

APPENDIX

Appendix 1: Statistical data and figures

(1) Statistical data: Korean key economic indicators

Year	GDP (current \$, billion)	GDP per capita (current \$)	Real GDP growth (%)	CPI infla- tion (%)	M2 growth (%)	Current account balance (mil. \$)	Gross savings rate	Gross invest- ment rate	Gini coeff. (market income)
1955	1.4	64.0	5.8				8.2	11.7	
1956	1.4	65.0	0.7				6.5	8.3	
1957	1.7	73.0	9.2				11.9	14.3	
1958	1.9	80.0	6.5				9.7	11.5	
1959	2.0	81.0	5.4				8.3	10.1	
1960	2.0	79.0	2.3				8.1	9.7	
1961	2.2	84.0	6.9				10.7	11.7	
1962	2.4	90.0	3.8				10.1	13.1	
1963	2.8	103.0	9.2				13.8	17.8	
1964	3.0	106.0	9.5				13.5	14.7	
1965	3.1	108.0	7.2		51.9		12.5	14.0	
1966	3.8	128.0	12.0	11.3	51.5		16.2	20.6	
1967	4.4	145.0	9.1	10.9	61.3		15.6	21.1	
1968	5.4	174.0	13.2	10.7	72.0		18.1	25.9	
1969	6.8	216.0	14.5	12.4	54.7		21.0	28.8	
1970	8.2	253.0	10.0	16	24.9		18.4	25.7	
1971	9.5	290.0	10.5	13.5	29.3		15.6	25.2	
1972	10.8	324.0	7.2	11.7	33.6		17.5	21.2	
1973	13.8	406.0	14.8	3.2	36.1		22.9	25.7	
1974	19.5	562.0	9.5	24.3	21.5		22.2	32.3	
1975	21.7	615.0	7.9	25.2	25.2		19.5	29.1	

Year	GDP (current \$, billion)	GDP per capita (current \$)	Real GDP growth (%)	CPI infla- tion (%)	M2 growth (%)	Current account balance (mil. \$)	Gross savings rate	Gross invest- ment rate	Gini coeff. (market income)
1976	29.8	831.0	13.1	15.3	35.1		25.1	27.5	
1977	38.3	1,051.0	12.3	10.1	40.1		28.6	30.6	
1978	53.7	1,452.0	10.8	14.5	35.4		31.3	34.2	
1979	64.3	1,713.0	8.6	18.3	29.7		30.6	38.0	
1980	64.9	1,703.0	-1.7	28.7	44.5	-6,845.0	25.4	34.6	
1981	72.4	1,870.0	7.2	21.4	36.1	-6,421.9	24.9	32.7	
1982	77.7	1,977.0	8.3	7.2	37.0	-5,542.1	26.8	32.3	
1983	87.0	2,179.0	13.2	3.4	22.9	-3,505.6	30.5	32.9	
1984	96.6	2,390.0	10.4	2.3	19.0	-1,755.8	32.6	32.5	
1985	100.2	2,456.0	7.7	2.5	18.1	-2,079.3	32.8	33.0	
1986	115.5	2,804.0	11.2	2.8	29.5	2,762.2	36.2	32.8	
1987	146.2	3,512.0	12.5	3	30.3	8,827.7	39.6	33.1	
1988	197.2	4,692.0	11.9	7.1	29.8	13,055.3	41.7	34.6	
1989	243.6	5,738.0	7.0	5.7	25.8	4,154.5	39.1	37.1	
1990	279.3	6,514.0	9.8	8.6	25.3	-2,403.6	39.3	39.5	0.266
1991	325.6	7,521.0	10.4	9.3	19.5	-7,604.6	39.3	41.4	0.259
1992	350.0	8,000.0	6.2	6.2	21.5	-2,431.7	38.4	38.5	0.254
1993	386.3	8,740.0	6.8	4.8	17.4	2,026.0	38.4	37.5	0.256
1994	455.5	10,204.0	9.2	6.3	21.1	-4,463.7	38.1	38.6	0.255
1995	556.3	12,337.0	9.6	4.5	23.3	-9,751.5	38.1	39.2	0.259
1996	597.9	13,133.0	7.6	4.9	16.7	-23,830.9	36.4	39.9	0.266
1997	557.6	12,134.0	5.9	4.4	19.7	-10,285.3	36.4	37.6	0.264
1998	374.9	8,100.0	-5.5	7.5	23.7	40,056.9	38.0	27.9	0.293
1999	485.0	10,404.0	11.3	0.8	5.1	21,608.2	35.9	31.2	0.298
2000	561.8	11,951.3	8.9	2.3	5.2	10,444.3	34.4	33.2	0.279
2001	533.1	11,254.3	4.5	4.1	8.1	2,700.2	32.4	31.9	0.290
2002	608.9	12,781.0	7.4	2.8	14.0	4,692.6	31.8	31.2	0.293
2003	680.4	14,206.1	2.9	3.5	3.0	11,877.4	33.3	32.3	0.283
2004	765.3	15,916.7	4.9	3.6	6.3	29,743.4	35.5	32.3	0.293
2005	898.0	18,636.0	3.9	2.8	7.0	12,654.8	33.8	32.5	0.298
2006	1,011.0	20,872.7	5.2	2.2	12.5	3,569.2	32.9	33.0	0.305
2007	1,122.7	23,062.1	5.5	2.5	10.8	11,794.5	33.2	32.8	0.316
2008	1,001.7	20,420.6	2.8	4.7	12.0	3,189.7	32.9	33.0	0.319
2009	902.3	18,299.5	0.7	2.8	9.9	33,593.3	32.9	28.6	0.320
2010	1,094.3	22,083.2	6.5	2.9	6.0	28,850.4	35.0	32.1	0.315
2011	1,202.7	24,083.7	3.7	4	5.5	18,655.8	34.6	32.9	0.313
2012	1,222.4	24,349.9	2.3	2.2	4.8	50,835.0	34.2	30.8	0.310
2013	1,305.4	25,885.6	2.9	1.3	4.6	81,148.2	34.3	29.0	0.307
2014	1,411.0	27,804.5	3.3	1.3	8.1	84,373.0	34.5	29.3	0.308
2015	1,382.4	27,097.1	2.6	0.7	8.2	105,870.7	35.4	28.5	0.305

