

# EB

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## **The Green Book: Current Economic Trends**

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## **Policy Issue**

2019 Budget Proposal

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## **Economic News Briefing**

Korean FDI Rises 25.8% in Q2 2018  
Korea's Long-term Debt Costs Fall  
Government to Tighten Borrowing to Cool Overheating Housing Markets  
Korea Grows 0.6% in Q2 2018

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## **Statistical Appendices**

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# Economic Bulletin



### ***Cheongsa Chorong***

The *Cheongsa Chorong* is a special lantern used for wedding ceremonies during the late Joseon dynasty. The lantern is covered with a red and blue shade made of silk, which symbolizes a bride and groom. There is a wish for the harmony of yin (female) and yang (male) in the *Cheongsa Chorong*.

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# The Green Book:

## Current Economic Trends

### Overview

01. External economic situation
02. Private consumption
03. Facility investment
04. Construction investment
05. Exports and imports
06. Mining and manufacturing production
07. Service sector activity
08. Employment
09. Financial markets
10. Balance of payments
11. Prices
12. Real estate market
13. Composite indices of business cycle indicators

## OVERVIEW

The Korean economy has stayed on a recovery path backed by strong exports and consumption, but investment is slowing down and uncertainties are increasing amid trade conflicts between the US and China.

The economy added 3,000 jobs year-on-year in August led by construction jobs. Manufacturing jobs and service jobs fell. Young adult unemployment rose (9.4% → 10.0%, up 0.6%p, y-o-y).

Consumer prices rose 1.4 percent year-on-year in August. Consumer prices stayed stable (up 1.5% → up 1.4%, y-o-y, compared with a month ago) due to electricity rate cuts, despite high prices of fruit and vegetables amid the heatwave.

All industry production rose in July (down 0.7% → up 0.5%, m-o-m): Mining and manufacturing production rose (down 0.7% → up 0.4, m-o-m) due to an improvement in other transportation equipment, chemical products and mechanical equipment. Service output stayed flat (up 0.1% → 0.0%, m-o-m) as strong professional, scientific & technical services was offset by weak financial & insurance services.

Retail sales rose in July (up 0.7% → up 0.5%, m-o-m) as the sales of durable goods, semi-durable goods and nondurable goods all improved.

Facility investment continued to fall in July (down 7.1% → down 0.6%, m-o-m) as machinery investment declined. Construction completed went down (down 4.0% → down 0.1%, m-o-m), despite an improvement in civil engineering works, as building construction declined.

In July, the cyclical indicator of the coincident composite index fell 0.3 points to 99.1, and the cyclical indicator of the leading composite index fell 0.2 points to 99.8.

Exports rose 8.2 percent year-on-year in August, posting US \$51.2 billion, backed by strong petroleum products, steel and semiconductors. Average daily exports rose for four months in a row.

In August KOSPI rose amid growing expectations that regulations on biological industries would be eased. The dollar-won exchange rate fell after the US-Mexico trade deal to revise NAFTA, despite financial market volatility in emerging economies, as the deal led to falling demand for safer assets. Government bond yields fell.

Housing prices rose in August (down 0.02% → up 0.02%, m-o-m) due to price hikes in the Seoul metropolitan area, and Jeonse (lump-sum deposits with no monthly payments) prices continued to fall across the country (down 0.21% → down 0.20%, m-o-m).



The economy is expected to continue to recover given improving global economies and strong exports, but job markets are weak and there are external risks, such as US-China trade conflicts, Fed's rate hikes and high oil prices.

The government will strengthen its risk management, boost the economy through increased fiscal spending, and increase support for low-income households and small merchants, as well as assist job creation through policies to promote new technologies and industries.

## 1. External economic situation

The global economy has stayed on a recovery path. However, risks linger, which may arise from trade conflicts between major countries, monetary policy normalization in advanced economies and financial market volatility in emerging economies.

### US

The US economy grew 4.2 percent (*annualized q-o-q, preliminary*) in the second quarter of 2018 backed by an improvement in the labor market, strong domestic demand and fiscal stimulus.

Industrial production rose 0.1 percent month-on-month in July, despite a slowdown in mining output (*down 0.3%, m-o-m*), as manufacturing production (*up 0.3%, m-o-m*) improved. The ISM Manufacturing Index rebounded in August.

#### ISM Manufacturing Index (base=50)

59.3 (Mar 2018) → 57.3 (Apr) → 58.7 (May) → 60.2 (Jun) → 58.1 (Jul) → 61.3 (Aug)

Retail sales in July rose 0.5 percent month-on-month led by strong automobiles, food and clothing. Consumer confidence jumped in August.

#### Conference Board Consumer Confidence Index (1985=100)

127.0 (Mar 2018) → 125.6 (Apr) → 128.8 (May) → 127.1 (Jun) → 127.9 (Jul) → 133.4 (Aug)

Existing home sales dropped 0.7 percent month-on-month in July to an annual rate of 5,340,000 homes (*down 1.5%, y-o-y*). New home sales fell 1.7 percent to an annual rate of 630,000 units (*up 12.8%, y-o-y*).

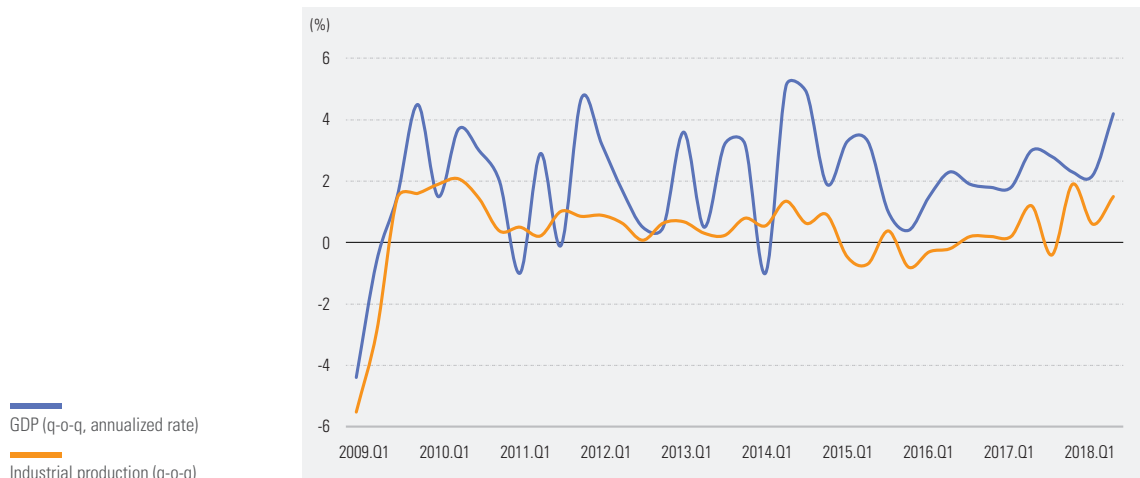
#### Case-Shiller Home Price Index (y-o-y, %)

6.4 (Jan 2018) → 6.7 (Feb) → 6.8 (Mar) → 6.7 (Apr) → 6.5 (May) → 6.3 (Jun)

#### New home sales (m-o-m, %)

4.7 (Feb 2018) → 1.4 (Mar) → -5.8 (Apr) → 3.3 (May) → -2.4 (Jun) → -1.7 (Jul)

## US GDP growth and industrial production



Sources: US Department of Commerce, Federal Reserve Board

In August, nonfarm payrolls added 201,000 new jobs, and the employment rate declined 0.2 percentage points from the previous month to 60.3 percent. The unemployment rate stayed unchanged at 3.9 percent.

### Labor force participation rate (%)

62.9 (Mar 2018) → 62.8 (Apr) → 62.7 (May) → 62.9 (Jun) → 62.9 (Jul) → 62.7 (Aug)

### Nonfarm payroll increase (m-o-m, thousands)

155 (Mar 2018) → 175 (Apr) → 268 (May) → 208 (Jun) → 147 (Jul) → 201 (Aug)

### Unemployment rate (%)

4.1 (Mar 2018) → 3.9 (Apr) → 3.8 (May) → 4.0 (Jun) → 3.9 (Jul) → 3.9 (Aug)

(Percentage change from previous period)

	2016	2017				2018						
	Annual	Annual	Q1	Q2	Q3	Q4	Q1	Q2	May	Jun	Jul	Aug
Real GDP <sup>1</sup>	1.6	2.2	1.8	3.0	2.8	2.3	2.2	4.2	-	-	-	-
- Personal consumption expenditures	2.7	2.5	1.8	2.9	2.2	3.9	0.5	3.8	-	-	-	-
- Nonresidential fixed investment	0.5	5.3	9.6	7.3	3.4	4.8	11.5	8.5	-	-	-	-
- Residential fixed investment	6.5	3.3	11.1	-5.5	-0.5	11.1	-3.4	-1.6	-	-	-	-
Industrial production	-1.9	1.6	0.2	1.2	-0.4	1.9	0.6	1.5	-0.8	1.0	0.1	-
Retail sales	2.9	4.7	1.5	0.6	1.0	2.3	0.4	1.8	1.2	0.2	0.5	-
Existing home sales	4.1	1.7	1.0	-1.0	-2.6	3.5	-1.5	-1.7	-0.7	-0.6	-0.7	-
Unemployment rate <sup>2</sup>	4.9	4.4	4.7	4.3	4.3	4.1	4.1	3.9	3.8	4.0	3.9	3.9
Consumer prices (y-o-y)	1.3	2.1	2.6	1.9	2.0	2.1	2.3	2.6	2.8	2.9	2.9	-

1. Annualized rate (%)

2. Seasonally adjusted

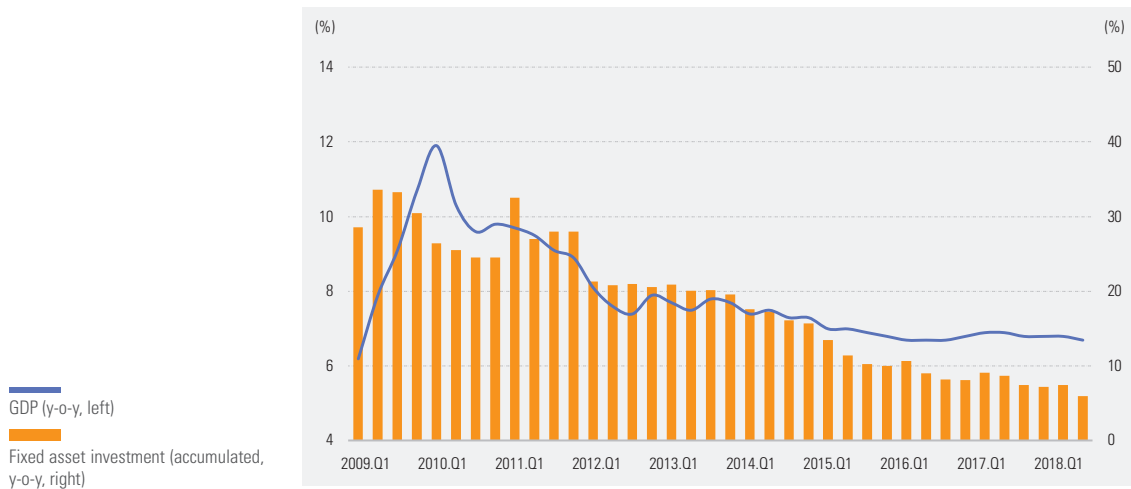
Sources: US Department of Commerce, Bloomberg



## China

China's economy grew 6.7 percent year-on-year in the second quarter of 2018, exceeding the government's annual growth target of 6.5 percent, due to strong retail sales.

### China's GDP growth and fixed asset investment



Source: China National Bureau of Statistics

(Percentage change from same period in previous year)

	2015	2016	2017				2018					
	Annual	Annual	Annual	Q1	Q2	Q3	Q4	Q1	Q2	Jun	Jul	Aug
<b>Real GDP</b>	6.9	6.7	6.9	6.9	6.9	6.8	6.8	6.8	6.7	-	-	-
<b>Industrial production</b>	6.1	6.0	6.6	6.8	6.9	6.3	6.2	6.1	6.6	6.0	6.0	-
<b>Fixed asset investment (accumulated, nominal)</b>	10.0	8.1	7.2	9.2	8.6	7.5	7.2	7.5	6.0	6.0	5.5	-
<b>Retail sales (nominal)</b>	10.6	10.4	10.2	10.2	10.8	10.3	9.9	9.7	9.0	9.0	8.8	-
<b>Exports</b>	-2.8	-6.6	6.5	3.2	6.6	6.1	9.4	13.7	11.8	11.2	12.2	9.8
<b>Consumer prices<sup>1</sup></b>	1.4	2.0	1.6	1.4	1.4	1.6	1.8	2.2	1.8	1.9	2.1	2.3
<b>Producer prices<sup>1</sup></b>	-5.2	-1.3	6.3	7.4	5.8	6.2	5.9	3.7	4.1	4.7	4.6	4.1

1. The quarterly increase shows an average of monthly increases

Source: China National Bureau of Statistics



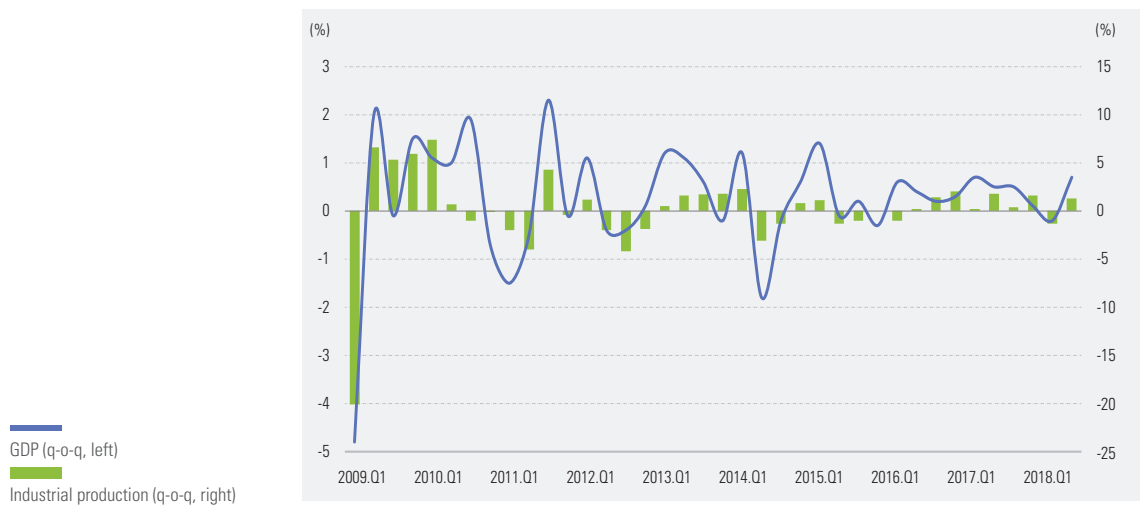
## Japan

Japan's economy grew 0.7 percent quarter-on-quarter in the second quarter backed by improving consumption and strong facility investment.

### Unemployment rate (%)

2.8 (Jun 2017) → 2.8 (Jul) → 2.8 (Aug) → 2.8 (Sep) → 2.8 (Oct) → 2.7 (Nov) → 2.7 (Dec)  
→ 2.4 (Jan 2018) → 2.5 (Feb) → 2.5 (Mar) → 2.5 (Apr) → 2.2 (May) → 2.4 (Jun) → 2.5 (Jul)

### Japan's GDP growth and industrial production



Sources: Japan's Cabinet Office, Ministry of Economy Trade and Industry, Ministry of Finance, Statistics Bureau of Japan

(Percentage change from previous period)

	2015	2016	2017				2018					
	Annual	Annual	Annual	Q1	Q2	Q3	Q4	Q1	Q2	May	Jun	Jul
Real GDP	1.4	1.0	1.7	0.7	0.5	0.5	0.1	-0.2	0.7	-	-	-
Industrial production	-1.2	-0.2	4.5	0.2	1.8	0.4	1.6	-1.3	1.3	-0.2	-1.8	-0.1
Retail sales (nominal)	-0.3	-0.6	1.9	-0.2	0.6	0.1	1.3	-0.6	0.4	-1.7	1.4	0.1
Exports (y-o-y)	3.8	-7.4	11.8	8.5	10.5	15.1	13.0	4.9	7.5	8.1	6.7	3.9
Consumer prices (y-o-y)	0.8	-0.1	0.5	0.3	0.4	0.6	0.6	1.3	0.7	0.7	0.7	0.9

Sources: Japan's Cabinet Office, Ministry of Economy, Trade and Industry, Ministry of Finance, Statistics Bureau of Japan



## Eurozone

The eurozone economy grew 0.4 percent quarter-on-quarter in the second quarter, despite a slowdown in industrial production (down 0.2%, q-o-q), as retail sales increased 0.6 percent.

### Unemployment rate (%)

8.7 (Nov 2017) → 8.7 (Dec) → 8.6 (Jan 2018) → 8.6 (Feb) → 8.5 (Mar) → 8.4 (Apr) → 8.2 (May) → 8.2 (Jun) → 8.2 (Jul)

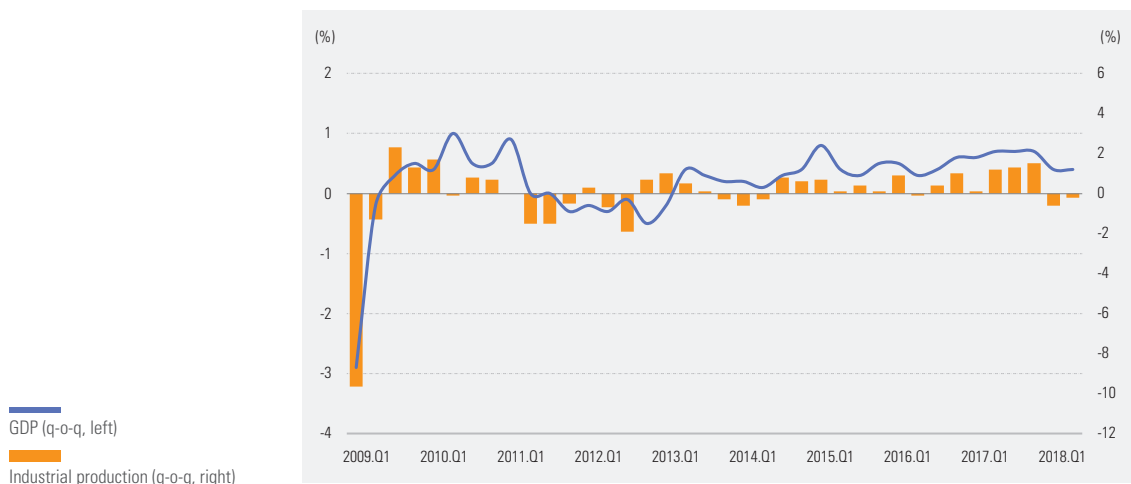
### Manufacturing PMI

60.1 (Nov 2017) → 60.6 (Dec) → 59.6 (Jan 2018) → 58.6 (Feb) → 56.6 (Mar) → 56.2 (Apr) → 55.5 (May) → 54.9 (Jun) → 54.1 (Jul) → 54.6 (Aug)

### Eurozone Economic Sentiment Indicator (base 2010=100)

114.0 (Nov 2017) → 115.3 (Dec) → 114.9 (Jan 2018) → 114.1 (Feb) → 112.7 (Mar) → 112.7 (Apr) → 112.5 (May) → 112.3 (Jun) → 112.1 (Jul) → 111.6 (Aug)

## Eurozone's GDP growth and industrial production



Source: Eurostat

(Percentage change from previous period)

	2015	2016	2017				2018					
	Annual	Annual	Annual	Q1	Q2	Q3	Q4	Q1	Q2	May	Jun	Jul
Real GDP	2.1	1.9	2.4	0.6	0.7	0.7	0.7	0.4	0.4	-	-	-
Industrial production	2.1	1.6	2.9	0.1	1.2	1.3	1.5	-0.6	-0.2	1.4	-0.7	-
Retail sales	2.9	1.6	2.3	0.3	0.8	0.4	0.4	0.0	0.6	0.3	-0.2	-
Exports (y-o-y)	5.3	0.3	7.1	1.2	1.3	-2.2	6.0	2.1	1.0	3.5	4.8	-
Consumer prices (y-o-y)	0.0	0.2	1.5	1.8	1.5	1.4	1.4	1.3	1.7	1.9	2.0	2.1

Sources: Eurostat, Bloomberg

## 2. Private consumption

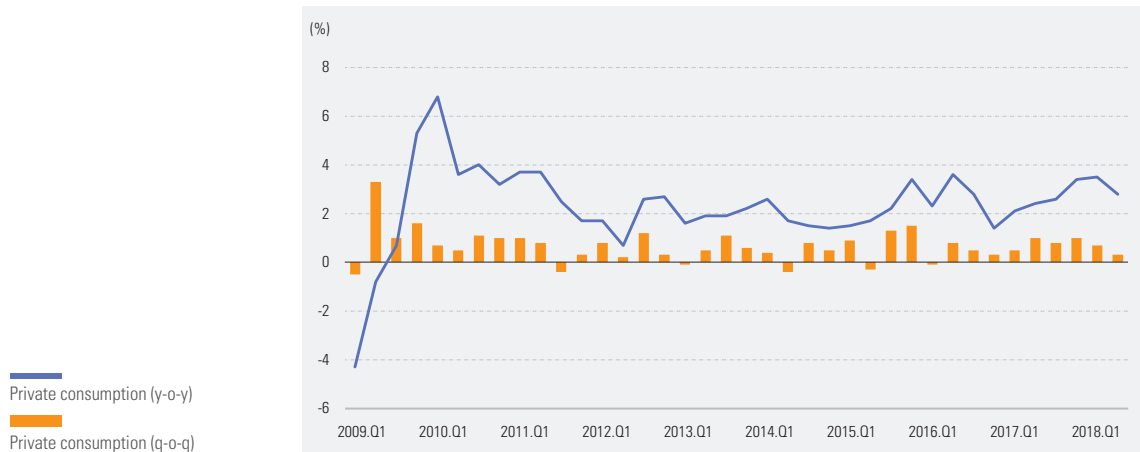
Private consumption (*preliminary GDP*) in the second quarter of 2018 rose 0.3 percent compared to the previous quarter and 2.8 percent compared to a year ago.

(Percentage change from previous period)

	2015	2016					2017					2018	
	Annual	Annual	Q1	Q2	Q3	Q4	Annual <sup>1</sup>	Q1 <sup>1</sup>	Q2 <sup>1</sup>	Q3 <sup>1</sup>	Q4 <sup>1</sup>	Q1 <sup>1</sup>	Q2 <sup>1</sup>
Private consumption <sup>2</sup>	2.2	2.5	-0.2	0.8	0.5	0.3	2.6	0.5	1.0	0.8	1.0	0.7	0.3
(y-o-y)	-	-	2.4	3.6	2.8	1.4	-	2.1	2.4	2.6	3.4	3.5	2.8

1. Preliminary 2. National accounts Source: Bank of Korea

### Private consumption



Source: Bank of Korea (national accounts)

Retail sales in July rose 0.5 percent month-on-month: Sales of nondurable goods (*up 0.5%*), semi-durable goods (*up 0.5%*) and durable goods (*up 0.1%*) all increased. Year-on-year, the index rose 6.0 percent.

(Percentage change from previous period)

	2015	2016			2017					2018			
	Annual	Annual	Q4	Annual	Q1	Q2	Q3	Q4	Q1	Q2 <sup>1</sup>	Jun <sup>1</sup>	Jul <sup>1</sup>	
Retail sales	4.1	3.9	1.4	1.9	0.4	1.0	0.2	0.9	3.0	0.7	0.7	0.5	
(y-o-y)	-	-	2.2	-	1.6	1.0	3.2	2.1	5.0	4.7	4.1	6.0	
- Durable goods <sup>2</sup>	10.1	4.6	6.5	5.4	1.0	5.2	-3.0	1.4	5.4	2.2	-2.8	0.1	
- Automobiles	21.1	2.8	16.5	0.9	-0.5	3.5	-6.9	1.4	11.0	3.8	-4.5	-0.8	
- Semi-durable goods <sup>3</sup>	-1.2	2.3	-0.1	-1.1	-1.3	-0.5	1.1	1.4	2.8	1.0	1.6	0.5	
- Nondurable goods <sup>4</sup>	3.2	4.2	-0.3	1.7	0.8	-0.5	1.4	0.5	2.1	-0.2	2.2	0.5	

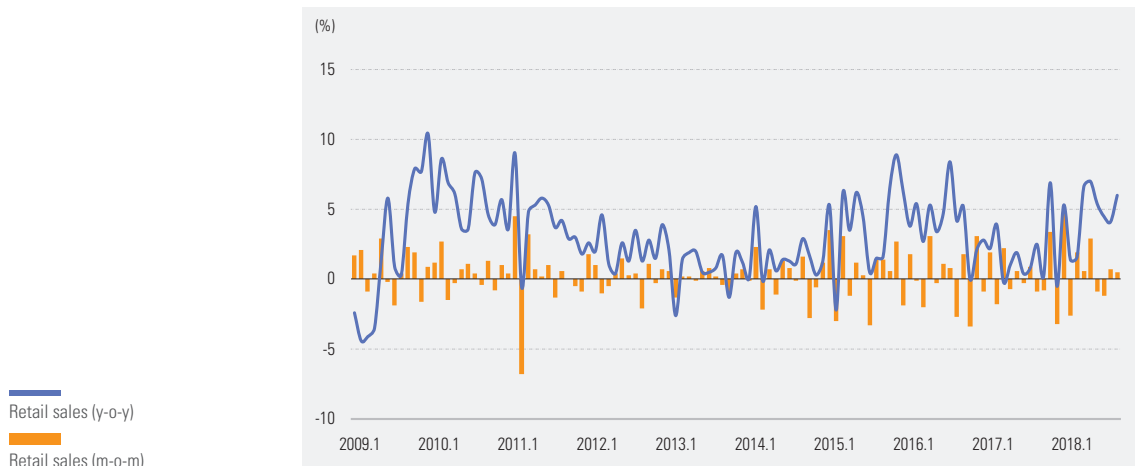
1. Preliminary 2. Durable goods: Automobiles, electronic appliances, furniture, telecommunications devices and etc

3. Semi-durable goods: Clothing, footwear and etc. 4. Nondurable goods: Food, medicine, cosmetics, fuel, tobacco and etc.

Source: Statistics Korea

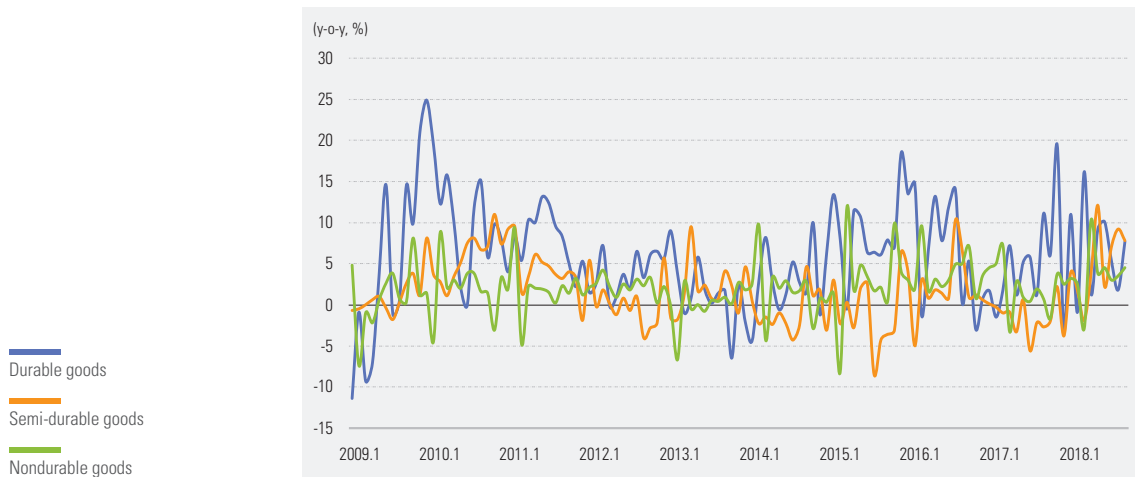


## Retail sales



Source: Statistics Korea (industrial activity trends)

## Retail sales by type



Source: Statistics Korea (industrial activity trends)

In August consumer sentiment decreased, but domestic sales of cars and large discount store sales increased, as well as credit card use.

