

PUBLIC INSTITUTIONS IN KOREA





01 Overview of Public Institutions

1. Introduction
2. Financial Conditions
3. The National Economy and Public Institutions

1. Introduction

■ Public institutions are funded, invested or financially supported by the government to deliver a public or government service, though not as a ministerial department, State or local government.

- There are various types of public institutions, from those whose businesses are as commercial as private enterprises, to those that function as government agencies.
- Such characteristics may vary depending on each institution's roles and financial structure.

■ In general, public institutions deliver public goods and services on behalf of the government while they overcome the operational constraints of government agencies. In doing so, public institutions have made various contributions to the national economy through various activities.

- They help facilitate economic development, by venturing into new markets which private enterprises find it difficult to enter.
- They operate as natural monopolies to supply public goods and services at an affordable price.
- They build and maintain public infrastructure(SOC) such as roads, railroads and airports that form the basic foundations of economic growth and industrial development.

■ There are 323 public institutions in Korea as of 2016

- 30 public corporations¹, 90 quasi-governmental institutions, 203 non-classified public institutions.

1) Public corporations are what we generally regard as state-owned enterprises. The term was first used in the classification of public institutions according to the Act on the Management of Public Institutions.

<Table I-1> Designation Status of Public Institutions in 2016

Classification	Number of Public Institutions
■ Public corporations	30
- Market-type	14
- Quasi-market-type	16
■ Quasi-governmental organizations	90
- Fund-management-type	16
- Commissioned-service-type	73
■ Non-classified public institutions	202
■ Total Number of Public Institutions	321

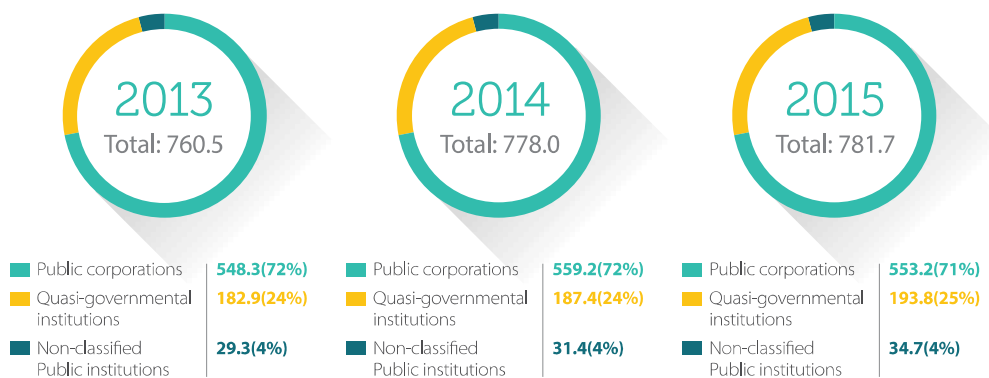
2. Financial Conditions

1) Assets

- The total amount of assets in public institutions has continuously increased overtime and reached 781.7 trillion KRW in 2015.
 - The assets held by public corporations constitute approximately three-quarters of the total assets held by all public institutions.

<Figure I-1> Assets by Type of Public Institutions

(Unit: trillion won)



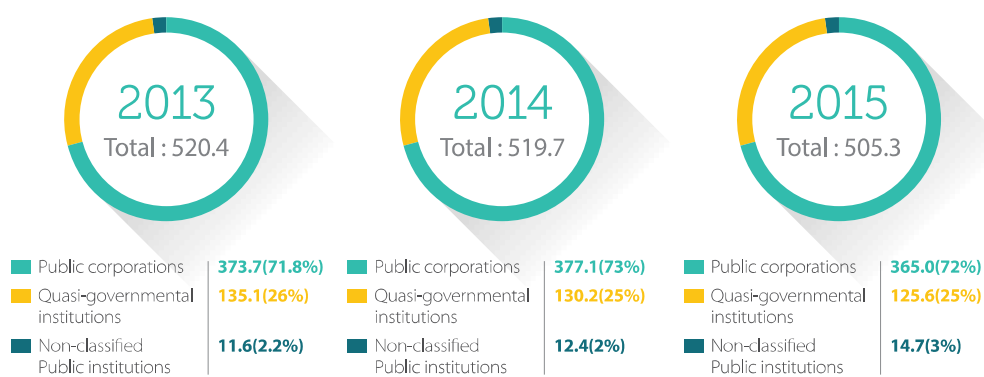
Source: ALIO system

2) Liabilities

- The total amount of liabilities of public institutions had been increasing until 2013, but it has been in decline for the last three years due to the current administration's strong policy measure to control the increase of debt of public institutions.
- The proportion of the liabilities of public corporations to those of all public institutions has been stable for the last three years.
- The liabilities of non-classified public institutions have become slightly higher while those of quasi-governmental institutions have become lower.

<Figure I-2> Liabilities by Type of Public Institutions

(Unit: trillion won)



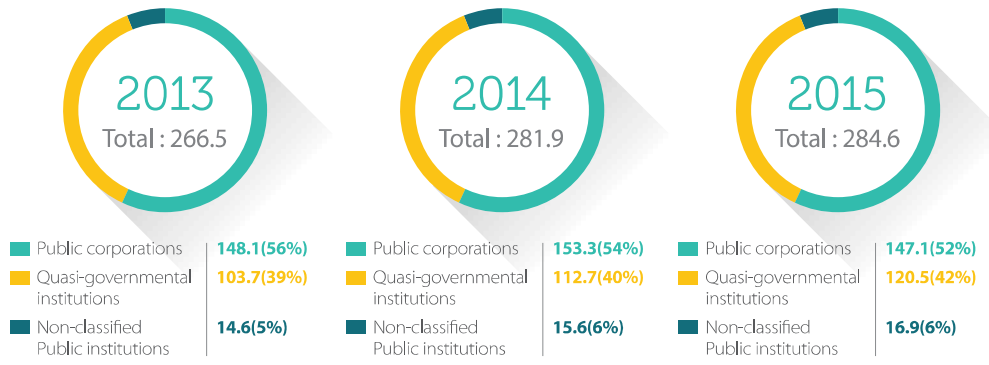
Source: ALIO system

3) Sales

- The total sum of sales generated by all public institutions has increased for the last three years, the public corporations contributing the most.
- The proportion of sales produced by public corporations decreased by approximately 4 percent between 2013 and 2015 while that of quasi-governmental institutions increased by 3.4 percent during the same period.

<Figure I-3> Sales by Type of Public Institutions

(Unit: trillion won)



Source: ALIO system

4) Net Income

- Public institutions turned annual deficit into a surplus in 2013 and the surplus more than doubled in 2014, which can be attributed to public corporations' turnaround.
- Public corporations had an annual fiscal deficit until 2013, but they turned deficit into a surplus in 2014.
- Quasi-governmental institutions have generated a large fiscal surplus since 2013.

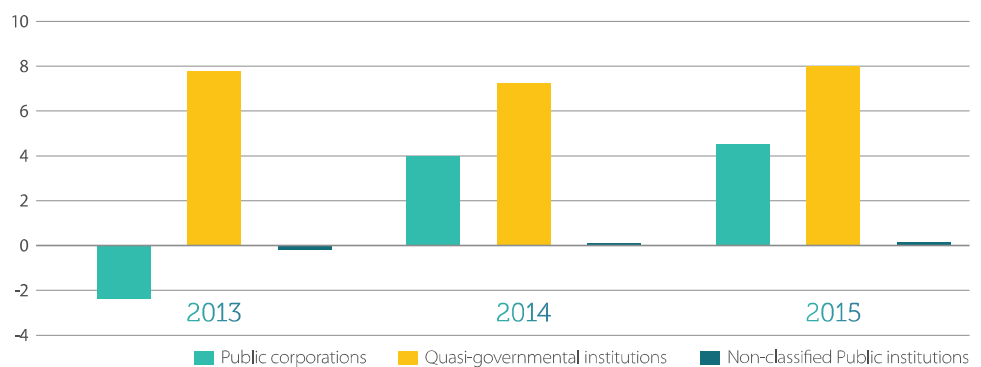
<Table I-2> Net Income by Type of Public Institutions

(Unit: trillion won)

	2013	2014	2015
Public corporations	-2.4	4.0	4.6
Quasi-governmental institutions	7.8	7.3	7.9
Non-classified public institutions	-0.1	0.1	0.1
Total	5.3	11.4	12.6

Source: ALIO system

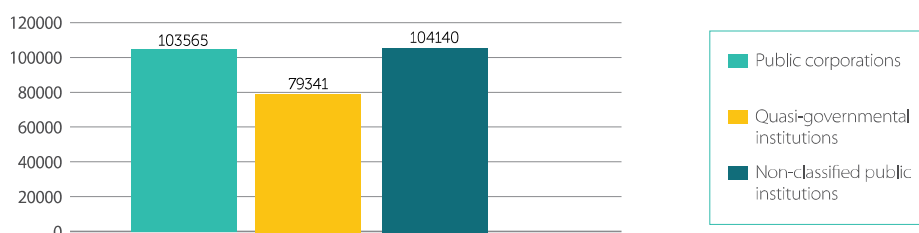
<Figure I-4> Net Income by Type of Public Institutions



3. The National Economy and Public Institutions

- The total number of employees working in public institutions in Korea stands at 287,046 as of December 2015.

<Figure I-5> Size of Public Institution Workforce



Source: ALIO system

- The total number of employees in public institutions and the economically active population has continually increased for the last three years, and the ratio of public institution workforce to the economically active population has remained approximately 1 percent.