Source The Bank of Korea

Per capita Corporate Asset

Year	1968	1969	1970	1971	1972	1973	1974	1975	1976
Per capita Corporate Assets(Won),	77,356	121,981	160,714	201,719	249,298	303,629	430,467	610,822	877,903
(Growth rate, %)		(57.7)	(31.8)	(25.5)	(23.6)	(21.8)	(41.8)	(41.9)	(43.7)

Year	1977	1978	1979	1980	1981	1982	1983	1984	1985
Per capita Corporate Assets(Won),	1,294,864	2,083,192	2,787,001	3,949,779	5,098,036	6,122,519	7,079,229	7,986,241	9,219,242
(Growth rate, %)	(47.5)	(60.9)	(33.8)	(41.7)	(29.1)	(20.1)	(15.6)	(12.8)	(15.4)

Year	1986	1987	1988	1989	1990	1991	1992	1993
Per capita Corporate Assets(Won),	9,796,480	10,598,788	11,587,632	14,115,570	18,124,864	22,864,598	26,112,071	29,704,619
(Growth rate, %)	(6.3)	(8.2)	(9.3)	(21.8)	(28.4)	(26.2)	(14.2)	(13.8)

Year	1994	1995	1996	1997	1998	1999	2000	2001
Per capita Corporate Assets(Won),	35,910,485	43,693,761	49,801,027	23,068,716	23,650,369	24,717,398	24,461,402	24,067,473
(Growth rate, %)	(20.9)	(21.7)	(14.0)	(-53.7)	(2.5)	(4.5)	(-1.0)	(-1.6)

Year	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984
Agriculture/ Fishery	16.5	15.8	15.2	14.1	13.7	13.3	12.8	11.8	9.6	9.8	8.3	9.0	9.0	8.6	7.6
Manufac- turing	8.4	8.9	9.5	10.8	11.5	12.1	12.9	13.3	15.0	15.2	15.2	15.5	15.0	15.5	16.8
Construction	10.7	9.5	8.7	9.3	9.5	9.3	9.0	10.2	11.8	11.4	11.3	9.8	10.4	11.1	10.6
Services and others	64.4	65.8	66.6	65.8	65.4	65.3	65.3	64.6	63.6	63.5	65.2	65.7	65.7	64.7	64.9
GDP	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

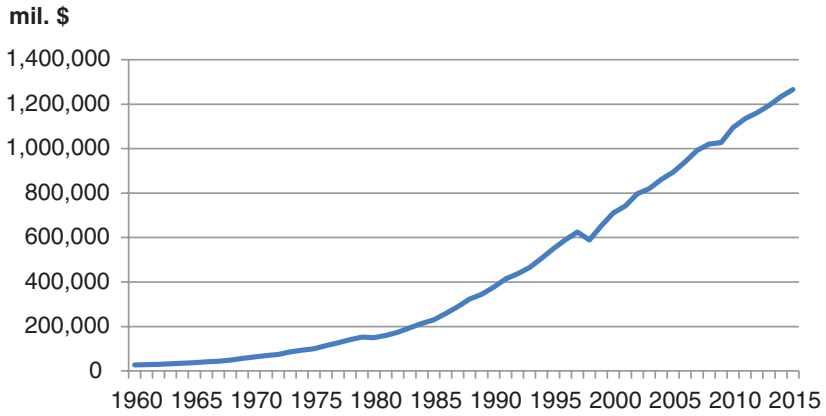
Year	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Agriculture/ Fishery	7.5	7.1	6.0	5.9	5.5	4.7	4.4	4.5	4.1	3.7	3.6	3.5	3.5	3.4	3.2
Manufacturing	16.7	17.4	18.6	18.8	18.3	18.6	18.9	18.9	18.9	19.3	19.9	20.0	20.0	19.5	21.3
Construction	10.4	9.7	9.5	9.1	9.6	10.8	10.9	10.1	10.3	9.8	9.4	9.3	8.9	8.3	6.9
Services and others	65.4	65.8	65.9	66.2	66.6	65.9	65.8	66.5	66.8	67.1	67.0	67.1	67.6	68.7	68.5
GDP	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Year	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Agriculture/ Fishery	3.0	2.9	2.7	2.4	2.5	2.5	2.4	2.4	2.4	2.5	2.2	2.1	2.0	2.1	2.1	2.0
Manufacturing	22.7	22.5	22.8	23.3	24.4	24.8	25.4	26.1	26.4	26.0	27.8	28.6	28.6	28.8	28.8	28.5
Construction	6.1	6.1	5.8	6.1	5.9	5.7	5.5	5.3	5.0	5.1	4.6	4.2	4.1	4.1	4.0	4.0
Services and others	68.2	68.5	68.7	68.1	67.2	67.0	66.7	66.2	66.2	66.3	65.3	65.1	65.3	65.1	65.1	65.6
GDP	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: The Bank of Korea