	2018							
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug <sup>1</sup>
Credit card use (y-o-y, %)	0.2	4.2	1.2	14.1	5.2	7.7	9.7	8.8
Department store sales (y-o-y, %)	-7.9	8.5	5.5	0.5	2.0	5.0	3.2	2.9
Large discount store sales (y-o-y, %)	-8.7	24.7	3.1	-2.0	-3.0	0.9	-2.5	2.0
Domestic sales of cars (y-o-y, %)	8.6	-11.2	-3.5	1.3	-0.3	-5.9	3.3	6.8
Consumer sentiment index	109.9	108.2	108.1	107.1	107.9	105.5	101.0	99.2
Number of Chinese tourists (y-o-y, %)	-46.0	-41.5	11.8	60.9	46.2	49.0	50.2	48.7 <sup>2</sup>

1. Preliminary

2. Advanced estimates based on all Chinese entries, which can be different from the statistic released by the Ministry of Culture, Sports and Tourism as it excludes diplomatic and military personnel

Sources: Bank of Korea, Credit Finance Association of Korea, Korea National Oil Corporation, Korea Automobile Manufacturers Association, data provided by retail industries

### 3. Facility investment

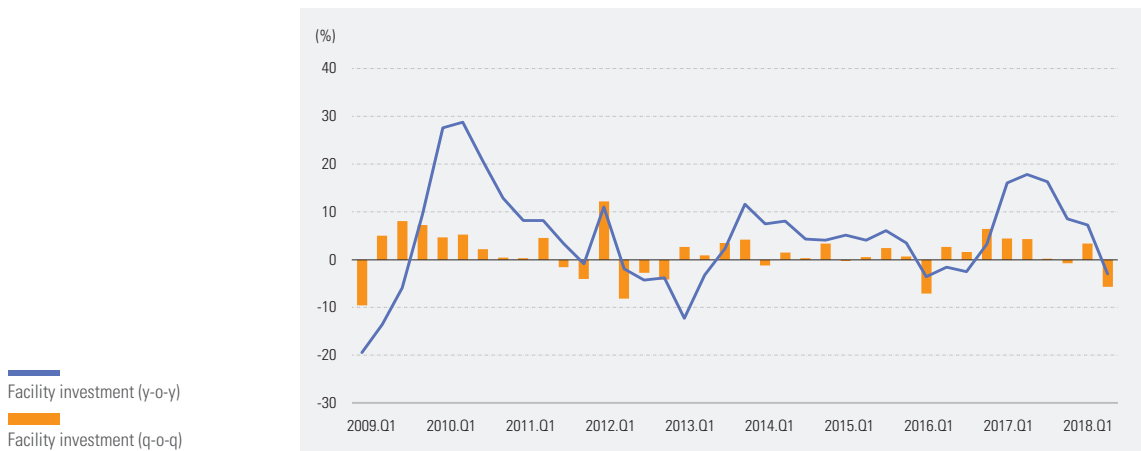
Facility investment (*preliminary GDP*) in the second quarter of 2018 fell 5.7 percent quarter-on-quarter and 3.0 percent year-on-year.

(Percentage change from previous period)

	2015	2016				2017					2018	
	Annual	Annual	Q2	Q3	Q4	Annual <sup>1</sup>	Q1 <sup>1</sup>	Q2 <sup>1</sup>	Q3 <sup>1</sup>	Q4 <sup>1</sup>	Q1 <sup>1</sup>	Q2 <sup>1</sup>
Facility investment <sup>2</sup>	4.7	-1.0	2.7	1.6	6.5	14.6	4.5	4.3	0.2	-0.7	3.4	-5.7
(y-o-y)	-	-	-1.6	-2.5	3.3	-	16.1	17.9	16.3	8.6	7.3	-3.0
- Machinery	2.9	-0.8	4.1	6.5	8.6	23.0	7.1	3.9	2.4	-1.2	4.0	-4.5
- Transportation equipment	8.7	-1.5	0.2	-7.9	1.8	-3.2	-1.7	5.3	-5.5	0.8	1.9	-9.3

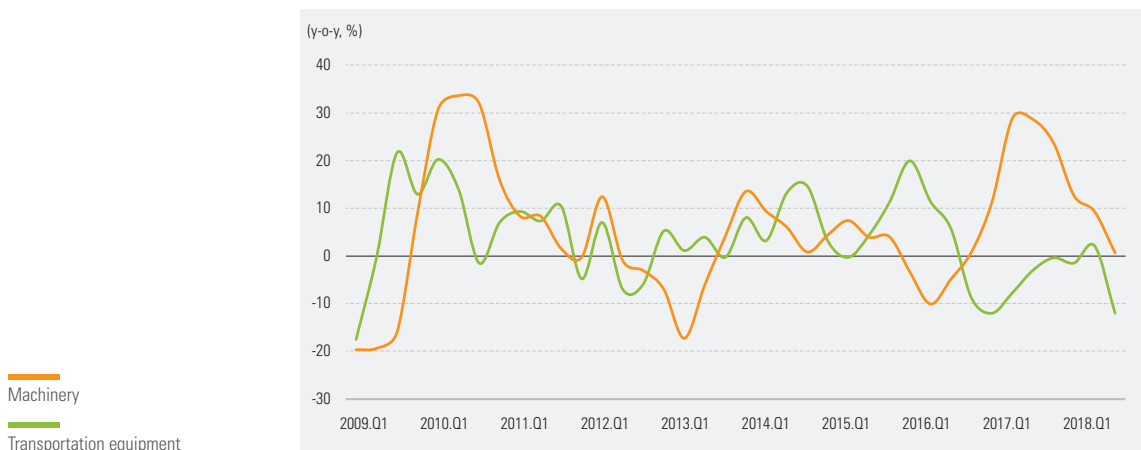
1. Preliminary 2. National accounts Source: Bank of Korea

#### Facility investment



Source: Bank of Korea (national accounts)

#### Facility investment by type



Source: Bank of Korea (national accounts)



The facility investment index in July fell 0.6 percent month-on-month as machinery investment decreased. The index fell 10.4 percent year-on-year.

(Percentage change from previous period)

	2015	2016	2017				2018					
	Annual	Annual	Annual	Q1	Q2	Q3	Q4	Q1	Q2 <sup>1</sup>	May	Jun <sup>1</sup>	Jul <sup>1</sup>
Facility investment index	6.9	-1.3	14.1	6.0	3.1	0.2	-1.7	8.4	-11.0	-2.8	-7.1	-0.6
(y-o-y)	-	-	-	18.2	17.8	20.6	2.0	9.4	-5.9	-3.5	-14.7	-10.4
- Machinery	3.6	-2.2	22.4	6.6	7.9	-0.1	-2.0	5.3	-9.4	0.6	-11.3	-3.9
- Transportation equipment	15.0	0.9	-4.4	5.1	-8.7	0.4	-0.8	17.8	-15.5	-10.8	4.9	7.4

1. Preliminary Source: Statistics Korea

The facility investment outlook is mixed: The capacity utilization rate and the BSI in the manufacturing sector increased, but domestic machinery orders received and machinery imports fell.

#### BSI in the manufacturing sector (base=100, Bank of Korea)

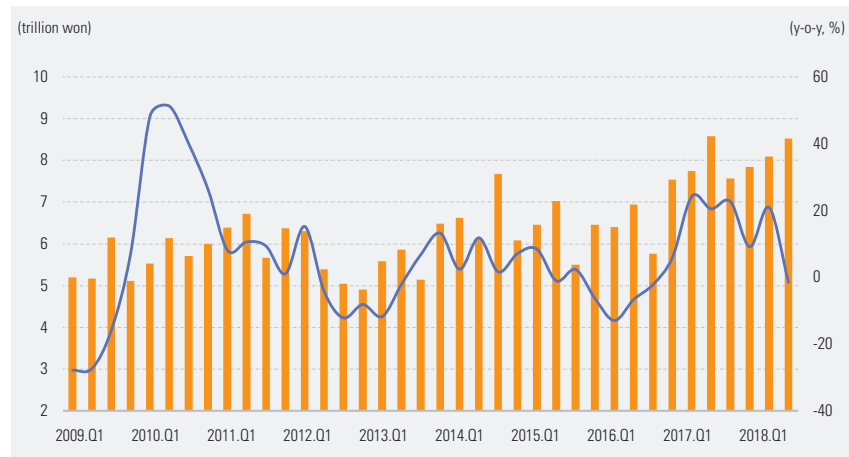
82 (Mar 2018) → 78 (Apr) → 81 (May) → 79 (Jun) → 80 (Jul) → 73 (Aug) → 77 (Sep)

(Percentage change from same period in previous year)

	2015	2016	2017				2018					
	Annual	Annual	Annual	Q1	Q2	Q3	Q4	Q1	Q2 <sup>1</sup>	May	Jun <sup>1</sup>	Jul <sup>1</sup>
Domestic machinery orders received	-3.9	4.7	19.2	21.1	23.7	31.3	4.2	4.4	-0.7	7.7	-13.4	-6.2
(q-o-q, m-o-m)	-	-	-	-8.6	11.4	1.4	0.3	-8.9	6.9	-6.9	-8.0	6.7
-Public	-61.7	49.0	-21.8	8.4	-5.8	-0.9	-54.0	-12.7	18.5	1.4	20.6	-78.0
-Private	9.6	1.1	24.1	22.5	26.3	34.1	15.0	6.1	-1.9	8.0	-15.4	2.3
Machinery imports	0.4	-2.5	18.8	24.2	20.5	22.7	9.1	20.9	-1.5	-0.6	-10.9	-9.1
Capacity utilization rate	74.4	72.9	72.6	73.5	72.0	73.0	71.8	71.0	73.3	74.0	73.4	74.3
Facility investment pressure <sup>2</sup>	-1.2	-0.4	0.5	2.6	0.2	3.9	-4.7	-2.5	1.5	2.2	0.4	2.1

1. Preliminary 2. Production growth rate minus production capacity growth rate in the manufacturing sector (%p)  
Sources: Statistics Korea, Korea International Trade Association

### Leading indicators of facility investment



Sources: Statistics Korea (machinery orders), Korea International Trade Association (machinery imports)

## 4. Construction investment

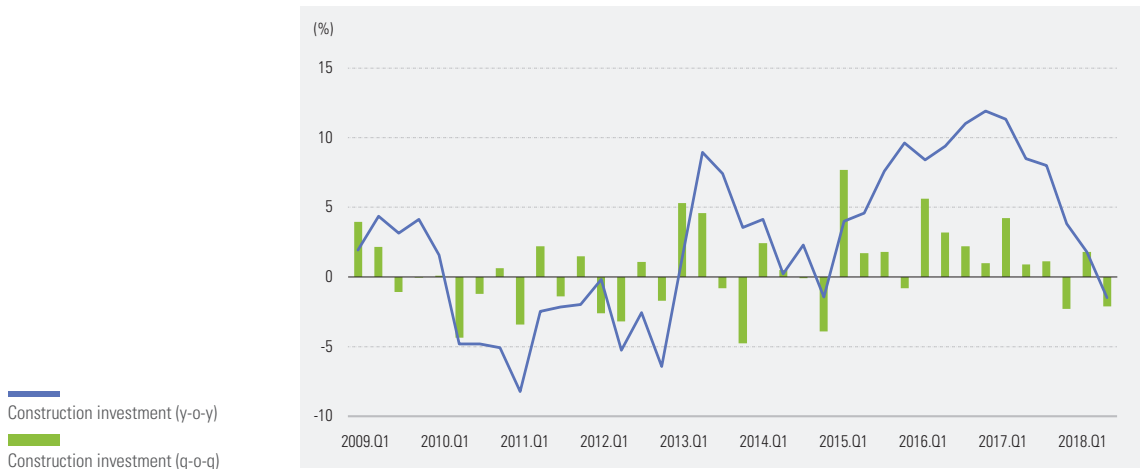
Construction investment (*preliminary GDP*) in the second quarter of 2018 fell 2.1 percent quarter-on-quarter and 1.5 percent year-on-year.

(Percentage change from previous period)

	2015	2016				2017					2018	
	Annual	Annual	Q2	Q3	Q4	Annual <sup>1</sup>	Q1 <sup>1</sup>	Q2 <sup>1</sup>	Q3 <sup>1</sup>	Q4 <sup>1</sup>	Q1 <sup>1</sup>	Q2 <sup>1</sup>
Construction investment <sup>2</sup>	6.6	10.3	3.2	2.2	1.0	7.6	4.2	0.9	1.1	-2.3	1.8	-2.1
(y-o-y)	-	-	9.4	11.0	11.9	-	11.3	8.5	8.0	3.8	1.8	-1.5
- Building construction	10.0	16.2	5.0	3.7	2.4	12.1	4.5	2.4	1.9	-1.6	0.7	-1.1
- Civil engineering works	0.3	-1.8	-1.0	-1.4	-2.7	-3.5	3.5	-3.0	-1.2	-4.2	5.3	-4.7

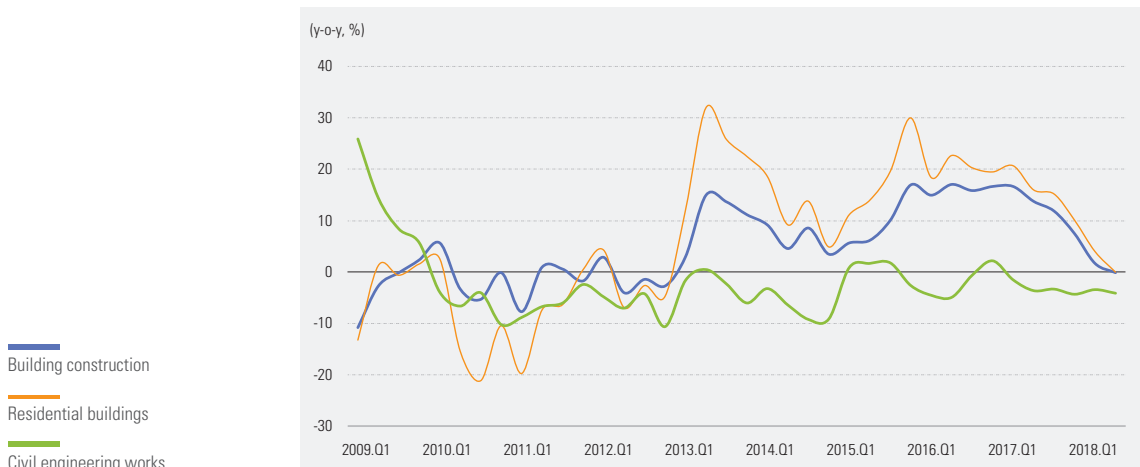
1. Preliminary 2. National accounts Source: Bank of Korea

### Construction investment



Source: Bank of Korea (national accounts)

### Construction investment by type



Source: Bank of Korea (national accounts)



Construction completed (*constant*) in July decreased 0.1 percent month-on-month as building construction declined. The index decreased 7.0 percent year-on-year.

(Percentage change from previous period)

	2015	2016	2017				2018					
	Annual	Annual	Annual	Q1	Q2	Q3	Q4	Q1	Q2 <sup>1</sup>	May	Jun <sup>1</sup>	Jul <sup>1</sup>
Construction completed ( <i>constant</i> )	5.0	15.4	10.1	4.3	-0.2	-0.3	-0.1	2.5	-5.0	-2.0	-4.0	-0.1
(y-o-y)	-	-	-	17.7	13.6	12.7	-0.5	1.5	-3.5	-2.5	-6.3	-7.0
- Building construction	7.3	25.7	18.2	5.8	2.2	1.8	-0.9	0.8	-2.3	-3.0	-3.4	-0.6
- Civil engineering works	1.2	-2.6	-8.4	0.6	-6.5	-6.2	2.3	7.4	-12.6	1.1	-6.2	1.3

1. Preliminary Source: Statistics Korea

Leading indicators show mixed signals: Construction orders received and building permits increased, but apartment presales declined.

**Apartment presales** (thousands, monthly average of the quarter, Real Estate 114)  
 56 (Q4 2016) → 19 (Q1 2017) → 27 (Q2) → 30 (Q3) → 34 (Q4) → 17 (Q1 2018) → 37 (Q2)  
 → 39 (Jul) → 11 (Aug)

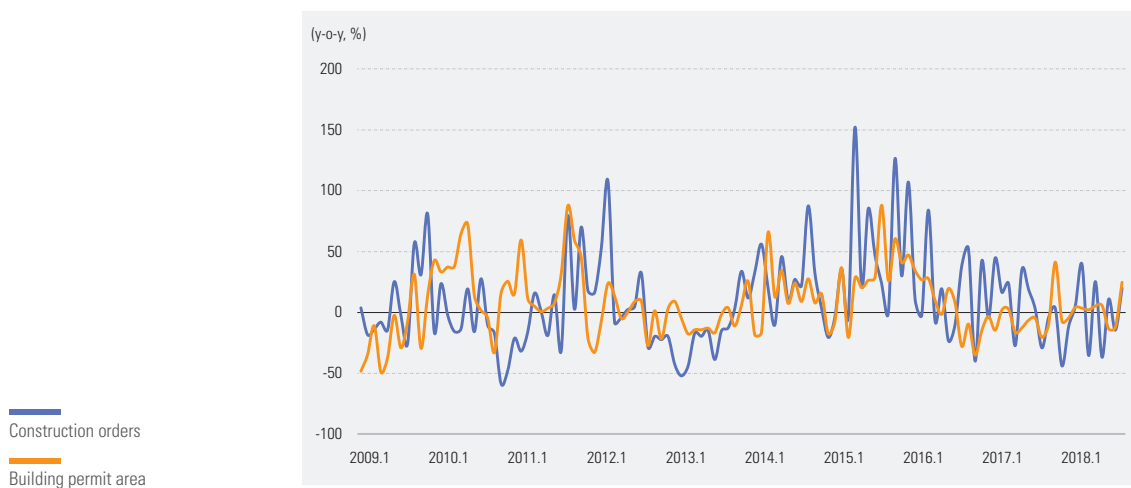
(Percentage change from same period in previous year)

	2015	2016	2017				2018					
	Annual	Annual	Annual	Q1	Q2	Q3	Q4	Q1	Q2 <sup>1</sup>	May	Jun <sup>1</sup>	Jul <sup>1</sup>
Construction orders received (current value)	48.4	8.1	-3.1	1.2	17.9	-10.2	-15.0	3.6	-15.7	10.7	-14.8	19.6
(q-o-q, m-o-m)	-	-	-	-5.4	8.5	-10.6	-1.1	8.0	-11.1	34.5	-29.6	30.5
- Building construction	50.5	14.4	-6.5	-7.7	8.4	-8.3	-15.5	-0.5	-14.7	0.9	-13.0	-13.8
- Civil engineering works	42.6	-10.5	9.7	29.7	63.3	-17.3	-13.0	13.0	-19.1	42.1	-20.3	156.5
Building permits <sup>2</sup>	34.3	-5.7	-4.0	-5.0	-7.8	-0.3	-2.4	3.7	-7.2	-13.5	-12.1	24.8

1. Preliminary 2. Floor area

Sources: Statistics Korea, Ministry of Land, Infrastructure and Transport

## Leading indicators of construction investment



Sources: Statistics Korea (construction orders), Ministry of Land, Infrastructure and Transport (building permit area)



## 5. Exports and imports

Exports (*preliminary*) increased 8.7 percent year-on-year to US \$51.20 billion in August amid improving global economies.

By item, petroleum products, semiconductors, steel and machinery continued to rise, while home appliances and vessels dropped. By region, shipments to China, Vietnam, Japan, the ASEAN countries and the US increased, while exports to the EU, the Middle East and India declined.

### Export growth by item (y-o-y, %)

46.3 (petroleum products), 31.5 (semiconductors), 20.7 (steel), 17.0 (petrochemicals), 16.3 (machinery), -25.2 (home appliances), -71.8 (vessels)

### Export growth by region (y-o-y, %)

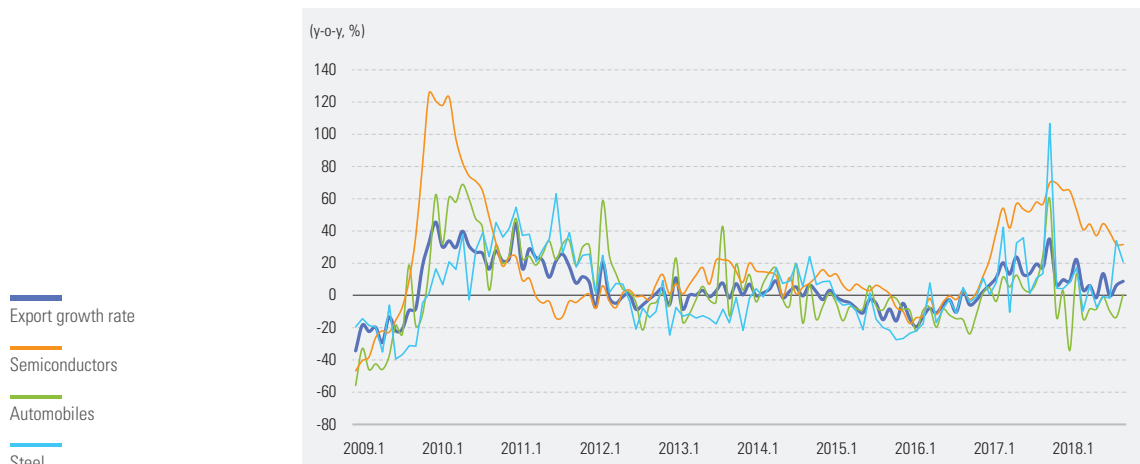
20.8 (China), 16.0 (Vietnam), 15.0 (Japan), 12.0 (ASEAN countries), 1.5 (US), -3.6 (EU), -8.2 (Middle East), -30.6 (India)

Average daily exports, an indicator adjusted to days worked, posted US \$2.13 billion in August, rising year-on-year for the fourth month in a row.

### Average daily export growth (y-o-y, %)

16.4 (Feb 2018) → 7.8 (Mar) → -4.1 (Apr) → 10.2 (May) → 6.7 (Jun) → 4.0 (Jul) → 8.7 (Aug)

### Exports by item



Sources: Korea Customs Service, Ministry of Trade, Industry and Energy (export and import trends)

(US \$ billion)

	2015	2016	2017					2018				
	Annual	Annual	Annual	Q1	Q2	Q3	Q4	Aug	Q1	Q2	Jul	Aug <sup>1</sup>
Exports	526.76	495.43	573.69	132.06	147.04	151.05	143.54	47.11	145.08	151.70	51.85	51.20
(y-o-y, %)	-8.0	-5.9	15.8	14.7	16.7	24.0	8.4	17.4	9.9	3.2	6.2	8.7
Average daily exports	1.93	1.81	2.13	1.96	2.21	2.13	2.23	1.96	2.17	2.30	2.16	2.13

1. Preliminary Source: Korea Customs Service



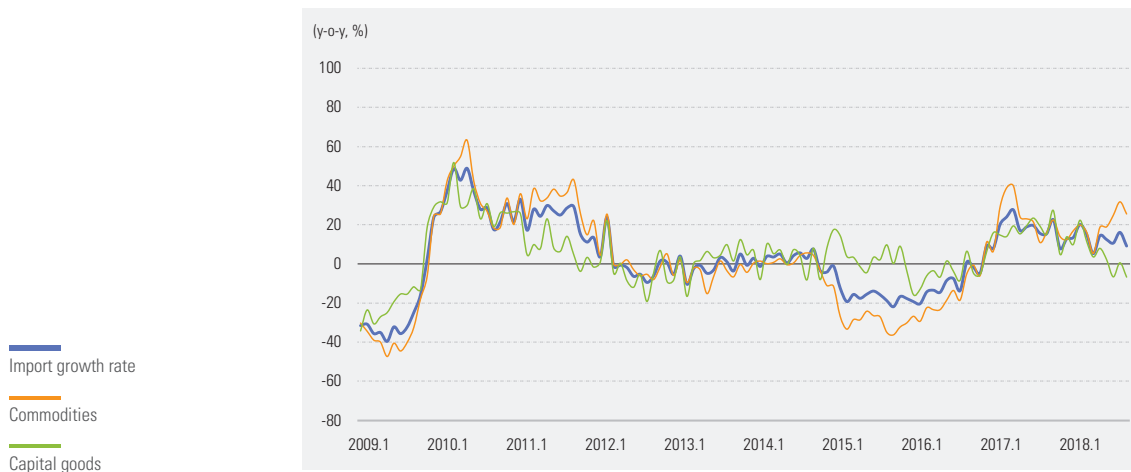
Imports (*preliminary*) in August rose 9.2 percent year-on-year to US \$44.30 billion.

Commodities imports continued to grow, while the imports of capital and consumer goods fell.

#### Import growth by category (y-o-y, %, Jul → Aug)

31.8 → 25.6 (commodities), 1.1 → -6.8 (capital goods), 8.1 → -1.4 (consumer goods)

### Imports by category



Sources: Korea Customs Service, Ministry of Trade, Industry and Energy (export and import trends)

(US \$ billion)

	2015	2016	2017						2018			
	Annual	Annual	Annual	Q1	Q2	Q3	Q4	Aug	Q1	Q2	Jul	Aug <sup>1</sup>
<b>Imports</b>	436.50	406.19	478.48	116.43	117.80	120.85	123.40	40.55	132.33	132.88	44.94	44.30
<b>(y-o-y, %)</b>	-16.9	-6.9	17.8	24.1	18.6	17.9	11.6	15.5	13.7	12.8	16.4	9.2
<b>Average daily imports</b>	1.60	1.49	1.78	1.72	1.77	1.70	1.91	1.69	1.98	2.01	1.87	1.85

1. Preliminary

Source: Korea Customs Service

The trade balance (*preliminary*) posted a surplus of US \$6.90 billion in August, staying in the black for the 79<sup>th</sup> consecutive month. Surpluses fell slightly month-on-month.

(US \$ billion)

	2015	2016	2017						2018			
	Annual	Annual	Annual	Q1	Q2	Q3	Q4	Aug	Q1	Q2	Jul	Aug <sup>1</sup>
<b>Trade balance</b>	90.26	89.23	95.22	15.63	29.25	30.20	20.14	6.56	12.75	18.82	6.91	6.90

1. Preliminary

Source: Korea Customs Service

## 6. Mining and manufacturing production

Mining and manufacturing production rose 0.4 percent month-on-month in July as mining and manufacturing improved, as well as electricity & gas production. The index increased 0.9 percent year-on-year.

Compared to the previous month, production of other transportation equipment (*up 7.1%*), chemical products (*up 2.2%*) and mechanical equipment (*up 2.2%*) rose, while automobiles (*down 4.9%*), rubber & plastics (*down 1.7%*) and groceries (*down 1.4%*) fell.

Compared to a year ago, production of semiconductors (*up 23.9%*), chemical products (*up 6.5%*) and precision medical optics (*up 22.9%*) rose, while automobiles (*down 12.0%*), processed metals (*down 7.3%*) and rubber & plastics (*down 6.3%*) declined.

The manufacturing inventory-shipment ratio fell 2.6 percentage points month-on-month to 108.5 percent as inventories fell 2.6 percent and shipments declined 0.3 percent.

Inventories of chemical products (*up 2.4%*), computers (*up 70.3%*) and cigarettes (*up 19.9%*) rose, while semiconductors (*down 17.4%*), automobiles (*down 3.6%*) and refined petroleum (*down 6.3%*) declined.

Shipments of broadcasting & communications equipment (*up 8.7%*), mechanical equipment (*up 3.5%*) and other transportation equipment (*up 6.4%*) rose, while semiconductors (*down 16.2%*), automobiles (*down 2.1%*) and rubber & plastics (*down 3.0%*) fell.

The capacity utilization rate of the manufacturing sector improved 0.9 percentage points month-on-month to 74.3 percent.

Mining and manufacturing is expected to improve given strong global economies and rising exports. However, there are uncertainties arising from the US-China trade conflicts, as well as about Fed's additional rate hikes.

