

HRI Economic Statistics

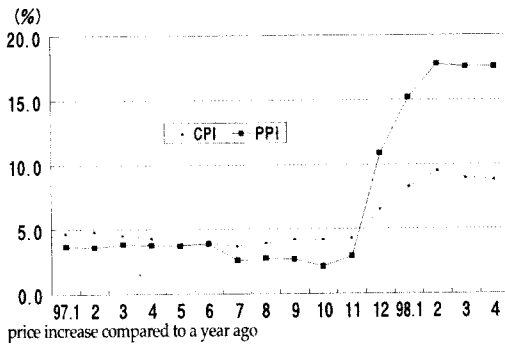
* Note: All figures are for the end of the period unless noted otherwise.

The Economy

Korea's industrial output continues to fall, dropping 10.1 percent y-o-y in March. Altogether, industrial output has fallen 8.1 percent in the first quarter. Compared with the same month last year, production of automobiles fell 46.2% and that of machinery fell 30.4%. Domestic demand declined 25.9% y-o-y, and whole and retail sales fell 10.6%. The factory operation rate has now dropped to 65.2% as of March. The unemployment rate shot up to 6.5%, with the number of jobless now reaching 1.38 million.

	1992	1993	1994	1995	1996	1997	1998(E)
GDP Growth Rate(%)	5.1	5.8	8.6	8.9	7.1	5.5	-1.0
Nominal GDP(US \$ bil)	307.9	332.8	380.7	456.5	484.4	442.6	32.8
GNP per capita(US \$)	7,007	7,484	8,467	10,037	10,548	9,511	6,970
Gross saving rate	34.9	35.2	35.4	36.2	34.8	34.6	-

Prices

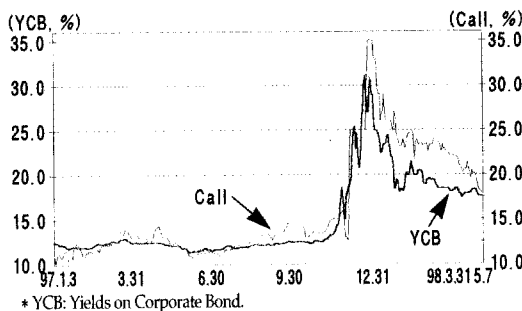


Consumer prices rose 8.8% in April, a continued improvement over March's 9.0% and February's 9.5%. However, the consumer price index rose 0.3% over March's level, compared to March's 0.2% decline. Prices of factory-produced items went up 13% year-on-year, up from March's 12.5%. Consumer prices have risen 8.9% in the first four months of the year compared to the same period last year. Producer prices rose 17.5% in April, the same figure as in March.

Prices*	97Q1	97Q2	97Q3	97Q4	98.1	98.2	98.3	98.4	98(E)
Producer Prices(%)	3.8	3.9	2.6	10.9	15.2	17.7	17.5	17.5	16.2
Consumer Prices(%)	4.5	4.0	4.2	6.6	8.2	9.5	9.0	8.8	9.2

* Percentage change over a year ago

Interest Rates



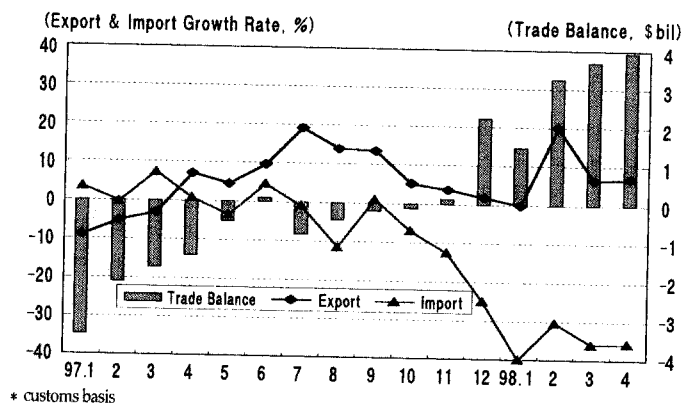
The consecutive current account surpluses and increased foreign capital inflow has led to greater market liquidity and a slight easing of interest rates. Furthermore, the apparent stabilization of the exchange rate has prompted the IMF to give Korea more leeway in easing interest rates. Call interest rates will be gradually lowered while ensuring stability in the foreign exchange market.

