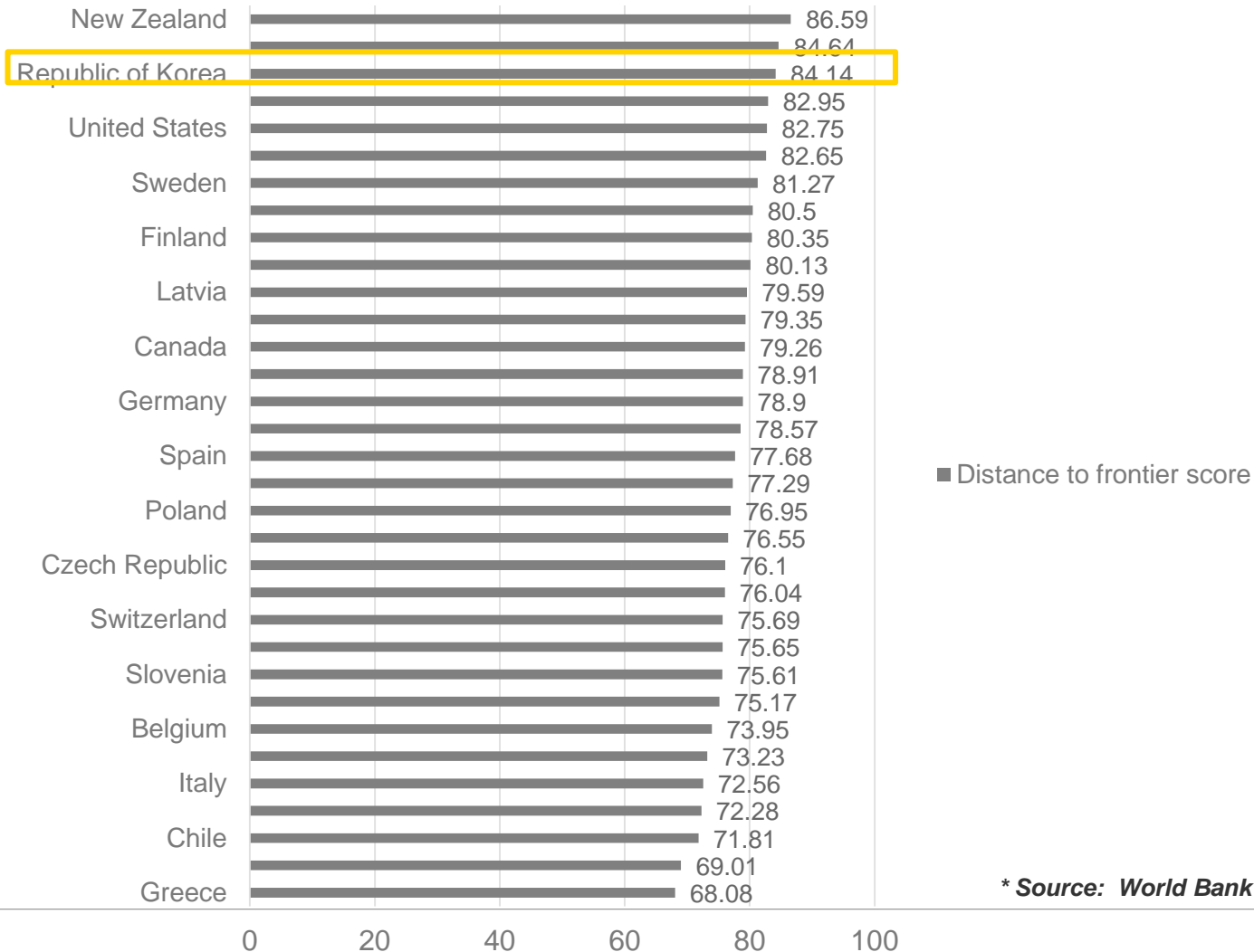


# Macroeconomic Indicators

## 1.1 Business Environment

### (1) Rank on the Ease of Doing Business in OECD High Income Economies

- Korea is No. 3 on the ease of doing business in OECD high income economies.



\* Source: World Bank Group, Doing Business (2019)

## 1.1 Business Environment

### (1) Rank on the Ease of Doing Business in OECD High Income Economies

➤ Korea has comparative advantages in getting electricity and enforcing contracts.

