

APBO 2013

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Overview

How big is Korea?

- Korea is roughly the size of Indiana
- With a GDP equal to that of Indiana, Ohio and Michigan
- Korea's exports equal exports from:

| | | |
|----------|--------------|-----------------|
| Indiana | Ohio | Michigan |
| Illinois | Pennsylvania | Tennessee |
| New York | New Jersey | and California. |

Goods & Services Exports as % of GDP



■ Korea ■ Germany ■ Mexico ■ Japan ■ USA

Source: OECD

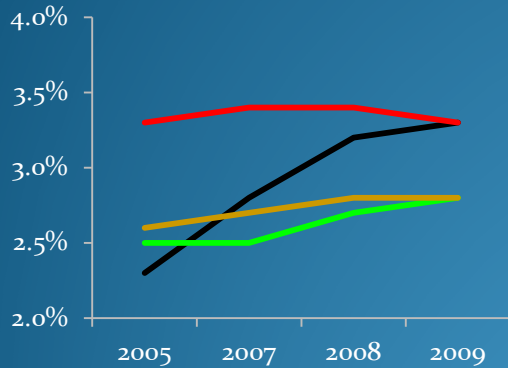
Labor Productivity

| | High School Graduation | University Degrees | Hours Worked | GDP per Hour Worked USD | Compensation USD/hour | Labor Productivity Growth Rate |
|---------|------------------------|--------------------|--------------|-------------------------|-----------------------|--------------------------------|
| Korea | 98 % | 41 % | 2,193 | \$ 27.20 | \$ 15.16 | 6.4 % |
| Mexico | 39 % | 15 % | 1,866 | \$ 19.80 | \$ 6.71 | 1.8 % |
| USA | 87 % | 40 % | 1,778 | \$ 59.00 | \$ 33.21 | 3.0 % |
| Japan | | 41 % | 1,773 | \$ 39.40 | \$ 20.68 | 3.2 % |
| Germany | 85 % | 25 % | 1,419 | \$ 53.60 | \$ 28.26 | 1.4 % |

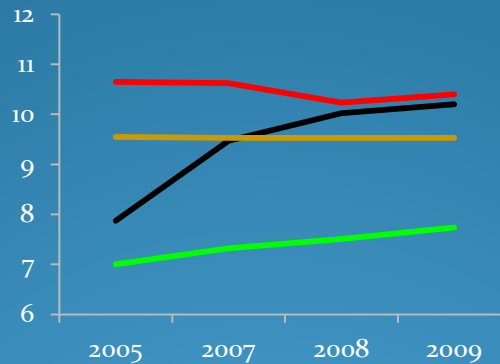
Source: OECD

Trends in R&D

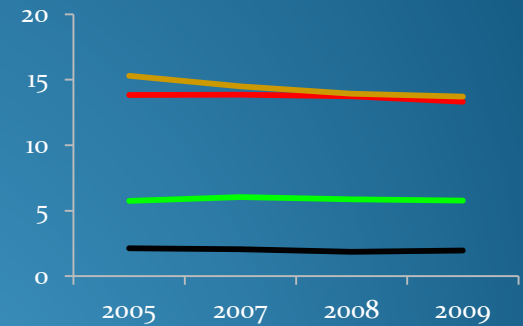
R&D as % of GDP



Researchers (per 1000 Employees)

