

20<sup>th</sup> North East Asia Economic Forum  
Young Leaders Program

# Republic of Korea



## Country Presentation

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# 1. Facts we know about ROK

- 1) Located at the peninsula between Russia, China and Japan.
- 3) Koreans are the most hardworking nation (Forbes).
- 4) Incheon is the 8<sup>th</sup> largest international air hub in the world.
- 5) World leader in online gaming.
- 6) Korean food is very spicy. Average Korean eats 3 kg of pepper per year.
- 7) Famous for plastic surgery industry.
- 8) Will hold Winter Olympic Games in Pyeongchang in 2018.

## 2. Common Information

Indicator	Rep. of Korea
Territory, sq. km	100 000 (64 Oahu)
Population	50 million
Largest cities	Seoul – 10 million, Busan – 3.4, Incheon – 2.6, Daegu – 2.5
GDP	\$1.459 trillion
Unemployment Rate	3.3
President Prime Minister	Lee Myung-bak, Kim Hwang-sik



## 3. Geopolitics

## 3.1. Geopolitics on Korean peninsula: history of division into two

- in 1910 Korea as historically united state was annexed by military Japan
- after World War II treated as a part of Japan Korea attracted military forces of liberators (USA and USSR), which tried to spread their influence in postwar space like in Germany and other countries
- so division inhabited the ideological grounds for opposing between North and South in cold

## 3.2. Geopolitics on Korean peninsula: current status

- constant armed conflicts between two sides (5 cases only for 2010)
  - nuclear weapon program of The North arouse strain in region
- 
- the current relations define the enclave-status of The South Korea to continent, so it's a serious limitation for transcontinental traffic ways
  - many people suffer to be disconnected with relatives

### 3.3. Geopolitics on Korean peninsula: economic prospects

- the newest Russian initiative to build gas infrastructure to the Korean peninsula, first, to substitute the North's effort to develop nuclear industry, also to start the economic cooperation between two sides by somehow partnership. Such measures can be financed by world society.

- afterwards it's possible to develop other transportation infrastructure. So it reflects the most significant economic base, when two sides can be naturally integrated.



## 3.4. Some notes

- The division into two is not natural result of civic development process on peninsula
- The division was caused by the external factors, so it's obvious, it hardly can be overcome without external help
- The serious obstacle is an existing political system in the North, meanwhile China and Russia have significant experience in transforming the ideology
- It looks very much like, that The North realizes the necessity of changes, and looks for the most profitable way to go and save current regime



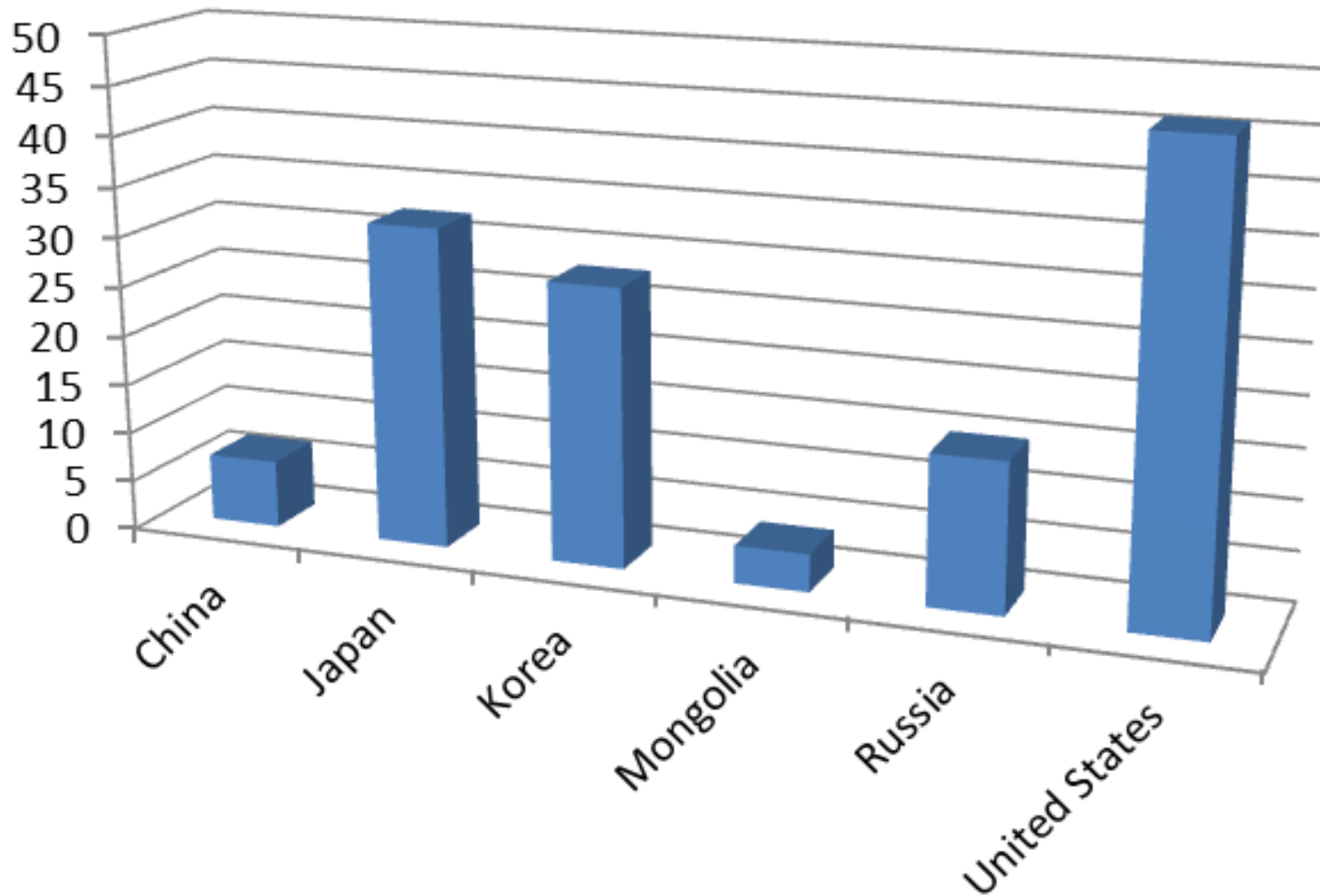
## 3.5. Some notes

- No doubt the Big Six will give the opportunity for The North to go such way
- The reunification is the unavoidable process, that can take several ages to be realized
- The unification can seriously on the one hand enlarge the economic and social potential of Korea, on the other hand will require great investment to the North

