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## Letter from the Editor

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As we enter into December, it seems clear that all is not well with the Korean economy. Perhaps the biggest problem has been the sluggish exports. In this issue of the VIP Economic Report, our Industry Analysis takes a look at Korea's five biggest export industries—semiconductors, automobiles, shipbuilding, petrochemicals and steel.

In our Macro Perspectives, the Korean Economy section offers an overall view of the economic problems Korea currently faces. Already the government and other economic institutions have revised downward their economic forecasts for 1997. The KOSPI's poor performance as of late is another reflection of Korea's ailing economy, having dipped to a three-year low in November. We take a look at Korea's slumping stock market and also the bond market in a new section.

One recent event which may have far-reaching implications for Korea is the 1996 APEC meeting which was held in November in the Philippines. The Asia-Pacific Economic Cooperation forum is evolving into an increasingly important regional body whose future development could well determine whether or not such rosy predictions turn out to be true. We have also included President Kim Young

Sam's address at this noteworthy event in our Let's Talk section.

Another area in which improvements can be made is South-North relations. With the reelection of the U.S. President Bill Clinton, it is hoped that South Korea and the U.S. can maintain their close coordination in trying to resolve this thorny issue which is covered in this issue.

The end of the year is perhaps signalling that it is time for a change. Accordingly, Dr. Seung-Myung Lee is stepping down as co-editor of this publication. His contributions to the development of this publication have been in no way small, but to our regret his talents are needed elsewhere. Fortunately, he will remain on as a member of our Editorial Board.

In his stead, we have a worthy replacement for him in Dr. Sae-Jae Lee. He brings with him a fresh new perspective and all-new ideas on *The VIP Economic Report*. We are confident that he will more than ably fill the shoes of his predecessor.

Looking back, 1996 has certainly seen more than its fair share of ups and down. We at the Hyundai Research Institute hope that the past year has treated you well, and that next year will treat you even better. See you next year. **VIP**

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