

# HRI Semiannual 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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**Publisher**

*Dong-Geun Lee, Ph.D.*

**Editor**

*Won Joo, Ph.D.*

**Editorial Board**

*Soo Hyung Kim, M.A.*

For inquires concerning the contents of the publication,  
please contact the respective author or:

*Tel:82-2-2072-6217*

*Fax:82-2-2072-6249*

*Email:soohyung@hri.co.kr*

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< Executive Summary >

**I . Economic Issues Facing Korea**

『Eight Major Characteristics of Korean Industries for 2018 and Policy Suggestions』

Hyundai Research Institute(HRI) is presenting ‘RECOVERY’ as the keyword for Korean industries for 2018,; it is an acronym made up of the initials of the following eight keywords for Korean industries for 2018.

- ① **R**ecovery: Recovery, but recovery that is not noticeable
- ② **E**xport industry: Decoupling within export industries
- ③ **C**hina: Brief span of relief for industries exporting to China
- ④ **H**ollowing-**O**ut of Economy
- ⑤ **V**enture Boom: Second boom of venture industry
- ⑥ **E**xcess supply industry and chicken game
- ⑦ **R**isk: Risks facing the construction industry and related industries.
- ⑧ **Y**oung industry and the 4th industrial revolution

『25 Years since Establishing Diplomatic Ties with China: What has Changed?』

The close economic cooperation that has existed between Korea and China for the last 25 years since the establishment of diplomatic ties between the two nations in 1992 is assessed to be attributed to geographic proximity, economic reciprocity and cultural affinity between the two countries, accelerating development in many areas such as trade, investment and tourism. On the other hand, differences in perceiving political and diplomatic issues between the two countries cannot be underestimated, and therefore a momentum for turnaround of the situation needs to be dealt with to secure a mid to long-term win-win situation through close communication and cooperation between the two countries.

『International Comparison of R&D Activities of the Foundation Industries for the 4th Industrial Revolution』

Securing ‘Core Element Technology’ is the key to joining leading nations in the age of the 4th industrial revolution. This study aims to draw policy suggestions by comparing R&D activities of major nations in the five areas of ① IT service, ② Communication service, ③ Electronics, ④ Mechanical equipment and ⑤ Bio-medical care, and by analyzing individual nation’s levels of (1) Technology, (2) Patent Registration, (3) R&D Investment, (4) Research Manpower and (5) Government Grant.

**II . The North Korean Issues**

『Significance of the 19th Anniversary of Geumgangsán Tour & Tasks 』

Marking the 19th anniversary of the Geumgangsán Tour, HRI surveyed 98 experts regarding the issues of unification, diplomacy and national security for the Geumgangsán Tour. Most experts (86.8%) agreed on the necessity of resuming the tour while only a small number (13.2%) opposed the idea. The possibility of resuming the tour within the office term of the current administration reached 63.3% in 2017, a remarkable increase compared with the 41.0% of 2015.

## **I . Economic Issues Facing Korea**

### **1. Eight Major Characteristics of Korean Industries for 2018 and Policy Suggestions**

#### ***Keyword for Industries for 2018***

HRI has set the keyword RECOVERY for industries for 2018, which is an acronym made of initials of the following 8 characteristics of Korean industries for 2018.

#### ***Eight Characteristics of Korean Industries for 2018***

##### **① Recovery: Recovery, but recovery that is not noticeable**

Overall, the industrial business is showing signs of movement toward recovery in 2018, while industries for the domestic market are expected to improve at a speed that is not noticeable. The production increase rate of export industries is expected to exceed that of the production for domestic consumption again in 2018 (the export increase rate was lower than the domestic consumption increase rate for the period between 2014 and 2017, according to national accounts). However, although the demand for the export market is expected to grow from 2018 onwards, thanks to the expanding international trade as the global economy recovers, the trickle-down effect of recovering exports to domestic consumption is expected to remain insignificant, pushing up the export increase rate above the domestic demand's and forecasting a speedier recovery of export-oriented industries such as the manufacturing industry, the export/production ratio of which is 63.1%, in contrast with the 24.5% of the service industry and the 0.7% of the construction industry(0.7%).

##### **② Export industry: Decoupling within the Export Industry**

Despite the recovery of the overall export business, the

**business gap between export industries is feared to widen depending on export items and regions.** With 2018 approaching, the increase in speeds of demand of the developed and developing countries looks set to show a good contrast, with the import demand of developed countries falling while the import demand of the developing nations' rises. Therefore, it appears that Korean export industries with heavy dependence on developing countries such as the IT industry(87%), petro-chemical industry(80%), mechanical industry(68%) and consumer-electronics industry(67%) will perform well, while industries with a low export ratio in comparison to developing nations, such as steel and motor industries, will have no great benefits.