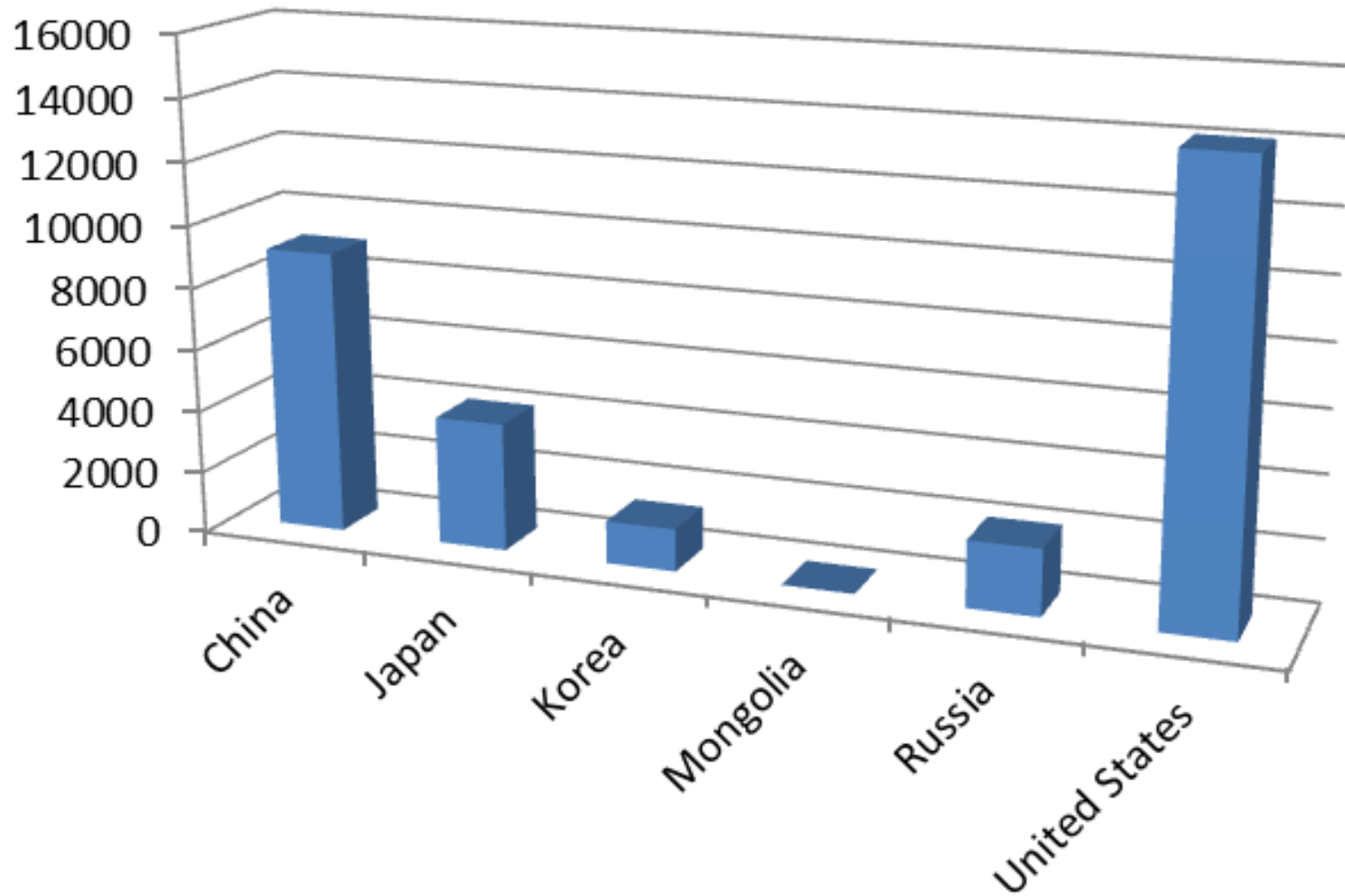


## 4. Economy

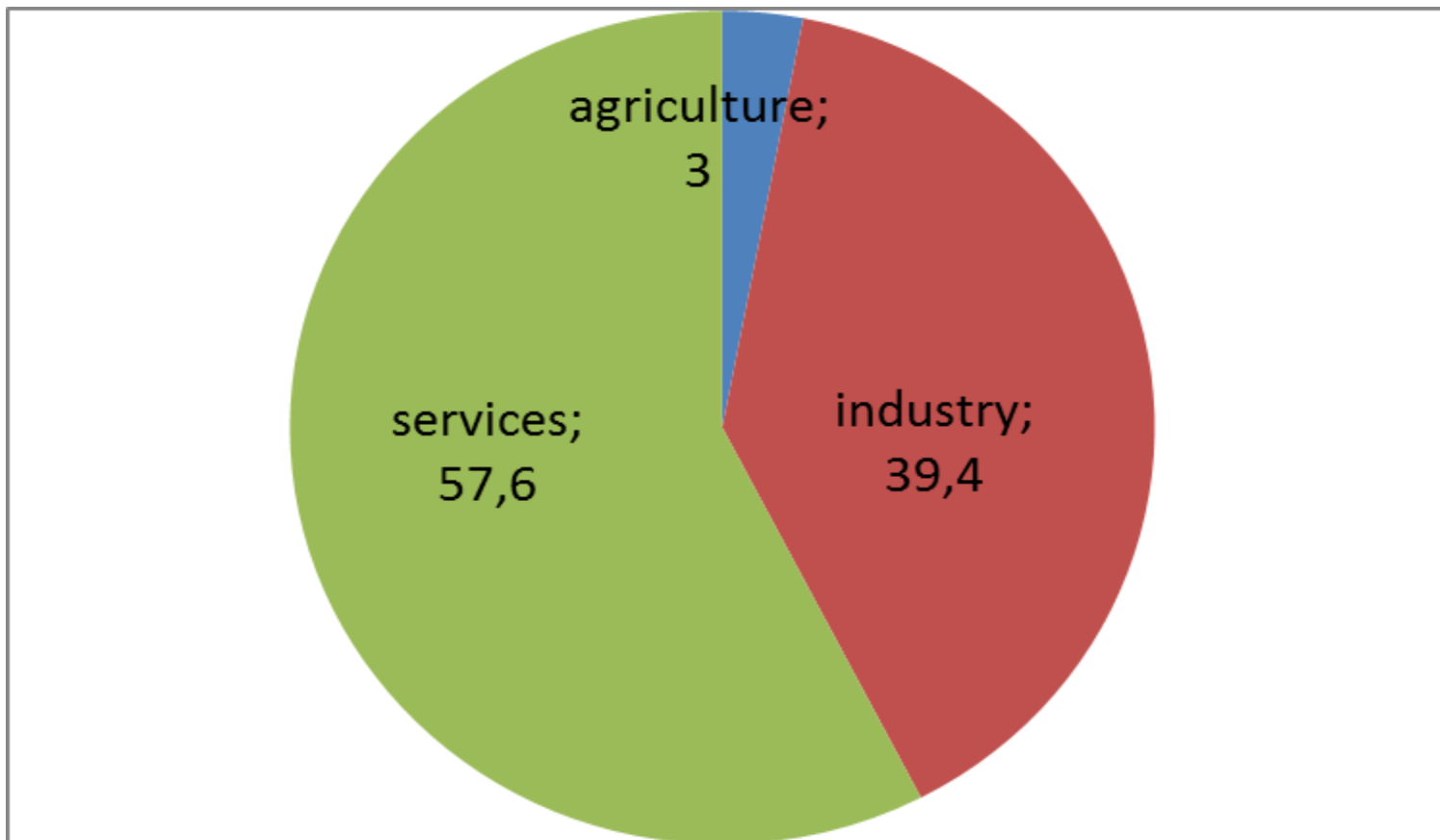
## 4.1. GDP (PPP) per capita, thousand \$ (2009)