<Table I-3> Workforce Size in Public Institutions

(Units: thousand people, %)

	2013	2014	2015
Personnel in public institutions	272	279	287
Economically active population	25,873	26,536	26,912
Percentage	1.05	1.05	1.07

Source: ALIO system

- Total budget size of all public institutions in Korea has increased considerably since 2013.
 - The budget size of public corporations did not fluctuate much while that of quasi-governmental institutions and non-classified public institutions in 2015 increased significantly compared to that of 2013.
 - The ratio of budget size for all public institutions to GDP has increased continuously for the last three years.

<Table I-4> The Budget Size of Public Institutions

(Unit: trillion won)

	2013	2013	2014
Public corporations	246.7	250.8	240.4
Quasi-governmental institutions	218.3	220.2	280.3
Non-classified public institutions	115.6	137.9	142.9
Total	580.6	609.0	663.6
Nominal GDP	14,294	14,861	15,586
The ratio to GDP	40.6%	41.0%	42.6%

Source: Calculated based on the data from the ALIO system

02

The Management System of Public Institutions

1. Designation of Public Institutions
2. Classification of Public Institutions
3. External Governance
4. Internal Governance
5. Executive Officers
6. Budget and Accounting System
7. Public Disclosure System
8. Performance Evaluation System



1. Designation of Public Institutions

- The Minister of Strategy and Finance may designate any institution in the table below as a public institution, which are a legal entity, organization, or institution other than the State or a local government.

<Table II-1> Conditions of Designation as Public Institution²

	Conditions	Examples
1	An institution directly established pursuant to another Act with an investment by the Government.	Korea Credit Guarantee Fund, Korea Transportation Safety Authority, etc.
2	An institution for which the amount of the Government grants (in cases of an institution to whom some affairs of the Government are directly commissioned or a monopoly is granted pursuant to statutes, the revenue earned from its commissioned affairs or monopoly shall be included hereinafter the same shall apply) exceeds one-half of the amount of its total revenue.	Korea Gas Corporation, Korea Racing Authority, etc.
3	An institution which the Government holds at least 50/100 of the outstanding shares of or secures de facto control over decision-making on policies through the exercise, etc. of the power to appoint executive officers with at least thirty percent of such outstanding shares	Incheon Port Authority, Korea Tourism Organization, etc.
4	An institution which the Government together with an institution falling under any of subparagraphs 1 through 3 hold at least 50/100 of the outstanding shares of or secure de facto control over decision-making on policies through the exercise, etc. of the power to appoint executive officers with at least thirty percent of such outstanding shares.	Korea Electric Power Corporation, Korea District Heating Corporation, etc.
5	An institution which a single institution or two or more institutions falling under any of subparagraphs 1 through 4 hold at least 50/100 of the outstanding shares of or secure de facto control over decision-making on policies through the exercise, etc. of the power to appoint executive officers with at least 30/100 of such outstanding shares.	Korail Retail, Korea Southern Power, etc.
6	An institution established by an institution falling under any of subparagraphs 1 through 4 with an investment by the State or the establishing institution.	Korea Electrical Engineering Science Research Institute, etc.

2) Article 5, of the Act on the Management of Public Institutions

(<http://www.law.go.kr/eng/engLsSc.do?menuId=1&query=public+institutions&x=0&y=0#liBgcolor0>)

■ **The designation of public institutions follows several steps as below.**

- The head of the competent ministry should nominate institutions eligible for designation as public institutions and notify the Minister of Strategy and Finance at least one month before the start of every fiscal year.
- Out of the institutions nominated, the Minister of Strategy and Finance selects institutions that fulfill the conditions stipulated by the Act on the Management of Public Institutions and asks for deliberation and resolution of the Ownership Steering Committee on the designation of those selected.
- The Committee makes final decisions on designating a new public corporation, quasi-governmental institution, or non-classified public institution, or cancelling or changing such designation.
- The Minister of Strategy and Finance announces the designation result by the Committee.

2. Classification of Public Institutions

- **Public institutions are classified into three groups mainly depending on the number of personnel, asset size, and self-generating revenue.**
- **Depending on the classification, the way in which institutions are managed and overseen may differ.**
 - Public corporations and quasi-governmental institutions are subject to all of the articles of the Act including the ones concerning the articles of association, board of directors, executive officers, performance evaluation, budget and accounting, etc.
 - Non-classified public institutions are subject to the articles relating to public information disclosure, customer satisfaction level survey, adjustment of functions, and innovation.
 - Public corporations and quasi-governmental institutions differ in aspect of internal corporate governance structure, external governance actors(oversight agencies), nomination procedures for board of directors & executive officers, approval procedures for budget, settlement of accounts, and operating plans.

<Table II-2> Classification of Public Institutions

Classification	Classification Criteria
Public corporations(30) • Market-type public corporations • Quasi-market-type public corporations	<ul style="list-style-type: none"> • Public Institutions designated by the Minister of Strategy and Finance whose prescribed number of personnel are at least 50 people and whose self-generating revenue³ accounts for at least 50% of their total revenue • Public corporation whose self-generating revenue accounts for at least 85% of their total revenue (with a minimum asset size of two trillion won) • Public corporations other than market-type public corporations
Quasi-governmental institutions(90) • Fund-management-type quasi-governmental institutions • Commissioned-service-type quasi-governmental institutions	<ul style="list-style-type: none"> • Institutions whose prescribed number of personnel are at least 50 people and whose self-generating revenue accounts for less than 50% of their total revenue • Quasi-governmental institutions that manage (or are commissioned to manage) funds in accordance with the National Financial Act • Quasi-governmental institutions other than fund-management-type quasi-governmental institutions
Non-classified public institutions(203)	<ul style="list-style-type: none"> • Public institutions excluding public corporations and quasi-governmental institutions

3) Self-generating revenue refers to the revenue excluding contributions, subsidies, and other financial support from the government. The proportion of the self-generating revenue to the total revenue of an institution is calculated after being weighted according to the monopolistic and mandatory usage of products or services that an institution supplies.

3. External Governance

1) Ownership Steering Committee

- Ownership Steering Committee (the "Committee") is working under the jurisdiction of the Minister of Strategy and Finance for deliberation and resolution on matters regarding the operation of public institutions.

A. Composition of the Committee

- The Committee is comprised of 1 chairperson who is the Minister of Strategy and Finance, Vice-Minister-level government officials, and 11 or less non-governmental members commissioned by the President on the recommendation of the Minister of Strategy and Finance from among persons in various fields including law, economy, press, academia, labor, etc.
- The term of office of the Committee members is three years, and they may be appointed once more after the first appointment

B. Meetings of the Committee

- The Committee's meetings should be convened with 20 or less members including the chairperson, and the committee members should be selected by the chairperson (non-governmental members shall constitute a majority of the members of the meeting).
- The Committee's meetings should be held with the presence of the majority of the members and adopt a resolution with the affirmative vote of the majority of the members present at the meeting.

C. Responsibilities of the Committee

- The Committee should resolve and disclose matters regarding the designation of public institutions, public institutions reform policies, day-to-day operation of public institutions, appointment and removal of executives of public institutions and the oversight system on public institutions.
- Matters subject to Deliberation and Resolution by the Steering Committee are as follows.
 - The items, guidelines, procedure, etc. for the consolidated publication
 - The scope of public institutions that provide direct services to the people
 - The designation of the institutions exempt from the functional adjustment, etc.

- The request for performance evaluation
- The operation of the management evaluation team for public corporations and quasi-governmental institutions
- The determination on whether to consider as actual revenue

D. Subcommittees

- Subcommittees, organized under the Committee, should assist the decision-making process of the Committee by conducting in-depth discussions on relevant agenda items and report the discussed results to the Committee.

2) Ministry of Strategy and Finance

- The Ministry of Strategy and Finance oversees policies regarding the operation of institutions as stipulated by the 'Act on the Management of Public Institutions.'
- Based on the Act, the Ministry
 - sets guidelines for oversight of public institutions
 - has supervisory responsibilities such as performance evaluation, public disclosure, and regulations on the establishment of a new public institution.
 - organizes and operates the Management Evaluation Team for public corporations and quasi-governmental institutions to ensure the efficient enforcement of performance evaluation and to provide professional consultation concerning performances of public institutions.

3) Competent Ministries

- Competent ministries oversee policies regarding the industries in which individual institutions under their control operate.
 - They have influence over public institutions through permission on the initiation and termination of businesses and
 - policies regarding the promotion of relevant industries and the creation of new markets.

<Table II-3> Competent Ministries and Public Institutions under each Ministry

Competent Ministries	☒ of Public Institutions under the Ministry	Competent Ministries	☒ of Public Institutions under the Ministry
Ministry of Strategy and Finance	3	Ministry of Oceans and Fisheries	17
Ministry of Education	21	Office for Government Policy Coordination Prime Minister's Secretariat	24
Ministry of Science☒ICT and Future Planning	43	Korea Communications Commission	2
Ministry of Foreign Affairs	3	Nuclear Safety and Security Commission	3
Ministry of Unification	2	Financial Services Commission	8
Ministry of Justice	4	Fair Trade Commission	2
Ministry of National Defense	3	Ministry of Patriots and Veterans Affairs	3
Ministry of the Interior	2	Defense Acquisition Program Administration	2
Ministry of Culture☒Sports and Tourism	32	Cultural ☒eritage Administration	1
Ministry of Agriculture☒Food and Rural Affairs	10	Korea Forest Service	2
Ministry of Trade☒Industry and Energy	40	Rural Development Administration	1
Ministry of Health and Welfare	22	Small ☒ Medium Business Administration	8
Ministry of Environment	7	Korean Intellectual Property Office	5
Ministry of Employment and Labor	12	Ministry of Food and Drug Safety	4
Ministry of Gender Equality and Family	5	Korea Meteorological Administration	3
Ministry of Land☒Infrastructure and Transport	23	National Police Agency	1
Korea Customs Service	1	Ministry of Personnel Management	1
Ministry of Public Safety and Security	2		

4. Internal Governance

1) Board of Directors

- The board of directors should be comprised of not more than 15 directors including the head of institution.
- The conditions for a chairperson of the board may vary depending on the type of public institution and the asset size.
 - For market-type public corporations and quasi-market-type public corporations with the asset size of no less than two trillion won, a non-standing senior director shall become a chairperson.
 - For quasi-market-type public corporations with the asset size of less than two trillion won, or quasi-governmental institutions, the head of the institution shall become the chairperson.
- On average, there are 8 to 10 directors on the board of directors, with 6 to 8 being non-standing directors.

