

# PUBLIC INSTITUTIONS IN KOREA

June 2015

Research Center for State-Owned Entities  
Korea Institute of Public Finance



# PUBLIC INSTITUTIONS IN KOREA

*The Korean government will create jobs by fusing science and technological innovation with imagination and creativity based on economic democratization, and we will shift our economic paradigm to one of entrepreneurship that will improve the quality of life for our citizens.*



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# 01 Public Institutions

1. Assets of Public Institutions
2. Liabilities of Public Institutions
3. The Sales by Public Institutions
4. Net Income by Public Institutions
5. The National Economy and 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 whose businesses are as commercial as private enterprises, to those that function as government affiliates.
- Such characteristics may vary depending on each institution's roles and financial structure.

Public institutions fulfill the needs of overcoming the operational constraints of government agencies, or deliver public services on behalf of the government. In doing so, public institutions have been able to take the lead in recovery efforts from past and present economic crises.

- They act as a facilitator of economic development, by venturing into the fields in which private enterprises find it difficult to penetrate new markets.
- They can act for the public good by being in charge of the operation of monopolistic enterprises.
- They construct and manage social overhead capital such as roads, railroads and airports that are the basic foundations of national and industrial development.

Total of 316 institutions are designated as public institutions in 2015.<sup>1)</sup>

- 30 state-owned enterprises, 86 quasi-governmental institutions, 200 non-classified public institutions.

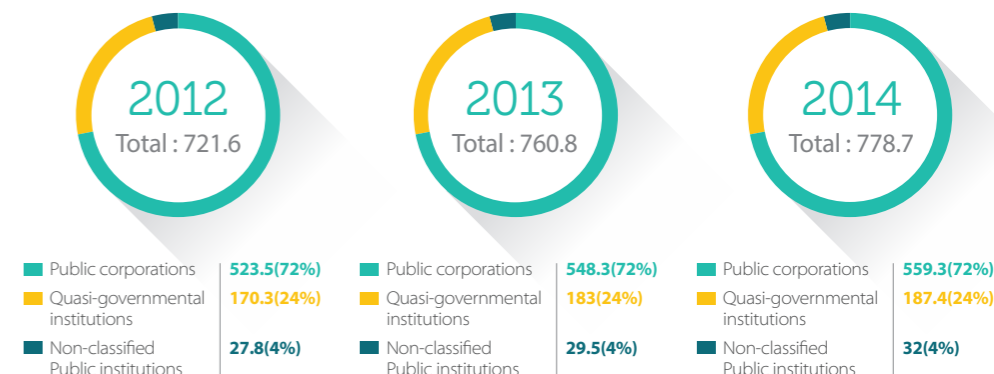
<sup>1)</sup> See appendix for further details.

## 1. Assets of Public Institutions

Assets held by public corporations constitute approximately three-quarters of the total assets held by all public institutions. The total amount of assets in public institutions decreased in 2013 but increased again in 2014.

<Assets by Type of Public Institutions>

(Unit: trillion won)

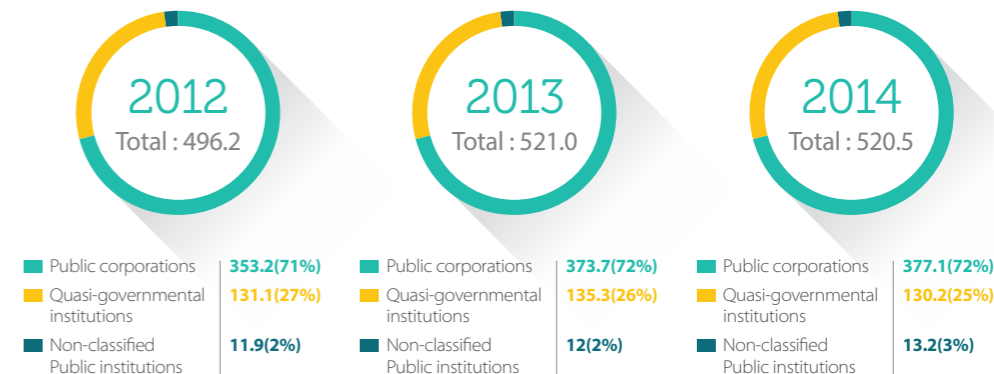


## 2. Liabilities of Public Institutions

The total amount of liabilities in public institutions had continuously increased until 2013, however, it reduced by 0.5 trillion won in 2014 thanks to the strong policy measures of the current administration on overleveraged public institutions. The proportion of the liabilities of public corporations to the whole liabilities of public institutions has been very similar every year, however, that of the non-classified public institutions has gotten slightly larger while that of the quasi-governmental institutions has gotten smaller.

<Liabilities by Type of Public Institutions>

(Unit: trillion won)

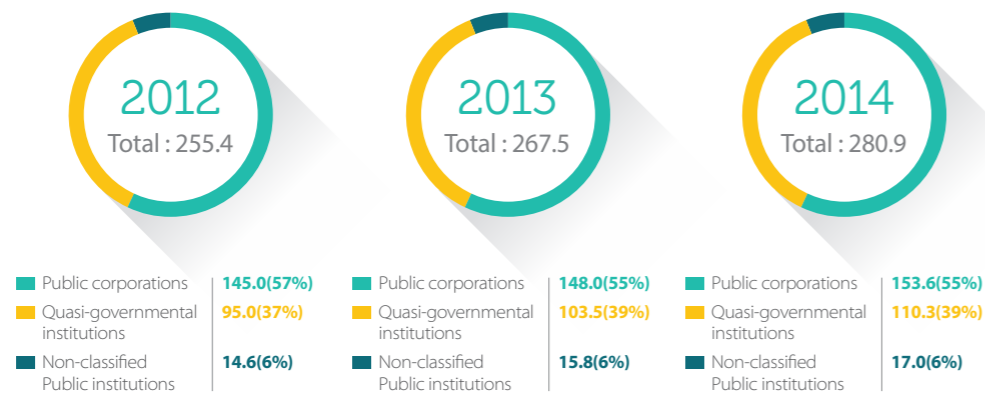


### 3. The Sales by Public Institutions

As the charts in the below show, the total sum of sales generated by all public institutions has been continually increasing and public corporations contribute the most.

