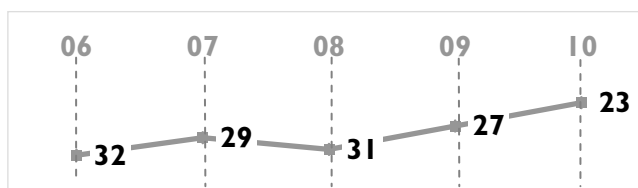


KOREA

OVERALL PERFORMANCE



CHALLENGES IN 2010

- Create more and better jobs.
- Reform education by nurturing creativity, improving public schools and reducing private education expenditures.
- Exit stimulus policies but contain double-dip and inflationary risks.
- Bridge widening income and regional gaps.
- Successfully host the G-20 summit and steer G-20 affairs.

Provided by :

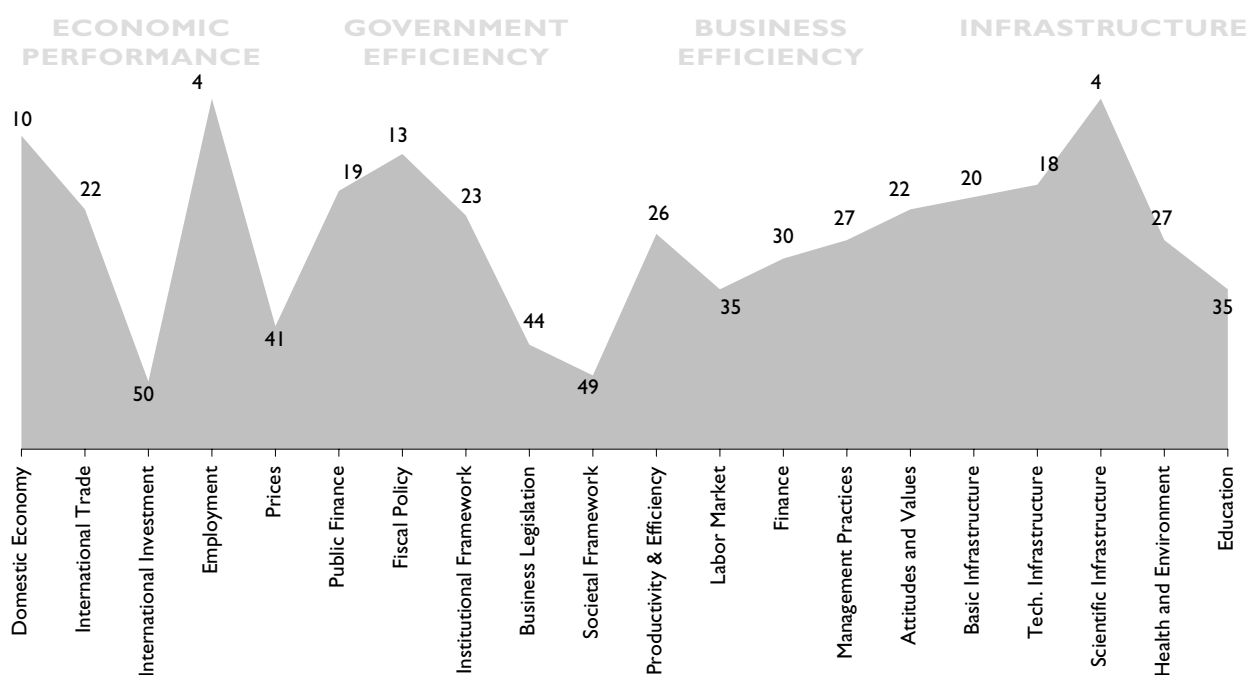
The Samsung Economic Research Institute

BASIC FACTS

Rank

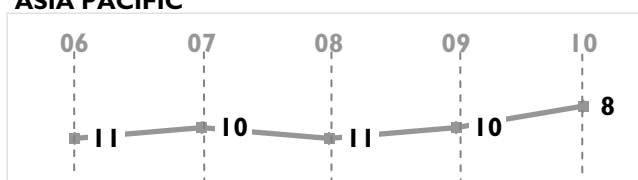
Capital	Seoul	
Land area (km ² '000)	99.7 (2008)	-
Exchange rate (per \$)	1.28 (2009)	-
Population (millions)	48.75 (2009)	17
GDP (\$ billions)	830.5 (2009)	15
GDP (PPP) per capita (\$)	27,634 (2009)	26
Real GDP growth (%)	0.2 (2009)	14
Consumer Price Inflation (%)	2.8 (2009)	37
Unemployment rate (%)	3.6 (2009)	6
Labor force (millions)	24.39 (2009)	16
Current Account Balance (%)	5.1 (2009)	13
Direct Investment		
Stocks Inward (\$ billions)	90.7 (2008)	31
Flows Inward (% of GDP)	0.2 (2009)	52