<Table II-4> Status of Board of Directors Structure

Category	Total No. of Directors	Standing	Non-standing	Average (by Institution)	Standing	Non-standing
Public corporations (30)	305	112	193(63.3%)	10.2	3.7	6.4
Quasi-governmental Institutions (89)	878	175	703(80.1%)	9.9	2.0	7.9
Non-classified Public Institutions (202)	1,571	103	1,468(93.4%)	7.8	0.5	7.3
Total (321)	2,754	390	2,364(85.8%)	8.6	1.2	7.4

Source: ALIO system

* As of 2016

2) Audit Committee

- Any market-type public corporation or quasi-market-type public corporation, whose asset size is no less than two trillion won, is obligated to establish an audit committee.

- The audit committee should include three or more board members; the committee should be chaired by a non-standing director, and more than two thirds of the members should be non-standing directors.
- The committee should include at least one financial or accounting expert as a committee member.
- The audit committee should audit business affairs and accounting in accordance with the provisions of Article 32 of the Act on the Management of Public Institutions, and should report the results to the board of directors.
- Among 16 quasi-market-type public corporations, 8 quasi-market-type public corporations are obliged to establish an audit committee in accordance with the Act on the Management of Public Institutions while all the market-type public corporations have the same obligation.

5. Executive Officers

1) Composition

- Every public corporation and quasi-governmental institution should have standing and non-standing directors, including the head of the institution and auditors. No individual auditor will be appointed where an audit committee is established.

2) Appointment and removal

- The head of a public corporation is appointed by the President, on the recommendation of the head of the competent ministry, among multiple candidates recommended by the Committee for Recommendation of Executive Officers and then selected through the deliberation and resolution by the Committee;
- The head of a public corporation with 500 employees or less and less than 100 billion KRW in total revenue is appointed by the head of the competent ministry from among multiple candidates recommended by the Committee for Recommendation of Executive Officers and then selected through deliberation and resolution by the Committee
- The head of a quasi-governmental institution is appointed by the head of the competent ministry from among multiple candidates recommended by the Committee for Recommendation of Executive Officers.

- The head of a quasi-governmental institution described below is appointed by the President through the same process as the head of a public corporation with more than 500 employees and 100 billion KRW in total revenue.
 - Commissioned-service-type quasi-governmental institutions with more than 500 employees and 100 billion KRW in total revenue.
 - Fund-management-type quasi-governmental institutions with more than 500 employees and 1 trillion KRW in total asset size in which operating funds on consignment is included.
 - Seven other quasi-governmental institutions designated by presidential decree due to particularity of their functions⁴
- The appointment of executive officers in non-classified public institutions is provided by legislation or the articles of association.

<Table II-5> Appointment of the Head (CEO) of Public Corporation and Quasi-governmental Institution

Category	Appointment Procedure [☒]
Public corporations	The Committee for Recommendation of Executive Officers nominates multiple candidates → Deliberation and resolution by the Ownership Steering Committee → Recommendation from the head of competent ministry → Presidential appointment
Quasi-governmental Institutions	The Committee for Recommendation of Executive Officers nominates multiple candidates → Recommendation from the head of competent ministry → Presidential appointment

* Applicable to large public corporations and quasi-governmental institutions with over 500 employees and 100 billion won in total revenue (1 trillion won in asset size as for fund-management-type quasi-governmental institutions).
Source: The Act on the Management of Public Institutions

4) The Independence Hall of Korea, Korea Workers' Compensation & Welfare Service, Korea Consumer Agency, Korea Housing Finance Corporation, National Research Foundation of Korea, Korea Student Aid Foundation, Korea International Cooperation Agency.

<Table II-6> Authority to Appoint the Head of Institution (CEO), Directors, and Auditors

Category		Public corporations	Quasi-governmental institutions
Head of institution	Large-scale institutions	Recommendation by the head of competent ministry → Presidential appointment	
	Small-scale institutions	The head of competent ministry	
Standing directors		Head of institution	
Non-standing directors		Minister of Strategy and Finance	The head of competent ministry
Auditors	Large-scale Institutions	Recommendation by the Minister of Strategy and Finance → Presidential appointment	
	Small-scale Institutions	Minister of Strategy and Finance	

Source: The Act on the Management of Public Institutions

<Table II-7> Appointment Procedure of the Head, Directors, and Auditors of Public Institutions

Institution	Position	Appointment Procedure	
		The Committee for Recommendation of Executive Officers	Steering Committee (Deliberation and Resolution)
Public corporations	Head of institution	○	○
	Standing directors	☒	☒
	Auditors/ Standing auditors	○	○
	Non-standing directors	○	○
Quasi-governmental institutions	Head of institution	○	☒
	Standing directors	☒	☒
	Auditors/ Standing auditors	○	○
	Non-standing directors	△ (Small-scale institutions are exempt)	☒

Source: The Act on the Management of Public Institutions

- The head of public corporation and quasi-governmental institution can be removed by his/her appointing authority in such cases written below.⁵
 - if he/she commits an act in violation of a statute or the articles of association, neglects his/her duties, or he/she has a serious trouble in performing his/her duties as the institution head
 - if he/she fails or neglect to perform his/her duties and responsibilities
 - if the results from the performance evaluation show poor performance of the public corporation or quasi-governmental institution
 - if there is a ground for removal as specified in the articles of association

3) Term of Office

- The term of office of the head of institution is three years, while it is two years for standing directors, non-standing directors and auditors.

<Table II-8> Executive Officers' Term of Office Policy

Category	Past	Present
Head of institution	The term of 3 years is guaranteed but consecutive appointment is virtually restricted	Initial tenure of 3 years Consecutive appointment decided on a yearly basis (After consideration of performance evaluation results)
Standing director	The term of 2 years is guaranteed but consecutive appointment is virtually restricted	Initial tenure of 2 years Consecutive appointment decided on a yearly basis (After consideration of performance evaluation results)
Non-standing director auditor	The term of 2 years is Guaranteed but consecutive appointment is virtually restricted	Initial tenure of 2 years Consecutive appointment decided on a yearly basis (After consideration of results from an evaluation of performance of duties)

Source: The Act on the Management of Public Institutions

5) Article 25 and 26 of 'The Act on the Management of Public Institutions'

(<http://www.law.go.kr/eng/engLsSc.do?menuId=1&query=public+institutions&x=0&y=0#liBgcolor0>)

4) Executive Officers' Duties

- The head of institution (CEO) has overall control over its business affairs and take responsibility for its performance.
- Directors should deliberate on the matters brought up to the directors' meeting and participate in the adoption of a resolution.
- Auditors should audit the business affairs and accounting of public corporations or quasi-governmental institutions according to the audit guidelines and submit their opinions to the board of directors.

6. Budget and Accounting System

1) Accounting Principles

- The accounting of public corporations and quasi-governmental institutions should be accrual-based to accurately show its business performance and the changes of assets and liabilities.
- The detailed accounting criteria should conform to the 'Rules for Accounting Affairs of Public Corporations and Quasi-governmental Institutions', and should first be applied to the settlement of accounts for the first year of designation as public institutions and the budgets for the following year.

2) Budget Compilation

- The budget proposal of each public institution for the following fiscal year should separately be compiled for its general provisions, the estimated income statement, the estimated balance sheet, and the financial plan.
- The budget bill should be prepared in accordance with the business goals and the Guidelines for Budget Compilation of Public corporations and Quasi-governmental institutions and the head of the institution should submit the bill to the board of directors;
- The submitted budget bill should be finalized by the resolution of the board of directors no later than the beginning of the following fiscal year before being reported to the Minister of Strategy and Finance, the head of the competent ministry and the Chairperson of the Board of Audit and Inspection of Korea.
- Once the budget is finalized, each public institution should establish its management plan accordingly.

- Then, the public corporations among public institutions should submit the plan to the Minister of Strategy and Finance and the head of the competent ministry within two months after the budget is finalized.

3) Settlement of Accounts

- Every public corporation and quasi-governmental institution should prepare statements on the settlement of accounts for the corresponding year, without delay, at the end of each fiscal year, and select an accounting firm to conduct an external audit.
- All public corporations should submit financial statements that includes the opinion of an external accounting auditor and the accompanying documents to the Minister of Strategy and Finance (the quasi-governmental institutions to the head of the competent ministry), no later than the last day of February of the following year, and shall finalize the settlement of accounts by obtaining the approval of the Minister no later than the last day of March.
- The finalized statements on the settlement of accounts should be submitted to the Board of Audit and Inspection of Korea, and the Board should inspect the statements and submit the results to the Minister of Strategy and Finance by no later than July 31.
- The Minister should report the statement of accounts to the Cabinet Council and submit them to the National Assembly by no later than August 20.