<Sales by Type of Public Institutions>

(Unit: trillion won)



### 4. Net Income by Public Institutions

As a total, public institutions turned benefit into a surplus in 2013 and the surplus more than doubled in 2014. It can be attributed to public corporations whose deficit turned into a surplus in 2014.

- Public corporations had a deficit until 2013, however, they turned deficit into a surplus in 2014. Quasi-governmental institutions has generated a big surplus since 2013.

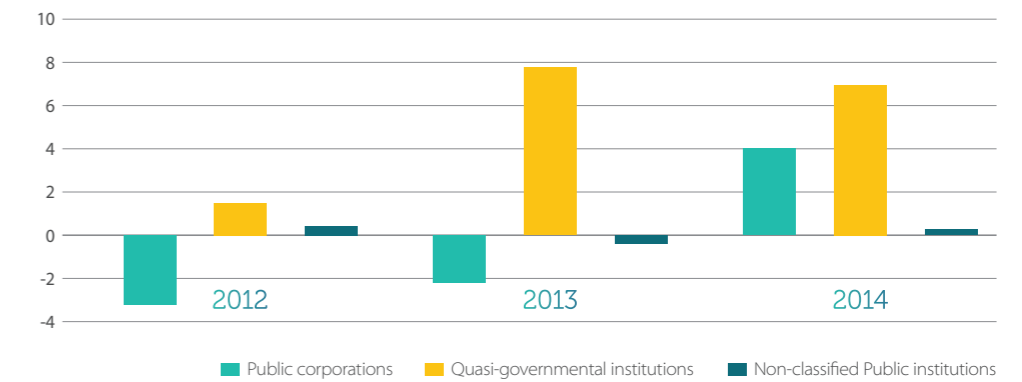
<Net Income by Type of Public Institutions>

(Unit: trillion won)

	2012	2013	2014
Public corporations	-3.4	-2.4	4.0
Quasi-governmental institutions	1.4	7.7	7.3
Non-classified public institutions	0.3	-0.2	0.1
<b>Total</b>	<b>-1.7</b>	<b>5.1</b>	<b>11.4</b>

<Net Income by Type of Public Institutions>

(unit: trillion won)



### 5. The National Economy and Public Institutions

The total number of executives and employees working in public institutions stands at approximately 269,000 as of April 2015.

- Public corporations are the largest in terms of the average number of employees per institution.

<Size of Public Institution Workforce >

(Unit: number of people)

Category	Public corporations	Quasi-governmental institutions	Non-classified public institutions	Public institutions in total
Executives	156	290	380	826
Employees	98,579	73,947	95,017	267,543
<b>Total</b>	<b>98,831</b>	<b>74,245</b>	<b>95,493</b>	<b>268,568</b>

\* As of April 2015

The total number of employees in public institutions and the economically active population has continually increased since 2010, and the ratio of public institution employees to the economically active population has remained approximately 1 percent.

## &lt;Workforce Size in Public Institutions&gt;

(Units: thousand people, %)

	2010	2011	2012	2013	2014
Personnel in public institutions	248	253	256	262	268
Economically active population	24,748	25,099	25,501	25,873	26,536
Percentage	1.0	1.01	1.0	1.01	1.01

The total budget for public institutions has continually increased since 2011, but the ratio to GDP has been decreasing after the big increase in 2012.

- The ratio of the budget for public institutions to GDP temporarily increased from 43.8 percent in 2011 to 46.3 percent in 2012, however, the ratio has been decreasing since 2012.

## &lt;Budget Size in Public Institutions&gt;

(Unit: trillion won)

	2011	2012	2013	2014
Public corporations	220.3	237.6	249.3	262.7
Quasi-governmental institutions	182.6	231.0	216.4	219.8
Non-classified public institutions	181.0	168.5	173.1	172.9
Total	583.9	637.1	638.8	655.4
Nominal GDP	1,332.7	1,377.5	1,429.4	1,485.1
The ratio to GDP	43.8	46.3	44.7	44.1

## 02 Public Institution Management System



### 1. Designation of Public Institutions

Conditions on the designation of public institutions.

1. Designation of Public Institutions
2. Classification of Public Institutions
3. Public Institution's Management and Oversight System
4. Board of Directors and Audit Committee
5. Executive Personnel System
6. Budget and Accounting System
7. Public Disclosure
8. Management Evaluation System

- The head of the competent ministry 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 the 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.