**③ China: Brief span of relief for industries exporting to China**

**Industries and businesses with heavy dependence on China are forecast to have a very short period of modest recovery in 2018.** In the short term, exports to China are expected to improve quickly due to positive moves such as increasing the demand for intermediary goods from China and implementing a breakthrough for the THAAD issue, showing reversal in the growth rate of exports to China as opposed to Korea's total exports to the rest of the world in 2016 and 2017. However, in the mid to long-term, Korea's exports to China is feared to reach the uppermost limit with China's economic growth rate on the decline (IMF estimates China's economic growth rate will fall from 6.7% in 2016 to 6.2% in 2020 and to 5%+ afterwards), resulting in China's imports of intermediary good for exports falling coupled with China's self-sufficiency rate of final goods rising.

**④ Hollowing-Out of Economy**

**With around 30% of the total Korea's facility investment being made overseas, the ratio of overseas investment to domestic investment looks set to rise fast, considering negative elements such as a cramped domestic market, fast rising production cost, and increasing anti-business sentiment.** Korea's overseas

investment was approximately 10% of Korea's total investment in the early 2000s. Now it is rising fast, reaching over 30%. Investment overseas looks set to rise further with cost-rising factors looming, such as the introduction of a minimum wage system, conversion of non-regular workers to regular ones, issue of ordinary wage, and expansion of anti-business sentiment. The size of investment made overseas is estimated to increase to 40%-50% of Korea's total investment in the next ten years, given the maturity of Korea's economic growth and market demand both at home and abroad, unless Korea comes up with a new growth industry requiring a large-scaled investment as the IT industry was in the 90s. In the meantime, overseas investment is expanding beyond the manufacturing industry into the service industry, causing concern of 'hollowing-out of the manufacturing industry' escalating to 'the hollowing-out of the whole economy'. Mass exodus of the service industry from Korea will create serious concern as it means disappearance of the industrial foundation on which production and value added can be based, causing critical impact on domestic demand and employment.

**⑤ Venture Boom: Second boom of venture industry**

**With the government's positive support policy for creation of the 2nd venture boom, venture start-ups are expected to be revitalized.** The number of venture businesses in Korea is 34,954 as of October 2017, a remarkable rise from the approximate count of 13,000 ten years ago. However, the ratio of venture businesses to GDP remains at a mere 0.13%, considerably lower than 0.33% of the USA and 0.24% of China. Recently, the government has been promoting aggressive strategies to support venture start-ups as well as existing venture businesses, which are expected to lay the foundation for the 2nd venture boom.

**⑥ Excess supply industry and Chicken Game**

**Shipbuilding and steel industries are still to continue to suffer from the issue of excessive supply in 2018, with a risk of worsening competitive composition leading to a 'cut-throat**

**competition’.** The shipbuilding industry is suffering from the continuing global economic recession and excessive supply, which is not going to improve in 2018. The current operation rate of global steel plants remains at 68%, well below the 80% of the time during the period of economic boom, casting doubts on the possibility of early recovery even if the global demand starts to increase due to the excessive production capacity. Especially if China seeks monopoly status by trying to drive competing nations and competing businesses out of the market, a chicken game competition may escalate to the extent of threatening the survival of Korean businesses.

⑦ **Risk: Risks Facing Construction Industry and Related Industries.**

**The construction industry is expected to be an industry with the highest risk of all domestic industries in 2018, facing the double whammy of a building industry slump following the cooling of the real estate market coupled with a declining civil engineering sector caused by sharp decline of the SOC budget.** The construction sector is forecast to decline with weakening capital inflow into the housing market caused by restructuring of household debt and rising market interest rates. The civil engineering sector is also set to be in a long-term slump due to the considerable cut in the SOC budget with further reductions to come over the next five years. Therefore, construction businesses are expected to face considerable risks in 2018 with the construction and civil engineering sectors both declining. Industries engaged in building materials, construction equipment and transportation equipment will also experience difficulties in 2018.