7. Public Disclosure System

1) ALIO (All public Information In One)

- The management publication system is designed to disclose information regarding the business performance, the status of personnel, and the financial conditions of public institutions with the intention of establishing a public monitoring system and, ultimately, of improving their management efficiency.
- Every public institution should disclose its management information on its official website and the Minister of Strategy and Finance may prepare a separate standardized form for consolidating main items and publish such items in the consolidated form on the public disclosure system, ALIO (All public Information In One, www.alio.go.kr).

2) Guidelines for Public Disclosure

- A total of 37 items are grouped into six categories as follows.

<Table II-9> The List of Disclosed Items

Categories	Items
I . General status	1. General status
II . Operation of Institution	2. Number of executives and employees 3. Current status of executives 4. New employment and flexible hours arrangements 5. Annual salary of executives 6. Average monthly salary of employees ☒ salaries of new employees 7. Business expenses spent by the head of institutions 8. ☒ elfare expenses 9. Details of executives' overseas business trips 10. Current status of labor unions 11. Employment rules
III . Core businesses and Management performance	12. Condensed balance sheet 13. Condensed income statement 14. Revenue and expenditure 15. Core businesses 16. Ongoing investments 17. Status of capital and shareholders 18. Short and long term borrowings 19. Investments and contributions 20. Annual endowments and grants 21. Other overhead costs 22. Tax payment status 23. Audit reports
IV . Internal and external evaluation	24. Feedback from the National Assembly 25. Feedback from the Board of Audit and Inspection of Korea ☒ the competent ministry 26. Results of performance evaluation 27. Feedback from the results of performance evaluation 28. Results of customer satisfaction surveys 29. Results of auditor's ☒ performance evaluation 30. Articles of association ☒ minutes of directors' meetings ☒ and internal audit results
V . Notification	31. Management innovation practices 32. Information for ☒ applicants 33. Bidding information 34. Research reports 35. Other information
VI . Current Administration's policy framework for state-owned enterprises	36. Detailed information on the debt status of ma ☒ or overleveraged institutions 37. 8 items of employee benefits

- Disclosure items are classified into those for regular periodic disclosure and those for irregular disclosure.
 - Items for regular periodic disclosure are used to publish related materials regularly at a certain time.
 - Information such as an institution's organizational structure, personnel, financial reports, or annual salary of employees is subject to regular periodic disclosure.
 - Items for irregular disclosure refer to items whose related information is generated on an irregular basis and need to be disclosed to the public, and should be posted within 14 days from their generation.
 - Information such as feedback from independent institutions, minutes of directors' meetings, and information for job applicants is subject to irregular disclosure.

<Table II-10> Deadline of Regular Periodic & Irregular Public Information Disclosure

	Frequency	Disclosure deadline
Regular periodic disclosure	Every year	At the end of April
	Half a year	At the end of April & October
	Quarter	At the end of January, April, July and October
Irregular disclosure		Within 14 days

3) Operation of Public Disclosure System

A. Periodic Disclosure of Public Institution's Information

- Before the end of April when the periodic information is disclosed, a briefing session is provided to public institutions to explain the integration of disclosed information for all public institutions and the newly designated public institutions.
- An institution designated as a public institution should disclose its management information such as the financial status of the five previous years during the periodic disclosure period every year.

B. Examination and Confirmation of Disclosure

- In order to ensure the credibility and accuracy of the information disclosed every year, the Minister of Strategy and Finance checks and confirms them.

- He/she imposes penalties for any disclosure in accordance with the penalty criteria and carries out follow-up measures after deliberation and resolution by the Committee.

4) Penalties for Non-compliance with the Disclosure Rules

- The following three types are regarded as non-compliance:
 - Non-conformance occurs when an institution fails to disclose material that is supposed to be disclosed or discloses information past the prescribed time of publication
 - False publication occurs when an institution discloses false information and the violation is discovered by an external agency
 - Alteration of the disclosed information is the case where an institution identifies and makes changes to correct the false information that had already been disclosed.
- Penalty is imposed depending on the type of non-compliance of disclosure.
 - In order to ensure the credibility and accuracy of the disclosed information, if a public institution fails to perform its duty of disclosure and falls under one of the non-compliance of disclosure mentioned above, the Minister of Strategy and Finance should impose penalty points depending on the gravity of the violation and the time delayed according to the Standards on the Integrated Publication of Public Institutions.
 - If the total penalty points imposed on a public institution during a year exceed 20 points, the Minister of Strategy and Finance may, after deliberation and resolution by the Committee, issue a disciplinary warning against the institution. If the total penalty points exceed 40 points, the Minister will declare the institution 'a non-compliance institution of disclosure' and can order disciplinary measures against the persons who are responsible.

8. Performance Evaluation System

1) Overview

- **Evaluating performance of public institutions can be characterized as a cyclic process in which the annual performance of public institutions is assessed based upon the evaluation indicators. Performance payments based on the evaluation results are distributed while the results are also reflected onto successive business plans.**

■ **The major purposes of the performance evaluation are as follows.**

- To improve management efficiency, accountability and motivation for goal achievement
- To set clear targets(objectives) and to effectively deal with the principal-agent problems
- To introduce competition and apply pressure to stimulate management innovation
- To reflect the feedback from the evaluation results for management improvement
- To enhance the transparency of management in public institutions

2) Components of Performance Evaluation System

A. Evaluation on Performances of Public Corporations and Quasi-governmental Institutions

- The overall performances of public corporations and quasi-governmental institutions are placed under annual evaluation.
 - The evaluation aims at ensuring accountable management through external evaluation on their performance, establishing management accountability, improving transparency, and streamlining operational process of institutions and utilize the results for managerial improvement.

B. Evaluation on the Performances of the Head of Institutions based on their Performance Agreements

- Performance agreement of the head of institutions has been introduced in 2014 to enhance the performance-oriented management and the accountability of the head of institutions in the long run.
 - Agreements are made between the head of competent ministry and the head of institution on a three-year basis within three months after the appointment.
- The head of institution who has been in office for more than one and a half year is subject to evaluation and he/she is evaluated once during his or her tenure.
 - The evaluation results are used as a ground for personnel actions.

C. Evaluation of Auditors

- Performance of standing auditors and audit committee members are subject to evaluation.
 - The evaluation aims at improving accountability of auditors and audit committee members as well as the propriety of audit activities.

- Standing auditors or members of the audit committee in public corporations and quasi-governmental institutions are subject to evaluation, and he/she is evaluated once during his/her tenure.
- Standing auditors or members of audit committee who are absent or have been employed less than six months by the end of the year are exempted from evaluation.

3) Performance Evaluation Indicators

- The evaluation on managerial performances of public corporations and quasi-governmental institutions is composed of 15 indicators across two categories as of 2016: common and main business activities.

<Table II-11> Categories and Main Indicators of the Performance Evaluation of Public Institutions⁶

Category	Main Indicators (weights)
Common management activities	<ul style="list-style-type: none"> • Business strategy & Corporate social responsibility(14) • Business process efficiency(8) • Organization, human resources, and performance management(2) • Management of finance & budget and its accomplishments(14) • Management of remuneration and employee benefits(12)
Main business activities	<ul style="list-style-type: none"> • Aggregate evaluation of core business plans, activities and performances(50)

- The evaluation indicators and their weighted values can differ depending on the classification of institutions and whether the institution is required to submit Mid- and Long-term Financial Management Plan.
- The evaluation on the performances of the head of institutions based on their performance agreements is conducted based on 6 evaluation indicators across two categories as of 2016: common tasks and performance tasks.

⁶⁾ The following evaluation indicators and their weighted values are applied to public corporations that are required to submit Mid- and Long-term Financial Management Plan.

<Table II-12> Categories and Main Indicators of the Evaluation on the Head of Institutions⁷

Category	Main Indicators (weights)
Common tasks	<ul style="list-style-type: none"> • Leadership(15) • Management accountability(15)
Performance tasks	<ul style="list-style-type: none"> • Management of finance & budget and its accomplishments(20)⁸ • Management of employee remuneration and employee benefits(20)⁹ • Mid- and long-term strategic task(1)(15) • Mid- and long-term strategic task(2)(15)

- The evaluation on auditors and audit committee members is practiced based on 7 evaluation indicators across 3 categories as of 2016: the proprieties of audit activities & job performances, results from external evaluations, and the results from the performance evaluation of public institutions.

<Table II-13> Categories and Main Indicators of the Evaluation on Auditors and Audit Committee Members

Category	Main Indicators (weights)
Proprieties of audit activities & job performances	<ul style="list-style-type: none"> • Professionalism of auditors(10) • Morality & independency of auditors(10) • Strengthening of internal control(15) • Prevention, exposure, and prevention of recurrence of practices of excessive employee benefits(25)
Results from external evaluations	<ul style="list-style-type: none"> • Performances of internal audit activities and adequacy of ex-post management(25) (Results from the evaluation of the Board of Audit and Inspection of Korea) • Integrity of the institutions(5) (Results from the evaluation of the Anti-Corruption & Civil Rights Commission)
Results from the performance evaluation on institutions	<ul style="list-style-type: none"> • Results from the performance evaluation of institutions(10)

7) The following evaluation indicators and their weighted values are applied to public institutions that are targets of priority of the current administration's SOE policy measures because they are overleveraged or they provided excessive employee benefits. Indicators and their weighted values can be a bit different for other public institutions.

8) The result from the performance evaluation of public institutions is converted into a 20-point scale and applied here.

9) The same as above

4) Evaluation System and Procedures

- The procedure for the performance evaluation is as follows:
 - Ministry of Strategy and Finance delivers the performance evaluation manual for the year in January.
 - The Management Evaluation Team is formed in February and executes the performance evaluation from March to May.
 - The evaluation results are confirmed through the deliberation and resolution of the Committee and announced by June 20.