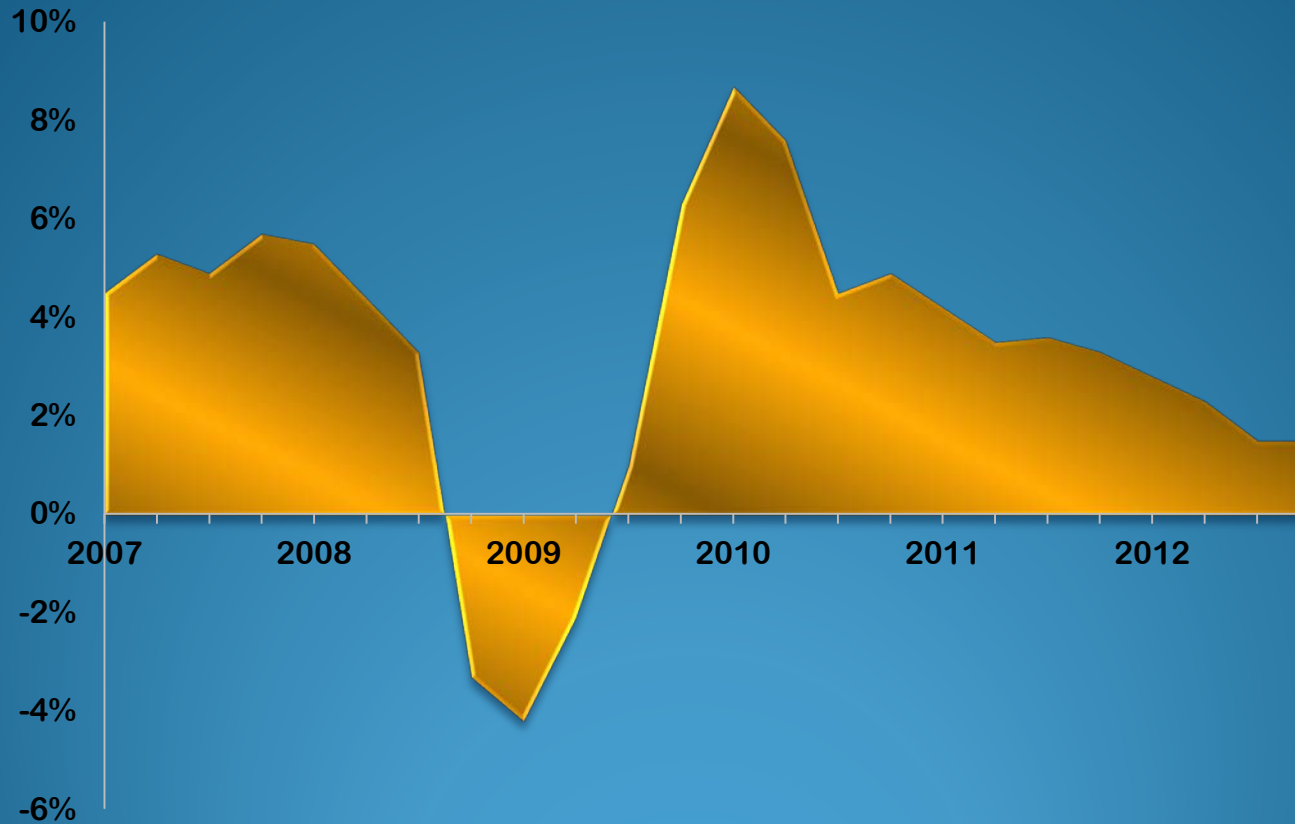


Triadic Patents (Thousands)