## 4.2. GDP (PPP), bln \$ (2009)



### 4.3. GDP composition by sector, 2008 %



## 4.4. Main Business groups

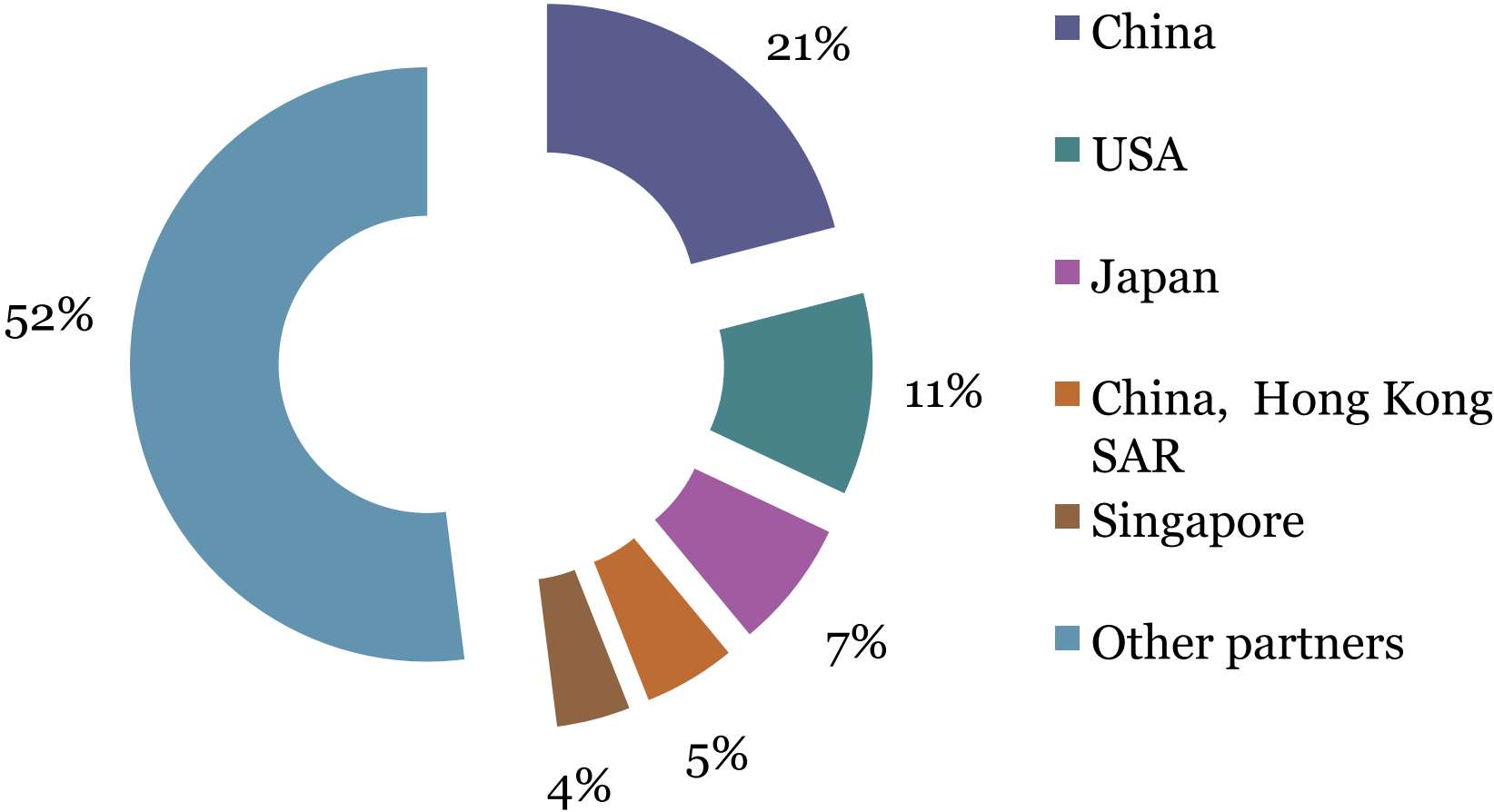
Group Name	Business Areas
Samsung-Group	Electronics, insurance, Card, Construction & Shipbuilding
LG Group	Electronics, insurance, Chemicals, Telecom & Trade
Hyundai-Kia-Automotive Group	Motors, Steel & Stock



