<Summary>

As of 2007, the Korean Construction Industry had been 60 years and had greatly contributed to social and economy aspects from 1960s through 1980s, including constructing a variety of infrastructures and declining in the trade deficit thanks to pushing into the Middle East area as well as constructing 2 millions of houses, etc. After 1990s, we had been faced with tough situation that interest in the quality and environment of our life had increased, including join in WTO GPA(WTO Government Procurement Agreements) and the occurrence of problem with shoddy/fault constructions. Owing to introduction of IMF relief loan on November, 1997, it had been a conclusive factor to severely change the structure and paradigm of the Korean Construction Industry.

Regarding the status of the changing environment of construction industry and future action plans since 2000, I try to look over them through five aspects which are construction demand, construction policies and laws, construction supply system, social/cultural changes. First of all, Regarding construction demand, the actual construction investment increased 14.6 times to 117 trillion won during 2006, compared with 8 trillion won in 1970. But the actual construction investment has been only an average of 0.1% per year since IMF foreign exchange crisis, that is, it is not too much to say that we have got stuck in a zero growth of construction investment. According to the prospect, the growth rate of construction demand would have been continually decreased by 2015, with an average of 2.5% growth rate per year, which is believed that it would fall below about 4.5% which is an average economic growth rate of Korea. For houses, it was recovering since IMF, but have remained sluggish since 2004. It is also foreseen that the demand for heavily damaged houses might be not increased until 2010.

The quality of construction demand is changing. The construction project is fast changed to be complicated, immense and up to date, and the redevelopment of old downtown is actively going to be performed continually as well as the new town and company town, etc. for a well-balanced development of the country. And private fund for the public projects has been increased due to lack of government finances and then BTL(Build Transfer Lease) projects are practiced more and more. This trend of construction demand makes CM's role bigger as a manager / coordinator / planner.

With the increase in globalization since middle of 1990s, the construction policy has been aimed to introduce the global standard ; raise the market function ; control the speculation in real estate ; reinforce advanced technology and information ; increase the projects by private fund and revitalize the abroad

market, and then it has being improved. In addition, it is predicted that the introduction of a variety of construction production system and the cost reduction plan of public construction, which the new administration is strongly trying to drive, would be bringing out the importance of CM more and more which effectively manages and makes control of the projects. For the purpose of reducing cost, the government is planning to induce the budget reduction by making better all the phases of planning-design-construction-operation, which would enlarge CM's role.

The final aspect, which is the social/cultural changes surrounding construction industry, especially consideration of life quality and decrease in population increase rate and aging society and progress in globalization and increase in importance of consumer, will be a power of creating new demand, as well as will influence to change the construction market's structure ; way to business ; competitive advantage factors ; production affairs.

As mentioned above, these environmental changes surrounding construction industry are altering the industry structure as well as system and factor of competition, which conclusively suggests that the paradigm of construction business is needed to be changed.

The new paradigms of construction business related to the changing environment are outlined as the following six paradigms.

* **Business Domain**

1. Create the new business field by integrating different kinds of industries/companies from only a construction area.
2. Pursue diversity and stability of income through expanding into pre & post construction phases from earnings of construction works.

* **Market**

3. Get off the demand by dependency to region through expanding the global market from domestic market-centered business.

* **Business Purpose**

4. Pursue gradual growth with emphasis on substance from rapid growth.

* **Business Policy**

5. Aim at the business focusing on qualified individuals and invisible assets from actual assets.
6. Aim at clear and moral management from focusing policy/politics

The business paradigm, which indicates the rule/activity scope of business and the way to successful performance, etc., enables to form the standard of judgment as a ground for belief and decisions of the organization. In this view, the construction companies are needed to reform the system making it real and assisting in order to set the business paradigm which newly appears in their companies. In detail, they are needed to increase the competitiveness of pre-construction phase ; improve value of the company and its brand ; increase the network between same and different kinds of companies and industries ; improve cost competitiveness to survive in the market. In middle-long term, it is also needed that the companies have to reorganize themselves by focusing on effectiveness and efficiency, and try to retain and train the qualified individuals.

In middle-long term, if we consider the recession of domestic construction market, it needs that CM firm, which is superior to others, actively thinks over the entry in abroad market. In case of Japan, they are promoting to expand the overseas affairs for fee business, which is a field paying a fee for service, such as CM as a new business model. The korean government is also planning actively to support the overseas expansion for a higher value-added business such as CM. But if the companies enter into the overseas market, there could be the risk more diverse as well as worse than domestic market. So it is needed to prepare a preliminary inspection about the candidate countries for overseas expansion for CM.

To enter into the overseas market with reducing risk, technology or fund has to be supported. The followings also have to be considered ; build to cooperate with the local businesses ; push into the overseas market, accompanied by a large corporation or companies which have already practiced in the place ; push into through projects led by the government ; promote the globalization based on localization ; have the qualified individuals familiar with the candidate country's culture and tradition, such as language ; push into the market with long-term preparation.