— Korea — Japan
— Germany — USA

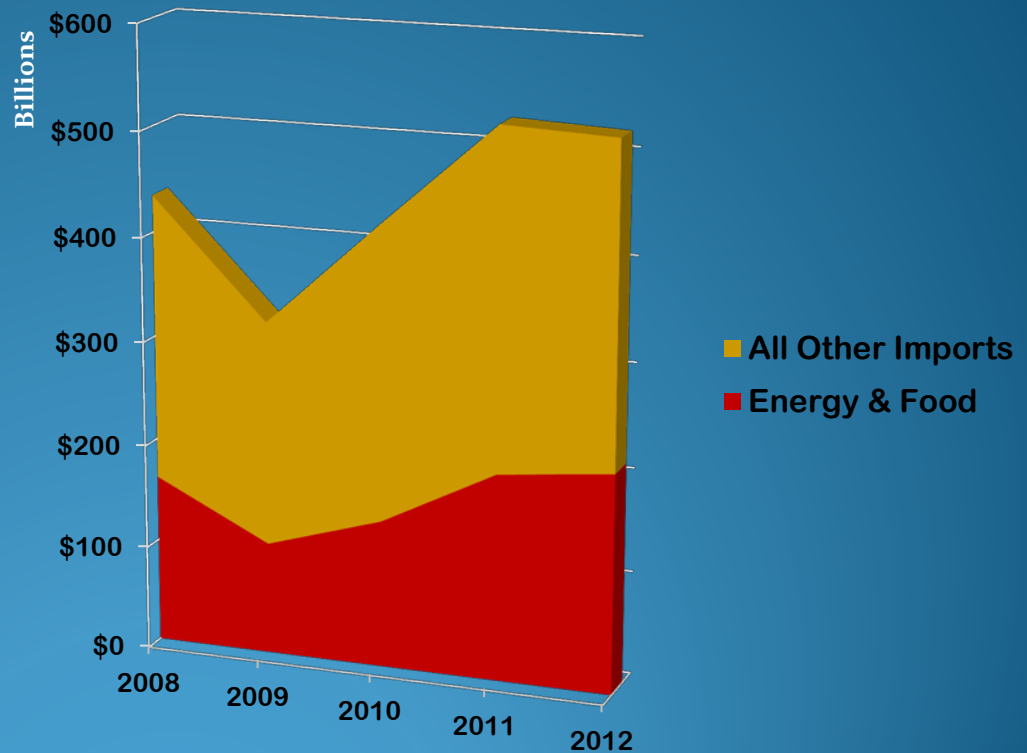
Korea GDP Growth Rate



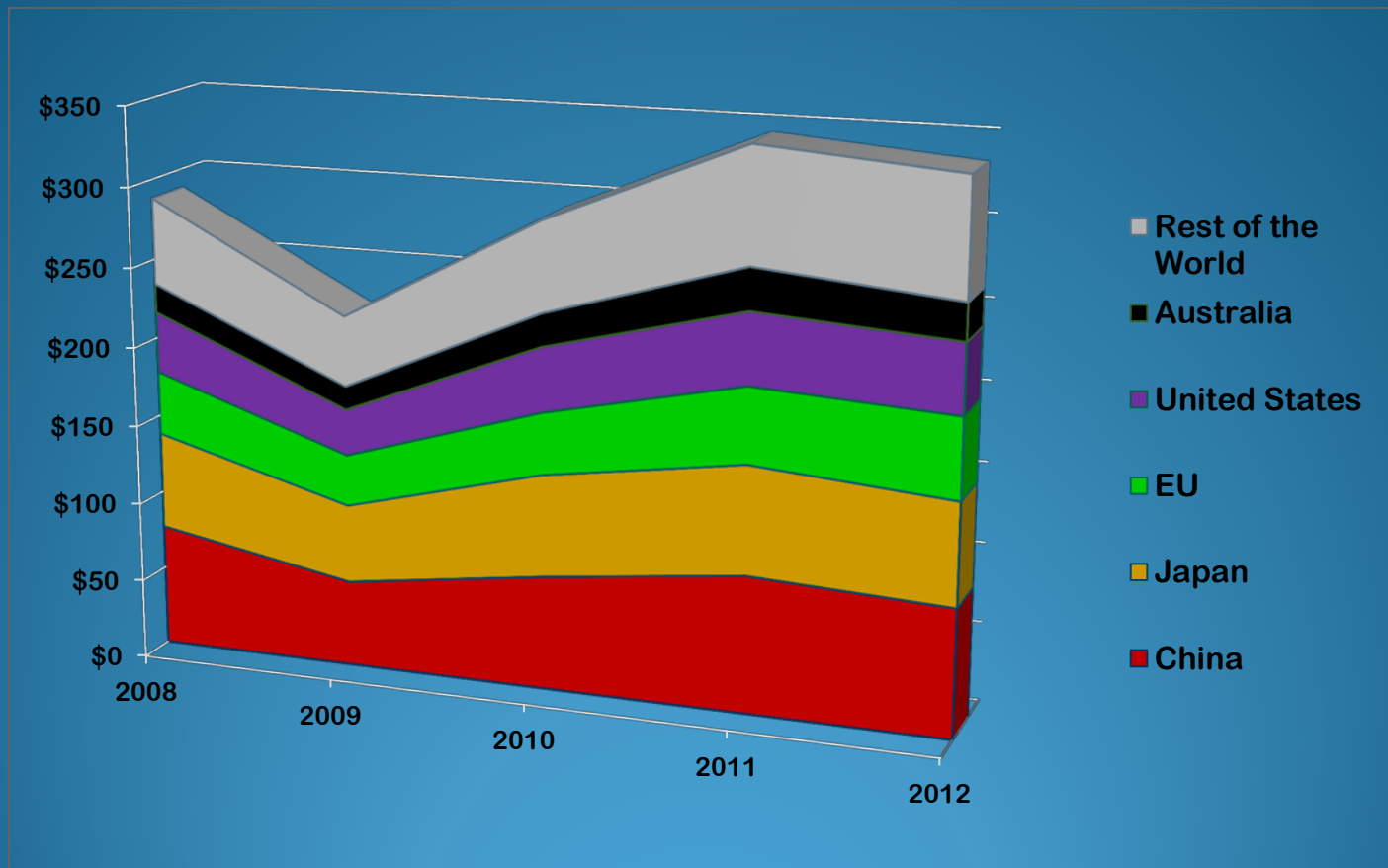
Source : The Bank Of Korea

Korea imports almost all its Energy, and much of its Food

- With 50 million residents in a country the size of Indiana, food imports are unavoidable
- Only 17% of Korean land is arable
- Korea has few energy resources
- Korea now exports refined petroleum products
- Energy and Food have grown to 40% of imports

