

Public Institutions in Korea

May 2011

Public Institutions in Korea

Copyright © 2011 by Korea Institute of Public Finance



Table of Contents

I . Public Institutions	05
1. Assets of Public Institutions	06
2. Sales by Public Institutions	06
3. National Economy and Public Institutions	07
II . Public Institution Management System	09
1. Designation of Public Institutions	09
2. Classification of Public Institutions	10
3. Public Institution Management and Inspection System	11
4. Board of Directors and Audit Committee	16
5. Executive Personnel System	18
6. Budget and Accounting System	22
7. Public Disclosure	23
8. Management Evaluation System	27
III . Public Institution Advancement Policy	31
1. Summary of Public Institution Advancement Policy	31
2. Directions of Public Institution Advancement Policy	34
3. Roles of Public Institutions in Overcoming the Financial Crisis	37
4. Creation of Research Center for State-Owned Entities(SOEs)	40
Appendix	42



I. Public Institutions

- Public institutions are established by the government, possessing both a public character and traits of a business.
 - Subsequently, there are various types of public institutions, from those that are relatively more inclined towards behaving like a private sector enterprise to those that are closer to being governmental agencies.
 - Such characteristics may vary depending on each institution's roles and financial structure.

- Public institutions fill the needs for overcoming the operational constraints of governmental agencies, or deliver public services instead of the government. In doing so, public institutions have been able to lead the recovery from past and present crises such as the financial crisis and other such crises of the national economy.
 - Performs role as the facilitator of economic development, by venturing into fields that private enterprises find it difficult to penetrate.
 - Acts for the public good by being in charge of operating monopoly enterprises.
 - The efficient structuring of social overhead capital such as roads, railroads and airports designed to serve as the basic foundations of national development and industrial development.

- Total of 286 institutions were designated as public institutions in 2011¹⁾.
 - 27 state-owned enterprises, 83 quasi-governmental institutions, 176 non-classified public institutions.

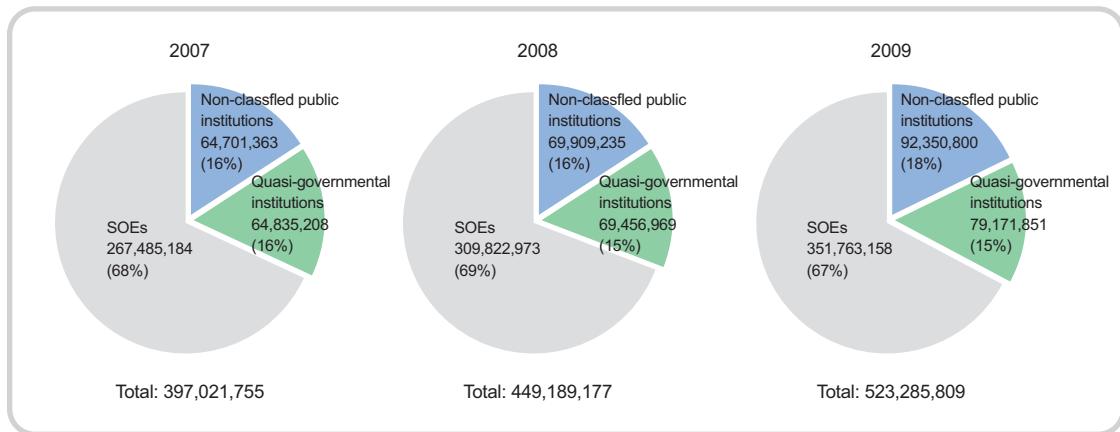
¹⁾ See appendix for further details.

1. Assets of Public Institutions

- The assets of public institutions have been under a trend of continual increase since 2007 and the size of asset increase is most salient in the case of state-owned enterprises (SOEs) (assets held by SOEs constitute 2/3 of assets held by all public institutions).

Assets by Type of Public Institutions

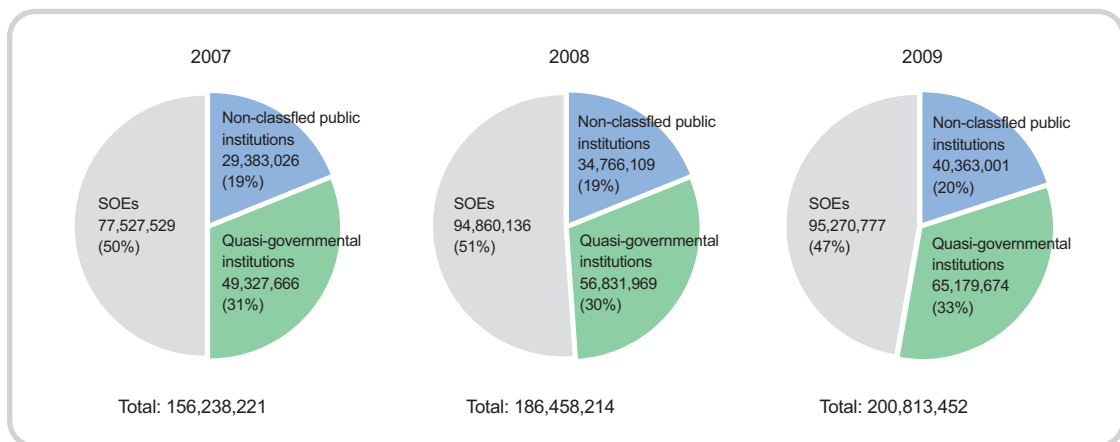
(Unit: million won)



2. Sales by Public Institutions

Sales by Type of Public Institutions

(Unit: million won)





- As the charts show, the total sum of sales made by all public institutions is continually growing and state-owned enterprises contribute to around half of all sales.

3. National Economy and Public Institutions

- The number of executives and employees working in public institutions stands at approximately 246,000 as of September 2010.
 - SOEs are the largest in terms of the average number of employees per institution.

Size of Public Institution Workforce

(Unit: number of people)

Category	SOEs	Quasi-governmental institutions	Non-classified public institutions	Public institutions in total
Executives	123	280	352	755
Employees	75,044	66,800	104,281	246,125
Total	75,167	67,080	104,633	246,880

* As of September 2010

- The ratio of public institution employees to the economically active population has continually increased from 0.84% in 2002 to 1.09% in 2008.
 - However, following the effects of the personnel downsizing that was stipulated by the advancement plan, that number has shrunk to less than 1% in 2010.

Workforce Size in Public Institutions

(Units: thousand people, %)

	2002	2003	2004	2005	2006	2007	2008	2009	2010
Personnel in public institutions	191	194	204	244	250	258	262	243	247
Economically active population	22,768	22,966	23,394	23,526	23,773	23,993	24,032	24,063	24,911
Percentage	0.84	0.84	0.87	1.04	1.05	1.08	1.09	1.01	0.99

- The budget for public institutions in 2010 has increased twofold when compared to that in 2002.
 - Over five years from 2002 to 2007, it increased by approximately 100 trillion won, but with the financial crisis in 2008, it increased to 442 trillion won.
 - Consequently, the ratio of the budget for public institutions to the GDP has increased from more-or-less 30% as it had been until 2007 to around 40%, a rise by over 10%.

Budget Size of Public Institutions

(Units: trillion won, %)

	2002	2003	2004	2005	2006	2007	2008	2009	2010
Budget	206.2	230.3	246.6	269.0	299.1	308.4	442.0	450.1	464.3
GDP	720.5	767.1	826.9	865.2	908.7	975.0	1,026.5	1,063.1	1,063.1
Weight	28.6	30.0	29.8	31.1	32.9	31.6	43.1	42.3	43.7

* The data is estimated based on the GDP in 2009 as the GDP in 2010 has yet to be aggregated.



