

industrialization in the early 60's and the growth rate fell sharply to 6.5 per cent in that year, the smallest since 1972. In response, the government in mid-1979 announced a comprehensive fiscal and monetary policy. Nevertheless, in 1980, the Korean economy experienced, for the first time in more than two decades, a negative growth rate of -5.2 per cent.

The subsequent fifth Five Year Plan was launched on the basis of a balanced, solid, qualitative advance across a broad spectrum of Korean society. During the 1979-82 period as major structural changes were introduced, the Korean economy began to adjust to new internal and external economic environments.

By 1985, however, the Korean economy was again stagnating. To improve the continued slowdown and its negative impact on employment, the government took various policy measures to promote exports and investment. The exchange rate was constantly being adjusted upward. Unlimited export credit financing for investment in export oriented industries was allowed while export procedures were dramatically simplified. Various tax incentives were provided for investment in machinery and equipment. In spite of the various government measures the performance of the South Korean economy in 1985 was far less than satisfactory.

In 1986, the economy achieved a high growth performance with price stability, the GNP increasing by 15 per cent, with a first ever current account surplus of US \$4.7 billion.

### 3.4 Cabinet

The following is a list of those individuals forming the government of South Korea as of June 1987.

President	Chun Doo-Hwan
Prime Minister	Lee Han-ki
Deputy Prime Minister and Minister of Economic Planning Board	Chung Ju-Yong
Minister of Foreign Affairs	Choi Kwang-Soo
Minister of Home Affairs	Koh Kun
Minister of Finance	Sakong Il
Minister of Justice	Kim Sung-Ki
Minister of National Defence	Lee Ki-Baek
Minister of Education	Sohn Jae-Suk
Minister of Agriculture and Fisheries	Hwang In-Sung
Minister of Trade and Industry	Rha Woong-Bae