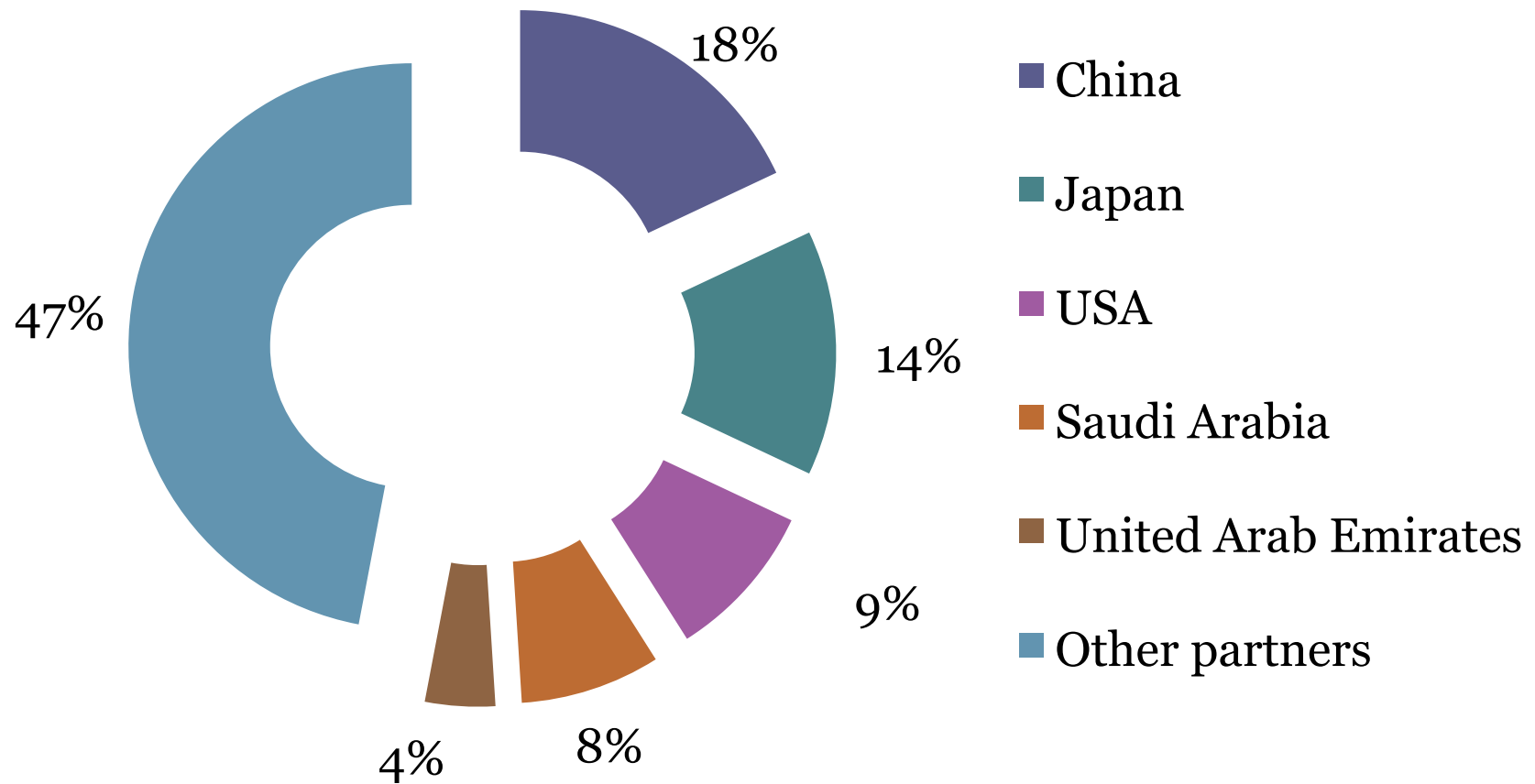
# 5. International Trade



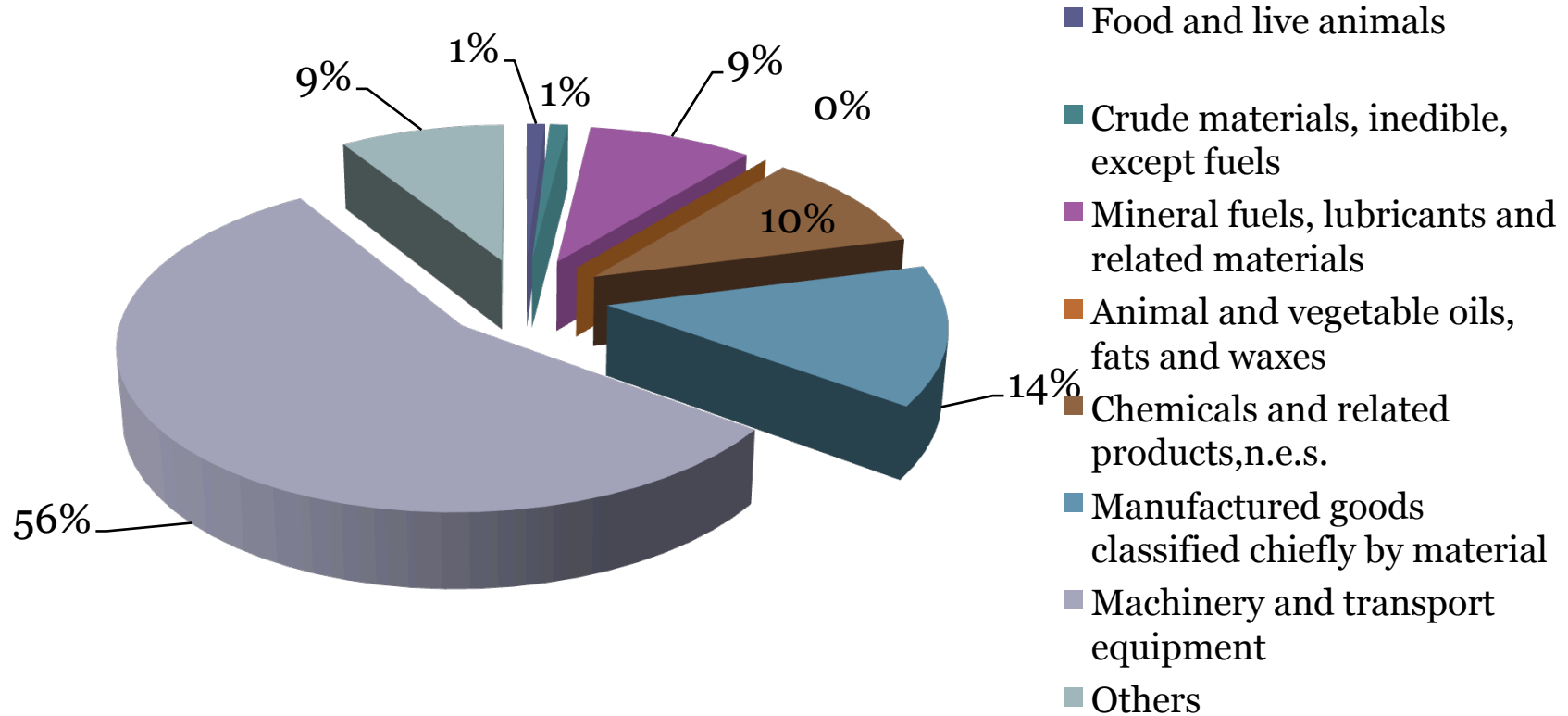
# 5.1. ROK's Top Export Partners (2009)



