

HRI Economic Statistics

The Economy

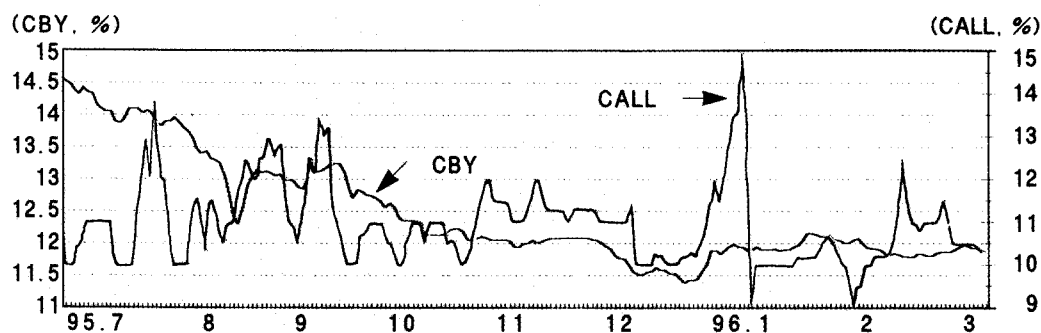
Looking at the recent business trends, we can see that the economy is on the downturn of the business cycle. Private investment and consumption have slowed down while business inventories are piling up. The good news is that the economy will most likely to avoid the worst-case scenario-an economic hard-landing-unless exports tail off abruptly. Domestic orders for machinery have been going up significantly, which had been dropping since the beginning of the second half of last year.

Gross National Product	1992	1993	1994	1995(E)	1996(E)
Growth Rate(%)	5.1	5.8	8.2	9.2	7.2
Nominal GNP(US \$ bil)	305.7	330.8	376.9	452.3	520.5
GNP per capita(US \$)	7,007	7,513	8,483	10,005	11,605

Interest Rates and Prices

The financial market is currently in a stable condition reflecting the high liquidity. The reason for this is two-fold. The large businesses' cash flow is good due to the past boom and continued rising exports despite the stalled industrial production and facility investment. Also, the demand for domestic bank loans has relatively decreased thanks to the rise in overseas direct financing. The domestic interest rate on 3-month CDs is stabilizing around 11%, which is 3% less than that which prevailed a year ago.

Domestic Interest Rates	94 Q4	95 Q1	Q2	Q3	95 Q4	96. 1	96.2	96(E)
Call Rate(% p.a.)	25.0	12.5	17.0	10.5	13.5	10.8	11.5	-
Yield on CD(%)	15.4	14.4	15.1	12.8	12.3	11.6	11.7	-
Yield on Corporate Bonds(%)	14.3	14.2	14.7	12.5	12.2	12.2	12.1	11.7

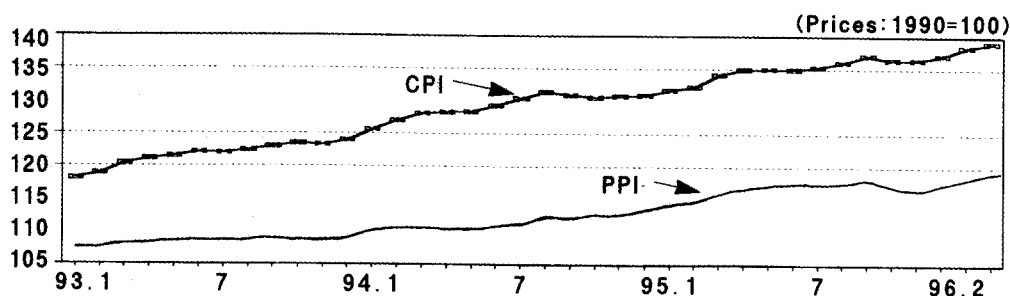


International Interest Rates	94 Q4	95 Q1	Q2	Q3	95 Q4	96. 1	96.2
EURO \$ (LIBOR, 3 months)	6.500	6.250	6.000	5.953	5.625	5.375	5.269
EURO ¥ (3 months)	2.438	2.227	1.250	0.469	0.500	0.563	0.773
EURO DM (3 months)	5.250	5.063	4.570	4.094	3.816	3.320	3.375

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Prices*	94 Q4	95 Q1	Q2	Q3	95Q4	96.1	96.2	96(E)
Producer Prices(%)	3.9	2.3	3.4	4.1	3.4	3.5	3.7	3.0
Consumer Prices(%)	5.6	2.4	3.1	4.7	4.7	5.1	5.1	4.9