II . Public Institution Management System

1. Designation of Public Institutions

- Conditions on the designation of public institutions
 - The head of the competent agency must 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 listed as being eligible for designation as public institutions, the Minister of Strategy and Finance selects institutions that fulfill the conditions stipulated by the Act on the Management of Public Institutions and designates them as public institutions.

Conditions of Designation as Public Institution

	Conditions	Examples
Subpara. 1	Institutions established by legislation with an investment by the government	Korea Credit Guarantee Fund, Korea Transportation Safety Authority, etc.
Subpara. 2	The amount of direct or indirect subsidies from the government exceeds one half of total revenue.	Korea Gas Corporation, Korea Racing Authority, etc.
Subpara. 3	The government owns at least 50% shareholding or has practical control with at least 30% and less than 50% shareholding.	Incheon Port Authority, Korea Tourism Organization, etc.
Subpara. 4	The government, together with institutions falling under any of subpara. 1-3, owns at least 50% shareholding or has practical control with at least 30% and less than 50% shareholding.	Korea Electric Power Corporation, Korea District Heating Corporation, etc.
Subpara. 5	Institutions falling under any of subpara. 1-4 own at least 50% shareholding or have practical control with at least 30% and less than 50% shareholding.	Korail Retail, Korea Southern Power, etc.
Subpara. 6	Institutions established by a public institution falling under any of subpara. 1-4 and funded by the government or the parent institution	Korea Electrical Engineering & Science Research Institute, etc.

■ Procedure for the Designation of Public Institutions



2. Classification of Public Institutions

- Public institutions are classified into three groups by their personnel, asset size, self-generated revenue, etc.

Classification of Public Institutions

Classification	Classification Criteria
① State-owned enterprise	<ul style="list-style-type: none"> • Institutions whose self-generated revenue²⁾ accounts for at least 50% of total revenue
· Market-based state-owned enterprise	· Institutions whose self-generating revenue accounts for at least 85% of total revenue (with a minimum asset size of two trillion won)
· Quasi-market-based state-owned enterprise	· State-owned enterprises excluding market-based state-owned enterprises
② Quasi-governmental institution	<ul style="list-style-type: none"> • Public institutions other than state-owned enterprises
· Fund-management-based quasi-governmental institution	· Institutions that manage (or are commissioned to manage) funds in accordance with the National Financial Act
· Commissioned-service-based quasi-governmental institution	· Quasi-governmental institutions other than fund-managed-based quasi-governmental institutions
③ Non-classified public institution	<ul style="list-style-type: none"> • Public institutions excluding state-owned enterprises and quasi-governmental institutions (176)

2) Self-generated revenue refers to institutional revenue excluding contributions, subsidies and other government financial support and is calculated after being weighted according to the supply monopoly and mandatory usage per type of revenue.



3. Public Institution Management and Inspection System

1) Committee for Management of Public Institutions

- The Committee for Management of Public Institutions is working under the jurisdiction of the Minister of Strategy and Finance in order to efficiently and transparently deliberate and make decisions on issues regarding the operation of public institutions.

A. Formation and Management of the Committee

- The Committee for Management of Public Institutions (“the committee”) was established on April, 2007, and has deliberated and resolved managerial agenda.
 - The committee is comprised of government members and up to 11 private sector members.
- The committee shall be convened with 20 or less members including the chairperson in attendance and the number of private sector members shall constitute the majority of the members of the meeting.
 - As there are currently nine private sector members in the committee, the total number of members is limited to 17.
- Committee meetings shall be duly formed to open with the presence of a majority of the members, and shall adopt a resolution with the affirmative vote of a majority of the members present at the meeting.

B. Roles and Responsibilities of the Committee

- The committee shall resolve and disclose matters regarding the designation of public institutions, policies for the advancement of public institutions, day-to-day management of public institutions, appointment and removal of executives of public institutions and supervision over public institutions.

Matters Subject to Deliberation and Resolution by the Committee

- Designation of state-owned enterprises, quasi-governmental institutions and non-classified public institutions, and cancellation and alteration of such designation
- Examination of the establishment of new institutions
- Personnel actions based on a violation of the duty of public disclosure
- Developing plans for the adjustment of the functions of public institutions
- Establishing guidelines on the assistance in the innovating public institutions and examining the level of institutional innovativeness
- Appointment of executives of state-owned enterprise and quasi-governmental institutions
- Establishing guidelines concerning the remuneration of executives
- Evaluation criteria for the business performance and removal or recommendation of removal of the executives of institutions with poor performance records
- The operation of the management evaluation team for state-owned enterprises and quasi-governmental institutions

C. Subcommittees

- Subcommittees, organized under the Committee for Management of Public Institutions, assist the decision-making process of the committee by conducting in-depth discussions on relevant agenda items and reporting the discussion results to the committee.
 - There are currently three steering committees and the management evaluation team under the committee.



Committee for Management of Public Institution and Subcommittees

The Committee for Management of Public Institutions

Personnel and Remuneration Subcommittee

- Appointment of executives of state-owned enterprises and quasi-governmental institutions
- Removal or recommendation of removal of non-standing directors and auditors
- Details regarding the remuneration of executives

Steering Committee on the Advancement of State-owned enterprises

- Plans for advancement such as privatization and function adjustment
- Desination of public institutions and the examination on the establishment of new institutions

Steering Committee on the Business Improvement of Public Institutions

- Development of management guidelines and monitoring of the compliance with them
- Remediation plans for loose management and monitoring of the implementation status

Management Evaluation Team

- Development of evaluation criteria
- Evaluation of business performance
- Public disclosure of performance information
- Customer satisfaction survey
- Develoment, etc. of guidelines for innovation
- Evaluation of the performance of duties of non-standing directors and auditors
- Removal and recommendation of removal of the executives of institutions with poor performance records

2) Ministry of Strategy and Finance: Public Institutions Policy Bureau

- The Ministry of Strategy and Finance oversees policies regarding the operation of institutions as stipulated by the Act on the Management of Public Institutions, enacted in 2007, in order to clearly set up the systemic principles and standards in regards to public institutions.
 - Operational guidelines, notification and supervision of institutions
 - Supervisory responsibilities such as management evaluation, performance management, public disclosure, and establishment regulation.

3) Competent Ministries: Industrial Policy Bureau

- Competent ministries oversee policies regarding the enterprises of individual institutions as administrative institutions charged with the business of state-owned enterprises, quasi-governmental institutions and non-classified public institutions.
 - Business entry/exit permits
 - Policies regarding the promotion, market creation, and safety management of relevant industries.



Competent Ministries and Public Institutions

Competent Ministries	No. of Institutions	Competent Ministries	No. of Institutions
Ministry of Strategy and Finance	3	Ministry of Land, Transport and Maritime Affairs	31
Ministry of Education, Science and Technology	40	Prime Minister's Office	24
Ministry of Foreign Affairs and Trade	3	Ministry of Patriots and Veterans Affairs	3
Ministry of Justice	3	Cultural Heritage Administration of Korea	1
Ministry of National Defense	3	Korea Forest Service	1
Ministry of Public Administration and Security	4	Rural Development Administration	1
Ministry of Culture, Sports and Tourism	33	Small & Medium Business Administration	8
Ministry of Food, Agriculture, Forestry and Fisheries	10	Korean Intellectual Property Office	4
Ministry of Knowledge Economy	60	Financial Services Commission	13
Korea Communications Commission	2	Defense Acquisition Program Administration	2
Ministry of Health, Welfare and Family Affairs	15	Fair Trade Commission	1
Ministry of Gender Equality & Family	2	Korea Food & Drug Administration	1
Ministry of Unification	1	Korean National Police Agency	1
Ministry of Environment	4	National Emergency Management Agency	1
Ministry of Employment and Labor	11		

4. Board of Directors and Audit Committee

1) Board of Directors

- The board of directors shall be comprised of not more than 15 directors including the institution head.
 - Of them, non-standing directors must constitute over 1/3 of the total number of directors.

