



Overall performance

The Republic of Korea has increased the transparency and fairness of public procurement, which help drive investment activity in infrastructure projects. This is also supported by a highly liquid capital market and increased ease of doing business within the country, promoting competition. To improve infrastructure investment outcomes, Korea could implement some measures to better assess infrastructure opportunities to maximise return on infrastructure investments.

Drivers	Rank (176)	Rank change (2017-20)	Score (100)	Emerging	Aspiring	Contender	Top performer	Global leader
Governance	13	↑ 1	78	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue
Regulatory frameworks	24	—	66	Green	Green	Green	Green	Green
Permits	15	↓ 6	84	Blue	Blue	Blue	Blue	Blue
Planning	45	↓ 2	70	Grey	Grey	Grey	Grey	Grey
Procurement	15	↑ 24	91	Light Green	Light Green	Light Green	Light Green	Light Green
Activity	74	↓ 3	11	Dark Green	Grey	Grey	Grey	Grey
Funding capacity	18	—	63	Orange	Orange	Orange	Orange	Orange
Financial markets	5	↑ 1	77	Yellow	Yellow	Yellow	Yellow	Yellow

Republic of Korea at a glance

\$31,431
GDP per capita
(USD, 2019)

51.8 million
Population
(2019)

3.1% of GDP
Infrastructure investment
(2019 estimate)

0.1% of GDP
Infrastructure gap
(2019 estimate)

92.1
Infrastructure quality
(0-100, 100 is best, 2019)

\$956 million
Private infrastructure investment
(5-year average, USD, 2019)

Top performing metrics



100/100

Transparency in public procurement

Korea's public procurement notices are made available online and tender documents transparently detail both procurement procedures. The transparency of the process encourages more participation and competition, which drive value for money.



100/100

Stocks traded

At 152%, Korea's value of stocks traded as a share of GDP is the second highest of all InfraCompass 2020 countries. This is a relative decline from Korea's peak of 187% in 2009. As this indicator measures the liquidity of equities, it is important to infrastructure investors to know they can exit investments at appropriate points.



95.1/100

Registering property

According to the World Bank, it takes five and a half days to register a property in Korea. This is significantly less time than the High Income Countries' average of 24.6 days. As infrastructure projects often involve property rights, the shorter time to register properties, the less costly and risky the project.

Opportunities to grow

For guidance on how to improve these metrics, please see the [Republic of Korea Country Page](#) on the InfraCompass website.



No

Environmental impact analysis

According to the World Bank, the Republic of Korea does not have a regulated requirement for environmental impact assessment. Undertaking environmental feasibility studies can help countries understand and balance environmental and infrastructure outcomes.



No

Market sounding and/or assessment

The Republic of Korea currently lacks a requirement for market sounding processes for infrastructure projects. Adding one could allow the government to better determine if there is interest from investors and lenders to provide commercial financing for projects.



0.8/100

Value of closed PPP infrastructure deals

The value of closed PPP infrastructure deals as a proportion of GDP is the lowest out of the High Income Countries, at only 0.004%. This is significantly lower than the High Income Countries' average of 0.11%. A low value may reflect a preference for publicly-funded models.



ECONOMY OVERVIEW

GDP (\$US billion, 2019)	1629.5	Population (million, 2019)	51.8	Unemployment rate (2019)	3.7%
GDP per capita (\$US, 2019)	31,431	Urbanisation ratio (2018)	81.0%	Inflation rate (2019)	0.5%
GDP growth rate (annual, 2019)	2.0%	Gross Government Debt (% of GDP, 2019)	40.0%	Digital Adoption Index (0-1 best, 2016)	0.86
GDP per capita growth rate (annual, 2019)	-5.7%	Sovereign risk rating (2019)	86	Gini coefficient (0-100 worst, 2012)	31.6

METRIC SCORES

The below metrics are normalised so that they all range from 0 to 100. For original metrics and data sources, please see <https://infracompass.github.org/>

GOVERNANCE		REGULATORY FRAMEWORKS		PERMITS	
Post-completion reviews?	Yes -	Effect of taxation on incentives to invest	49.4 ↑	Cost to start a business	70.7 -
Infrastructure or PPP unit/agency?	Yes -	Prevalence of foreign ownership	55.8 ↑	Dealing with construction permits	91.3 -
Recovery rate	84.3 ↓	Product market regulation, network sectors	50.6 -	Quality of land administration	91.7 -
Rule of law	74.7 ↑	Regulatory (including competition) quality	71.9 ↓	Registering property	95.1 -
Shareholder governance	50 -	Strength of insolvency framework	75 -	Time required to start a business	82.3 -
Political stability and absence of violence	59.1 ↑	Investment promotion agency?	Yes -		
PLANNING		PROCUREMENT		ACTIVITY	
Published project pipeline?	Yes -	Average procurement duration – transaction RFP	50^ ↓	Infrastructure investment	37.9 ↑
Published infrastructure plan?	Yes -	Degree of transparency in public procurement	100 ↑	Private infrastructure investment	6.2 ↓
Preparation of PPPs	65 ↑	Published procurement guidelines?	Yes -	Value of closed PPP infrastructure deals	0.8 ↓
Economic analysis assessment?	Yes -	Procurement of PPPs	66 -	Value of closed infrastructure deals with foreign equity sponsorship	1 ↑
Market sounding and/or assessment?	No -	PPP contract management	66 -		
Environmental impact analysis?	No -				
FUNDING CAPACITY		FINANCIAL MARKETS		Drawing on data from: International Monetary Fund, Organisation for Economic Co-operation and Development, World Bank, World Economic Forum, IJ Global, CEPII, Oxford Economics, Trading Economics, and Deloitte.	
GDP per capita	40.1 ↑	Domestic credit to private sector	72.3 ↑		
Gross government debt	68.6 ↓	Financing through local equity market	52.9 ↑		
Long term GDP growth trend	30 ↓	Stocks traded	100 -		
Summary credit rating	86 ↑	Financial depth	74.7 ↑		
		Financial stability	89.6 ↑		

Metric key:

↑ Increase from InfraCompass 2017 ↓ Decrease from InfraCompass 2017 - No change from InfraCompass 2017

Note:

'Top performing metrics' are the metrics with the highest score out of 100.

'Opportunities to grow' are generally the metrics with the lowest weighted score out of 100.

^Denotes interpolated metric data. See Technical Appendix for further explanation on the interpolation techniques.