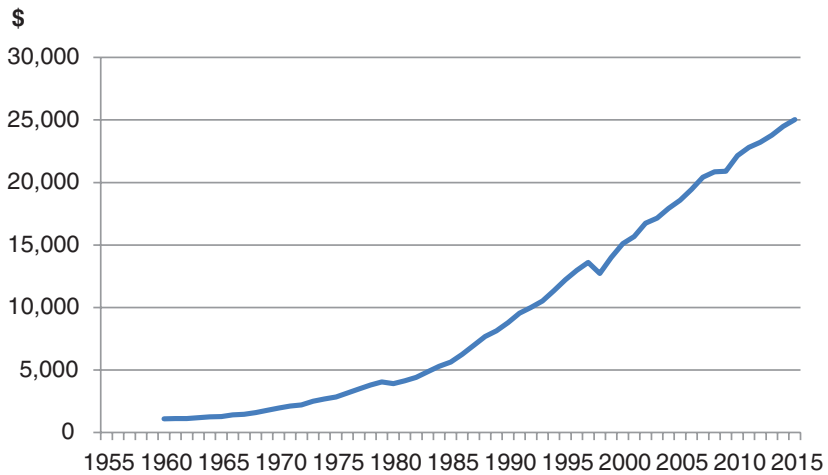
(2) Figures of key economic indicators

Real GDP



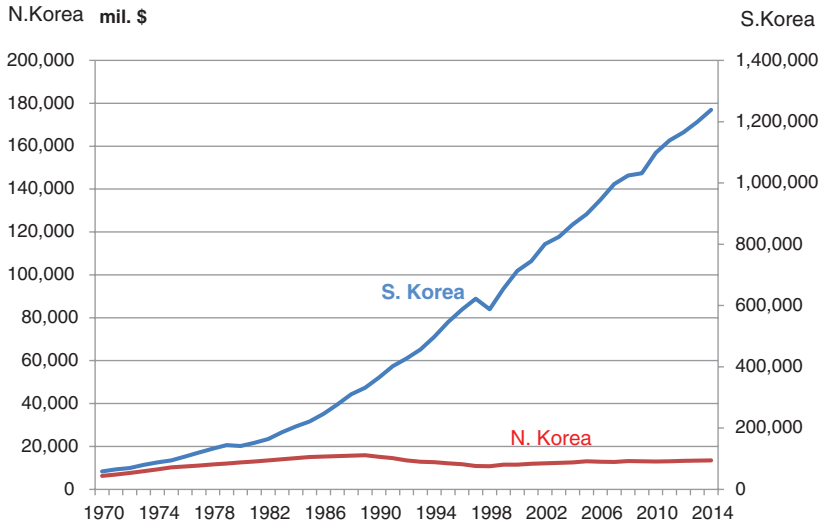
Note 2010 dollar base. *Source* The World Bank

Real per capita GDP



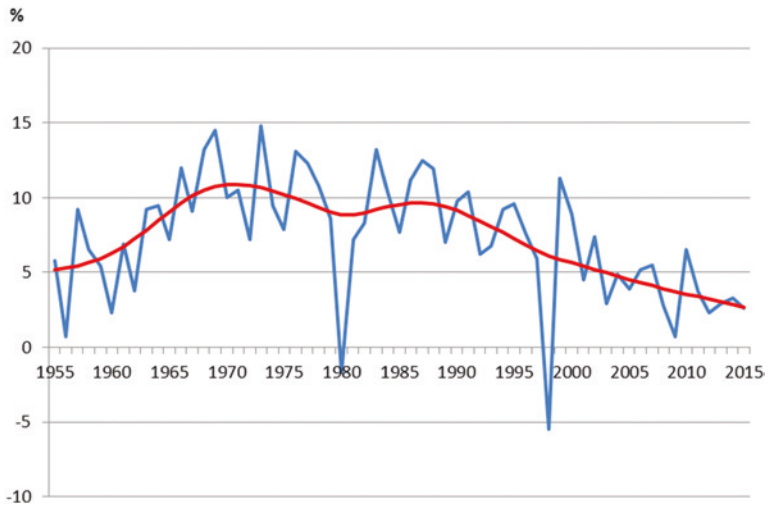
Note 2010 dollar base. *Source* The World Bank

South and North Korea real GDP comparison



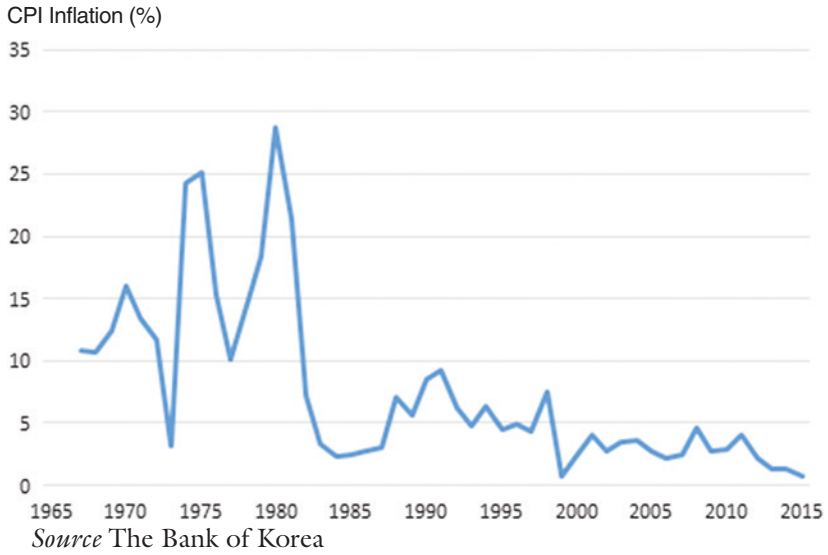
Note 2005 dollar base. Source UN

Real GDP growth (annual)

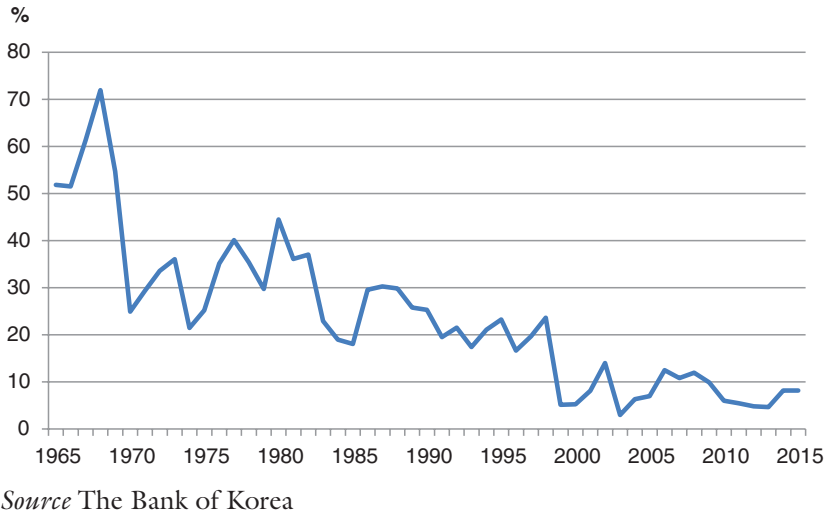


Note: Blue actual growth rate, red growth trend by Hodrick-Prescott filter (Color figure online). Source The Bank of Korea