- In addition, in market-based state-owned enterprises and quasi-market-based state-owned enterprises, the asset size of which is not less than two trillion won, the non-standing senior director³⁾ shall become the chairperson of the board of directors; in other state-owned enterprises and quasi-governmental institutions, the institution head shall be the chairperson of the board of directors.

- On average, there are 8 to 12 directors, with 6 to 8 non-standing directors

Status of Board of Directors Structure

Category	Total No. of Directors	Standing	Non-standing	Average (by Institution)	Standing	Non-standing
SOEs (21)	255	110	145 (56.8%)	12.1	5.2	6.9
Quasi-governmental Institutions (79)	847	245	602 (71.0%)	10.7	3.1	7.6
Non-classified Public Institutions (184)	1,523	288	1,235 (81.0%)	8.3	1.6	6.7
Total (284)	2,625	643	1,982 (75.5%)	9.2	2.3	7.0

* As of 2010

³⁾ The non-standing senior director shall be appointed by the Minister of Strategy and Finance.



2) Audit Committee

- Any market-based state-owned enterprise or quasi-market-based state-owned enterprise, whose asset size is not less than two trillion won, is obligated to establish an audit committee.
 - Active intervention in the deliberation process of the board of directors, to preempt risks and enhance its role as a restraint to the management body.
 - Reflection of objective external perspectives and reasonable decisions made through majority opinion.
 - The Audit Committee is comprised of expert outside directors, which is beneficial to the enhancement of professionalism in the auditing body.

- The Audit Committee shall be comprised of three or more directors, while a non-standing director shall be selected as the chairperson, and the committee is obligated to appoint at least one finance or accounting expert.

- The audit committee should report the results to the board of directors after auditing business affairs and accounting.

Status of Audit Committee

	Institutions obliged to establish an audit committee by the Act on the Management of Public Institutions (14)		Established in accordance with specific laws (2)
	Market-based SOEs(8)	Quasi-market-based SOEs with assets over 2 trillion won(6)	
Established (9)	The Korea Electric Power Corporation, the Korea Gas Corporation, Incheon International Airport Corporation, the Korea Airports Corporation, Busan Port Authority, and Incheon Port Authority (6)	The Korea Housing Guarantee Co., Ltd (1)	
Expected to Be Established (7)	The Korea National Oil Corporation and the Korea District Heating Corporation * Change in designation from quasi-governmental institutions to market-based institutions (January 2010)	the Korea Water Resources Corporation, the Korea Railroad Corporation, the Korea Land & Housing , the Korea Racing Authority, and the Korea Expressway Corporation (5)	The Korea Appraisal Board and the Korea Exchange -

* As of 2010

5. Executive Personnel System

1) Executive Structure

- Executives of state-owned enterprises and quasi-governmental institutions will consist of directors, including the institution head, and inspectors. Directors are divided into standing and non-standing directors and the number of standing directors will be less than half of the total number of directors including the institution head.

2) Appointment of Executives

- In state-owned enterprises, the executive recommendation committee nominates the institution head candidate, which then passes through the deliberation and resolution of



the Committee for Management of Public Institutions. This is followed by the competent minister making a recommendation to the President, who then makes the decision to appoint the nominee.

- In quasi-governmental institutions, the executive recommendation committee selects several recommendations, one of which is then appointed by the competent minister.
- The appointment of executives in non-classified public institutions is provided by legislation or articles of association.

Appointment Procedure of the Heads of SOEs and Quasi-governmental Institutions

Category	Appointment Procedure of Head*
SOEs	Executive recommendation committee nomination → Deliberation and resolution by the Committee for Management of Public Institutions → Recommendation from competent minister → Presidential appointment
Quasi-governmental Institutions	Executive recommendation committee nomination → Recommendation from competent minister → Presidential appointment

* Applicable to large public institutions with over 500 employees and 100 billion won in total revenue.

- The head of a state-owned enterprise with 500 employees or less and less than 100 billion won in total revenue is appointed by the head of the competent institution out of those who have been selected by the appointment recommendation board and have passed the deliberation and resolution process of the Committee on Management of Public Institutions.

Authority to Appoint Institution Heads, Directors, and Auditors

Category		SOEs	Quasi-governmental Institutions
Institution Heads	Large-scale Institutions	Recommendation by competent minister → Presidential appointment	
	Small-scale Institutions	Competent Ministers	
Standing Directors		Institution head	
Non-standing Directors		Minister of Strategy and Finance	Competent Ministers
Auditors Standing	Large-scale Institutions	Recommendation by competent minister → Presidential appointment	
Auditors	Small-scale Institutions	Minister of Strategy and Finance	

- Simplified appointment procedure as a result of the December 2009 amendment to the Act on the Management of Public Institutions.

Appointment Procedure for Heads, Directors, and Auditors

Institution	Position	Appointment Procedure	
		Appointment Recommendation Board (Nomination)	Committee on Management of Public Institutions (Deliberation and Resolution)
SOEs	Institution Heads	○	○
	Standing directors	×	×
	Auditors/Standing Auditors	○	○
	Non-standing Directors	○	○
Quasi-governmental institutions	Institution Heads	○	×
	Standing Directors	×	×
	Auditors/Standing Auditors	○	○
	Non-standing Directors	△ (Small-scale institutions are exempt)	×



3) Tenure of Executives

- The tenure of an institution head is three years, while it is two years for standing directors, non-standing directors and auditors.

Tenure Policy for Executives

Category	Past	Present
Institution Heads	The term of 3 years is guaranteed but consecutive appointment is virtually restricted	Initial tenure of 3 years + Consecutive appointment on a yearly basis (After consideration of management evaluation results)
Directors / Auditors		Initial tenure of 3 years + Consecutive appointment on an yearly basis (After consideration of job evaluation results)

4) Duties of Executives

- Institution heads represent state-owned enterprises or quasi-governmental institutions and oversee their business, while being accountable for their institution's operational performance during their terms of office.
- Directors shall deliberate on agendas submitted to the board of directors and participate in the resolution process.
- Auditors will inspect the work and accounts of state-owned enterprises and quasi-governmental institutions as according to auditory standards and submit their opinions to the board of directors.

6. Budget and Accounting System

1) Accounting Principles

- State-owned enterprises and quasi-governmental institutions apply accrual-based accounting.
 - The detailed accounting criteria shall conform to the “Rules for Accounting Affairs of State-owned Enterprises and Quasi-governmental Institutions,” and shall be applied beginning with the settlement of budgets for the following year when a state-owned enterprise or a quasi-governmental institution is designated, and accounts for the year of designation.

2) Compilation and Evaluation of the Budget

- A draft budget of each public institution for the following fiscal year shall separately compile its general provisions, the estimated income statement, the estimated balance sheet, and the financial plan in accordance with the guidelines for budget compilation of state-owned enterprises and quasi-governmental institutions, and shall be finalized by resolution of the board of directors no later than the beginning of the following fiscal year before being reported to the Ministry of Strategy and Finance, the competent agency and the Board of Audit and Inspection.
 - When the budget is finalized, a management plan shall be finalized through the resolution of the board of directors, and the state-owned enterprise or quasi-governmental institution shall submit this plan to the Minister of Strategy and Finance and the head of the competent agency within two months after the budget is finalized.

3) Settlement of Accounts

- Every state-owned enterprise or quasi-governmental institution shall prepare statements on account settlement at the end of each fiscal year, and select an accounting firm to



conduct an external audit.

