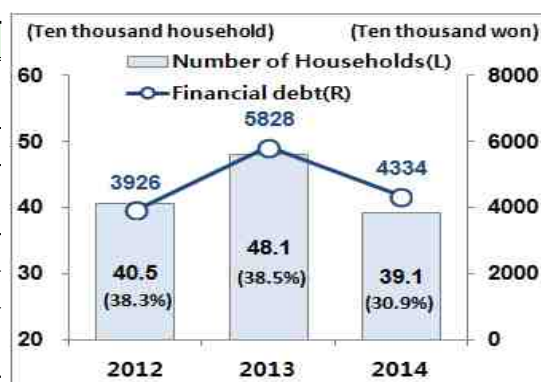
< Debt Repayment Ability Index of Low-Income Bracket >

(unit: ten thousand won, %)

	2012	2013	2014
Disposable Income(A)	911	855	945
Total Debt(B)	3,882	5,243	4,884
Principal & Interest(C)	448	562	598
Principal	283	336	437
Interest	165	225	161
Debt Ratio(B/A)	426.4	613.1	516.8
DSR (C/A)	49.2	65.7	63.3

Source : HRI's own estimation.

< Number of Households in Arrears \$ Average Financial Debt >



Source : HRI's own estimation.

Note : () shows the ratio of households in arrears.

5. The ratio of households paying 10% or higher interest for their debt is on the increase. The number of households paying average annual interest of 10% or higher rose from 207,000 in 2013 to 230,000 in 2014, and the financial health of these households is worsening as they tend to borrow money to repay existing debt, in contrast to the low-income bracket households paying no high interest.

6. Loans for subsistence taken out by the low-income bracket households are rising. Approximately 70% of the low-income households expecting their debts to rise believe that the debt increase is to make a living. Most of the low-income households feel burdened with the liability of repaying the debt and 69% of low-income households are economical on their household expenses.

Policy Suggestions

To address the issue of household debts of the low-income bracket:

First, promotion to help low-income households with finding good quality jobs should be sustained to provide a foothold for them to be independent out of debt.

Second, the government should spare no efforts to strengthen the competitive edge of low-income households by extending financial assistance and management consulting for the self-employed of the low-income households.

Third, policy support to encourage low-income households to repay their debts and to strengthen the small loan financing service for qualitative improvement of the loan workout.

Fourth, the social safety net which provides assistance to households struggling for a living should be strengthened with benefits for living expenses, medical care, and school fees.

