

Korea's Public Institutions

	Number of Institutions ('14.4)	Number of Employees ('13)	Budget ('13, KRW)	Debts ('13, KRW)
SOE	30	99,856	247.4 trillion	374.2 trillion
Quasi-Government Institution	87	75,471	221.7 trillion	138.5 trillion
Non-Classified Institution	187	96,654	105.6 trillion	10.5 trillion
Total	304	271,981 (44.2% of government employees)	574.7 trillion (168.0% of government budget)	523.2 trillion (36.6% of GDP)

- Finance and Banking sector
 - Korea Development Bank, Korea Export Import Bank, Korea Exchange, etc.
- SOC sector
 - Korea Railroad, Korea Expressway Corporation, Korea Water, etc.
- Power&Energy sector
 - Korea Gas Corporation, Korea Hydro&Nuclear Power, etc.

Government's direction for SOE reform

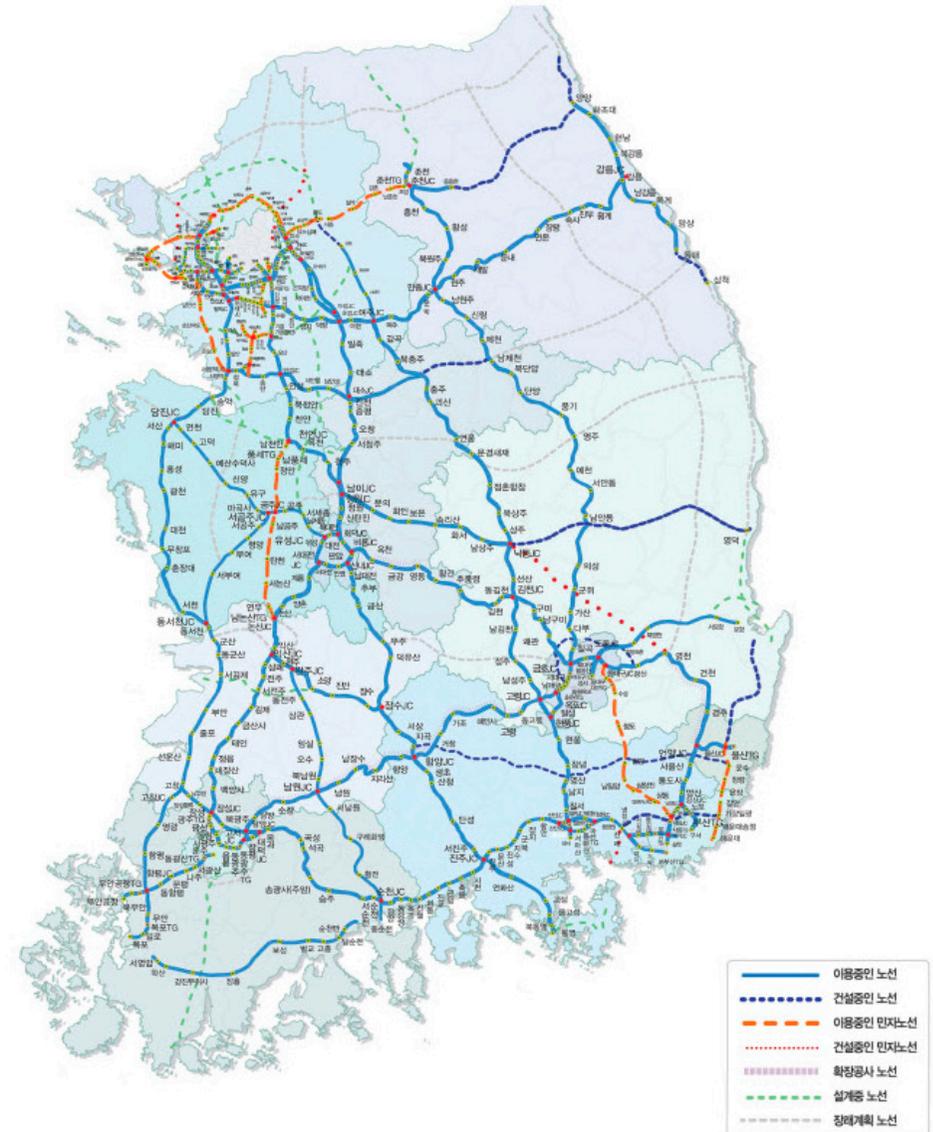
- Previously
 - Privatization, Improving Governance, Downsizing, Debt Management
- Incumbent Government(2013~)
 - Debt Management
 - 18 institutions flagged as "highly indebted"
 - Goal : to lower the debt ration to 200% by 2017

Korea Expressway corporation

- Function
 - Build and operate express highways in Korea : 4,044 kilometer
- Construction resources
 - 40% Government + 60% KEC fund
- Financial status
 - Debt : 25.3 trillion won
 - Cost compensation ratio : 82%
- Plan for debt reduction : 1.9 trillion won by 2017
 - through selling rest stations, deferring unprofitable roads

Korea Expressway corporation

- PPP road projects : Orange and Red
 - 791 kilometer
- Since 2006, KEC started to invest in PPP road projects
 - Third sector project : SOE + PPP company
 - Maintains 3 road projects : 147 kilometer



SOE and PPP cooperation

< Rationale for cooperation >

1. KEC's participation signals the project's credibility and stability
 2. May reduce excessive construction cost solicited by PPP company, as KEC offers consultancy during construction period of PPP project
 3. May lower the overall cost of road maintenance
 - Average distance of Expressway by KEC : 74 kilometer
 - Average distance of Expressway by PPP : 39 kilometer
- > Road maintenance cost can be considerably reduced if KEC maintains