⑦ **Young industry and the 4th industrial revolution**

**While most of the existing key industries are entering maturity, new technology-based “Young Industries” are emerging.** Most of the domestic key export-oriented manufacturing industries are assessed to have entered the stage of maturity with economic



dynamics significantly declining. However, “Young Industries” are expected to spring up destroying existing industries and business models with fast-developing new technologies such as location-based service and big data, all relating to the 4th industrial revolution. These new technology-based businesses are expected to add a new energy and innovation to the Korean economy.

### ***Policy Suggestion***

**Although 2018 will see recovery of the overall industrial business, business gaps between industries are feared to widen due to the uncertainty of market demand. Korea needs an act of innovation to reinvigorate industries and a route construction through which the warmth of business recovery can spread across all domestic industries. We therefore suggest:**

1. Government should develop an economic policy angled towards a level people can understand, share, and react to, focusing on industrial indicators rather than on macro-economic ones.
2. A differentiated market approach strategy should be employed to ensure that improvement of the overseas economic environment spreads to all domestic industries and strengthens the recovery trend of export businesses.
3. A ‘New Strategy for China’ should be developed, recognizing China not as an emerging country but as a semi-developed country.
4. Close examination is required to identify whether the escalation of ‘hollowing-out of the manufacturing industry’ to ‘hollowing-out of the whole economy’ is a phenomenon beyond our control or is attributed to the expansion of anti-business sentiments or the unfriendly government policy towards businesses.

5. Every consideration should be given to supply and demand factors of the market for the creation of the 2nd venture boom and for the policies for boosting start-ups to be successful.

6. Decision on the future course of industries suffering from excessive supply should no longer be delayed.

7. Preemptive efforts should be made to prevent sharp decline of construction orders and to avoid shock from the ‘construction investment cliff’ by readjusting the SOC budget.

8. It is a matter of urgency to find a ‘young industry’ and promote its market to overcome the issue of declining economic dynamics following the maturity of key industries.

Keyword Presented by the HRI for Industries for 2018	
<b>R</b>	① <b>Recovery</b> : Recovery, but recovery that is not noticeable
<b>E</b>	② <b>Export industry</b> : Decoupling within export industries
<b>C</b>	③ <b>China</b> : Brief span of relief for industries exporting to China
<b>O</b>	④ <b>Hollowing-Out</b> of Economy
<b>V</b>	⑤ <b>Venture Boom</b> : Second boom of venture industry
<b>E</b>	⑥ <b>Excess supply industry</b> and chicken game
<b>R</b>	⑦ <b>Risk</b> : Risks facing the construction industry and related industries
<b>Y</b>	⑧ <b>Young industry</b> and the 4th industrial revolution

## **2. 25 Years since Establishing Diplomatic Ties with China: What has Changed?**

### ***Summary***

Since Korea established diplomatic ties with China 25 years ago, bilateral exchanges between the two countries has been consistently strengthening in many areas including import/export, investment and tourism. Although the bilateral relationship was upgraded to strategic cooperative partnership in 2008, the relationship recently suffered a temporary setback due to the issues surrounding ‘THAAD’, which has presented a collision of interest between the two nations. This report therefore seeks to draw up some policy suggestions through reviewing how the exchanges between the two have developed and changed during the 25 years since establishing diplomatic ties, with focus on economic issues.

### ***Changes in Korea-China Economic Relations by Sector***

① **With rapid increase of exports of parts to China since the establishment of diplomatic ties with China, the dependence of Korea’s exports on China has soared one-sidedly.** The level of dependence of Korea’s exports on China was a mere 4.0% in 1992, when the diplomatic ties was first established between the two countries; this increased to 9.4% in 2000, to 18.4% in 2005, and reached 22.0% in the first half of 2017. In particular, the dependence level of Korea’s export of parts to China jumped from 19.7% in 2000 to a staggering 40.0% in 2005 before it reached 40.9% in 2016, while China’s dependence on Korea has steadily remained at around 7% since 2000.

② **Technology Trade: The size of the technology trade**

between the two countries has grown 13 times since the 2000s and China has emerged as the country with which Korea has experienced the largest technology trade surplus. The size of the technology trade between the two countries reached \$190 million in 2001 and soared to \$2.63 billion in 2015, more than 13 times the level recorded in 2001, with the trade surplus multiplied by grown 3.74,, showing a good contrast to the chronic deficit of Korea's technology trade with the US and Japan.

