I. Introduction

Thank you ladies and gentlemen,

Ms. Odile Sallard(오딜 살라르), the Director of Public Management Service in the OECD,
Dr. Kim, Kwang-Woong(김광웅), the Chairman of the Civil Service Commission,
Professor Kim, Young-Pyoung(김영평), the Chairman of the Korean Association of Public Administration, and other Distinguished Guests.

I am very pleased and honoured to be with you at this conference. Please let me express my sincere appreciation to the Civil Service Commission of Korea(CSC) for hosting and organizing this important forum.

Today, I will briefly discuss the recent economic developments in Korea. In addition, particularly for the participants from abroad, I would like to take a bit of time introducing the CSC, explaining its roles and performances in the Korean government's reform projects.

II. Recent Economic Developments in Korea

Korea has made a dramatic recovery from the economic crisis of 1997 and has regained its economic vitality and international credibility. Last August, Korea fully repaid the remaining loans from the IMF, amounting to 19.5 billion dollars, three years ahead of schedule. Our foreign exchange reserves, which were nearly depleted in the depth of the crisis, have increased substantially. They stand at 106 billion dollars as of end-March, the
fifth largest in the world.

Last year, we have achieved a moderate economic growth rate of 3% in the midst of the synchronized global slowdown. And we expect to do even better this year, above 5%. This remarkable performance is mainly due to the determination of the Korean people to embrace change and the political leadership that directs people's energy towards economic reform.

Over the past four years, reforms have been carried out by market forces with the government serving as a system manager and a fair umpire. As a result, the entire economy has been re-organized towards a free market system. Loan appraisal practices have improved, and further emphasis has been placed on profitability, risk management and accountability. Enhanced corporate governance and transparency have been changing business practices in the right direction. Labour market flexibility has improved substantially as layoffs are permitted in cases of managerial necessity. Privatization of state-owned enterprises has been pursued to achieve better management efficiency.

Recently, Moody's upgraded Korea's sovereign credit rating by two notches to an A3 rating. This demonstrates that the international community has begun to recognize Korea's economic revival to the level before the financial crisis.

III. Public sector Human Resource Management in Korea

This Conference is to commemorate the third anniversary of the CSC. As it is well-known, Korea had to wait for a long time to see the creation of an independent Personnel Agency, fully in charge of personnel policy and its reform. Naturally, this caused a slight tension between the vested interests of existing government bodies and the CSC over jurisdiction issue on personnel management of the civil service. However, I believe that the CSC's strong efforts and its remarkable accomplishments in the field of public sector Human Resource Management during the last three years has justified its existence.

To name a few, introducing a Merit and Performance based personnel system and the Open Position System within the government will be regarded as a significant step towards establishing a more reasonable and transparent government system. In particular, the CSC has initiated a substantial reform project of civil service entrance examination. Also the