5) Follow-up Measures of the Evaluation

- There are two main follow-up measures for the results from the performance evaluation of public institutions.
 - The incentive bonus based on the evaluation results and the bonus rate is decided as prescribed in the Guidelines on Budget Compilation of Public Corporations and Quasi-governmental Institutions and the Guidelines on Executive Remuneration.
 - The Minister of Strategy & Finance can propose dismissal of the head of institutions or standing directors to the appointing authority after the deliberation and resolution by the Committee, if the corresponding institutions receive negative results from the performance evaluation.
- The results from the evaluation on the head of institutions, auditors, and audit committee members are used for deciding whether they should serve consecutive terms.
 - Their bonus rates are decided by the results from the performance evaluation of public institutions.



03 Public Institutions in Korea

1. Public Corporations
2. Quasi-governmental Institutions
3. Non-classified Public Institutions

■ In this Chapter, basic information of 10 public corporations (4 market-type and 6 quasi-market-type), 13 quasi-governmental institutions(3 fund-management-type and 10 commissioned-service-type) and 4 non-classified public institutions are introduced to provide better understanding and clear portfolio of public institutions in Korea.

1. Public corporations

1) Market-based public corporations

A. Korea Electric Power Corporation (KEPCO)

- Korea Electric Power Corporation (KEPCO) was founded with the objective to facilitate the development of electric power supply in Korea. Currently, in the Korean electric power industry, 6 power generating companies, independent power producers(100% owned by KEPCO), and community energy systems are producing electric power, and KEPCO transports the electric power it purchased from the Korea Power Exchange through the transmission and distribution network, and sells it to general customers.

Assets¹⁰	175.3 trillion KR 3.1 trillion KR (fund)
Sales	59 trillion KR
Employees & Staff	2075
Shareholders	Korea Development Bank 32.90% Central government 18.20% National Pension Service 7.07% (Korean government 58.17%) foreigners 31.32% minority shareholders and others 10.51%
Public Listing	Korea Exchange (1989) New York Stock Exchange (1994)

B. Incheon International Airport Corporation (IIAC)

- Established in 1999, Incheon International Airport Corporation (IIAC) opened for business in early 2001 to replace the Gimpo International Airport as the primary international airport in Korea. Incheon International Airport Corporation has been voted No. 1 in the annual Airport Service Quality (ASQ) by the Airports Council International (ACI) for 11 straight years, from 2005 to 2015.

Assets	9.4 trillion KR
Sales	1.9 trillion KR
Employees & Staff	154
Shareholders	Central government 100%

10) All the quantitative information provided in Chapter 3 is from the 2015 data.

C. Busan Port Authority (BPA)

- Busan Port Authority (BPA), the first port authority in Korea, was founded in January 2004 for the development of Busan Port and to enhance the efficiency and professionalism of its management. The port ranked sixth on the world by processing 19.47 million TEUs of cargo volume, and ranked third in transshipment cargo volume with 10.08 million TEUs in 2015.

Assets	5.5 trillion KR₩
Sales	427.1 billion KR₩
Employees & Staff	185
Shareholders	Central government (Ministry of Strategy and Finance) 100%

D. Korea National Oil Corporation (KNOC)

- Korea National Oil Corporation was founded in 1979 to help stabilize Korea's national economy by ensuring a stable supply of energy even during an oil crisis through strategic petroleum stockpiling and development after the two oil shocks during the 1970s shook the national economy. Since its foundation, KNOC has built nine underground and aboveground oil stockpiling bases with the total capacity reaching 146 million barrels. KNOC operates oil and gas fields in 21 countries around the world.

Assets	23.2 trillion KR₩
Sales	3.4 trillion KR₩
Employees & Staff	1561
Shareholders	Central government 100%

2) Quasi-market-based public corporations

A. Korea Railroad Corporation (KORAIL)

- Established in 2005, KORAIL is the only railway operator in Korea. KORAIL provides commuter, subway, intercity and freight trains throughout Korea. KORAIL provides all the long distance rail lines in Korea as well as local rail lines. KORAIL has a 115 year history, and the current corporation was established after the former Korean National Railroad was divided into KORAIL, which runs the railroad operation, and Korea Rail Network Authority, which is in charge of rail track maintenance. The KTX (Korean Train Express), the high-speed express train which passes through most of the country, has been used by more than 400 million people.

Assets	18.2 trillion KR
Sales	5.5 trillion KR
Employees & Staff	27,081
Shareholders	Central government 100%

B. Korea Land and Housing Corporation (LH)

- Established in 2009 with the merger of the Korean Land Corporation and the Korean Housing Corporations, LH provides stable housing for the country's citizens and efficiently utilizes the national land. It also has developed the housing land, new towns, Multi-functional Administrative City and Innovation Cities, and executes city regeneration projects to create comfortable residential spaces and urban environment. In addition, LH has developed industrial and logistics complex, such as the Kaesong Industrial complex, and the Free Economic Zones (FEZs). It also overseas national land to boost national competitiveness and create employment, and performs land reserve and management, rental housing management, and land and housing informatization.

Assets	169.9 trillion KR
Sales	23.8 trillion KR
Employees & Staff	6,118
Shareholders	Central government 83.35% Korea Development Bank 13.9% Korea Export-Import Bank 2.75% (Korean government 100%)

C. Korea Water Resources Corporation (K-Water)

- Korea Water Resources Corporation (K-Water) was established in 1967 in accordance with the national development plan by the government. K-Water has been implementing national water resources management policies regarding multi-purpose dams, water supply dams, and regional water supply systems. Local water supply systems are owned by local governments, but K-water manages local water supply systems in 22 municipalities on consignment.

Assets	19.6 trillion KR
Sales	3.8 trillion KR
Employees & Staff	4,893
Shareholders	Central government 91.5% Korea Development Bank 8.4% Local government 0.1%

D. Korea Expressway Corporation

- Korea laid a foundation for its national economic growth and expedited its speed of development with the opening of the Gyeongbu Expressway in 1970. The Gyeongbu and many other expressways that cut across the country were constructed by the Korea Expressway Corporation, founded in 1969. The Korea Expressway Corporation conducts expressway construction and maintenance and provides traffic information to road users.

Assets	57.6 trillion KR
Sales	8.6 trillion KR
Employees & Staff	5,826
Shareholders	Ministry of Land, Infrastructure and Transport 84.00%, Ministry of Strategy and Finance 0.46%, The Export-Import Bank of Korea 11.12%, Korea Development Bank 3.13%, Industrial Bank of Korea 0.76%, Kookmin Bank 0.02%, Korea Housing Finance Corporation 0.51%

E. Korea Broadcast Advertising Corporation (KOBACO)

- Since its establishment in 1981, KOBACO has been selling terrestrial broadcast advertising for more than 30 years. KOBACO has promoted the public-service nature and diversity of broadcast media. Currently, KOBACO is the largest media representative in Korea, and its role has expanded from the previous terrestrial broadcasting to new media such as cable TV, satellite TV and IPTV. KOBACO sells the advertising airtime for 27 broadcasters; 4 TV channels, 16 radio channels, and 7 DMB (digital media broadcasting) channels. As a public company, KOBACO also has been carrying out public service advertising campaigns to raise public awareness about diverse social issues ranging from environmental protection to racial discrimination.

Assets	732.3 billion KR
Sales	207.9 billion KR
Employees & Staff	286
Shareholders	Ministry of Strategy and Finance 100%

F. Korea Housing & Urban Guarantee Corporation (HUG)

- Korea Housing & Urban Guarantee Corporation was established in 1999 to help achieve the government's policy goal of improving the quality of life for all people by supporting housing

welfare and the revitalization of urban renewal projects. HUG offers various types of housing guarantees throughout the stages of a housing project and implements government policies to improve people’s residential welfare and encourage urban regeneration. It is a specialized housing guarantee organization that guarantees security for potential homeowners and facilitates a supply of housing through the support of building contractors. HUG changed its previous name of KHGC in July 2015, reconstituting itself as a public corporation with the enforcement of National Housing & Urban Fund (NHUF) Act, which designated the company as the exclusive institution to operate the NHUF that is worth about 115 trillion KRW.

Assets	5.6 trillion KRW
Sales	1 trillion KRW
Employees & Staff	492
Shareholders	Central government 67.85%, financial institutions 9.22%, HUG 18.50%, housing companies 3.36%, minority shareholders and others 1.06%

2. Quasi-governmental institutions

1) Fund-management-type quasi-governmental institutions

A. National Pension Service (NPS)

- The National Pension Service (NPS) was established in 1987 to help secure the retirement benefits of Korean citizens with income security, thereby promoting national welfare in case of retirement, disability or death. The national pension scheme is now available to all employees, employers, and the self-employed. The NPS has broadened its operation scope to include retirement planning and welfare services for the disabled, in addition to its basic services, such as contributor’s pension history management, contribution-imposing, and benefits payment.

Assets	1 trillion KRW 513 trillion KRW (Fund)
Sales	15.8 trillion KRW
Employees & Staff	5230

B. Korea Deposit Insurance Corporation

- The Korea Deposit Insurance Corporation (KDIC) was established in 1996 in accordance with the Depositor Protection Act (enacted in 1995) to protect depositors and maintain the stability of the financial system by efficiently operating a deposit insurance system in order to prevent a situation in which a failed institution is unable to reimburse its depositors. The main functions of KDIC are the management of Deposit Insurance Funds, risk management, resolution of insolvent financial institutions, management of bankruptcy estates, and investigations related to insolvency.