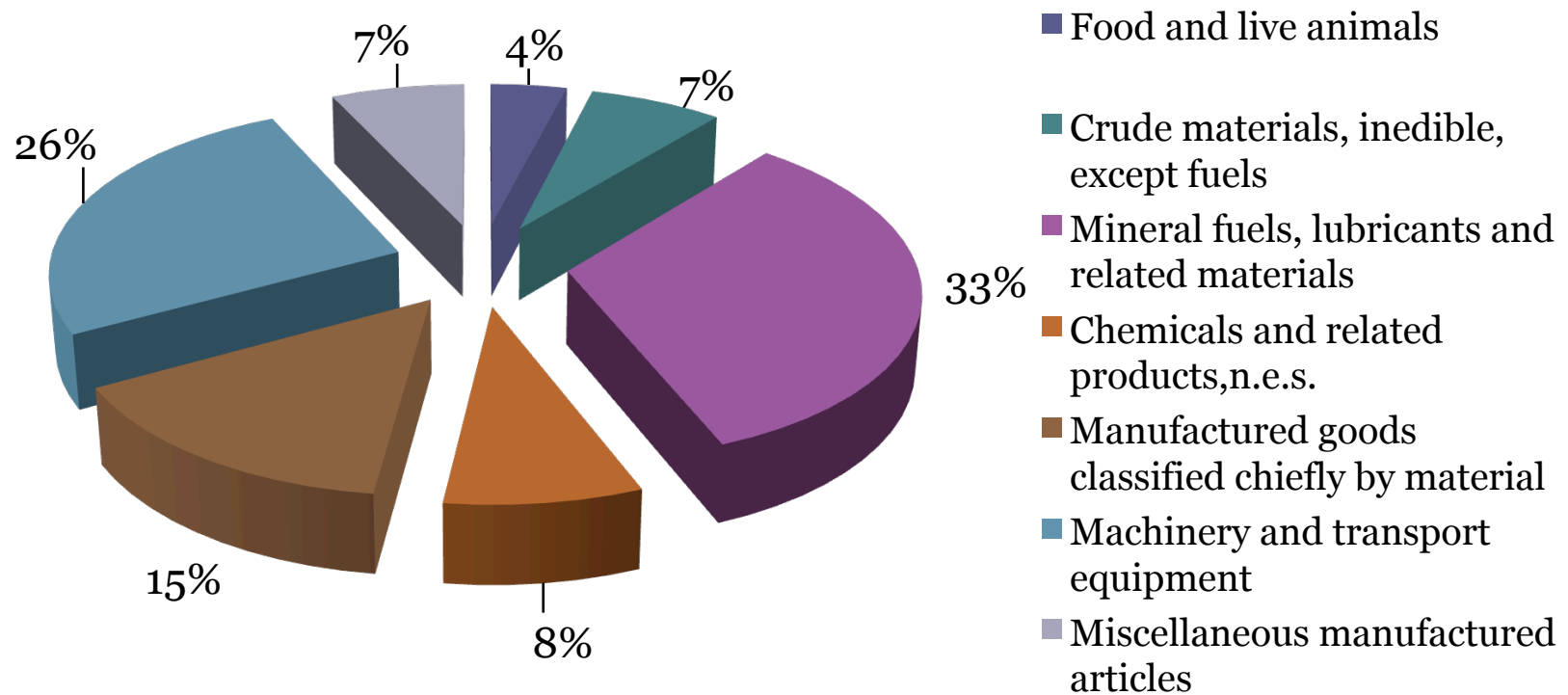
## 5.2. ROK's Top Import Partners (2009)



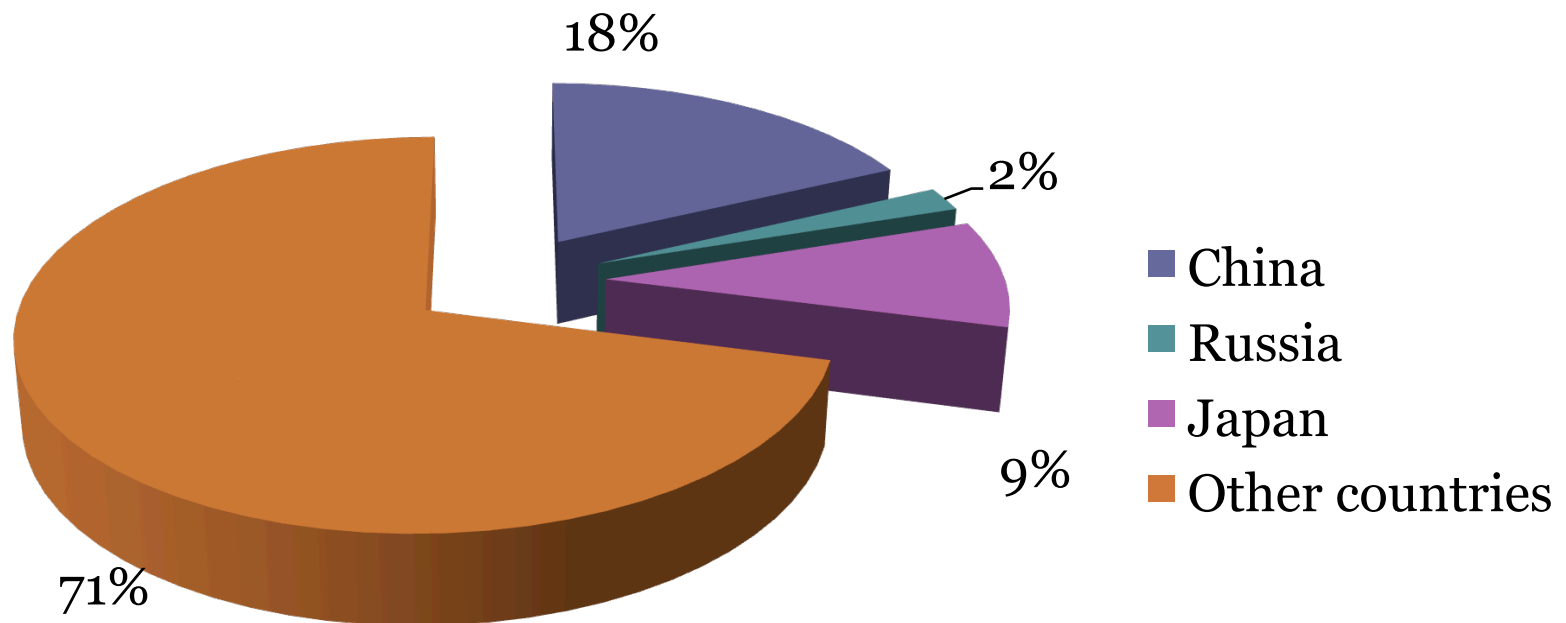
## 5.3. Export Structure of ROK (2008)



