

Student Essay on Korea

Korea

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Essay

KOREA

Korea is one of the four tigers of East Asia, and has become a high-tech modern world economy. In late 1997 Korea went through a economic downturn, which affected the achievements Korea had reached in the economic market. Korea's main goal

for the nation is to overcome the economic structure for an advanced economy.

Korea's economic downturn was helped by the IMF which was an agreement with the Korean government for a strong resolve for reform, and successful negotiation of foreign debt to restructure with creditor banks, which helped resume economic growth.

Korea has been known as the "economic miracle on the Hangang River" which is the river that runs through Seoul that dramatically transformed the Korean economy by making a turning point in Korea's history. Today Koreas GDP per capita is 18 times North Korea and equal to lesser economies of the European Union. The success was achieved by a system of close government business ties including, directed credit import

restrictions, sponsorship of specific industries and, strong labor effort. Government promoted the import of raw materials technology at the expense of consumer goods and encouraged savings and investment over consumption.

One of the economic transformations that helped Korea get out of the economic downturn was the economic development strategy, which used exports as the engine of growth. From 1962 to 2002, Koreas Gross National Income (GNI) increased from US \$2.3 billion to US \$477 billion with per capita GNI increasing US \$87 to about US \$10,013. Korea's imports have largely increased per capita income levels. Korea has

become one of the largest import markets in the world. Major import items included industrial raw materials such as crude oil, natural minerals, general consumer products, foodstuffs and goods such as machinery, electronic equipment and transportation equipment.

Korea has developed rapidly and became the fastest growing economies in the world. The nation became the 29th member country of the Organization of Economic Cooperation and Development (OECD) in 1996. Korea is working to become a powerful Asian economic bloc during the 21st century. Over the past three decades, Korea has enjoyed an annual average economic growth rate of 8.6 percent and has emerged as the world's 12th largest trading nation. The nation has established itself as one of the world's leading shipbuilders and manufacturers of electronics, semiconductors, and automobiles.