③ **Direct Investment:** The size of direct investment between Korea and China has been showing a growing imbalance starting from the 2000s. However, China's direct investment in Korea has fast increased, with focus on service industry areas such as culture, entertainment, real estate and lease. Based on the accumulative records for the period between 1992 and 1999, the ratio of Korea's direct investment in China to Korea's total overseas investment was 19.1% (US\$4.92 billion) while the ratio of China's direct investment to the total foreign direct investment in Korea was only 0.1% (US\$40 million). On closer examination, the ratio of direct investment in China by Korean manufacturers to the total Korean manufacturers' overseas investment was 34.1% (US\$21.64 billion based on the accumulative statistics for the period between 2009 and 2016, the largest amount in a single country, while the ratio of China's direct investment also showed a sharp increase during the same period,, particularly in the areas of real estate, lease business (15%), culture and entertainment (17.1%) and finance and insurance (8.0%).

④ **Industry:** Although Korea's industrial competitive edge appears to be managing to maintain a dominant position over China to some extent, the competition for exports between the two countries is intensifying. The Trade Specialization Index(TSI) of Korea's 8 key export industries is steadily rising, improving from 0.02 in 1995 to 0.18 in 2016. China over the same period

has rapidly improved in its export competitiveness from -0.19 to 0.12 by switching over from import specialization to export specialization from the mid-2000s onwards, although China is still behind Korea to some extent. However, Korea's competition with China is gradually intensifying with China's industrial restructuring, upgrading R&D capabilities and continuing introductions of major economic policies, such as China's Manufacturing 2025 and internet plus.

⑤ **Exchanges of Human Resources: Exchanges of human resources soared since the diplomatic ties with China was established up until 2016, but it plummeted in 2017 due to the THAAD issue.** The number of Chinese people visiting Korea made up only 2.7% of the total number of foreigners visiting Korea at the time diplomatic ties were established between the two countries,; this increased to 46.8% in 2016, the largest number of all foreign visitors. However, the number has fallen sharply since July 2016 due to the strained Korea-China relations following the Korean government's decision to deploy THAAD in Korea, bringing down the number of Chinese visitors to 225,000 during the first half of 2017, a year-on-year decline of 41%. Therefore, it is feared that the tourism surplus with China is expected to decrease significantly.

### ***Comprehensive Assessment and Policy suggestions***

**(Comprehensive Assessment)** It is believed that geographic proximity, economic reciprocity and cultural affinity between Korea and China are the main factors which made it possible for both Korea and China to maintain and enhance an economically cooperative relationship in many areas such as trade, investment and tourism despite ever-intensifying competition between the two countries.

< **Trend of Economic Relations between Korea & China  
since Diplomatic Ties Established** >

Section			1992	2016
Diplomacy			Good Neighborly Relations	Relations Upgraded to Strategic Cooperative Partnership in 2008.
Economic Exchanges	Exports	Kor→Chn	3.5% of Total Exports(6th)	25.1% of Total Exports(1st)
		Chn→Kor	3.1% of Total Exports (5th, based on 1993 calculations)	4.5% of Total Exports(4th)
	Imports	Kor→Chn	4.6% of Total Imports(5th)	21.4% of Total Imports(1st)
		Chn→Kor	5.2% of Total Imports (5th, based on 1993 calculations)	10.0% of Total Imports(1st)
	Investment	Kor→Chn	10% of Total Overseas Investment(3rd)	9.4% of Total Overseas Investment(2nd)
		Chn→Kor	-	0.9% of Total Overseas Investment(10th)
	Tourism	Kor→Chn	1.1% of Total Foreign Visitors (5th, based on 1995 calculations)	3.4% of Total Foreign Visitors(4th)
		Chn→Kor	2.7% of Total Foreign Visitors(6th)	46.8% of Total Foreign Visitors(1st)

**(Policy Suggestions)** A turning point must be crossed in terms of the relationship between Korea and China and the path must be paved for creation of a mutual mid to long-term win-win situation by resolving strained relations between the two countries caused by the THAAD deployment through close communication and cooperation:

- 1. Korea and China should spare no efforts to develop and enhance relations to the level of becoming balanced trade and investment partners to each other.**
- 2. Korea should prepare strategies to lead industrial standardization through strategic technological cooperation with China while maintaining technological superiority over China by actively developing futuristic technologies.**
- 3. Both countries should continue to cooperate to safeguard the stability of the North-East Asian region in the future.**

### **3. International Comparison of R&D Activities of the Foundation Industries for the 4th Industrial Revolution**

#### ***Research Summary***

In order to leap forward to become a leading nation of the Revolution, early securement of core element technology is a must as it works as ‘enabler’ for the Revolution. Core element technologies are essentially developed by the foundation industries for the Revolution. Therefore, it is also important to examine the current state of R&D activities of ‘foundation industries engaged in the Revolution’ country-by-country to understand which country is likely to lead the Revolution. This study first defines the foundation industries for the Revolution and compares current R&D activities by nation before drawing up policy suggestions by analyzing levels of (1) Technology, (2) Patent Registration, (3) R&D Investment, (4) Research Manpower and (5) Government Grant.

