

## HRI Economic Statistics

### The Economy

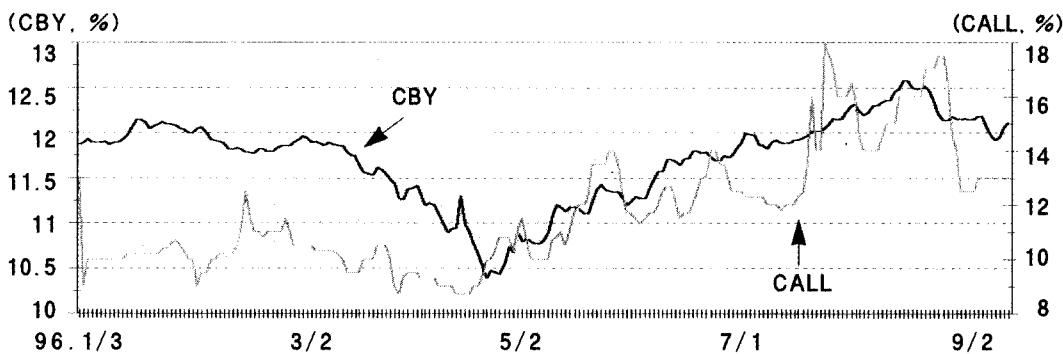
The Korean economy is going through a hard time. The consensus seems to be that the current syndrome is not just caused by the recession in the business cycle but by the deep-rooted high costs and low efficiency which have spread throughout the economic structure over the past years. The problem most likely cannot be resolved without a basic and prudent long-term approach, although a lot of remedies have been proposed to cure the ailing economy.

Gross National Product	1992	1993	1994	1995	1996(E)	1997(E)
Growth Rate(%)	5.1	5.8	8.2	9.2	6.9	6.2~6.5
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

The upward movement of interest rates looks like it has halted at around 12%. It partly reflects firms' stable demand for working capital due to the reduction in production levels and the accumulation of inventories as current recession continues. We cautiously predict that the market interest rates will start to decline bit by bit in a stable manner after Chusok, the Korean Thanksgiving day.

Domestic Interest Rates	95 Q1	Q2	Q3	95 Q4	96 Q1	96 Q2	96.7	96(E)	97(E)
Call Rate(% p.a.)	12.5	17.0	10.5	15.0	9.0	14.0	17.5	-	-
Yield on CD(%)	14.4	15.1	12.8	12.2	11.4	12.7	13.7	-	-
Yield on Corporate Bonds(%)	14.2	14.7	12.6	11.9	11.4	11.7	12.1	11.7-12.0	11.0-11.5

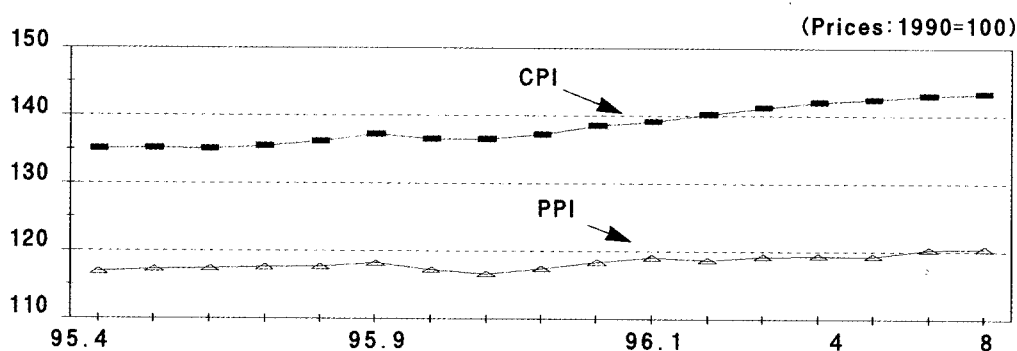


International Interest Rates	95 Q1	Q2	Q3	95 Q4	96 Q1	96 Q2	96.7	96.8
EURO \$ (LIBOR, 3 months)	6.250	6.000	5.953	5.625	5.469	5.582	5.688	5.563
EURO ¥ (3 months)	2.227	1.250	0.469	0.500	0.594	0.602	0.688	0.520
EURO DM (3 months)	5.063	4.570	4.094	3.816	3.367	3.375	3.375	3.156

## HRI Economic Statistics

Prices*	95 Q1	Q2	Q3	95 Q4	96 Q1	96 Q2	96.7	96.8	96(E)	97(E)
Producer Prices(%)	5.1	5.9	5.2	3.4	2.2	1.6	2.3	2.3	N/A	N/A
Consumer Prices(%)	4.7	4.3	4.7	4.7	4.5	5.5	5.6	5.3	4.9	4.5