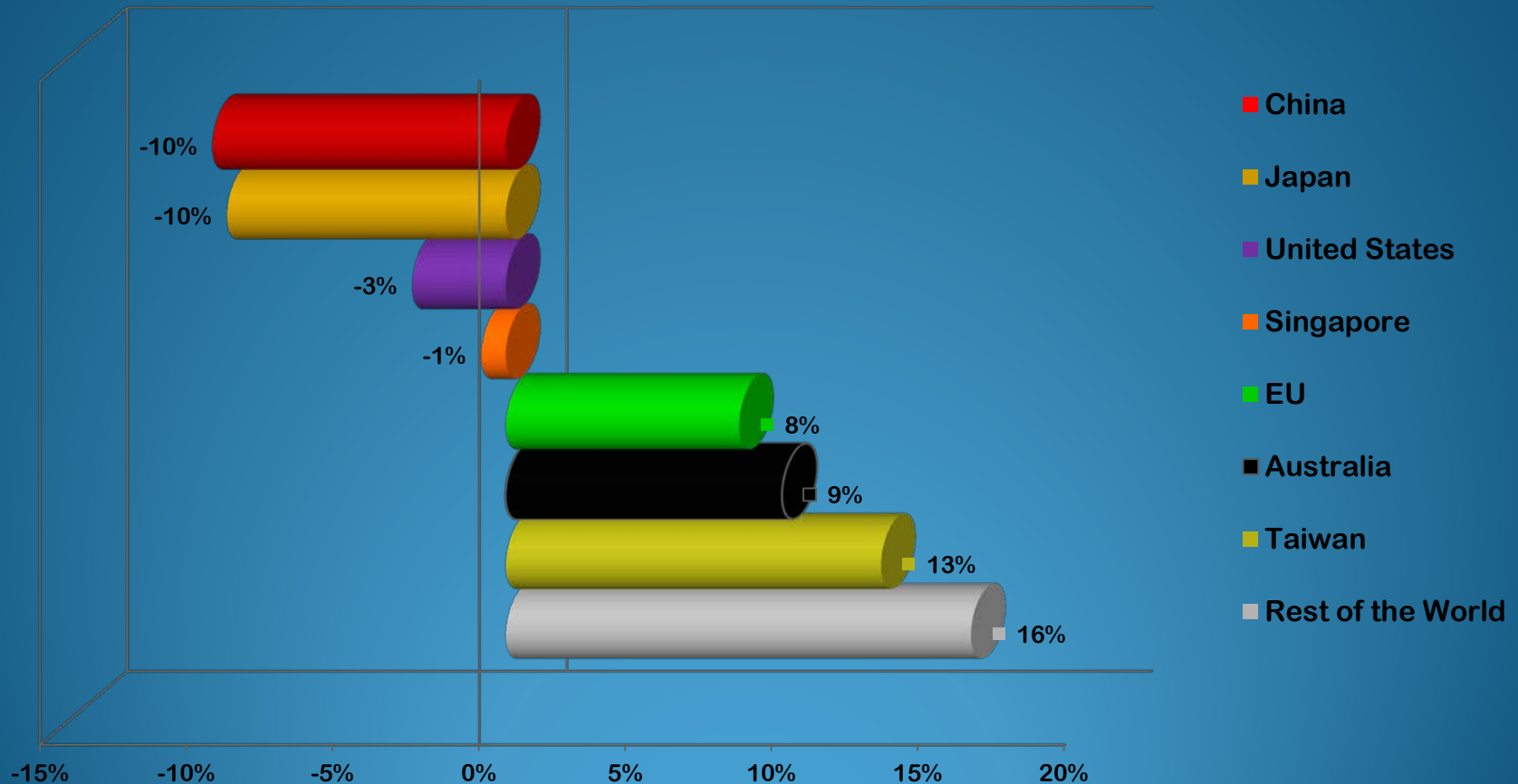


Korean Imports from Non-Energy Exporters



Source : The Bank Of Korea

Change in Korean Market Share: Non-Energy Imports, 2008 - 2012

