

MASTER FILES
ROOM C-525

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BUFF/ED/97/187

December 30, 1997

**Statement by Mr. Kwon on Korea
Executive Board Meeting 97/127
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My government authorities have asked me to convey their gratitude to Management and Fund staff for preparing an additional financial support plan and to the Executive Board for discussing this plan today at such short notice. They also thank the 13 members for participating in bilateral contributions to supplement the financial support package as well as for persuading private sector creditors to join the international community's support program for Korea. All of these efforts are important in helping Korea regain market confidence.

This international support is clearly based on an intensification and acceleration of Korea's macroeconomic policy adjustment and structural reforms which have been drafted in close consultation with the IMF mission.

The focus of my authority's strengthened adjustment efforts includes the following key areas: an intensification of efforts to restructure the financial system; an acceleration of the ongoing capital account liberalization; a strengthening of monetary policy, with the aim of stabilizing the exchange rate; and an acceleration of measures for import liberalization in order to further enhance competition and efficiency.

My authorities are well aware that full implementation of all program measures is the key to continued support from the international community and improved market confidence. This has been confirmed many times by the President-elect. To this end, the government authorities and representatives of the President-elect have already established an official cooperative body to fully discuss and support the IMF programs. The Letter of Intent of December 24 has also been made public.

We believe that strong ownership of the package will continue with full support of the new leadership under the President-elect, and we stand ready to take further measures, if necessary, with close consultation with IMF staff.

With these efforts, we hope market confidence will be regained shortly.

Once again, my authorities thank the Executive Board, Management and staff for their continued support.

