

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

The Economy

The real GDP growth rate for 1999 is estimated at 9.9%, while per capita GNI (a measure of consumers' real purchasing power) is expected to reach \$8,500. HRI forecasts continued economic recovery in 2000, and predicts that per capita GNI will climb back to the \$10,000 level.

	1993	1994	1995	1996	1997	1998	1999(E)	2000(E)
GDP Growth Rate (%)	5.5	8.3	8.9	6.8	5.0	-5.8	9.9	7.5
Nominal GDP (US\$ bil)	345.7	402.4	489.4	520.0	476.6	321.3	413.1	465.2
GNI per capita (US\$)	7,811	8,998	10,823	11,380	10,307	6,823	8,500	10,032
Gross Saving Rate	35.2	35.4	35.5	33.8	33.4	33.2	-	-

Industry

January's industrial production rose 28.1% due to revived exports of semiconductors and autos, and a temporary increase in semiconductor production to stock up on inventory. Consumption and investment are continuing to show high growth rates.

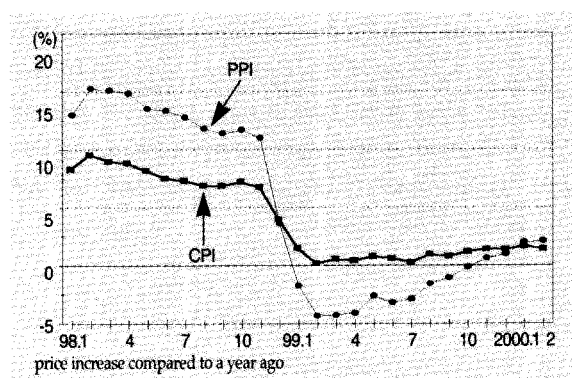
Industrial Indexes (y-o-y, %)	97	98					99					2000	
		Q1	Q2	Q3	Q4	Avg.	Q1	Q2	Q3	Q4	Avg.	12	1
Industrial Production Indexes	4.7	-4.9	-11.4	-9.1	-0.6	-6.5	14.1	24.6	28.5	28.9	24.2	24.6	28.1
Wholesale and Retail Trade Indexes	3.2	-11.2	-16.0	-15.1	-8.3	-12.7	6.9	11.6	17.6	15.7	13.0	14.9	16.6
Domestic Machinery Orders Received	3.3	-38.9	-43.8	-22.2	-10.9	-30.5	16.7	38.7	22.6	13.8	22.6	14.2	17.8
Domestic Construction Orders Received	5.4	-23.4	-53.4	-44.8	-44.9	-42.6	-45.3	27.1	13.4	18.0	0.8	8.9	105.3

Employment

Unemployment increased for the second month in a row, because of seasonal factors including decreased employment in the agriculture, fishery, and the construction sector, as well as job-searching by graduating students. The unemployment rate increased 0.5% from December 1999 to reach 5.3%, and the number of unemployed rose 87 thousand to record about 1.13 million.

	97	98					99					2000
		Q1	Q2	Q3	Q4	Avg.	Q1	Q2	Q3	Q4	Avg.	1
Total Employed (thousand)	21,048	19,710	20,178	19,971	19,846	19,926	19,042	20,301	20,695	20,962	20,281	20,131
Manufacturing Employed (thousand)	4,475	4,081	3,844	3,758	3,852	3,884	3,819	3,922	4,039	4,233	4,006	4,214
Unemployment Rate (%)	2.6	5.7	6.9	7.4	7.4	6.8	8.4	6.6	5.6	4.6	6.3	5.3
Total Number of Unemployed (thousand)	556	1,182	1,485	1,600	1,586	1,463	1,751	1,435	1,220	1,040	1,353	1,127