#### ***Definition of Foundation Industries for the Revolution***

By matching industries directly engaged in core element technologies for the Revolution(AI, Big Data, IoT, Sensor, Automation Technology, New Materials, Bio-Technology, and others) to the 3-digits of the International Standard Industry Classification, the foundation industries are classified into 5 areas depending on the nature of industry: ① **IT Service**, ② **Communication Service**, ③ **Electronics**, ④ **Mechanical Equipment**, and ⑤ **Bio-Medical**.

#### ***International Comparison of R&D Activities of Foundation Industries related to the Revolution***

**(Technology Level)** The technology level of Korea's foundation industries relating to the Revolution is, at the present, miles behind leading nations such as the US, Japan, and the EU. The US demonstrated near perfect scores in all areas of foundation industries in a technical assessment, followed by Japan and the EU, both of which scored 90+ in most areas. Korea's overall score was 77.4, more than 20 points behind in some areas such as IT service, Bio-Med and communication service in order of size of the gap.

**(Patent Registration)** Examined on the basis of Triad Patent Families, the number of Korea's patent registration is also very low compared to leading nations. Japan and the US have registered more than 5,000 patents, followed by Germany with 1,000 while Korea has registered merely 750 patents. Japan has registered the highest number of patents in the IT service, while the US has shown it holds the highest number of patents in Bio-Med area. Korea's performance has been generally poor to the extent of falling behind China in the IT service.

**(R&D Investment)** Korea is assessed to be absolutely lacking in investing in new industry areas, such as the IT service, Bio-Med and communication service. While the US, Japan and the EU have been making a well-balanced investment in manufacturing and service industries, Korea's investment has been focused on the manufacturing industry, particularly on the electronics sector. The ratios of Korea's investments to the countries investing the largest amount are 43.1% in the electronic industry, a good contrast to the 1.7% in the IT service, 2.3% in Bio-Med and 13.1 in the communication service.

**(Research Manpower)** The ratio of researched manpower in the service sector to the total research human resource of foundation industries for the Revolution is no higher than 4.5%, the lowest



of all major nations. The quality level of research manpower in the service sector also appears low. The high-quality research manpower ratio to the total research manpower in the electronic sector is only 9.5%, again well behind the US (32.4%) and China (20.2%).

**(Government Grant)** Although the size of the government grant is large, the grant is heavily weighted towards the manufacturing sector with insignificant support for the service area. On the contrary, European nations appear to focus on the service sector and Germany, in particular, has allocated 27.5% of government support to the service sector, the highest of all major nations, while Korea's government grant provides only 5.0% for the IT service and 0.4% for communication service, 5.4% for both sectors combined.

### ***Policy Suggestions***

In order for Korea to join the advanced group of nations and lead the Revolution, it is imperative that Korea make every effort to ensure a well-balanced R&D investment is made across all foundation industries, train technical professionals, reinforce a master plan to promote core element technologies, and to expand social infrastructure as suggested below:

1. Investments in the IT service, communication service and Bio-Med areas among all foundation industries for the Revolution should be promoted to expand, and the government grant should be increased for R&D in the same areas, easing relevant regulations and providing financial support and taxation at the same time..

2. A systematic measure should be taken to enhance quantitative and qualitative expansion in every sector of foundation industries, switching over focus onto service research

manpower from the manufacturing-oriented practices of the past

3. The government policy for the Revolution has been concentrated so far on applied technologies, spreading and supplying smart factories and smart cities acting as an ‘adopter’. It is now time for the government to strengthen policies to secure core element technology acting as an ‘enabler’ instead.

4. To make preparation for the age of the 4th revolution in earnest, the government should recognize the importance of social infrastructure such as law, system, labor, education and culture while promoting technology development for foundation industries at the same time.

## **II. North Korean Issues**

### **1. Significance of the 19th Anniversary of Geumgangsán Tour & Tasks**

#### ***Summary***

The Geumgangsán Tour recently marked its 18th anniversary since its beginning on the 18th of November 1998. The HRI surveyed 98 experts regarding the issues of unification, diplomacy and national security for the Geumgangsán Tour.

