

Regional Economic Trends

in the Fourth Quarter and in 2011

1. Regional Economic Trends in the Fourth Quarter of 2011

- ☐ In the fourth quarter of 2011, the Mining and Manufacturing Production Index showed a highly increasing trend in Jeju, Gyeonggi and Ulsan due to a brisk production of 'Food Products', 'Electronic Components, Computer, Radio, Television and Communication Equipment' and 'Motor Vehicles'.
- ☐ The number of employed persons recorded a sharp increase in Jeju and Jeonbuk owing to the rise in 'Business and Personal Service', as in Incheon which saw the rise in 'Wholesale and Retail Trade & Restaurants and Hotels'.

Economic Trends by Sector

- The Mining and Manufacturing Production Index showed a highly increasing trend in Jeju (17.9%), Gyeonggi (17.6%) and Ulsan (11.5%) due to a brisk production of 'Food Products', 'ICT' and 'Motor Vehicles'.
 - The Mining and Manufacturing Production Index recorded a decrease in Gwangju (-6.7%), Seoul (-6.7%) and Gyeongnam (-6.1%) due to a drop in electricity and machinery.
- While the sales of 'Large-scale Retail Stores' continued a steadily increasing trend nation wide, they remained sluggish in Gangwon (-1.3%) and Jeonnam (-0.8%).
 - * Retail Sales Index: 5.1% (1Q, 2011) → 5.7% (2Q, 2011) → 4.4% (3Q, 2011) → 1.5% (4Q, 2011)
(Source: Industrial Activities, KOSTAT)
- The number of employed persons recorded a 4.4 percent increase in Incheon owing to the rise in 'Wholesale and Retail Trade & Restaurants and Hotels'. The number of employed persons showed an upward trend in Jeju (3.9%) and Jeonbuk (3.5%) owing to the rise in 'Business and Personal Service'.
- The Consumer Price Index went up by 4.0 percent nation wide in the fourth quarter, which was lower than that for the third quarter (4.3 percent). The Area of Construction Started increased in all the regions excluding Gwangju, Incheon and Gyeongbuk.
- Exports showed a steady increase of 10.0 percent nation wide. Meanwhile, exports recorded a decrease in Gyeonggi, Jeju, Chungbuk and Gwangju due to the slowdown in semiconductors, wireless communication devices and refrigerators.

Economic Trends by Region

- Seoul Metropolitan Area, Chungcheong Area, Honam Area and Dongnam Area continued an upward trend in production, employment and exports, but Daegyeong Area remained sluggish in production.
- As for Seoul Metropolitan Area, production and employment expanded an upward trend, but exports slowed down.
- Chungcheong Area expanded an upward trend in production, employment and exports.
- As for Honam Area, the increasing trend in production and exports slowed down, but employment continued an increasing trend.
- As for Daegyeong Area, production remained sluggish, but employment continued an increasing trend. The increasing trend in exports slowed down.
- As for Dongnam Area, the upward trend in production slowed down, but employment and exports continued an increasing trend.

< Major indicators by area >

The nation

- Production (2005 = 100): 146.1 (5.1) in the third quarter → 153.9 (5.0) in the fourth quarter
- Employment (ten thousand persons): 2,448 (1.5) in the third quarter → 2,446 (2.0) in the fourth quarter
- Exports (one hundred million US\$): 1,412 (21.4) in the third quarter → 1,416 (10.0) in the fourth quarter

Seoul Metropolitan Area (Seoul, Incheon and Gyeonggi)

- Production: 159.9 (7.2) in the third quarter → 173.9 (13.3) in the fourth quarter
- Employment: 1,228 (1.9) in the third quarter → 1,231 (2.2) in the fourth quarter
- Exports: 437 (14.0) in the third quarter → 442 (8.0) in the fourth quarter

Chungcheong Area (Daejeon, Chungbuk and Chungnam)

- Production: 200.8 (2.6) in the third quarter → 210.8 (3.2) in the fourth quarter
- Employment: 250 (1.2) in the third quarter → 246 (1.3) in the fourth quarter
- Exports: 194 (6.6) in the third quarter → 198 (9.0) in the fourth quarter

Daegyeong Area

(Daegu and Gyeongbuk)

- Production: 106.7 (-2.4) in the third quarter → 111.3 (-4.2) in the fourth quarter
- Employment: 256 (0.0) in the third quarter → 250 (0.7) in the fourth quarter
- Exports: 153 (22.0) in the third quarter → 149 (2.2) in the fourth quarter

Dongnam Area

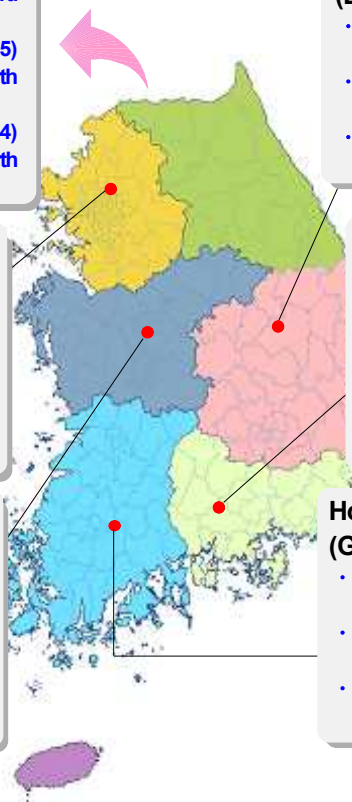
(Busan, Ulsan and Gyeongnam)