- All state-owned enterprises and quasi-governmental institutions shall submit a financial statement including the opinion of an external accounting auditor and accompanying documents to the Minister of Strategy and Finance and the head of the competent agency, respectively, no later than the last day of February of the following year, and shall finalize the settlement of accounts by obtaining approval no later than the last day of March.
- The finalized statements on the settlement of accounts shall be submitted to the Board of Audit and Inspection and the Board shall inspect the statements and submit the results thereof to the Minister of Strategy and Finance by no later than July 31. The Minister shall report the statement of accounts to the State Council and submit them to the National Assembly by no later than August 20.

7. Public Disclosure

1) ALIO: Public Disclosure System

- The public disclosure system is designed to publicly disclose information regarding the management of public institutions, the number of personnel, and the financial conditions with a view to establishing a public monitoring system and, ultimately, to improving their management efficiency.
- Any public institution shall disclose its management information on its official website and publish the same set of information on the public disclosure system, ALIO(All public Information In One, www.alio.go.kr).

2) Guidelines for Public Disclosure

- A total of 33 items are grouped into five categories as follows.

Public Disclosure Items

Categories	Items
I . General status	1. General status
II . Operation of Institution	2. Number of employees 3. Status of executives 4. New employment 5. Annual salary of executives 6. Average monthly salary of employees 7. Business expenses spent by institution head 8. Welfare expenses 9. Details of executive business trips overseas 10. Status regarding labor unions 11. Rule of employment
III . Management performance and core projects	12. Condensed balance sheet 13. Condensed income statement 14. Revenue and expenditure 15. Core projects 16. Details of investment execution 17. Capital and shareholders 18. Short and long term borrowings 19. Investment and contribution 20. Annual endowments and grants 21. Management overhead costs
IV . Internal and external evaluation	22. Feedback from the National Assembly 23. Feedback from the Board of Audit and Inspection/competent ministries 24. Results of management performance evaluation 25. Feedback in management performance evaluation 26. Results of customer satisfaction surveys 27. Results of auditor's job performance evaluation 28. Minutes of directors' meeting, results of internal audit
V . Announcement	29. Examples of management innovation 30. Employment information 31. Bidding information 32. Research report 33. Other information

* From April 2011, the corporate tax payment of public institutions and the employment status in non-metropolitan areas will also be disclosed to the public.



- Standard tax payment, calculated tax amount, deducted or exempted tax amount, value-added tax, settled tax amount and other such corporate tax information and results of tax investigations.
 - Employment information regarding women, disabled persons, talented individuals from the fields of natural sciences and engineering, and regional talents.
- Disclosure items are classified into those for regular periodic disclosure and continuous disclosure.
- Items for regular periodic disclosure are used to publish related materials regularly at a certain time-the end of a year or quarter.
 - Information on an institution's organizational structure, personnel, financial records, or annual salary of employees
 - Items for continuous disclosure refer to items whose related information is generated on an irregular basis and need to be disclosed to the public, and shall be posted within 14 days from their generation.
 - Feedback from independent institutions, minutes of directors' meetings, information on employment or bidding

3) Operation of Public Disclosure System

A. Revision of the Standard and Manual for Public Disclosure

- After the inspection of the disclosure system and disclosure of the previous year at the beginning of each year, its revision is deemed necessary by request of the National Assembly. In such cases, a new standard for disclosure is formulated through deliberation and resolution by the Committee for Management of Public Institutions.

B. Periodic Disclosure of Public Institution Information

- Before the end of April when the periodic information is disclosed, a briefing session is provided on public institutions to explain the consolidated disclosure for public institutions and the public institutions newly designated in that year are directed to produce the consolidated disclosure.

- An institution designated as a public institution shall disclose its management information such as the financial status of the recent five years during the periodic disclosure every year.

C. Examination and Confirmation of Disclosure

- In order to ensure the accountability and accuracy of the information disclosed every year, the Ministry of Strategy and Finance checks and confirms them.
 - It imposes penalties for any unfaithful disclosure in accordance with the penalty criteria and carries out ex post measures after deliberation and resolution by the Committee for Management of Public Institutions.

4) Penalties for Unfaithful Disclosure

- In order to ensure the credibility and accuracy of the disclosure items, if a public institution fails to perform its duty of disclosure in good faith, or publishes false information, the Minister of Strategy and Finance may issue an order for correction and the necessary personnel disposition against the person responsible for the incident.
- Unfaithful disclosure by a public institution is classified into three categories: (1) nonconformance with disclosure occurs when an institution fails to disclose material that is supposed to be disclosed or discloses information past the prescribed time of disclosure; (2) false disclosure occurs when an institution discloses false information and the violation is discovered by an external agency; and (3) disclosure correction is the case where an institution identifies and corrects the information it has incorrectly disclosed. Penalty is imposed depending on the type of unfaithful disclosure.



8. Management Evaluation System

1) Objectives of Management Evaluation System

- Evaluating performance of public institutions can be characterized as a cyclical process in which the annual performance of public institutions is objectively assessed based upon performance indicators. Performance-based benefits, derived from the evaluation results, are distributed while the results are also reflected onto successive business plans.
 - Enhancement of management efficiency and provision of accountability and motivation for goal achievement
 - Setting clear targets and effective control of principal-agent problems
 - Introduction of competition and pressure to stimulate management innovation
 - Improvements of management based on feedback from evaluation results
 - Improvement of management transparency of public institutions

2) Types of Management Evaluation

A. Revision of the Standard and Manual for Public Disclosure

- Aimed at ensuring accountable management through external assessment on their achievements, and at utilizing them for management improvement,
- Aimed at establishing an accountable management system and enhancing management rationalization and transparency of institutions.
 - The overall performance of state-owned enterprises and quasi-governmental institutions is placed under annual assessment.

B. Performance Evaluation of Management Plan Executed by Institution Head

- A systematic evaluation of each institution head's efforts and actual performance in carrying out the management plan is intended to inspect the role, efforts, and capacity of the institutional leadership.

- Provision of reasonable management guidelines for an institution head
- The evaluation subject is the implementation record of a management plan formulated by the head of each institution across state-owned enterprises, quasi-governmental institutions and non-classified public institutions designated by the Minister of Strategy and Finance.

C. Performance Evaluation of Autonomous Management Plan

- A tailored management system which grants institution heads autonomy and holds them responsible in close alignment with business performance
 - To institutionalize this system, “a pilot program designed to expand autonomous management rights in public institutions” is drafted.
 - Since 2010, the government has been conducting the pilot program for expanding public institutions’ management autonomy in some select institutions. (Institutions selected for the 2010 pilot project: the Incheon International Airport Corporation, the Industrial Bank of Korea, the Korea Gas Corporation, and the Korea District Heating Corporation)

3) Performance Evaluation Indicators

- The evaluation for management performance on state-owned enterprises and quasi-governmental institutions is composed of 28 indicators across three categories: leadership & strategy, management system, business performance.



Categories and Indicators of the Evaluation System for Public Institutions

Category	Main Contents	Main Indicators
Leadership & Strategies	Whether business drivers, including vision, goals, strategies, and leadership, are properly set up and implemented.	<ul style="list-style-type: none"> · Executive leadership · Internal supervisory system including board of directors and auditors · Vision & development of strategies, plans in pursuit of major business activities
Management System	Whether the institution has a system that improves the efficiency of business activities and utilizes organizational resources effectively.	<ul style="list-style-type: none"> · Major business activities · Organization, personnel, remuneration, financial management, rational labor-management relations, performance management system, etc.
Management Performance	Whether management performance, including major business performance, productivity, customer satisfaction, is properly produced.	<ul style="list-style-type: none"> · Major business performance · Customer satisfaction, labor & capital productivity, management of personnel and overhead expenses, result of financial budget, etc.

- The performance evaluation based on management plans formulated by institution heads adopts 11 indicators across three categories, such as leadership, advancement of public institutions, and their original tasks; and in terms of weight allotted to each category, 20 percent goes to leadership, 40 percent to advancement of public institutions, and 40 percent to their own tasks.

