Adoption of English as Official Language Proposed

By Lee Jae-young Staff Reporter

“Why do we choose them?” the President-elect asked. “We should convert our difficulty into an advantage.”

The key is bringing down communicational tax rates and giving English firms an atmosphere where they can do just that. “I’ll remove them,” he added.

Obviously, he understands the difficulties in advancing English as an official language. “Language barriers, like 15-year-old foreigners more difficult, so he’ll remove them,” he added.

He also pointed out the need to shift policy from the Bush administrations’ obstructionism to international cooperation through dialogues, and为啥 will bring up the cold war geopolitical and economic risk on the Korean Peninsula in the long run. However, he will seek ways to protect U.S. businesses and workers, which may trigger trade conflict with Korea. “Obama needs to respect trade agreements (FTA) during his campaign.”

Known as a protectionist, the President-elect has criticized the Korea-U.S. FTA. “In a letter sent to President George W. Bush to bring up the free trade agreement (FTA) the U.S. and the U.S. administration will support the passage of the deal in Congress.”

The American Chamber of Commerce (AMCHAM) in Korea is confident that Obama understands the importance of the U.S.-Korea relationship and that he would build upon the strong economic, political and security elements of our relationship. AMCHAM Korea CEO Touto Overby told The Korea Times last week.

“I believe that with his leadership and willingness to reach out to the international community, his plans for the U.S. economy will also help resolve some of the economic difficulties that we are facing in Korea today,” she said. “If the U.S. economy recovers in confidence, the U.S.-Korea relationship will also benefit from this.”

“Obama called for ‘acid test’, the FTA first to see some movement in the near future, saying if Lee Myung-bak administration ratifies the FTAs to the National Assembly first, it will naturally place pressure on Obama to urge Congress to do the same.”

Growing fears of a recession are also helping to focus the focus of emphasis on the FTA and force Obama to stimulate the global economy through international cooperation.

The most urgent task for him is to prevent the U.S. economy from slipping into a deep recession, said with heavy debts through aggressive pump-priming strategies, such as expansionary fiscal and monetary spending.

“Many European advocates of free trade also supported the international cooperation through expansion spending, which will not only reduce the unemployment but also will also reduce trade barriers and aid countries,” he said.

On the bright side, he said, pointing out the “urgency” will help the U.S. economy, the administration of the government might have to work on the side, putting aside free trade agreements (FTA) during his campaign.

By Kim Jae-kyoung Staff Reporter

The economy is facing increasing domestic risks in the wake of a global economic downturn as domestic demand continues to deteriorate.

The government, the world’s largest economy and Korea’s second largest export destination, is losing steam fast with declining output in the service sector, which accounts for 90 percent of its gross domestic product (GDP), and a rising jobless rate.

China, Korea’s largest export market, has also seen its GDP growth drop to a single-digit 9 percent in the third quarter, putting a greater stress to the export-oriented local economy.

With growing concerns over a global recession and its fallout on Korea, stocks and sharply Thursday, with the KOSPI falling below 1,140 points. A strong overnight fall on Wall Street also damped investor sentiment, pushing down the benchmark index to 1,092.22, a loss of 7.36 percent, or 92.24 points, from the previous session. The previous close was at 1,184.82.

The won closed at 1,330.8 won against the dollar, down 4.8 won from Wednesday’s close, as foreign investors sold local shares, converted money into dollars and took out the country.

The Ministry of Strategy and Finance on Thursday that despite rising inflationary pressure following the fall of oil prices, the world’s 13th largest economy will continue to head downward for the foreseeable future as exports, the nation’s main engine of growth, have shown visible signs of a slowdown.

“A bigger problem is that domestic demand, which is supposed to propel growth on the basis of oil prices, is not complementing. All these factors will certainly dampen economic expansion toward the year’s end and beyond,” the ministry presided. It said the nation should first place top priority on stabilising the currency and financial markets.

“Then, we should increase fiscal spending to stimulate domestic demand and create more jobs. It is also necessary to introduce a range of policy measures to help small firms and low-income earners deal with the current financial difficulties,” the report stressed.

According to the Bank of Korea (BOK), the nation’s gross domestic product (GDP) grew 3.9 percent year-on-year in the second quarter of 2009. Industrial production increased by just 6.5 percent in September from a year earlier, staying in single digits for the fifth consecutive month, according to the National Statistical Office (NSO). Exports grew 10 percent year-on-year in October, sharply down from the average 22.7 percent gain during the same period in the past six years.

The number of new job offers stood at just 110,200 in the nation, falling far short of the government target of 200,000, and the smallest figure since February 2005, indicating that businesses have become more reluctant to hire new workers.

Economic downturn deepening

By Lee Jae-uk Staff Reporter

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Money Supply Growth Slow to 12% in Sept.

The nation's money supply growth slowed to the slowest in nearly 12 months, as local banks cut on lending amid a credit crunch and a business slump, the central bank, the Bank of Korea (BOK), said Thursday.

The liquidity aggregate reached 2.235 quadrillion won ($1.7 trillion) as of the end of September, up 12.1 percent from a year earlier, against an increase of 15.4 percent month-on-month the month before.

Meanwhile, the BOK said a notable decrease in liquidity supply, MS2, also grew at a slow- est pace of 2.5 percent month-on-month the month before.

The liquidity aggregate, the broadest measure of money supply, covers currency in circulation, deposit with depository institutions, and deposits at financial institutions.

On the other hand, MS2, the core measure of money supply, fell 6.4 percent month-on-month the month before.

"We will view this as a good signal since the world's largest economies have extra cash and liquidity," Kim Sung-won, a finance professor from the Stern School at New York University, said Thursday, echoing the view, saying that "this will serve as a signal that one of the largest economies has surplus cash and liquidity."