

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

The Economy

1999's GDP growth rate reached 10.7% while per capita GNI (a measure of consumers' real purchasing power) is expected to reach \$8,581. HRI forecasts continued economic recovery in 2000, and predicts that per capita GNI will climb back to \$10,000.

	1993	1994	1995	1996	1997	1998	1999(E)	2000(E)
GDP Growth Rate (%)	5.5	8.3	8.9	6.8	5.0	-6.7	10.7	8.2
Nominal GDP (US\$ bil)	345.7	402.4	489.4	520.0	476.6	317.7	406.7	471.2
GNI per capita (US\$)	7,811	8,998	10,823	11,380	10,307	6,742	8,581	10,082
Gross Saving Rate	35.2	35.4	35.5	33.8	33.4	34.0	33.7	-

Industry

In February, industrial production rose 25.4% thanks to increased semiconductor and automobile production, and machinery production for facility investment. Consumption and investment are continuing to show high growth rates.

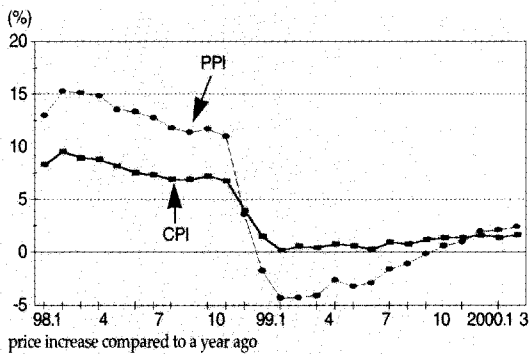
Industrial Indexes (y-o-y, %)	97	98					99					2000		
		Q1	Q2	Q3	Q4	Avg.	Q1	Q2	Q3	Q4	Avg.	12	1	2
Industrial Production Indexes	4.7	-4.9	-11.4	-9.1	-0.6	-6.5	14.1	24.6	28.5	28.9	24.2	24.6	28.0	25.4
Wholesale and Retail Trade Indexes	3.2	-11.2	-16.0	-15.1	-8.3	-12.7	6.9	11.6	17.6	15.7	13.0	14.9	16.6	13.3
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	19.8
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	74.5

Employment

The number of unemployed, which had been increasing due to seasonal factors after December 1999, showed a decrease in 2000. This is due to hiring in the IT industry and related industries following the economic recovery.

	97	98					99					2000	
		Q1	Q2	Q3	Q4	Avg.	Q1	Q2	Q3	Q4	Avg.	1	2
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	20,149
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	4,182
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	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	1,121

Prices

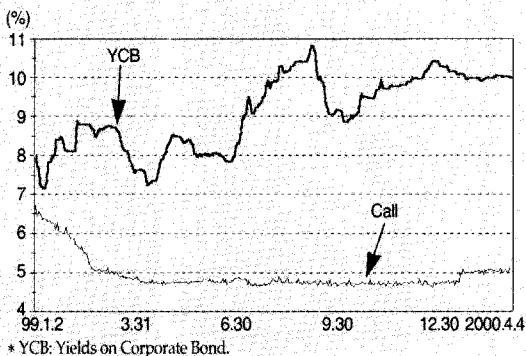


Consumer prices in March rose 0.3% from February - a 1.6% increase year-on-year. Despite higher private and public service charges following an increase in tuition rates, the trend of overall price stability is continuing thanks to lower agricultural prices.

Prices*(%)	96	97	98				99				2000		
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	1	2	3
Consumer Prices (%)	4.9	4.5	9.0	8.2	7.0	6.0	0.7	0.6	0.7	1.3	1.6	1.4	1.6
Producer Prices (%)	3.2	3.9	14.5	13.9	12.0	8.6	-3.5	-3.3	-1.9	0.4	2.0	2.1	2.4

* Percentage change over a year ago

Interest Rates



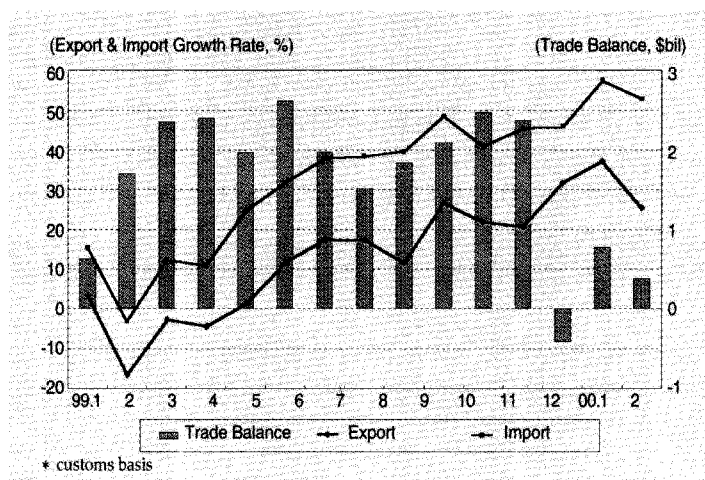
* YCB: Yields on Corporate Bond.

