

## LETTER FROM THE EDITOR

March in Korea is a pathway to a more beautiful season. When the snow and ice melt from the rough mountains and deep valleys, the chilly atmosphere is bound to disappear in one or two weeks, and a colorful vision will capture your gaze. Golden bells, azaleas, and cherry blossoms sneak into this land's snapshots. This month has always been a time when flowers, plants, and migrant birds herald the changing seasons. March in Korea is also a windy season. These days, however, something turbid is coming on the wind to taint the convalescent nature of the time. In recent years, the Korean atmosphere in spring time has been plagued by yellow dust. This sand dust that originated from the Mongolian and Manchurian deserts, is riding a jetstream to attack the Korean peninsula. Many experts are concerned that besides the inconveniences caused by the yellow dust, it may also carry pollutive elements or contagious germs.

Obviously, spring seems to have arrived into the Korean economy as well, as can be seen in the bullish bourse and recovering real economy. March however, is a time of unexpected winds, especially those which easily change their direction. Some economists started a debate over the current economic conditions, expressing worry about the overheated recovery path of the economy. However, many indicators show that a recovery or even hints of overheating are very much confined to limited areas of the economy. While stock market conditions are favorable, the market mostly rose early this year and is now fluctuating repeatedly. In addition, because prospects for the real economy are better than in other countries, a bullish market is natural and there is no need to worry about a bubble. The active real estate market in local areas can be attributed mostly to non-economic factors such as school districts, and government measures apparently have been successful in soothing potential real estate price hikes around the Seoul metropolitan area. At this point, efforts to increase exports (which have shown minus growth for 13 consecutive months), and to boost corporate sentiment for investment are more appropriate than worrying about an overheating economy. If the economy improves remarkably over the next few months, it is always possible to fine tune the economy's upward pace.

This month's VIP Millennium Report examines the longer term issues facing the Korean economy rather than immediate economic conditions.

The first article comprehensively deals with tasks for the Korean economy's mid- to long term growth. The second article takes a microcosmic view into the sub-sections of IT industries, which have been recognized as a new source of growth, and examines the varying levels of dynamism for each. The third article presents this year's forecasts for various industries. Looking at this article, one would see that worries about an economic bubble are largely groundless.

March in the Korean economy is a month of recovery as well as uncertainty. Sometimes, one's view is blocked by yellow dust, making it difficult to forecast the coming season. Who knows, however, what happens once the dust disappears from the air. Then the editorial board of this magazine may well expect warmer and greener months ahead. **VIP**