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Domestic Interest Rates	96 Q4	97 Q1	97 Q2	97 Q3	97 Q4	98.1	98.2	98.3	98.4	98(E)
Call Rate(% p.a.)	12.3	13.0	11.5	14.50	35.00	26.27	23.51	22.10	18.32	-
Yield on CD(“)	13.4	13.5	12.0	13.75	25.00	21.75	23.50	21.00	19.30	-
Yield on Corporate Bonds(“)	12.6	12.5	11.8	12.60	29.49	18.50	20.50	18.28	17.70	17~18

International Interest Rates	96 Q4	97Q1	97Q2	97Q3	97 Q4	98.1	98.2	98.3	98.4
EURO \$ (LIBOR, 3 months)	5.562	5.773	5.781	5.769	5.812	5.625	5.680	5.711	5.719
EURO ¥ (3 months)	0.492	0.578	0.656	0.562	0.785	0.789	0.812	0.707	0.617
EURO DM (3 months)	3.125	3.250	3.125	3.406	3.668	3.535	3.516	3.594	3.656

Trade



According to preliminary figure from MOFE, Korea posted another monthly trade surplus of \$3.9 billion in April. Exports increased 7.0% year-on-year to reach \$12.2 billion, while imports fell -35.3% over the same period to amount to 8.3 billion. Korea recorded a trade surplus of \$8.4 billion for the first quarter of 1998 and a current account surplus of \$10.69 billion. Total external liabilities

inched up to \$151.3 billion according to IMF standards as of the end of March.

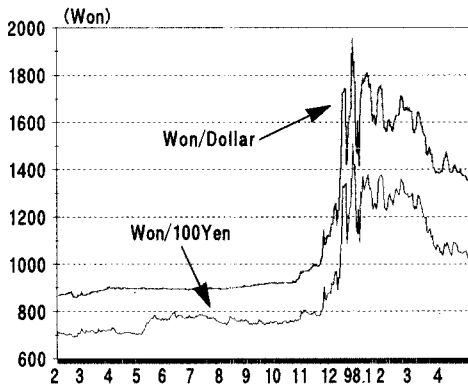
International Trade (US \$ bil)	96	97Q1	97Q2	97Q3	97Q4	97	98Q1	98.4
Current Account	-23.0	-7.3	-2.6	-2.0	3.6	-8.6	10.7	-
Goods & Service Balance	-21.1	-6.8	-1.8	-1.3	3.2	-6.8	9.7	-
Income Balance	-1.8	-0.5	-0.9	-0.6	-0.7	-2.7	-0.7.0	-
Export(FOB)	129.7	29.7	35.5	34.1	36.7	136.2	32.3	12.2
Import(CIF)	150.3	37.1	37.4	35.7	34.5	144.6	23.9	8.3

External Liability(US\$ bil)	96	97.11	97.12	98.1	98.2	98.3
Long Term	57.5	72.9	86.0	87.2	88.9	90.4
Short Term	100.0	88.9	68.4	64.0	61.4	60.9
Total External Liability*	157.5	161.8	154.4	151.2	150.3	151.3
External Debt**	104.7	116.1	120.8	120.6	120.2	121.2

* Estimated by IMF standards

** Estimated by World Bank standards

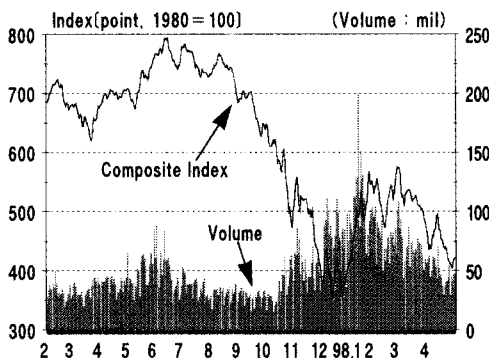
Exchange Rates



The won/dollar exchange rate continues to remain stable under the 1400 level. The monthly current account surpluses and the increasing foreign capital inflow thanks to Korea's gradually improving international creditworthiness have improved Korea's foreign exchange situation such that useable reserves have now reached \$30.15 billion as of the end of April. The won's recent stability has allowed the IMF and Korea to agree on gradually lowering interest rates, although the exchange rate movements will be closely monitored.

Exchange Rates	96 Q4	97 Q4	98.1	98.2	98.3	98.4	98(E)
₩ / \$	844.20	1,415.20	1,572.90	1,640.10	1,378.80	1,338.20	1H : 132-134
¥ / \$	116.00	130.15	126.93	126.13	129.31	129.45	2H : 136-138

Stock Markets



The Korean stock market had a rough time in April, virtually all the gains made earlier in the year were virtually wiped out. Rising labor-management tensions have made investors nervous. Foreigners are also waiting to see how corporate restructuring and financial reform proceed. The Kim Dae-Jung Administration recently announced in early May that even more sectors would be fully liberalized to foreigners in an effort to further boost foreign investment inflows.

Stock Market.	97.3	97.6	97.9	97.12	98.1	98.2	98.3	98.4
Composite Stock Price Index	677.3	745.4	647.1	376.31	567.38	558.98	481.04	421.22
Traded Volume (Avg, ten thousands)	3,325.5	5,108.0	2,834.5	8,257.3	10,161.5	7,978.8	7,042.9	4,849.5