

Remarks At a New Year ' s Gathering Hosted by the Korea Chamber of Commerce and Industry

I hope the New Year finds you all well, and I wish you happiness throughout the year.

First of all, congratulations on the start of the New Year. To be sure, there have been few occasions when it is so difficult for me to find appropriate words of greetings than today. At any rate, I would first like to congratulate you on a job well done our exports have surpassed US\$259 billion. The initial outlook early in the year was for an increase of little more than 10 percent, but the increase in exports surpassed 30 percent. This is the result of the efforts exerted by all parties concerned, including corporations, businesspeople and workers. As we ponder where the economy might have drifted in the absence of such a good export performance considering the low domestic demand and other undesirable conditions, we feel quite relieved. I am truly grateful to you who endeavored hard to boost exports as well as workers and citizens. And I congratulate you.

Foreign investments slightly surpassed US\$12.7 billion last year. This figure is about twice the amount invested in the previous year, although it is less than the amount for 1999. I believe it is especially significant because foreign investments last year were attracted by good prospects while, in 1999, they were attracted by cheap prices. In this sense, we can well surmise that foreign investors might entertain bright prospect about the Korean economy. It represents a bright signal for the future of the economy. I thus congratulate you.

Once again, let me say that I am grateful to the businesspeople and other citizens who exerted efforts to make such an evaluation possible. In my overseas travels, I realized the strength of Korean products. I salute all citizens for endeavoring hard to make that possible.

I am aware that President Park Yong-Sung of the Korea Chamber of Commerce and Industry has been named President of the International Chamber of Commerce. This is a personal honor and cause for wholehearted congratulations for the Korea Chamber of Commerce and Industry. As a Korean, I am very pleased and congratulate you.

I have touched on the good things. Some people may be inclined to think that congratulations are in order while others may see things in another way. Even among businesses in the same trade, there are differences. For instance, most companies listed on Korea Stock Exchange and over-the-counter KOSDAQ are enjoying record-high profits and, armed with a solid financial structure and a measure of self-confidence, are poised to do business aggressively, even if the outlook isn't so bright. Large companies are apparently gearing up to be models for the sake of the national economy. That is very heartening. Perhaps, all Koreans will be pleased and grateful. Anyway, the companies listed on the stock market are enjoying leeway enabling them to face the challenges ahead.

However, countless small and medium-size businesses will be much rattled by fluctuating foreign exchange rates. They are also plagued by environmental constraints and some longstanding problems in manpower, capital, the market and financing. The fluctuating foreign exchange rate makes matters even worse. Numerous irregular workers have been working hard under disadvantageous conditions and poor treatment. Korea has the highest rate of self-employed persons in the world. They are now undergoing an indescribably difficult time due to the business slowdown.

In a bid to deal with such short-term problems, the Government will disburse its budget during the first half of the year. There are pros and cons about fiscal investment planning. But the Government will see to it that the nation's potential growth rate will rise by about 1 or 2 percent by implementing the investment plans earlier than scheduled. The Government will provide fullest possible support. There is much concern about the sagging construction business, but the matter will be handled in a stable manner, precluding any shock to the economy. The best possible environment for business activities will be guaranteed. You have said much about labor-management relations and about the reform of regulations. Do you agree that labor-management relations improved a little bit last year?

It will take time to ease regulations. But I will see to it that you can see substantial difference by the end of this year. The goal for this year is for small and medium-size businesses to see some light.

I will help people venture into the small and medium-size business area. We have been contemplating a policy that will help strengthen small and medium-size companies so they can run alongside large companies in a marathon. From this year such a policy will be put into force. I am not sure if the result will be forthcoming in one or two years. But I will do my part to see good results. People want me to pay more attention to the economy. I have appointed an economics major as personal secretary to check on economic affairs constantly. Next door is the presidential advisor for economic policy. In the Administration, there is a deputy prime minister in charge of economic affairs. Not being fully assured, we have created a national economic advisory council and even relevant subcommittees have been organized. They are steadily checking and evaluating all economic signs so that they can sound an alarm whenever necessary.

I am going to manage any crisis without bypassing the underlying causes. While managing the fundamentals, I will also be thoroughly prepared to see how to make the economy an advanced one. You are advised not to be overly concerned. The Government will do its best, employing all possible means to keep conditions from deteriorating, such as any sharp turn in prices, wages, labor-management relations and foreign exchange rates. In recent decades, the economy has been reaping high growth unheard of in world history. The pace is now slowing somehow, and everyone is concerned. The speed of growth, however, is expected to gain steam in the future. The slightly slowing pace might well be considered a normal phenomenon, although this issue warrants much discussion. Looking at the substance of our economy, however, I draw the conclusion that the Korean economy has come close to the doorstep of advanced economies.

Two years ago, I started my term of office with apprehension and uneasiness, and indeed, I have had a number of difficulties and personal trials. In the process, I learned a definitive thing of importance. And that is that, the economy and country as a whole is entering a mature, advanced stage. In fact, I can tell you with confidence that we are at the very doorstep of it. I cannot expound on all the details today because I have run out of the time given to me. I hope I will be able to delve into them on another occasion.

However, I would like to point out that we still have some important conditions we have to meet before entering the next stage. If we want to enter the elevated stage economically and otherwise, these conditions have to be fulfilled. My Administration will concentrate on sorting them out and fulfilling them. In this way, we will have prepared a framework in which we will be able to build an advanced economy and an advanced country. If things go as we envisage, the country will be able to achieve that goal in the last year of my term or in the first year of my successor's. In effect, I will pass to my successor the ignition key that will drive a leading economy named ROK instead of just an average economy.

All this will be possible thanks to you. I will never be able to do it alone. The Korean people will do it. Particularly, businesspeople and workers will do it. One important thing that the Government can do in this process is to make your achievements official and institutionalize them. The Government will do it, and this is my promise. When the economy is advanced, everything else—the Government, social systems, the people's perspectives—should follow its lead as well. In enhancing social systems, the role of the Government is crucial. The Government will do utmost to improve the social systems, constantly fostering its own potential. To do this effectively, I need your support.

I am sorry for talking too much about general affairs that seem to mainly concern the Government rather than business, but the promises I am making today should effectively benefit the business community as well. I have confidence and fresh aspirations for the New Year, and I certainly hope that you entrepreneurs and all the Korean people who are supportive of your enterprises will share this unwavering confidence in ourselves.

Thank you.