

## **S.Korea Worried by U.S. Financial Woes**

September 23, 2008

NEW YORK - South Korea's banks are healthier and its foreign reserves deeper than they were in the 1997 Asian financial crisis, but Seoul is still "very much worried" about U.S. financial troubles, the country's prime minister said Tuesday.

"We are ready for any kind of eventuality, but still the U.S. is the strongest economy in the world and when it goes through very difficult times, not only Korea but all the economies naturally are affected," Prime Minister Han Seung-soo said.

"We'd like to see the U.S. mend its own house as soon as possible so the impact on other countries will be minimized in due course," he told Reuters in an interview in New York.

Han said that in contrast to 1997, when South Korea was embroiled in the Asian financial crisis and received a bailout from the IMF, Seoul now had \$240 billion in foreign reserves and South Korean banks were stable with solid reserves.

He said his government "greatly appreciated" U.S. efforts to tackle the financial crisis, including a \$700 billion Wall Street rescue plan, but was worried about the real economic fallout from the financial crisis in a leading trade partner.

South Korea and the United States should respond to the gloomy financial picture by renewing their drive to ratify a bilateral free trade agreement they signed in mid-2007, Han said of a pact that awaits approval by both countries' legislatures.

"What we should do is open our door more to each other, trade more and do not increase tariffs," he said.

Han said the emergence of China and India as locomotives of economic growth should partially temper the impact of U.S. economic troubles.

"If Asian economies grow fast and strong then some of the problems originating in the United States may be ameliorated by the growth in Asia," he said.

**Source: Reuters**