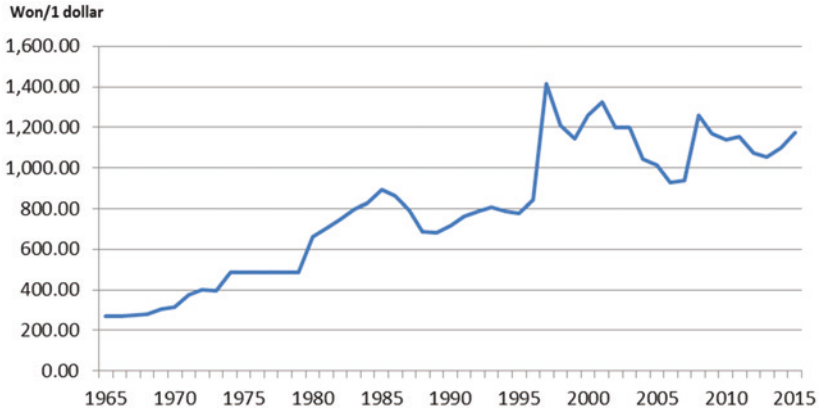
CPI inflation (annual)



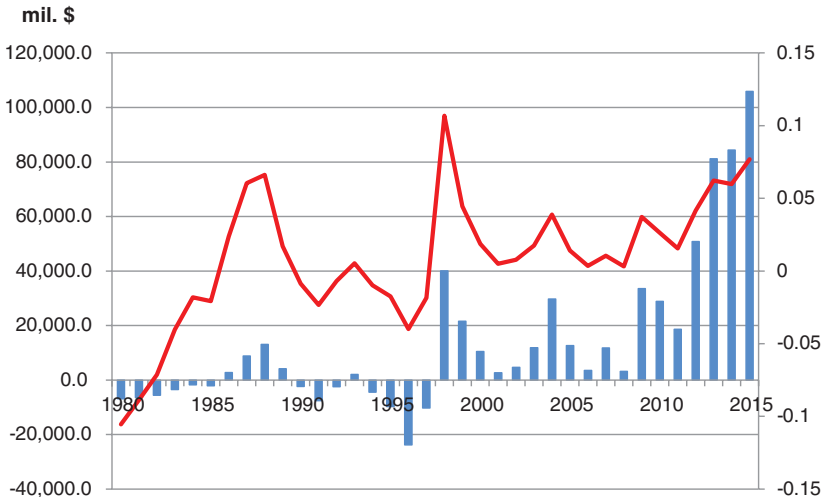
Money (M2) growth (annual)



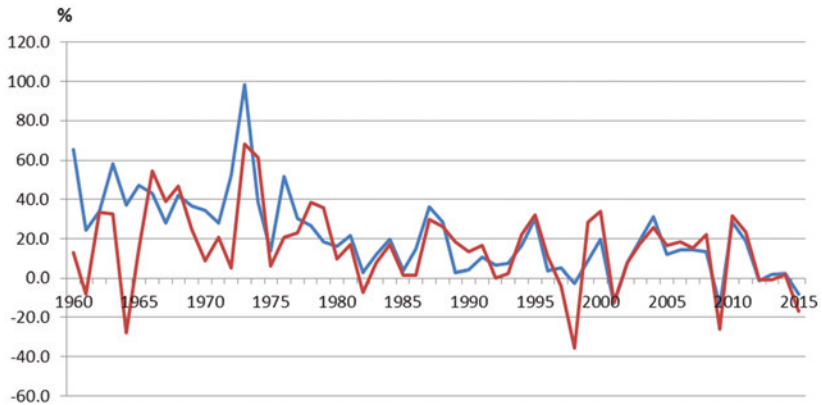
Won/Dollar exchange rate (at the end of period)



Current account balance

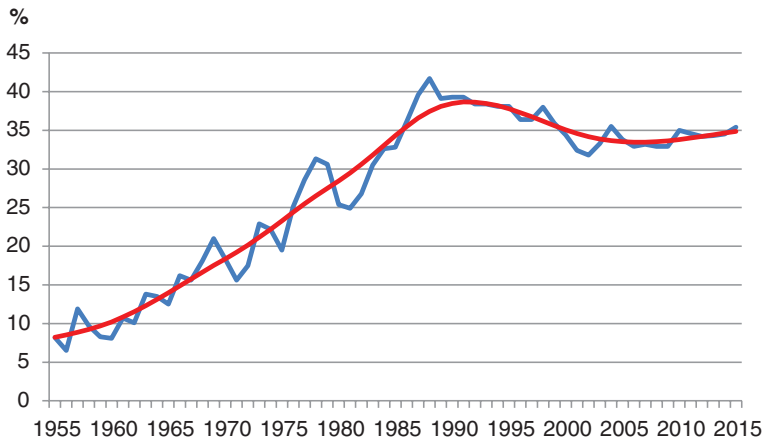


Growth rate of import and export



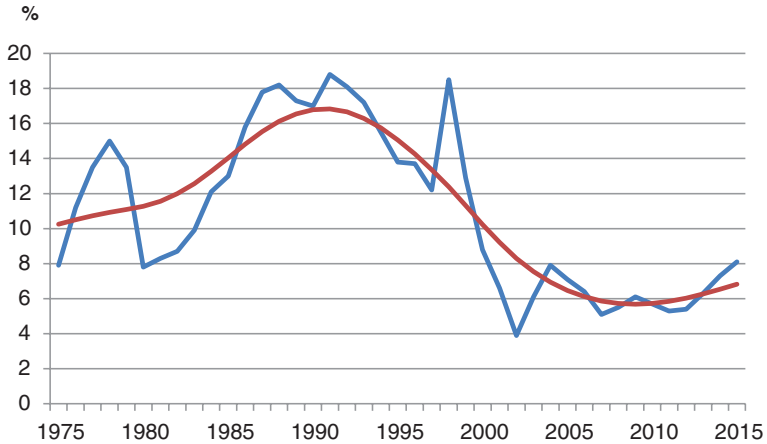
Note: *Blue* import, *red* export (Color figure online). Source The Bank of Korea