Assets	14.4 trillion KR₩ 6.6 trillion KR₩ (Fund)
Sales	1.7 trillion KR₩
Employees & Staff	660

C. Small & medium Business Corporation (SBC)

- The Small & medium Business Corporation (SBC) is a non-profit, government-funded organization established in 1979 to implement government policies and programs for the sound growth and development of Korean small and medium-sized enterprises (SMEs). SBC operates financial and non-financial programs for SMEs. Through financial programs, SBC provides financing for SMEs to expand operations, develop new products and convert their business structures. With advisory programs including consulting, training, marketing and global cooperation programs, SBC supports SMEs to enhance their global competitiveness.

Assets	15.9 trillion KR₩
Employees & Staff	904

2) Commissioned-service-type quasi-governmental institutions

A. Korea Student Aid Foundation (KOSAF)

- Korea Student Aid Foundation (KOSAF) was established in 2009 by the Act on the Establishment of the Korea Scholarship Foundation. Working closely with the Ministry of Education, the foundation administers government-supported assistance to students in higher education. Its programs provide financial assistance primarily through scholarships, loans, and work-study programs. KOSAF's Sharing & Volunteering programs give students a platform for developing leadership that effectively helps people.

Assets	13 trillion KR
Sales	4.6 trillion KR
Employees & Staff	323

B. Korea Creative Content Agency (KOCCA)

- The Korea Creative Content Agency (KOCCA) oversees the advancement of Korea's creative content, both domestically and internationally. KOCCA was established in 2009 with the merger of several public institutions such as Korea Broadcasting Institute, Korean Game Industry Agency, and Culture and Content Agency. It covers a wide range of Korea's creative industries, including gaming, animation, character licensing, music, fashion, and broadcasting. The agency actively advances these industries via production support, marketing and promotion, human capital development, and cultural technology implementation.

Assets	137.4 billion KR
Sales	189.8 billion KR
Employees & Staff	226

C. Korea Rural Community Corporation (KRC)

- The Korea Rural Community Corporation (KRC) was established in 1908 to develop, maintain and manage agricultural production infrastructure. Its main purpose is to foster and manage national self-sufficiency in staple grains and its food production base. The corporation also contributes to the growth of the nation's agricultural productivity by using agricultural production infrastructure including reservoirs, pumping and drainage stations, and supplying good agricultural water in a stable and timely manner. KRC has also been leading large-scale national projects such as the world's largest Saemangeum reclamation project, and undertakes agricultural and rural village development projects overseas.

Assets	10.5 trillion KR 9.8 trillion KR (fund)
Sales	3.9 trillion KR
Employees & Staff	6,281

D. National Research Foundation of Korea (NRF)

- The National Research Foundation of Korea (NRF) was established in 2009 by the merger of Korea Science and Engineering Foundation (KOSEF), Korea Research Foundation (KRF), and Korea Foundation for International Cooperation of Science and Technology (KICOS). NRF is the largest R&D funding agency in Korea. Its main purpose is to support academic and R&D activities and foster & utilize researchers in academia and R&D fields. The Foundation also promotes international cooperation for academic and R&D activities and facilitates the survey, analysis, and application of useful resources for research funding as well as development of policies.

Assets	12.6 billion KR₩ 85.2 billion KR₩ (fund)
Sales	4.2 trillion KR₩
Employees & Staff	308

E. Human Resources Development Service of Korea (HRD)

- HRDKorea performs a core role in comprehensive ways to develop and manage national human resources, in cooperation with the business community, in the areas of lifelong competency development, qualification management, foreign workforce employment support, overseas employment support, international cooperation, skills promotion and skills competitions.

Assets	297.8 billion KR₩
Sales	1.1 trillion KR₩
Employees & Staff	1,203

F. Korea Trade-Investment Promotion Agency (KOTRA)

- Korea Trade-Investment Promotion Agency (KOTRA) was established in 1962 in accordance with the Korea Trade Promotion Agency Act to contribute to national development by helping trade promotion, domestic and foreign investment, industrial technology cooperation, and etc. KOTRA supports medium and small-sized enterprises to extend their business in overseas markets and attracts foreign investment. They also produce, spread and consult overseas market information.

Assets	185.4 billion KR₩
Sales	361.3 billion KR₩
Employees & Staff	974

G. Korea Environment Corporation (KECO)

- Korea Environment Corporation (KECO) was established in 2009 in accordance with the Korea Environment Corporation Act. KECO aims to contribute to eco-friendly development of Korea through the effective operation of greenhouse gas reduction programs to prevent environmental pollution, improve the environment, facilitate resource recycling and respond to climate change.

Assets	153.1 billion KR
Sales	1.1 trillion KR
Employees & Staff	2,219

H. Korea Infrastructure Safety & Technology Corporation (KISTEC)

- Korea Infrastructure Safety & Technology Corporation (KISTEC) was established in 1995 in accordance with the Special Act for the Safety Control of Public Structures. The corporation secures the safety and maintenance of public infrastructures, and research, develop, and distribute the related technologies. The main functions of KISTEC are safety inspection on major public structures, research, development, guidance and distribution of technology relating to safety inspections. They also develop a scientific maintenance system of public structures and provide training to inspectors.

Assets	40.6 billion KR
Sales	48.3 billion KR
Employees & Staff	442

I. Korea Consumer Agency (KCA)

- The KCA was established in 1987 based on the Consumer Protection Act to protect consumer rights and interests. The agency provides consumer counseling and redress, handles dispute cases when the recommended compromise is not accepted, conducts quality or safety tests of various products based on strict standards, and studies consumer protection policies and laws. KCA has Consumer Dispute Settlement Commission (CDSC) established to mediate consumer dispute cases.

Assets	90.2 billion KR
Sales	38.2 billion KR
Employees & Staff	390

J. Korea International Cooperation Agency (KOICA)

- The Korea International Cooperation Agency (KOICA) was established in 1991, to maximize the effectiveness of Korea's grant aid programs for developing countries by implementing the government's grant aid and technical cooperation programs. KOICA is in charge of Korea's ODA to help developing countries' economic and social development and enhance the relationship between Korea and relevant countries by conducting cooperation projects. KOICA also sends global volunteers and expertise overseas and bring public officers, employers and researchers of developing countries to Korea through global training program. It also provides funds for emergency aid to countries experiencing sudden disaster such as earthquakes.

Assets	91.5 billion KR
Sales	665.9 billion KR
Employees & Staff	434

3. Non-classified Public Institutions

A. The Export-Import Bank of Korea (Korea Eximbank)

- The Export-Import Bank of Korea was established in 1976 to facilitate the development of Korea's economy and enhance economic cooperation with foreign countries through the provision of financial supports for export and import transactions, overseas investments projects, and the development of overseas natural resources. The Bank is an export credit agency that provides export credits to promote the export of capital goods such as ships and industrial plants, and high technology industries such as the IT industry.

Assets	82.5 trillion KR 4.2 trillion KR (fund)
Sales	6.5 trillion KR
Employees & Staff	951

B. Korea Legal Aid Corporation

- The Korea Legal Aid Corporation was established in 1987 according to the Legal Aid Act. Korean Legal Aid Corporation provides legal advice and legal representation by attorneys both for civil and criminal cases to the public, especially those without financial resources and legal knowledge. It is a social welfare service institution which provides services such as free legal advice, civil/criminal representation by lawyers or public service attorneys, and

other miscellaneous legal affairs to those who are not fully covered with equal justice owing to their lack of legal knowledge or economic disadvantage. The Corporation aims to protect their deserved rights by the due process of law and protect the fundamental human rights of people in Korea.

Assets	119.7 billion KR₩
Sales	65.9 billion KR₩
Employees & Staff	725

C. Korea Testing Laboratory (KTL)

- Korea Testing Laboratory (KTL) was established in 1966 to enhance Korea's industrial technology and competitiveness as an affiliated organization of the Ministry of Trade, Industry, and Energy. KTL has executed various technology support needed in industrial fields as a comprehensive testing organization, including developing testing and evaluation technologies and assisting companies to obtain international certifications, and has contributed to improve industrial technology. The K-mark quality certification system of KTL has been the mark of quality as well as reliability.

Assets	170.6 billion KR₩
Sales	135.3 billion KR₩
Employees & Staff	580

D. National Cancer Center (NCC)

- National Cancer Center (NCC) was established in 2000 based on National Cancer Act to reduce the incidence and mortality of cancer through research, patient care, education & training, and support for the national cancer control programs. In order to effectively achieve the above goals, NCC performs basic and clinical research on cancer, provides medical care services for cancer patients, and offers education and training for health professionals and those engaged in the national cancer programs. The Center also assists the government in formulating and implementing the national cancer control program and provides consulting services to other medical institutions specializing in cancer treatment.

Assets	241.6 billion KR₩
Sales	290 billion KR₩
Employees & Staff	1,216

Research Center for State-Owned Entities(SOEs)

(<http://soe.kipf.re.kr/eng/Main.aspx>)

1. Executive Director's Message

There are currently 323 public institutions in Korea which are classified either as public corporations, quasi-governmental institutions, or non-classified public institutions.

The total number of employees of all public institutions is about 287 thousand, and their total budget size reaches roughly 664 trillion won, approximately 1.8 times larger than the size of the national budget as of 2015.

Since the performance of public institutions is so crucial to the national economy, Korea has maintained one of the most sophisticated and integrated management systems on public institutions. To support and improve government policies regarding public institutions, **Research Center for State-Owned Entities (SOEs)** was established by the Ministry of Strategy and Finance in 2009.

The SOEs Research Center conducts various research in regards to public institution, including its internal and external governance structure, role in the national economy, issues on financial structure, employment structure, public institution in foreign countries, public utility rates, the performance evaluation system, and etc. Our Center specializes in various case studies and uses scientific research & analysis methods to enhance expertise and efficiency, and promotes the conditions necessary for sustainable growth and improvement of public institutions.