* Percentage change over a year ago

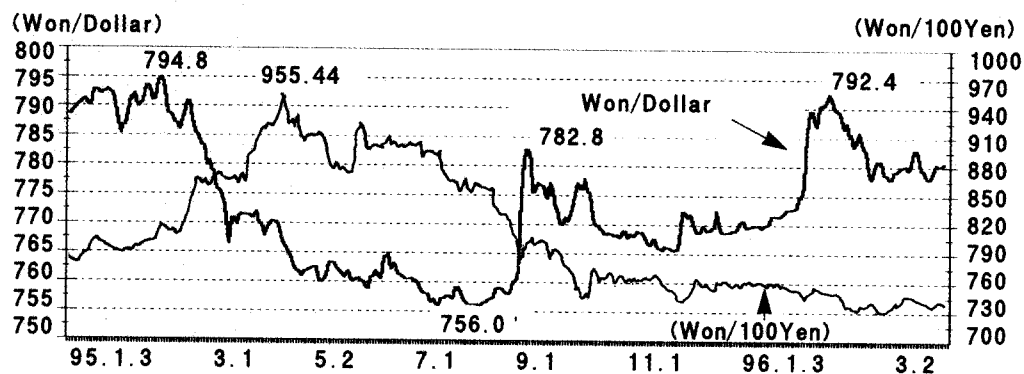


Trade and Exchange Rates

The trade deficit has been widening fast this year: it reached \$3.5 billion on a FOB basis by the end of February. The reason has been Korea's fading export competitiveness due to the weak Japanese yen and the rising import of consumer goods stemming from the opening of the domestic market.

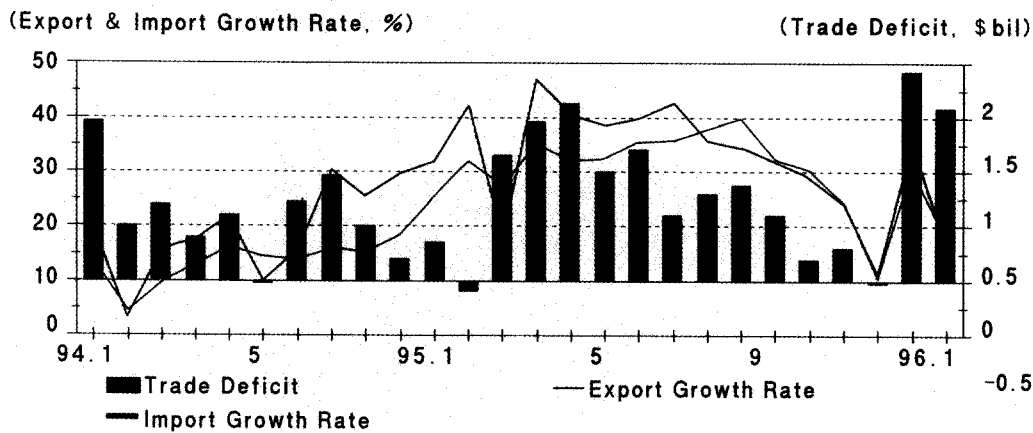
Looking at the yen-dollar exchange rate, we notice that the yen hovered around 104 level in February, as the Japanese interest rates moved up while the Japanese economy began to slowly recover from its recession.

Exchange Rates	94 Q4	95 Q1	Q2	Q3	95 Q4	96.1	96.2	96(E)
W / \$	788.7	771.5	756.1	768.4	774.7	785.9	780.7	752
W / 100¥	790.7	862.3	896.1	770.5	749.2	730.5	744.2	740
¥ / \$	99.8	87.0	84.8	99.5	103.2	107.1	104.7	102



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International Trade (US \$ bil)	94	95 Q1	Q2	Q3	Q4	95	96(E)
Current Account	-4.8	-3.3	-2.7	-2.2	-0.6	-8.8	-5.6
Balance of Trade	-3.1	-2.5	-1.7	-0.8	-0.3	-4.7	-3.1
Exports(FOB)	96.0	26.2	32.1	32.3	34.9	125.2	142.2
Imports(CIF)	102.4	30.4	34.8	34.4	35.4	135.0	149.8



Stock Markets

The stock market tumbled in February, with the KOSPI at around 853 at the end of the month. Even though some measures were expected to be taken to boost the stock market in addition to raising the stock ownership ceiling on foreigners, no clear upturn movement was in sight. It looked like the effectiveness of the measures was cut short by the overall bearish sentiments caused by the uncertain economic and political climates.

Stock Market	94 Dec	95 Mar	Jun	Sep	95 Dec	96 Jan	96 Feb	96 High/Low
Composite Stock Price Index	1,027.4	931.8	894.4	982.7	882.9	878.7	852.8	842.7/888.9
Customer Deposits (₩ bil)	2,394	2,110	2,120	2,629	2,191	2,032	2,097	1,998/2,077
Traded Volume (ten thousands)	5,078	1,975	2,526	1,836	2,515	2,836	1,906	948/3,207

Note : i) Figures for 1995(E) and 1996(E) signify HRI forecasts.

ii) Figures are for the end of the period unless noted otherwise.