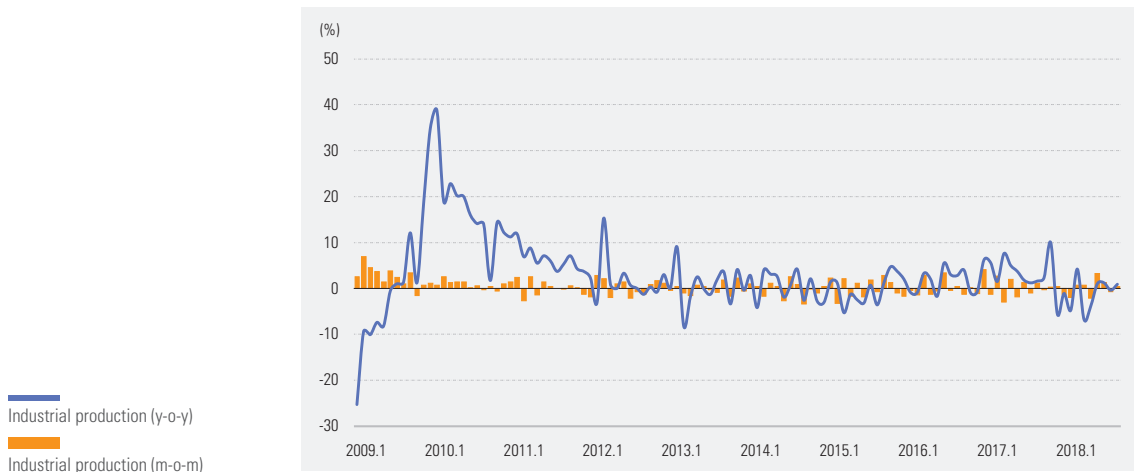
(Percentage change from same period in previous year)

		2017			2018					
		Annual	Q2	Jul	Q1	Q2 <sup>1</sup>	May	Jun <sup>1</sup>	Jul <sup>1</sup>	
Mining and manufacturing <sup>2</sup>	(q-o-q, m-o-m)	-	-1.0	1.1	-1.2	2.7	1.3	-0.7	0.4	
	(y-o-y)	1.9	2.2	1.6	-2.2	0.7	1.2	-0.4	0.9	
Manufacturing	Production	(q-o-q, m-o-m)	-	-1.2	0.6	-1.3	3.0	1.5	-1.0	0.1
		(y-o-y)	1.6	1.9	0.8	-2.8	0.5	1.2	-0.7	0.8
	Shipment	0.7	0.7	0.7	-3.8	-0.8	1.3	-2.1	-0.9	
	-Domestic consumption	1.4	1.8	2.3	-3.0	-1.3	0.7	-3.8	-2.3	
	-Exports	-0.3	-1.0	-1.5	-5.0	-0.1	1.9	0.4	1.1	
	Inventory <sup>3</sup>	8.8	0.1	1.6	10.5	8.2	5.4	8.2	4.8	
	Capacity utilization rate	72.6	72.0	72.7	71.0	73.3	74.0	73.4	74.3	
	Production capacity	1.1	1.7	0.9	-0.3	-1.0	-1.0	-1.1	-1.3	

1. Preliminary 2. Including mining, manufacturing and electricity & gas production 3. At the end of the period

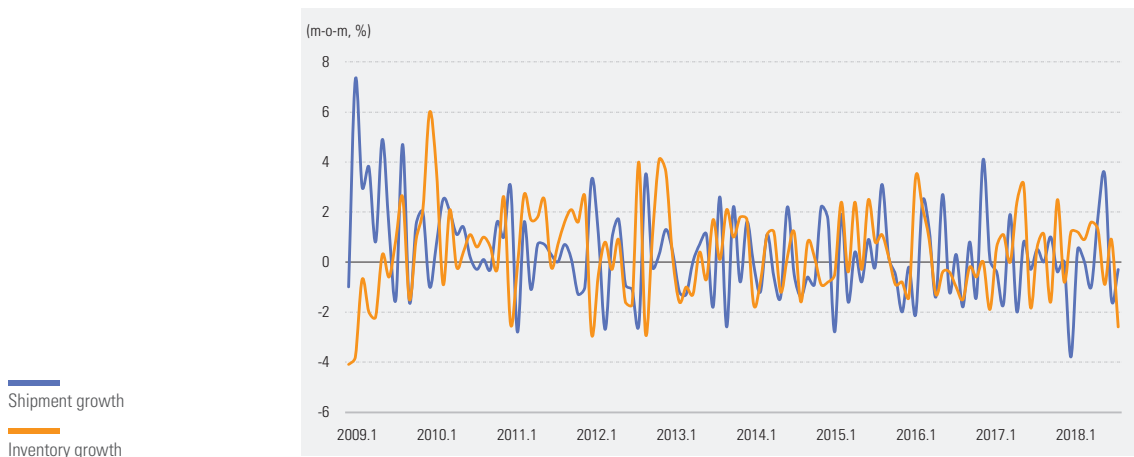


### Industrial production



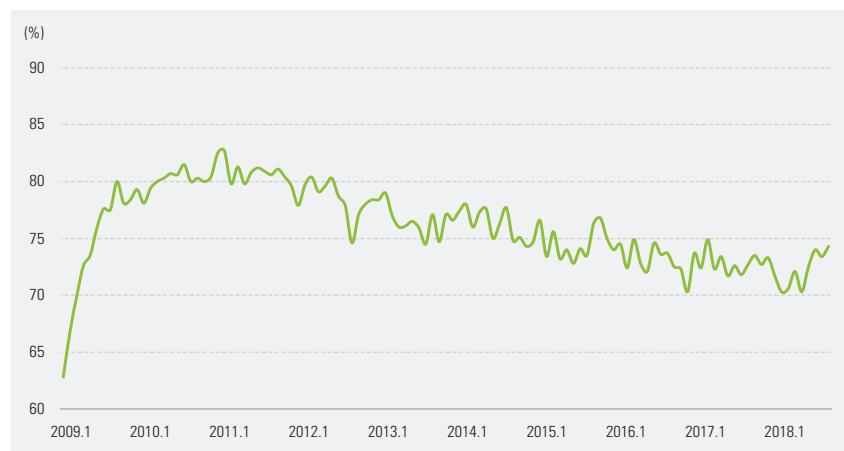
Source: Statistics Korea (industrial activity trends)

### Shipment and inventory



Source: Statistics Korea (industrial activity trends)

### Capacity utilization rate

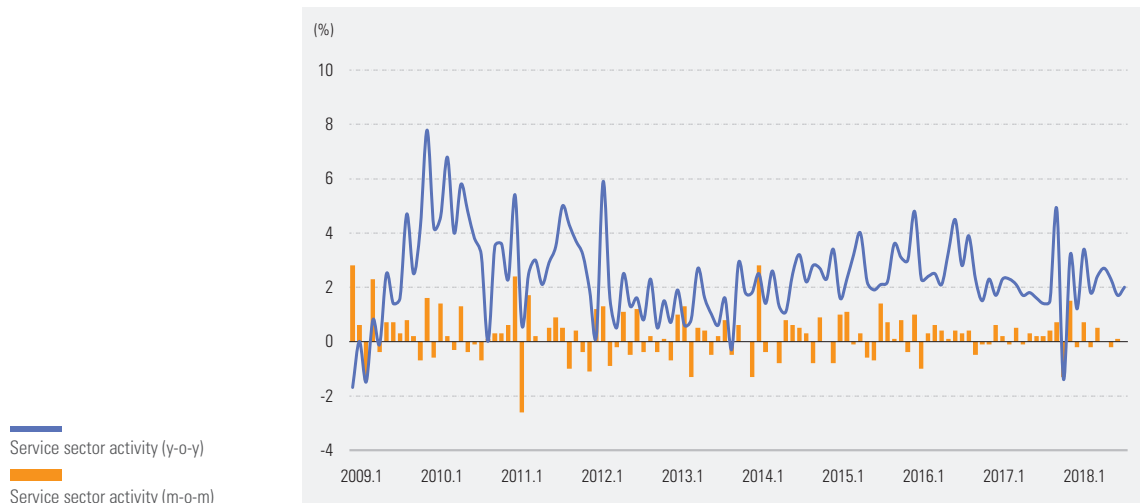


Source: Statistics Korea (industrial activity trends)

## 7. Service sector activity

Service output was steady in July, compared to the previous month. Professional, scientific & technical services rose, along with publishing & communications services, while financial & insurance services declined. Compared to a year ago, service output rose 2.0 percent.

### Service sector activity



Source: Statistics Korea (industrial activity trends)

(Percentage change from previous period)

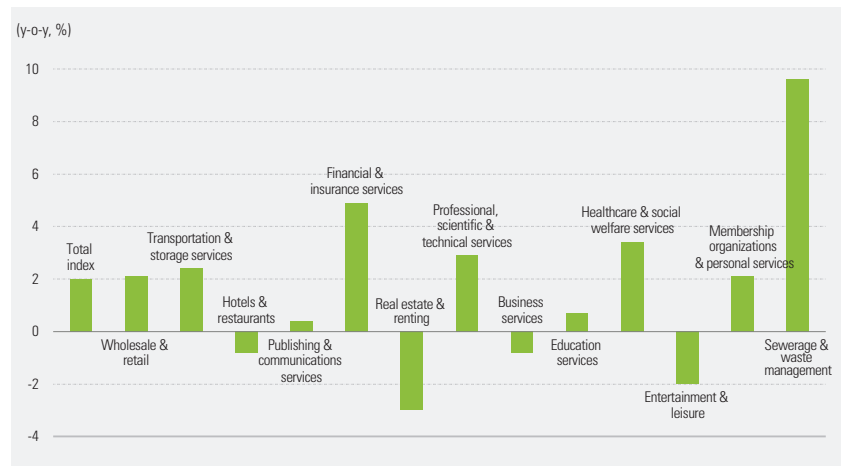
	Weight	2016	2017	2018				
		Annual	Annual	Q1	Q2 <sup>1</sup>	May	Jun <sup>1</sup>	Jul <sup>1</sup>
Service activity index	100.0	2.6	1.9	1.0	0.2	-0.2	0.1	0.0
- Wholesale & retail	21.1	2.6	0.7	1.0	-0.5	0.3	0.5	0.1
- Transportation & storage services	9.0	2.2	1.6	-0.6	3.7	0.5	0.5	-0.8
- Hotels & restaurants	6.2	2.3	-1.9	-2.0	1.7	-0.4	-1.0	0.9
- Publishing & communications services	8.0	2.5	1.5	1.5	-2.1	-2.3	-0.7	1.2
- Financial & insurance services	14.1	4.1	5.1	1.4	1.0	0.2	0.4	-2.4
- Real estate & renting	3.2	0.6	1.2	5.1	-0.7	0.0	-2.8	1.0
- Professional, scientific & technical services	7.1	-0.8	-1.6	3.2	-0.1	-0.6	-2.9	1.9
- Business services	4.8	1.5	4.3	0.2	-1.9	-0.1	-0.3	-0.6
- Education services	10.6	0.7	0.0	0.1	0.5	-0.8	-0.3	0.8
- Healthcare & social welfare services	9.4	8.1	7.0	1.5	-0.2	1.1	2.4	-0.3
- Entertainment & leisure	2.2	2.3	0.2	2.0	-1.7	-0.5	2.5	-2.5
- Membership organizations & personal services	3.2	0.3	0.0	1.4	0.1	0.2	1.9	-0.1
- Sewerage & waste management	1.1	3.1	-2.3	2.3	0.9	-3.4	-2.1	7.3

1. Preliminary

Source: Statistics Korea

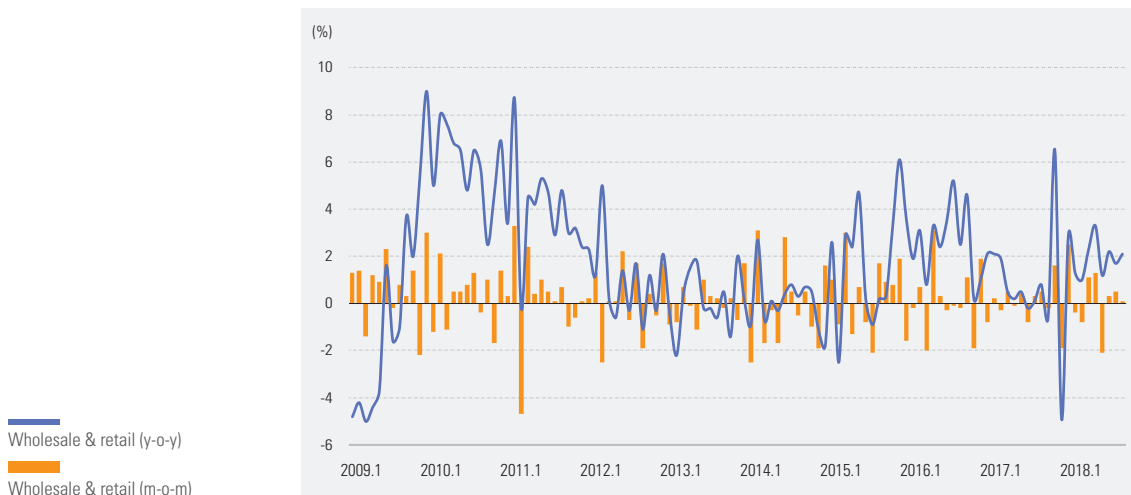


### July 2018 service output by business



Source: Statistics Korea (industrial activity trends)

### Wholesale & retail



Source: Statistics Korea (industrial activity trends)

In August stock transactions slowed, but domestic sales of cars and large discount store sales improved.

	2018							
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug <sup>1</sup>
Domestic sales of cars (y-o-y, %)	8.6	-11.2	-3.5	1.3	-0.3	-5.9	3.3	6.8
Department store sales (y-o-y, %)	-7.9	8.5	5.5	0.5	2.0	5.0	3.2	2.9
Large discount store sales (y-o-y, %)	-8.7	24.7	3.1	-2.0	-3.0	0.9	-2.5	2.0
Average daily stock transactions (trillion won)	15.8	13.0	12.4	14.3	15.0	12.5	9.0	8.8
Number of Chinese tourists (y-o-y, %)	-46.0	-41.5	11.8	60.9	46.1	49.0	50.2	48.7 <sup>2</sup>

1. Preliminary

2. Advanced estimates based on all Chinese entries, which can be different from the statistic released by the Ministry of Culture, Sports and Tourism as it excludes diplomatic and military personnel

Sources: Korea Automobile Manufacturers Association, Korea Exchange, data provided by retail industries

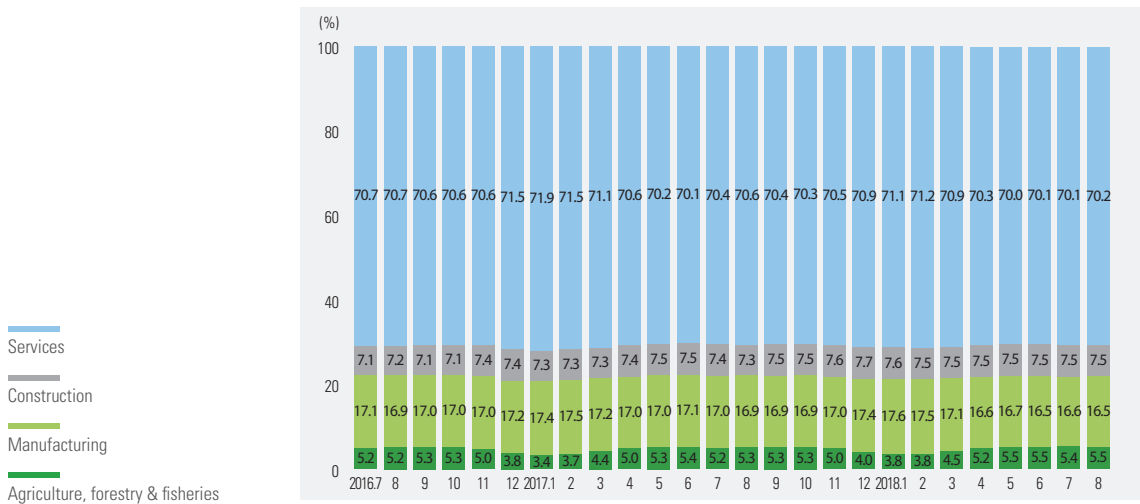
## 8. Employment

The number of workers on payroll in August increased by 3,000 from a year earlier to 26,907,000, and the employment rate (aged 15-64) fell 0.3 percentage points to 66.5 percent.

By industry, construction jobs grew at a faster rate than the previous month, while jobs in manufacturing and services fell.

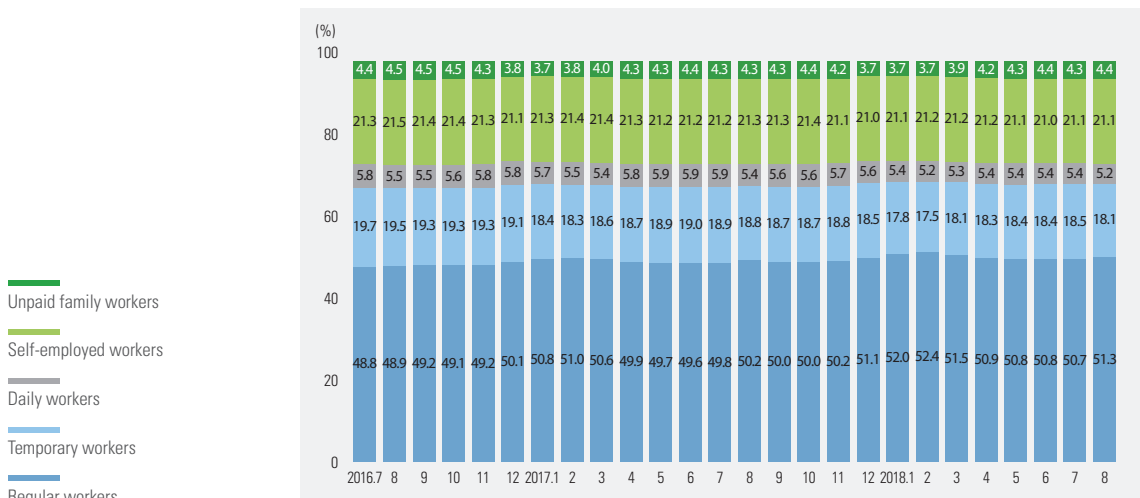
By employment status, permanent workers led job growth, while self-employed, temporary and daily workers continued to decrease.

### Employment by industry



Source: Statistics Korea (employment trends)

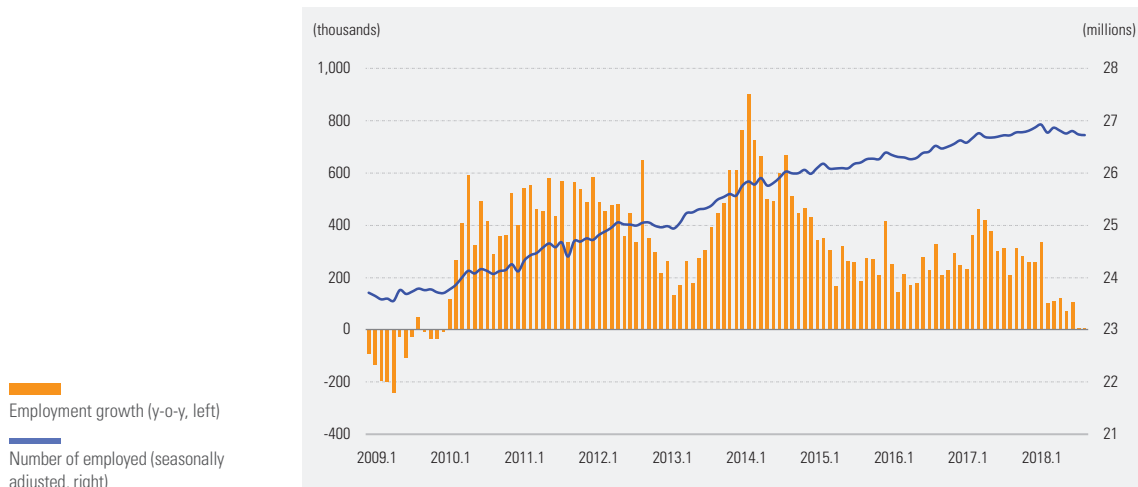
### Employment by status of workers



Source: Statistics Korea (employment trends)



## Number of persons employed and employment growth



Source: Statistics Korea (employment trends)

	2017						2018				
	Annual	Q1	Q2	Q3	Q4	Aug	Q1	Q2	Jul	Aug	
Number of employed (millions)	26.73	26.10	26.92	27.00	26.88	26.90	26.28	27.02	27.08	26.91	
Employment rate (%)	60.8	59.6	61.3	61.4	61.0	61.2	59.6	61.2	61.3	60.9	
(Seasonally adjusted)	60.8	60.9	60.8	60.8	60.9	60.8	60.9	60.7	60.5	60.4	
- 15 to 64	66.6	65.8	66.9	67.0	66.9	66.8	66.0	66.9	67.0	66.4	
Employment growth (y-o-y, thousands)	316	353	367	279	265	208	183	101	5	3	
- Manufacturing	-18	-120	-21	30	41	25	45	-91	-127	-105	
- Construction	119	136	163	84	92	37	69	16	37	53	
- Services	209	360	224	144	103	130	17	124	36	-12	
· Wholesale & retail	41	71	46	20	28	24	-74	-50	-38	-123	
· Hotels & restaurants	-3	55	4	-31	-40	-49	-24	-24	-42	-79	
· Healthcare & social welfare services	61	78	57	53	54	45	51	148	149	144	
- Wage workers	265	191	312	291	265	263	228	113	40	39	
· Permanent workers	366	317	347	417	382	467	409	335	272	278	
· Temporary workers	-132	-152	-126	-145	-104	-167	-124	-109	-108	-187	
· Daily workers	31	27	92	19	-13	-37	-57	-113	-124	-52	
- Nonwage workers	51	161	55	-12	0	-55	-45	-13	-35	-36	
· Self-employed workers	68	168	59	23	20	-11	-24	-3	-30	-53	
- Male	127	171	174	92	72	44	75	-14	-78	-51	
- Female	189	182	192	187	193	165	109	115	83	54	
- 15 to 29	-1	16	31	-7	-42	-8	26	-69	-48	-40	
- 30 to 39	-29	-53	-27	-18	-17	-38	-29	-33	-91	-78	
- 40 to 49	-50	-41	-48	-55	-54	-63	-85	-101	-147	-158	
- 50 to 59	152	177	159	139	134	126	67	62	40	5	
- 60 and above	242	254	251	221	243	191	203	241	251	274	

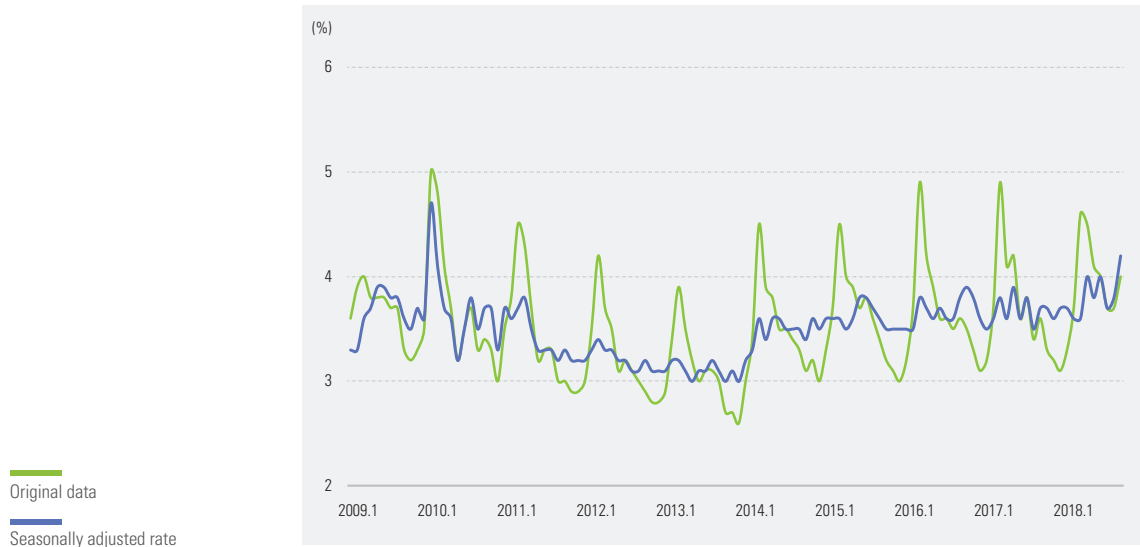
Source: Statistics Korea



The number of unemployed persons in August was up by 134,000 from a year earlier to 1,133,000, and the unemployment rate rose 0.4 percentage points to 4.0 percent.

The unemployment rate rose in all age groups except among those 60 and older, compared with a year ago.

## Unemployment rate



Source: Statistics Korea (employment trends)

	2017						2018			
	Annual	Q1	Q2	Q3	Q4	Aug	Q1	Q2	Jul	Aug
<b>Number of unemployed (thousands)</b>	1,023	1,162	1,074	963	892	999	1,181	1,105	1,039	1,133
<b>Unemployment growth (y-o-y, thousands)</b>	14	13	48	-20	14	5	19	31	81	134
- Male	12	-15	31	-8	42	4	13	15	38	67
- Female	1	28	17	-12	-28	1	6	17	43	67
<b>Unemployment rate (%)</b>	3.7	4.3	3.8	3.4	3.2	3.6	4.3	3.9	3.7	4.0
<b>(Seasonally adjusted)</b>	3.7	3.7	3.7	3.7	3.7	3.7	3.7	3.8	3.8	4.2
- 15 to 29	9.8	10.7	10.3	9.3	9.0	9.4	10.0	10.1	9.3	10.0
- 30 to 39	3.3	3.6	3.4	3.0	3.0	3.3	3.3	3.6	3.5	3.7
- 40 to 49	2.1	2.4	2.4	2.0	1.8	2.1	2.5	2.5	2.5	2.7
- 50 to 59	2.2	2.2	2.4	2.3	1.8	2.4	2.5	2.6	2.4	2.9
- 60 and above	2.9	4.8	2.3	2.2	2.2	2.3	5.4	2.5	2.2	2.3

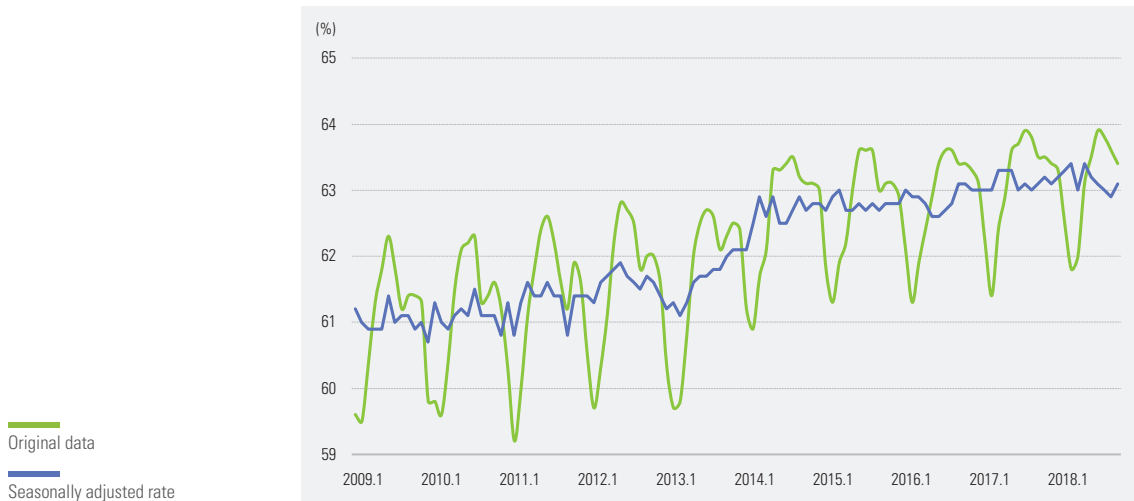
Source: Statistics Korea



The economically inactive population in August increased 108,000 from a year earlier to 16,172,000, and the labor force participation rate fell 0.1 percentage points year-on-year to 63.4 percent.

The number of persons economically inactive due to rest (*up 92,000*) and housework (*up 97,000*) increased, and those due to education (*down 119,000*) and childcare (*down 90,000*) decreased. Job seekers were down by 16,000.

