

HRI Economic Statistics

The Economy

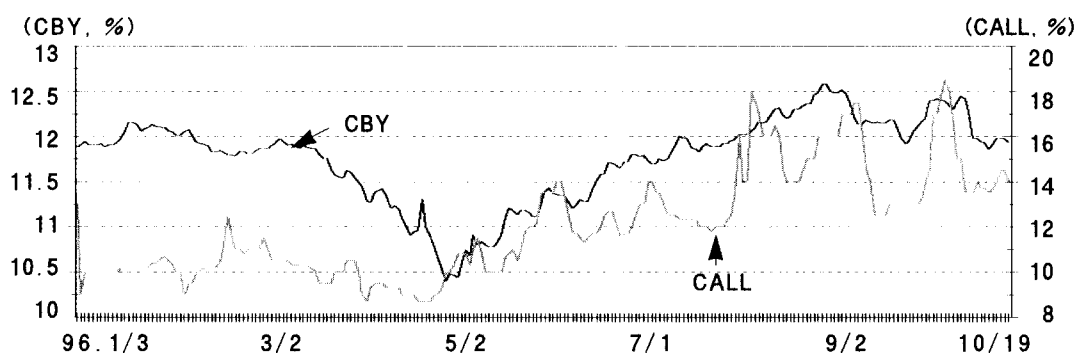
Korea has finally been invited to become a member nation of the OECD, leaving behind most of the domestic controversy over its entry. Its entry is generally welcomed by the business community as it can help raise the level of the Korean economy to an advanced status in the long run. Meanwhile, the government drive for reducing costs and raising competitiveness is getting a widespread response at corporate level, with the overall aim being to overcome the dampening recession.

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

Despite the persistently high international oil prices and the surge in public fares and housing rental costs, the price level is expected to be stable below 5% throughout the fourth quarter. This year's good harvest of the major agricultural products including rice is expected to curb inflationary pressures.

Domestic Interest Rates	95 Q4	96 Q1	96 Q2	96.7	96.8	96.9	96(E)	97(E)
Call Rate(% p.a.)	15.0	9.0	14.0	17.5	17.5	16.5	-	-
Yield on CD(%)	12.2	11.4	12.7	13.7	15.0	14.4	-	-
Yield on Corporate Bonds(%)	11.9	11.4	11.7	12.1	12.1	12.4	11.7~12.0	11.0~11.5

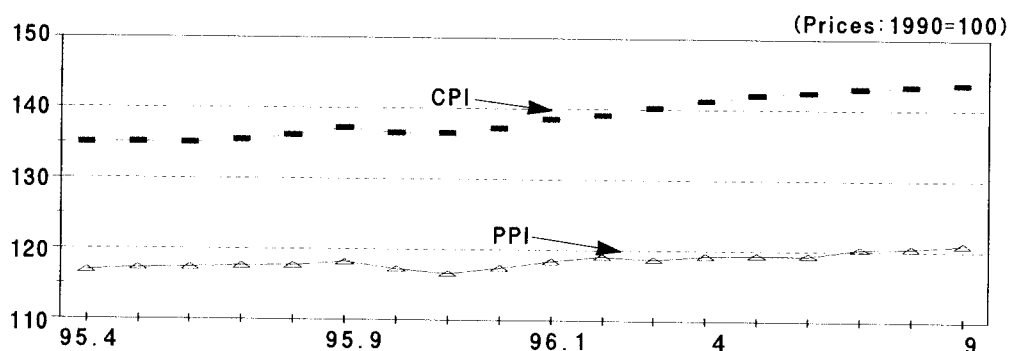


International Interest Rates	95 Q4	96 Q1	96 Q2	96.7	96.8	96.9
EURO \$ (LIBOR, 3 months)	5.625	5.469	5.582	5.688	5.563	5.625
EURO ¥ (3 months)	0.500	0.594	0.602	0.688	0.520	0.519
EURO DM (3 months)	3.816	3.367	3.375	3.375	3.156	3.125

HRI Economic Statistics

Prices*	95 Q4	96 Q1	96 Q2	96.7	96.8	96.9	96(E)	97(E)
Producer Prices(%)	3.4	2.2	1.6	2.3	2.3	2.3	N/A	N/A
Consumer Prices(%)	4.7	4.5	5.5	5.6	5.3	4.7	4.9	4.5