## 5.4. Import Structure of ROK (2008)



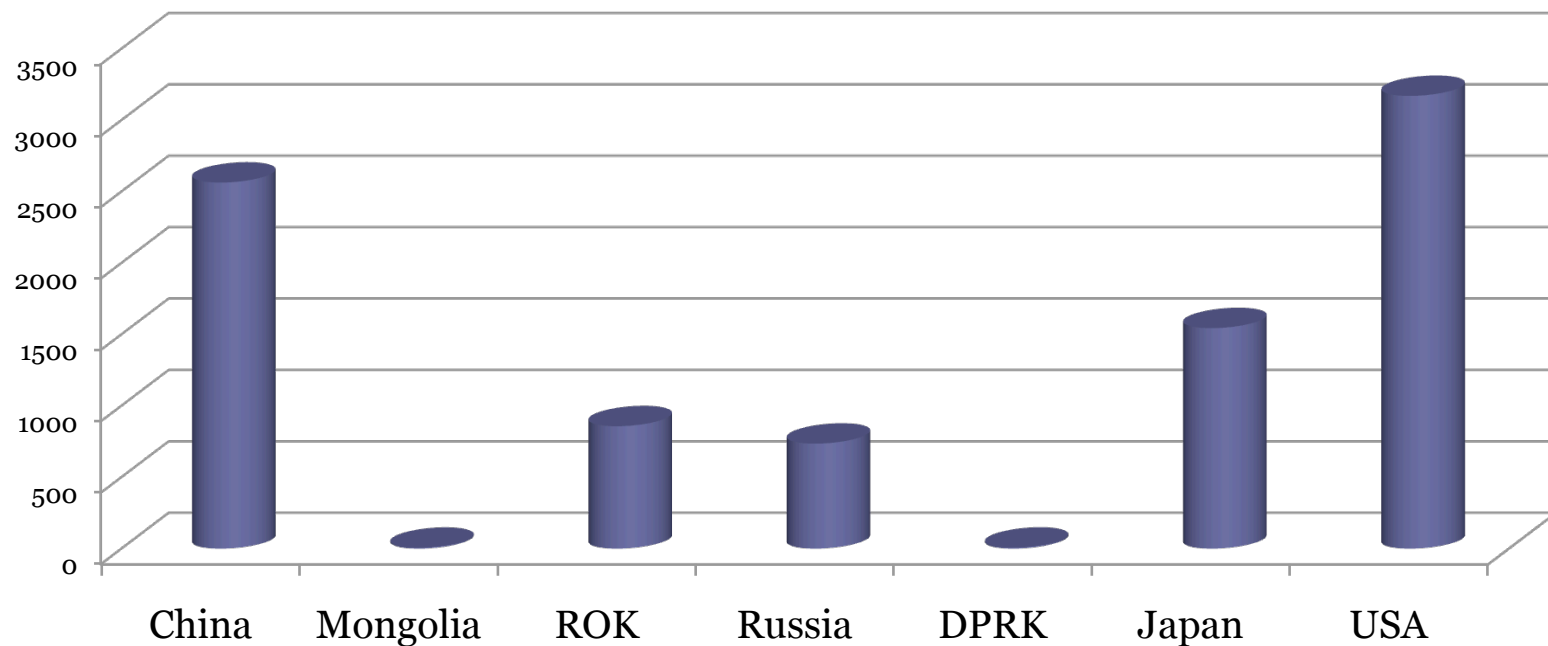
## 5.5. Intra-Regional Trade Shares (2008)



