

## LETTER FROM THE EDITOR

The Korean economy has increasingly been showing signs of regaining its health. The major real economic indicators have stabilized and turned around, including industrial production, sales, and investment. Financial indicators are also showing signs of stability and/or improvement, with the exchange rate staying under 1,200 won/dollar, interest rates staying low, and the stock market soaring to new heights. Even unemployment is starting to come down. Accordingly, most experts, both domestic and foreign, have revised their forecasts for the Korean economy this year, with many seeing GDP growth of 5~6%.

While the improvements in themselves are a very welcome sign, this does not mean everything will be necessarily rosy from now on. Some of the nominal improvements are merely technical responses to the low figures recorded last year and are not really evidence of a full-fledged recovery. It remains to be seen if investment and consumption will continue to improve in a significant manner. Furthermore, there are other factors, such as potential labor tensions or a possible deterioration in external conditions, which could impede the economy's progress.

This month's **Current Issues** section starts with a look at the millenium marketing activities of Korean companies. As we prepare to enter into the new millenium, many firms are trying to capitalize on this one-in-a-lifetime opportunity to emphasize how new or future-oriented their products and services are.

We follow with the results of a recent HRI survey on experts' views on the Korean economy in the year 2000. All in all, the majority of the

economists, academics, government officials, and business people surveyed were optimistic about Korea's prospects for next year, but remained concerned about several factors which could delay or hinder a full-fledged recovery.

Our third article examines the changes in Korean multinational corporations' foreign direct investment strategies in the IMF era. With the dramatic changes in the domestic and international economic environments, Korean firms have been forced to reexamine their overseas plans in line with their efforts to restructure and strengthen their core competencies.

Next, we look at the current status of the Regional Information Infrastructure (RII) in Korea. Developing the country's information infrastructure is an essential task for Korea in attaining its goal of becoming one of the 10 biggest knowledge-based economies in the world by 2002, and fostering the requisite RII is a key component of these plans.

Finally, we close with an article on e-commerce in Korea, a field which has been recording exponential growth in recent years. With the increasing popularity of the Internet and other online services in Korea, e-commerce is a bright new horizon with immense potential for Korean firms.

The outlook for the Korean economy has undoubtedly brightened over the last several months, and Korea seems to have won back the confidence of investors. It is important that Korea continues on its path of restructuring and enhance its efficiency and competitiveness so that it does not lose their confidence once again. **VIP**