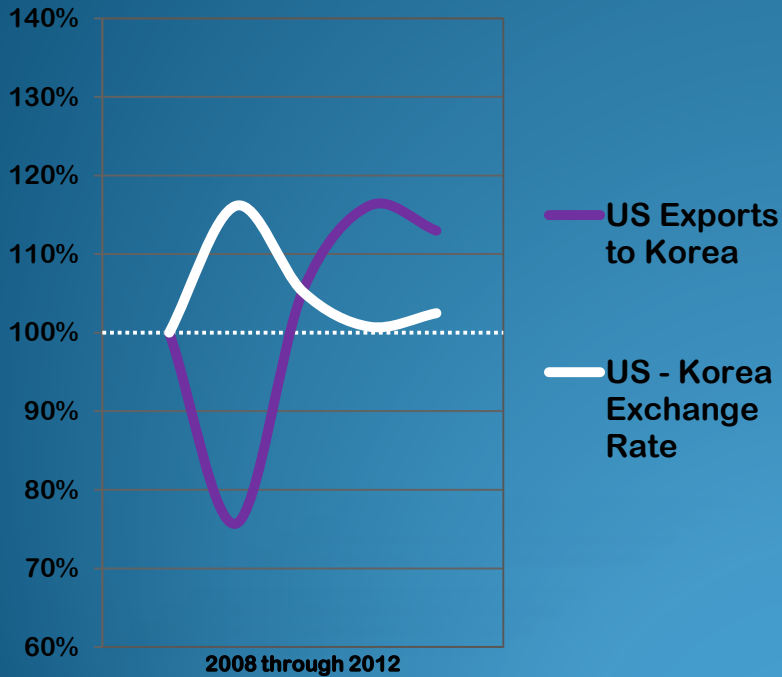


Why have EU exports to Korea grown, while US exports have fallen?

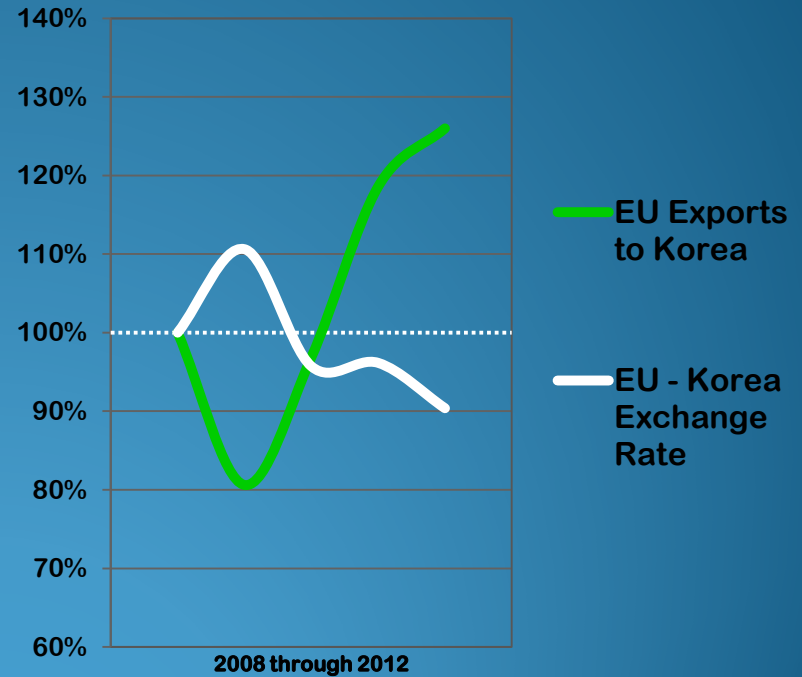
- Mid-West Drought
- Iran Oil Sanctions
- Exchange Rates