Furthermore, the Research Center is working hard to connect more with academic and field experts such as professors and senior executives of public institutions to produce effective and valid findings and make more balanced policy suggestions. The Center, as a hub of research on public institutions in Korea, will actively cooperate with the international community to learn and share the knowledge and experience on public institutions.

Public Institutions in Korea is comprised of three chapters. The first chapter covers various aspects of the public institutions of Korea with their general characteristics, financial status, and their contributions and influences to the national economy. The second chapter deals with topics regarding the management and oversight of public institutions in Korea. Chapter 3 gives a brief overview of the 27 individual public institutions in Korea.

This is the fifth edition of *Public Institutions in Korea* and a new chapter has been added to provide detailed information regarding 27 important public institutions. We hope this book will facilitate the cooperation between Korea and other countries with regard to the management and oversight of public institutions.

Executive Director
Dr. Cho, Im Gon
icho@kipf.re.kr

2. Organizational Chart



3. The list of research fellow

	Position	Name
Research Center for SOEs	Executive Director	Cho, Im Gon
	Associate Fellow	Heo, Kyoungsun
	Visiting Fellow	Ra, Youngjae
	Research Specialist	Byen, Minjung
	Research Specialist	Jang, Kwangnam
	Research Specialist	Song, Kyungho
	Research Specialist	Yun, Jeongkyu
	Research Analyst	Ahn, Saehee
	Research Analyst	Lee, Seul
	Senior Administrator	Byoun, Kyoungsuk
	SOE Policy Research Team	Head
Research Specialist		Ha, Taewook
Research Specialist		Lee, Jukyoung
Research Analyst		Hong, Sojung

	Position	Name
SOE Policy Research Team	Research Analyst	Hong, Yoonjin
	Research Analyst	Jung, Yeseul
	Research Analyst	Kang, Seok Hoon
	Research Analyst	Lee, Kangshin
	Research Analyst	Lim, Hee Young
	Research Analyst	Min, Kyeongseok
	Research Analyst	Park, Misun
	Research Analyst	Yoo, Seunghyeon
SOE Evaluation Research Team	Head	Park, Hanjun
	Research Specialist	Kim, Jongwon
	Research Specialist	Lim, Miwha
	Research Specialist	Yu, Hyojeong
	Research Analyst	Bong, Woori
	Research Analyst	Na, Jinhee
	Research Analyst	Oh, Yun-mi
	Research Analyst	Park, Seonghun
	Research Analyst	Seo, Young Bin
Financial Analysis Team	Head	Moon, Changoh
	KICPA	Cho, Jae Woo
	KICPA	Kang, Cho-Rong
	KICPA	Kim, Eunsun
	KICPA	Lee, Jinkwan
	KICPA	Park, Jinhee
	Research Analyst	Park, Hwayoung
	Research Analyst	Seo, Nina
	Research Analyst	Song, ShinHyung

Appendix

Public Institutions in 2016

(Public corporations, quasi-governmental institutions, and non-classified public institutions, 321, as of October 1, 2016)

Relevant Ministries	Public Corporations		Quasi-Governmental Institutions		Non-classified public institutions (202)
	Market-based (14)	Quasi-market-based (16)	Fund-management-based (16)	Commissioned-service-based (73)	
Ministry of Strategy and Finance (3)		Korea Minting & Security Printing Corporation (1)			The Export-Import Bank of Korea, Korea Investment Corporation (2)
Ministry of Education (21)			Korea Teachers Pension (1)	Korea Education and Research Information Service, Korea Student Aid Foundation (2)	Gangneung-Wonju National University Dental Hospital, Kangwon National University Hospital, Kyungpook National University Hospital, Gyeongsang National University Hospital, Northeast Asian History Foundation, Institute for the Translation of Korean Classics, Pusan National University Hospital, Pusan National University Dental Hospital, Seoul National University Hospital, Seoul National University Dental Hospital, Chonnam National University Hospital, Chonbuk National University Hospital, Jeju National University Hospital, Chungnam National University Hospital, Chungbuk National University Hospital, Korea Foundation for the Promotion of Private School, Academy of Korean Studies, National Institute for Lifelong Education (18)



Relevant Ministries	Public Corporations		Quasi-Governmental Institutions		Non-classified public institutions (202)
	Market-based (14)	Quasi-market-based (16)	Fund-management-based (16)	Commissioned-service-based (73)	
Ministry of Science, ICT and Future Planning (43)				Korea Internet Security Agency, National IT Industry Promotion Agency, Postal Savings & Insurance Development Institute, Korea Postal Logistics Agency, Korea Postal Service Agency, National Research Foundation of Korea, Korea Foundation for the Advancement of Science and Creativity, National Information Society Agency, Korea Communications Agency (9)	Postal Facility Management Agency, Korea Advanced Institute of Science and Technology, Gwangju Institute of Science and Technology, Daegu Gyeongbuk Institute of Science & Technology, Korea Institute of Radiological & Medical Sciences, Institute for Basic Science, National Research Council of Science & Technology, Korea Institute of Science and Technology, Korea Institute of Science and Technology Information, Korea Basic Science Institute, Korea Research Institute of Bioscience and Biotechnology, Korea Astronomy and Space Science Institute, Korea Research Institute of Standards and Science, Korea Institute of Oriental Medicine, Korea Aerospace Research Institute, Korea Atomic Energy Research Institute, Korea Institute of Machinery & Materials, Korea Institute of Industrial Technology, Korea Food Research Institute, Korea Institute of Energy Research, Korea Electrotechnology Research Institute, Electronics and Telecommunications Research Institute, Korea Institute of Geoscience and Mineral Resources, Korea Railroad Research Institute, Korea Research Institute of Chemical Technology, Innopolis Foundation, Specific Post Office Pension Service Agency, Korea Institute of Science & Technology Evaluation and Planning, Gwangju National Science Museum, Daegu National Science Museum, Korea Database Agency, Ulsan National Institute of Science and Technology, Korea Institute of Civil Engineering and Building Technology, Korea Advanced Nano Fab Center (34)

Relevant Ministries	Public Corporations		Quasi-Governmental Institutions		Non-classified public institutions (202)
	Market-based (14)	Quasi-market-based (16)	Fund-management-based (16)	Commissioned-service-based (73)	
Ministry of Foreign Affairs (3)				Korea International Cooperation Agency(1)	Korea Foundation, Overseas Koreans Foundation (2)
Ministry of Unification (2)					Korea Hana Foundation, South-North Korea Exchanges and Cooperation Support Association (2)
Ministry of Justice (4)					Korea Legal Aid Corporation, Korean Government Legal Service, Korea Rehabilitation Agency, IOM Migration Research & Training Centre (4)
Ministry of National Defense (3)					The War Memorial of Korea, Korea Institute for Defense Analyses, Ministry of National Defense Outplacement Training Institute (3)
Ministry of the Interior (2)					Korea Democracy Foundation, Korean Foundation for Victims of Forced Mobilization under Japanese Colonialism (2)

Relevant Ministries	Public Corporations		Quasi-Governmental Institutions		Non-classified public institutions (202)
	Market-based (14)	Quasi-market-based (16)	Fund-management-based (16)	Commissioned-service-based (73)	
Ministry of Culture, Sports and Tourism (32)		Korea Tourism Organization(1)	Korea Sports Promotion Foundation, Korean Film Council, Arts Council Korea, Korea Press Foundation (4)	The Korea International Broadcasting Foundation, Korea Creative Content Agency, Asia Culture Center (3)	Cultural Foundation of National Museum of Korea, Korea Council of Sport for All, Grand Korea Leisure, Korea Media Rating Board, Seoul Arts Center, Jeongdong Theater, Literature Translation Institute of Korea, Korea Culture & Tourism Institute, Korea Arts & Culture Education Service, Korean Film Archive, Taekwondowon, Korea Copyright Commission, Korea Crafts & Design Foundation, Korea Arts Management Service, Korea Culture Information Service Agency, Game Rating and Administration Committee, King Sejong Institute Foundation, Gugak Broadcasting Foundation, Publication Industry Promotion Agency of Korea, Korean Artists Welfare Foundation, Korea Center on Gambling Problems, Korean Sport Olympic Committee, Korea Paralympic Committee, Korea Culture Promotion Corporation, Korea Sports Industry Corporation (24)

Relevant Ministries	Public Corporations		Quasi-Governmental Institutions		Non-classified public institutions (202)
	Market-based (14)	Quasi-market-based (16)	Fund-management-based (16)	Commissioned-service-based (73)	
Ministry of Agriculture, Food and Rural Affairs (10)		Korea Racing Authority (1)		Korea Agro-Fisheries & Food Trade Corporation, Korea Institute for Animal Products Quality Evaluation, Korea Rural Community Corporation, Korea Agency of Education, Promotion and Information Service in Food, Agriculture, Forestry, and Fisheries, Korea Institute of Planning and Evaluation for Technology in Food, Agriculture, Forestry and Fisheries (5)	Livestock Health Control Association, International Plant-quarantine Accreditation Board, Agricultural Policy Insurance & Finance Service, Korea Food Foundation (4)

