

KOREA (REPUBLIC OF)

By a Special Contributor

According to the Bank of Korea, the Republic of Korea posted an annual growth of 8.8% in gross domestic product (GDP) in 2000, despite a marked slowdown in the fourth quarter. The year-on-year GDP growth rate declined from the 10.9% posted in 1999, mainly because of slow consumption in the private sector. *Per capita* real gross national income (GNI) rose by US\$1,077 or 12.6% from US\$8,551 in 1999 to US\$9,628 in 2000. Nominal GDP increased by 7.1% to US\$457.4 billion in 2000 ranking Republic of Korea thirteenth in the world in terms of nominal GDP.

The industrial production index (IPI) for mining, unadjusted for seasonal variation, based on 100 in 1995, recorded 77.3 in 2000 with compared to 78.6 in 1999. IPI for coal recorded 57.8; metal ore dropped to 70.6 from 86.2 in 1999, and non metal ore dropped to 80.0 from 81.2 in 1999.

In 2000, the country's mineral-production value totalled US\$1,064 million, comprising US\$276 million for metal ore (26%); US\$584 million for non-metal ore (55%) and US\$204 million for coal (19%).

Mineral imports last year totalled US\$2,033 million for coal and US\$2,096 million for other minerals and metallic ores including: US\$939 million of iron ore; US\$684 million of copper ore; US\$275 million of zinc ore; US\$166 million of potash; US\$138 million of enriched uranium and US\$84 million of lead ore. In 2000, Korea exported ore worth only US\$20 million a drop of 9.3% from 1999.

Coal and Energy

Korean anthracite coal production amounted 4.15 Mt, compared with 4.19 Mt in 1999. About 30% of the nation's anthracite coal is produced by Dai Han Coal Corp. which produced 1.4 Mt from 3 coal mines. Kyungdong Coal Mining Co. produced 1 Mt.

During 2000, Korea imported 2.1 Mt of anthracite coal and 59.6 Mt of bituminous coal comprising 19.6 Mt of coking coal and 40 Mt of steaming coal. Compared with 1999, imports of steaming coal rose by 18% and coking coal imports increased by 13%. Total imports of bituminous coal in 1999 were 51.1 Mt.

Korea Electric Power Corp. (KEPCO) is Korea's principal buyer of steam coal and is the government's power monopoly. From April 2001, KEPCO will split into six separate power generation companies. One company will be handling nuclear power generation and will be retained in public ownership but the other five companies will be established for eventual sale to the private sector.

Energy imports amounted to US\$37.1 billion in 2000, compared with US\$22.3 billion in 1999. Total import value of crude and oil products was US\$31.2 billion, accounting for 84% of energy imports. Coal and LNG imports were worth US\$2.1 billion and US\$3.8 billion respectively.

Korea's energy production in 2000 totalled 32,44 Mtoe, an increase of 4.7% over 1999. Nuclear power generation rose 5.7% to 27.24 Mtoe.

Total primary energy consumption in 2000 was 192.44 Mtoe, 6.1% higher than in 1999. Petroleum consumption rose by 2.9% to 100 Mtoe, and total coal consumption increased by 12.5% to 42.91 Mtoe.

Iron and Steel

Iron ore production in the first 11 months of 2000 totalled 163,155 t compared with 169,399 t in 1999. Imports of iron-ore for the period amounted to 39 Mt.

Pohang Iron & Steel Co.'s works in Pohang and Kwangynag produced 27.7 Mt of crude steel in 2000, helping Korea maintain its

ranking as the world's sixth largest crude steel producer. POSCO's hot and cold rolled steel products continued to lead the way, accounting for 69% of total sales. About 75% of POSCO's steel output is sold on the Korean market, with the balance sold to Japan, China, and some 60 other markets worldwide.

Korea's total crude steel production increased by 5% (2.9 Mt) to 43.1 Mt, compared with 1999 production of 41.0 Mt. In 2000, Korea imported 11.1 Mt of steel products and exported 14.2 Mt on a crude steel basis.

Non Ferrous Metals

Korea's zinc and lead ore production is modest. In the first 11 months of the year production amounted to 21,116 t of zinc and 5,0455 t of lead concentrates.

Korea imported 1.2 Mt of copper concentrate; 959,645 t of zinc concentrate; 251,643 t of lead concentrate and 215,673 t of aluminium ore and concentrates during 2000.

Aluminium Company of Canada (Alcan) invested US\$128 million in cash for a 56% equity in a new company, Alcan Taihan Aluminium Ltd., (Atal) jointly owned by Taihan Electric Wire Co. The new company will serve

the growing market for aluminium rolled products.

In May of 2000, Alcan took over Aluminium of Korea Ltd. (Koralu) from the Hyundai group in a deal worth in total US\$295 million. Koralu is South Korea's largest aluminium rolled products maker. The Koralu rolling mill at Ulsan and the Atal mill at Younju will have a combined capacity of 600,000 t/y.

Korea's non-ferrous metal production in 2000 consisted of 470,956 t of electrolytic copper; 474,829 t of refined zinc and 219,123 t of refined lead. Imports amounted to 391,757 t of electrolytic copper, 889,725 t of aluminium metal, 140,702 t of refined zinc and 120,158 t of refined lead. Korea Zinc Co. Ltd has invested US\$450 million in a 200,000 t/y capacity zinc refinery at Townsville, Australia. The Sun Metals refinery will be constructed by early 2001. In 2000, Korea Zinc Co. Ltd. produced 358,847 t of refined zinc, 169,743 t of refined lead, 37 t of gold and 465 t of silver.

Industrial Minerals

Limestone production in 2000 amounted to 80.1 Mt compared with 76.9 Mt in 1999. Cement output was 51.2 Mt of which 14.1 Mt or 26% was produced by Ssangyong Cement Industrial Co. Ltd. and 16% by Tongyang Cement Corp.