Categories and Indicators of the Evaluation System for Institution Heads

Category	Leadership	Advancement of public institutions	Institutions' original tasks
Weight (%)	20	40	40
Evaluation indicators	<ul style="list-style-type: none"> · Selection of major impending tasks and reasonable establishment of management plans (10) · Guarantee of sustainability and communicative efforts (10) 	<ul style="list-style-type: none"> · Reasonable alignment between remuneration and performance management (10/13) · Personnel and functional coordination and efficiency in other areas (10/13) · Improvement in labor management relations (10/14) · Rationalization in the content of collective agreements and efforts to improve them (10/-) 	<ul style="list-style-type: none"> · Selection of a couple of tasks by institution (allotment of weight by sector) · 5 evaluation indicators by sector <ul style="list-style-type: none"> - Validity in setting of performance indicators - Efficiency in implementing business goals - Accomplishment of performance targets

* 13-14 indicates weight applied to institutions without labor unions

4) Evaluation System and Procedures

- Delivery of the management performance evaluation manual (Ministry of Strategy and Finance, Dec. 2010) → Formation of a management evaluation team (Feb. 2011) → Execution of the management evaluation (Mar. to May, 2011) → Deliberation and resolution of Committee for Management of Public Institutions confirmed (by late May 2011)
- Starting from the management evaluation in 2012, the existing public institution evaluation and the institution head evaluation system will be merged, with less and simplified indicators.



III . Public Institution Advancement Policy

1. Summary of Public Institution Advancement Policy

1) Backgrounds

- Despite contributions to the national economy, public institutions have been continually criticized for issues such as low productivity, excessive salaries and employee benefits.
 - Principal-agent issues rising from hierarchical chain of command from the public to the government to public institutions.
 - Guaranteed monopoly or business permits as an inherent result of the business structure.

- In order to resolve the principal-agent problem, the measures of reforming the internal and external governance structures and intensifying management evaluation have been taken. To further promote the advancement of public institutions by enhancing management efficiency, etc., institutions with overlapping mandates will be merged or disintegrated and absorbed into another, or have their functions adjusted.

2) Objectives

- The policy of public institution advancement highlights the government's declared intention to place public institutions on the most efficient direction in relation to the national economy.

Principles of Public Institution Advancement Policy

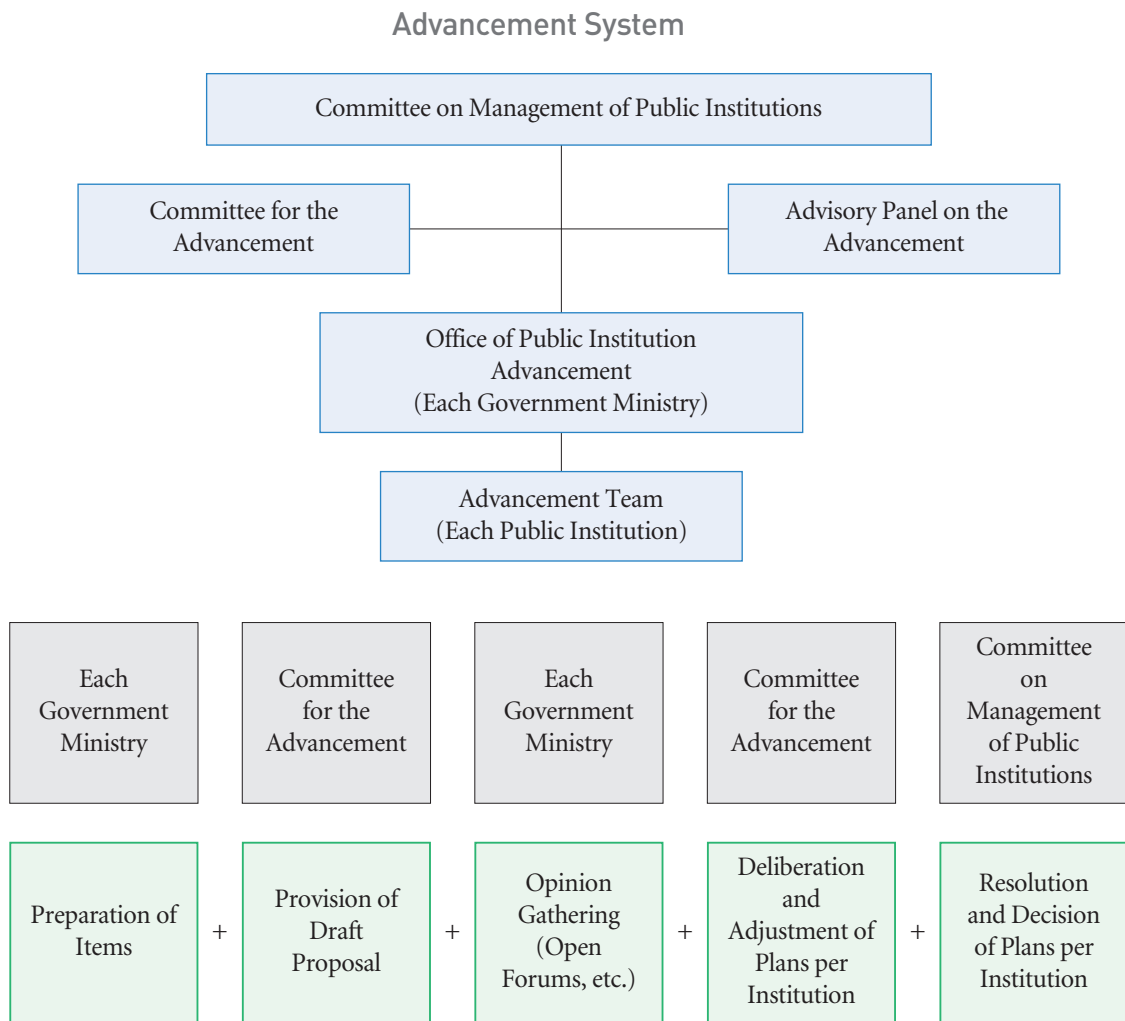
Principle	Key Content
Small Government, Big Market	<ul style="list-style-type: none"> · Continual downsizing of the scale of the public sector. · Adjustment of the public sector role in areas where it is in competition with the private sector.
Enhancement of Public Benefits	<ul style="list-style-type: none"> · Provision of high-quality service · Reduction of taxpayer burden through downsizing of government support
Minimization of Social Cost	<ul style="list-style-type: none"> · Electricity, gas, water and health insurance to be exempt from privatization. · Best possible guarantee of stable employment · Continuation of innovation city projects.
Developing and Promoting the Tailored Plans of Individual Public Institutions	<ul style="list-style-type: none"> · Collection of opinions from all sections of society through open forums, etc. · The establishment of the most equitable plans after taking into consideration the public nature and the competitiveness of each public institution.

3) Steps for the Advancement of Public Institutions

- The Committee for the Advancement shall inspect the provision and progress status of advancement plans, effectively supporting the Committee on Management of Public Institutions.
- The Advisory Panel on the Advancement (mainly comprised of non-governmental experts from the fields of academics, media, etc.) shall aim to collect opinions regarding advancement from experts of fields such as energy, SOC, industry and culture.
- An Office of Public Institution Advancement shall be established as a separate body to each government ministry and shall comprehensively and efficiently support the promotion of advancement plans as set by competent ministers by providing promotion plans for the institution under its jurisdiction.