Relevant Ministries	Public Corporations		Quasi-Governmental Institutions		Non-classified public institutions (202)
	Market-based (14)	Quasi-market-based (16)	Fund-management-based (16)	Commissioned-service-based (73)	
Ministry of Trade, Industry and Energy (40)	<p>Korea Resources Corporation, Korea Gas Corporation, Korea National Oil Corporation, Korea Electric Power Corporation, Korea District Heating Corporation, Korea Midland Power Co., Ltd., Korea Hydro & Nuclear Power Co., Ltd., Korea Western Power Co., Ltd., Korea East-West Power Co., Ltd., Korea Southern Power Co., Ltd., Korea South-East Power Co., Ltd. (11)</p>	<p>Korea Coal Corporation (1)</p>	<p>Korea Trade Insurance Corporation, Korea Radioactive Waste Agency (2)</p>	<p>Korea Petroleum Quality & Distribution Authority, Korea Trade-Investment Promotion Agency, Korea Energy Agency, Korea Institute of Ceramic Engineering and Technology, Korea Gas Safety Corporation, Mine Reclamation Corporation, Korea Institute of Design Promotion, Korea Institute for Advancement of Technology, Korea Evaluation Institute of Industrial Technology, Korea Industrial Complex Corporation, Korea Institute of Energy Technology Evaluation and Planning, Korea Electrical Safety Corporation, Korea Power Exchange (13)</p>	<p>Korea Electrical Engineering & Science Research Institute, Kangwon Land, Korea Gas Technology Corporation, KEPCO Engineering & Construction Company, Korea-Japan Cooperation Foundation for Industry and Technology, KEPCO KDN, KEPCO KPS, KEPCO KNF, Korea Strategic Trade Institute, Korea Institute for Robot Industry Advancement, Korea Nuclear Energy Agency, Korea Testing Laboratory, Korea Smart Grid Institute (13)</p>

Relevant Ministries	Public Corporations		Quasi-Governmental Institutions		Non-classified public institutions (202)
	Market-based (14)	Quasi-market-based (16)	Fund-management-based (16)	Commissioned-service-based (73)	
Ministry of Health and Welfare (22)			National Pension Service (1)	Health Insurance Review & Assessment Service, National Health Insurance Service, Social Security Information Service, Korea Health Industry Development Institute, Korea Labor Force Development Institute for the Aged, Korea Human Resource Development Institute for Health & Welfare (6)	National Cancer Center, Korean Red Cross, National Health Personnel Licensing Examination Board, Korea Disabled People's Development Institute, Korea Foundation for International Healthcare, Korea National Council on Social Welfare, National Medical Center, Korea Childcare Promotion Institute, Korea Health Promotion Foundation, Korea Medical Dispute Mediation & Arbitration Agency, National Evidence-based Healthcare Collaborating Agency, Daegu-Gyeongbuk Medical Innovation Foundation, Osong Medical Innovation Foundation, Korea Organ Donation Agency, Korea Foundation For Human Tissue Donation (15)
Ministry of Environment (7)				Korea National Park Service, Korea Environment Corporation, Korea Environmental Industry & Technology Institute, National Institute of Ecology (4)	Sudokwon Landfill Site Management Corporation, Korea Water and Wastewater Works Association, Nakdonggang National Institute of Biological Resources (3)

Relevant Ministries	Public Corporations		Quasi-Governmental Institutions		Non-classified public institutions (202)
	Market-based (14)	Quasi-market-based (16)	Fund-management-based (16)	Commissioned-service-based (73)	
Ministry of Employment and Labor (12)			Korea Workers' Compensation & Welfare Service (1)	Korea Employment Information Service, Korea Occupational Safety & Health Agency, Human Resources Development Service of Korea, Korea Employment Agency for the Disabled, Korea Elevator Safety Technology Institute (5)	Korea Polytechnics, Korea Labor Foundation, Korea University of Technology and Education, Korea Social Enterprise Promotion Agency, Korea Job World, Construction Workers Mutual Aid Association (6)
Ministry of Gender Equality and Family (5)				Korea Youth Counseling & Welfare Institute, Korea Youth Work Agency (2)	Korea Institute for Gender Equality Promotion & Education, Korea Institute for Healthy Family, Women's Human Rights Commission of Korea (3)
Ministry of Land, Infrastructure and Transport (23)	Incheon International Airport Corporation, Korea Airports Corporation (2)	Korea Housing & Urban Guarantee Corporation, Korea Land and Housing Corporation, Jeju Free International City Development Center, Korea Appraisal Board, Korea Expressway Corporation, Korea Water Resources Corporation, Korea Railroad Corporation (7)		Korea Transportation Safety Authority, Korea Agency for Infrastructure Technology Advancement, Korea Land and Geospatial Information Corporation, Korea Infrastructure Safety & Technology Corporation, Korea Rail Network Authority, (5)	Korail Tech, Korail Retail, Korail Tourism Development, Korea Construction Management Corporation, Korea Housing Management, Korail Networks, Korail Logis, Korea Institute of Aviation Safety Technology, Waterway+ (9)

Relevant Ministries	Public Corporations		Quasi-Governmental Institutions		Non-classified public institutions (202)
	Market-based (14)	Quasi-market-based (16)	Fund-management-based (16)	Commissioned-service-based (73)	
Ministry of Oceans and Fisheries (17)	Busan Port Authority(1)	Incheon Port Authority, Yeosu Gwangyang Port Authority, Ulsan Port Authority, Korea Marine Environment Management Corporation(4)		Korea Ship Safety Technology Authority, Korea Fisheries Resources Agency, Korea Institute of Maritime and Fisheries Technology, Korea Institute of Marine Science & Technology Promotion (4)	Korea Institute of Ocean Science & Technology, Korea Fisheries Infrastructure Promotion Association, Korea Association of Aids to Navigation, Incheon Port Security, Busan Port Security Corporation, Korea Oceanographic and Hydrographic Association, Korea National Maritime Museum, National Marine Biodiversity Institute of Korea (8)
Office for Government Policy Coordination (24)					National Research Council for Economics, Humanities and Social Sciences, Science and Technology Policy Institute, The Korea Research Institute for Human Settlements, Korea Institute for International Economic Policy, Korea Institute for Industrial Economics & Trade, Korea Energy Economics Institute, Korea Information Society Development Institute, Korea Institute for National Unification, Korea Development Institute, Korean Educational Development Institute, Korea Institute for Curriculum and Evaluation, The Korea Transport Institute, Korea Labor Institute, Korea Rural Economic Institute, Korea Legislation Research Institute, Korea Institute for Health and Social Affairs, Korean Women's Development Institute, Korea Institute of Public Finance, Korea Research Institute for Vocational Education & Training, National Youth Policy Institute, Korea Maritime Institute, Korea Institute of Public Administration, Korean Institute of Criminology, Korea Environment Institute (24)

Relevant Ministries	Public Corporations		Quasi-Governmental Institutions		Non-classified public institutions (202)
	Market-based (14)	Quasi-market-based (16)	Fund-management-based (16)	Commissioned-service-based (73)	
Korea Communications Commission (2)		Korea Broadcast Advertising Corporation (1)		Community Media Foundation (1)	
Nuclear Safety and Security Commission (3)				Korea Institute of Nuclear Safety (1)	Korea Institute of Nuclear Nonproliferation and Control, Korea Foundation of Nuclear Safety (2)
Financial Services Commission (8)			Korea Asset Management Corporation, Korea Technology Finance Corporation, Korea Credit Guarantee Fund, Korea Deposit Insurance Corporation, Korea Housing Finance Corporation (5)		The Korea Development Bank, Industrial Bank of Korea, Korea Securities Depository (3)
Fair Trade Commission (2)				Korea Consumer Agency (1)	Korea Fair Trade Mediation Agency (1)
Ministry of Patriots and Veterans Affairs (3)				The Independence Hall of Korea, Korea Veterans Health Service (2)	88 Country Club (1)

Relevant Ministries	Public Corporations		Quasi-Governmental Institutions		Non-classified public institutions (202)
	Market-based (14)	Quasi-market-based (16)	Fund-management-based (16)	Commissioned-service-based (73)	
Defense Acquisition Program Administration (2)					Agency for Defense Development, Defense Agency for Technology and Quality (2)
Cultural Heritage Administration (1)					Korea Cultural Heritage Foundation (1)
Korea Forest Service (2)				Korea Forestry Promotion Institute (1)	Korea Green Promotion Agency (1)
Rural Development Administration (1)				The Foundation of Agri. Tech. Commercialization & Transfer (1)	
Small & Medium Business Administration (8)			Small & Medium Business Corporation (1)	Korea Technology and Information Promotion Agency for Small & Medium Enterprises, Small Enterprise and Market Service (2)	Korea Federation of Credit Guarantee Foundations, Small & medium Business Distribution Center, Korea Venture Investment Corporation, Korea Institute of Startup & Entrepreneurship Development, Korea Small Business Institute (5)

Relevant Ministries	Public Corporations		Quasi-Governmental Institutions		Non-classified public institutions (202)
	Market-based (14)	Quasi-market-based (16)	Fund-management-based (16)	Commissioned-service-based (73)	
Korean Intellectual Property Office (5)				Korea Intellectual Property Strategy Agency (1)	Korea Invention Promotion Association, Korea Institute of Patent Information, Korea Institute of Intellectual Property, Korea Intellectual Property Protection Agency (4)
Ministry of Food and Drug Safety (4)				Korea Livestock Products HACCP Accreditation Service (1)	Korea Institute of Drug Safety & Risk Management, Korea Institute for Food Safety Management Accreditation, National Food Safety Information Service (3)
Korea Meteorological Administration (3)				Korea Meteorological Industry Promotion Agency (1)	APEC Climate Center, Korea Institute of Atmospheric Prediction Systems (2)
National Police Agency (1)				The Road Traffic Authority (1)	
Ministry of Personnel Management (1)			Government Employees Pension Service (1)		
Ministry of Public Safety and Security(2)				Korea Elevator Safety Agency, Korea Fire Institute (2)	
Korea Customs Service (1)					Korea Institute of Origin Information (1)

Korea Institute of Public Finance
336 Seicheong-daero Seong-si Korea

* Contact Ms. Kangshin Lee (fiducia@kipf.re.kr) If you have further questions about this book