## &lt;Conditions of Designation as Public Institution&gt;

	Conditions	Examples
Subparagraph 1	An institution established by direct operation of another Act with an investment by the Government	Korea Credit Guarantee Fund, Korea Transportation Safety Authority, etc.
Subparagraph 2	An organization to whom the amount of the Government grants (including the revenue from its commissioned affairs or monopoly, if it is an institution to whom some affairs of the Government are commissioned or a monopoly is granted by direct operation under Acts and subordinate statutes) exceeds one-half of the amount of its total revenue	Korea Gas Corporation, Korea Racing Authority, etc.
Subparagraph 3	An institution in which the Government holds a 50 percent stake or more or whose policy decisions are practically controlled by the government through such means as the appointment of executives with at least 30 percent of outstanding shares	Incheon Port Authority, Korea Tourism Organization, etc.
Subparagraph 4	An institution in which the Government together with an institution falling under any of subparagraph 1-3 holds a 50 percent stake or more or whose policy decisions are practically controlled by the government through such means as the appointment of executives with at least 30 percent of outstanding shares	Korea Electric Power Corporation, Korea District Heating Corporation, etc.
Subparagraph 5	An institution in which a single institution or two or more institutions falling under any of subparagraph 1-4 holds a 50 percent stake or more or whose policy decisions are practically controlled by it or them through such means as the appointment of executives with at least 30 percent of outstanding shares	Korail Retail, Korea Southern Power, etc.
Subparagraph 6	An institution established by a public institution falling under any of subparagraph 1-4 with an investment by the Government or the establishing 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.

## &lt;Classification of Public Institutions&gt;

Classification	Classification Criteria
<b>1 Public corporations(30)</b> <ul style="list-style-type: none"> <li>Market-based public corporations</li> <li>Quasi-market-based public corporations</li> </ul>	<ul style="list-style-type: none"> <li>Institutions whose prescribed number of personnel are at least 50 people and whose self-generating revenue<sup>2)</sup> accounts for at least 50% of their total revenue</li> <li>Institutions whose self-generating revenue accounts for at least 85% of their total revenue (with a minimum asset size of two trillion won)</li> <li>Public corporations excluding market-based public corporations</li> </ul>
<b>2 Quasi-governmental institutions(87)</b> <ul style="list-style-type: none"> <li>Fund-management-based quasi-governmental institutions</li> <li>Commissioned-service-based quasi-governmental institutions</li> </ul>	<ul style="list-style-type: none"> <li>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</li> <li>Institutions that manage (or are commissioned to manage) funds in accordance with the National Financial Act</li> <li>Quasi-governmental institutions other than fund-management-based quasi-governmental institutions</li> </ul>
<b>3 Non-classified public institutions(187)</b>	<ul style="list-style-type: none"> <li>Public institutions excluding public corporations and quasi-governmental institutions</li> </ul>

2) Self-generating revenue refers to the revenue excluding contributions, subsidies, and other financial support from the Government. The proportion of self-generating revenue among 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. Public Institution's Management and Oversight System

#### 1) The 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 meetings 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.

- Generally speaking, there has been nine private sector members in the committee since 2008, and therefore, the total number of members are limited to 17.

Committee meetings shall be duly formed to open with the presence of majority of the members, and shall adopt a resolution with the affirmative vote of majority of the members present at the meeting.

#### B. 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 oversight over public institutions.

#### <Matters Subject to Deliberation and Resolution by the Committee>

- Designation of public corporations, quasi-governmental institutions and non-classified public institutions, and cancellation and alteration of such designation
- Examination on the feasibility of the establishment of new institutions
- Public disclosure concerning the management of public 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 innovating public institutions and examining the level of institutional innovativeness
- Appointment of non-standing senior directors of public corporations
- Appointment of executives of public corporations and quasi-governmental institutions
- Establishing guidelines on the remuneration of executives
- Evaluation of the performance of non-standing directors and auditors
- Evaluation criteria for the business performance of public corporations and quasi-governmental institutions and removal (or recommendation of removal) of the executives of institutions with poor performance records
- Monitoring of the adequacy of supervision over public corporations and quasi-governmental institutions and improvement of such supervision
- Guidelines for management of public corporations 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.

- As of June 2015, there are one steering committees under the Committee.

## &lt;Committee for the Management of Public Institutions and its Subcommittees&gt;

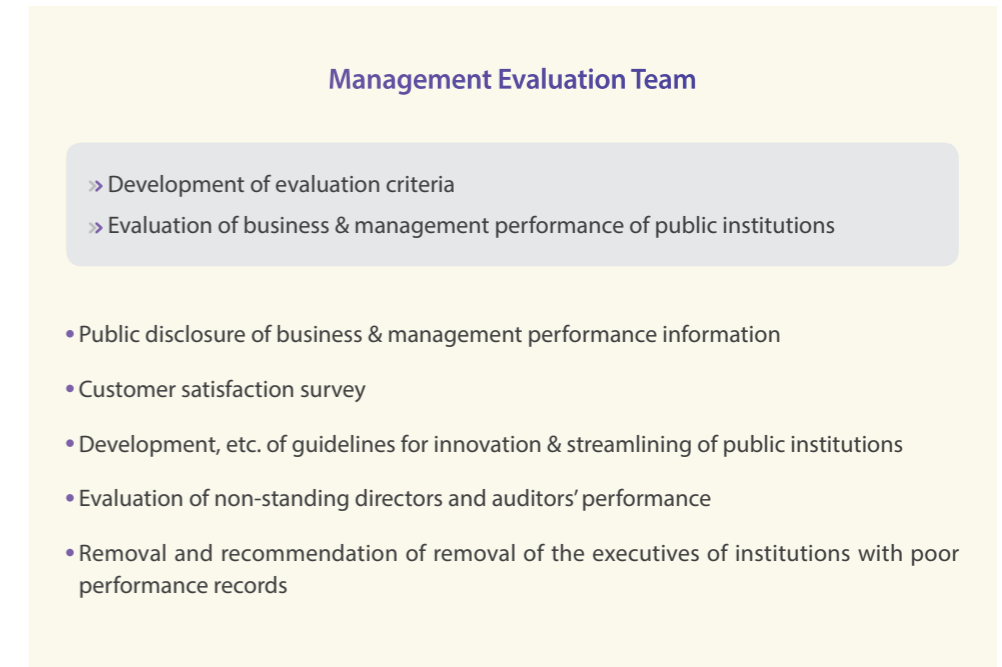


## 2) Ministry of Strategy and Finance: Public Institutions Policy Bureau

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, notifications and oversight of institutions.
- Supervisory responsibilities such as management evaluation, performance management, public disclosure, and regulations on the establishment.
- The Minister of Strategy and Finance organize and operate a management evaluation team for public corporations and quasi-governmental institutions to ensure the efficient execution of management performance evaluation and to provide professional and technical research or consultation concerning management performances of public institutions.

