

# Preliminary Results of the Survey of Business Activities in 2014

- The number of domestic enterprises was 12,401 business entities in 2014, which grew by 1.4 percent (169 entities) from 2013.

(Each, %)

| Industrial sections                       | Number of enterprises |          |          |              |                |
|---|-----------------------|----------|----------|--------------|----------------|
|   | 2012                  | 2013 (A) | 2014 (B) | Change (B-A) | Percent change |
| ■ All industries                          | 12,011                | 12,232   | 12,401   | 169          | 1.4            |
| Agriculture, Forestry and Fishing         | 18                    | 19       | 24       | 5            | 26.3           |
| Mining and Manufacturing                  | 6,177                 | 6,107    | 5,950    | -157         | -2.6           |
| Manufacturing                             | 6,163                 | 6,091    | 5,938    | -153         | -2.5           |
| Electricity and Gas                       | 50                    | 51       | 55       | 4            | 7.8            |
| Construction                              | 592                   | 577      | 548      | -29          | -5.0           |
| Wholesale and Retail Trade                | 1,168                 | 1,241    | 1,400    | 159          | 12.8           |
| Transportation                            | 701                   | 709      | 684      | -25          | -3.5           |
| Accommodation and Food Service Activities | 231                   | 276      | 317      | 41           | 14.9           |
| Information and Communications            | 995                   | 1,038    | 1,072    | 34           | 3.3            |
| Real Estate, and Renting & Leasing        | 177                   | 208      | 274      | 66           | 31.7           |
| Other Service Industries*                 | 1,651                 | 1,730    | 1,801    | 71           | 4.1            |
| Financial and Insurance Activities        | 251                   | 276      | 276      | -            | -              |

\* Other Service Industries represent industrial sections of E, M, N, P, Q, R and S according to the Korean Standard Industrial Classification.

- The number of workers was 4,300 thousand persons in 2014, which increased by 75 thousand persons (1.8 percent) from 2013.

※ As for a total of 11,583 enterprises that were included in the 2013 and 2014 surveys, the number of workers grew by 60 thousand persons. Due to the difference in the number of workers in enterprises that were newly included in the 2014 survey and excluded in the 2014 survey, the number of workers grew by 15 thousand persons.

(Thousand persons, %)

| Industrial sections                       | Number of workers |       | Regular workers |       |       |       | Temporary, daily and other workers |       |      |       |
|---|-------------------|-------|-----------------|-------|-------|-------|------------------------------------|-------|------|-------|
|   | 2013              | 2014  | 2013            | Share | 2014  | Share | 2013                               | Share | 2014 | Share |
| ■ All industries                          | 4,225             | 4,300 | 3,720           | 88.1  | 3,813 | 88.7  | 504                                | 11.9  | 487  | 11.3  |
| Agriculture, Forestry and Fishing         | 3                 | 3     | 2               | 87.2  | 3     | 91.6  | 0                                  | 12.8  | 0    | 8.4   |
| Mining and Manufacturing                  | 1,894             | 1,885 | 1,813           | 95.7  | 1,817 | 96.4  | 81                                 | 4.3   | 68   | 3.6   |
| Manufacturing                             | 1,892             | 1,883 | 1,811           | 95.7  | 1,816 | 96.4  | 81                                 | 4.3   | 68   | 3.6   |
| Electricity and Gas                       | 30                | 32    | 30              | 98.5  | 32    | 99.0  | 0                                  | 1.5   | 0    | 1.0   |
| Construction                              | 314               | 298   | 159             | 50.7  | 167   | 56.1  | 155                                | 49.3  | 131  | 43.9  |
| Wholesale and Retail Trade                | 340               | 371   | 292             | 85.8  | 322   | 86.8  | 48                                 | 14.2  | 49   | 13.2  |
| Transportation                            | 206               | 208   | 195             | 94.8  | 196   | 94.2  | 11                                 | 5.2   | 12   | 5.8   |
| Accommodation and Food Service Activities | 153               | 165   | 113             | 73.7  | 119   | 72.1  | 40                                 | 26.3  | 46   | 27.9  |
| Information and Communications            | 289               | 292   | 253             | 87.6  | 250   | 85.5  | 36                                 | 12.4  | 42   | 14.5  |
| Real Estate, and Renting & Leasing        | 53                | 60    | 48              | 89.9  | 57    | 94.4  | 5                                  | 10.1  | 3    | 5.6   |
| Other Service Industries                  | 617               | 658   | 564             | 91.4  | 601   | 91.3  | 53                                 | 8.6   | 57   | 8.7   |
| Financial and Insurance Activities        | 325               | 327   | 251             | 77.3  | 249   | 76.2  | 74                                 | 22.7  | 78   | 23.8  |

- The annual sales of enterprises (excluding 'Financial and Insurance Activities') totaled 2,231 trillion won in 2014, down 1.2 percent (26 trillion won) from 2013.
- The net profit (before balancing the corporate tax) marked 94 trillion won in 2014, which increased by 5.9 percent from 2013.
- The net profit (before balancing the corporate tax) per 1,000 won of annual sales marked 42 won in 2014, which rose by 3 won from 2013.
- ※ As for a total of 11,322 enterprises (Excluding Financial and Insurance Activities) that were included in the 2013 and 2014 surveys, the annual sales dropped by 1.0 percent, but the net profit rose by 4.6 percent from 2013.