## Labor force participation rate



Source: Statistics Korea (employment trends)

	2017						2018			
	Annual	Q1	Q2	Q3	Q4	Aug	Q1	Q2	Jul	Aug
Economically inactive population (millions)	16.18	16.56	15.91	16.01	16.26	16.06	16.62	16.02	16.06	16.17
Labor force participation rate (%)	63.2	62.2	63.8	63.6	63.1	63.5	62.3	63.7	63.6	63.4
(Seasonally adjusted)	63.2	63.2	63.1	63.1	63.2	63.1	63.3	63.1	62.9	63.1
Growth in economically inactive population (y-o-y, thousands)	-5	-20	-85	56	30	102	68	110	155	108
- Childcare	-96	-86	-88	-105	-107	-111	-80	-87	-88	-90
- Housework	8	31	24	8	-33	46	52	85	92	97
- Education	-91	-63	-131	-88	-81	-90	-58	-62	-94	-119
- Old age	81	60	98	98	69	106	35	6	12	18
- Rest	108	32	16	166	220	220	107	127	232	92
- Job seeking	45	44	67	79	-10	53	15	17	-41	-16

Source: Statistics Korea

## 9. Financial markets

### 9.1 Stock market

KOSPI rose 1.2 percent in August from 2,295.3 points to 2,322.9 points on expectations that regulations on bio-industries would be eased, as well as BOK's decision to freeze its benchmark interest rate. KOSDAQ rose 5.3 percent from 775.5 points to 817.0 points.

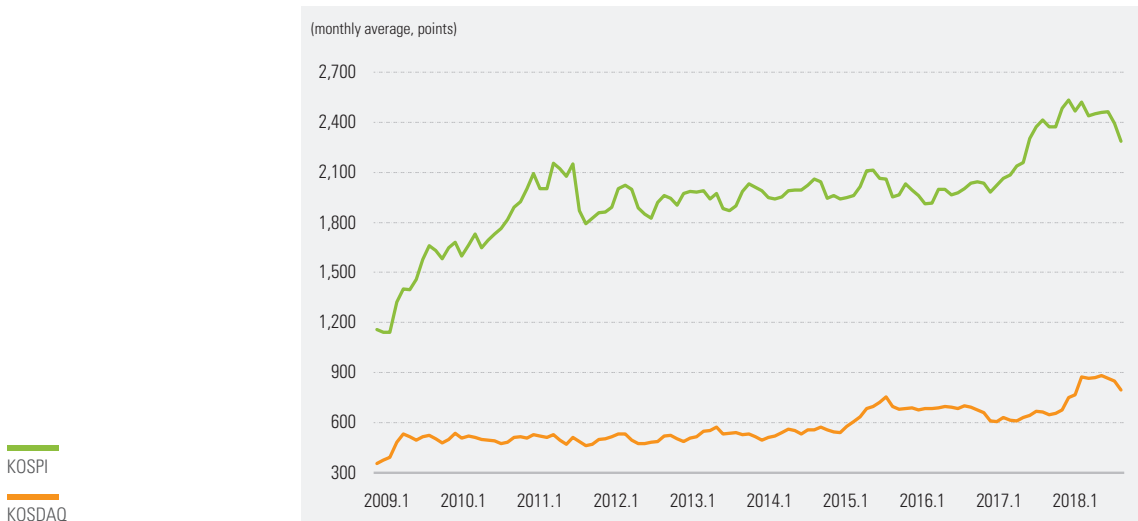
(Closing rate)

	KOSPI			KOSDAQ		
	Jul 2018	Aug 2018	Change <sup>1</sup>	Jul 2018	Aug 2018	Change <sup>1</sup>
Stock price index (points)	2,295.3	2,322.9	27.6 (1.2%)	775.5	817.0	41.5 (5.3%)
Market capitalization (trillion won)	1,536.0	1,554.9	18.9 (1.2%)	256.8	272.9	16.1 (6.3%)
Daily trade (trillion won)	5.5	5.2	-0.3 (-5.5%)	3.4	3.5	0.1 (2.9%)
Foreign stock ownership (% , %p)	36.6	36.6	0.03 (0.1%)	11.6	11.2	-0.4 (-3.4%)

1. Change from the end of the previous month as of end-August 2018

Source: Korea Exchange

### Stock prices



Source: Korea Exchange



## 9.2 Exchange rate

The dollar-won exchange rate fell 0.5 percent in August from 1,118.7 won to 1,112.9 won after the US-Mexico trade deal to revise NAFTA, which led to falling demand for safe assets.

The 100 yen-won exchange rate fell 0.2 percent from 1,004.9 won to 1,003.0 won as the won gained against the dollar.

(Closing rate<sup>1</sup>)

	2012	2013	2014	2015	2016	2017	2018		
	Dec	Dec	Dec	Dec	Dec	Dec	Jul	Aug	Change <sup>2</sup>
Dollar-Won	1,070.6	1,055.4	1,099.3	1,172.5	1,207.7	1,070.5	1,118.7	1,112.9	0.5
100 Yen-Won	1,238.3	1,002.3	913.0	974.1	1,035.4	949.3	1,004.9	1,003.0	0.2

1. The exchange rate is based on the closing price at 3:30 p.m., local time.  
 2. Appreciation from the end of the previous month as of end-August 2018 (%)  
 Source: Bank of Korea

### Foreign exchange rates



Source: Bank of Korea

### Daily foreign exchange rate trend



Source: Bank of Korea

## 9.3 Bond market

Korea treasury yields fell in August due to the ongoing US-China trade conflict as well as BOK's decision to keep interest rates on hold.

**Yield to maturity** (m-o-m, basis points)

-20.7 (3 yrs), -24.7 (5 yrs), -25.6 (10 yrs), -26.6 (20 yrs), -27.2 (30 yrs)

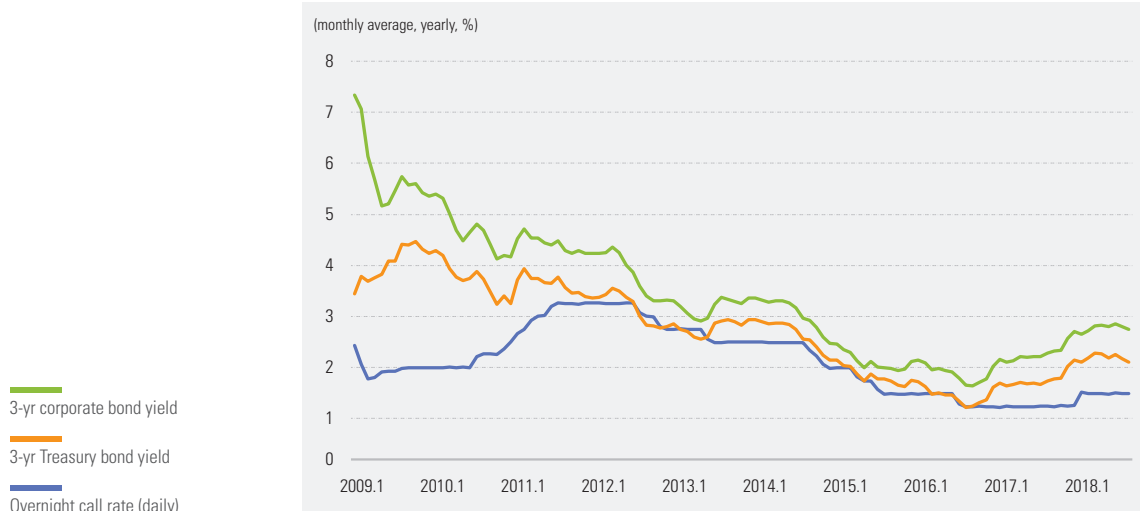
(Closing rate, %)

	2012	2013	2014	2015	2016	2017	2018			
	Dec	Dec	Dec	Dec	Dec	Dec	Jun	Jul	Aug	Change <sup>1</sup>
Call rate (1 day)	2.77	2.52	2.03	1.52	1.27	1.58	1.57	1.52	1.55	3.0
CD (91 days)	2.89	2.66	2.13	1.67	1.52	1.66	1.65	1.65	1.65	0.0
Treasury bonds (3 yrs)	2.82	2.86	2.10	1.66	1.64	2.14	2.12	2.12	1.92	-20.7
Corporate bonds (3 yrs)	3.29	3.29	2.43	2.11	2.13	2.68	2.77	2.78	2.42	-36.5
Treasury bonds (5 yrs)	2.97	3.23	2.28	1.81	1.80	2.34	2.35	2.36	2.11	-24.7

1. Basis points, %p, change from the previous month as of end-August 2018

Source: Bank of Korea

## Interest rates



Source: Bank of Korea



## 9.4 Money supply and money market

M2 (*monthly average*) in June rose 6.1 percent from a year ago as business loans increased.

(Percentage change from same period in previous year, average)

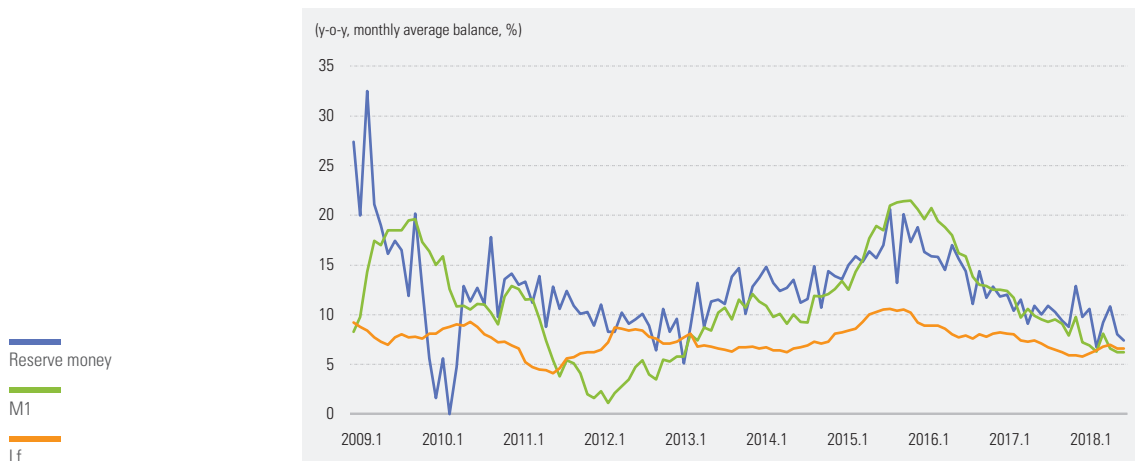
	2011	2012	2013	2014	2015	2016	2017	2018		
	Annual	Annual	Annual	Annual	Annual	Annual	Annual	May	Jun	Jun <sup>1</sup>
M1 <sup>2</sup>	6.6	3.8	9.5	10.9	18.6	15.4	9.2	6.2	5.9	846.2
M2	4.2	5.2	4.8	6.6	8.6	7.3	5.5	5.9	6.1	2,622.3
Lf <sup>3</sup>	5.3	7.8	6.9	7.0	9.7	8.1	6.7	6.6	6.7	3,671.9

1. Balance at end-June 2018, trillion won 2. M1 excludes corporate MMFs and individual MMFs, and includes CMAs

3. Liquidity aggregates of financial institutions (mostly identical with M3)

Source: Bank of Korea

### Total money supply



Source: Bank of Korea

Bank deposits decreased 8.6 trillion won in July as corporations withdrew funds from instant access deposits (*down 24.1 trillion won*) to pay VATs. Time deposits increased 6.9 trillion won with inflows of government funds.

Asset management company (AMC) deposits increased 24.3 trillion won as bank funds withdrawn in the previous month to meet financial ratio requirements flowed back into money market funds (MMFs) (*up 20.7 trillion won*).

(Change from the end of the previous period, trillion won)

	2011	2012	2013	2014	2015	2016	2017	2018			
	Annual	Annual	Annual	Annual	Annual	Annual	Annual	May	Jun	Jul	Jul <sup>1</sup>
Bank deposits	58.9	37.0	41.0	115.4	100.3	80.8	79.5	14.5	27.5	-8.6	1,594.7
AMC deposits	-16.6	18.8	17.7	42.4	44.4	47.6	27.9	1.6	-5.1	24.3	565.3

1. Balance at end-July 2018

Source: Bank of Korea

## 10. Balance of payments

Korea's current account (*preliminary*) in July posted a surplus of US \$8.76 billion, staying in the black for 77 consecutive months.

Goods account surpluses increased month-on-month from US \$10.04 billion to US \$11.43 billion.

### Growth in goods exports (y-o-y, %)

8.8 (Jun 2018) → 14.8 (Jul)

### Growth in goods imports (y-o-y, %)

9.4 (Jun 2018) → 16.8 (Jul)

### Export growth by item in July (y-o-y, %, customs clearance basis)

6.2 (total), 44.6 (petroleum products), 9.9 (computers), 31.6 (semiconductors), -15.9 (home appliances)

### Import growth by category in July (y-o-y, %, customs clearance basis)

16.4 (total), 31.8 (commodities), 1.1 (capital goods), 8.1 (consumer goods)

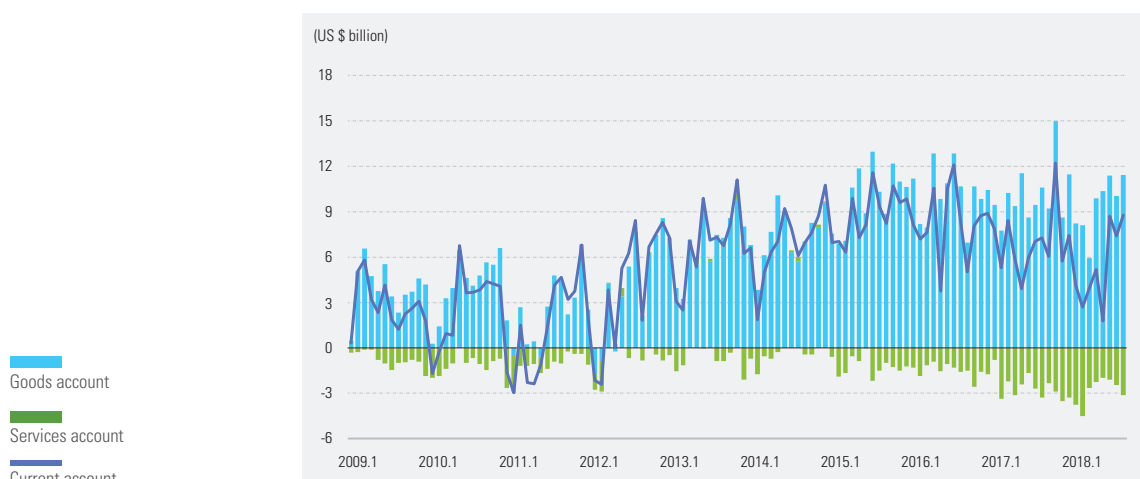
Services account deficits increased month-on-month from US \$2.45 billion to US \$3.12 billion.

### Services balance (US \$ billion, Jun → Jul)

-0.46 → -0.57 (transportation), -1.20 → -1.48 (travel), 0.68 → 0.64 (construction), -0.38 → -0.40 (intellectual property rights), -0.62 → -0.62 (manufacturing), -0.61 → -0.96 (others)

Surpluses in the primary income account increased from US \$0.46 billion to US \$1.22 billion, and deficits in the secondary income account rose from US \$0.67 billion to US \$0.77 billion.

### Current account balance



Source: Bank of Korea (balance of payments trends)



(US \$ billion)

	2016	2017						2018			
	Annual	Annual <sup>1</sup>	Q1 <sup>1</sup>	Q2 <sup>1</sup>	Q3 <sup>1</sup>	Q4 <sup>1</sup>	Jul <sup>1</sup>	Q1 <sup>1</sup>	Q2 <sup>1</sup>	Jun <sup>1</sup>	Jul <sup>1</sup>
Current account	99.24	78.46	19.20	16.45	25.57	17.24	7.25	11.83	17.83	7.38	8.76
- Goods balance	118.90	119.89	27.31	29.56	34.75	28.27	10.59	23.91	31.78	10.04	11.43
- Services balance	-17.74	-34.47	-8.66	-6.75	-8.50	-10.56	-3.29	-9.41	-6.53	-2.45	-3.12
- Primary income balance	3.85	0.12	1.37	-4.88	1.95	1.68	0.68	0.39	-5.17	0.46	1.22
- Secondary income balance	-5.77	-7.08	-0.82	-1.48	-2.63	-2.15	-0.73	-3.06	-2.26	-0.67	-0.77

1. Preliminary Source: Bank of Korea

The capital and financial account (*preliminary*) in July posted an outflow of US \$10.46 billion.

#### Capital & financial account balance\* (US \$ billion)

12.41 (Sep 2017) → 6.69 (Oct) → 10.44 (Nov) → 6.35 (Dec) → 4.11 (Jan 2018) → 4.21 (Feb) → 4.22 (Mar) → 0.01 (Apr) → 6.86 (May) → 4.73 (Jun) → 10.46 (Jul)

\* Positive figures represent net outflows, and negative figures represent net inflows.

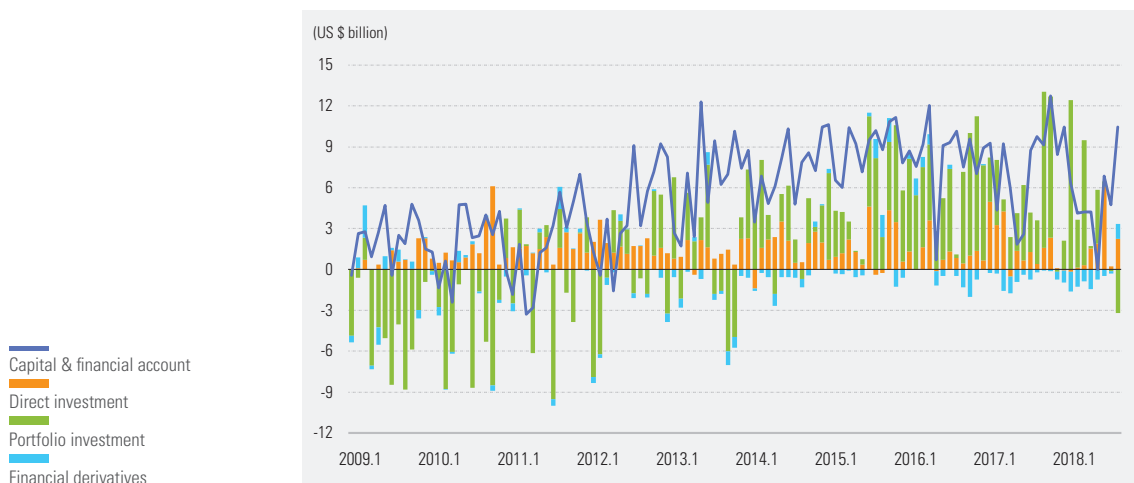
Net outflows increased in foreign direct investment (FDI) (US \$0.21 billion in June → US \$2.26 billion in July) as inbound FDI (US \$3.34 billion → US \$0.41 billion) declined faster than Korean FDI (US \$3.55 billion → US \$2.67 billion).

Net inflows increased in portfolio investment (US \$0.13 billion → US \$3.21 billion) as Korean investment in foreign shares (US \$3.95 billion → US \$1.52 billion) declined while foreign investment in Korean shares (US \$4.08 billion → US \$4.73 billion) rose.

Financial derivatives investment posted a net outflow (US \$0.17 billion net inflow → US \$1.09 billion net outflow) and net outflows in other investment rose faster (US \$1.84 billion → US \$8.83 billion).

The current account for August will post steady surpluses given trade surpluses (US \$6.90 billion in July → US \$6.90 billion in August).

#### Capital & financial account balance



Source: Bank of Korea (balance of payments trends)

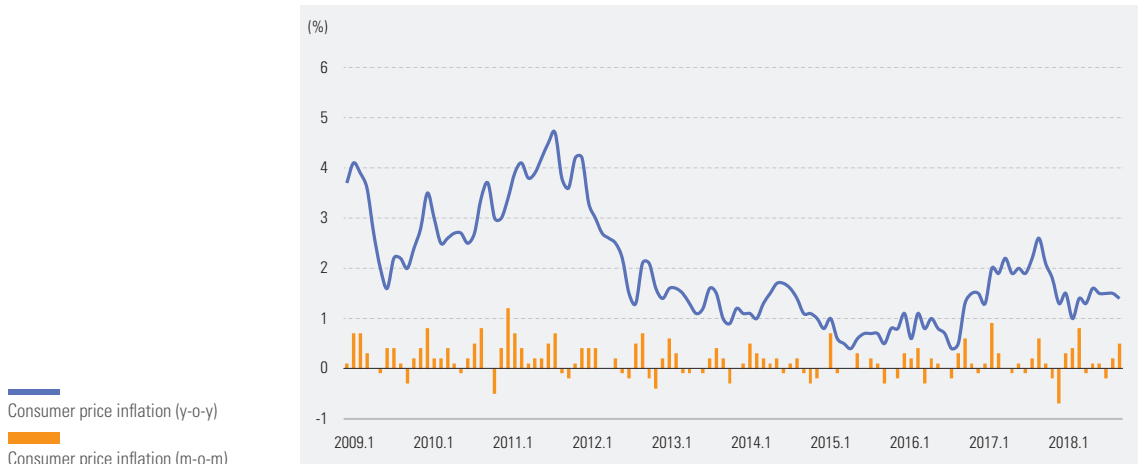


# 11. Prices

## 11.1 Consumer prices

Consumer prices in August rose 0.5 percent from the previous month and 1.4 percent from the same period of the previous year.

### Consumer price inflation



Source: Statistics Korea (consumer price trends)

(Percentage change)

	2017		2018							
	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Consumer price inflation (m-o-m)	-0.7	0.3	0.4	0.8	-0.1	0.1	0.1	-0.2	0.2	0.5
(y-o-y)	1.3	1.5	1.0	1.4	1.3	1.6	1.5	1.5	1.5	1.4

Source: Statistics Korea

Fresh food prices rose at a faster rate (*up 1.5% → up 3.5%, y-o-y*) in August as heatwaves pushed up fruit and vegetable prices.

Domestic oil prices continued to rise (*up 12.5% → up 12.0%, y-o-y*) due to a low base effect from a year ago.

Public utility prices fell sharply (*down 1.8% → down 8.9%, y-o-y*) due to the electricity rate cuts applied temporarily during the summer.

Eating out costs rose slower (*up 2.7% → up 2.6%, y-o-y*), but personal service prices excluding eating out costs went up at a faster pace (*up 1.9% → up 2.2%, y-o-y*) as a result of high travel costs.

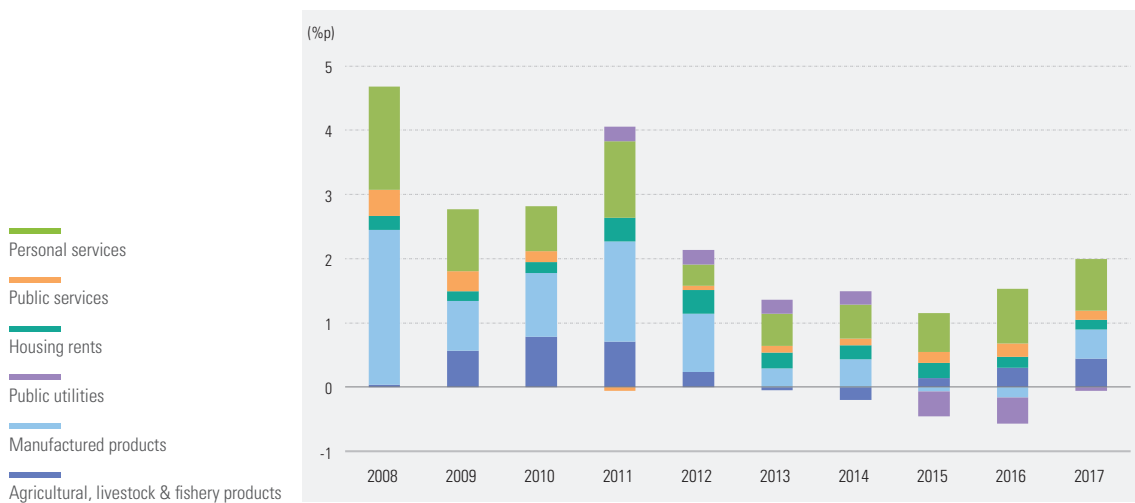


## Consumer price inflation in major sectors

	Total	Agricultural, livestock & fishery products	Manufactured products	Oil products	Public utilities	Housing rents	Public services	Personal services
Jul (y-o-y, %)	1.5	1.5	2.0	12.5	-1.8	0.6	0.0	2.2
Aug (y-o-y, %)	1.4	3.5	2.0	12.0	-8.9	0.5	-0.1	2.4
- Contribution (%p)	-	0.3	0.63	0.52	-0.35	0.05	-0.01	0.77

Source: Statistics Korea

## Contribution to consumer price inflation



Source: Statistics Korea (consumer price trends)

Core inflation, which excludes oil and agricultural products, slowed in August.

(Percentage change from same period in previous year)

	2018							
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Consumer prices excluding oil and agricultural products	1.1	1.2	1.3	1.4	1.3	1.2	1.1	0.9
Consumer prices excluding food and energy	1.2	1.3	1.4	1.4	1.4	1.2	1.0	1.0

Source: Statistics Korea

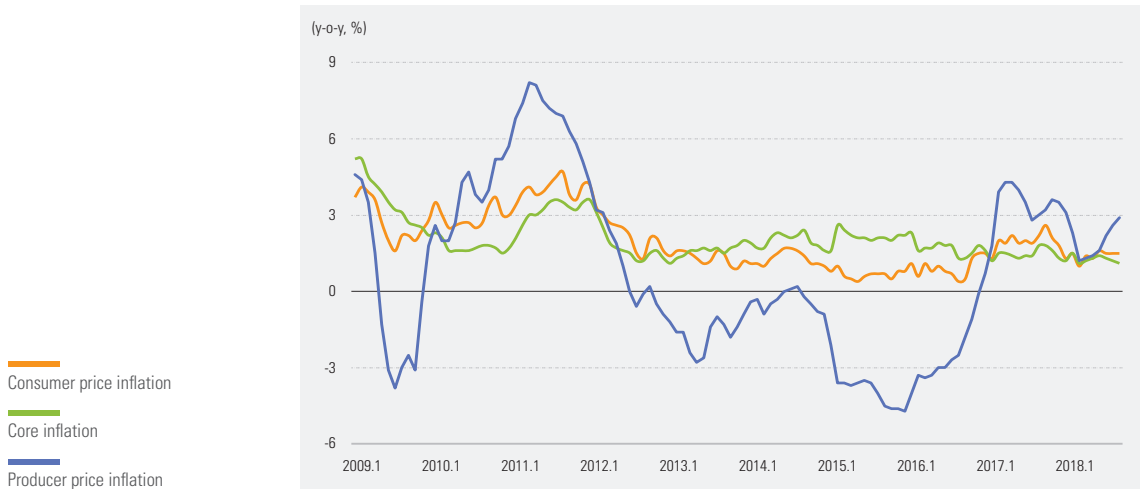
The basic necessities price index rose slower (*up 1.5% → up 1.3%, y-o-y*), while the fresh food price index rose at a faster rate (*up 0.1% → up 3.2%, y-o-y*) due to rising fruit and vegetable prices.

(Percentage change from same period in previous year)

	2018							
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Consumer prices for basic necessities	0.8	1.4	1.1	1.4	1.4	1.4	1.5	1.3
Fresh food prices	-2.6	4.3	1.0	4.7	4.5	2.0	0.1	3.2

Source: Statistics Korea

### Prices



Sources: Statistics Korea (consumer price trends), Bank of Korea (producer prices)

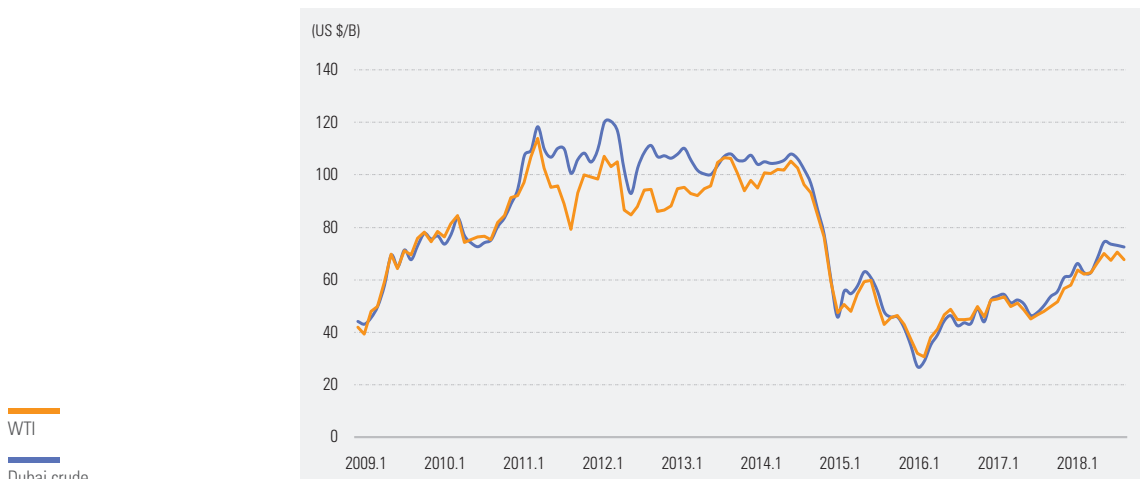
## 11.2 International oil and commodity prices

International oil prices declined in August amid growing worries over the US-China trade conflicts and financial market volatility in emerging economies, as well as due to a strong dollar.