- Production: 128.3 (4.2) in the third quarter → 137.5 (1.9) in the fourth quarter
- Employment: 370 (1.2) in the third quarter → 374 (2.5) in the fourth quarter
- Exports: 452 (34.5) in the third quarter → 463 (15.6) in the fourth quarter

Honam Area

(Gwangju, Jeonbuk and Jeonnam)

- Production: 134.3 (2.4) in the third quarter → 141.2 (1.3) in the fourth quarter
- Employment: 243 (2.4) in the third quarter → 241 (2.3) in the fourth quarter
- Exports: 171 (28.9) in the third quarter → 157 (9.1) in the fourth quarter



* Production refers to the Mining and Manufacturing Production Index. Employment represents the number of employed persons. The figures in parentheses refer to year-on-year percent changes.

< Major Economic Indicators in the Fourth Quarter ① >

[Year-on-year, %]

Metropolitan cities & provinces (Areas ¹⁾)	Mining and Manufacturing Production Index ²⁾				Retail Sales Index of Large-scale Retail Stores ³⁾				The employed			
	1Q 2011	2Q 2011	3Q 2011	4Q 2011 ^p	1Q 2011	2Q 2011	3Q 2011	4Q 2011 ^p	1Q 2011	2Q 2011	3Q 2011	4Q 2011
The nation	10.6	7.2	5.1	5.0	6.8	7.0	3.9	3.6	1.8	1.7	1.5	2.0
Seoul	-0.6	-11.7	-9.7	-6.7	7.5	6.0	2.3	2.9	2.8	1.9	1.1	0.4
Busan	10.4	-1.7	4.1	-1.8	6.0	6.3	1.9	3.0	-1.9	-1.2	0.7	2.4
Daegu	14.2	5.4	3.1	-2.0	5.8	5.7	14.9	18.6	0.1	-1.4	-0.5	1.8
Incheon	12.3	5.5	2.4	-2.7	5.4	9.0	5.6	2.8	1.9	3.0	2.9	4.4
Gwangju	36.2	11.3	2.7	-6.7	3.6	3.0	2.6	0.7	-1.2	0.3	1.8	3.0
Daejeon	11.2	-1.5	-1.7	-2.4	7.5	7.7	4.8	2.9	2.1	2.8	1.4	0.1
Ulsan	8.6	10.4	13.4	11.5	7.0	6.5	2.5	4.8	3.3	2.2	1.4	0.8
Gyeonggi	17.4	9.1	9.3	17.6	7.0	8.3	3.3	0.6	3.4	2.4	2.3	3.2
Gangwon	6.9	0.1	6.6	4.7	5.5	5.5	0.0	-1.3	2.0	2.5	0.0	0.7
Chungbuk	8.2	7.2	-0.1	2.4	2.5	5.1	2.6	3.6	1.9	2.0	0.6	0.3
Chungnam	7.7	11.1	3.8	4.0	24.8	31.9	25.8	23.9	3.1	3.6	1.4	2.8
Jeonbuk	15.1	4.2	1.7	1.7	0.4	7.8	5.6	5.3	-0.5	0.9	2.2	3.5
Jeonnam	6.2	2.1	2.6	5.7	-1.1	-0.8	-2.8	-0.8	-3.8	0.4	3.1	0.8
Gyeongbuk	-6.9	-1.1	-3.3	-4.7	3.5	3.3	0.9	1.8	0.1	-1.1	0.3	-0.3
Gyeongnam	8.8	5.6	-4.6	-6.1	7.3	4.7	3.6	4.4	4.1	3.8	1.6	3.2
Jeju	-6.5	3.8	5.4	17.9	4.8	11.6	4.0	5.9	1.3	2.7	3.2	3.9
Seoul Metropolitan Area	15.3	7.0	7.2	13.3	7.1	7.1	3.0	2.0	3.0	2.3	1.9	2.2
Chungcheong Area	8.1	9.4	2.6	3.2	11.1	13.8	10.1	8.9	2.4	2.9	1.2	1.3
Honam Area	15.2	5.0	2.4	1.3	1.6	3.6	2.2	1.7	-2.0	0.5	2.4	2.3
Daegyeong Area	-3.7	0.0	-2.4	-4.2	5.1	5.0	10.3	13.5	0.1	-1.2	0.0	0.7
Dongnam Area	9.0	6.5	4.2	1.9	6.5	5.9	2.5	3.7	1.4	1.4	1.2	2.5

Note 1) Seoul Metropolitan Area (Seoul, Incheon and Gyeonggi), Chungcheong Area (Daejeon, Chungnam and Chungbuk), Honam Area (Gwangju, Jeonnam and Jeonbuk), Daegyeong Area (Daegu and Gyeongbuk), and Dongnam Area (Busan, Ulsan and Gyeongnam)

2) Including Mining, Manufacturing, Electricity and Gas

3) Covering large-scale retail stores whose sales space amounts to 3,000m² or more (at constant prices)

2. Regional Economic Trends in 2011

☐ In 2011, the Mining and Manufacturing Production Index continued an upward trend due to a favorable tendency in the exports of machinery and motor vehicles in most regions excluding Seoul and Gyeongbuk.