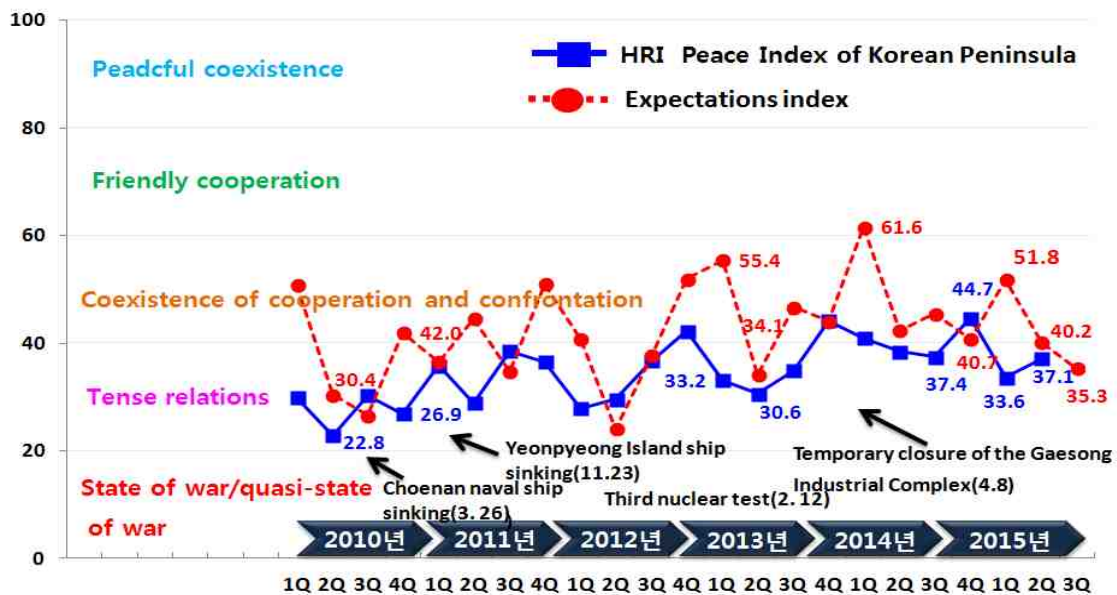
II. North Korean Issues

1. Korean Peninsula Peace Index Forecast for the 3rd Quarter 2015

Overview

While the Korean peninsula index for the 2nd quarter(Q2) of 2015 rose, the expectation index for Q3 dropped, a contradicting assessment for ‘the result and forecast’. The peace index for Q2 accounted for 37.1, reflecting a continuing ‘acutely strained relations’ between the two Koreas, following disappointing figures in Q1. The expectation index for Q3 recorded 35.3, lower than Q2 by 4.9p, indicating a negative forecast on North-South relations for the two consecutive quarters.

< Trend for HRI Korean Peninsula Peace Index for 2010-2015 >



Core Characteristics

The characteristics of the peace index of Q2 2015 and expectation index for Q3 2015 are as follows:

First, the peace index is divided into two parts: Quantitative analysis index, which is an objective indicator, and expert evaluation index, which is a subjective indicator. The quantitative analysis index rose while the expert evaluation index fell. The quantitative analysis index accounted for 49.5, a quarter-on-quarter increase of 9.0p, thanks to the improvement of the Kaesong Industrial Complex trade and increased execution of the North-South Cooperation Fund. The expert evaluation index fell by 1.9p, from 26.7 to 24.8, due to the prolonged strained relations between the two Koreas, preventing new economic cooperation or interaction.

Second, the expectation index dropped for two consecutive quarters due to the uncertainty of North-South relations following N. Korea's decision not to take part in the Kwanju Universiade Game, an abortive joint celebration marking the 70th anniversary of Korea's independence, establishment of the North Korean Human Rights Office in Seoul and the joint South Korea-US military exercise(UFG) scheduled in August.

< Trends for the Expert Assessment Index & Quantitative Analysis Index for 2010-2015 >



Third, the experts' assessment on the two Koreas' relations turned out to be negative regardless of their political inclination. The views of conservative experts were more negative than the rest, which attributed to the conservative experts having a higher expectation for improvement in North-South relations(expectation index of 45.0 in Q1) than the liberals and led them to bigger disappointment as it failed to be materialized. The expectation index for Q3 2014 also dropped, another setback following Q2.

< Experts' Assessment Index by Political Disposition >

Section	Conservatives		Moderate		Liberal		Expert review index	HRI Peace Index	Expectation Index
	Now	Expected	Now	Expected	Now	Expected			
Q2 2015	27.3 (▽4.5)	39.4 (▽5.6)	25.6 (▽1.7)	36.2 (▽8.9)	25.0 (▲0.4)	30.2 (▽3.1)	24.8 (▽1.9)	37.1 (▲3.5)	35.3 (▽4.9)
Q1 2015	31.8 (▽7.2)	45.0 (▽8.9)	27.3 (▽12.2)	43.2 (▽4.1)	24.6 (▽14.8)	33.3 (▽22.1)	26.7 (▽12.3)	33.6 (▽11.1)	40.2 (▽11.6)
Q4 2014	39.0 (▲2.4)	53.9 (▲7.7)	39.5 (▲5.2)	47.3 (▲5.2)	39.4 (▲15.0)	55.4 (▲20.0)	39.0 (▲7.7)	44.7 (▲7.3)	51.8 (▲11.1)
Q3 2013	36.6 (▲4.0)	46.2 (▲1.1)	34.3 (▽1.4)	42.1 (▽4.3)	24.4 (▽7.1)	33.4 (▽11.0)	31.3 (▽1.8)	37.4 (▽1.0)	40.7 (▽4.8)
Q2 2014	32.6 (▲1.5)	45.1 (▽0.9)	35.7 (▲4.6)	46.4 (▲3.4)	31.5 (▲5.2)	44.4 (▲3.2)	33.1 (▲1.7)	38.4 (▽2.4)	45.5 (▲3.2)
Q1 2014	31.1 (▽10.8)	46.0 (▽12.2)	31.1 (▽14.9)	43.0 (▽20.1)	26.3 (▽21.2)	41.2 (▽21.4)	31.4 (▽14.2)	40.9 (▽3.3)	42.3 (▽19.3)

Note: Due to certain corrections, this peace index maybe slightly different from the peace index previously published.