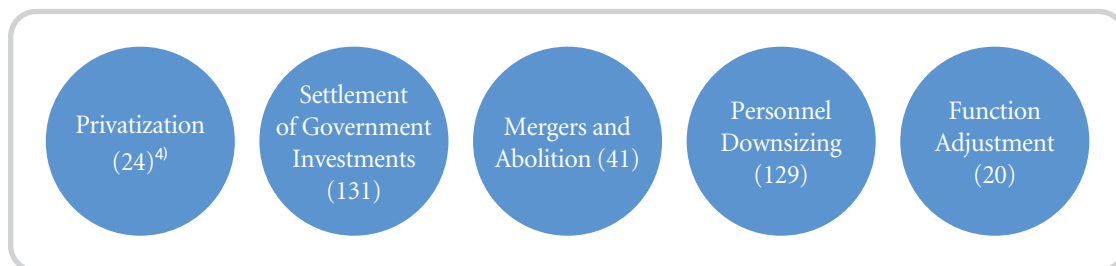


- An Advancement Team shall promote the advancement plans as established by each institution

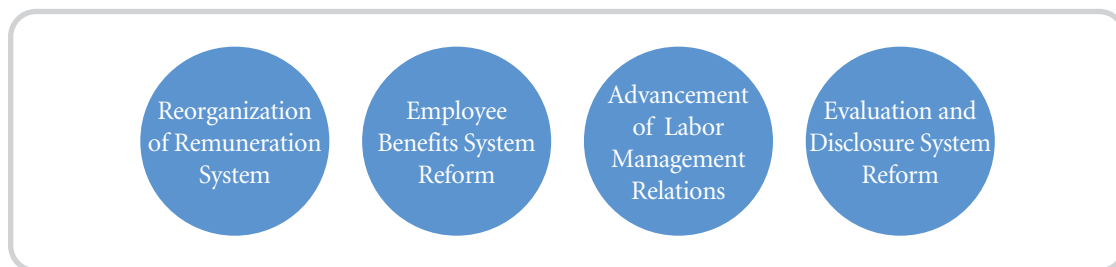


2. Directions of Public Institution Advancement Policy

1) Structural Transformation (Hardware)



2) Managerial Innovation (Software)



⁴⁾ Number of applicable institutions is indicated in bracket.



Outcomes of Structural (Hardware) Transformation of the Advancement

Privatization	24	2009 targets (9): 3 sold, 3 listed, 5 sales announced. 2010 targets (8): satisfactory progress, including 7 sales announced * Postponement of privatization until 2015 (Korea Housing Guarantee)
Settlement of Government Investments	131	Of 131 total target institutions, 58 completely settled (shares sold: 51, settlement cancelled: 5, merged: 2), remaining 73 announced to be sold, etc.
Mergers	41	Mergers: Korea Land & Housing Corporation and all 36 target institutions complete. Liquidation: five target institutions complete.
Personnel Downsizing	129	22,000 reduced (17,500 → 15,300 , Δ 12.7%) Remaining excess personnel to be adjusted gradually by 2012.
Function Adjustment	20	Of 20 target institutions, the function adjustment of 12 institutions complete. (R&D function transfer: 4, mid-term overseas marketing support centralization: 3, centralized collection for the Four Social Insurances: 3, core function enhancement and non-core function downsizing: 2) Remaining 8 institutions scheduled for completion in 2011/2012

Outcomes of Managerial Innovation (Software) of the Advancement

Remuneration System Reorganization

- Downward adjustment of base salaries for institution heads and auditors
- Reduction in starting salaries for university graduates across 252 public institutions (average 28.71 million won → average 24.31 million won, Δ 15.3%)
- Salaries for existing employees at financial public institutions (of which there are 10) such as the NFFC, KDB, IBK to face cuts of over Δ 5%
- Promotion of a performance-based salary system (Proposal, June 2010)
 - The recommended ratio of performance-based salary to total annual salary is 20% to 30%.

Employee Benefits Program Reform

- Abolition of budget support for expenses used for family occasions of employees.
- Downward adjustment of contributions to internal welfare funds (contribution rate classified into ranks according to accumulated sum per person)
 - Over 20 million won: 0%, 5-20 million won: 2%, below 5 million won: 5%
- Limits on contributions as governmental financial support as opposed to self-help efforts, and contributions based on revenue from selling idle properties.
- Non-repayable grants for children's tuition fees to be switched to a loan, housing loan rates to be raised to market levels.

Labor-management Relations Advancement

- Reform of unreasonable solidarity clauses
 - Deletion of clauses allowing violation of personnel and management rights, reform of support for excessive labor union activities, alleviation of excessive employee benefits
- Disclosure of items relating to labor-management relations (contents of collective agreements, etc.) made compulsory in the management publication.
- Introduction of *time off in lieu* policy
- Institution head evaluations to include a section pertaining to labor-management relations advancement.

Reform of Management Evaluation and Disclosure System

- Simplification of management evaluation to alleviate the pressure on institutions.
 - Simplification of evaluative indicators to emphasize core indicators (evaluative indicators decreased from 30 in 2008 to 27 in 2009)
- Shortening of management evaluation period and expansion of items for disclosure.
 - Items for disclosure (27 in 2008 to 33 in 2009)



3. Roles of Public Institutions in Overcoming the Financial Crisis

1) Industrial Support through Policy Lending Programs

- Expansion of the guarantee scale through the large-scale procurement of guarantee funds and stable guarantee management.
 - Alleviate risks of mature redemptions facing SMEs by extending expiry dates of all existing guarantees.
 - Temporarily ease guarantee grant procedures to reflect the industrial landscape changed by the economic crisis.

- Provision of a special guarantee program as a preventative measure against the collapse of the bond market and the risk of large corporations declaring bankruptcy after the financial crisis.
 - Implementation of a system of fluid corporate guarantee, aimed at reinforcing credit ratings, as well as a bond market stabilization fund, in order to support the smooth issuance of conversions such as corporate bonds.
 - Provision of a special guarantee system aimed at procuring capital for banks, thus improving the BIS ratio of banks, supporting SMEs and expanding support for corporate restructuring.

- Special liquidity support program aimed at resolving the problem of SMEs lacking capital, caused by the global financial crisis.
 - Introduction of a guarantee support system to provide SMEs facing a temporary lack of liquidity with urgent liquidity support.
 - Support in the form of 'raw materials purchase special guarantee' in order to resolve the raw materials shortage

2) Early Budget Execution

- In order to overcome the global economic and financial crisis of 2008 and to stabilize the public livelihood, the finances of public institutions will be executed early, with the desired effect of raising the growth rate of the first half of the year by 0.15% - 0.2%.

2009 Bud Execution Performance

(Unit: trillion won, %, aggregate sum)

Category	2009 Planned (A)	End of June 2009			Annual Progress Rate	
		Planned (B)	Actual Performance (C)	Execution Rate (C/B)	June. 2009 (C/A)	June 2008
Total	257.7	156.1	167.1	107.0	64.8	49.5
Budget	170.1	102.5	110.9	108.2	65.2	50.2
Funds	30.5	19.0	17.9	94.0	58.6	44.9
Public Institutions	57.1	34.6	38.3	110.7	67.1	50.4

* 50.4

2010 Budget Execution Performance

(Units : trillion won, %, aggregate sum)

Category	2010 Executed Scale	End of June 2010, Planned			End of June 2010, Actual Performance	
		Monetary Sum	Progress Rate	Monetary Sum	Execution Rate	Progress Rate
Total	271.3	162.9	60.0	165.4	101.6	61.0
Budget	175.1	105.7	60.4	109.3	103.4	62.4
Funds	31.3	17.8	56.8	18.2	102.2	58.1
Public Institutions	64.9	39.3	60.6	38.0	96.4	58.6



3) Stabilization of Public Utility Charges

- Effects such as restraining inflation by reining in rising electricity and gas charges, supporting low-income households, restraining factors threatening to increase production costs for enterprises that may be facing difficulties in the wake of the global economic crisis.
- The 2008 increase in public utility charges was recorded at 2.4%, lower than overall consumer prices and the 2009 increase was recorded at 1.9%, the lowest since 2002.