* The Mining and Manufacturing Production Index increased by more than 20 percent in seven regions including Ulsan and Jeonnam in spite of global economic downturn.

☐ The Mining and Manufacturing Production Index increased by more than 10 percent in Gyeonggi and Ulsan due to the rise in semiconductors and motor vehicles.

☐ The number of employed persons showed a rising trend in most regions due to the increase in production. However, Gyeongbuk marked a decrease, and Busan and Daegu remained the same level as the previous year.

☐ The Mining and Manufacturing Production Index grew by 6.9 percent due to the favorable trend in semiconductors, electronic parts and machinery.

- The Mining and Manufacturing Production Index rose by 13.3 percent in Gyeonggi and 10.9 percent in Ulsan. In the meantime, the Mining and Manufacturing Production Index declined by 7.1 percent in Seoul (7.1 percent) and Gyeongbuk (4.0 percent).

☐ The number of employed persons grew by 1.7 percent due to the increase in 'Human Health and Social Work Activities' and 'Manufacturing'.

- The number of employed persons went up by 3.2 percent in Gyeongnam, 3.1 percent in Incheon, 2.8 percent in Gyeonggi, 2.8 percent in Jeju and 2.8 percent in Chungnam.

- As for the number of employed persons, Busan (0.0%) and Daegu (0.0%) remained the same level as the previous year. Gyeongbuk decreased by 0.2 percent.

☐ Exports increased by 19.3 percent owing to the rise in vessels and motor vehicles in spite of European financial crisis.

- Exports marked a two-digit increase in all the regions excluding Jeju and Gyeonggi. Exports increased by 42.2 percent in Ulsan, 31.5 percent in Jeonnam and 31.0 percent in Gangwon due to the rise in petroleum products and motor vehicles.

< Major Economic Indicators in 2011 >

[Year-on-year, %]

Metropolitan cities and provinces	Mining and Manufacturing Production Index ¹⁾				The employed				Exports			
	2008	2009	2010	2011 ^P	2008	2009	2010	2011	2008	2009	2010	2011
The nation	3.4	-0.1	16.2	6.9	0.6	-0.3	1.4	1.7	13.6	-13.9	28.3	19.3
Seoul	-6.5	-11.5	5.3	-7.1	-0.4	-1.8	2.1	1.5	23.4	-0.7	37.1	24.8
Busan	4.0	-4.7	9.3	2.5	-1.2	-1.8	0.4	0.0	26.6	-26.1	30.3	17.8
Daegu	1.8	-10.3	22.0	4.9	-1.3	0.5	1.8	0.0	12.2	-14.2	33.4	22.7
Incheon	-1.9	-12.2	15.6	4.1	0.6	2.2	2.1	3.1	-2.0	-25.1	36.8	28.1
Gwangju	-6.8	3.6	24.5	8.9	0.7	1.6	2.6	0.9	-7.2	-5.6	30.4	15.2
Daejeon	-4.5	-2.8	17.4	1.1	2.3	0.3	0.6	1.6	15.8	-4.6	24.4	16.3
Ulsan	3.2	-0.7	4.1	10.9	2.2	-1.0	2.4	1.9	23.2	-22.8	17.4	42.2
Gyeonggi	5.1	-1.0	25.9	13.3	2.4	0.2	2.4	2.8	-5.4	-5.0	47.8	2.2
Gangwon	5.1	-4.5	9.6	4.4	0.4	0.9	-1.9	1.3	26.5	-21.3	34.8	31.0
Chungbuk	2.9	6.6	15.5	4.3	2.3	1.9	1.9	1.2	3.3	-12.3	27.8	17.8
Chungnam	9.1	18.9	21.2	6.5	-2.6	-1.2	1.3	2.8	-10.2	-8.2	37.1	10.9
Jeonbuk	-0.1	-4.7	20.8	5.4	0.1	-0.4	-1.1	1.6	7.7	-11.8	74.1	22.2
Jeonnam	5.4	-0.3	4.7	4.2	-0.1	0.6	-2.7	0.1	32.1	-19.8	30.6	31.5
Gyeongbuk	0.8	-6.5	3.2	-4.0	0.4	-0.5	1.0	-0.2	5.2	-19.1	16.7	16.0
Gyeongnam	7.0	0.5	13.7	0.7	1.9	-0.7	0.8	3.2	55.8	-4.0	6.9	13.6
Jeju	10.7	9.1	-5.7	5.5	0.6	-0.5	-1.9	2.8	44.0	4.9	12.2	1.7

Note 1) Including Mining, Manufacturing, Electricity and Gas