Gross savings rate



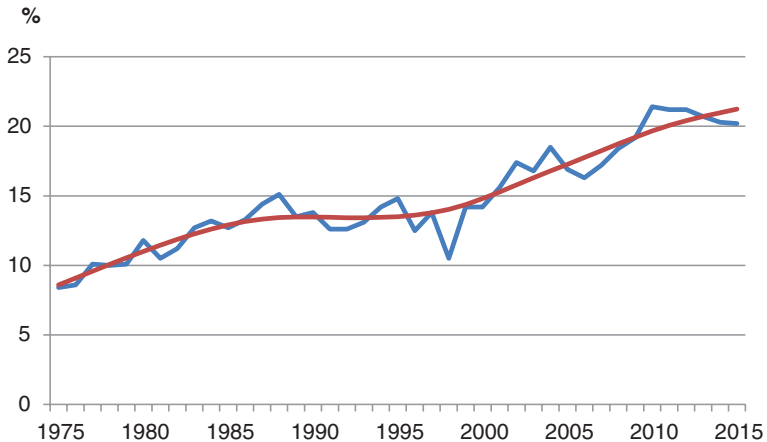
Note: *Blue* actual growth rate, *red* growth trend by Hodrick-Prescott filter (Color figure online). Source The Bank of Korea

Household sector gross savings rate



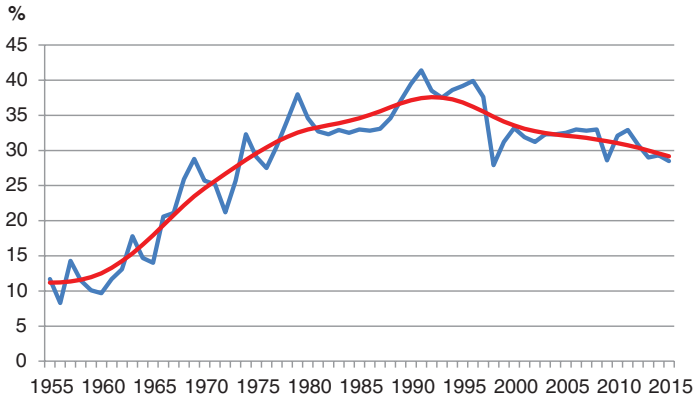
Note: Blue actual growth rate, red growth trend by Hodrick-Prescott filter (Color figure online). *Source* The Bank of Korea

Corporate sector gross savings rate



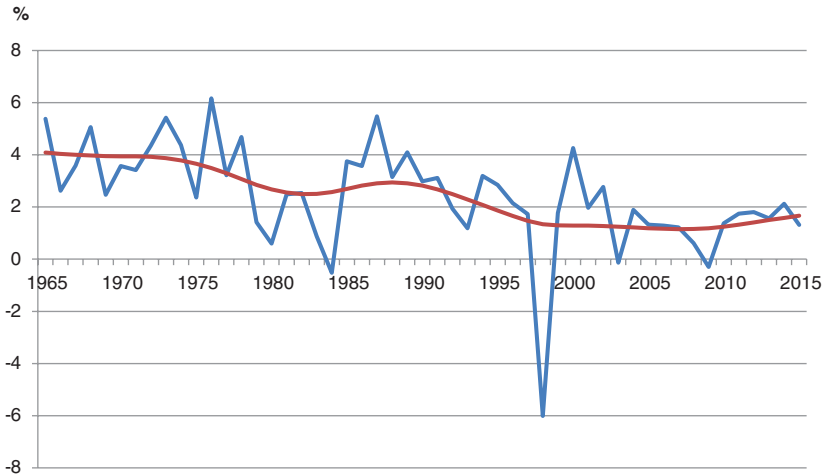
Note: Blue actual growth rate, red growth trend by Hodrick-Prescott filter (Color figure online). *Source* The Bank of Korea

Gross investment rate



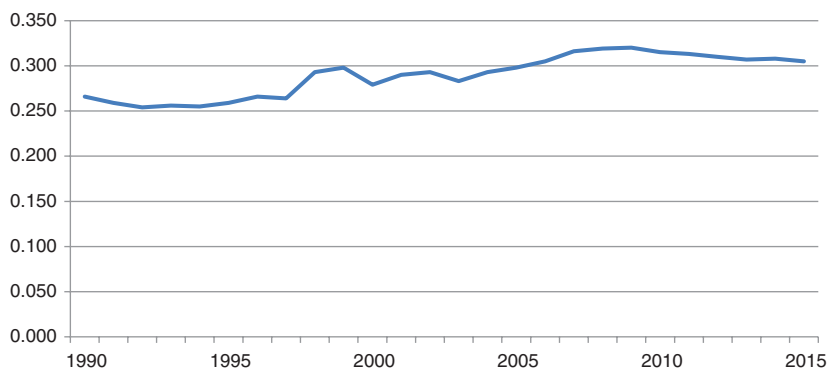
Note: Blue actual growth rate, red growth trend by Hodrick-Prescott filter (Color figure online). *Source* The Bank of Korea