Public Utility Charges Increase Rate

(Unit: year-on-year % change)

Category	2007	2008	2009	2010
Consumer Price Index	2.5	4.7	2.8	2.9
Public Utility Charges	3.1	2.4	1.9	1.2
- Electricity Charges	0.4	0	0	0.8

* Sources: National Statistical Office, Consumer Price Trends.

4) Job Creation and Stabilization of Low-income Household Livelihoods

- Expansion of 'job sharing' by lowering starting salaries of university graduates employed by public institutions.
- Continuation of the Public Institution Youth Internship Program, in effect since the end of 2008, through to 2011, thereby aiming to provide youths with work and an opportunity to enhance their employability in the current situation of the stagnant labor market.
- Provision of employment consultation and information by hosting a public institution job fair.

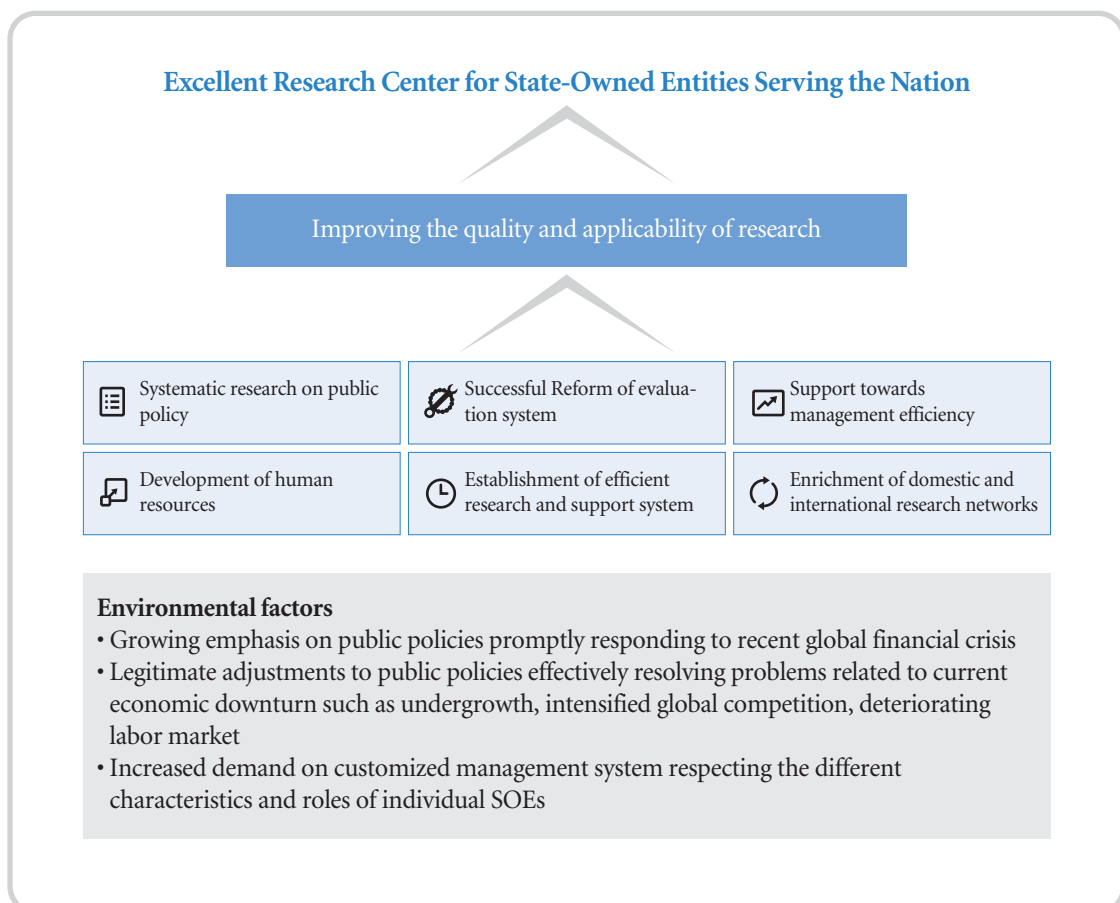
4. Creation of Research Center for State-Owned Entities(SOEs)

- Research Center for SOEs has been established in Korea Institute of Public Finance on January 27, 2010 for the purpose of improving national economic growth through intensive specialized research studies for advancement of SOEs-related public policies and relevant performance evaluation processes.
- The Center is in the process of conducting various research studies including analysis on SOEs' corporate governance structure, contribution towards national GDP and performance evaluation system in both domestic and international scope. Its successful researches will support advancement of Korean SOEs in cooperation with world-wide experts and international institutions.
- Overall, the Center is to achieve both enhancement of management efficiency and improvement of performance evaluation systems of SOEs through systematic policy studies for legitimate reform plan.
- The visions of the Center can be summarized as follows.
 - To support resolution of national challenges and advancement of SOEs
 - To provide tools for revision of current SOEs policies and further future development
 - To develop sustainable management policy to improve efficiency and productivity of SOEs operations
- The main areas of studies are:
 - Corporate governance of SOEs
 - Research on SOE-related policies including privatization and reformation
 - Accumulation of domestic and international database
 - Studies for improvement of management reporting system
 - Improvement of performance evaluation system of SOEs
 - Development of core performance indicators and overall evaluation processes



- Active utilization of feedbacks from past evaluation results
- Training and consulting
 - Develop programs for improving productivity
 - Consulting services provided to underperformed SOEs
- Domestic and international networking
 - Regular forums with experts, public officials and professionals in fields related to SOEs, operating brain pool system
 - Network with the international organizations such as OECD, hosting international symposium

Vision of Research Center for SOEs



Appendix

2011 Public Institutions

(State-owned enterprises, quasi-governmental institutions, and non-classified public institutions, 286, as of Jan. 25, 2011)

Relevant Ministries	SOEs		Quasi-Governmental Institutions		Non-classified public institutions (176)
	Market-based SOEs (14)	Quasi-market-based SOEs (13)	Fund-management-based (17)	Commissioned-service-based (66)	
Ministry of Strategy and Finance (3)		Korea Minting & Security Printing Corporation (1)			Korea Exim Bank, Korea Investment Corporation (2)
Ministry of Education, Science and Technology (40)			Korea Teachers Pension (1)	Korea Education & Research Information Service, Korea Foundation for the Advancement of Science & Creativity, National Research Foundation of Korea, Korea Institute of Nuclear Safety, Korea Student Aid Foundation (5)	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 Korea Classics, Pusan National University 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, Gwangju Institute of Science and Technology, Korea Research Council of Fundamental Science & Technology, Daegu Gyeongbuk Institute of Science & Technology, Korea Advanced Institute of Science and Technology, Korea Institute of Science and Technology Information, Korea Basic Science Institute, Korea Research Institute of Bioscience & Biotechnology, Korea Institute of Nuclear Nonproliferation and Control, Korea Astronomy and Space Science Institute, Korea Research Institute of Standards and Science, Korea Institute of Oriental Medicine, Korea Aerospace Research Institute, Korea Ocean Research & Development Institute, Korea Institute of Science and Technology, Korea Institute of Science & Technology Evaluation and Planning, Korea Atomic Energy Research Institute, Korea Institute of Radiological & Medical Sciences, National Institute for Lifelong Education (34)

