

S.Korea's industrial lending growth accelerates in Q2

SEOUL, Sept. 2 (Xinhua) -- South Korea's industrial lending growth accelerated in the second quarter on the back of strong demand from the service sector, data by the central bank showed Sunday.

Outstanding corporate loans by depository corporations, including banks and non-bank institutions, totaled 785.5 trillion won (692.68 billion U.S. dollars) as of the end of June, up 9.8 trillion won from three months earlier, according to the Bank of Korea (BOK).

The second-quarter growth was faster than a 6.5 trillion won increase for the first quarter. The faster increase came amid strong demand from service companies.

Banks lent a total of 625.8 trillion won to local companies as of end-June, up 8.6 trillion won from three months before. Non- bank depository corporations, including mutual savings banks, credit unions and community credit cooperatives, extended 159.7 trillion won in corporate loans.

Loans owed by service firms to depository corporations grew 5. 8 trillion won in the second quarter, a turnaround from a 3.1 trillion won contraction for the first quarter. Loans for manufacturers increased 4.6 trillion won during the April-June period, but the growth was lower than a 9.9 trillion won increase for the first quarter.

Borrowed money used for working capital expanded 3.4 trillion won in the second quarter, a turnaround from a 2.4 trillion won decline for the first quarter. Funds used for facility investment increased 6.4 trillion won during the second quarter, down from an 8.9 trillion won advance in the first quarter.