### Dubai crude (US \$/barrel)

72.5 (1<sup>st</sup> week Aug 2018) → 72.2 (2<sup>nd</sup> week) → 70.7 (3<sup>rd</sup> week) → 72.3 (4<sup>th</sup> week) → 75.1 (5<sup>th</sup> week)

### International oil prices



Source: Korea National Oil Corporation



(US \$/barrel, period average)

	2017	2018						
	Annual	Q1	Q2	Apr	May	Jun	Jul	Aug
Dubai crude	53.2	64.0	72.1	68.3	74.4	73.6	73.1	72.5
WTI crude	50.9	62.9	67.9	66.3	70.0	67.3	70.6	67.8
Brent crude	54.7	67.2	75.0	71.8	77.0	75.9	75.0	73.8

Source: Korea National Oil Corporation

Domestic gasoline prices continued to rise in August as demand increased during the summer vacation season.

**Domestic gasoline prices (won/liter)**

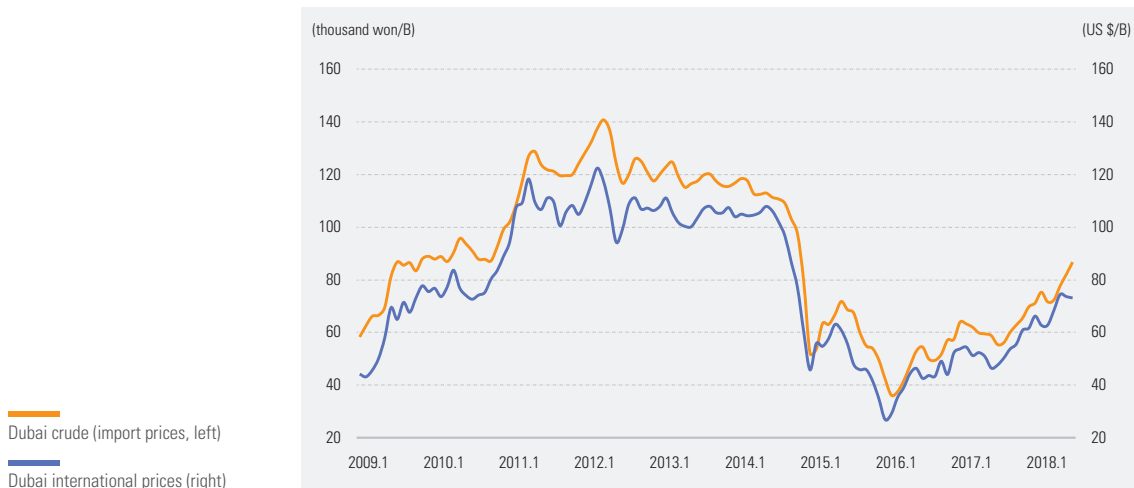
1,614.0 (1<sup>st</sup> week Aug 2018) → 1,616.5 (2<sup>nd</sup> week) → 1,618.4 (3<sup>rd</sup> week) → 1,619.4 (4<sup>th</sup> week) → 1,620.3 (5<sup>th</sup> week)

**International gasoline prices (US \$/barrel)**

78.8 (3<sup>rd</sup> week Jul 2018) → 81.7 (4<sup>th</sup> week) → 81.5 (1<sup>st</sup> week Aug) → 81.8 (2<sup>nd</sup> week) → 81.9 (3<sup>rd</sup> week) → 82.2 (4<sup>th</sup> week)

**Dollar-won exchange rate (won)**

1,117 (3<sup>rd</sup> week Jul 2018) → 1,118 (4<sup>th</sup> week) → 1,127 (1<sup>st</sup> week Aug) → 1,128 (2<sup>nd</sup> week) → 1,119 (3<sup>rd</sup> week)

**Dubai crude prices and import prices**

Source: Korea National Oil Corporation

(Won/liter, period average)

	2017	2018						
	Annual	Q1	Q2	Apr	May	Jun	Jul	Aug
Gasoline prices	1,491	1,558	1,580	1,551	1,580	1,609	1,611	1,618
Diesel prices	1,283	1,353	1,380	1,349	1,380	1,410	1,412	1,419

Source: Korea National Oil Corporation

International corn, wheat and soybean prices rose in August as hot and dry weather persisted in major grain producing areas, raising supply concerns.

**International grain prices in August** (monthly average prices, m-o-m, %)

1.7 (corn), 8.5 (wheat), 0.9 (soybeans)

Copper prices declined following the management-union deal at Chile’s Escondido mine, the largest in the world. Aluminum prices fell as China increased output.

**Nonferrous metal prices in August** (monthly average prices, m-o-m, %)

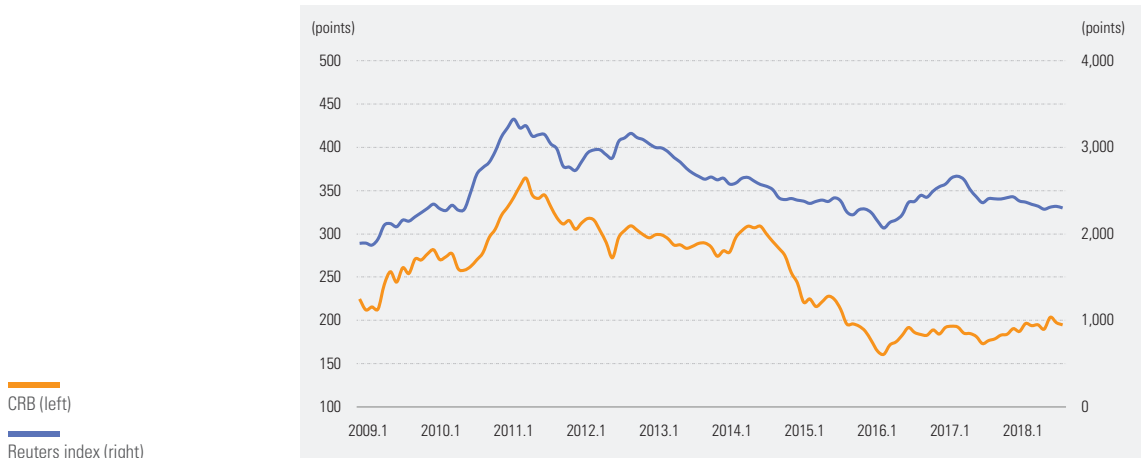
-3.4 (copper), -2.5 (aluminum), -2.5 (nickel)

(Period average)

	2017	2018						
	Annual	Q1	Q2	Apr	May	Jun	Jul	Aug
<b>Reuters Index<sup>1</sup></b> (Sep 18, 1931=100)	2,472	2,342	2,317	2,284	2,308	2,357	2,298	2,329

1. A weighted average index of 17 major commodities  
Source: KOREA PDS

**International commodity prices**



Source: KOREA PDS

\* CRB demonstrates a futures price index of 21 commodities listed on the US Commodity Transaction Market, including beans and other crops, crude oil and jewelry.



## 12. Real estate market

### 12.1 Housing market

Housing prices nationwide rose 0.02 percent month-on-month in August.

Housing prices rose 0.24 percent in the Seoul metropolitan area which includes Seoul (up 0.63%), Gyeonggi Province (up 0.05%) and Incheon (down 0.17%).

Housing prices declined 0.07 percent in the five metropolitan cities and 0.24 percent in the eight provinces.

#### Housing prices in five metropolitan cities (m-o-m, %)

Busan (-0.23), Daegu (0.19), Gwangju (0.29), Daejeon (0.16), Ulsan (-0.85)

#### Housing sales prices

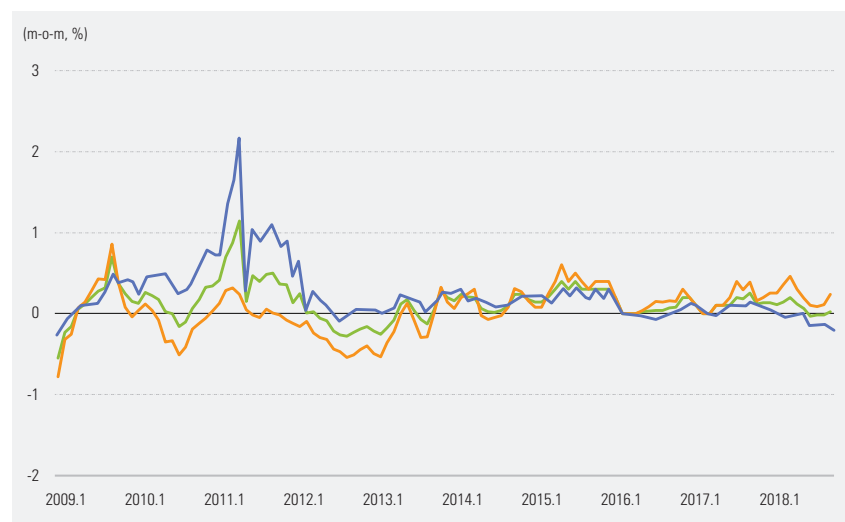
(Percentage change from previous period)

	2013	2014	2015	2016	2017		2018				
	Annual	Annual	Annual	Annual	Annual	Aug	Annual	May	Jun	Jul	Aug
Nationwide	0.3	1.7	3.5	0.7	1.5	0.25	0.5	-0.03	-0.02	-0.02	0.02
Seoul metropolitan area	-1.1	1.5	4.4	1.3	2.4	0.39	1.8	0.10	0.09	0.11	0.24
- Seoul	-1.4	1.1	4.6	2.1	3.6	0.45	4.1	0.21	0.23	0.32	0.63
· Gangnam <sup>1</sup>	-1.1	1.2	5.2	2.5	4.4	0.56	4.5	0.15	0.12	0.26	0.62
· Gangbuk <sup>2</sup>	-1.7	1.1	3.9	1.8	2.9	0.34	3.7	0.29	0.35	0.38	0.64
Areas excluding the Seoul metropolitan area	1.7	1.9	2.7	0.2	0.7	0.12	-0.7	-0.13	-0.12	-0.13	-0.17

1. Upscale area of Southern Seoul 2. Northern Seoul

Source: Korea Appraisal Board

#### Housing sales prices



Nationwide

Seoul metropolitan area

Areas excluding Seoul metropolitan area

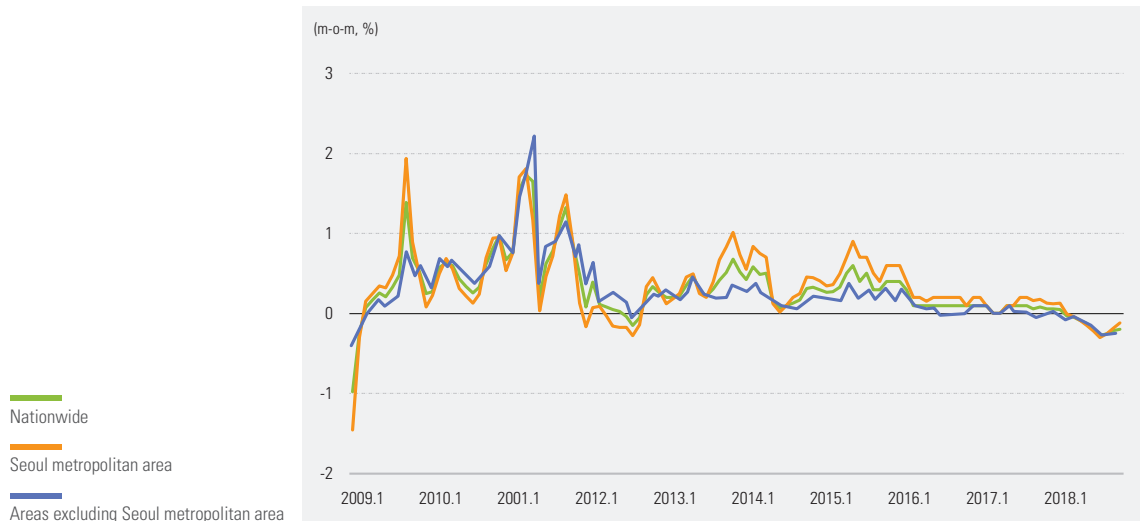
Source: Korea Appraisal Board

Housing rental prices nationwide declined 0.20 percent month-on-month in August.

Housing rental prices fell 0.12 percent in the Seoul metropolitan area and 0.27 percent in areas excluding the Seoul metropolitan area.

**Housing rental prices in major districts in the Seoul metropolitan area (m-o-m, %)**  
Gangnam (0.08), Seocho (1.03), Songpa (0.17), Mapo (0.35), Dongjak (0.68), Gwacheon (-0.74)

### Housing rental prices



Source: Korea Appraisal Board

### Housing rental prices

(Percentage change from previous period)

	2013	2014	2015	2016	2017		2018				
	Annual	Annual	Annual	Annual	Annual	Aug	Annual	May	Jun	Jul	Aug
Nationwide	4.7	3.4	4.8	1.3	0.6	0.08	-1.4	-0.28	-0.25	-0.21	-0.20
Seoul metropolitan area	6.2	4.7	7.1	2.0	1.4	0.18	-1.3	-0.30	-0.25	-0.18	-0.12
- Seoul	6.6	3.6	7.2	2.0	2.0	0.20	0.0	-0.24	-0.14	0.06	0.20
· Gangnam <sup>1</sup>	6.7	3.3	7.9	1.8	2.6	0.30	-0.6	-0.45	-0.27	0.07	0.29
· Gangbuk <sup>2</sup>	6.4	3.8	6.5	2.1	1.5	0.09	0.5	-0.02	0.00	0.04	0.10
Areas excluding the Seoul metropolitan area	3.3	2.2	2.8	0.7	-0.1	-0.02	-1.4	-0.25	-0.25	-0.24	-0.27

1. Upscale area of Southern Seoul

2. Northern Seoul

Source: Korea Appraisal Board

There were 63,687 housing transactions in July, down 2.1 percent from a month earlier (65,027) and down 35.3 percent from a year ago (98,414).



## Housing transactions

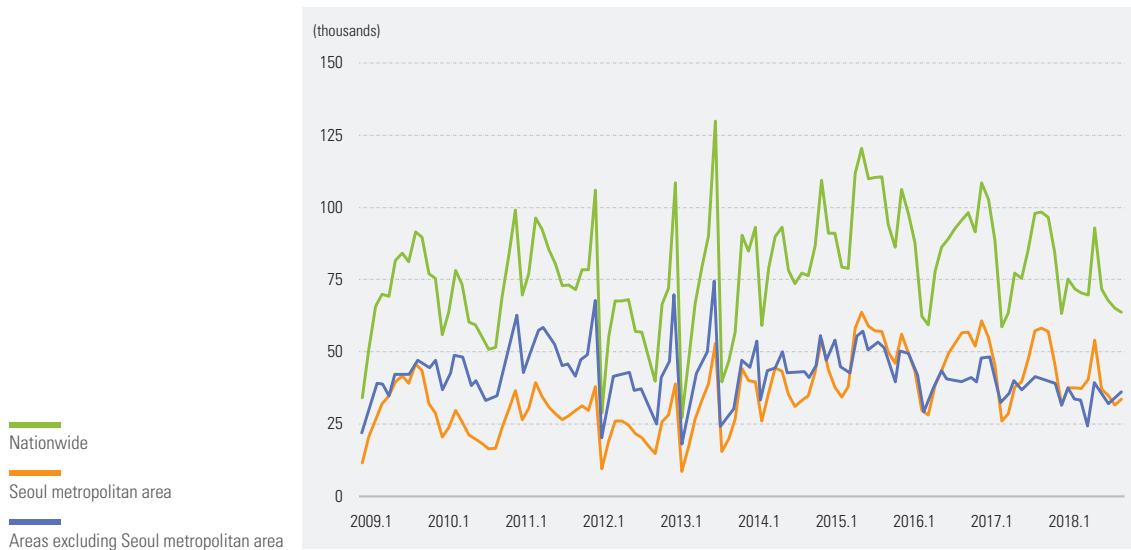
(Thousands)

	2015	2016	2017						2018						
	Annual <sup>1</sup>	Annual <sup>1</sup>	Annual <sup>1</sup>	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
Nationwide	99	88	79	97	84	63	75	72	70	70	93	72	68	65	64

1. Monthly average

Source: Ministry of Land, Infrastructure and Transport

## Housing transactions



Source: Ministry of Land, Infrastructure and Transport

## 12.2 Land market

Land prices nationwide rose 0.40 percent month-on-month in July. Land prices rose 0.46 percent in the Seoul metropolitan area led by Seoul (*up 0.56%*).

### Land prices in Seoul metropolitan area (m-o-m, %)

0.31 (Dec 2017) → 0.33 (Jan 2018) → 0.33 (Feb) → 0.36 (Mar) → 0.34 (Apr) → 0.36 (May) → 0.40 (Jun) → 0.46 (Jul)

Land prices rose 0.31 percent in areas excluding the Seoul metropolitan area, led by Busan (*up 0.51%*), Gwangju (*up 0.37%*), and North Gyeongsang Province (*up 0.27%*).

### Land prices in areas excluding Seoul metropolitan area (m-o-m, %)

0.33 (Dec 2017) → 0.32 (Jan 2018) → 0.28 (Feb) → 0.33 (Mar) → 0.32 (Apr) → 0.32 (May) → 0.31 (Jun) → 0.31 (Jul)



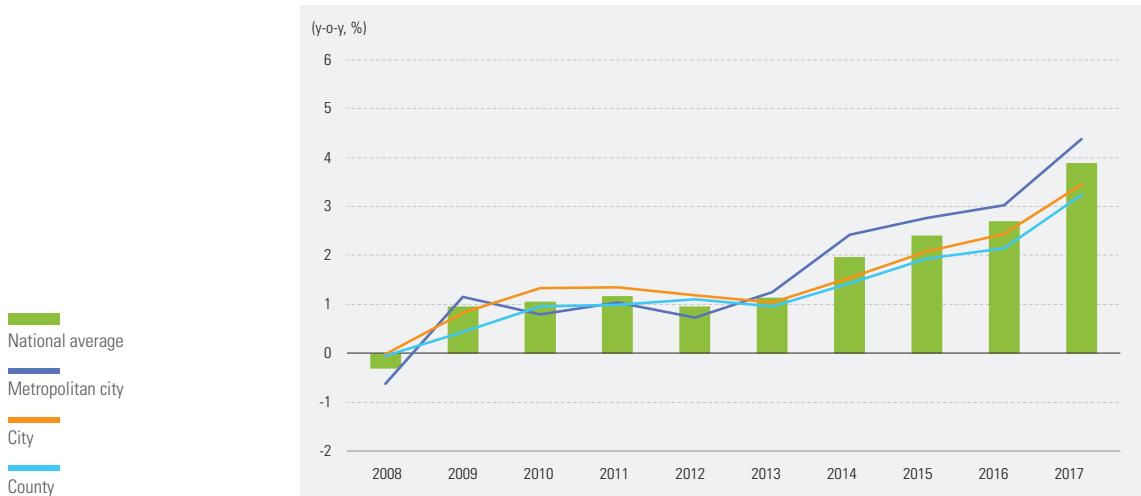
### Land prices

(Percentage change from previous period)

	2013	2014	2015	2016	2017	2018					
	Annual	Annual	Annual	Annual	Annual	Annual	Q1	Q2	May	Jun	Jul
Nationwide	1.14	1.96	2.40	2.70	3.88	2.46	0.99	1.05	0.35	0.37	0.40
Seoul	1.21	2.66	2.69	2.97	4.32	2.96	1.28	1.09	0.36	0.42	0.56
Gyeonggi	0.91	1.24	1.73	2.23	3.45	2.39	0.83	1.17	0.38	0.40	0.38
Incheon	0.87	1.35	1.95	1.74	3.10	1.77	0.65	0.82	0.28	0.30	0.29

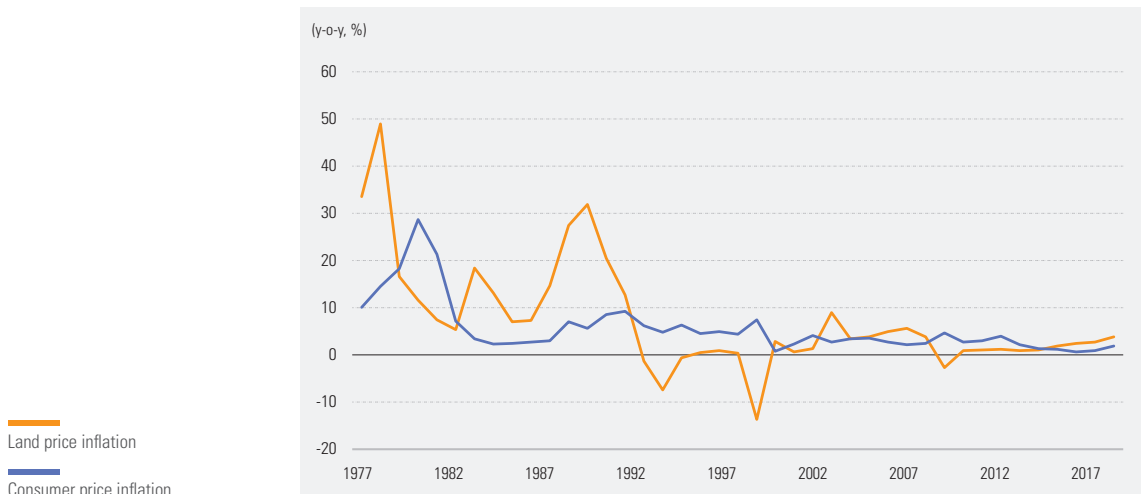
Source: Korea Appraisal Board

### Land prices



Source: Korea Appraisal Board

### Land and consumer prices



Source: Korea Appraisal Board (land prices), Statistics Korea (consumer prices)



There were 272,000 land transactions in July, up 6.9 percent from the previous month (255,000) and down 12.8 percent from a year ago (312,000).

**Land transactions** (m-o-m, %)

Seoul (40.9), Gyeonggi Province (13.6), South Gyeongsang Province (15.9), Jeju (16.2)

Vacant land transactions increased 8.2 percent from the previous month (86,000 → 93,000) accounting for 34.2 percent of the total land transactions. The index fell 5.9 percent compared with a year ago (99,000).

**Land transactions**

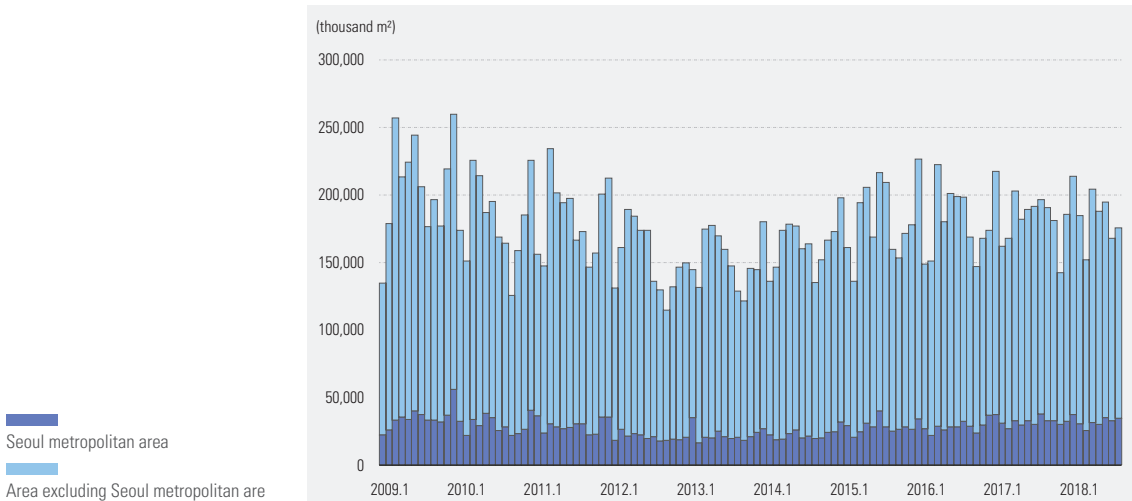
(Land lots, thousands)

	2015	2016	2017						2018						
	Annual <sup>1</sup>	Annual <sup>1</sup>	Annual <sup>1</sup>	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
<b>Nationwide</b>	257	250	276	327	293	238	294	296	298	252	320	265	271	255	272
<b>Seoul</b>	30	31	32	45	31	23	29	35	35	31	43	26	29	24	34
<b>Gyeonggi</b>	58	63	75	93	86	74	85	84	81	75	91	76	76	75	85
<b>Incheon</b>	12	13	16	21	20	16	17	16	16	15	15	16	18	15	12

1. Monthly average

Source: Korea Land & Housing Corporation

**Land transactions**

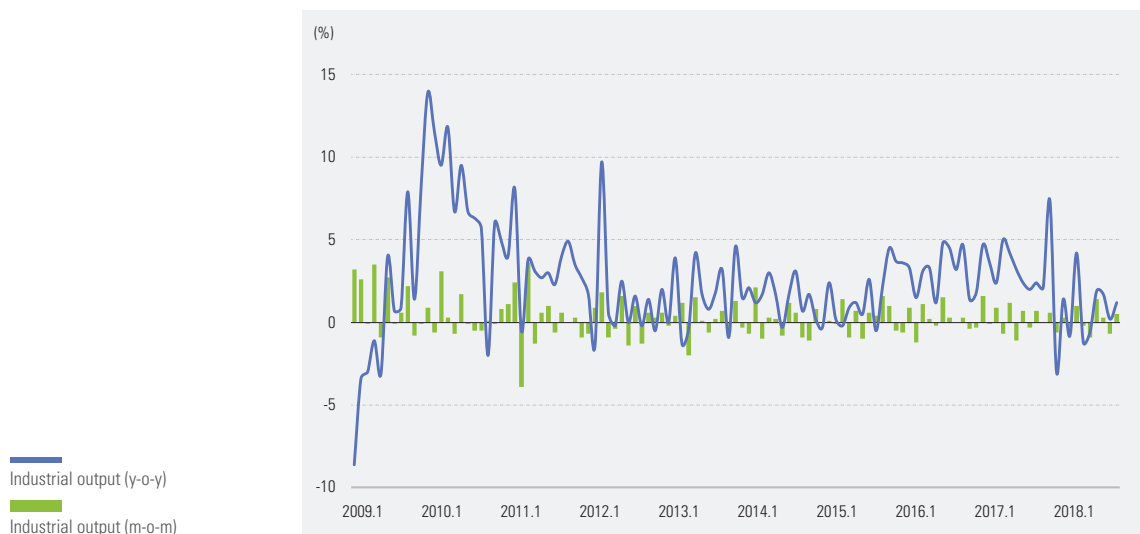


Source: Korea Appraisal Board

## 13. Composite indices of business cycle indicators

Industrial output in July rose 0.5 percent from the previous month. Mining & manufacturing (*up 0.4%*) and public administration (*up 4.0%*) rose, while construction (*down 0.1%*) declined and services (*up 0.0%*) stayed flat. Compared to a year ago, industrial output rose 1.2 percent.

### Index of all industry production



Source: Statistics Korea (industrial activity trends)

The cyclical indicator of the coincident composite index declined 0.3 points month-on-month to 99.1. Among the seven components of the coincident composite index, two rose, while the other five either fell or remained unchanged.