COMPETITIVENESS LANDSCAPE

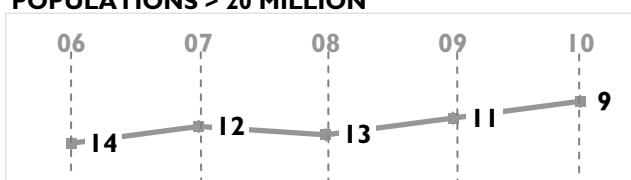


PEER GROUP RANKINGS

ASIA PACIFIC



POPULATIONS > 20 MILLION



The criteria below highlight the 15 biggest Improvements and the 15 biggest Declines in the overall performance of the economy. They are determined by the largest percentage changes in the value of each criterion from one year to the next.

IMPROVEMENTS

		WCY 2009	WCY 2010
1.2.02	Current account balance % of GDP	-0.62	5.14
2.3.09	Adaptability of government policy to changes in the economy is high (Survey)	2.87	5.41
1.2.21	Tourism receipts International tourism receipts as a % of GDP	0.58	1.05
2.1.09	Management of public finances over the next two years is likely to improve (Survey)	2.96	5.10
2.3.10	Government decisions are effectively implemented (Survey)	3.15	5.01
1.1.19	Resilience of the economy to economic cycles is strong (Survey)	3.86	5.55
1.3.04	Direct investment stocks abroad % of GDP	7.13	10.25
2.3.08	The legal and regulatory framework encourages the competitiveness of enterprises (Survey)	2.05	2.95
4.5.07	Student mobility inbound Foreign tertiary-level students per 1000 inhabitants	0.46	0.66
2.4.03	Protectionism does not impair the conduct of your business (Survey)	3.08	4.39
1.5.01	Consumer price inflation Average annual rate	4.7	2.8
2.3.06	Foreign currency reserves US\$ billions	201.22	270.00
2.1.11	Pension funding is adequately addressed for the future (Survey)	2.79	3.70
3.3.08	The risk factor in the financial system is adequately addressed. (Survey)	4.13	5.47
2.3.12	Bureaucracy does not hinder business activity (Survey)	1.96	2.60

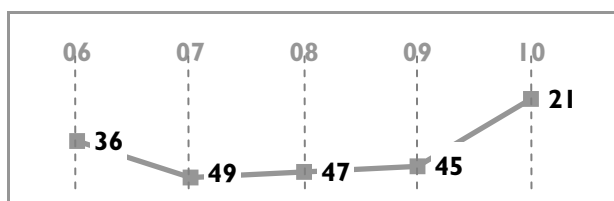
DECLINES

		WCY 2009	WCY 2010
2.1.02	Government budget surplus/deficit % of GDP	1.16	-2.07
1.1.15	Real GDP Growth per capita % change, based on national currency in constant prices	1.98	-0.09
1.4.07	Long-term unemployment % of labor force	0.01	0.02
1.1.14	Real GDP Growth % change, based on national currency in constant prices	2.3	0.2
1.3.05	Direct investment flows inward US\$ billions	3.31	1.51
3.3.11	Stock market capitalization % of GDP	107.08	53.06
1.3.06	Direct investment flows inward % of GDP	0.36	0.18
2.1.07	Central government foreign debt % of GDP	0.71	1.05
1.3.01	Direct investment flows abroad US\$ billions	18.94	10.57
1.3.02	Direct investment flows abroad % of GDP	2.03	1.27
3.3.12	Value traded on stock markets US\$ per capita	40,738	30,160
1.2.11	Exports of commercial services US\$ billions	74.11	55.91
1.3.07	Direct investment stocks inward US\$ billions	119.63	90.69
2.1.04	Total general government debt % of GDP	29.03	33.78
1.2.12	Exports of commercial services % of GDP	7.95	6.73

KOREA



ECONOMIC PERFORMANCE



Sub-Factor Rankings :

2010

Domestic Economy	10
International Trade	22
International Investment	50
Employment	4
Prices	41

Strengths

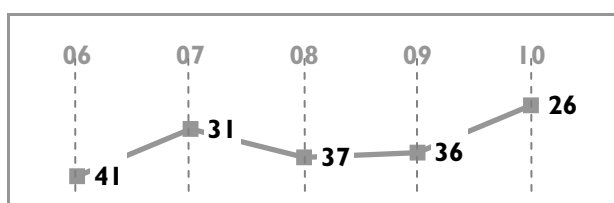
I.4.07	Long-term unemployment	Percentage of labor force	1
I.4.06	Unemployment rate	Percentage of labor force	6
I.1.13	Diversification of the economy	is sufficient (Survey)	8
I.1.15	Real GDP Growth per capita	Percentage change, based on national currency in constant prices	8
I.2.08	Exports of goods	US\$ billions	9