## &lt;Management Evaluation Team&gt;



## 3) Competent Ministries

Competent ministries oversee policies regarding the industries of individual institutions as administrative institutions charged with core businesses of public corporations, quasi-governmental institutions and non-classified public institutions.

- Permission on the initiation and termination of businesses.
- Policies regarding the promotion of relevant industries and the creation of a new markets.

## &lt;Public Institutions and Competent Ministries&gt;

Competent Ministries	No. of Institutions	Competent Ministries	No. of Institutions
Ministry of Strategy and Finance	3	Ministry of Oceans and Fisheries	15
Ministry of Education	21	Office for Government Policy Coordination, Prime Minister's Secretariat	24
Ministry of Science, ICT and Future Planning	41	Korea Communications Commission	1
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	2	Ministry of Patriots and Veterans Affairs	3
Ministry of Government Administration and Home Affairs	2	Defense Acquisition Program Administration	2
Ministry of Culture, Sports and Tourism	35	Cultural Heritage 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	20	Small & Medium Business Administration	8
Ministry of Environment	6	Korean Intellectual Property Office	4
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	24	National Police Agency	1
Korea Customs Service	1	Ministry of Personnel Management	1
Ministry of Public Safety and Security	2	-	-

## 4. Board of Directors and Audit Committee

## 1) Board of Directors

The board of directors shall be comprised of no more than 15 directors including the head of the institution(CEO).

In addition, in market-based public corporations and quasi-market-based public corporations, whose asset size is not less than two trillion won, the non-standing senior director shall become the chairperson of the board of directors; in quasi-market-based public corporations, whose asset size is less than two trillion won, or in quasi-governmental institutions, the head of the institution shall be the chairperson of the board of directors.

On average, there are 8 to 10 directors, with 6 to 8 non-standing directors.

## &lt;Status of Board of Directors Structure&gt;

Category	Total No. of Directors	Standing	Non-standing	Average (by Institution)	Standing	Non-standing
Public corporations (30)	304	111	193 (63.5%)	10.1	3.7	6.4
Quasi-governmental Institutions (86)	838	172	666 (79.5%)	9.7	2.0	7.7
Non-classified Public Institutions (200)	1,588	102	1,486 (93.6%)	7.9	0.5	7.4
Total (316)	2,730	385	2,345 (85.9%)	8.6	1.2	7.4

\* As of 2015

## 2) Audit Committee

Any market-based public corporation or quasi-market-based public corporation whose asset size is not less than two trillion won, is obligated to establish an audit committee. Its responsibilities include:

- Active intervention in the deliberation process of the board of directors, to preempt potential risks of public corporations and enhance its role as a checking mechanism of the management body.

- Provision of objective perspectives and reasonable decisions made with the majority of auditors.
- 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 financial or accounting expert.

The Audit Committee consists of independent experts, which brings professionalism to the auditing body.

The audit committee should report the results to the board of directors after auditing business performances and accounting materials of the institution.

#### <Status of Audit Committee>

Institutions obliged to establish an audit committee by the Act on the Management of Public Institutions (21) <sup>3)</sup>		Established in accordance with specific laws (1)
Market-based public corporations(14)	Quasi-market-based public corporations with assets over 2 trillion won(8)	
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., Incheon International Airport Corporation, Korea Airports Corporation, Korea Resources Corporation, Busan Port Authority.	Korea Water Resources Corporation, Korea Railroad Corporation, Korea Land & Housing Corporation, Korea Racing Authority, Korea Expressway Corporation, Yeosu Gwangyang Port Authority, Incheon Port Authority, Korea Housing Guarantee Co., Ltd. <sup>4)</sup>	The Korea Appraisal Board.

\* As of 2015

3) Among these institutions, Busan Port Authority, Incheon Port Authority, and Yeosu Gwangyang Port Authority did not establish audit committees because these institutions are subject to the Port Authority Act prior to the Act on the Management of Public Institutions.

4) The audit committee was established in accordance with specific laws, but the concerned legal clause was terminated as of May 4, 2009.

## 5. Executive Personnel System

### 1) Executive Structure

Executives of public corporations and quasi-governmental institutions will be comprised of directors (including the head of the institution) and auditors. 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 head of the institution.

### 2) Appointment of Executives

In public corporations, the executive recommendation committee nominates the head of the institution candidates, 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.

- The head of a public corporation with 500 employees or less and less than 100 billion won in total revenue is appointed by the competent minister out of those who have been selected by the executive recommendation committee and have passed the deliberation and resolution process of the Committee for Management of Public Institutions.

In quasi-governmental institutions, the executive recommendation committee nominates several candidates, one of which is appointed as the head of the institution by the competent minister.

- 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 won in total revenue.
  - Commissioned-service-based quasi-governmental institutions with more than 500 employees and 100 billion won in total revenue.
  - Fund-management-based quasi-governmental institutions with more than 500 employees and 1 trillion won of the total asset size.
  - Six other quasi-governmental institutions<sup>5)</sup> are designated by presidential decree due to particularity of their functions.

5) 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.

The appointment of executives in non-classified public institutions is provided by legislation or articles of association.

#### <Appointment of the Head (CEO) of Public Corporations and Quasi-governmental Institutions>

Category	Appointment Procedure*
Public corporations	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 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-based quasi-governmental institutions).

