

HRI Economic Statistics

The Economy

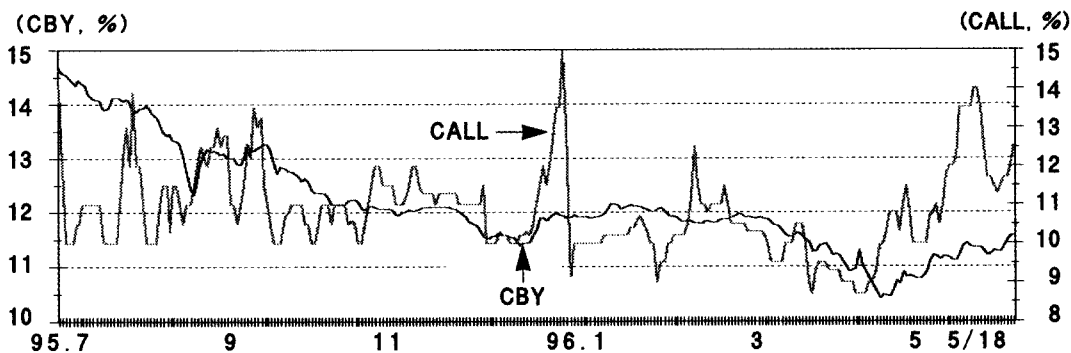
The economic growth rate for the first quarter was 7.9%, which is slightly better than the original expectation of 7.4%. However, structural weaknesses belie the unexpectedly good results. Consumption and construction investment fared much better than exports and facility investment. Continuing industrial bi-polarization was also evident as the heavy and chemical sector showed a growth rate of 10.8% while the light industry showed a growth rate of -2.0%.

Gross National Product	1992	1993	1994	1995	1996(E)
Growth Rate(%)	5.1	5.8	8.2	9.2	7.2
Nominal GNP(US \$ bil)	305.7	330.8	376.9	451.7	520.5
GNP per capita(US \$)	7,007	7,513	8,483	10,076	11,605

Interest Rates and Prices

Inflation worries gradually intensified as the rate of consumer price increases exceeded 3.5% in May compared to the end of last year. The weakest area is the possible price hikes in utilities, public fares and agricultural products, which may drive up the overall price level in the second half of this year. If this pace continues, the inflation rate for this year is projected to overshoot the government target of 4.5%.

Domestic Interest Rates	95 Q1	Q2	Q3	95 Q4	96 Q1	96. 4	96.5	96(E)
Call Rate(% p.a.)	12.5	17.0	10.5	13.5	9.8	11.0	14.0	-
Yield on CD(%)	14.4	15.1	12.8	12.3	10.9	10.1	12.0	-
Yield on Corporate Bonds(%)	14.2	14.7	12.5	12.2	11.2	10.4	11.5	12.0

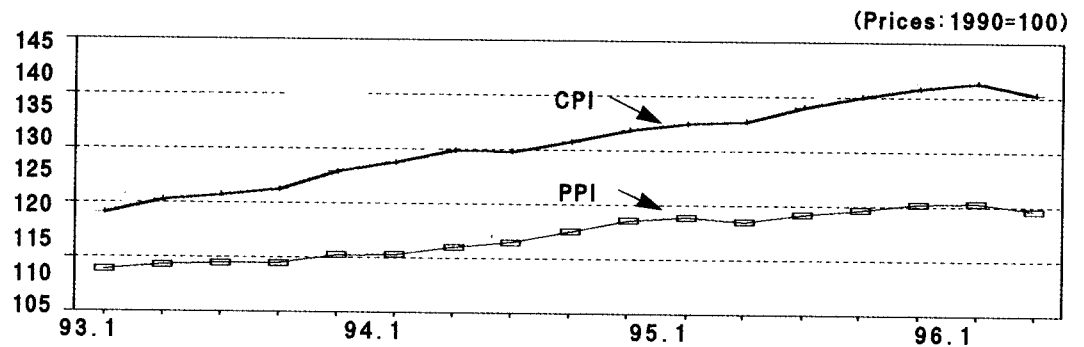


International Interest Rates	95 Q1	Q2	Q3	95 Q4	96 Q1	96. 4	96.5
EURO \$ (LIBOR, 3 months)	6.250	6.000	5.953	5.625	5.469	5.527	5.500
EURO ¥ (3 months)	2.227	1.250	0.469	0.500	0.594	0.699	0.555
EURO DM (3 months)	5.063	4.570	4.094	3.816	3.367	3.281	3.316

HRI Economic Statistics

Prices*	95 Q1	Q2	Q3	95 Q4	96 Q1	96.4	96.5	96(E)
Producer Prices(%)	5.1	5.9	5.2	3.4	2.2	2.0	1.7	3.1
Consumer Prices(%)	4.7	4.3	4.7	4.7	4.5	4.6	5.1	5.0

