

South Korea poised to be among top economies

<http://www.reuters.com/article/idUSTRE60S4GX20100130>

DAVOS, Switzerland
Sat Jan 30, 2010 3:36am EST

DAVOS, Switzerland (Reuters) - South Korea, Asia's fourth largest economy, is well poised to compete with major powers such as the United States and China as best performing economies in coming years, Thomson Reuters research shows.

Research on Group of 20 economies, based on data including investment, trade, productivity, national savings and current account balance, identified China as the most promising country in terms of future economic growth potential.

It ranked first according to capacity to devote a high proportion of income to invest, with its gross fixed investment running at 35.8 percent of gross domestic product.

South Korea ranks second, at 32.03 percent.

"South Korea's focus on education and its openness to adopting new technologies make it a sustainable candidate as a country well positioned to compete for the best economy ranking," the report said.

"We also think that the U.S. could claim the No.1 slot in economic performance even if its most recent comparative performance pales in terms of the applied criteria."

Export-oriented South Korea has similar traits to Germany and Japan, which climbed to the top of economic league after the second World War.

South Korea holds the rotating G20 presidency this year and is one of the few G20 countries to escape recession. In the October-December period its economy grew a seasonally adjusted 0.2 percent, registering the fourth consecutive quarterly gain.

China accounts for about a quarter of South Korean exports and the United States about 10 percent. About half of South Korea's GDP comes from exports.

(Reporting by [Natsuko Waki](#); Editing by [Sara Ledwith](#))