#### ***Outcome of Survey***

**(Necessity of the Resumption of the Tour)** Most experts (86.8%) agreed on the necessity of resuming the tour while only a small number (13.2%) opposed the idea.

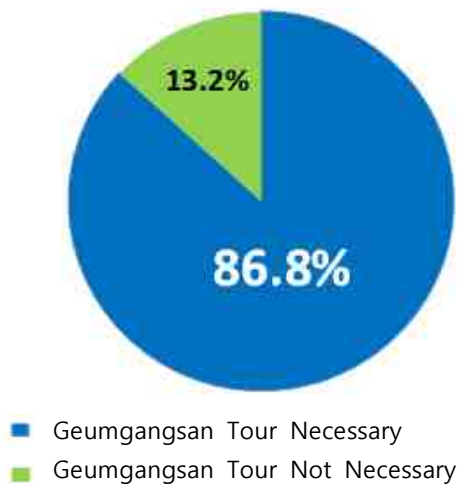
**(Impact of the Tour Resumption)** The majority of experts (90.8%) responded that the resumption of the tour would provide a positive impact on improving North-South relations, while only a small number expressed opinions to the contrary.

**(Significance of the Tour)** A great majority of experts(90.8%) defined the tour as ‘the symbol of a communication channel for reconciliation and peace between the two Koreas’ while only a small number (9.2%) responded that the tour carries no more significance than ordinary package tours.

**(Intention to Join the Tour When Resumed)** 88.7% of the respondents showed intentions to join the tour if and when resumed.

**(Possibility of the Resumption of the Tour)** The possibility of resuming the tour within the office term of the current administration reached 63.3% in 2017, a remarkable increase in comparison with the 41.0% of 2015.

< Necessity of Tour Resumption >



< Possibility of Tour Resumption >



## [Annex] Domestic and Global Economic Indices

### Global Growth Rate

Category	2015					2016					2017
	Annual	1/4	2/4	3/4	4/4	Annual	1/4	2/4	3/4	4/4	Annual(E)
US	2.7	3.2	2.7	1.6	0.5	1.5	0.6	2.2	2.8	1.8	2.2
Euro Region	2.0	0.7	0.3	0.5	0.5	1.8	0.5	0.3	0.4	0.6	2.1
Japan	1.1	1.1	0.0	0.2	-0.2	1.0	0.5	0.5	0.2	0.4	1.5
China	6.9	7.0	7.0	6.9	6.8	6.7	6.7	6.7	6.7	6.8	6.8

Note 1) IMF figures of October 2017 for 2017 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		2015	2016			2017(E)		
			the first half	the second half	Annual	the first half	the second half(E)	Annual (E)
National Account	Economic Growth rate (%)	2.8	2.8	2.5	2.8	2.8	3.5	3.1
	Private Consumption (%)	2.2	2.9	2.1	2.5	2.1	2.4	2.3
	Construction Investment (%)	6.6	9.9	11.4	10.7	9.4	4.7	6.8
	Facility Investment (%)	4.7	-3.7	-0.9	-2.3	15.9	11.9	13.8
Foreign Trade	Current Account (100 million Dollars)	1,059	517	470	992	363	410	773
	Exports Increase rate (%)	-8.0	-10.2	-1.6	-5.9	15.7	15.8	15.7
	Imports Increase rate (%)	-16.9	-13.1	-0.5	-6.9	21.3	13.8	17.4
Consumer Price (Average, %)		0.7	0.9	1.1	1.0	2.0	2.2	2.1
Unemployment rate (Average, %)		3.6	4.1	3.4	3.7	4.1	3.5	3.8

### Economic Indicators of North Korea

	2008	2009	2010	2011	2012	2013	2014	2015	2016	
Per capita GNI (10,000 won)	114	119	124	133	137	138	139	139	146	
Amount of Trade by Year (USD million)	South-to-North	888	745	868	800	897	521	1,136	1,262	147
	North-to-South	932	934	1,044	914	1,074	615	1,206	1,452	186
	Total	1,820	1,679	1,912	1,714	1,971	1,136	2,343	2,714	333

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 its 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 its 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.

### HRI Contact Information

<b>HQ</b>	194, Yulgok-ro, Jongno-gu, Seoul, 03127, Korea
<b>Contact</b>	82-2-2072-6217
<b>Website</b>	<a href="http://www.hri.co.kr">http://www.hri.co.kr</a>

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