#### <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 competent minister → Presidential appointment	
	Small-scale Institutions	Competent Ministers	
Standing Directors		Head of Institution	
Non-standing Directors		Minister of Strategy and Finance	Competent Ministers
Auditors Standing Auditors	Large-scale Institutions	Recommendation by competent minister → Presidential appointment	
	Small-scale Institutions	Minister of Strategy and Finance	

Appointment procedure was simplified 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	
		Executive Recommendation Committee	Committee for Management of Public Institutions (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)	×

### 3) Tenure of Executives

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

#### <Tenure Policy for Executives>

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 on a yearly basis (After consideration of management evaluation results)
Directors / Auditors		Initial tenure of 2 years + Consecutive appointment on a yearly basis (After consideration of job performance evaluation results)

#### 4) Duties of Executives

The head of Institutions(CEOs) represents public corporations or quasi-governmental institutions and oversee their businesses, 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 business performances and accounting books of public corporations or quasi-governmental institutions according to auditing standards and submit their opinions to the board of directors.

## 6. Budget and Accounting System

### 1) Accounting Principles

Public corporations and quasi-governmental institutions apply accrual-based accounting.

- The detailed accounting criteria shall conform to the "Rules for Accounting Affairs of Public Corporations and Quasi-governmental Institutions," and shall be applied beginning with the settlement of accounts for the year of designation and budgets for the following year.

### 2) Compilation and Evaluation of the Budget

A draft budget of each public institution for the following fiscal year shall separately be compiled for its general provisions, the estimated income statement, the estimated balance sheet, and the financial plan in accordance with the guidelines for budget compilation of public corporations and quasi-governmental institutions, and shall 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 Ministry of Strategy and Finance, the competent agency and the Board of Audit and Inspection of Korea.

- Once the budget is finalized, public institutions shall establish their management plans according to the finalized budget and shall finalize the plan through the resolution of the board of directors. Then a(the) public corporation shall submit this plan to the Minister of Strategy and Finance, and the quasi-governmental institution does the same to the competent minister, both within two months after the budget is finalized.

### 3) Settlement of Accounts

Every public corporation or quasi-governmental institution shall prepare statements on the settlement of accounts at the end of each fiscal year, and select an accounting firm to conduct an external audit.

- All public corporations shall submit financial statements that includes the opinion of an external accounting auditor and the accompanying documents to the Minister of Strategy and Finance and all quasi-governmental institutions does the same to the competent minister, 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 the Inspection of Korea 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 management publication system is designed to publicly 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 shall disclose its management information on its official website and publish the same set of information on the public management information system, ALIO (All public Information In One, [www.alio.go.kr](http://www.alio.go.kr)).

### 2) Guidelines for Public Disclosure

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

## &lt;Public Disclosure Items&gt;

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 7. Business expenses spent by the head of institutions 8. Welfare 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. Capital and shareholders 18. Short and long term borrowings 19. Investments and contributions 20. Annual endowments and grants 21. Management overhead costs 22. Corporate Tax Payment 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 26. Results of management performance evaluation 27. Feedback from the results of management performance evaluation 28. Results of customer satisfaction surveys 29. Results of auditor's job performance evaluation 30. Minutes of directors' meetings & internal audit results
V . Notification	31. Management innovation practices 32. Employment information 33. Bidding information 34. Research reports 35. Other information
VI . Current Administration's Major SOE Policy progress	35. Detailed information on the debt status of 18 major overleveraged institutions 36. 8 items of welfare 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—at the end of the year or a quarter.
  - Information on an institution's organizational structure, personnel, financial records, or annual salary of employees
- 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 shall be posted within 14 days from their generation.
  - Feedback from independent institutions, minutes of directors' meetings, information on new 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 publish 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 period every year.

#### C. Examination and Confirmation of Disclosure

In order to ensure the credibility 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 publication items, if a public institution fails to perform its duty of publication 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 publication of false information.

Unfaithful disclosure is defined into three categories: (1) It is regarded as non-conformance when an institution fails to disclose material that is supposed to be disclosed or discloses information past the prescribed time of publication; (2) false publication 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 false information that had already disclosed. Penalty is imposed depending on the type of unfaithful disclosure.

## 8. Management Performance Evaluation System

### 1) Management Performance Evaluation System

Evaluating performance of public institutions can be characterized as a cyclic process in which the annual performance of public institutions is objectively assessed based upon evaluation indicators. Performance-based payments, derived from the evaluation results, are distributed while the results are also reflected onto successive business plans. The major purposes of the management evaluation are as follows:

- 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) Components of Management Performance Evaluation System

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

The evaluation aims at ensuring accountable management through external evaluation on their achievements and utilizing the results for managerial improvement.

It also aims at establishing an accountable management system, improving transparency, and streamlining management and operation of institutions.

- The overall performances of public corporations and quasi-governmental institutions are placed under annual evaluation.

#### 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 competent minister and the head of institutions on a three-year basis within three months after the appointment.

The head of institutions who has been in office for more than one and a half year are subject to evaluation and he or she is evaluated once during his tenure.

- The evaluation results are utilized as human resources measures and are not reflected on the incentive bonus.

#### C. Evaluation of Auditors

According to the Article 36 of the Act on the Management of Public Institutions, evaluation on the performances 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 propriety of audit activities.

### 3) Performance Evaluation Indicators

The evaluation on managerial performances of public corporations and quasi-governmental institutions is composed of 15 indicators across two categories: business management and core businesses as of 2015.

