

* 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 March, while industrial production logged a 17.6% increase on the strength of continued growth in semiconductor and automobile production, the rate of growth slowed from the previous month. Investment and consumption have also suffered slowdowns compared to the previous month.

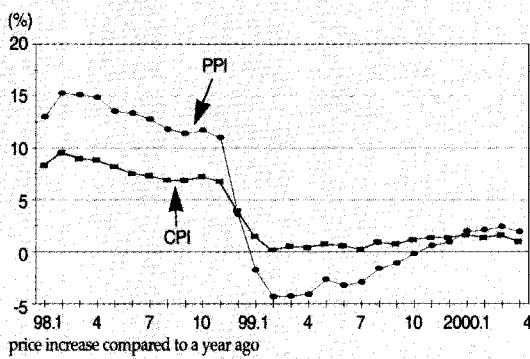
Industrial Indexes (y-o-y, %)	97	98					99					2000			
		Q1	Q2	Q3	Q4	Avg.	Q1	Q2	Q3	Q4	Avg.	12	1	2	3
Industrial Production Indexes	4.7	-4.9	-11.4	-9.1	-0.6	-6.5	14.1	24.6	28.5	28.9	24.2	24.6	28.0	25.4	17.6
Wholesale and Retail Trade Indexes	3.2	-11.2	-16.0	-15.1	-8.3	-12.7	6.9	11.6	17.6	15.7	13.0	14.9	16.6	13.9	12.8
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	17.5
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	55.7

Employment

With the start of the farming season and continued upswing in the construction industry, the unemployment rate fell back to 4%. The number of unemployed persons also dwindled to slightly above 1 million.

	97	98					99					2000		
		Q1	Q2	Q3	Q4	Avg.	Q1	Q2	Q3	Q4	Avg.	1	2	3
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	20,660
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	4,221
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	4.7
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	1,028

Prices

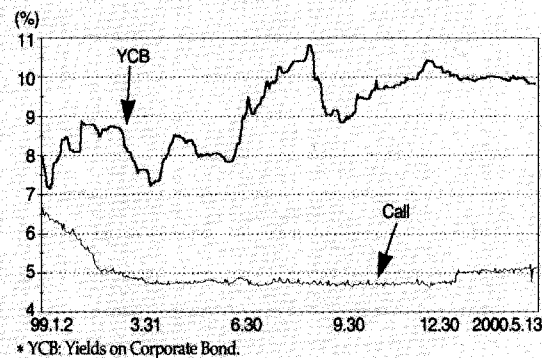


Consumer prices in April dropped 0.3% from March - a 1.6% increase year-on-year. Despite higher private and public service charges following a hike in medical fees, the trend of overall price stability is continuing thanks to lower agricultural prices arising from an increase in production and decline in meat consumption.

Prices*(%)	96	97	98				99				2000			
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	1	2	3	4
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	1.0
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	1.9

* Percentage change over a year ago

Interest Rates

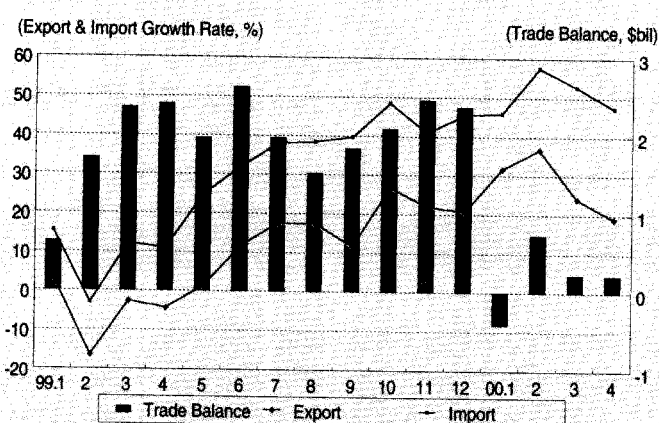


Despite concerns about the second stage of financial sector restructuring as well the associated difficulties in procuring the necessary public funds, domestic interest rates fell only slightly from the preceding month. Although market demand contracted with the Bank of Korea's suggestion of a rate hike and rumors of financial market turmoil, sentiment recovered following the Bank of Korea's denial of a rate increase and the announcement of possible government intervention.