Prices

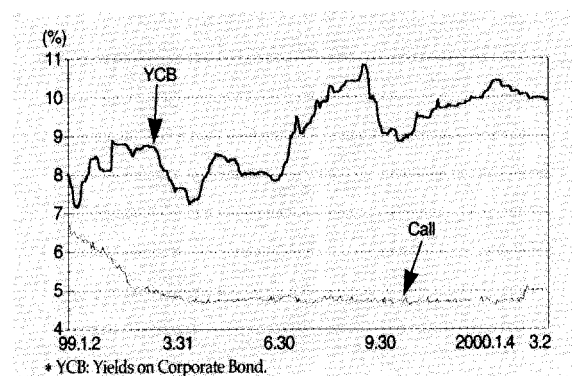


Consumer prices in February rose by 0.3% from January (1.4% increase year-on-year). Despite higher prices of agricultural goods and private and public service charges, the trend of overall price stability is continuing thanks to lower industrial goods prices following the price drop of household appliances.

Prices*(%)	96	97	98				99				2000			
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	10	11	12	1	2
Consumer Prices (%)	4.9	4.5	9.0	8.2	7.0	6.0	0.7	0.6	0.7	1.2	1.4	1.4	1.6	1.4
Producer Prices (%)	3.2	3.9	14.5	13.9	12.0	8.6	-3.5	-3.3	-1.9	-0.2	0.6	0.9	2.0	2.1

* Percentage change over a year ago

Interest Rates

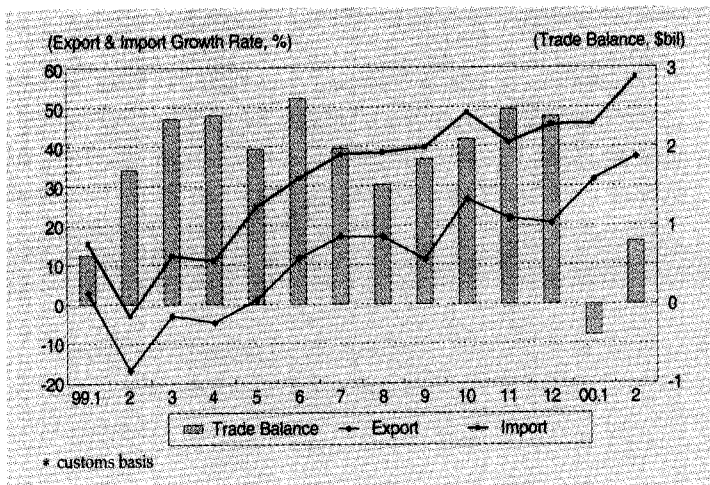


Interest rates have been stable due to the improved circulation of funds following the BOK's increase of call rates, and the ample liquidity of financial institutions. With a positive market opinion on the government's low interest rate and bond market activation policies, the interest rate is forecast to fall slightly.

Domestic Interest Rates* (%)	97	98				99				2000	
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	1	2
Call Rate (overnight)	35.0	22.1	14.3	7.09	6.53	4.88	4.85	4.67	4.84	4.75	5.03
Yield on CP (91 days)	35.0	22.2	16.3	10.50	7.90	6.90	6.40	7.54	7.85	7.46	7.33
Yield on Corporate Bonds (3 years)	29.0	18.3	16.0	11.90	8.00	8.10	7.96	9.23	9.95	10.12	9.90

* Percentage change over a year ago

Trade



In February, imports showed explosive growth of 57.5% year-on-year because of increased demand for raw materials and capital goods following the economic recovery and favorable export conditions. Fears of a trade deficit continuing into February were relieved by a 37.3% growth in exports, and the trade balance recorded \$0.8 billion.