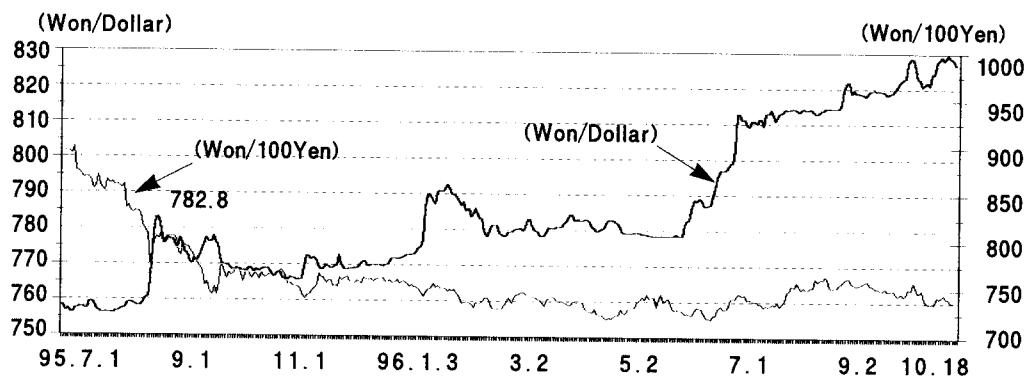
* Percentage change over a year ago



Trade and Exchange Rates

The current account deficit has been widening due to slow exports and the deteriorating invisible trade balance. The significant decline in prices of the major export items like semiconductors, steel, and chemical products coupled with yen's depreciation have hit the export industry hard. The surge in foreign travel expenses is also blamed for the huge current account deficit.

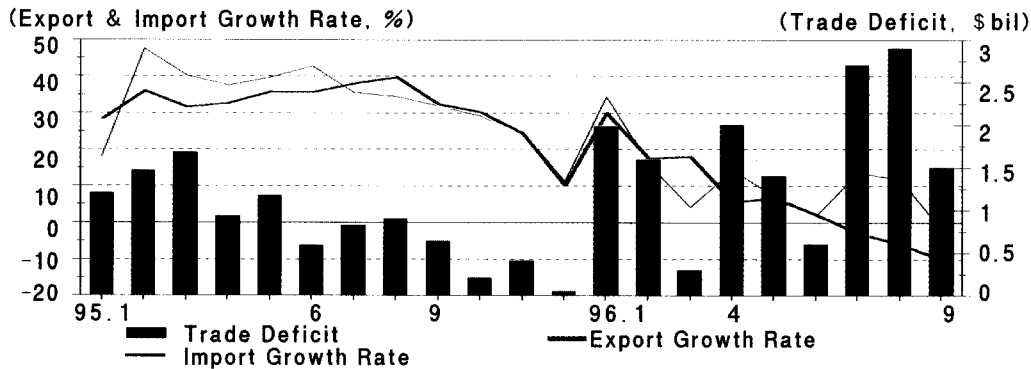
Exchange Rates	95 Q4	96 Q1	96 Q2	96.7	96.8	96.9	96(E)	97(E)
₩ / \$	774.7	780.6	809.0	813.3	819.4	820.6	817~820	812~817
₩ / 100¥	749.2	725.6	740.0	753.2	752.1	750.4	743~759	752~778
¥ / \$	103.2	107.3	109.4	107.6	109.0	111.0	108~110	105~108



° HRI Economic Statistics

International Trade (US \$ bil)	95	96 Q1	96 Q2	96.7	96.8	96(E)	97(E)
Current Account	-8.8	-4.1	-4.7	-2.3	-3.5	-20.5	-16.7~-17.5
Balance of Trade*	-4.7	-2.2	-2.8	-1.7	-2.8	-12.0	-10.1~-10.7
Exports(FOB)	125.2	31.6	32.9	10.1	9.9	131.6	140.4~141.2
Imports(CIF)	135.0	35.7	36.8	12.9	12.9	150.6	156.4~157.7

* balance of payment basis



Stock Markets

The stock market temporarily rebounded during mid-October before falling again below the 800 level at the end of the month. However, the central bank's decision to lower the required reserve ratio from 7.4% to 5.5% on average in November as a way to lower the market interest rates is likely to energize the stock market.

Stock Market	95 Dec	96 Mar	96 Jun	96 Jul	96 Aug	96 Sep
Composite Stock Price Index	882.9	874.1	817.4	821.7	781.5	789.7
Customer's Amount of Deposit (₩ bil)	2,191	2,030	2,652	2,589	2,359	2,443
Traded Volumes (ten thousands)	2,515	1,514	1,078	2,352	1,376	2,871

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

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