

H R I E C O N O M I C S T A T I S T I C S

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

The Economy

The real GDP growth rate for 1998 was an estimated -5.8%, while per capita Gross National Income (GNI), a new indicator measuring consumers' real purchasing power, fell to \$6,823 from \$10,307 in 1997. Based on the clear signs of an ongoing economic recovery, HRI again revised its 1999 growth rate forecast to 5.4%, in tandem with the upward revisions of the government and analysts both inside and outside Korea.

	1993	1994	1995	1996	1997	1998(E)	1999(E)
GDP Growth Rate (%)	5.5	8.3	8.9	6.8	5.0	-5.8	5.4
Nominal GDP (US\$ bil)	345.7	402.4	489.4	520.0	476.6	321.3	366.0
GNI per capita (US\$)	7,811	8,998	10,823	11,380	10,307	6,823	7,663
Gross Saving Rate	35.2	35.4	35.5	33.8	33.4	33.2	-

Industry

The Chusok holidays falling on October last year led to a technical rebound in economic indexes which fared well in general. Industrial production picked up in October and recorded an increase of 30.6% y-o-y. Facility investment rose considerably higher than September and wholesale and retail sales climbed to 15.7%.

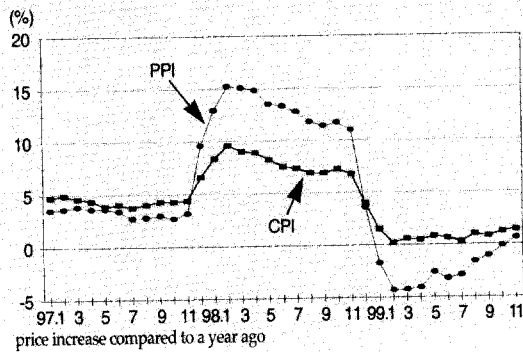
Industrial Indexes (y-o-y, %)	97	98					99				
		Q1	Q2	Q3	Q4	Avg.	9	10	Q1	Q2	Q3
Industrial Production Indexes	5.3	-6.2	-12.2	-9.5	-1.6	-7.3	18.3	30.6	12.5	22.7	26.7
Wholesale and Retail Trade Indexes	3.2	-11.2	-16.0	-15.1	-8.3	-12.7	13.9	15.7	6.0	10.8	16.9
Domestic Machinery Orders Received	3.3	-38.9	-43.8	-22.2	-10.9	-30.5	9.2	24.2	16.9	38.5	22.1
Domestic Construction Orders Received	5.4	-23.4	-53.4	-44.8	-44.9	-42.5	36.5	33.9	-45.3	27.5	13.4

Employment

Harvest season pushed unemployment rate further down to 4.6% in October. More jobs were created in manufacturing, agricultural, forestry and fisheries sectors. Employment of men and women in their forties and fifties increased notably.

	97	98					99					
		Q1	Q2	Q3	Q4	Avg.	Q1	Q2	Q3	8	9	10
Total Employed (thousand)	21,048	19,710	20,178	19,971	19,846	19,926	19,042	20,301	20,695	20,527	21,000	21,155
Manufacturing Employed (thousand)	4,475	4,081	3,844	3,758	3,852	3,884	3,819	3,922	4,039	4,006	4,138	4,197
Unemployment Rate (%)	2.6	5.7	6.9	7.4	7.4	6.8	8.4	6.6	5.6	5.7	4.8	4.6
Total Number of Unemployed (thousand)	556	1,182	1,485	1,600	1,586	1,463	1,751	1,435	1,220	1,241	1,069	1,021

Prices

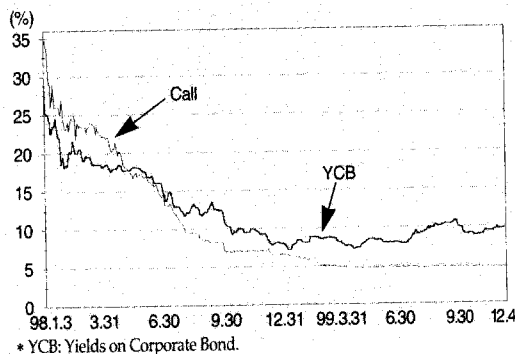


Consumer prices in November fell by 0.2% from October. Although public service charges rose by 1.5%, prices of agricultural and fishery products dropped to -2.3%. Sky-high oil prices pushed producer prices up by 0.6% from October.

Prices*(%)	96	97	98				99					
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	9	10	11
Consumer Prices (%)	4.9	4.5	9.0	8.2	7.0	6.0	0.7	0.6	0.7	0.8	1.2	1.4
Producer Prices (%)	3.2	3.9	14.5	13.9	12.0	8.6	-3.5	-3.3	-1.9	-1.1	-0.2	0.6

* Percentage change over a year ago

Interest Rates



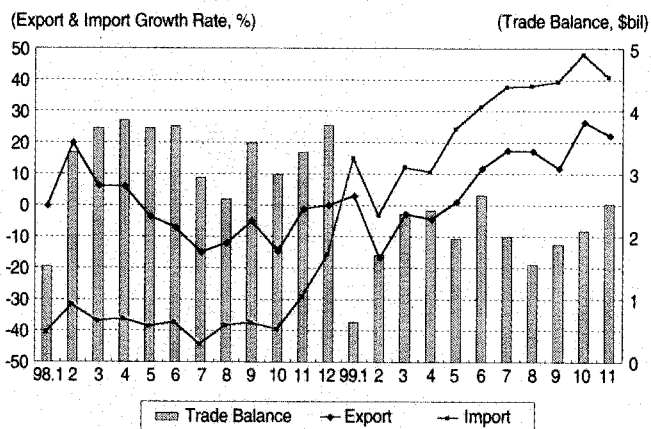
In November, interest rates headed upward because of inflationary concerns rising out of the accelerating economic recovery. Although the government expressed its will to keep the rates low, the long-term interest rates almost touched 10%. Efforts to curb the rising movement such as reducing government bond issuance pushed the rates down slightly at the end of the month.