Exchange Rates Affect Korean Imports

US products are 2% more expensive than in 2008



EU products are 10% less expensive than in 2008

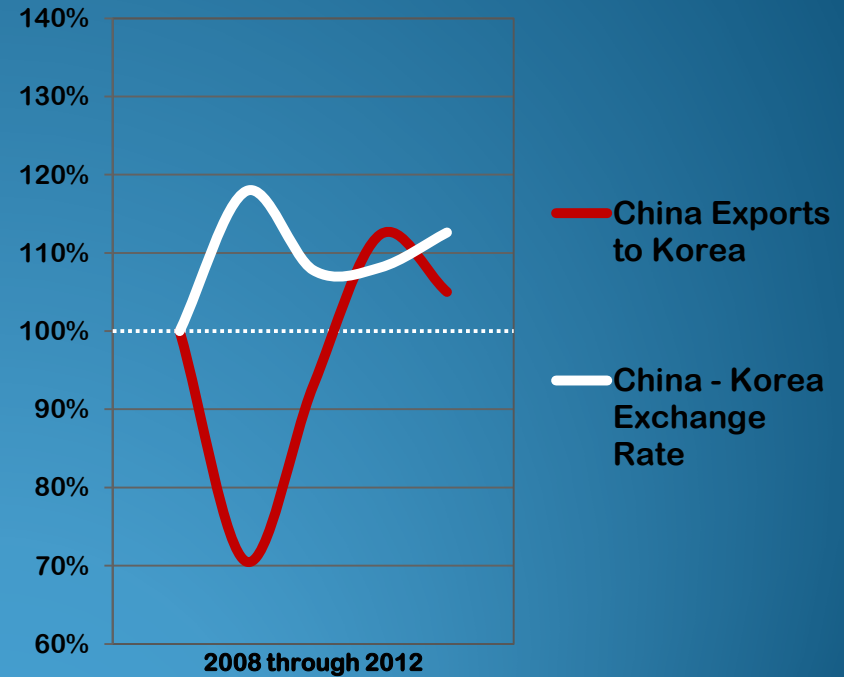
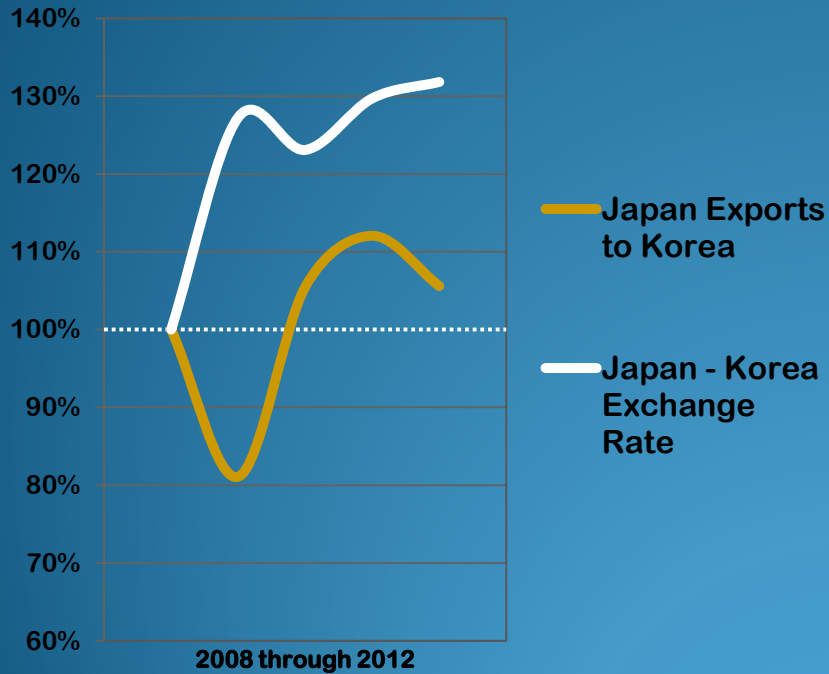