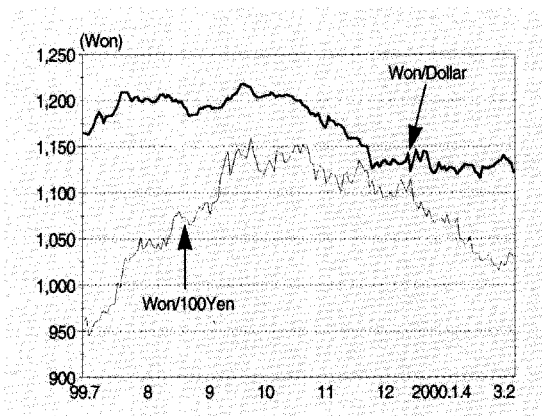
External Transaction (US\$ bil)	97	98	99				2000		
			Q1	Q2	Q3	Q4	year	Jan	Feb
Export	136.2	132.3	30.3	35.7	35.1	42.6	143.6	12.2	12.8
Imports (CIF)	144.6	93.3	25.6	28.8	29.8	35.7	119.8	12.6	12.0
Current Account	-8.2	39.0	4.7	7.0	5.3	6.9	23.9	-0.4	8.0
Goods	-8.2	40.6	6.2	6.4	6.7	5.7	25.0	-	-
Services	-3.2	41.6	6.8	8.0	6.9	7.1	28.7	-	-
Income	-3.2	0.6	-0.2	-0.5	0.0	-0.2	-1.0	-	-
Current Transfer	-2.5	-5.0	-0.9	-1.5	-0.7	-1.5	-4.7	-	-
FX Reserves*	8.9	48.5	54.5	60.4	65.5	74.1	74.1	76.8	79.7

* end of period

External Liabilities* (US\$ bil)	97	98	99					
			Q1	Q2	Q3	Oct	Nov	Dec
Long-term	95.7	118.0	113.7	109.3	106.0	98.4	97.7	98.3
Short-term	63.6	30.7	31.9	32.1	35.0	37.7	38.0	38.4
Total	159.2	148.7	145.5	141.4	140.9	136.1	135.7	136.4

* end of period

Exchange Rates

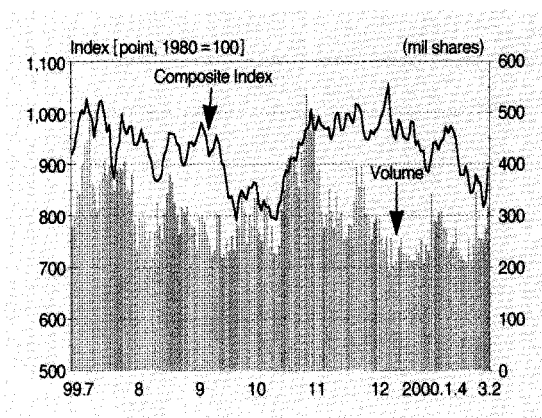


The won/dollar rate rose to a high of 1,136 because of the yen's fall to 111 yen per dollar, and the continuing trade deficit. In early March, with the yen's rise to 107 yen/dollar and the mass inflow of foreign investment in stocks, the won/dollar rate fell to 1,120.

Exchange Rates	97	98				99				2000	
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	1	2
₩ / \$	1,415.20	1,378.80	1,385.20	1,373.60	1,204.00	1,191.40	1,157.60	1,204.00	1,138.00	1,123.20	1,131.0
¥ / \$	130.57	133.22	138.93	136.66	115.02	118.22	133.22	114.00	102.23	106.90	110.18

* end of period

Stock Market



The KOSPI showed slight increases following the government's stock market revival measures and the recovery of the Dow. In early March, the index recovered to 890 due to favorable conditions such as an increase in semiconductor prices and aggressive buying by foreign investors. The index is forecast to rise with the bullish Dow and NASDAQ indexes, as well as the optimism of market participants.

Stock Market	97	98				99				2000	
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	1	2
Composite Stock Price Index (end)	376.31	481.04	297.88	310.32	562.46	572.30	769.30	943.79	1,028.07	942.88	828.38
Traded Volume (Avg, ten thousands)	4,152.5	8,394.4	5,704.2	7,728.4	24,846.4	14,922.3	26,983.4	31,716.3	25,975.8	28,943.5	27,572.8

* end of period