### <Categories and Main Indicators of the Management Performance Evaluation of Public Institutions<sup>6)</sup>>

Category	Main Indicators
Business Management	<ul style="list-style-type: none"> <li>• Business strategy &amp; Social contribution(11)</li> <li>• Business process efficiency(8)</li> <li>• Organization, human resources, and performance management(2)</li> <li>• Management of financial budget and its accomplishments(17)</li> <li>• Management of remuneration and employee benefits(12)</li> </ul>
Core businesses	<ul style="list-style-type: none"> <li>• Aggregate evaluation of core business plans, activities and performances(50)</li> </ul>

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 indicators of public corporations and their weighted values are as follows:

### <Indicators and their weights of the Evaluation on Public corporations>

Category	Evaluation Indicators	Institutions required to submit Mid & Long-term Financial Management Plan		Institutions not required to submit Mid & Long-term Financial Management Plan	
		Non-quantitative indicator	Quantitative indicator	Non-quantitative indicator	Quantitative indicator
Business Management	1. Business strategy & Contribution to society(11) <ul style="list-style-type: none"> <li>• Strategic planning</li> <li>• Evaluation by the general public</li> <li>• Government 3.0 policy</li> <li>• Conformance check on management information disclosure</li> <li>• Policies recommended by the government</li> </ul>	2	2	2	2
	2. Business process efficiency(8)		8		8

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.

Category	Evaluation Indicators	Institutions required to submit Mid & Long-term Financial Management Plan		Institutions not required to submit Mid & Long-term Financial Management Plan	
		Non-quantitative indicator	Quantitative indicator	Non-quantitative indicator	Quantitative indicator
Business Management	3. Organization, human resources, and performance management(2)	2		3	
	4. Management of financial budget and its accomplishment(17) <ul style="list-style-type: none"> <li>• Management of financial budget</li> <li>• Accomplishment of debt reducing efforts</li> <li>• Outcome of financial budget management (Achievements of debt-reduction plan) (Achievements of Mid &amp; Long-term Financial Management Plan)</li> <li>• Operational expenditure (OPEX)</li> </ul>	3	6	6	6
	5. Management of remuneration and employee benefits(12) <ul style="list-style-type: none"> <li>• Remuneration &amp; employee benefits</li> <li>• Increase rate of the total payroll costs</li> <li>• Labor relations management</li> </ul>	6	3	6	3
	Subtotal	22	28	20	30
	Core businesses	Aggregate evaluation of core business plans, activities and performances	13	37	15
Total		35	65	35	65

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: common tasks and performance tasks as of 2015.

<Categories and Main Indicators of the Evaluation on the Head of Institutions<sup>7)</sup>>

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

The evaluation on auditors and audit committee members is practiced based on 7 evaluation indicators across 3 categories: the propriety of audit activities & job performances, results from external evaluations, and the results from management performance evaluation of institutions as of 2015.

## &lt;Categories and Main Indicators of the evaluation on auditors and audit committee members&gt;

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

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 are provided excessive employee benefits. Indicators and their weighted values can be a bit different for other public institutions.

8) The result from the management 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

- **(In January)** Delivery of the management performance evaluation manual (Ministry of Strategy and Finance).
- **(In February)** Formation of a management evaluation team.
- **(March to May)** Execution of the management evaluation.
- **(by June 20)** Deliberation and resolution of the Committee for Management of Public Institutions confirmed.

## 5) Ex-post Measures According to the Evaluation Results

There are 2 main ex-post measures depending on the results from the management performance evaluation of public institutions.

- The incentive bonus according to the evaluation results and the rate is decided according to the Guidelines on Budget Compilation of Public Corporations and Quasi-governmental Institutions. The bonus rate for CEOs and employees are as follows:

## &lt;Bonus rates according to the results from the management performance evaluation on institutions&gt;

Subject	Type of public institutions	Bonus rates
CEO incentives (% of annual salary in the previous year)	Public corporations	0~120%
	Quasi-governmental institutions	0~60%
Employee incentives (% of monthly salary)	Public corporations	0~250%
	Quasi-governmental institutions	0~100%

- In 2015, bonus rate of 18 overleveraged public institutions which are targets of priority of the current administration's SOE policy measures can be limited depending on the results from the evaluation on management of financial budget and its accomplishments.
- The bonus rate of 20 public institutions that provided excessive employee benefits can be limited if they did not reach to a collective agreement on remedial action plans.
- The Minister of Strategy & Finance can propose dismissal of the head of institutions and standing directors to the appointing authority after the deliberation and resolution by the Committee for Management of Public Institutions.

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, and their bonus rates are decided by the results from the management performance evaluation of institutions.

## Appendix

## Public Institutions in 2015

(Public corporations, quasi-governmental institutions, and non-classified public institutions, 316, as of January 24, 2015)

Relevant Ministries	Public Corporations		Quasi-Governmental Institutions		Non-classified public institutions (200)
	Market-based (14)	Quasi-market-based (16)	Fund-management-based (17)	Commissioned-service-based (69)	
Ministry of Strategy and Finance (3)		Korea Minting & Security Printing Corporation (1)			Korea Exim Bank, 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 Korea Classics, Pusan National University Hospital, Pusan National University Dental Hospital, Seoul 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 (200)
	Market-based (14)	Quasi-market-based (16)	Fund-management-based (17)	Commissioned-service-based (69)	
Ministry of Science, ICT and Future Planning (41)			Korea Communications Agency (1)	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 (8)	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 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 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, 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 (32)