(Trillion won, 100 million won, %)

| Industrial sections   | Annual sales (trillion won) |       |       |                | Annual sales per enterprise (one hundred million won) |        |        |                |
|---|-----------------------------|-------|-------|----------------|---|--------|--------|----------------|
|   | 2012                        | 2013  | 2014  | Percent change | 2012  | 2013   | 2014   | Percent change |
| ■ All industries (Excluding Financial and Insurance Activities) | 2,233                       | 2,257 | 2,231 | -1.2           | 1,898   | 1,888  | 1,840  | -2.5           |
| Agriculture, Forestry and Fishing                               | 1                           | 1     | 1     | 5.5            | 692   | 588    | 491    | -16.5          |
| Mining and Manufacturing  | 1,436                       | 1,441 | 1,385 | -3.9           | 2,325   | 2,359  | 2,328  | -1.3           |
| Manufacturing   | 1,435                       | 1,440 | 1,385 | -3.8           | 2,329   | 2,364  | 2,332  | -1.4           |
| Electricity and Gas   | 65                          | 66    | 67    | 0.7            | 12,953  | 12,952 | 12,092 | -6.6           |
| Construction  | 145                         | 165   | 166   | 0.4            | 2,444   | 2,859  | 3,022  | 5.7            |
| Wholesale and Retail Trade                                      | 295                         | 289   | 309   | 7.0            | 2,529   | 2,326  | 2,207  | -5.1           |
| Transportation  | 100                         | 94    | 92    | -1.3           | 1,430   | 1,321  | 1,352  | 2.3            |
| Accommodation and Food Service Activities                       | 21                          | 22    | 25    | 11.4           | 895   | 801    | 776    | -3.0           |
| Information and Communications                                  | 102                         | 108   | 109   | 0.8            | 1,028   | 1,044  | 1,019  | -2.4           |
| Real Estate, and Renting & Leasing                              | 11                          | 12    | 14    | 18.3           | 625   | 574    | 515    | -10.2          |
| Other Service Industries  | 56                          | 60    | 63    | 6.1            | 341   | 344    | 351    | 1.9            |
| Financial and Insurance Activities                              | 512                         | 483   | 496   | 2.8            | 20,385  | 17,484 | 17,972 | 2.8            |

(billion won, won)

| Major industries  | Net profit before balancing the corporate tax (billion won)                       |         |         |          |          |              |
|---|---|---------|---------|----------|----------|--------------|
|   | 2010  | 2011    | 2012    | 2013 (A) | 2014 (B) | Change (B-A) |
| ■ All industries (Excluding Financial and Insurance Activities) | 116,983   | 108,934 | 105,344 | 88,551   | 93,739   | 5,188        |
| Manufacturing   | 86,672  | 80,426  | 81,084  | 73,483   | 64,198   | -9,285       |
| Electricity and Gas   | 3,670   | 2,379   | 2,337   | 1,114    | 4,442    | 3,328        |
| Construction  | 184   | 38      | -2,199  | -5,520   | 667      | 6,187        |
| Wholesale and Retail Trade                                      | 8,542   | 11,163  | 11,043  | 7,123    | 9,296    | 2,173        |
| Transportation  | 3,540   | -1,463  | -55     | -1,672   | 2,416    | 4,088        |
| Information and Communications                                  | 8,012   | 9,094   | 7,349   | 7,210    | 5,468    | -1,742       |
| Financial and Insurance Activities                              | 33,159  | 33,601  | 26,809  | 19,841   | 25,662   | 5,821        |
| Major industries  | Net profit before balancing the corporate tax per 1,000 won of annual sales (won) |         |         |          |          |              |
|   | 2010  | 2011    | 2012    | 2013 (A) | 2014 (B) | Change (B-A) |
| ■ All industries (Excluding Financial and Insurance Activities) | 62.3  | 51.7    | 47.2    | 39.2     | 42.0     | 2.8          |
| Manufacturing   | 73.6  | 59.4    | 56.5    | 51.0     | 46.4     | -4.7         |
| Electricity and Gas   | 74.5  | 42.6    | 36.1    | 16.9     | 66.8     | 49.9         |
| Construction  | 1.4   | 0.3     | -15.2   | -33.5    | 4.0      | 37.5         |
| Wholesale and Retail Trade                                      | 33.3  | 39.4    | 37.4    | 24.7     | 30.1     | 5.4          |
| Transportation  | 39.3  | -15.6   | -0.6    | -17.8    | 26.1     | 44.0         |
| Information and Communications                                  | 87.6  | 92.5    | 71.9    | 66.5     | 50.1     | -16.5        |
| Financial and Insurance Activities                              | 61.7  | 62.2    | 52.0    | 41.1     | 51.7     | 10.6         |

□ Enterprises with overseas branch offices and investment corporations amounted to 3,393 business entities in 2014, which occupied 27.4 percent of the total surveyed enterprises. Enterprises with overseas subsidiaries amounted to 2,841 business entities in 2014, which occupied 22.9 percent of the total surveyed enterprises.

