

## KCCI Survey Shows Korean Enterprises Only Slightly Affected by Last Year's Global Economic Recession



The top 1000 Korean enterprises have not been greatly affected by last year's global economic recession due largely to the upswing in exports brought about by the strengthening of international competitiveness.

The Korea Chamber of Commerce and Industry has analyzed the 'top 1000 South Korean enterprises' through the domestic enterprise information database 'Korchambiz' ([www.korchambiz.net](http://www.korchambiz.net)). According to this analysis, the total sales of the 1000 enterprises last year was shown to be 1,893 trillion Won, which increased 161 trillion Won (9.4%) from last year. Net profit has recorded 117.7 trillion Won, and the sales and net profit ratio became 6.2%, which is a 1.9% points increase compared to last year.

The number of employees in the 1000 enterprises totaled one million six hundred and sixteen thousand, which, compared to last year, increased an average of 58 employees per enterprises, and a total of 58 thousand (3.7% increase) new jobs created. Considering that the national increase rate of the total number of employed in the year 2010 is 1.4%, the size of job creation in the top 1000 enterprises is 2.6 times greater than the national level in the job creation rate, thus showing that the top 1000 enterprises are contributing greatly to the creation of jobs.

The KCCI explained that "the strengthened international competitiveness achieved by the daring decision makings and quick power of execution of core businesses such as IT, electronic, automobile, ship building, and steel, is the reason why the Korean enterprises achieved a good performance, despite the international economic crisis and the developed countries' economic recession."

The average age of these enterprises is 27.2 years, 0.7 years older than last year. The sales cutline to be a part of the top 1000 is 254.3 billion Won, which is 32.4 billion Won higher than last year's cutline. One-hundred and fourteen enterprises have failed to make it into the top 1000 enterprises.

According to industry types, the top 1000 had 494 manufacturing enterprises, 144 wholesale and retail trade enterprises, 108 finance and insurance businesses, and 75 construction companies.

A significant amount of the total sales flowing to the top enterprises, a phenomenon also known as excessive concentration, seems to be easing. Last year's sales for the top 10, 50 and 100 enterprises were 403 trillion, 963 trillion, and 1212 trillion Won respectively, which take up 21.3%, 50.9%, and 64.0% of the top 1000 enterprise sales. These rates were each reduced by 1.6%, 2.4%, and 1.6% respectively compared to the year before.

In the year 2009, the sales amount taken up by the top 10, 50, and 100 to

the top 1000 has reduced 3.2%, 3.0%, and 2.4% respectively. The dropping of this rate for two consecutive years shows that the concentration of economic power of the top conglomerates has been significantly dropped.

The enterprise among the top 1000 with the highest sales was Samsung Electronics with 112 trillion Won, about 9.6% of last year's nominal GDP. SK Innovation, Korea Electric Power Corporation, and Hyundai Motors shortly followed.

Han Jin Shipping has gone up 320 levels compared to last year thanks to the increase of container and bulk division due to favorable exporting conditions, and Samsung Electronics was the enterprise that recorded the highest sales increase (22.4 trillion Won increase).

Executive director of the department of member services of the KCCI Park, Hyung-seo said that "the top 1000 enterprises in sales, which is also Korea's representative enterprises, have been greatly contributing to national wealth and the creation of jobs." He emphasized, "the fact that the excessive concentration to the top conglomerates is easing away, provides our economy an opportunity to reduce its dependency on the top conglomerates and be encourage on a more stable foothold."

Korchambiz is Korea's greatest enterprise information database providing around 470 thousand business profiles and 1.18 million in product information. Approximately fifteen thousand visitors explore the website per day.

*Source: [www.korcham.net](http://www.korcham.net)* ■