Policy Suggestion

The approaching 70th anniversary of independence should be positively utilized, realizing the 2nd half of this year is a golden time to provide a momentum for the reconciliation and cooperation of the North and South to end the division of the two Koreas, focusing on the following points:

First, the government should preemptively endeavor to create an atmosphere to prepare a momentum to improve relations with the North, starting with projects both Koreas share the same view over, rather than dealing with sensitive issues such as political and military affairs.

Second, a more forward-looking proposal should be made in the Independence Day speech to promote ‘temporary and trial’ projects to deliver a message of sincerity and to reinstate mutual trust. N. Korea’s demand for the suspension of S. Korea’s sending of anti-communist leaflets to the North, for example, can be swapped for a limited period with S. Korea’s wish to hold reunions of separated families on a regular basis. Proposal for one-point decisive talks to settle once and for all the issue of the resumption of Mt. Geumgang tourism and humanitarian aid should also be considered to help N. Korea deal with the drought and should be strengthened together with exchange programs between the two Koreas in the areas of sports and culture.

Third, N. Korea should be encouraged to adopt a more open policy by extending private sector economic cooperation between the North and South and also by promoting multilateral economic cooperation in the border areas involving the two Koreas and China or the two Koreas and Russia. It is also worth considering the expansion of the North-South economic cooperation to the extent of linking to the economic development zones of N. Korea.

[Annex] Domestic and Global Economic Indices

Global Growth Rate

Category	2013					2014					2015
	Annual	1/4	2/4	3/4	4/4	Annual	1/4	2/4	3/4	4/4	Annual(E)
US	2.2	2.7	1.8	4.5	3.5	2.4	-0.9	4.6	4.3	2.1	2.5
Euro Region	-0.4	-0.2	0.3	0.1	0.3	0.8	0.2	0.1	0.2	0.4	1.5
Japan	1.6	1.5	0.7	0.4	-0.4	-0.1	1.1	-1.7	-0.5	0.3	0.8
China	7.7	7.7	7.5	7.8	7.7	7.4	7.3	7.3	7.2	7.2	6.8

Note: 1) IMF figures of July 2015 for 2015 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	Annual	the first half	the second half	Annual
National Account	Economic Growth rate (%)	2.9	3.7	3.0	3.3	2.6	3.3	3.0
	Private Consumption (%)	1.9	2.2	1.5	1.8	1.7	2.1	1.9
	Construction Investment (%)	5.5	1.9	0.4	1.0	2.2	4.0	3.1
	Facility Investment (%)	-0.8	7.5	4.2	5.8	4.7	5.3	5.0
	Intellectual Property Investment(%)	4.4	6.4	2.9	4.6	3.5	6.8	5.2
Foreign Trade	Current Account (100 million Dollars)	811	394	498	892	510	500	1,010
	Exports (100 million Dollars) [Increase rate, %]	5,596 [2.1]	2,832 [2.4]	2,895 [2.2]	5,727 [2.8]	2,665 [-5.9]	2,850 [-1.6]	5,515 [-3.7]
	Imports (100 million Dollars) [Increase rate, %]	5,156 [-0.8]	2,633 [2.7]	2,622 [1.2]	5,255 [1.9]	2,220 [-15.7]	2,485 [-5.2]	4,705 [-10.5]
Consumer Price (Average, %)		1.3	1.4	1.2	1.3	0.5	0.9	0.7
Employment rate (15~64, Average, %)		64.4	65.0	65.7	65.3	65.3	65.6	65.5

Economic Indicators of North Korea

		2006	2007	2008	2009	2010	2011	2012	2013	2014
Per capita GNI (10,000 won)		103	104	114	119	124	133	137	138	139
Amount of Trade by Year (USD million)	South-to-North	830.2	1,032.6	888.1	744.8	868.3	800.2	897.2	520.6	1,136.2
	North-to-South	519.5	765.3	932.3	934.3	1,043.9	913.7	1,074.0	615.2	1,206.8
	Total	1,349.7	1,797.9	1,820.4	1,679.1	1,912.2	1,713.9	1,971.2	1,135.8	2,343.0

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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