Weaknesses

I.3.08	Direct investment stocks inward	Percentage of GDP	54
I.3.14	Relocation of R&D facilities	is not a threat to the future of your economy (Survey)	53
I.3.17	Portfolio investment liabilities	US\$ billions	53
I.3.06	Direct investment flows inward	Percentage of GDP	52
I.3.16	Portfolio investment assets	US\$ billions	50



GOVERNMENT EFFICIENCY



Sub-Factor Rankings :

2010

Public Finance	19
Fiscal Policy	13
Institutional Framework	23
Business Legislation	44
Societal Framework	49

Strengths

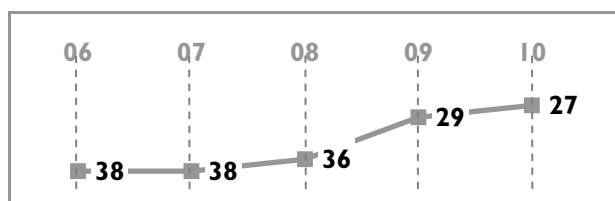
2.4.08	Government subsidies	To private and public companies as a percentage of GDP	3
2.3.06	Foreign currency reserves	US\$ billions	6
2.3.01	Real short-term interest rate	Real discount / bank rate	6
2.5.05	Social cohesion	is a priority for the government (Survey)	8
2.2.09	Consumption tax rate	Standard rate of VAT / GST	11

Weaknesses

2.4.19	Immigration laws	do not prevent your company from employing foreign labor (Survey)	56
2.5.03	Ageing of society	is not a burden for economic development (Survey)	54
2.3.07	Exchange rate stability	Parity change from national currency to SDR, 2009 / 2007	53
2.4.01	Tariff barriers	Tariffs on imports: Most favored nation simple average rate	53
2.4.03	Protectionism	does not impair the conduct of your business (Survey)	49



BUSINESS EFFICIENCY



Sub-Factor Rankings :

2010

Productivity & Efficiency	26
Labor Market	35
Finance	30
Management Practices	27
Attitudes and Values	22

Strengths

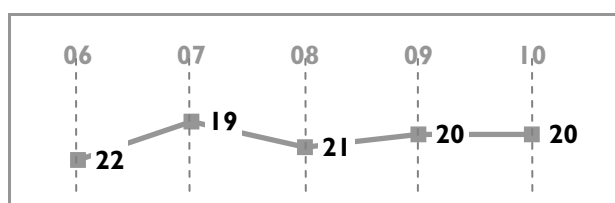
3.2.18	Attracting and retaining talents is a priority in companies (Survey)	1
3.2.05	Working hours Average number of working hours per year	2
3.4.06	Customer satisfaction is emphasized in companies. (Survey)	3
3.2.09	Employee training is a high priority in companies (Survey)	6
3.4.07	Entrepreneurship of managers is widespread in business. (Survey)	8

Weaknesses

3.2.06	Labor relations are generally productive (Survey)	56
3.1.10	Small and medium-size enterprises are efficient by international standards (Survey)	52
3.5.03	The national culture is open to foreign ideas. (Survey)	52
3.4.04	Corporate boards do supervise the management of companies effectively. (Survey)	51
3.2.16	Skilled labor is readily available (Survey)	50



INFRASTRUCTURE



Sub-Factor Rankings :

2010

Basic Infrastructure	20
Technological Infrastructure	18
Scientific Infrastructure	4
Health and Environment	27
Education	35

Strengths

4.3.17	Patent productivity Patents granted to residents / R&D personnel in business ('000s)	1
4.5.06	Higher education achievement Percentage of population that has attained at least tertiary education for persons 25-34	2
4.3.16	Number of patents in force Per 100,000 inhabitants	5
4.3.02	Total expenditure on R&D Percentage of GDP	5
4.3.05	Business expenditure on R&D Percentage of GDP	5

Weaknesses

4.5.04	Pupil-teacher ratio (secondary education) Ratio of students to teaching staff	51
4.5.03	Pupil-teacher ratio (primary education) Ratio of students to teaching staff	51
4.2.15	Qualified engineers are available in your labor market. (Survey)	47
4.5.13	University education meets the needs of a competitive economy. (Survey)	46
4.2.13	Internet bandwidth speed Per internet user (kbps)	44