Source: OANDA, Korean Customs

Exchange Rates Affect Korean Imports

Japan products are 32% more expensive than in 2008

China products are 13% more expensive than in 2008



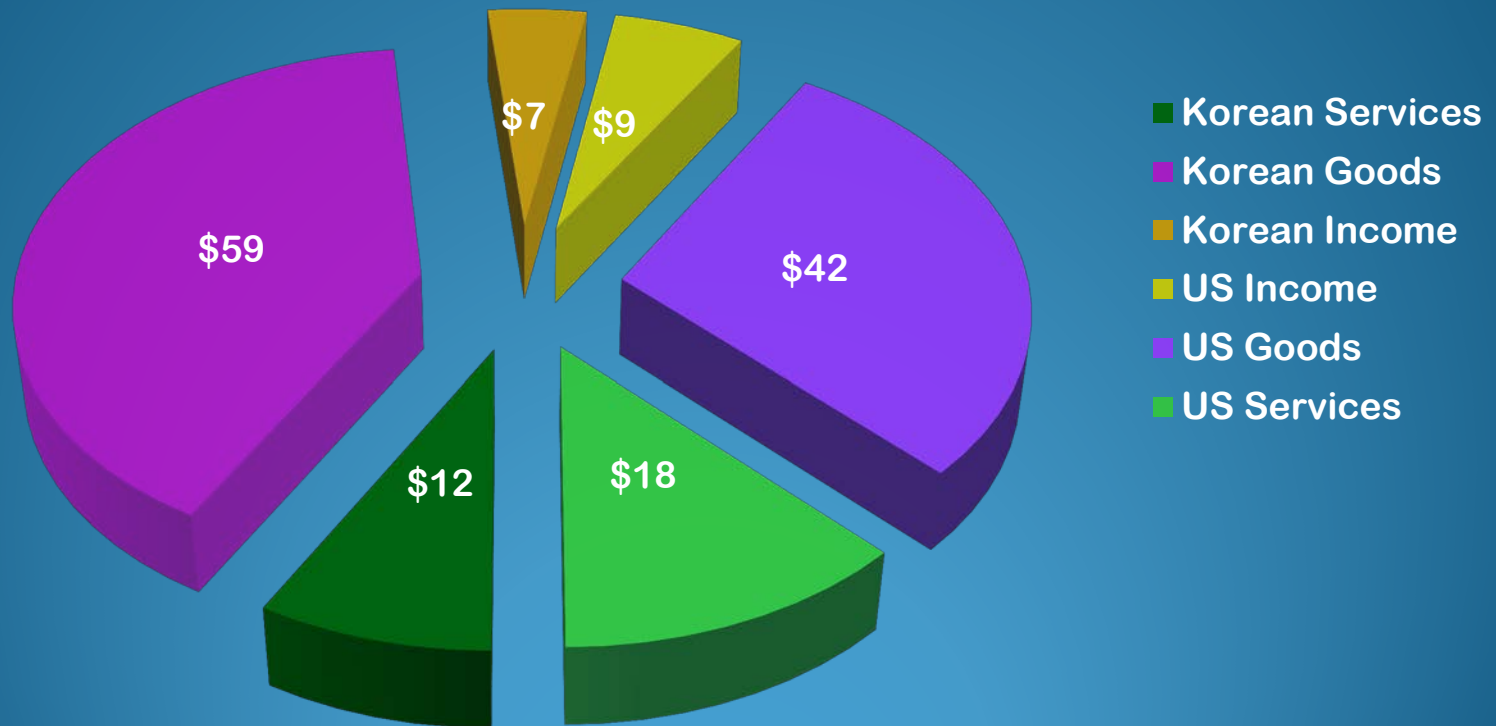
Source: OANDA, Korean Customs

2012 Korea – US Trade Balance

Bilateral Trade = USD 145 Billion

2012 US - Korea Trade Balance

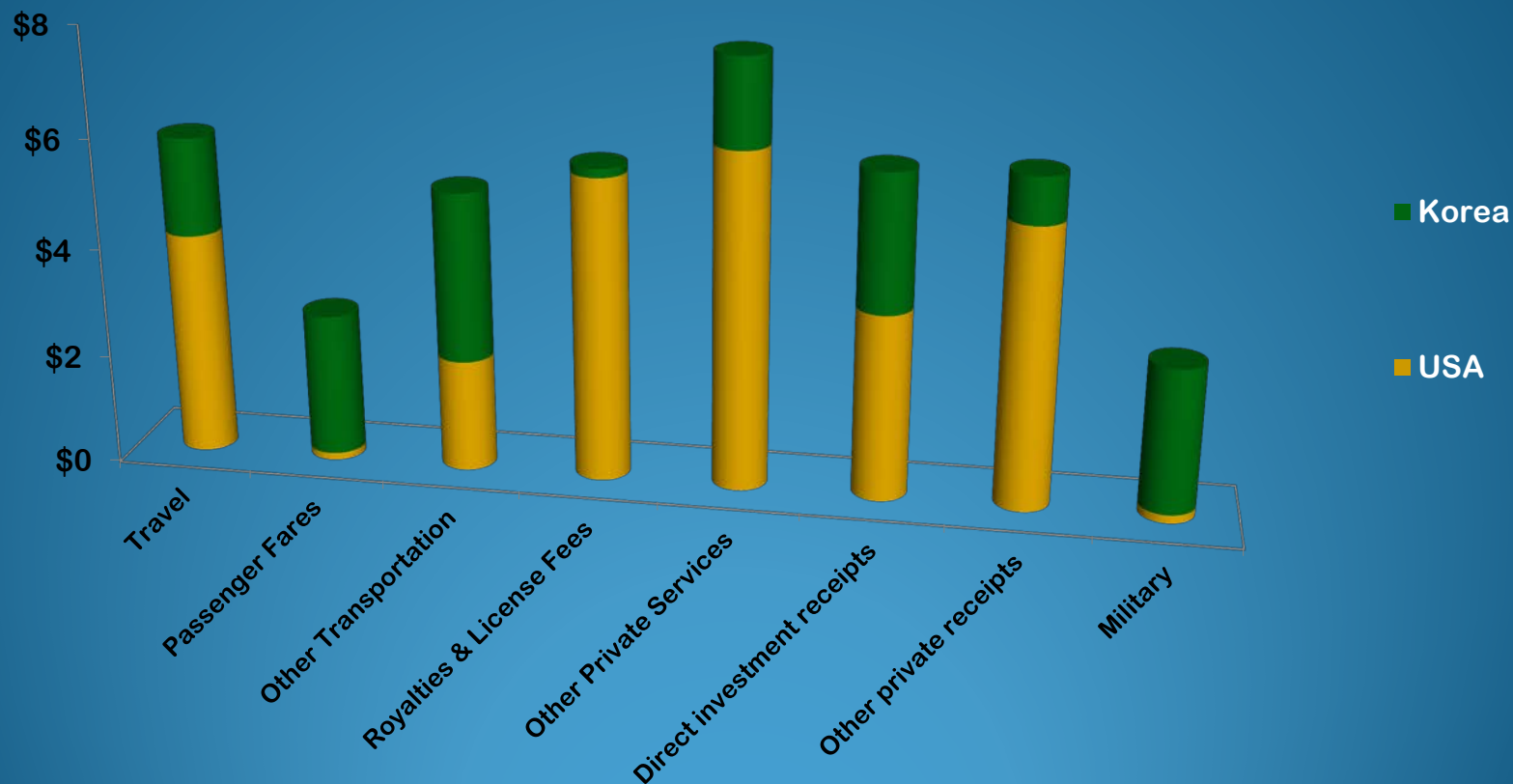
Bilateral Trade = USD 145 Billion



Source: Bureau of Economic Analysis

US – Korea Services & Income

Bilateral Trade = USD 45 Billion in 2012



Source: Bureau of Economic Analysis

**Bilateral U.S. - Korea Trade
= \$2.5 billion per week**

We look forward to working with you on an individual basis ...

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