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Korea and the Aftermath of Asian Economic Crisis

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Introduction to Korea

- Where : refer to maps
- Area : $98,500\text{km}^2$ (38,025 *sq.mi.*)
 - Minnesota : 79,548 *sq.mi.*
- Population : 47.1mil (Nov.2001)
 - Seoul(capital in S. Korea) :10.3mil.
 - N.Korea : 22.4mil.
 - Minnesota : 4.92 mil.(2000)
- GNP per capita(PPP)
 - 1960: \$1,302(11% of U.S.)
 - 1999: \$13,300(40% of U.S.)
- The world's 13th largest economy in 1999
- Nobel peace prize winner in 2000, Mr. Kim D.J.(current president)
- 2002 Korea-Japan World cup

Causes of the Asian Miracle

- stable macroeconomic environment
- high saving and investment rates
- high-quality human capital
- low income inequality
- export promotion
- successful industrialization

Note : *Chaebol* in Korea

Causes of Asian Economic Crisis

- short-term bank lending
- vulnerability in Financial sector
- inadequacy of financial regulation
- immature liberalization
- weak corporate governance
- contagion effect

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Recovery of Asian Economy

(Figure 1 and 2)

Reference:

- General background : Nouriel Roubini
<http://www.stern.nyu.edu/globalmacro>
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<http://www.imf.org/external/pubs/ft/weo>
- Korean data : The Bank of Korea
http://www.bok.or.kr/index_e.html
- Asian data : Asian Development Bank
<http://www.adb.org>
- *The East Asian Miracle*, 1993, World Bank
- *East Asia: The Road to Recovery*, 1998, World Bank