Interest rates have been stable due to a low interest rate policy and bond market activation efforts by the government, as well as healthy liquidity of financial institutions. With a positive market opinion on the over-expansion of the economy and less anxiety about economic overheating, the interest rate is expected to fall slightly.

Domestic Interest Rates* (%)	97	98				99				2000		
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	1	2	3
Call Rate (overnight)	35.0	22.1	14.3	7.09	6.53	4.88	4.85	4.67	4.84	4.75	5.02	4.90
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	7.28
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	9.98

* End of period

Trade



Heightened demand for raw materials and capital goods following the economic recovery and strong exports led February's imports to grow by 57.5% from the previous year. Concerns about the trade deficit continuing into February were eased by 37.3% export growth which led to a trade surplus of \$0.8 billion for the month.

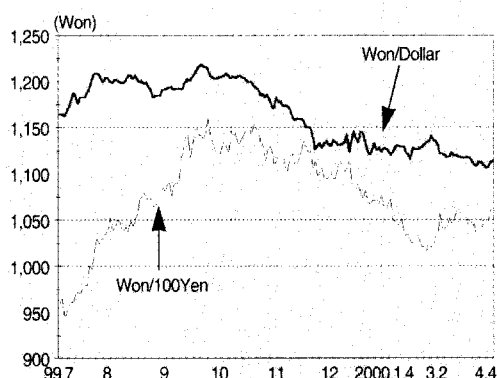
External Transaction (US\$ bil)	97	98	99	2000		
				Jan	Feb	Mar
Export	136.2	132.3	143.6	12.2	12.8	14.6
Imports (CIF)	144.6	93.3	119.8	12.6	12.0	14.2
Current Account	-8.2	40.6	25.0	0.3	0.8	-
Goods	-3.2	41.6	28.7	0.6	0.7	-
Services	-3.2	6.3	-1.0	-0.3	-0.1	-
Income	-2.5	-5.0	-4.7	-0.1	0.0	-
Current Transfer	0.7	3.4	2.0	0.1	0.1	-
FX Reserves*	8.9	48.5	74.1	76.8	79.7	83.6

* end of period

External Liabilities* (US\$ bil)	97	98	99				99
			Q1	Q2	Q3	Q4	Jan
Long Term	95.7	118.0	113.7	109.3	106.0	98.3	96.9
Short Term	63.6	30.7	31.9	32.1	35.0	38.4	39.9
Total	159.2	148.7	145.5	141.4	140.9	136.4	136.8

* end of period

Exchange Rates

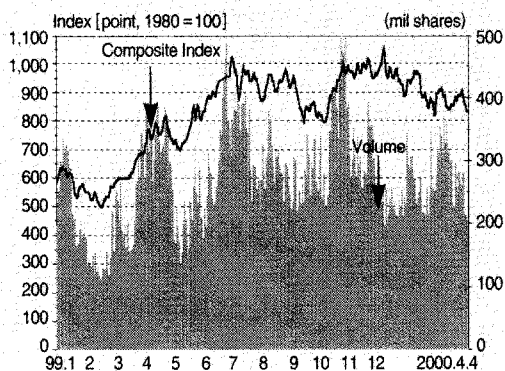


Despite government intervention in the foreign exchange market, the won/dollar rate rose to 1,107, a level unprecedented since the financial crisis. This was due to the massive \$2.5 billion inflow of foreign capital into the stock market.

Exchange Rates	97	98				99				2000		
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	1	2	3
₩ / \$	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	1,107.4
¥ / \$	130.57	133.22	138.93	136.66	115.02	118.22	133.22	114.00	102.23	106.90	110.18	105.55

* end of period

Stock Market



The Kospi showed slight increases following unprecedented buying by foreign investors and the recovery of the Dow Jones index. The index recovered to 890 several times in early March due to favorable conditions such as higher semiconductor prices and buying by foreigners. The index is forecast to rise with the optimism of market participants.

Stock Market	97	98				99				2000		
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	1	2	3
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	860.94
Traded Volume (Avg, ten thousands)	4,152.5	8,394.4	5,704.2	7,728.4	9,771	14,922.3	26,983.4	31,716.3	27,879	28,943.5	25,723	21,473

* end of period