Domestic Interest Rates* (%)	97	98				99				2000			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	1	2	3	4
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	5.01
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	7.37
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	9.94

* End of period

Trade



* customs basis

While exports showed a recovery, April's imports rose 37.4% year on year because of greater demand for raw materials and capital goods, resulting in a trade surplus of only \$0.2 billion. With the cumulative trade surplus at \$0.8 billion for the first four months of 2000, it is unlikely that the government will reach its trade surplus target of \$12 billion for the year.

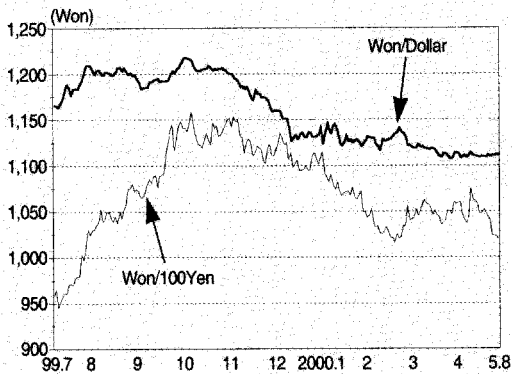
External Transaction (US\$ bil)	97	98	99	2000			
				Jan	Feb	Mar	Apr
Export	136.2	132.3	143.6	12.2	12.8	14.4	13.6
Imports (CIF)	144.6	93.3	119.8	12.6	12.0	14.2	13.4
Current Account	-8.2	40.6	25.0	0.3	0.8	0.2	-
Goods	-3.2	41.6	28.7	0.6	0.7	1.0	-
Services	-3.2	6.3	-1.0	-0.3	-0.1	-0.4	-
Income	-2.5	-5.0	-4.7	-0.1	0.0	-0.4	-
Current Transfer	0.7	3.4	2.0	0.1	0.1	0.0	-
FX Reserves*	8.9	48.5	74.1	76.8	79.7	83.6	84.6

* end of period

External Liabilities* (US\$ bil)	97	98	99	2000		
				Jan	Feb	Mar
Long Term	95.7	118.0	98.3	96.9	97.7	99.8
Short Term	63.6	30.7	38.4	39.9	41.2	43.4
Total	159.2	148.7	136.4	136.8	138.9	143.2

* end of period

Exchange Rates

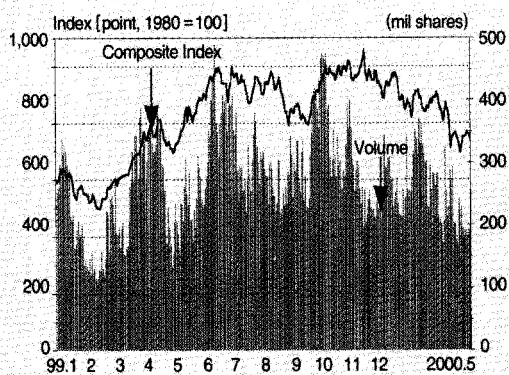


The won/dollar rate rose this month with large scale equity selling by foreigners near the end of the month. The won/dollar rate was 1.7 won higher than March's figure, because of the weakening yen in foreign markets, the narrowed trade surplus and resulting diminished dollar supply, and the outflow of foreign investment funds due to instability in the domestic financial market.

Exchange Rates	98				99				2000			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	1	2	3	4
₩ / \$	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	1,109.1
¥ / \$	133.22	138.93	136.66	115.02	118.22	133.22	114.00	102.23	106.90	110.18	105.55	106.43

* end of period

Stock Market



The domestic bourse suffered major shocks in a month of mass selling by foreigners as well as market uncertainty due to lack of buying by institutional investors such as invest trust companies. Rumors of the financial market quagmire added anxiety to already shaky investor sentiment, bringing foreign investors to sell shares en masse and at one point causing the KOSPI to fall below the 700 barrier. However, the 700 level was reclaimed with the recovery of the NASDAQ and a return of foreign buying.

Stock Market	98				99				2000			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	1	2	3	4
Composite Stock Price Index (end)	481.04	297.88	310.32	562.46	572.30	769.30	943.79	1,028.07	942.88	828.38	860.94	725.39
Traded Volume (Avg, ten thousands)	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	22,815

* end of period