## 5.6. Trade Volume compared to NEA countries(2008)

Exports: \$466.3 billion (2010) - 7<sup>TH</sup> in the world

Imports: \$417 billion (2010) – 10<sup>TH</sup> in the world





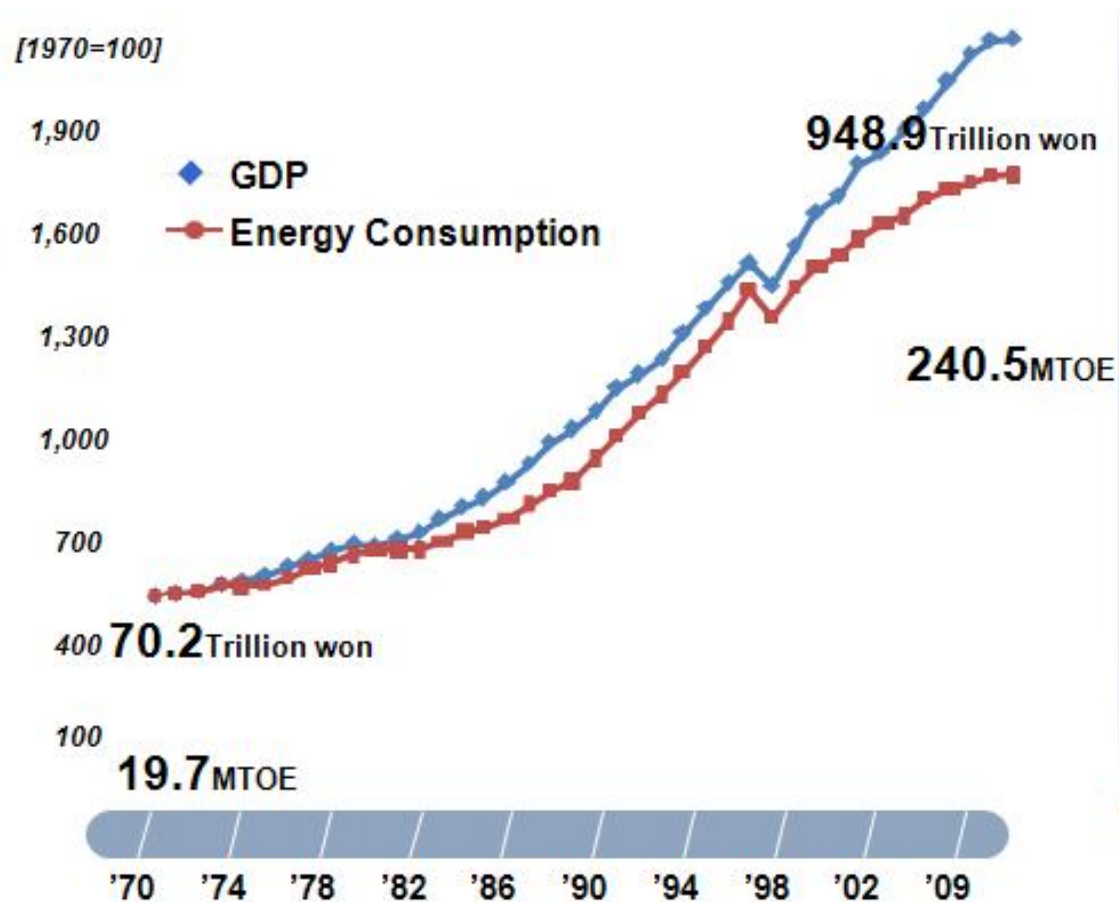
## 6. Energy system and environment

# 6.1. GDP and Energy Consumption

Rapid growth in economy and energy consumption during past 40 years

- Average annual growth rate (1970~2009): GDP 7.3%, Energy consumption 6.6%

Energy consumption per capita continues to grow, but at a decreasing rate



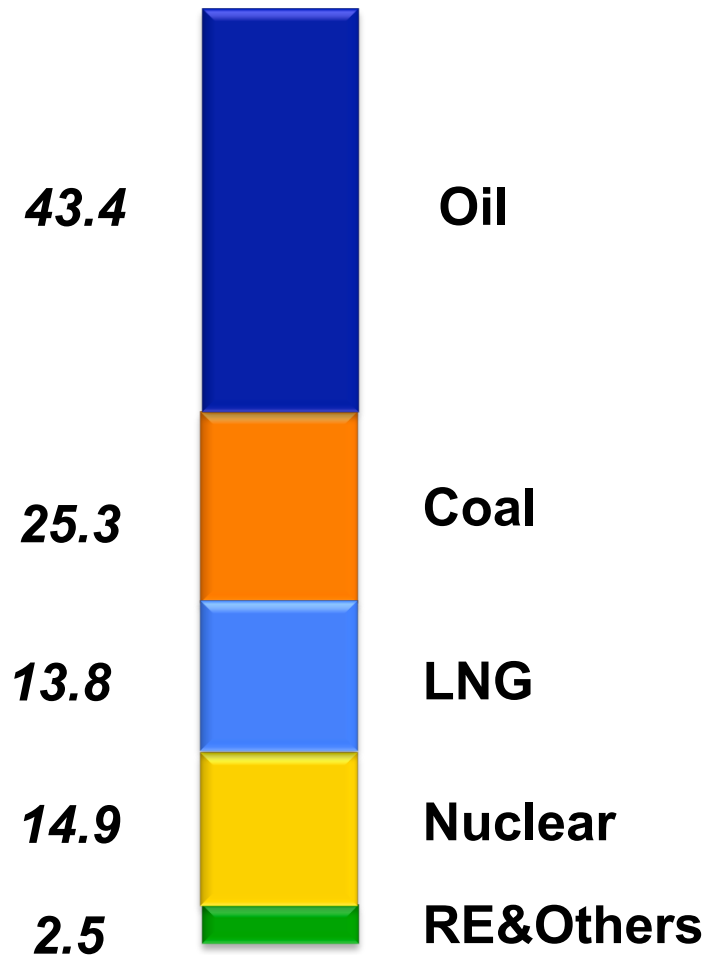


## 6.2. Major Economic and Energy Indicators

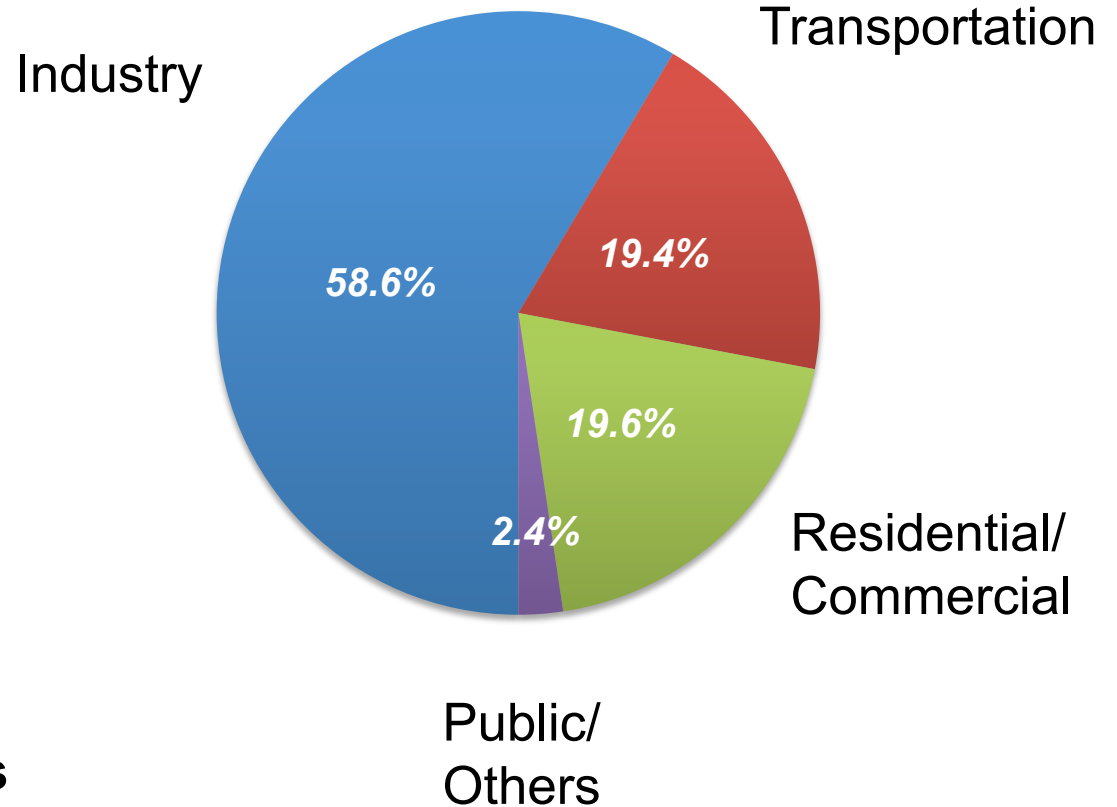
	1970	1998	2009	AAGR (70-98)	AAGR (98-09)
<b>GDP</b> (Trillion won)	62	577	980	8.3%	4.9%
<b>Population</b> (million capita)	32	46	49	1.3%	0.6%
<b>Energy Con.</b> (Mtoe)	20	166	242	7.9%	3.5%
<b>Per Capita Energy</b> (toe)	0.61	3.61	4.94	6.6%	2.9%
<b>Energy/GDP</b> (toe/million won)	0.32	0.29	0.25	-0.4%	-1.3%