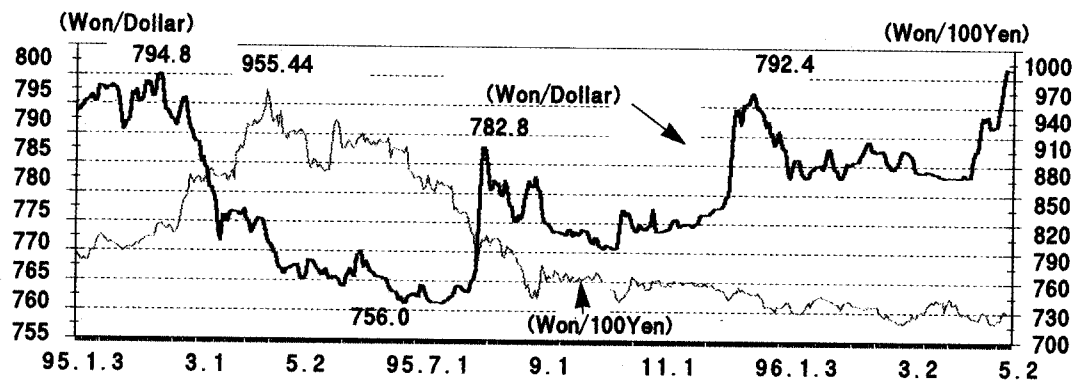
* Percentage change over a year ago



Trade and Exchange Rates

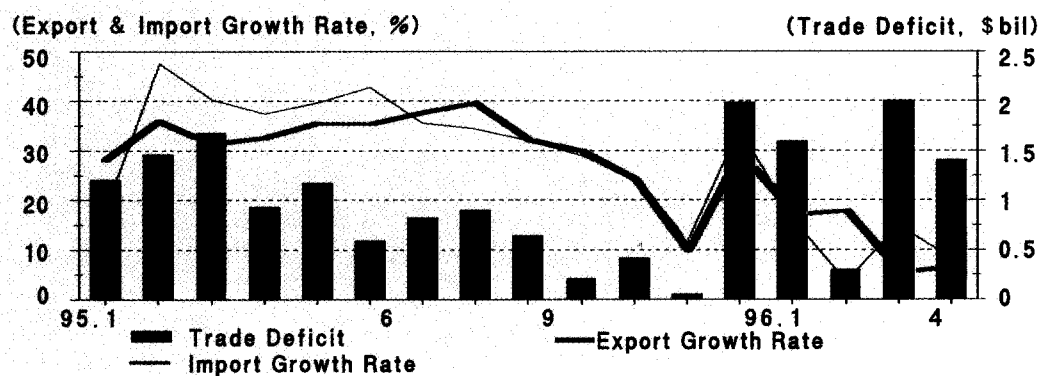
The won is expected to remain weak until there are clear signs that the country's trade deficit is narrowing. A weak won will make Korean products more price-competitive in overseas markets. However, the benefits for exporters are limited by the continuing weakness of the Japanese yen, which gives an additional boost to Japanese exporters that are rivals in major export sectors like semiconductors and shipbuilding.

Exchange Rates	95 Q1	Q2	Q3	95 Q4	96 Q1	96.4	96.5	96(E)
₩ / \$	771.5	756.1	768.4	774.7	780.6	778.7	787.9	780.0
₩ / 100¥	862.3	896.1	770.5	749.2	725.6	742.2	731.7	-
¥ / \$	87.0	84.8	99.5	103.2	107.3	104.7	107.7	106.0



HRI Economic Statistics

International Trade (US \$ bil)	95 Q1	Q2	Q3	Q4	95	96 Q1	96.4	96(E)
Current Account	-3.3	-2.7	-2.2	-0.6	-8.8	-4.1	-2.2	-11.2
Balance of Trade	-2.5	-1.7	-0.8	-0.3	-4.7	-2.2	-1.5	-5.5
Exports(FOB)	26.2	32.1	32.3	34.9	125.2	31.7	9.9	139.5
Imports(CIF)	30.4	34.8	34.4	35.4	135.0	33.9	10.5	147.4



Stock Markets

The stock market dipped down once again as market interest rates stepped back on a rising track. There was the bad news that the current account deficit was expected to top \$10 billion and the central bank would tighten the money supply to counter inflation worries. However, if the current stock market situation is reflective of the economic downturn which is expected to be bottoming out at the end of this year, we cautiously predict a slight recovery to around the 1,000 level by the end of this year.

Stock Market	95 Dec	96 Jan	96 Feb	96 Mar	96 Apr	96 May	96 High/Low
Composite Stock Price Index	882.9	878.7	852.8	874.1	980.9	903.1	842.7/986.8
Customer's Amount of Deposit (₩ bil)	2,191	2,032	2,097	2,030	3,201	2,898	1,998/3,227
Traded Volumes (ten thousands)	2,515	2,836	1,906	1,514	6,896	2,513	948/6,896

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

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