#### Components of the coincident composite index in July (m-o-m)

mining & manufacturing production (0.4%), imports (0.2%), service output (-0.1%), value of construction completed (-2.1%), nonfarm payroll employment (-0.1%), retail sales (0.0%), domestic shipments (0.0%)

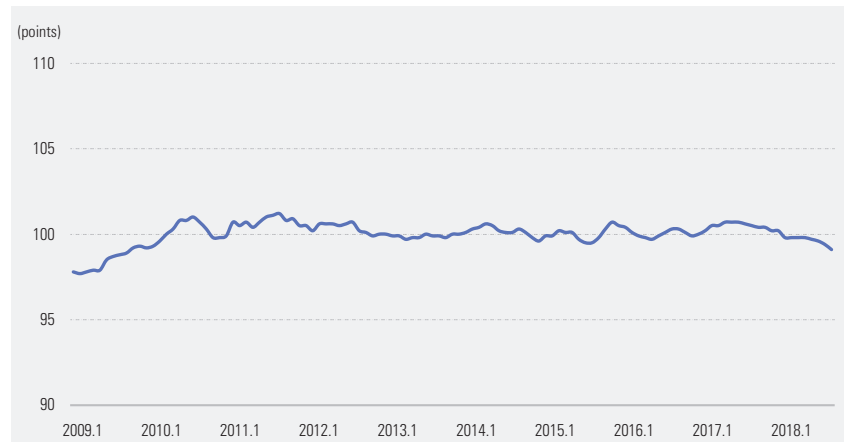
The cyclical indicator of the leading composite index fell 0.2 points from the previous month to 99.8. Two components of the leading composite index rose, while the other six declined.

#### Components of the leading composite index in July (m-o-m)

inventory circulation indicator (1.8%p), value of construction orders received (6.9%), consumer expectations index (-1.8p), domestic shipments of machinery (-0.2%), ratio of export to import prices (-0.5%), ratio of job openings to job seekers (-0.1%p), KOSPI (-2.4%), spreads between long & short term interest rates (-0.04%p)

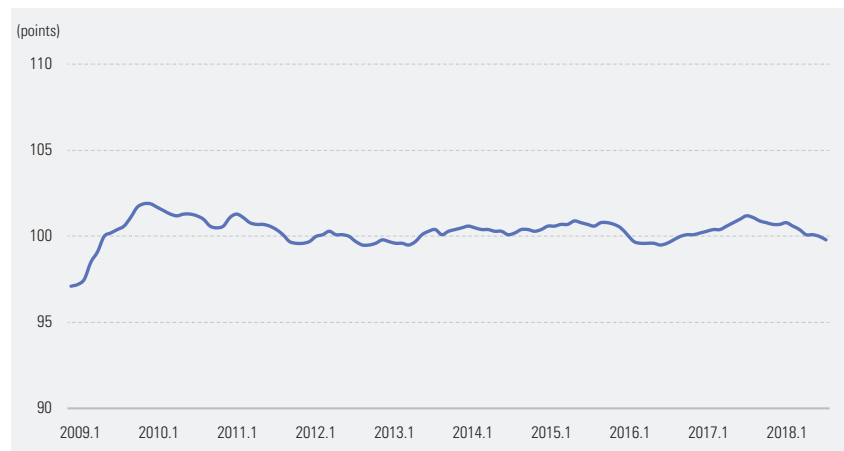


## Cyclical indicator of coincident composite index



Source: Statistics Korea (industrial activity trends)

## Cyclical indicator of leading composite index



Source: Statistics Korea (industrial activity trends)

	2017	2018						
	Dec	Jan	Feb	Mar	Apr	May <sup>1</sup>	Jun <sup>1</sup>	Jul <sup>1</sup>
Index of all industry production (m-o-m, %)	-0.6	1.0	-0.2	-0.9	1.4	0.3	-0.7	0.5
(y-o-y, %)	-0.8	4.2	-1.2	-0.6	1.9	1.7	0.2	1.2
Coincident composite index (2015=100)	107.9	108.2	108.5	108.8	108.9	109.1	109.2	109.1
(m-o-m, %)	-0.1	0.3	0.3	0.3	0.1	0.2	0.1	-0.1
Cyclical indicator of coincident composite index	99.8	99.8	99.8	99.8	99.7	99.6	99.4	99.1
(m-o-m, p)	-0.4	0.0	0.0	0.0	-0.1	-0.1	-0.2	-0.3
Leading composite index (2015=100)	111.4	112.0	112.2	112.3	112.3	112.8	113.0	113.2
(m-o-m, %)	0.3	0.5	0.2	0.1	0.0	0.4	0.2	0.2
Cyclical indicator of leading composite index	100.7	100.8	100.6	100.4	100.1	100.1	100.0	99.8
(m-o-m, p)	0.0	0.1	-0.2	-0.2	-0.3	0.0	-0.1	-0.2

1. Preliminary

# Policy Issue

2019 budget proposal



# 2019 Budget Proposal

## 2019 Budget Focuses on Job Creation and Innovation



The government proposed a large budget for 2019. Total expenditures will be increased by 41.7 trillion won, or 9.7 percent, compared with the 2018 budget, but the impact on fiscal balance and national debt will be limited given increased tax revenues. A total of 470 trillion won will be spent to help create jobs, support future growth engines, strengthen social safety nets, support low-income households, improve citizen well-being and enhance national security.

The 2018-2022 fiscal management plan is drawn up to buttress job creation and support the development of new technologies and industries, as well as to ensure fiscal sustainability.

## I. 2019 budget proposal

### 1. Key policies

- Increase job creation budgets by 22.0 percent to 23.5 trillion won: Continue to support private sector job creation, increase public sector jobs and social service jobs, and promote job training and work-study
- Support 'innovative growth' policies aimed at promoting the development of new technologies and industries: Spend more than 20 trillion won on R&D,

- 1.5 trillion won on a platform economy and 3.6 trillion won on the eight pilot projects<sup>1)</sup>, renovate old industrial complexes and improve startup support
- Strengthen social safety nets: Increase welfare budgets by 12.1 percent to 162.2 trillion won, reinforce small merchant support and strengthen unemployment protection
  - Improve everyday lives: Invest a total of 8.7 trillion won to improve recreation facilities, renovate old towns and improve air quality, as well as reinforce the support to increase birth rates
  - Ensure national security: Increase defense budgets by 8.2 percent to 46.7 trillion won, and increase spending on citizen safety

## 2. Key features

**(Total revenues)** The government revenues are projected to be 481.3 trillion won, an increase of 7.6 percent compared with the previous year, backed by strong corporate earnings and tax hikes.

**(Total expenditures)** The total government expenditures will be 470.5 trillion won, an increase of 9.7 percent from the previous year, more than double the nominal growth outlook (4.4%) and the largest increase since 2000, excluding 2009 when the financial crisis was spreading across the globe.

(trillion won, %)

	2018 budget		2019 budget proposal (B)	Changes	
	Original (A)	Supplementary		B-A	%
Total government revenues	447.2	447.7	481.3	34.1	7.6
-Tax revenue	268.1	268.1	299.3	31.2	11.6
Total government expenditures	428.8	432.7	470.5	41.7	9.7

**(Fiscal balance)** Deficits in the consolidated fiscal balance will rise by 0.2 percentage points compared with 2018, from 1.6 to GDP to 1.8 percent.

**(Government debt)** Government debt is expected to decline by 0.1 percentage points compared with 2018, from 39.5 percent to GDP to 39.4 percent. Treasuries to fund deficits will grow from 28.8 trillion in 2018 to 30.1 trillion.

(trillion won, %)

	2018 budget		2019 budget proposal (B)	Changes (B-A)
	Original (A)	Supplementary		
Consolidated fiscal balance	-28.5	-31.4	-33.4	-4.9
(% to GDP)	(-1.6)	(-1.7)	(-1.8)	(-0.2%p)
Government debt	708.2	700.5	741.0	32.8
(% to GDP)	(39.5)	(38.6)	(39.4)	(-0.1%p)

1) Future cars, drone services, new energies, healthcare biotechnology, smart factories, smart cities, smart farms and fintech



## Budgets by area

(thousand won, per employee)

	2018 budget (A)	2019 budget proposal (B)	Change	
			(B-A)	%
Total expenditures	428.8	470.5	41.7	9.7
1. Health, welfare, employment	144.6	162.2	17.6	12.1
- Job creation	19.2	23.5	4.2	22.0
2. Education	64.2	70.9	6.7	10.5
- Grants to local governments	49.5	55.7	6.2	12.5
3. Culture, sports, tourism	6.5	7.1	0.6	10.1
4. Environment	6.9	7.1	0.2	3.6
5. R&D	19.7	20.4	0.7	3.7
6. Industry, SME, energy	16.3	18.6	2.3	14.3
7. SOC	19.0	18.5	-0.5	-2.3
8. Agriculture, forestry, fishery, food	19.7	19.9	0.2	1.1
9. National defense	43.2	46.7	3.5	8.2
10. Diplomacy, reunification	4.7	5.1	0.4	7.5
11. Social order, safety	19.1	20.0	0.9	4.9
12. Public administration, local governments	69.0	77.9	8.9	12.9
- Grants to local governments	46.0	52.8	6.8	14.8

### 3. Budget proposal by initiative

#### Create jobs

- Promote private sector job creation: Increase the corporate employment support for hiring young adult employees, and encourage middle-aged retirees, including the self-employed, to find jobs
- Spend 23.5 trillion won on creating jobs for women, the elderly and the disabled
- Create more public sector jobs: Increase social service jobs by 60,000 to 94,000 and civil service jobs, such as police officers and post office jobs, by 21,000
- Introduce a new job training support for unskilled employees and promote work-study

#### Support 'innovative growth' policies aimed at developing new industries

- Increase R&D budgets to 20.4 trillion won: Spend 1.7 trillion won on basic research for future technologies and 3.7 trillion won on SME R&D support
- Spend a total of 5.1 trillion won on innovation: Invest 1.5 trillion won in developing a platform economy, such as a digital platform for big data analytics and AI, and establishing a hydrogen fuel cell supply chain, as well as invest 3.6 trillion won on the eight pilot projects



- Renovate industrial complexes and promote venture startups: Invest 250 billion won in modernizing old industrial complexes and promote venture startups by providing development stage-specific support from incubation to re-investment

### **Strengthen social safety nets**

- Spend 162.2 trillion won on welfare: Increase basic social security benefits and other benefits for low-income households, such as basic pensions for the elderly, single parent benefits and orphan benefits
- Increase support for small businesses: Continue to provide wage support and raise the unemployment insurance support for the self-employed and small merchants
- Strengthen employment support: Increase the amount, period and coverage of unemployment benefits, provide small businesses with up to 90 percent of social insurance contributions they have to pay for their employees, and introduce a young adult job seeker benefits, which is 500,000 won a month for up to six months

### **Improve citizen well-being**

- Invest a total of 8.7 trillion won in improving community recreation infrastructure, such as gyms, museums and libraries, renovating old urban towns and rural villages, repairing old houses and welfare facilities, and planting trees to improve air quality
- Work to raise birth rates: Supply the newly married with 15,000 houses and expand the coverage of maternity benefits and childcare support

### **Ensure national security**

- Increase defense budgets by 8.2 percent: Spend 46.7 trillion won to enhance military capabilities, improve army welfare and increase budget for reserve forces training
- Increase citizen safety: Provide mental healthcare services for suicide prevention, improve safety in construction sites and ensure road safety
- Increase the inter-Korean cooperation fund to about 1.1 trillion won to support infrastructure development, cultural exchanges and family reunion

## **II. 2018-2022 national fiscal management plan**

### **1. Key policies**

- Fiscal resources management will be focused on creating jobs, supporting new technologies and industries, raising birth rates, ensuring national security and citizen safety, and supporting low-income households, fiscal policies being kept expansionary for the next five years.
- The government will work to ensure fiscal sustainability: The government will continue to improve spending efficiency and work to increase revenues to support the administration's inclusive growth.
- Investment in citizen well-being, such as in environment, safety and human rights, will be expanded, and tax systems will be restructured in a way to increase local government tax revenues.



- The government will carefully look into how much Korean citizens can feel the difference due to the spending, and will work to reflect the outcomes.

## 2. Mid-term fiscal outlook and fiscal management goals

- Total government revenues are projected to increase at an average of 5.2 percent every year in 2018-2022.
- Total government expenditures will be managed to increase at an average of 7.3 percent every year in 2018-2022.

### Mid-term outlook for government revenues and expenditures (trillion won, %)

	2018		2019	2020	2021	2022	Annual growth (%)
	Original	Supplementary					
Total government revenues	447.2	447.7	481.3	504.1	525.4	547.8	5.2
- Tax revenues	268.1	268.1	299.3	312.7	325.7	340.3	6.1
Total government expenditures	428.8	432.7	470.5	504.6	535.9	567.6	7.3
(growth, %)	(7.1)	(8.0)	(9.7)	(7.3)	(6.2)	(5.9)	-

- The consolidated fiscal balance minus social security funds will post a deficit of 3 percent to GDP in 2018-2022.
- Government debt will be managed at slightly over 40 percent to GDP.

### Mid-term outlook for fiscal balance and government debt (trillion won, %)

	2018 <sup>1</sup>	2019	2020	2021	2022
Consolidate fiscal balance minus social security funds	-28.5	-33.4	-44.5	-54.2	-63.0
(% to GDP)	(-1.6)	(-1.8)	(-2.3)	(-2.6)	(-2.9)
Government debt	708.2	741.0	790.8	843.0	897.8
(% to GDP)	(39.5)	(39.4)	(40.2)	(40.9)	(41.6)

1. The 2018 figures exclude the supplementary budget

## 3. Restructure fiscal management

- Manage expenditures in a way to support the administration's inclusive growth
- Raise tax revenues by avoiding tax fraud and ending unnecessary tax breaks
- Ensure citizen well-being by increasing investment in safety, human rights and environment protection
- Work to increase local government tax revenues to 30 percent to the total

## 2018-2022 budget allocation plans by area

(trillion won, %)

	2018	2019	2020	2021	2022	Average growth (%)
Total expenditures	428.8	470.5	504.6	535.9	567.6	-
(growth, %)	(7.1)	(9.7)	(7.3)	(6.2)	(5.9)	(7.3)
Health, welfare, employment	144.6	162.2	179.0	196.4	214.3	-
(growth, %)	(11.7)	(12.1)	(10.4)	(9.7)	(9.1)	(10.3)
Education	64.2	70.9	76.0	80.1	84.0	-
(growth, %)	(11.8)	(10.5)	(7.2)	(5.3)	(4.9)	(7.0)
Culture, sports, tourism	6.5	7.1	7.4	7.8	8.0	-
(growth, %)	(-6.3)	(10.1)	(4.7)	(4.3)	(3.0)	(5.5)
R&D	19.7	20.4	21.4	22.6	24.0	-
(growth, %)	(1.1)	(3.7)	(5.1)	(5.5)	(6.3)	(5.2)
Industry, SME, energy	16.3	18.6	19.4	19.9	20.2	-
(growth, %)	(1.8)	(14.3)	(3.9)	(2.8)	(1.3)	(5.5)
SOC	19.0	18.5	18.0	17.7	17.5	-
(growth, %)	(-14.2)	(-2.3)	(-2.7)	(-1.8)	(-1.1)	(-2.0)
Agriculture, forestry, fishery, food	19.7	19.9	19.8	19.7	19.6	-
(growth, %)	(0.5)	(1.1)	(-0.5)	(-0.5)	(-0.5)	(-0.1)
Environment	6.9	7.1	7.0	6.9	6.7	-
(growth, %)	(-0.3)	(3.6)	(-2.0)	(-1.9)	(-1.8)	(-0.5)
National defense	43.2	46.7	49.9	52.8	55.5	-
(growth, %)	(7.0)	(8.2)	(6.8)	(5.9)	(5.0)	(6.5)
Diplomacy, reunification	4.7	5.1	5.4	5.7	6.0	-
(growth, %)	(3.5)	(7.5)	(6.8)	(5.7)	(5.1)	(6.3)
Social order, safety	19.1	20.0	20.9	21.7	22.6	-
(growth, %)	(5.2)	(4.9)	(4.3)	(4.1)	(3.8)	(4.3)
Public administration, local governments	69.0	77.9	84.1	89.2	94.0	-
(growth, %)	(9.0)	(12.9)	(7.9)	(6.1)	(5.4)	(8.0)

# Economic News Briefing

Korean FDI rises 25.8% in Q2 2018

Korea's long-term debt costs fall

Government to tighten borrowing to cool  
overheating housing markets

Korea grows 0.6% in Q2 2018 (preliminary)

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## **Korean FDI rises 25.8% in Q2 2018**

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Korean foreign direct investment (FDI) rose 25.8 percent year-on-year in the second quarter of 2018, from US \$10.30 billion to US \$12.96 billion. By industry, Korean FDI was concentrated on manufacturing (38.4%), finance & insurance (29.9%), real estate & renting (10.5%), wholesale & retail (6.1%) and mining (4.7%). By region, Korean FDI went into Asia (32.7%), Latin America (29.2%), North America (22.1%) and Europe (14.4%).

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## **Korea's long-term debt costs fall**

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Korea issued its long-term sovereign debt at low yields overseas as well as in the country. A total of 660 billion won worth of 50-year treasuries were issued on September 12 at a 2.090 percent yield, and US \$1 billion worth of 10-year and 30-year dollar-denominated bonds were issued on September 14 at 3.572 percent and 3.975 percent, respectively. The government expects the successful issuance of the country's sovereign debt to lower debt costs for the private sector.

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## **Government to tighten borrowing to cool overheating housing markets**

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Korea has announced measures to cool overheating housing markets, which cover a wide range from mortgage regulations to property taxes, as housing prices have skyrocketed recently in the Seoul metropolitan area.

To avoid a speculative bubble in the housing market, the government will lower loan-to-value (LTV) ratios and debt-to-income (DTI) ratios for mortgages, as well as not allowing mortgages if the buyer owns more than two homes in speculation watch areas. The government will also impose higher sales taxes and ownership taxes on properties in speculation watch areas.



## Korea grows 0.6% in Q2 2018 (preliminary)

Korea's real gross domestic product (GDP) expanded 0.6 percent quarter-on-quarter and 2.8 percent year-on-year in the second quarter of 2018, according to the preliminary data released by the Bank of Korea (BOK) on September 4. Both figures were revised down 0.1 percentage points from the advanced estimates that were released on July 26.

On the production side, agriculture, forestry & fisheries contracted 2.8 percent compared to the previous quarter. Manufacturing grew 0.6 percent backed by strong electric and electronic equipment, as well as an increase in coal and petroleum products. Construction decreased 3.1 percent, both residential building construction and civil engineering works being weak. Services grew 0.5 percent backed by strong financial & insurance services, wholesale & retail and hotels & restaurants.

On the expenditure side, private consumption increased 0.3 percent backed by semi-durable goods and services, and government consumption rose 0.3 percent. Facility investment declined 5.7 percent as investment decreased in both machinery and transportation equipment, and construction investment contracted 2.1 percent due to a fall in residential building construction and civil engineering works. Intellectual property investment was down 0.7 percent.

Exports increased 0.4 percent as semiconductors continued to be strong, and imports decreased 3.0 percent due to a fall in machinery and transportation equipment.

### GDP by production and expenditure\*

(Percentage change from previous period)

	2016				2017 <sup>1</sup>				2018 <sup>1</sup>	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
GDP	0.6 (3.0) <sup>2</sup>	0.8 (3.5) <sup>2</sup>	0.4 (2.7) <sup>2</sup>	0.7 (2.6) <sup>2</sup>	1.0 (2.9) <sup>2</sup>	0.6 (2.8) <sup>2</sup>	1.4 (3.8) <sup>2</sup>	-0.2 (2.8) <sup>2</sup>	1.0 (2.8) <sup>2</sup>	0.6 (2.8) <sup>2</sup>
Agriculture, forestry & fisheries	1.5	-3.2	-1.4	-1.1	3.9	-0.3	-1.8	0.2	6.0	-2.8
Manufacturing	0.0	1.3	-0.1	1.8	1.7	0.1	2.7	-1.7	1.6	0.6
Construction	3.7	2.0	2.3	2.2	4.8	-1.6	1.0	-1.6	2.1	-3.1
Services <sup>3</sup>	0.6	0.6	0.4	0.4	0.4	0.7	1.0	0.3	1.1	0.5
Private consumption	-0.2	0.8	0.5	0.3	0.5	1.0	0.8	1.0	0.7	0.3
Government consumption	1.7	0.6	0.7	0.5	0.6	1.2	1.9	0.5	2.2	0.3
Construction investment	5.6	3.2	2.2	1.0	4.2	0.9	1.1	-2.3	1.8	-2.1
Facility investment	-7.1	2.7	1.6	6.5	4.5	4.3	0.2	-0.7	3.4	-5.7
Intellectual property investment	0.9	1.5	0.7	0.7	0.3	0.5	1.5	1.1	0.3	-0.7
Exports	-0.2	0.8	1.4	-0.6	2.1	-2.7	5.6	-5.3	4.4	0.4
Imports	-1.3	2.3	2.4	0.1	4.9	-1.0	3.2	-2.9	4.9	-3.0

\*Based on 2010 chained prices in seasonally adjusted terms

1. Preliminary

2. Percentage change from the same period of the previous year (original data)

3. Wholesale & retail, hotels & restaurants, transportation & storage, communications services, financial & insurance services, real estate & renting, business services, public administration, defense, education services, healthcare & social welfare services, entertainment, cultural & other services are included.

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# 1. National accounts

(year-on-year change, %, chained 2010 year prices)

Period	Real GDP			Final consumption expenditure		Gross fixed capital formation		
		Agri., fores. & fisheries	Manufacturing		Private consumption		Construction	Facilities
2010	6.5	-4.3	13.7	4.3	4.4	5.5	-3.7	22.0
2011	3.7	-2.0	6.5	2.7	2.9	0.8	-3.4	4.7
2012	2.3	-0.9	2.4	2.2	1.9	-0.5	-3.9	0.1
2013	2.9	3.1	3.6	2.2	1.9	3.3	5.5	-0.8
2014	3.3	3.6	3.5	2.0	1.7	3.4	1.1	6.0
2015	2.8	-0.4	1.8	2.4	2.2	5.1	6.6	4.7
2016	2.9	-2.8	2.4	3.0	2.5	5.6	10.3	-1.0
2017 <sup>p</sup>	3.1	0.3	4.4	2.8	2.6	8.6	7.6	14.6
2010 I	7.3	0.0	16.1	6.2	6.8	12.0	1.6	27.6
II	7.4	-2.2	17.2	3.6	3.6	6.8	-4.8	28.8
III	5.4	-7.8	10.1	3.9	4.0	3.8	-4.8	20.6
IV	6.0	-5.7	11.9	3.4	3.2	1.3	-5.1	12.9
2011 I	4.9	-9.3	11.4	3.3	3.7	-0.7	-8.2	8.3
II	3.6	-2.5	6.5	3.3	3.7	2.5	-2.5	8.3
III	3.3	-5.8	5.6	2.8	2.5	1.7	-2.2	3.4
IV	3.0	7.1	3.4	1.7	1.7	-0.3	-2.0	-0.9
2012 I	2.5	0.1	2.7	2.2	1.6	6.2	-0.2	11.0
II	2.4	-1.8	2.8	1.3	0.7	-2.3	-5.3	-1.9
III	2.1	0.0	2.0	2.7	2.6	-0.9	-2.6	-4.2
IV	2.2	-1.3	2.0	2.7	2.7	-3.6	-6.4	-3.8
2013 I	2.1	-1.2	2.7	1.5	1.5	-3.2	1.2	-12.3
II	2.7	0.1	3.6	2.2	1.9	4.2	8.9	-3.2
III	3.2	4.3	3.8	2.4	1.9	4.9	7.5	2.3
IV	3.5	7.0	4.2	2.6	2.2	6.5	3.5	11.7
2014 I	3.9	5.9	4.7	2.9	2.8	6.2	4.5	7.5
II	3.5	4.5	4.7	1.8	1.7	3.7	0.3	8.1
III	3.3	2.7	3.1	2.0	1.4	3.6	2.3	4.3
IV	2.7	2.4	1.8	1.6	1.1	0.7	-1.7	4.1
2015 I	2.6	8.5	1.1	1.8	1.4	3.8	4.0	5.1
II	2.4	-3.0	0.9	2.0	1.7	3.8	4.6	4.1
III	3.0	0.3	2.2	2.3	2.2	6.0	7.6	6.1
IV	3.2	-4.0	2.7	3.5	3.5	6.5	9.6	3.5
2016 I	3.0	-2.4	2.1	3.0	2.4	3.2	8.4	-3.6
II	3.5	1.1	2.7	3.8	3.6	5.2	9.4	-1.6
III	2.7	-4.5	1.7	3.3	2.8	5.8	11.0	-2.5
IV	2.6	-4.6	2.9	1.9	1.4	7.8	11.9	3.3
2017 <sup>p</sup> I	2.9	-1.9	4.8	2.2	2.1	11.0	11.3	16.1
II	2.8	0.5	3.6	2.5	2.4	10.0	8.5	17.9
III	3.8	0.4	6.4	3.0	2.6	9.2	8.0	16.3
IV	2.8	1.5	2.7	3.5	3.4	5.0	3.8	8.6
2018 <sup>p</sup> I	2.8	4.1	2.7	4.0	3.5	3.7	1.8	7.3
II	2.8	1.2	3.2	3.3	2.8	-1.3	-1.5	-3.0

p: Preliminary  
Source: Bank of Korea



## 2. Production, shipment and inventory

(constant prices, 2015=100)

Period	Production index*		Shipment index*		Inventory index*		Service production index	
		y-o-y change (%)		y-o-y change (%)		y-o-y change (%)		y-o-y change (%)
2016	102.3	2.3	101.2	1.2	97.8	-1.6	102.6	2.6
2017 <sup>p</sup>	104.2	1.9	102.1	0.9	106.4	8.8	104.5	1.9
2016 I	98.6	1.4	98.4	0.4	107.1	10.5	98.7	2.4
II	102.1	2.2	101.6	1.3	103.5	3.4	102.8	3.3
III	100.2	1.9	98.0	0.1	101.0	-1.2	102.4	3.0
IV	108.4	3.7	106.7	2.7	97.8	-1.6	106.6	1.8
2017 I	103.2	4.7	101.1	2.7	101.2	-5.5	100.9	2.2
II	104.3	2.2	102.7	1.1	103.6	0.1	104.5	1.7
III	104.8	4.6	102.6	4.7	103.5	2.5	105.0	2.5
IV	104.3	-3.8	102.2	-4.2	106.4	8.8	107.6	0.9
2018 I	100.9	-2.2	97.9	-3.2	111.8	10.5	103.5	2.6
II <sup>p</sup>	105.0	0.7	102.1	-0.6	112.1	8.2	106.9	2.3
2016 1	98.8	-0.9	97.2	-2.7	105.4	9.4	97.4	2.3
2	91.6	3.3	91.2	1.6	106.2	9.1	95.3	2.4
3	105.3	2.0	106.8	2.4	107.1	10.5	103.4	2.5
4	99.6	-1.7	100.0	-1.5	105.7	6.7	101.4	2.1
5	102.5	5.5	101.7	3.8	105.6	6.9	102.7	3.3
6	104.2	3.0	103.1	1.8	103.5	3.4	104.4	4.5
7	103.1	2.8	100.3	0.7	105.2	1.8	102.1	2.8
8	98.5	4.0	96.2	1.6	102.6	-1.0	102.4	3.9
9	99.0	-1.0	97.6	-1.7	101.0	-1.2	102.6	2.3
10	104.9	-0.7	102.5	-2.5	100.8	-0.9	103.5	1.5
11	109.0	6.2	106.7	5.1	101.3	-0.2	103.3	2.3
12	111.3	5.6	110.8	5.4	97.8	-1.6	112.9	1.7
2017 1	100.3	1.5	97.2	0.0	101.6	-3.6	99.6	2.3
2	98.6	7.6	97.0	6.4	101.7	-4.2	97.5	2.3
3	110.6	5.0	109.2	2.2	101.2	-5.5	105.6	2.1
4	103.3	3.7	101.8	1.8	103.7	-1.9	103.1	1.7
5	104.3	1.8	101.9	0.2	107.1	1.4	104.5	1.8
6	105.4	1.2	104.3	1.2	103.6	0.1	106.0	1.5
7	104.8	1.6	101.6	1.3	106.9	1.6	103.5	1.4
8	100.8	2.3	98.6	2.5	107.0	4.3	103.9	1.5
9	108.9	10.0	107.5	10.1	103.5	2.5	107.5	4.8
10	99.0	-5.6	96.3	-6.0	107.3	6.4	102.1	-1.4
11	107.8	-1.1	106.9	0.2	106.3	4.9	106.5	3.1
12	106.0	-4.8	103.3	-6.8	106.4	8.8	114.1	1.1
2018 1	104.5	4.2	100.5	3.4	110.9	9.2	103.0	3.4
2	91.9	-6.8	89.2	-8.0	110.7	8.7	99.3	1.8
3	106.3	-3.9	103.9	-4.9	111.8	10.5	108.1	2.4
4	104.3	1.0	100.5	-1.3	113.5	9.5	105.9	2.7
5	105.6	1.2	103.3	1.4	112.9	5.4	106.9	2.3
6 <sup>p</sup>	105.0	-0.4	102.4	-1.8	112.1	8.2	107.8	1.7
7 <sup>p</sup>	105.7	0.9	100.9	-0.7	112.0	4.8	105.6	2.0

