

Contracts and Revenue

The total contracts by the top 11 contractors range from 274 billion to 1,618 billion won. The average revenue is 662 billion in 2003 that is 3% more than in 2002. Among the top 11 contractors, 7 contractors had an increase of more than 10% in revenue. On the other hand, Hyundai's revenue, ranked at the top, decreased by 20%.

Total contract amounts by year (unit: trillion won)

Sector	1997	1998	1999	2000	2001	2002	2003	2004 (est.)
Public	35.6	29.5	24.4	24.6	29.9	30.9	32.2	33.5
Private	44.3	18.4	26.7	35.5	37.9	52.3	70.3	55.5
Total	79.9	47.9	51.1	60.1	67.8	83.2	102.5	89.0

Sector	1997	1998	1999	2000	2001	2002	2003	2004 (est.)
Civil Infra.	33.8	29.5	24.4	24.6	29.9	30.9	32.2	33.5
Bldg. Const.	46.1	18.4	26.7	35.5	37.9	52.3	70.3	55.5
Total	79.9	47.9	51.1	60.1	67.8	83.2	102.5	89.0

* From "Outlook of Construction Economy" (2004. 3) by CERIK

** Average exchange rate in 2003 : 1 USD = 1,200 Korean Won

Overseas Contracts

Six out of top 11 general contractors had overseas contracts. Hyundai has had over 500 billion won from overseas contracts since 1999 and had contracts valued at 595 billion won in 2003. Daewoo, Samsung, and LG had overseas contracts of 111 billion, 217 billion, and 36 billion won, respectively in 2003. Daelim's overseas work has had continuous decline since 1999 and had no contract from international market in 2003. The ratio between overseas contracts and total contracts by Hyundai, Samsung, Daewoo, and LG account for 37%, 28%, 9%, and 7%, respectively. Average ratio of overseas contracts of 11 contractors is 14% compared to 21% in 2002. Profit from international market is lower than expected. To achieve appropriate profit from the international projects, contractors should focus on bidding strategy, claim and contract management, as well as procurement management. Furthermore, contractors need to develop construction technologies and a globalization strategy.

Per Capita Productivity

Average number of civil engineers of 11 contractors is 421, a decrease of 12% from the previous year. Five companies hired more civil engineers, but the remaining companies reduced their civil engineers by 7%. The per capita productivity amounted to 1.57 billion won, which is an increase of 17% from the previous year.

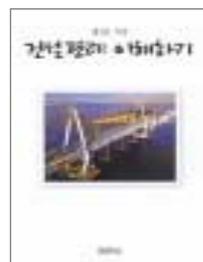
(The full text article, in Korean, by Chul-Ho Lieu and To-Moon Kim appeared in October 2004 issue of Civil Engineering, the monthly KSCE magazine.)

New Book



Title: Solar City
 Author: Hye-Jin Jung
 Pages: 325, B5
 Publisher: Gmulko
 Date: November, 2004
 Price: 12,000 won

The Solar City describes urban communities that constantly convert the fossil and nuclear energy systems to recycling energy systems. The solar city also has an objective that reduces materials that contribute to the green house effects. The author, who is a journalist specializing in environmental problems, carefully introduces the global 'Solar City' project and the world solar cities.



Title: Understanding of the Precedents Related to Construction
 Author: Hyun Kim
 Pages: 398, A5
 Publisher: Bumwoo
 Date: September, 2004
 Price: 28,500 won

Civil engineering is a profession intimately related to everyday living. As the society places more value to quality of living, environment and sustainable development, some of the conflicts among parties of various interests cannot be settled by tradition and agreeable methods. Inevitably these conflicts have to be solved by legal proceedings and mediations. The author, who is a lawyer in Korea, presents well organized court precedents that are related to construction disputes.

KSCE International Newsletter is published by the Newsletter Subcommittee under the International Affairs Committee of the Korean Society of Civil Engineers (KSCE). Chairman of the International Affairs Committee: Young-Nam Lee, Hyundai Construction and Engineering; Newsletter Subcommittee Members: Hee-Sung Park, Junboun Park, Jae-Woo Park, Sang-Il Lee; Editorial Manager: Jae-Gwon Cho; Editor: Yong-Sung Kim. Send your comments, suggestions and articles to Korean Society of Civil Engineers, 50-7 Ogum-Dong, Songpa-Gu, Seoul 138-857, Korea; Tel.: (822) 407-4115; Fax: (822) 407-3703; email: cho@ksce.or.kr. The KSCE website address is <http://www.ksce.or.kr>.