*Distance to frontier score*

No.	Criteria	New Zealand	Denmark	Republic of Korea	Norway	United States	UK	Sweden
1	Starting a Business	99.98	92.52	95.83	94.31	91.23	94.58	94.69
2	Dealing with Construction Permits	86.4	86.94	84.43	78.86	77.88	80.29	77.97
3	Getting Electricity	83.98	90.22	99.89	90.58	82.15	96.45	96.21
4	Registering Property	94.89	89.88	76.34	87.26	76.87	75.34	90.11
5	Getting Credit	100	70	65	55	95	75	55
6	Protecting Minority Investors	81.67	66.67	73.33	75	64.67	75	68.33
7	Paying Taxes	91.08	91.14	86.91	84.84	84.14	87.14	85.28
8	Trading across Borders	84.63	100	92.52	96.97	92.01	93.76	98.04
9	Enforcing Contracts	71.48	73.92	84.15	81.27	72.61	68.69	67.61
10	Resolving Insolvency	71.81	85.13	83.01	85.44	90.91	80.27	79.46

\* Source: World Bank Group, Doing Business (2019)

## 1.2 Sovereign Credit Rating

### (1) Korea's sovereign credit rating

- Moody's gave Korea "Aa2" which means that the country has "strong" and "resilient" fiscal fundamentals.
- Three major credit rating agencies rated Korea as below:

	Moody's		S&P		Fitch	
	Rating	Outlook	Rating	Outlook	Rating	Outlook
Korea	Aa2 15/12/18	Stable 15/12/18	AA 16/08/07	Stable 15/09/15	AA- 12/09/06	Stable 12/09/06

Sortable Table Key	Moody's	Fitch	S&P
Highest grade credit	Aaa	AAA	AAA
Very high grade credit	Aa1, Aa2, Aa3	AA+, AA, AA-	AA+, AA, AA-
High grade credit	A1, A2, A3	A+, A, A-	A+, A, A-
Good credit grade	Baa1, Baa2, Baa3, Baa4	BBB+, BBB, BBB-	BBB+, BBB, BBB-
Speculative grade credit	Ba1, Ba2, Ba3	BB+, BB, BB-	BB+, BB, BB-
Very speculative credit	B1, B2, B3	B+, B, B-	B+, B, B-
Substantial risks - In default	Caa1, Caa2, Caa3, Ca	CCC, CC, C, RD, D	CCC+, CCC, CCC-, CC, C, D

Likely to move over in one or two-year period. An outlook may be rated as positive, stable, or negative.

- Source: Korea Center for International Finance
- Wall Street Journal for Sortable Table Key

## 1.3 Major Economic Indicators

# (1) Gross Domestic Product and Economic Growth Rate

➤ Korea's GDP was at 448,098.60 billion won (Approximately \$448.10 billion) in 4Q, 2018.