Relevant Ministries	SOEs		Quasi-Governmental Institutions		Non-classified public institutions (176)
	Market-based SOEs (14)	Quasi-market-based SOEs (13)	Fund-management-based (17)	Commissioned-service-based (66)	
Ministry of Foreign Affairs and Trade (3)					Korea International Cooperation Agency, Korea Foundation, Overseas Koreans Foundation (3)
Ministry of Justice (3)					Korea Legal Aid Corporation, Korean Government Legal Service, Korea Rehabilitation Agency (3)
Ministry of National Defense (3)					War Memorial of Korea, Korea Institute for Defense Analyses, National Defense Scholarship Foundation (3)
Ministry of Public Administration and Security (4)			Government Employees Pension Service (1)	Korea Elevator Safety Institute, National information Society Agency (2)	Korea Democracy Foundation (1)
Ministry of Culture, Sports and Tourism (33)		Korea Tourism Organization, Korea Broadcast Advertising Corporation (2)	Korean Film Council, Korea Sports Promotion Foundation, Arts Council Korea, Korea Press Foundation (4)	Korea International Broadcasting Foundation, Korea Creative Content Agency (2)	(Korean Cultural & Arts Centers Association, Kyongbuk Tourism Development Corporation, Cultural Foundation of National Museum of Korea, Korea Council of Sport for All, Grand Korea Leisure, Korean Paralympic Committee, Korea Media Rating Board, Seoul Arts Center, Myeongdong-Chongdong Theater, Korea Publication Ethics Commission, Korea Literature Translation Institute, Korean Olympic Committee, Korea Culture & Tourism Institute, Korea Arts & Culture Education Service, Korea Culture Promotion, Korean Film Archive, Korea Sports Industry, Korea Foundation for the Next Generation Sports Talent, Game Rating Board, Korean Tradition Music FM Broadcasting System, Taekwondo Promotion Foundation, Korea Copyright Commission, Korea Craft & Design Foundation, Korea Performing Arts Center, Korea Arts Management Service (25)



Relevant Ministries	SOEs		Quasi-Governmental Institutions		Non-classified public institutions (176)
	Market-based SOEs (14)	Quasi-market-based SOEs (13)	Fund-management-based (17)	Commissioned-service-based (66)	
Ministry of Food, Agriculture, Forestry and Fisheries (10)		Korea Racing Authority (1)		Korea Agro-Fisheries Trade Corporation, Korea Institute for Animal Products Quality Evaluation, Korea Rural Community Corporation, Korea Fisheries Resources Agency, Korea Livestock Products HACCP Accreditation Service, Korea Institute of Planning and Evaluation for Technology of Food, Agriculture, Forestry and Fisheries (6)	Livestock Health Control Association, Agriculture Forestry Fisheries Information Service, Korea Fisheries Infrastructure Promotion Association (3)

Relevant Ministries	SOEs		Quasi-Governmental Institutions		Non-classified public institutions (176)
	Market-based SOEs (14)	Quasi-market-based SOEs (13)	Fund-management-based (17)	Commissioned-service-based (66)	
Ministry of Knowledge Economy (60)	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. (Ministry of Land, Transport and Maritime (10)	Korea Resources Corporation, Korea Coal Corporation (2)	Korea Trade Insurance Corporation, Korea Radioactive Waste Management Corporation (2)	Korea Institute of Petroleum Management, Korea Trade-Investment Promotion Agency, Korea Energy Management Corporation, Korea Institute of Ceramic Engineering and Technology, Korea Postal Logistics, Postal Savings & Insurance Associate Corporation, Korea Gas Safety Corporation, Mine Reclamation Corporation, Korea Institute of Design Promotion, Korea Testing Laboratory, 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 Post Value Information Express, Korea Electrical Safety Corporation, Korea Power Exchange, National IT Industry Promotion Agency (18)	Korea Electrical Engineering & Science Research Institute, Incheon Total Energy Company, Kangwon Land, Korea Gas Technology Corporation, Korea Productivity Center, KEPCO Engineering & Construction Company, Korea Standards Association, Korea-Japan Cooperation Foundation for Industry and Technology, KEPCO Knowledge, Data & Network, KEPCO Plant Service & Engineering, KEPCO Nuclear Fuel Company, Korea Nuclear Energy Promotion Agency, Special Post Office Pension Service, Daedeok Innopolis, Korea Research Council for Industrial Science & Technology, Korea Institute of Construction Technology, 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, Korea Strategic Trade Institute, Postal Building Management Association, Korea Institute for Robot Industry Advancement (28)



Relevant Ministries	SOEs		Quasi-Governmental Institutions		Non-classified public institutions (176)
	Market-based SOEs (14)	Quasi-market-based SOEs (13)	Fund-management-based (17)	Commissioned-service-based (66)	
Korea Communications Commission (2)			Korea Communications Agency (1)	Korea Internet Security Agency (1)	
Ministry of Health, Welfare and Family Affairs (15)			National Pension Service (1)	Health Insurance Review & Assessment Service, National Health Insurance Corporation, Korea Health Industry Development Institute, Korea Labor Force Development Institute for the Aged, Korea Social Service Institute, Korea Health and Welfare Information Service (6)	National Cancer Center, Korean Red Cross, Korea Human Resource Development Institute for Health & Welfare, 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 (8)
Ministry of Gender Equality and Family (2)				Korea Youth Counseling Institute, Korea Youth Work Agency (2)	
Ministry of Unification (1)					North Korean Refugees Foundation (1)
Ministry of Environment (4)				Korea National Park Service, Korea Environment Corporation, Korea Environmental Industry & Technology Institute (3)	Sudokwon (capital area) Landfill Site Management Corporation (1)

Relevant Ministries	SOEs		Quasi-Governmental Institutions		Non-classified public institutions (176)
	Market-based SOEs (14)	Quasi-market-based SOEs (13)	Fund-management-based (17)	Commissioned-service-based (66)	
Prime Minister's Office (24)					National Research Council for Economics, Humanities and Social Sciences, Science and Technology Policy Institute, 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, 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)
Ministry of Patriots and Veterans Affairs (3)				Independence Hall of Korea, Korea Veterans Health Service (2)	88 Country Club (1)
Cultural Heritage Administration of Korea (1)					Korea Cultural Heritage Foundation (1)
Korea Forest Service (1)					Korea Green Promotion Agency (1)
Rural Development Administration (1)				Foundation of Agri, Tech, Commercialization & Transfer (1)	



Relevant Ministries	SOEs		Quasi-Governmental Institutions		Non-classified public institutions (176)
	Market-based SOEs (14)	Quasi-market-based SOEs (13)	Fund-management-based (17)	Commissioned-service-based (66)	
Small & Medium Business Administration (8)			Small & Medium Business Corporation (1)	Korea Technology and Information Promotion Agency for Small & Medium Enterprises (1)	Agency for Traditional Market Administration, Korean Federation of Credit Guarantee Foundations, Small Business Distribution Center, Korea Venture Investment Corporation, Small Enterprise Development Agency, Institute of Korea Entrepreneurship Development (6)
Korean Intellectual Property Office (4)					Korea Invention Promotion Association, Korea Institute of Patent Information, Korea Institute of Intellectual Property, Korea Intellectual Property Protection Association (4)
Financial Services Commission (13)			Korea Asset Management Corporation, Korea Technology Finance Corporation, Korea Credit Guarantee Fund, Korea Deposit Insurance Corporation, Korea Housing Finance Corporation (5)	Korea Securities Depository, Korea Exchange (2)	KDB Financial Group, Industrial Bank of Korea, Korea Securities Computing Corporation, Korea Enterprise Data, Korea Development Bank, Korea Finance Corporation (6)
Defense Acquisition Program Administration (2)					Agency for Defense Development, Defense Agency for Technology and Quality (2)



Relevant Ministries	SOEs		Quasi-Governmental Institutions		Non-classified public institutions (176)
	Market-based SOEs (14)	Quasi-market-based SOEs (13)	Fund-management-based (17)	Commissioned-service-based (66)	
Fair Trade Commission (1)				Korea Consumer Agency (1)	
Korea Food & Drug Administration (1)					Korea Orphan Drug Center (1)
Korean National Police Agency (1)					
National Emergency Management Agency (1)				Road Traffic Authority (1)	
				Korea Institute of Fire Industry & Technology (1)	