Relevant Ministries	Public Corporations		Quasi-Governmental Institutions		Non-classified public institutions (200)
	Market-based (14)	Quasi-market-based (16)	Fund-management-based (17)	Commissioned-service-based (69)	
Ministry of Foreign Affairs (3)					Korea International Cooperation Agency, Korea Foundation, Overseas Koreans Foundation (3)
Ministry of Unification (2)					North Korean Refugees 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 (2)					War Memorial of Korea, Korea Institute for Defense Analyses (2)
Ministry of Security and Public Administration (4)			Government Employees Pension Service (1)	Korea Elevator Safety Institute (1)	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 (200)
	Market-based (14)	Quasi-market-based (16)	Fund-management-based (17)	Commissioned-service-based (69)	
Ministry of Culture, Sports and Tourism (34)		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 (2)	The Korean Cultural & Arts Centers Association, Cultural Foundation of National Museum of Korea, Korea Council of Sport for All, Grand Korea Leisure, Korea Media Rating Board, Seoul Arts Center, Myeongdong-Chongdong Theater, Literature Translation Institute of Korea, Korea Culture & Tourism Institute, Korea Arts & Culture Education Service, Korean Film Archive, Korea Foundation for the Next Generation Sports Talent, Taekwondo Promotion Foundation, Korea Copyright Commission, Korea Crafts & Design Foundation, Korea Arts Management Service, Korea Culture Information Service Agency, Game Rating and Administration Committee, Korea Sports Association for the Disabled, Korean Olympic Committee, King Sejong Institute Foundation, Institute of Asian Cultural Development, Gugak Broadcasting Foundation, Korea Country Promotion Company Limited, Publication Industry Promotion Agency of Korea, Korean Artists Welfare Foundation, Korea Center on Gambling Problems (27)

Relevant Ministries	Public Corporations		Quasi-Governmental Institutions		Non-classified public institutions (200)
	Market-based (14)	Quasi-market-based (16)	Fund-management-based (17)	Commissioned-service-based (69)	
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 (200)
	Market-based (14)	Quasi-market-based (16)	Fund-management-based (17)	Commissioned-service-based (69)	
Ministry of Trade, Industry and Energy (40)	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)	Korea Coal Corporation (1)	Korea Trade Insurance Corporation, Korea Radioactive Waste Agency (2)	Korea Petroleum Quality & Distribution Authority, Korea Trade-Investment Promotion Agency, Korea Energy Management Corporation, Korea Institute of Ceramic Engineering and Technology, Korea Gas Safety Corporation, Mine Reclamation Corporation, Korea Institute of Design Promotion, The Korea Institute for the Advancement of Technology, The 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)	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 Knowledge, Data & Network, KEPCO Plant Service & Engineering Co., Ltd, KEPCO Nuclear Fuel Company, Korea Strategic Trade Institute, Korea Institute for Robot Industry Advancement, Korea Nuclear Energy Promotion Agency, Korea Testing Laboratory, Korea Smart Grid Institute (13)

Relevant Ministries	Public Corporations		Quasi-Governmental Institutions		Non-classified public institutions (200)
	Market-based (14)	Quasi-market-based (16)	Fund-management-based (17)	Commissioned-service-based (69)	
Ministry of Health and Welfare (20)			National Pension Service (1)	Health Insurance Review & Assessment Service, National Health Insurance Service, Korea Health Industry Development Institute, Korea Labor Force Development Institute for the Aged, Korea Health and Welfare Information Service, 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 (13)
Ministry of Environment (6)				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 (2)

Relevant Ministries	Public Corporations		Quasi-Governmental Institutions		Non-classified public institutions (200)
	Market-based (14)	Quasi-market-based (16)	Fund-management-based (17)	Commissioned-service-based (69)	
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 (24)	Incheon International Airport Corporation, Korea Airports Corporation (2)	Korea Land and Housing Corporation, Korea Housing Guarantee Co., Ltd., 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 Infrastructure Safety & Technology Corporation, Korea Rail Network Authority, Korea Cadastral Survey Corporation (5)	Korail Tech, Korail Retail, Korail Tourism Development, Korea Construction Management Corporation, Korea Housing Management, Korail Networks, Korail Logis, Aviation Safety Technology Center, Waterway+, Haewul (10)

Relevant Ministries	Public Corporations		Quasi-Governmental Institutions		Non-classified public institutions (200)
	Market-based (14)	Quasi-market-based (16)	Fund-management-based (17)	Commissioned-service-based (69)	
Ministry of Oceans and Fisheries (15)	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 Co., Ltd., Busan Port Security Corporation, Korea Oceanographic and Hydrographic Association (6)
Prime Minister's Office (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 (200)
	Market-based (14)	Quasi-market-based (16)	Fund-management-based (17)	Commissioned-service-based (69)	
Korea Communications Commission (1)		Korea Broadcast Advertising Corporation (1)			
Nuclear Safety and Security Commission (3)				Korea Institute of Nuclear Safety (1)	Korea Institute of Nuclear Nonproliferation and Control, Korea Radiation Safety Foundation (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 (200)
	Market-based (14)	Quasi-market-based (16)	Fund-management-based (17)	Commissioned-service-based (69)	
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, Korea Micro Enterprise & Market Development Corporation (2)	Korean Federation of Credit Guarantee Foundations, Small 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 (200)
	Market-based (14)	Quasi-market-based (16)	Fund-management-based (17)	Commissioned-service-based (69)	
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)
Ministry of Food and Drug Safety (4)				Korea Livestock Products HACCP Accreditation Service (1)	Korea Orphan Drug Center, Korea Institute of Drug Safety & Risk Management, Korea Institute for Food Safety Management Accreditation (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)	
National Emergency Management Agency (1)				he Korea Fire Institute of Industry and Technology (1)	
Korea Customs Service (1)					Korea Institute of Origin Information (1)

# Research Center for State-Owned Entities (SOEs)

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

## Executive Director's Message

Currently there are 316 public institutions in Korea which are categorized into public corporations, quasi-governmental institutions, and other public institutions.