## 6.3. Energy Demand by Source and Sector

Primary Energy Demand by Source



Final Energy Demand by Sector



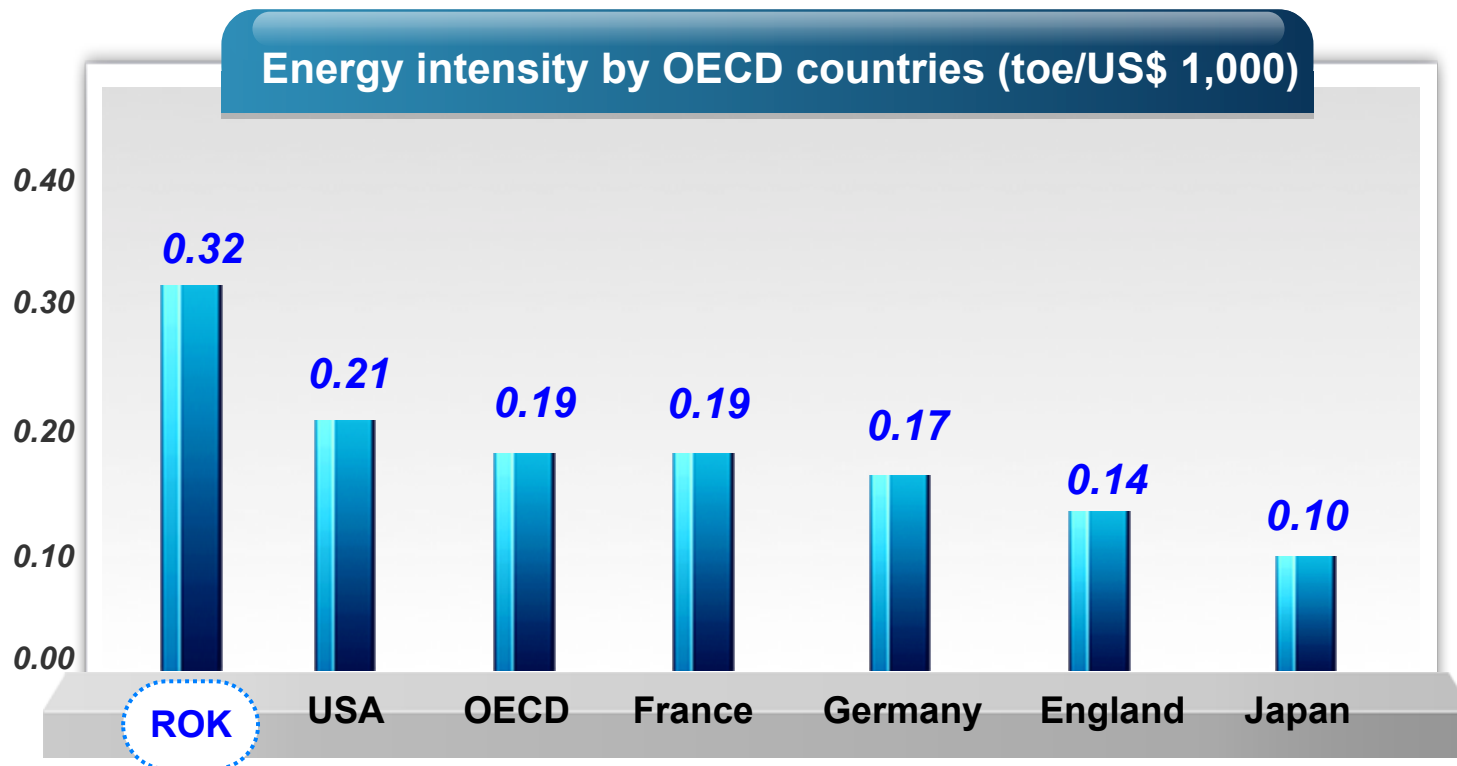
## 6.4. Energy Efficiency

1) Energy efficiency of ROK is one of the lowest in OECD countries BUT!

- Higher share of manufacturing industry in GDP

(Share of service industry : ROK 57.2%, Japan 68.2%, USA 76.5% )

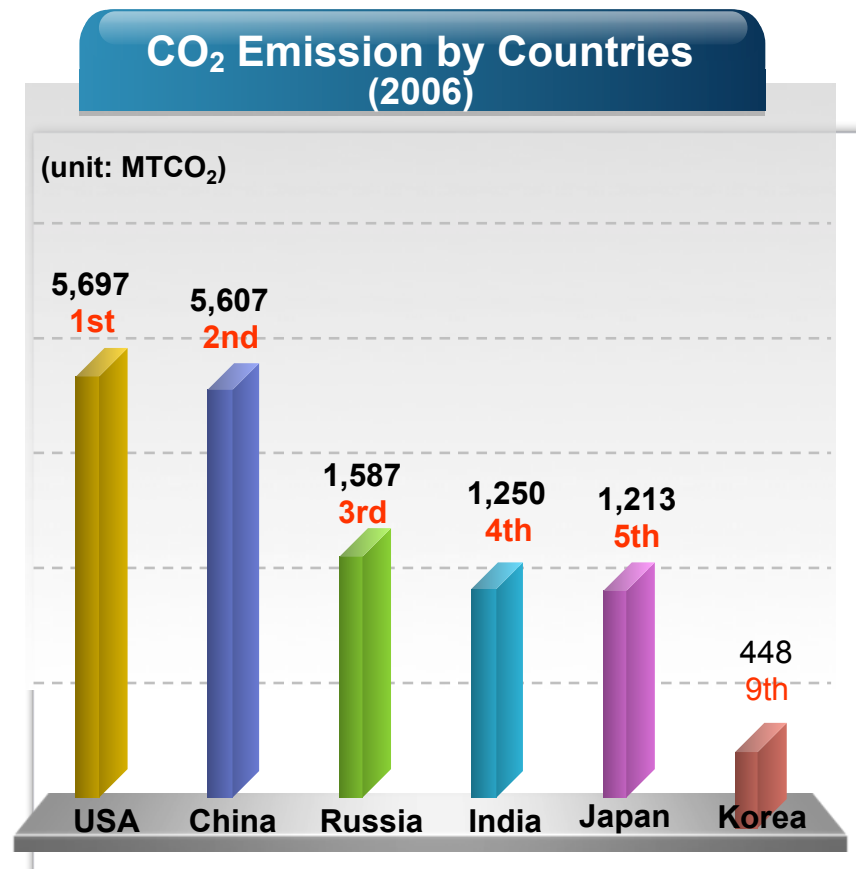
- The higher share of heavy energy consuming industries in manufacturing  
(Cement + Steel + Petrochemical : ROK 38%, OECD 22%)



## 6.5. GHG Emission

ROK is the 9th largest country in emission of greenhouse gas

ROK is being pressured to become a member of Annex 1 in post-Kyoto protocol (after 2012)



Thank you!