\* Including mining, manufacturing, electricity & gas and water industry  
p: Preliminary Source: Statistics Korea



### 3. Production capacity and operation ratio

(constant prices, 2015=100)

Period	Production capacity index* (2010=100)		Operation ratio index* (2010=100)		Capacity utilization rate* (%)
		y-o-y change (%)		y-o-y change (%)	
2016	102.8	2.8	98.2	-1.8	72.9
2017	103.9	1.1	97.1	-1.1	72.6
2016 I	101.2	1.9	95.8	-1.0	73.4
II	102.0	2.4	100.3	-1.0	72.8
III	103.4	3.3	95.5	-2.9	72.1
IV	104.4	3.4	101.4	-2.0	73.5
2017 I	103.4	2.2	95.9	0.1	73.5
II	103.7	1.7	98.3	-2.0	72.0
III	104.1	0.7	98.1	2.7	73.0
IV	104.3	-0.1	96.0	-5.3	71.8
2018 I	103.1	-0.3	92.7	-3.3	71.0
II <sup>p</sup>	102.7	-1.0	99.3	1.0	73.3
2016 1	101.0	1.9	95.8	-3.3	72.4
2	101.0	1.7	88.9	0.9	74.9
3	101.7	2.2	102.6	-0.5	72.8
4	101.7	2.2	97.7	-4.5	72.1
5	101.9	2.3	101.1	2.5	74.6
6	102.3	2.5	102.0	-0.9	73.6
7	103.0	3.0	99.6	-1.5	73.7
8	103.3	3.3	93.2	-1.2	72.5
9	103.9	3.6	93.6	-6.3	72.3
10	104.3	3.6	99.0	-6.2	70.3
11	104.4	3.3	103.0	1.2	73.7
12	104.6	3.5	102.3	-1.0	72.4
2017 1	103.4	2.4	92.7	-3.2	74.9
2	103.2	2.2	91.7	3.1	72.3
3	103.5	1.8	103.3	0.7	73.4
4	103.6	1.9	97.0	-0.7	71.7
5	103.8	1.9	98.4	-2.7	72.6
6	103.7	1.4	99.6	-2.4	71.8
7	103.9	0.9	98.3	-1.3	72.7
8	104.0	0.7	94.1	1.0	73.5
9	104.5	0.6	101.9	8.9	72.7
10	104.5	0.2	92.0	-7.1	73.3
11	104.4	0.0	100.2	-2.7	71.7
12	104.1	-0.5	95.8	-6.4	70.3
2018 1	103.2	-0.2	95.0	2.5	70.6
2	103.3	0.1	84.1	-8.3	72.1
3	102.9	-0.6	98.9	-4.3	70.3
4	102.6	-1.0	97.9	0.9	72.5
5	102.8	-1.0	100.2	1.8	74.0
6 <sup>p</sup>	102.6	-1.1	99.8	0.2	73.4
7 <sup>p</sup>	102.6	-1.3	100.2	1.9	74.3

\* Manufacturing industry

p: Preliminary Source: Statistics Korea

## 4. Consumer goods sales index

(constant prices, 2015=100)

Period	Consumer goods sales index							
	Total		Durable goods		Semi-durable goods		Nondurable goods	
		Y-o-Y change (%)		Y-o-Y change (%)		Y-o-Y change (%)		Y-o-Y change (%)
2016	103.9	3.9	104.6	4.6	102.3	2.3	104.2	4.2
2017	105.9	1.9	110.2	5.4	101.2	-1.1	106.0	1.7
2016 I	99.9	4.7	99.4	6.7	96.4	2.0	101.7	5.0
II	104.3	5.6	108.8	11.5	103.4	4.2	102.5	3.3
III	101.7	3.1	99.2	0.8	91.5	3.3	107.4	4.2
IV	109.6	2.2	111.2	0.3	117.7	0.1	105.2	4.3
2017 I	101.5	1.6	102.8	3.4	94.7	-1.8	103.9	2.2
II	105.3	1.0	112.9	3.8	101.0	-2.3	103.6	1.1
III	105.0	3.2	111.1	12.0	90.8	-0.8	108.4	0.9
IV	111.9	2.1	113.8	2.3	118.4	0.6	108.1	2.8
2018 I	106.6	5.0	111.8	8.8	99.2	4.8	107.4	3.4
II <sup>p</sup>	110.2	4.7	119.3	5.7	107.0	5.9	107.4	3.7
2016 1	99.6	5.7	92.9	-1.4	97.3	3.2	103.7	10.2
2	95.6	2.9	92.8	7.7	89.3	0.9	99.7	1.7
3	104.5	5.3	112.5	13.3	102.6	1.8	101.6	3.1
4	102.1	3.4	103.3	8.2	104.9	1.4	100.3	2.2
5	107.3	4.6	108.4	12.3	110.5	0.7	105.4	2.9
6	103.4	8.8	114.7	13.9	94.8	12.2	101.9	5.1
7	102.1	4.3	103.5	0.2	94.1	7.5	105.0	5.0
8	100.8	5.4	100.9	5.5	85.1	1.1	107.7	7.1
9	102.2	0.0	93.2	-3.1	95.4	1.3	109.4	0.7
10	108.4	2.0	107.3	0.7	118.2	0.5	104.6	3.5
11	109.1	2.6	110.6	1.6	119.9	0.1	103.7	4.5
12	111.2	2.0	115.6	-1.3	115.0	-0.3	107.4	4.9
2017 1	103.5	3.9	94.7	1.9	96.3	-1.0	110.9	6.9
2	95.4	-0.2	100.0	7.8	88.4	-1.0	96.4	-3.3
3	105.5	1.0	113.7	1.1	99.3	-3.2	104.4	2.8
4	104.0	1.9	108.5	5.0	105.5	0.6	101.2	0.9
5	107.7	0.4	114.2	5.4	104.9	-5.1	105.8	0.4
6	104.2	0.8	115.9	1.0	92.6	-2.3	103.8	1.9
7	104.7	2.5	115.0	11.1	91.6	-2.7	105.7	0.7
8	101.0	0.2	107.0	6.0	83.4	-2.0	106.0	-1.6
9	109.3	6.9	111.4	19.5	97.5	2.2	113.5	3.7
10	107.9	-0.5	104.0	-3.1	113.7	-3.8	107.2	2.5
11	114.9	5.3	122.8	11.0	124.6	3.9	107.0	3.2
12	112.8	1.4	114.6	-0.9	117.0	1.7	110.1	2.5
2018 1	105.2	1.6	110.0	16.2	94.5	-1.9	107.7	-2.9
2	101.6	6.5	101.3	1.3	91.8	3.8	106.1	10.1
3	112.9	7.0	124.2	9.2	111.3	12.1	108.4	3.8
4	109.6	5.4	119.5	10.1	107.8	2.2	105.8	4.5
5	112.5	4.5	120.4	5.4	112.2	7.0	109.0	3.0
6 <sup>p</sup>	108.5	4.1	118.0	1.8	101.1	9.2	107.4	3.5
7 <sup>p</sup>	111.0	6.0	123.8	7.7	98.7	7.8	110.5	4.5

p: Preliminary  
Source: Statistics Korea

## 5. Machinery orders received and facility investment index

Period	Domestic machinery orders received excluding ship (billion won, constant value)						Facility investment index (2010=100)	
	Total		Public		Private		y-o-y change (%)	
		y-o-y change (%)		y-o-y change (%)		y-o-y change (%)		
<b>2016</b>	26,643	4.7	2,862	49.0	23,781	1.1	110.7	-1.3
<b>2017</b>	31,753	19.2	2,239	-21.8	29,514	24.1	126.3	14.1
<b>2016 I</b>	6,398	-0.9	637	57.4	5,761	-4.8	100.1	-7.6
II	6,942	-1.3	575	16.8	6,367	-2.6	114.2	0.6
III	5,765	4.8	465	16.6	5,300	3.9	106.3	-4.7
IV	7,538	16.7	1,184	89.9	6,353	8.8	122.0	5.9
<b>2017 I</b>	7,749	21.1	691	8.4	7,058	22.5	118.3	18.2
II	8,584	23.7	542	-5.8	8,042	26.3	134.5	17.8
III	7,568	31.3	461	-0.9	7,107	34.1	128.2	20.6
IV	7,852	4.2	545	-54.0	7,307	15.0	124.4	2.0
<b>2018 I</b>	8,094	4.4	603	-12.7	7,491	6.1	129.4	9.4
II <sup>p</sup>	8,528	-0.7	643	18.5	7,885	-1.9	126.6	-5.9
<b>2016 1</b>	1,662	-28.8	71	-39.0	1,591	-28.3	97.0	-6.6
2	2,282	22.9	255	80.7	2,027	18.1	90.7	-8.4
3	2,454	8.2	312	110.8	2,142	1.0	112.7	-7.7
4	2,006	-27.6	188	48.7	1,817	-31.3	111.0	-2.5
5	2,210	5.2	175	-11.3	2,035	6.9	110.6	2.5
6	2,727	26.3	213	25.6	2,514	26.3	121.1	2.1
7	2,030	1.0	47	-64.6	1,983	5.7	105.0	-12.6
8	1,672	2.5	84	-47.3	1,588	7.9	109.8	3.3
9	2,063	11.0	334	214.8	1,729	-1.4	104.0	-4.0
10	1,825	-8.7	63	-35.2	1,761	-7.4	109.3	-3.3
11	2,339	18.8	154	-32.6	2,186	25.5	118.8	10.2
12	3,374	35.4	967	224.7	2,406	9.6	138.0	10.5
<b>2017 1</b>	2,144	29.0	122	72.5	2,021	27.0	107.0	10.3
2	2,464	8.0	226	-11.1	2,237	10.4	108.5	19.6
3	3,142	28.0	342	9.8	2,800	30.7	139.3	23.4
4	2,777	38.5	241	28.1	2,536	39.5	127.0	14.4
5	2,588	17.1	117	-33.1	2,471	21.4	132.8	20.1
6	3,219	18.1	184	-13.5	3,035	20.7	143.7	18.7
7	2,799	37.9	296	526.3	2,504	26.3	131.1	24.9
8	2,357	41.0	82	-3.2	2,276	43.3	123.5	12.5
9	2,412	16.9	84	-74.8	2,327	34.6	130.0	25.0
10	2,351	28.9	167	162.8	2,185	24.0	105.0	-3.9
11	2,936	25.5	137	-11.0	2,799	28.1	126.8	6.7
12	2,564	-24.0	242	-75.0	2,323	-3.5	141.4	2.5
<b>2018 1</b>	2,621	22.3	269	120.7	2,352	16.3	130.0	21.5
2	2,271	-7.8	141	-37.9	2,131	-4.8	118.8	10.3
3	3,201	1.9	193	-43.6	3,008	7.4	139.4	0.1
4	2,951	6.3	302	25.2	2,650	4.5	129.0	1.6
5	2,787	7.7	118	1.4	2,669	8.0	128.2	-3.5
6 <sup>p</sup>	2,789	-13.4	222	20.6	2,567	-15.4	122.6	-14.7
7 <sup>p</sup>	2,626	-6.2	65	-78.0	2,561	2.3	117.5	-10.4

p: Preliminary  
Source: Statistics Korea

## 6. Value of construction completed and domestic construction orders received

(current value, billion won)

Period	Value of construction completed						Domestic construction orders received					
	Total		Public		Private		Total		Public		Private	
		Y-o-y change (%)		Y-o-y change (%)		Y-o-y change (%)		Y-o-y change (%)		Y-o-y change (%)		Y-o-y change (%)
<b>2016</b>	119,971	16.9	30,916	-0.4	83,680	24.2	145,386	8.1	33,832	18.5	107,748	4.4
<b>2017</b>	138,484	15.4	30,143	-2.5	104,666	25.1	140,844	-3.1	33,468	-1.1	102,327	-5.0
<b>2016 I</b>	24,533	11.9	6,710	0.4	16,512	14.0	28,922	13.6	7,753	68.6	20,458	-0.6
II	29,977	16.5	8,099	-2.3	20,494	24.6	32,790	-7.3	5,565	-37.9	26,702	3.1
III	29,573	16.3	7,061	-2.6	21,226	23.7	36,709	0.6	7,914	61.5	26,985	-12.6
IV	35,889	21.5	9,046	2.6	25,778	32.2	46,966	26.4	12,600	24.9	33,603	30.1
<b>2017 I</b>	30,579	24.6	6,937	3.4	22,598	36.9	29,273	1.2	7,290	-6.0	17,914	-12.4
II	35,562	18.6	8,075	-0.3	26,575	29.7	38,675	17.9	7,542	35.5	30,375	13.8
III	34,841	17.8	6,880	-2.6	27,103	27.7	32,958	-10.2	6,986	-11.7	25,830	-4.3
IV	37,502	4.5	8,250	-8.8	28,390	11.6	39,938	-15.0	11,650	-7.5	28,209	-16.1
<b>2018 I</b>	32,259	5.5	6,491	-6.4	24,945	10.4	29,950	2.3	4,818	-33.9	20,794	16.1
II <sup>p</sup>	35,779	0.6	7,625	-5.6	27,396	3.1	32,593	-15.7	6,293	-16.6	25,523	-17.5
<b>2016 1</b>	7,509	6.4	2,045	-1.1	5,144	7.9	7,335	-2.5	2,687	102.9	4,371	-28.1
2	7,424	8.1	1,976	-6.8	5,086	12.3	9,994	84.0	2,354	106.4	7,559	79.5
3	9,600	20.0	2,689	7.8	6,282	21.1	11,593	-7.4	2,712	27.1	8,528	-17.2
4	9,027	14.0	2,317	-7.1	6,299	23.2	10,848	19.2	1,185	-53.9	9,295	43.6
5	9,347	16.9	2,326	-1.4	6,611	24.3	9,658	-23.6	2,127	-10.2	7,412	-27.1
6	11,603	18.1	3,456	0.6	7,585	26.0	12,284	-9.9	2,254	-44.0	9,995	8.0
7	9,545	17.8	2,256	-2.4	6,914	25.2	12,006	38.3	2,626	46.6	8,513	25.0
8	9,832	21.0	2,344	5.4	7,109	27.0	13,329	52.0	3,362	75.1	9,464	44.7
9	10,195	10.9	2,460	-9.2	7,203	19.2	11,374	-40.3	1,925	62.2	9,008	-48.6
10	10,473	20.2	2,348	2.4	7,692	27.3	14,793	42.4	3,209	78.0	11,509	34.1
11	11,458	28.9	2,779	12.7	8,224	36.5	12,624	-4.7	2,792	-14.5	9,729	3.3
12	13,959	17.0	3,920	-3.5	9,532	32.7	19,548	44.6	6,600	31.5	12,365	58.0
<b>2017 1</b>	8,986	19.7	1,970	-3.6	6,682	29.9	8,527	16.3	2,246	-16.4	6,277	43.6
2	9,593	29.2	2,129	7.7	7,186	41.3	12,350	23.6	3,091	31.3	5,912	-21.8
3	12,000	25.0	2,838	5.5	8,730	39.0	8,397	-27.6	1,953	-28.0	5,725	-32.9
4	11,229	24.4	2,302	-0.7	8,639	37.2	14,647	35.0	2,122	79.1	11,915	28.2
5	11,253	20.4	2,429	4.4	8,542	29.2	11,450	18.6	1,486	-30.1	9,906	33.6
6	13,080	12.7	3,344	-3.2	9,394	23.9	12,578	2.4	3,934	74.6	8,554	-14.4
7	11,204	17.4	2,233	-1.0	8,709	26.0	8,470	-29.4	1,811	-31.0	6,638	-22.0
8	11,104	12.9	2,075	-11.5	8,780	23.5	12,745	-4.4	3,031	-9.8	9,701	2.5
9	12,534	22.9	2,572	4.6	9,614	33.5	11,743	3.2	2,144	11.4	9,491	5.4
10	10,829	3.4	2,175	-7.3	8,409	9.3	8,258	-44.2	905	-71.8	7,330	-36.3
11	12,137	5.9	2,456	-11.6	9,393	14.2	11,129	-11.8	2,306	-17.4	8,805	-9.5
12	14,536	4.1	3,619	-7.7	10,587	11.1	20,551	5.1	8,438	27.9	12,075	-2.4
<b>2018 1</b>	10,693	19.0	1,929	-2.1	8,517	27.5	11,885	39.4	1,325	-41.0	6,339	1.0
2	9,827	2.4	1,910	-10.3	7,715	7.4	7,946	-35.7	2,271	-26.5	5,660	-4.3
3	11,739	-2.2	2,652	-6.6	8,713	-0.2	10,509	25.2	1,225	-37.3	9,183	60.4
4	11,525	2.6	2,260	-1.8	9,029	4.5	9,209	-37.1	1,449	-31.7	7,491	-37.1
5	11,433	1.6	2,348	-3.3	8,845	3.6	12,670	10.7	2,739	84.3	9,772	-1.4
6 <sup>p</sup>	12,821	-2.0	3,016	-9.8	9,521	1.4	10,714	-14.8	2,105	-46.5	8,260	-3.4
7 <sup>p</sup>	10,892	-2.8	2,156	-3.4	8,491	-2.5	10,126	19.6	1,599	-11.7	8,464	27.5

p: Preliminary  
Source: Statistics Korea



## 7. Composite indices of business cycle indicators, CSI and BSI

Period	Leading index (2015=100)	Cyclical indicator of leading index (2015=100)	Coincident index (2015=100)	Cyclical indicator of coincident index (2015=100)	CSI <sup>1</sup>	BOK BSI <sup>2</sup>	
						Results	Prospects
2015 1	97.8	100.6	98.4	99.9	102.1	75	79
2	98.2	100.6	99.0	100.2	102.8	75	75
3	98.6	100.7	99.1	100.1	101.0	75	79
4	99.0	100.7	99.4	100.1	103.6	75	77
5	99.6	100.9	99.2	99.7	104.9	69	77
6	99.9	100.8	99.3	99.5	98.0	65	74
7	100.2	100.7	99.6	99.5	99.9	71	68
8	100.5	100.6	100.1	99.8	101.2	70	72
9	101.0	100.8	100.9	100.3	102.3	69	71
10	101.5	100.8	101.6	100.7	104.7	73	70
11	101.8	100.7	101.6	100.5	105.4	69	72
12	101.9	100.5	101.9	100.4	102.2	69	72
2016 1	102.0	100.1	101.8	100.1	99.7	67	70
2	102.0	99.7	101.9	99.9	97.5	64	68
3	102.2	99.6	102.0	99.8	99.6	66	64
4	102.6	99.6	102.3	99.7	101.2	66	68
5	103.0	99.6	102.7	99.9	98.8	68	69
6	103.3	99.5	103.2	100.1	98.4	70	72
7	103.7	99.6	103.7	100.3	100.6	73	72
8	104.3	99.8	104.0	100.3	101.5	73	73
9	104.9	100.0	104.0	100.1	101.4	72	74
10	105.4	100.1	104.1	99.9	101.7	73	75
11	105.7	100.1	104.5	100.0	95.3	73	74
12	106.3	100.2	105.0	100.2	93.6	75	75
2017 1	106.8	100.3	105.6	100.5	92.8	77	73
2	107.3	100.4	105.8	100.5	93.9	77	79
3	107.7	100.4	106.3	100.7	96.3	77	79
4	108.2	100.6	106.6	100.7	100.8	77	80
5	108.8	100.8	106.9	100.7	107.7	78	80
6	109.5	101.0	107.0	100.6	110.8	77	81
7	110.0	101.2	107.2	100.5	110.9	78	81
8	110.4	101.1	107.4	100.4	109.6	81	80
9	110.5	100.9	107.7	100.4	107.4	84	82
10	110.8	100.8	107.7	100.2	108.9	83	79
11	111.1	100.7	108.0	100.2	112.0	84	87
12	111.4	100.7	107.9	99.8	110.6	83	85
2018 1	112.0	100.8	108.2	99.8	109.9	78	83
2	112.2	100.6	108.5	99.8	108.2	77	80
3	112.3	100.4	108.8	99.8	108.1	72	79
4	112.3	100.1	108.9	99.7	107.1	72	76
5 <sup>p</sup>	112.8	100.1	109.1	99.6	107.9	74	77
6 <sup>p</sup>	113.0	100.0	109.2	99.4	105.5	79	76
7 <sup>p</sup>	113.2	99.8	109.1	99.1	101.0	75	81
8	-	-	-	-	99.2	75	74
9	-	-	-	-	-	-	76

1. Consumer Sentiment Index      2. Business Survey Index (manufacturing, seasonally adjusted)  
p: Preliminary      Sources: Statistics Korea, Bank of Korea

## 8. Prices

Period	Consumer prices (2015=100)								Producer prices (2010=100)			
	All items		Commodities		Services		Core		All items		Commodities	
		y-o-y change (%)		y-o-y change (%)		y-o-y change (%)		y-o-y change (%)		y-o-y change (%)		y-o-y change (%)
2015	100.0	0.7	100.0	-0.7	100.0	1.8	100.0	2.2	101.0	-4.0	98.0	-6.4
2016	101.0	1.0	99.4	-0.6	102.3	2.3	101.6	1.6	99.1	-1.8	94.6	-3.4
2017	102.9	1.9	101.3	1.9	104.3	2.0	103.1	1.5	102.5	3.5	99.0	4.6
2015 1	99.8	1.0	100.6	0.1	99.1	1.7	99.4	2.6	101.9	-3.6	99.7	-5.8
2	99.7	0.6	100.4	-0.6	99.2	1.7	99.5	2.4	101.9	-3.6	99.7	-5.8
3	99.7	0.5	100.1	-1.0	99.4	1.7	99.6	2.2	101.8	-3.7	99.5	-5.9
4	99.8	0.4	99.8	-1.1	99.7	1.6	99.6	2.1	101.8	-3.6	99.3	-5.8
5	100.0	0.6	100.3	-0.8	99.8	1.6	99.9	2.1	101.8	-3.5	99.3	-5.7
6	100.1	0.7	100.4	-0.4	99.8	1.6	99.9	2.0	101.8	-3.6	99.3	-5.8
7	100.2	0.7	100.0	-0.8	100.4	2.0	100.2	2.1	101.4	-4.0	98.6	-6.4
8	100.4	0.7	100.1	-0.9	100.6	2.0	100.3	2.1	100.8	-4.5	97.7	-7.1
9	100.1	0.5	99.8	-1.3	100.4	1.9	100.2	2.0	100.3	-4.6	97.0	-7.3
10	100.1	0.8	99.6	-0.7	100.6	2.1	100.4	2.2	99.7	-4.6	96.0	-7.4
11	99.9	0.8	99.3	-0.7	100.5	2.0	100.4	2.2	99.3	-4.7	95.3	-7.6
12	100.2	1.1	99.7	-0.2	100.7	2.2	100.6	2.3	99.0	-4.0	95.0	-6.6
2016 1	100.4	0.6	99.2	-1.4	101.3	2.3	101.0	1.6	98.5	-3.3	94.0	-5.7
2	100.8	1.1	99.9	-0.5	101.6	2.5	101.2	1.7	98.5	-3.4	93.9	-5.9
3	100.6	0.8	99.1	-1.0	101.8	2.4	101.3	1.7	98.4	-3.3	93.8	-5.7
4	100.8	1.0	99.3	-0.5	101.9	2.3	101.5	1.9	98.7	-3.0	94.1	-5.2
5	100.8	0.8	99.1	-1.2	102.2	2.4	101.7	1.8	98.8	-3.0	94.3	-5.1
6	100.8	0.7	99.1	-1.3	102.2	2.4	101.8	1.8	99.0	-2.7	94.6	-4.7
7	100.6	0.4	98.2	-1.8	102.6	2.1	101.5	1.3	98.9	-2.5	94.4	-4.3
8	100.9	0.5	98.5	-1.6	102.8	2.2	101.6	1.3	99.0	-1.8	94.4	-3.4
9	101.5	1.3	100.0	0.3	102.6	2.2	101.7	1.5	99.2	-1.1	94.7	-2.4
10	101.6	1.5	100.3	0.8	102.7	2.1	102.1	1.8	99.5	-0.1	95.0	-1.0
11	101.5	1.5	100.1	0.8	102.6	2.1	102.0	1.6	100.0	0.7	95.7	0.4
12	101.6	1.3	100.1	0.4	102.8	2.0	101.9	1.2	100.9	1.8	97.0	2.2
2017 1	102.4	2.0	101.1	1.9	103.5	2.2	102.5	1.5	102.3	3.9	99.0	5.3
2	102.8	1.9	101.6	1.7	103.7	2.1	102.7	1.5	102.7	4.3	99.5	6.0
3	102.8	2.2	101.5	2.4	103.9	2.1	102.8	1.4	102.7	4.3	99.3	5.9
4	102.7	1.9	100.8	1.6	104.1	2.2	102.8	1.3	102.4	3.8	99.0	5.1
5	102.8	2.0	101.0	2.0	104.2	2.0	103.1	1.4	102.2	3.4	98.5	4.4
6	102.7	1.9	100.9	1.8	104.1	1.9	103.2	1.4	101.8	2.8	97.8	3.4
7	102.9	2.2	100.8	2.7	104.5	1.9	103.3	1.8	101.9	3.0	97.9	3.7
8	103.5	2.6	102.0	3.6	104.7	1.8	103.4	1.8	102.3	3.3	98.5	4.4
9	103.6	2.1	102.5	2.4	104.5	1.8	103.3	1.6	103.0	3.8	99.5	5.1
10	103.4	1.8	101.8	1.5	104.7	2.0	103.5	1.3	103.1	3.6	99.6	4.8
11	102.7	1.3	100.6	0.5	104.4	1.8	103.2	1.2	103.0	3.1	99.4	3.9
12	103.0	1.5	101.1	1.0	104.6	1.8	103.4	1.5	103.1	2.2	99.5	2.5
2018 1	103.5	1.0	101.5	0.5	105.0	1.4	103.6	1.1	103.6	1.2	99.9	0.9
2	104.3	1.4	102.7	1.1	105.5	1.7	104.0	1.2	104.0	1.3	100.5	1.0
3	104.2	1.3	102.3	0.9	105.6	1.7	104.1	1.3	104.0	1.3	100.5	1.1
4	104.3	1.6	102.4	1.6	105.8	1.6	104.3	1.4	104.2	1.7	100.6	1.6
5	104.4	1.5	102.5	1.4	106.0	1.7	104.5	1.3	100.4	2.2	100.9	2.5
6	104.2	1.5	102.3	1.3	105.8	1.6	104.4	1.2	104.5	2.6	101.1	3.2
7	104.4	1.5	102.4	1.6	106.0	1.4	104.5	1.1	104.9	3.0	101.6	3.8
8	104.9	1.4	103.4	1.3	106.2	1.4	104.3	0.9	105.4	3.0	102.3	3.8