The total employment by public institutions is about 268 thousand, and their total volume of the budget reaches 627 trillion won, approximately 1.7 times larger than the size of the national budget as of 2015.



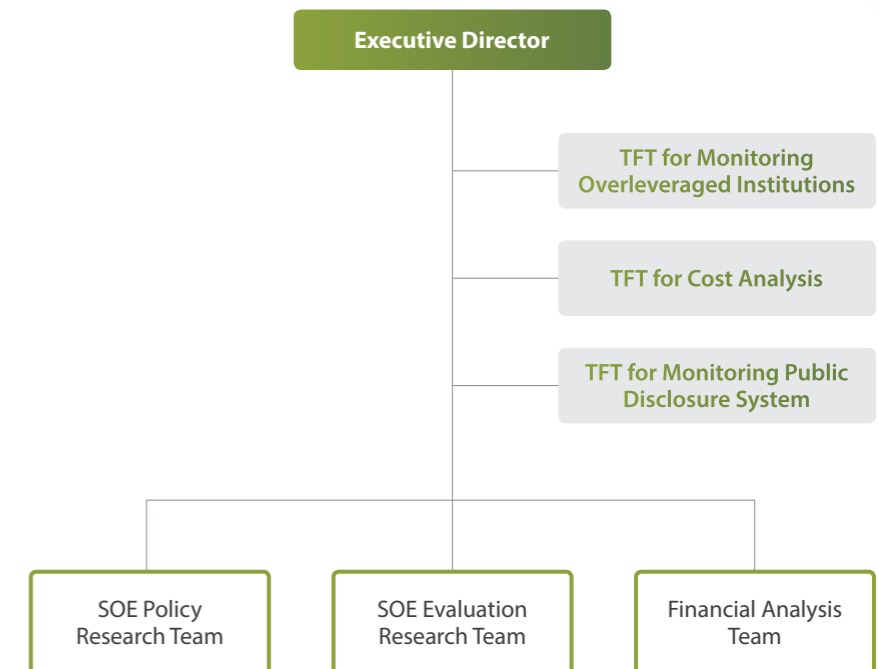
Since the performance of public institutions is critical to Korean economy, Korea has maintained one of the most sophisticated and integrated management systems for public institutions. To support and improve the government policy for public institutions, the Ministry of Strategy and Finance established the Research Center for State-Owned Entities in 2009.

The research scope covers internal and external governance structure, financial issues, public utility rates, evaluation methods, employment structure, etc. Upon my accession to the Executive Director of the Center, the Center was converted into the organization consisting of three teams to promote professionalism and efficiency. Furthermore, the Center is trying hard to establish more active networks with academic and field experts such as professors and senior executives of public institutions to have more sense of reality in our research 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.

Executive Director  
**Wonhee Lee**  
wonhee@kipf.re.kr



## Organizational Chart



## The list of research fellow

Position	Name	Major or Team
Executive Director	Lee Wonhee	Financial Management, Analysis of Planning & Budget
Head of SOE Policy Research Team	Ha Sejeong	Economic Geography
Head of SOE Evaluation Team	Park Hanjun	Public Management, Human Resource Management, Innovation & Reform
Visiting Fellow	Ra Youngjae	Public Sector Reform, Corruption & Governance Theory
Associate Fellow	Heo Kyoungsun	Policy Analysis, Public Management
Associate Fellow	Choi Hansoo	Law and Economics, Political Economy, and Corporate Finance
Head of Financial Analysis Team	Moon Changoh	Financial Analysis Team
KICPA	Park Jinhee	Financial Analysis Team
KICPA	Kim Eunsun	Financial Analysis Team
KICPA	Kim Sohyun	Financial Analysis Team
KICPA	Yun Ju Yun	Financial Analysis Team
Research Specialist	Byen Minjung	The Research Center for SOEs
Research Specialist	Yun Jeongkyu	The Research Center for SOEs
Senior Administrator	Byoun Kyoungsuk	The Research Center for SOEs
Research Analyst	Lee Jukyong	SOE Policy Research Team
Research Analyst	Yu Hyojeong	SOE Evaluation Research Team
Research Analyst	Lim Miwha	SOE Evaluation Research Team
Research Analyst	Hong Yoonjin	SOE Policy Research Team
Research Analyst	Ha Taewook	SOE Policy Research Team

Position	Name	Major or Team
Research Analyst	Song Kyungho	The Research Center for SOEs
Research Analyst	Lee Seunghye	SOE Policy Research Team
Research Analyst	Kim Jaesung	SOE Policy Research Team
Research Analyst	Kim Jongwon	SOE Evaluation Research Team
Research Analyst	Hong Sojung	SOE Policy Research Team
Research Analyst	Bong Woori	SOE Evaluation Research Team
Research Analyst	Jung Yeseul	SOE Policy Research Team
Research Analyst	Lee Kangshin	SOE Policy Research Team
Research Analyst	Lee Seul	The Research Center for SOEs
Research Analyst	Ryu Jae-min	SOE Evaluation Research Team
Research Analyst	Na Jinhee	SOE Evaluation Research Team
Research Analyst	Yoo Seunghyeon	SOE Policy Research Team
Research Analyst	Kim Sinjung	SOE Policy Research Team
Research Analyst	Seo Nina	Financial Analysis Team
Research Analyst	Park Misun	SOE Policy Research Team
Research Analyst	Oh, Yun-mi	SOE Evaluation Research Team
Research Analyst	Park, Seonghun	SOE Evaluation Research Team
Research Analyst	Min, Kyeongseok	SOE Policy Research Team
Research Analyst	Lim, Hee Young	SOE Policy Research Team
Research Analyst	Song ShinHyung	Financial Analysis Team