Growth rate of total number of the employed



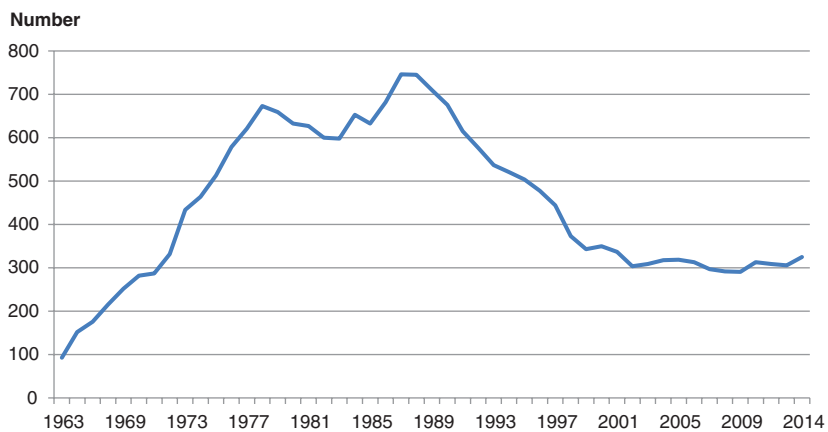
Note: Blue actual growth rate, red growth trend by Hodrick-Prescott filter (Color figure online). *Source* The Bank of Korea

Gini coefficient



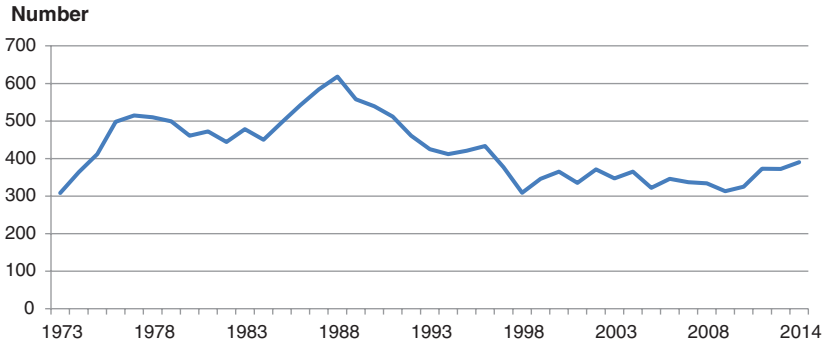
Note Urban household market income. *Source* The Bank of Korea

Number of corporations with the employees above 500



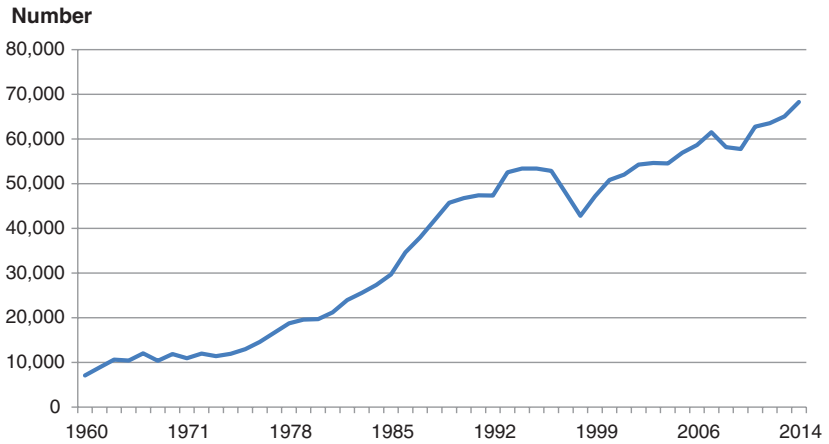
Note Number of business establishments. *Source* Statistics Korea

Number of corporations with the employees between 300–499



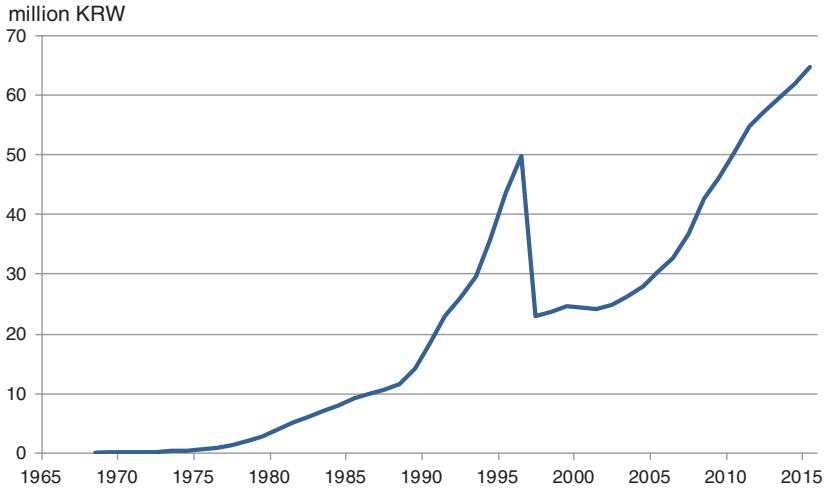
Note Number of business establishments. *Source* Statistics Korea

Number of corporations with the employees below 300



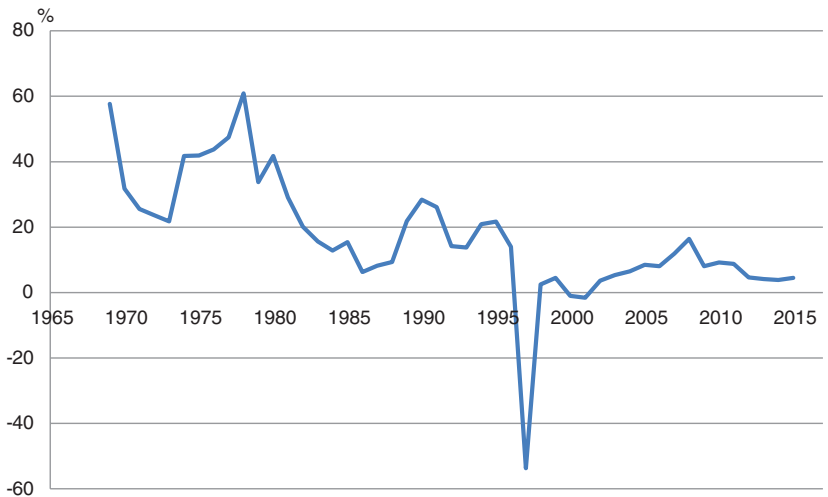
Note Number of business establishments. *Source* Statistics Korea