○ Subsidiaries were mainly located in China (33.7%), the U.S.A (12.8%) and Vietnam (7.6%).

(Each, %)

| Major industries                   | Domestic subsidiaries |       |                        |       |                |                                       |      |
|------------------------------------|-----------------------|-------|------------------------|-------|----------------|---------------------------------------|------|
|                                    | Number of enterprises |       | Number of subsidiaries |       |                | Number of subsidiaries per enterprise |      |
|                                    | 2013                  | 2014  | 2013                   | 2014  | Percent change | 2013                                  | 2014 |
| ■ All industries                   | 3,630                 | 3,712 | 9,683                  | 9,987 | 3.1            | 2.7                                   | 2.7  |
| Manufacturing                      | 1,821                 | 1,827 | 4,022                  | 3,992 | -0.7           | 2.2                                   | 2.2  |
| Construction                       | 221                   | 222   | 832                    | 811   | -2.5           | 3.8                                   | 3.7  |
| Wholesale and Retail Trade         | 353                   | 382   | 881                    | 957   | 8.6            | 2.5                                   | 2.5  |
| Transportation                     | 155                   | 150   | 469                    | 453   | -3.4           | 3.0                                   | 3.0  |
| Information and Communications     | 392                   | 408   | 1,222                  | 1,311 | 7.3            | 3.1                                   | 3.2  |
| Financial and Insurance Activities | 98                    | 99    | 618                    | 712   | 15.2           | 6.3                                   | 7.2  |
| Major industries                   | Overseas subsidiaries |       |                        |       |                |                                       |      |
|                                    | Number of enterprises |       | Number of subsidiaries |       |                | Number of subsidiaries per enterprise |      |
|                                    | 2013                  | 2014  | 2013                   | 2014  | Percent change | 2013                                  | 2014 |
| ■ All industries                   | 2,762                 | 2,841 | 7,684                  | 7,955 | 3.5            | 2.8                                   | 2.8  |
| Manufacturing                      | 1,966                 | 1,985 | 5,195                  | 5,274 | 1.5            | 2.6                                   | 2.7  |
| Construction                       | 114                   | 116   | 444                    | 431   | -2.9           | 3.9                                   | 3.7  |
| Wholesale and Retail Trade         | 186                   | 221   | 608                    | 704   | 15.8           | 3.3                                   | 3.2  |
| Transportation                     | 61                    | 58    | 342                    | 334   | -2.3           | 5.6                                   | 5.8  |
| Information and Communications     | 160                   | 178   | 387                    | 450   | 16.3           | 2.4                                   | 2.5  |
| Financial and Insurance Activities | 51                    | 49    | 164                    | 173   | 5.5            | 3.2                                   | 3.5  |

□ The research and development expenditures of enterprises totaled 43.6 trillion won in 2014, up 1.9 percent from 2013.

○ The research and development expenditures of enterprises in Manufacturing amounted to 37.8 trillion won, which occupied 86.7 percent of the total research and development expenditures of enterprises. This increase was mainly driven by medicine and electronic components.

(Each, billion won, %)

| Industrial classification  | Year           | Number of surveyed enterprises | Annual sales per enterprise | Number of enterprises with research and development expenditures | Annual sales per enterprise | Research and development expenditures | Research and development expenditures per enterprise with research and development expenditures |
|--|----------------|--------------------------------|-----------------------------|--|-----------------------------|---------------------------------------|---|
| ■ All industries<br>(Excluding Financial and Insurance Activities) | 2013           | 11,956                         | 188.8                       | 6,020  | 291.2                       | 42,758                                | 7.1   |
|  | 2014           | 12,125                         | 184.0                       | 6,215  | 271.4                       | 43,577                                | 7.0   |
|  | Percent change | 1.4                            | -2.5                        | 3.2  | -6.8                        | 1.9                                   | -1.3  |
| Manufacturing  | 2013           | 6,091                          | 236.4                       | 4,492  | 293.5                       | 37,377                                | 8.3   |
|  | 2014           | 5,938                          | 233.2                       | 4,528  | 273.9                       | 37,763                                | 8.3   |
|  | Percent change | -2.5                           | -1.4                        | 0.8  | -6.7                        | 1.0                                   | 0.2   |

□ In addition, enterprises continued their efforts to streamline management.

- 75.4 percent of enterprises outsourced their business. 70.0 percent of enterprises used an e-business system. 8.5 percent of enterprises established strategic alliances.
- 73.6 percent of enterprises introduced and operated an annual salary system. 63.4 percent of enterprises introduced and operated a performance-based bonus system.