HRI ECONOMIC STATISTICS

Domestic Interest Rates* (%)	96	97	98				99						
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	8	9	10	11
Call Rate (overnight)	12.3	35.0	22.1	14.3	7.09	6.53	5.7	4.77	4.67	4.74	4.80	4.67	4.77
Yield on CP (91 days)	13.9	35.0	22.2	16.3	10.50	7.90	7.1	6.32	7.54	8.23	7.87	7.26	7.85
Yield on Corporate Bonds (3 years)	12.6	29.0	18.3	16.0	11.90	8.00	8.4	7.98	9.23	10.26	9.95	9.02	9.72

* Percentage change over a year ago

Trade



Although imports in November continued to rise threateningly to \$11.7 billion, favorable external conditions materialized Korea's export capacity to the fullest. The yen's strength and the recovering overseas markets attributed to the upsurge in Korea's exports. Increasing by 22.2% y-o-y, exports renewed the monthly record once again with \$14.3 billion.

International Trade (US\$ bil)	94	95	96	97	98	99.11*	99(p)
Current Account	-3.9	-8.5	-23.0	-8.2	40.0	21.3***	22.8
Goods Balance	-2.9	-4.4	-15.0	-3.2	41.2	24.7***	26.3
Services Balance	-1.8	-3.0	-6.2	-3.2	0.4	-1.0***	-0.6
Income Balance	-0.5	-1.3	-1.8	-2.5	-4.8	-4.1***	-3.8
Export (FOB)	96.0	125.1	129.7	136.2	133.2	128.9	133.3
Import (CIF)	102.4	135.0	150.3	144.6	93.3	107.1	111.1
FX Reserves	25.7	32.7	29.4**	8.9**	48.5**	69.7	-

* Data from Jan.~Nov. 1999

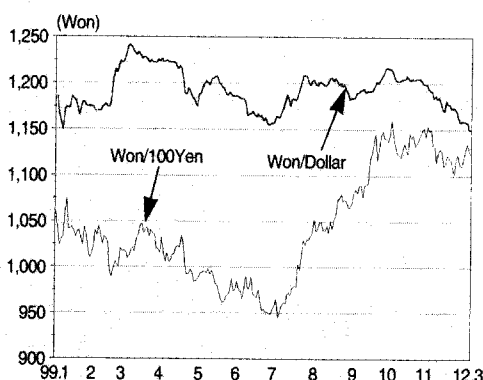
** Usable FX Reserves from 1996~Aug. 1999

*** Data from Jan.~Oct. 1999

External Liabilities (US\$ bil)	96	97	98				99				
			Q1	Q2	Q3	Q4	5(p)	6(p)	7(p)	8(p)	9(p)
Long Term	71.3	94.9	90.4	115.5	121.5	118.5	111.4	109.3	108.6	106.4	106.0
Short Term	93.0	63.2	60.9	38.3	32.1	30.8	31.4	32.1	35.1	36.2	35.0
Total External Liabilities*	164.3	158.1	151.3	153.8	153.6	149.3	142.8	141.4	143.6	142.6	140.9

* Percentage change over a year ago

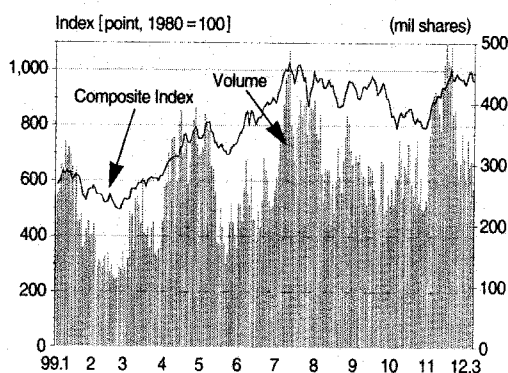
Exchange Rates



The won/dollar exchange rate showed stable movements in and out of the 1,160 won range in November. Large inflow of foreign capital to Korea created an oversupply of dollars in the market. The government indirectly purchased dollars through state-owned banks and enterprises to mitigate pressure on the won to appreciate.

Exchange Rates	96	97	98				99						
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	8	9	10	11
₩ / \$	844.20	1,415.20	1,378.80	1,385.20	1,373.60	1,204.00	1,191.40	1,157.60	1,204.00	1,184.60	1,216.40	1,200.00	1,159.20
¥ / \$	116.00	130.57	133.22	138.93	136.66	115.02	118.22	133.22	114.00	109.55	106.31	104.14	102.10

Stock Market



With subsiding market fears and improved overseas ratings, the Korean stock market came back to life and soared past the psychologically significant 1,000-point barrier once again in mid-November. Foreign investors turned to heavy purchasing; their net buying is expected to be record high since 1992 when they were first allowed to invest in the Seoul bourse.

Stock Market	96	97	98				99						
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	8	9	10	11
Composite Stock Price Index (end)	651.22	376.31	481.04	297.88	310.32	562.46	572.30	769.30	943.79	937.88	836.18	833.51	996.66
Traded Volume (Avg, ten thousands)	2,657.1	4,152.5	8,394.4	5,704.2	7,728.4	24,846.4	14,922.3	26,983.4	317,163	26,548.4	23,142.7	31,310.1	33,899.8