Source: Bank of Korea



## 9. Employment (I)

Period	Economically active persons (thousands)	y-o-y change	Economically inactive persons (thousands)	y-o-y change	Labor force participation rate (%)	Employment rate (%)	Unemployment rate (%)
2016	27,418	265	16,187	102	62.9	60.6	3.7
2017	27,748	329	16,183	-5	63.2	60.8	3.7
2016 I	26,896	266	16,576	127	61.9	59.2	4.3
II	27,578	197	15,991	178	63.3	60.9	3.7
III	27,702	308	15,950	48	63.5	61.2	3.5
IV	27,497	289	16,233	53	62.9	60.9	3.2
2017 I	27,262	366	16,556	-20	62.2	59.6	4.3
II	27,993	414	15,906	-85	63.8	61.3	3.8
III	27,961	259	16,006	56	63.6	61.4	3.4
IV	27,775	278	16,263	30	63.1	61.0	3.2
2018 I	27,464	202	16,624	68	62.3	59.6	4.3
II	28,125	132	16,017	110	63.7	61.2	3.9
2016 1	26,631	251	16,808	148	61.3	59.0	3.7
2	26,925	254	16,546	136	61.9	58.9	4.9
3	27,133	293	16,373	96	62.4	59.7	4.2
4	27,398	195	16,138	186	62.9	60.5	3.9
5	27,617	164	15,955	213	63.4	61.1	3.6
6	27,720	233	15,880	136	63.6	61.3	3.6
7	27,737	202	15,889	159	63.6	61.3	3.5
8	27,690	396	15,962	-40	63.4	61.2	3.6
9	27,679	325	15,998	25	63.4	61.1	3.5
10	27,666	307	16,038	40	63.3	61.2	3.3
11	27,613	315	16,117	29	63.1	61.2	3.1
12	27,211	246	16,544	91	62.2	60.2	3.2
2017 1	26,886	255	16,904	96	61.4	59.1	3.7
2	27,321	396	16,497	-49	62.4	59.3	4.9
3	27,579	446	16,267	-107	62.9	60.3	4.1
4	27,911	513	15,960	-179	63.6	61.0	4.2
5	27,987	370	15,916	-39	63.7	61.5	3.6
6	28,081	360	15,844	-36	63.9	61.5	3.8
7	28,037	299	15,909	20	63.8	61.6	3.4
8	27,903	214	16,064	102	63.5	61.2	3.6
9	27,943	263	16,044	45	63.5	61.4	3.3
10	27,920	254	16,095	57	63.4	61.4	3.2
11	27,889	276	16,151	34	63.3	61.4	3.1
12	27,516	305	16,543	-1	62.5	60.4	3.3
2018 1	27,232	346	16,840	-64	61.8	59.5	3.7
2	27,348	27	16,744	247	62.0	59.2	4.6
3	27,811	232	16,289	22	63.1	60.2	4.5
4	28,029	117	16,093	134	63.5	60.9	4.1
5	28,184	198	15,956	41	63.9	61.3	4.0
6	28,161	80	16,000	156	63.8	61.4	3.7
7	28,123	86	16,064	155	63.6	61.3	3.7
8	28,039	136	16,172	108	63.4	60.9	4.0

Source: Statistics Korea



## 10. Employment (II)

Period	Employed persons (thousands)					
	All industry	y-o-y change	Manufacturing	y-o-y change	SOC & services	y-o-y change
2016	26,409	231	4,584	-21	20,534	312
2017	26,725	316	4,566	-18	20,857	323
2016 I	25,747	204	4,650	113	20,051	144
II	26,552	211	4,599	15	20,530	283
III	26,719	255	4,540	-92	20,763	429
IV	26,618	256	4,545	-119	20,792	390
2017 I	26,100	353	4,530	-120	20,546	494
II	26,919	367	4,579	-21	20,913	383
III	26,998	279	4,570	30	20,986	223
IV	26,883	265	4,586	41	20,986	194
2018 I	26,283	183	4,575	45	20,630	85
II	27,019	101	4,487	-91	21,053	141
2016 1	25,646	254	4,673	127	20,056	199
2	25,615	145	4,648	99	19,984	104
3	25,980	214	4,630	111	20,113	129
4	26,325	172	4,601	23	20,350	210
5	26,613	182	4,608	28	20,566	255
6	26,718	278	4,588	-6	20,674	385
7	26,765	227	4,564	-85	20,797	425
8	26,696	327	4,519	-97	20,759	493
9	26,697	209	4,538	-94	20,733	370
10	26,746	227	4,547	-125	20,759	399
11	26,762	293	4,549	-112	20,841	377
12	26,347	249	4,541	-120	20,775	393
2017 1	25,878	232	4,503	-170	20,462	406
2	25,979	364	4,549	-99	20,453	469
3	26,443	463	4,539	-91	20,721	608
4	26,744	420	4,542	-60	20,842	492
5	26,992	379	4,586	-22	20,963	396
6	27,020	302	4,608	20	20,933	260
7	27,078	314	4,611	47	21,037	240
8	26,904	208	4,544	25	20,922	162
9	27,011	314	4,555	17	20,999	266
10	27,026	281	4,560	14	21,008	249
11	27,019	257	4,581	32	21,061	220
12	26,604	257	4,618	77	20,888	113
2018 1	26,213	334	4,609	106	20,596	134
2	26,083	104	4,562	14	20,503	49
3	26,555	112	4,554	15	20,792	71
4	26,868	123	4,473	-68	20,979	137
5	27,064	72	4,507	-79	21,054	92
6	27,126	106	4,482	-126	21,127	194
7	27,083	5	4,484	-127	21,114	77
8	26,907	3	4,439	-105	20,967	45

Source: Statistics Korea

## 11. Balance of payments (I)

(US \$ million)

Period	Current account	Goods	Goods		Services	Primary income	Secondary income
			Exports	Imports			
2016	99,243.0	118,895.4	511,947.3	393,051.9	-17,737.4	3,851.7	-5,766.7
2017 <sup>p</sup>	78,460.2	119,888.7	577,381.4	457,492.7	-34,472.2	122.0	-7,078.3
2016 I	26,961.1	30,209.1	118,983.8	88,774.7	-3,658.5	1,381.7	-971.2
II	27,040.2	33,174.8	127,574.7	94,399.9	-4,204.5	-717.5	-1,212.6
III	22,563.8	28,184.0	128,614.1	100,430.1	-5,549.4	2,324.6	-2,395.4
IV	22,677.9	27,327.5	136,774.7	109,447.2	-4,325.0	862.9	-1,187.5
2017 <sup>p</sup> I	19,203.3	27,307.0	139,316.9	112,009.9	-8,662.7	1,374.8	-815.8
II	16,451.5	29,561.1	143,112.7	113,551.6	-6,748.6	-4,876.8	-1,484.2
III	25,570.0	34,750.3	148,862.8	114,112.5	-8,497.5	1,946.9	-2,629.7
IV	17,235.4	28,270.3	146,089.0	117,818.7	-10,563.4	1,677.1	-2,148.6
2018 <sup>p</sup> I	11,825.3	23,912.4	149,738.8	125,826.4	-9,409.9	385.4	-3,062.6
II	17,825.8	31,799.4	157,542.6	125,763.2	-6,525.7	-5,168.6	-2,259.3
2016 1	7,619.3	8,432.7	37,290.7	28,858.0	-1,619.8	1,264.2	-457.8
2	7,983.6	8,256.2	36,511.5	28,255.3	-1,164.6	871.4	20.6
3	11,358.2	13,520.2	45,181.6	31,661.4	-874.1	-753.9	-534.0
4	4,262.0	10,108.6	40,463.3	30,354.7	-1,730.5	-3,593.3	-522.8
5	10,516.0	10,466.1	42,129.5	31,663.4	-1,161.3	1,358.1	-146.9
6	12,262.2	12,600.1	44,981.9	32,381.8	-1,312.7	1,517.7	-542.9
7	8,829.3	10,650.0	42,583.8	31,933.8	-1,461.2	266.1	-625.6
8	5,666.0	7,058.6	41,815.7	34,757.1	-1,475.8	1,034.0	-950.8
9	8,068.5	10,475.4	44,214.6	33,739.2	-2,612.4	1,024.5	-819.0
10	7,694.9	9,164.6	43,086.8	33,922.2	-1,785.6	707.1	-391.2
11	8,028.0	9,690.2	46,258.7	36,568.5	-1,813.9	366.3	-214.6
12	6,955.0	8,472.7	47,429.2	38,956.5	-725.5	-210.5	-581.7
2017 <sup>p</sup> 1	5,299.8	7,731.1	44,531.6	36,800.5	-3,340.7	1,176.5	-267.1
2	8,181.8	10,220.2	44,626.2	34,406.0	-2,210.3	718.9	-547.0
3	5,721.7	9,355.7	50,159.1	40,803.4	-3,111.7	-520.6	-1.7
4	3,670.0	11,542.1	48,134.6	36,592.5	-2,417.2	-4,924.3	-530.6
5	5,841.7	8,595.9	46,956.0	38,360.1	-1,638.7	-595.7	-519.8
6	6,939.8	9,423.1	48,022.1	38,599.0	-2,692.7	643.2	-433.8
7	7,249.7	10,587.4	47,101.1	36,513.7	-3,285.3	676.0	-728.4
8	6,032.8	9,184.3	47,687.2	38,502.9	-2,334.6	22.6	-839.5
9	12,287.5	14,978.6	54,074.5	39,095.9	-2,877.6	1,248.3	-1,061.8
10	5,715.5	8,597.4	44,429.8	35,832.4	-3,531.3	1,168.1	-518.7
11	7,427.6	11,461.0	51,480.4	40,019.4	-3,266.1	-72.2	-695.1
12	4,092.3	8,211.9	50,178.8	41,966.9	-3,766.0	581.2	-934.8
2018 <sup>p</sup> 1	2,680.4	8,108.8	52,069.7	43,960.9	-4,494.1	678.5	-1,612.8
2	3,964.5	5,927.9	44,893.5	38,956.6	-2,663.9	1,281.9	-581.4
3	5,180.4	9,875.7	52,775.6	42,899.9	-2,251.9	-1,575.0	-868.4
4	1,768.2	10,357.5	51,507.9	41,150.4	-1,982.6	-5,857.9	-748.8
5	8,680.6	11,386.0	53,778.7	42,392.7	-2,093.9	228.8	-840.3
6	7,377.0	10,035.9	52,256.0	42,220.1	-2,449.2	460.5	-670.2
7	8,757.8	11,427.9	54,062.6	42,634.7	-3,116.1	1,217.3	-771.3

p: Preliminary  
Source: Bank of Korea

## 12. Balance of payments (II)

(US \$ million)

Period	Financial account*						Reserve assets	Capital account
		Direct investment	Portfolio investment	Financial derivatives	Other investment			
2016	102,566.8	17,856.7	66,970.2	-3,440.1	13,564.8	7,615.2	-46.2	
2017 <sup>p</sup>	87,100.4	14,623.0	57,847.4	-8,253.3	18,523.3	4,360.0	-31.3	
2016 I	29,486.0	5,704.8	16,794.1	2,724.0	5,596.8	-1,333.7	-8.1	
II	23,327.5	4,507.8	13,981.8	-1,185.3	5,103.8	919.4	-7.0	
III	24,822.1	1,847.5	15,865.5	-3,799.5	3,949.4	6,959.2	13.9	
IV	24,931.2	5,796.6	20,328.8	-1,179.3	-1,085.2	1,070.3	-45.0	
2017 <sup>p</sup> I	19,741.1	6,881.2	8,011.4	-2,951.0	7,063.2	736.3	36.4	
II	13,043.4	3,476.4	11,516.2	-2,066.8	-96.6	214.2	-60.3	
III	30,844.5	4,428.9	23,972.0	-350.9	2,945.8	-151.3	-7.7	
IV	23,471.4	-163.5	14,347.8	-2,884.6	8,610.9	3,560.8	0.3	
2018 <sup>p</sup> I	12,545.0	1,984.8	12,858.3	-3,607.1	-1,478.8	2,787.8	-21.3	
II	11,603.5	8,149.9	4,219.5	-1,406.2	-9,162.2	9,802.5	-70.7	
2016 1	7,326.7	208.1	5,412.9	1,227.8	117.7	360.2	-2.6	
2	9,715.9	2,187.2	5,749.6	756.6	2,613.5	-1,591.0	-2.3	
3	12,443.4	3,309.5	5,631.6	739.6	2,865.6	-102.9	-3.2	
4	1,814.8	814.0	3,277.6	-1,043.5	-2,549.9	1,316.6	-5.0	
5	9,908.3	1,450.2	4,546.1	-463.7	3,974.0	401.7	1.0	
6	11,604.4	2,243.6	6,158.1	321.9	3,679.7	-798.9	-3.0	
7	8,811.4	719.7	145.0	-471.9	6,451.8	1,966.8	5.8	
8	6,960.3	-291.7	7,111.8	-1,292.4	-1,656.4	3,089.0	17.2	
9	9,050.4	1,419.5	8,608.7	-2,035.2	-846.0	1,903.4	-9.1	
10	8,359.1	1,144.8	9,921.6	-739.5	-2,188.1	220.3	-6.3	
11	8,505.8	62.6	7,011.4	83.0	1,865.9	-517.1	-35.0	
12	8,066.3	4,589.2	3,395.8	-522.8	-763.0	1,367.1	-3.7	
2017 <sup>p</sup> 1	5,067.0	3,270.3	4,917.9	-146.9	-3,232.5	258.2	40.1	
2	8,880.5	4,344.1	809.9	-1,593.2	5,471.3	-151.6	-2.0	
3	5,793.6	-733.2	2,283.6	-1,210.9	4,824.4	629.7	-1.7	
4	1,471.6	1,500.3	2,810.3	-912.4	-1,755.7	-170.9	-26.2	
5	2,642.6	685.3	5,660.3	-413.3	-3,368.2	78.5	-2.0	
6	8,929.2	1,290.8	3,045.6	-741.1	5,027.3	306.6	-32.1	
7	9,442.0	460.0	2,693.6	-79.2	6,238.7	128.9	15.3	
8	8,990.9	1,622.4	11,330.5	-161.3	-4,147.6	346.9	-21.8	
9	12,411.6	2,346.5	9,947.9	-110.4	854.7	-627.1	-1.2	
10	8,436.4	72.6	-173.2	-555.6	7,665.6	1,427.0	-7.4	
11	10,438.0	-70.6	2,101.7	-877.1	7,914.5	1,369.5	38.8	
12	6,347.0	-165.5	12,419.3	-1,451.9	-5,219.2	764.3	-31.1	
2018 <sup>p</sup> 1	4,112.7	138.6	3,490.7	-1,285.9	329.0	1,440.3	-6.5	
2	4,213.1	325.3	9,168.4	-857.4	-4,582.9	159.7	-13.4	
3	4,219.2	1,520.9	199.2	-1,463.8	2,775.1	1,187.8	-1.4	
4	14.1	1,883.5	3,938.2	-748.1	-8,178.5	3,119.0	-64.9	
5	6,859.7	6,056.9	407.4	-484.1	-2,828.4	3,707.9	2.6	
6	4,729.7	209.5	-126.1	-174.0	1,844.7	2,975.6	-8.4	
7	10,456.2	2,258.4	-3,207.8	1,091.4	8,829.1	1,485.1	-6.7	

\* Positive figures represent net outflows, and negative figures represent net inflows.

p: Preliminary Source: Bank of Korea



## 13. Financial indicators

(period average)

Period	Yields (%)					Stock
	Call rate (1 day)	CDs (91 days)	Treasury bonds (3 years)	Treasury bonds (5 years)	Corporate bonds (3 years, AA-)	KOSPI (end-period)
2015 1	2.0	2.1	2.0	2.2	2.4	1,949.26
2	2.0	2.1	2.0	2.1	2.3	1,985.80
3	1.8	2.0	1.9	2.0	2.1	2,041.03
4	1.7	1.8	1.7	1.9	2.0	2,127.17
5	1.7	1.8	1.9	2.1	2.1	2,114.80
6	1.6	1.7	1.8	2.0	2.0	2,074.20
7	1.5	1.7	1.8	2.1	2.0	2,030.16
8	1.5	1.6	1.7	2.0	2.0	1,941.49
9	1.5	1.6	1.7	1.8	2.0	1,962.81
10	1.5	1.6	1.6	1.8	2.0	2,029.47
11	1.5	1.6	1.8	1.9	2.1	1,991.97
12	1.5	1.7	1.7	1.9	2.1	1,961.31
2016 1	1.5	1.7	1.6	1.8	2.1	1,912.06
2	1.5	1.6	1.5	1.6	2.0	1,916.66
3	1.5	1.6	1.5	1.6	2.0	1,995.85
4	1.5	1.6	1.5	1.6	1.9	1,994.15
5	1.5	1.6	1.5	1.6	1.9	1,983.40
6	1.3	1.4	1.3	1.4	1.8	1,970.35
7	1.2	1.4	1.2	1.3	1.7	2,016.19
8	1.2	1.4	1.2	1.3	1.7	2,034.65
9	1.2	1.3	1.3	1.4	1.7	2,043.63
10	1.2	1.4	1.4	1.4	1.8	2,008.19
11	1.2	1.4	1.6	1.7	2.0	1,983.48
12	1.2	1.5	1.7	1.9	2.2	2,026.46
2017 1	1.2	1.5	1.6	1.8	2.1	2,067.57
2	1.2	1.5	1.7	1.9	2.1	2,091.64
3	1.2	1.5	1.7	1.9	2.2	2,160.23
4	1.2	1.4	1.7	1.9	2.2	2,205.44
5	1.2	1.4	1.7	1.9	2.2	2,347.38
6	1.2	1.4	1.7	1.9	2.2	2,391.79
7	1.2	1.4	1.7	1.9	2.3	2,402.71
8	1.2	1.4	1.8	2.0	2.3	2,363.19
9	1.3	1.4	1.8	2.0	2.3	2,394.47
10	1.2	1.4	2.0	2.2	2.6	2,523.43
11	1.3	1.5	2.2	2.4	2.7	2,476.37
12	1.5	1.7	2.1	2.3	2.6	2,467.49
2018 1	1.5	1.7	2.2	2.4	2.7	2,566.46
2	1.5	1.7	2.3	2.5	2.8	2,427.36
3	1.5	1.7	2.3	2.5	2.8	2,445.85
4	1.5	1.7	2.2	2.4	2.8	2,515.38
5	1.5	1.7	2.3	2.5	2.9	2,423.01
6	1.5	1.7	2.2	2.4	2.8	2,326.13
7	1.5	1.7	2.1	2.3	2.8	2,295.26
8	1.5	1.7	2.0	2.2	2.7	2,322.88

Source: Bank of Korea

## 14. Monetary indicators

(period average, billion won)

Period	Reserve money		M1		M2		Lf	
		y-o-y change (%)		y-o-y change (%)		y-o-y change (%)		y-o-y change (%)
<b>2015</b>	120,691.4	16.8	636,639.0	18.6	2,182,911.9	8.6	2,986,699.4	9.7
<b>2016</b>	137,441.5	13.9	734,411.8	15.4	2,342,621.3	7.3	3,229,766.4	8.1
<b>2017</b>	151,858.1	10.5	802,016.5	9.2	2,471,225.6	5.5	3,445,645.8	6.7
<b>2015 1</b>	113,304.2	15.0	579,964.2	12.5	2,092,223.5	8.0	2,857,610.1	8.4
2	116,502.4	15.9	592,737.4	14.3	2,109,892.3	8.0	2,876,467.8	8.6
3	115,974.9	15.3	600,719.9	15.5	2,127,887.8	8.3	2,907,976.4	9.3
4	115,132.7	16.4	610,803.3	17.7	2,148,114.7	9.0	2,936,746.7	10.0
5	117,726.3	15.7	621,985.5	18.9	2,166,741.1	9.3	2,960,998.1	10.3
6	118,688.2	17.0	630,546.3	18.5	2,179,561.1	9.0	2,986,316.5	10.5
7	122,041.0	20.6	645,975.4	21.0	2,200,510.9	9.3	3,013,503.9	10.6
8	121,854.4	13.2	653,105.9	21.3	2,218,660.3	9.2	3,028,981.1	10.4
9	126,572.2	20.1	665,691.1	21.4	2,230,000.7	9.4	3,049,823.2	10.5
10	125,616.2	17.3	669,737.7	21.5	2,232,432.0	8.8	3,059,051.9	10.2
11	126,767.1	18.8	677,629.2	20.6	2,242,848.2	7.7	3,076,029.2	9.2
12	128,117.5	16.3	690,772.4	19.6	2,246,070.1	7.5	3,086,887.8	8.9
<b>2016 1</b>	131,279.3	15.9	699,767.3	20.7	2,261,356.4	8.1	3,110,535.8	8.9
2	134,913.0	15.8	708,014.0	19.4	2,285,313.5	8.3	3,133,492.2	8.9
3	132,957.9	14.6	713,861.2	18.8	2,294,544.7	7.8	3,158,687.8	8.6
4	135,038.9	17.3	720,818.5	18.0	2,299,081.3	7.0	3,170,277.9	8.0
5	135,971.3	15.5	722,544.4	16.2	2,312,801.2	6.7	3,189,899.3	7.7
6	135,758.4	14.4	730,637.8	15.9	2,334,256.2	7.1	3,223,154.5	7.9
7	135,906.7	11.4	735,172.2	13.8	2,352,245.1	6.9	3,242,338.3	7.6
8	139,073.9	14.1	738,120.9	13.0	2,377,323.1	7.2	3,270,365.6	8.0
9	142,079.6	12.3	751,408.5	12.9	2,383,040.5	6.9	3,288,026.0	7.8
10	141,103.5	12.3	753,367.3	12.5	2,391,059.2	7.1	3,305,950.4	8.1
11	141,757.2	11.8	762,639.7	12.5	2,406,393.5	7.3	3,328,489.7	8.2
12	143,458.7	12.0	776,589.6	12.4	2,414,040.9	7.5	3,337,069.4	8.1
<b>2017 1</b>	147,380.8	12.3	780,995.5	11.6	2,417,635.8	6.9	3,359,110.8	8.0
2	150,092.9	11.3	776,362.5	9.7	2,420,285.6	5.9	3,365,200.1	7.4
3	145,049.0	9.1	789,187.8	10.6	2,436,994.7	6.2	3,387,986.2	7.3
4	149,630.1	10.8	791,859.3	9.9	2,450,220.9	6.6	3,404,957.2	7.4
5	149,446.2	9.9	791,074.8	9.5	2,454,386.7	6.1	3,416,320.2	7.1
6	150,519.7	10.9	798,890.2	9.3	2,470,861.1	5.9	3,440,571.4	6.7
7	149,955.1	10.3	804,853.4	9.5	2,472,110.4	5.1	3,454,563.6	6.5
8	152,170.5	9.4	805,103.3	9.1	2,485,629.9	4.6	3,472,041.5	6.2
9	154,578.6	8.8	810,905.0	7.9	2,492,388.4	4.6	3,483,119.8	5.9
10	159,248.2	12.9	826,892.1	9.8	2,504,594.2	4.7	3,501,084.6	5.9
11	155,623.3	9.8	817,624.5	7.2	2,521,786.3	4.8	3,521,139.1	5.8
12	158,603.1	10.6	830,003.7	6.9	2,527,641.3	4.7	3,541,553.2	6.1
<b>2018 1</b>	157,220.1	6.7	830,732.8	6.3	2,551,196.0	5.5	3,573,130.0	6.4
2	163,852.7	9.2	839,555.2	8.1	2,570,764.6	6.2	3,596,261.3	6.8
3	160,760.7	10.8	840,991.0	6.6	2,578,361.8	5.8	3,614,934.9	6.7
4	161,527.1	8.0	841,002.2	6.2	2,590,840.7	5.7	3,628,930.4	6.6
5	160,475.5	7.4	839,880.5	6.2	2,600,274.3	5.9	3,643,255.3	6.6
6	164,397.3	9.2	846,240.2	5.9	2,622,268.3	6.1	3,671,929.8	6.7
7	163,223.4	8.8	843,752.8	4.8	2,637,421.8	6.7	3,698,202.0	7.1

Source: Bank of Korea

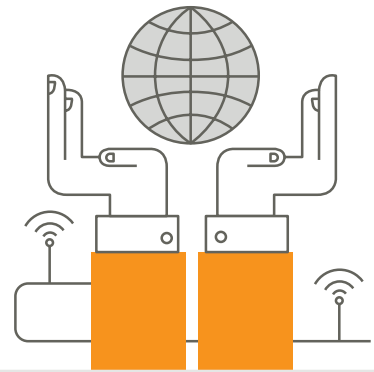
## 15. Exchange rates

(end-period)

Period	US\$/₩		100¥/₩		Euro/₩	
	Won	Y-o-Y change (%)	Won	Y-o-Y change (%)	Won	Y-o-Y change (%)
2015	1,172.0	6.6	972.0	5.6	1,280.5	-4.2
2016	1,208.5	3.1	1,036.8	6.7	1,267.6	-1.0
2017	1,071.4	-11.3	949.1	-8.5	1,279.3	0.9
2015 1	1,190.8	1.1	921.4	-11.7	1,235.7	-16.1
2	1,099.2	3.0	920.7	-11.9	1,230.7	-15.9
3	1,105.0	3.4	920.3	-11.4	1,196.8	-18.6
4	1,068.1	3.5	897.2	-10.8	1,187.0	-16.7
5	1,108.0	8.5	894.6	-10.9	1,215.2	-12.6
6	1,124.1	10.8	917.2	-8.3	1,260.5	-8.9
7	1,166.3	13.9	939.3	-5.7	1,275.4	-7.0
8	1,176.3	16.1	970.1	-0.8	1,317.3	-1.4
9	1,194.5	13.7	996.8	3.8	1,343.9	0.8
10	1,142.3	8.4	994.1	-2.1	1,254.8	-5.6
11	1,150.4	4.5	936.7	0.3	1,218.3	-11.2
12	1,172.0	6.6	972.0	5.6	1,280.5	-4.2
2016 1	1,208.4	10.8	1,017.1	10.4	1,322.2	7.0
2	1,235.4	12.4	1,083.8	17.9	1,348.3	9.6
3	1,153.5	4.4	1,026.0	11.5	1,307.4	9.2
4	1,143.9	7.1	1,058.2	17.9	1,298.4	9.4
5	1,190.6	7.5	1,072.8	19.9	1,326.8	9.2
6	1,164.7	3.6	1,132.2	23.4	1,295.5	2.8
7	1,125.7	-3.5	1,073.7	14.3	1,246.7	-2.3
8	1,118.5	-4.9	1,086.3	12.0	1,246.9	-5.3
9	1,096.3	-8.2	1,083.7	8.7	1,230.3	-8.5
10	1,145.2	0.3	1,094.4	15.9	1,257.1	0.2
11	1,168.5	1.6	1,038.8	10.9	1,244.3	2.1
12	1,208.5	3.1	1,036.8	6.7	1,267.6	-1.0
2017 1	1,157.8	-4.2	1,017.9	0.1	1,239.5	-6.3
2	1,132.1	-8.4	1,004.0	-7.5	1,198.6	-11.1
3	1,116.1	-3.2	998.5	-2.7	1,192.6	-8.8
4	1,130.1	-1.2	1,016.0	-4.0	1,228.1	-5.4
5	1,123.9	-5.6	1,014.3	-5.4	1,255.6	-5.4
6	1,139.6	-2.2	1,017.6	-10.1	1,304.0	0.7
7	1,119.1	-0.6	1,012.3	-5.7	1,315.7	5.5
8	1,122.8	0.4	1,017.4	-6.3	1,335.6	7.1
9	1,146.7	4.6	1,020.4	-5.8	1,350.9	9.8
10	1,125.0	-1.8	994.2	-9.2	1,310.1	4.2
11	1,082.4	-7.4	966.5	-7.0	1,282.7	3.1
12	1,071.4	-11.3	949.1	-8.5	1,279.3	0.9
2018 1	1,071.5	-7.5	985.0	-3.2	1,329.1	7.2
2	1,071.0	-5.4	997.3	-0.7	1,310.4	9.3
3	1,066.5	-4.4	1,001.5	0.3	1,312.0	10.0
4	1,076.2	-4.8	985.9	-3.0	1,304.5	6.2
5	1,081.3	-3.8	994.0	-2.0	1,261.3	0.5
6	1,121.7	-1.6	1,014.8	-0.3	1,297.0	-0.5
7	1,116.7	-0.2	1,006.0	-0.6	1,307.4	-0.6
8	1,108.8	-1.2	998.7	-1.8	1,293.2	-3.2

Source: Bank of Korea

## Useful websites



**Ministry of Economy and Finance**  
<http://english.moef.go.kr>

**Korea Development Institute**  
[http://www.kdi.re.kr/kdi\\_eng](http://www.kdi.re.kr/kdi_eng)

**Ministry of Trade, Industry and Energy**  
<http://english.motie.go.kr>

**Financial Services Commission**  
<http://www.fsc.go.kr/eng>

**Financial Supervisory Service**  
<http://english.fss.or.kr>

**Fair Trade Commission**  
<http://www.ftc.go.kr/eng>

**Ministry of Employment and Labor**  
<http://www.moel.go.kr/english>

**Bank of Korea**  
<http://www.bok.or.kr/eng>

**Statistics Korea**  
<http://kostat.go.kr/portal/eng>





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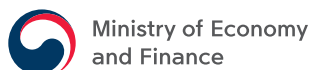
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