Per capita corporate assets



Note Korea's total corporate assets/total population. *Source* Author's calculation based on "Corporate Management Analysis", The Bank of Korea

Growth rate of per capita corporate assets



Note Korea's total corporate assets/total population. *Source* Author's calculation based on "Corporate Management Analysis", The Bank of Korea

Appendix 2: Chronology of major events (1945–2016)

- 1945 August: After the surrender of Japan, the Korean peninsula is divided between Soviet and American occupation forces at the 38th parallel.
- 1948 May: UN sponsored elections are held in South Korea.
August: Establishment of the Republic of Korea with Syngman Rhee as the first President.
September: Establishment of the Democratic People's Republic of Korea with Kim Il-sung as Premier.
- 1950 June 25: The Korean War begins.
- 1953 July: The Korean War is halted by the Korean Armistice Agreement that has remained in force until now.
- 1960 A student uprising begins the April Revolution which overthrows the autocratic First Republic of South Korea. Syngman Rhee resigns and goes into exile.
- 1961 May: Military forces, headed by General Park Chung Hee, overthrow the Second Republic of South Korea in what is known as the Revolution or the Military Coup d'état of 16 May.
July: Enact of anticommunism law.
November: Summit conference for normalization of Korea–Japanese relations.
July: Establishment of EPB (Economic Planning Board).
November: Park Chung Hee's official visit to the United States of America.
- 1962 Start of the first 5-year plans of South Korea.
March: Enactment of 16 Acts including Export Promotion Law.
June: The Second Monetary Reform.
June: Establishment KOTRA (Korea Trade Promotion Agency).
- 1963 November: President Park Chung Hee visited the US to attend President Kennedy funeral ceremony and had a summit meeting with US President Lyndon B. Johnson.
December: Park Chung Hee inaugurated as the 5th President and the Third Republic starts.
December: One hundred and twenty three (123) mining workers headed towards West Germany.
- 1964 May: Devaluation of Korean Currency to 255 Won per US dollar.
August: Establishment of Korea Export Industrial Corporation.

- November: Celebrate 100 million US dollar export performance.
November 31 of every year began to be designated as “the export day.”
- 1965 May: President Park Chung Hee visited the US and had a summit meeting with President Lyndon B. Johnson.
June: Signing of Treaty on Basic Relations between Japan and the Republic of Korea. Receiving indemnities for Japan’s colonization as well as commercial loans. Earned both much controversy and procurement of budgets for later economic developments.
July: Dispatch of Korean combat troops to Vietnam.
- 1966 February: Establishment of KIST (Korea Institute of Science and Technology).
October: US President Lyndon B. Johnson visited Korea and had a summit meeting with President Park Chung Hee.
- 1967 Start of the second 5-year plans of South Korea.
April: Korea becomes a member of GATT.
July: Park Chung Hee took office as the 6th President of Korea.
- 1968 April: Establishment of the Pohang Iron and Steel Company (POSCO).
- 1970 April: Start of the government-operated Saemaul Undong (New Village Movement).
July: Gyeongbu Expressway is completed and opened to traffic.
December: Korea export recorded more than \$1 billion.
- 1971 July: Park Chung Hee took office as the 7th President.
- 1972 Start of the third 5-year plans of South Korea.
December: Park Chung Hee took office as the 8th President.
- 1973 January: President Park declared Heavy and Chemical Industrialization (HCI) policy.
- 1977 Start of the fourth 5-year plans of South Korea.
December: Celebration of achievement of 10 billion dollars gained by exports.
- 1978 December: Park Chung Hee took office as the 9th President.
- 1979 October: President Park assassinated by the head of the Korean Central Intelligence Agency. Second oil crisis begins.
- 1980 January: New economy policy shifts emphasis away from economic growth to a concern about economic stability and equity.
October: World-wide poor harvest and food shortage hit the Korean economy.

- 1981 January: Democratic Justice Party formed.
 March: Chun Doo-hwan inaugurated as the 12th President and the Fifth Republic begins.
 August: Liberalization of foreign trade begins.
- 1982 January: 37-year-old nightly curfew lifted.
- 1983 July: Korean population reaches 40 million.
 September: Korean airliner shot down by USSR after straying off course.
- 1984 September: President Chun's state visit to Japan. Establishment of Korea Investment Fund in Korean stock market.
- 1985 January: 'Three lows'—low oil price, low interest rates, and low dollar and Korean won value vis-a-vis Japanese Yen—spurs export boom.
- 1986 September: Asian Games held in Seoul.
 November: Exports exceed imports for the first time since the First 5-Year Economic Development Plan began.
 December: Savings exceed investment for the first time since the First 5-Year Plan began.
- 1987 June 29: Democratization declaration by ruling party Presidential candidate Roh Tae-woo.
 August: Labor disputes broke out nation-wide.
- 1988 February: Roh Tae-woo inaugurated as the 13th President and the Sixth Republic begins.
 July: Iran–Iraq War ends. Policy of limiting real estate transactions announced.
 October: Policy of opening up trade with North Korea announced.
 September–October: 1988 Summer Olympics held in Seoul.
- 1989 April: Plan for the construction of new cities (2 million housing project) announced.
- 1990 September: South Korea and the USSR establish diplomatic relations.
- 1991 September: South Korea (ROK) and North Korea (DPRK) join the United Nations (UN).
- 1992 January: The Korean stocks are opened to foreign investors.
 August: South Korea and the People's Republic of China (PRC) establish diplomatic relations.
- 1993 February: Kim Young-Sam inaugurated as the 14th President.
 August: The new real name financial transaction begins.