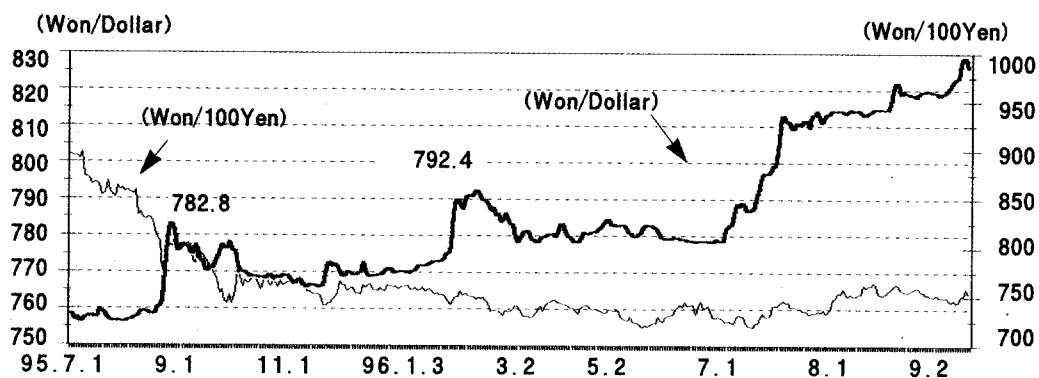
\* Percentage change over a year ago



### Trade and Exchange Rates

The won has been depreciating against the dollar since the middle of May. This is largely attributed to the slow exports and the continuing strong dollar against the yen. However, the won's depreciation is likely to slow down as the inflow of foreign capital may gain momentum with the lifting of the foreigners' stock investment ceiling to 20% from 18% starting October 1 this year.

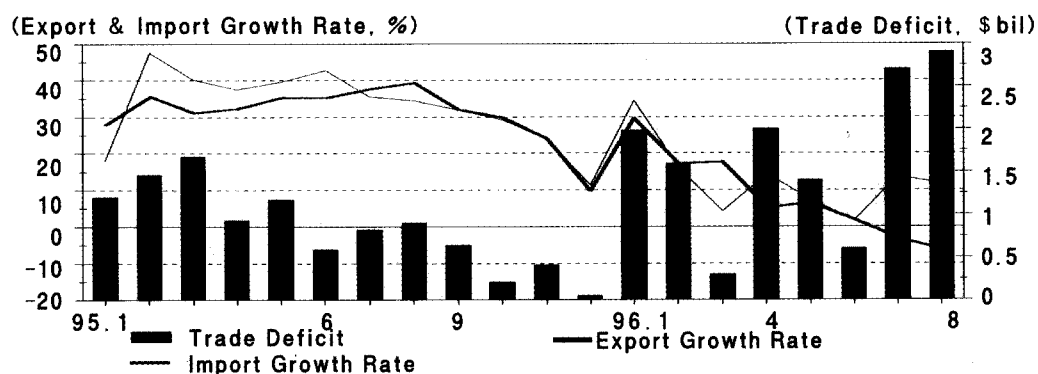
Exchange Rates	95 Q1	Q1	Q3	95 Q4	96 Q1	96 Q2	96.7	96.8	96(E)	97(E)
W / \$	771.5	756.1	768.4	774.7	780.6	809.0	813.3	819.4	817-820	812-817
W / 100¥	862.3	896.1	770.5	749.2	725.6	740.0	753.2	752.1	743-759	752-778
¥ / \$	87.0	84.8	99.5	103.2	107.3	109.4	107.6	109.0	108-110	105-108



## HRI Economic Statistics

International Trade (US \$ bil)	95 Q1	Q2	Q3	Q4	95	96 Q1	96.2	96.7	96(E)	97(E)
Current Account	-3.3	-2.7	-2.2	-0.6	-8.8	-4.1	-4.7	-2.3	-18.3	-16.7~17.5
Balance of Trade*	-2.5	-1.7	-0.8	-0.3	-4.7	-2.2	-2.8	-1.7	-11.0	-10.1~10.7
Exports(FOB)	26.2	32.1	32.3	34.9	125.2	31.6	32.9	10.1	130.1	140.4~141.2
Imports(CIF)	30.4	34.8	34.4	35.4	135.0	35.7	36.8	12.9	147.1	156.4~157.7

\* balance of payment basis



### Stock Markets

The mounting current account deficit, unstable price levels and the rising interest rates are the main factors that brought about the current hapless stock market. However, the demand for stocks may increase and boost the stock market if the foreign capital inflow rises and the Government's plan to give tax incentives on workers' stock savings materializes after October.

Stock Market	95 Dec	96 Jan	96 Feb	96 Mar	96 Apr	96 May	96 Jun	96 Jul	96 Aug
Composite Stock Price Index	882.9	878.7	852.8	874.1	980.9	903.1	817.4	821.7	781.5
Customer's Amount of Deposit (₩ bil)	2,191	2,032	2,097	2,030	3,201	2,898	2,652	2,589	2,359
Traded Volumes (ten thousands)	2,515	2,836	1,906	1,514	6,896	2,513	1,078	2,352	1,376

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

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