### GDP and Economic Growth Rate (Quarterly)

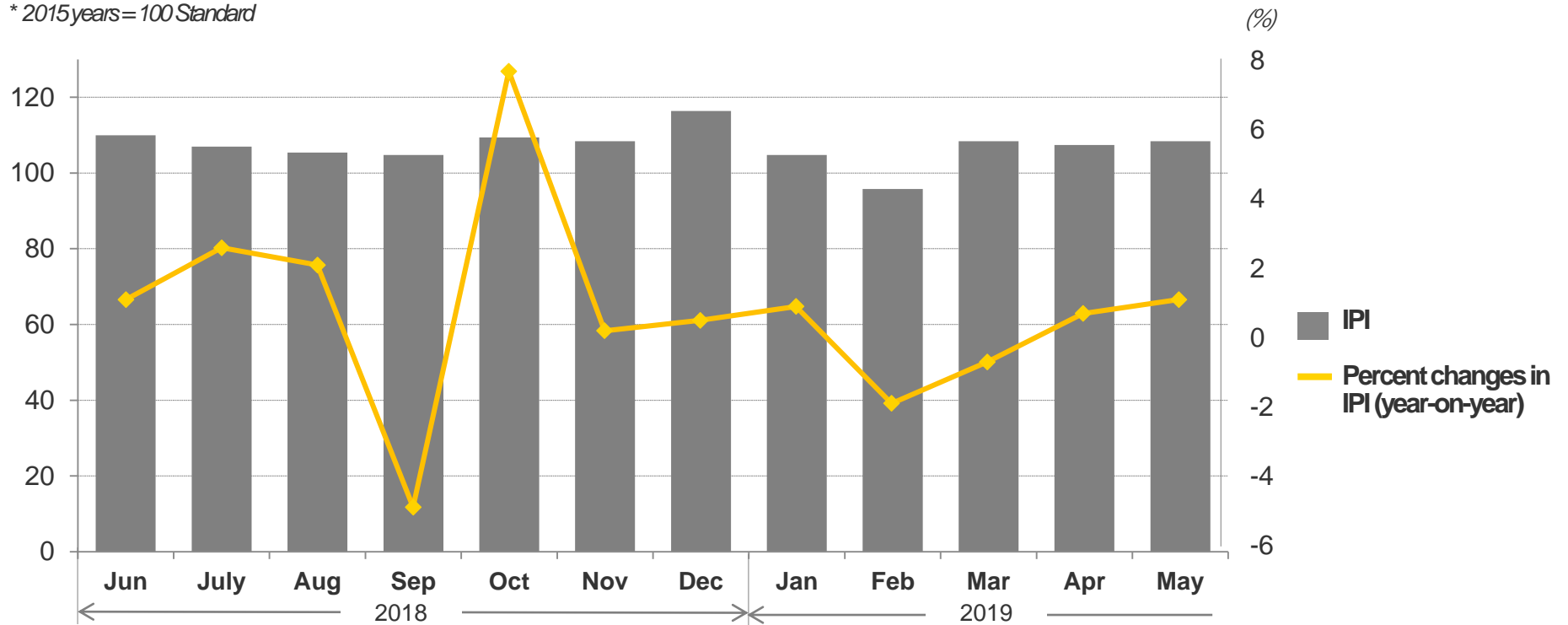


# 1.3 Major Economic Indicators

## (2) Industrial Production Index (IPI)

**Industrial Production Index (excluded Agriculture, Forestry, and Fishery)**

\* 2015 years=100 Standard



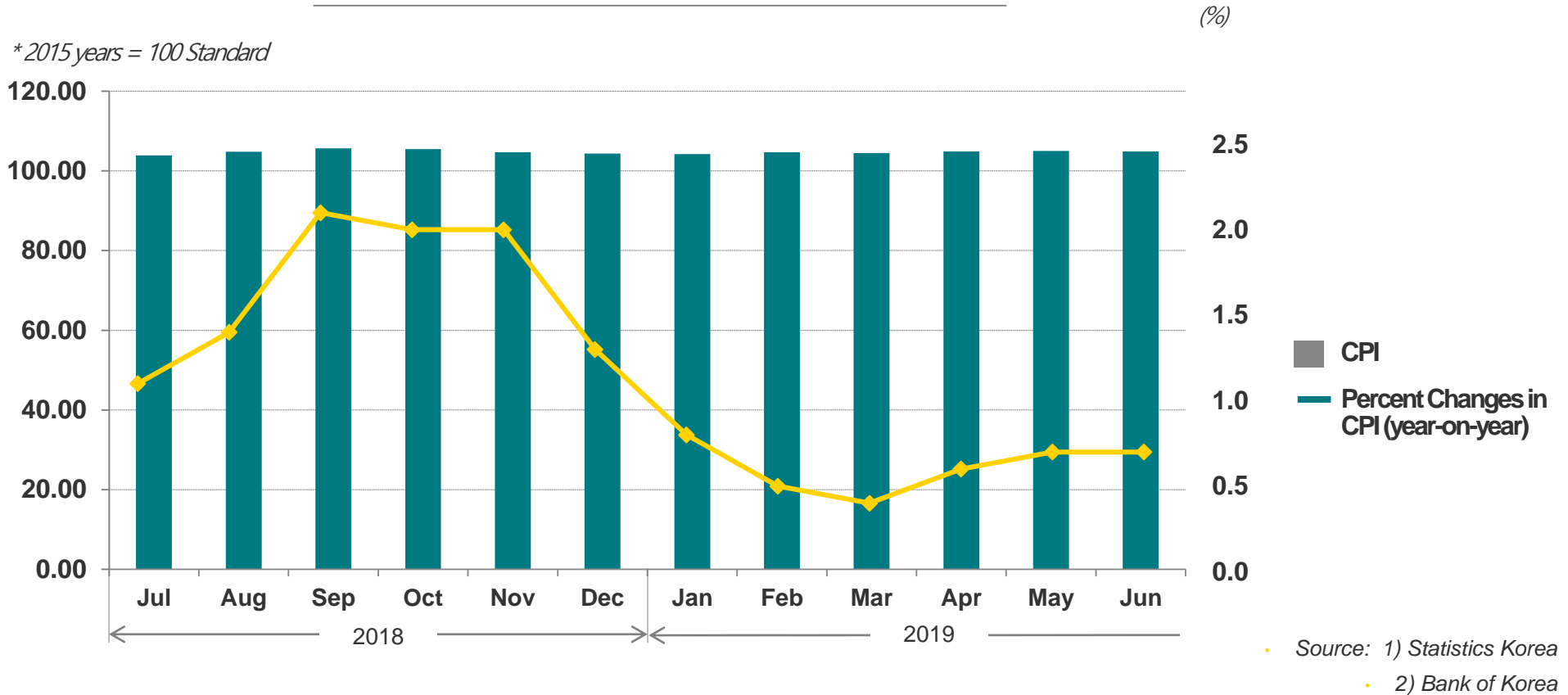
Source: 1) Statistics Korea  
2) Bank of Korea