- 1994 July: Kim Jong-il takes control of North Korea upon the death of his father Kim Il-sung.
- 1995 January: WTO (World Trade Organization) begins.
 July: The rice aids to North Korea begins.
 Per capita income surpasses US\$10,000
- 1996 December: Korea becomes a member of OECD
- 1997 January: Hanbo Steel (15th largest chaebol) files for bankruptcy.
 April: Jinro Group (19th largest chaebol) files for bankruptcy.
 May: The Daenong Group files for bankruptcy.
 July: Kia Motors files for bankruptcy.
 October: Standard & Poor's downgrades Korea's sovereign-credit ratings from AA- to A+ (long-term) and A1+ to A1 (short-term).
 November 21: The Ministry of Finance and Economy (MOFE) announces the decision to seek a rescue package from the IMF.
 November 26: Standard & Poor's downgrades Korea's sovereign credit ratings from A+ to A- (long-term) and from A1 to A2 (short-term).
 December 10: Moody's downgrades Korea's sovereign-credit ratings to junk-bond status, from A3 to Baa2 (long-term) and P3 to NP (short-term).
 December 11: The stock-investment limit for foreigners is increased to 50%. Standard & Poor's downgrades Korea's sovereign credit ratings from A- to BBB-.
 December 12: To stabilize financial markets, the Bank of Korea (BOK) announces W7.3 trillion to fund 14 merchant banks, raises the limit for foreign ownership to corporate bonds of conglomerates from 10 to 30%, raises the limit on non-guaranteed convertible bonds and convertible-bond investment of conglomerates from 30 to 50%, and abolishes the limits on non-guaranteed corporate bonds and convertible bonds of SMEs.
 December 16: The legal interest-rate ceiling is raised from 25 to 40%. A timetable is established for the opening of the short-term financial market by February 1998. The limit for foreign investment in financial institutions is raised.
 December 18: Kim Dae-jung elected as the 15th President.
 December 21: Moody's downgrades Korea's sovereign credit ratings for long-term debt to Baa2 (junk bond).

December 23: The selling rate for US\$ 1 cash breaks the Won 2,000. Standard & Poor's downgrades Korea's sovereign credit ratings from BBB- to B + . Limits on investment on corporate bonds are abolished. Foreign participation in government-bond investments is approved, with a limit of 30% per item.

December 30: The IMF provides US\$ 2 billion of early support funds (third disbursement). All limits on foreign investment in long and short-term corporate and government bonds are lifted.

1998 January: Kim Dae-jung asks chairmen of the four largest business groups to restructure chaebols.

February: Kim Dae-jung is inaugurated as the 15th President.

April: Financial Supervisory Committee established.

September: Federation of Korean Industries agreed to exchange business among groups under the Big Deal Agreement.

December: Government and five business groups sign agreements on the Big Deal.

1999 January: Euro, the single European currency, comes into effect. Financial Supervisory Board established.

April: Korea Futures Market opens.

The second largest chaebol—Daewoo collapsed, resulting in the largest corporate bankruptcy in modern history.

2000 June: Summit in Pyongyang between Kim Jong-il and South Korean President Kim Dae-jung.

July: World Bank Office in Seoul closed.

2001 March: Incheon Airport opens.

August: Repayment of IMF loans 3 years ahead of schedule, and economic sovereignty regained.

September: The US 9/11 terrorist attacks on World Trade Center and Pentagon building.

October: The US-Afghanistan war against terrorism begins.

2002 The 2002 FIFA World Cup jointly held by Korea and Japan.

June: North Korean warship fired against South Korea warship at the Yellow Sea.

2003 February: Roh Moo-hyun inaugurated as the 16th president.

2004 April: South Korea's first free trade agreement, Korea-Chile FTA enters into force.

2007 October: The second summit between DPRK and ROK leaders is held, with Roh Moo-hyun representing the south and Kim Jong-il the north.

- December: Conservative former Hyundai CEO Lee Myung-Bak wins landslide victory in presidential election
Per capita income surpasses US\$20,000.
- 2008 February: Lee Myung-Bak inaugurated as the 17th President.
October: South Korean banks become vulnerable to global credit crisis as result of having taken on high levels of foreign debt. Government announces \$130 bn financial rescue package to shore up banking system and stabilize markets in the wake of the US subprime mortgage crisis.
- 2009 February: South Korea's central bank cuts interest rates to a record low, amid forecasts that the economy is likely to suffer its first annual contraction for more than 10 years.
- 2010 March: A South Korea warship, the Cheonan sank into deep sea by the North Korea Navy attack.
October: North Korea artillery hit Yeonpyeong Island and killed 2 soldiers and 2 civilians.
December: Korea's total trade volume surpassed 1 trillion dollars for the first time in history.
- 2011 July: Korea-European Union Free Trade Agreement enters into force.
December: Kim Jong-il dies, and his son Kim Jong-un takes over as the Supreme Leader of North Korea.
- 2012 March: Korea-US Free Trade Agreement (KORUS FTA) enters into force.
- 2013 February: Park Geun-Hye, daughter of late President Park Chung Hee, began serving as South Korea's first female and the 18th president of South Korea.
- 2014 November: Korea-China Free Trade Agreement (KORUS FTA) enters into force.
- 2016 February: South Korea shut off Kaesong Industrial Complex located at North Korean region.
June: The U.S. forces in Korea has decided to deploy a battery of the Terminal High Altitude Area Defense (THAAD) weapon system at South Korea region.
October: The bizarre political scandal led to an impeachment move against President Park Geun-Hye.
November: The Nation Assembly passed presidential impeachment motion and stopped president's power.
- 2017 March 10: President Park Geun-Hye is impeached.
May, 9: Moon Jae-In becomes the 19th President.

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