

S. Korea worries uncertainties over QE in U.S.

Finance Minister Hyun Oh-seok and Bank of Korea (BOK) Governor Kim Choong-soo shared the view that external uncertainties were escalating amid the growing expectations for the early shutdown of bond purchasing program by the U.S. Federal Reserve. The country's top two economic and monetary policymakers held the first meeting since Hyun's inauguration in March, according to the joint statement by the ministry and the central bank. The finance ministry and the central bank planned to actively take a joint response to the negative side effects from the quantitative easing, while closely monitoring a change in external conditions. Their meeting came after the ministry and the bank showed conflicts over the assessment of economic conditions. The finance ministry unveiled the extra budget plan worth 17.3 trillion won (15 billion U.S. dollars) in mid-April, putting pressures on the BOK to cut interest rates. The ministry slashed its 2013 growth outlook for the country from 3 percent to 2.3 percent. The central bank finally cut its benchmark interest rates in early May after resisting the pressures for the rate cut. The bank revised down its growth outlook from 2.8 percent to 2.6 percent.