# 1.3 Major Economic Indicators

## (3) Consumer Price Index(CPI)

➤ CPI in South Korea were 0.7% year-on-year to 104.88 in Jun, 2019.

**CPI and Percent changes in CPI (year-on-year)**

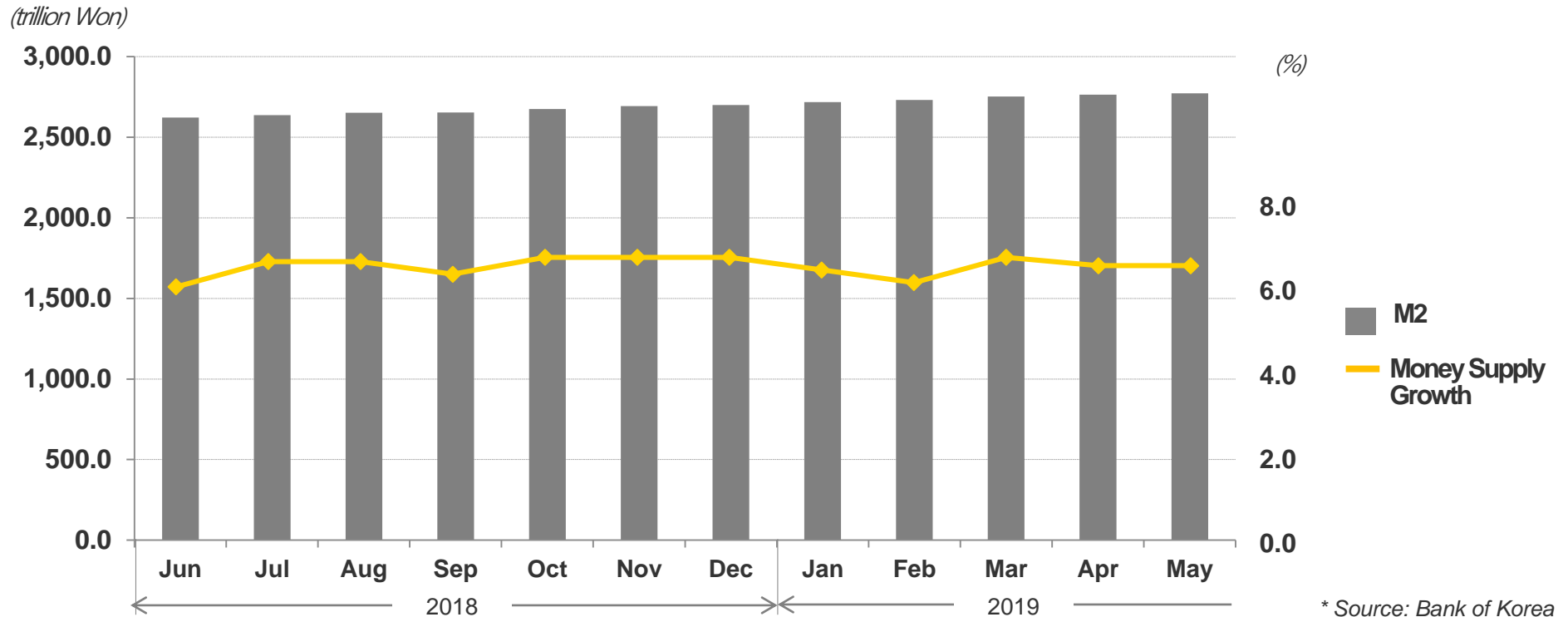


# 1.3 Major Economic Index

## (4) Money Supply Growth (M2)

➤ The M2 were 6.6% year-on-year to 2,771.6 trillion won (US\$2.8 trillion) in May, 2019

**Money Supply Growth (M2(Averaged balance) variations)**





## 1.3 Major Economic Index (5) FX Volatility

- US Dollar to South Korean Won Exchange Rate is 1,173.58 on average in Jun. 2019.
- Japanese Yen to South Korea Won Exchange Rate is 1086.43 on average in Jun. 2019.

FX Volatility Trends

