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Bamboo Forest in Southern Korea

The name of the bamboo forest is Juk-nok-won, a bamboo green garden.
The 160,000 square meters of man-made bamboo garden is in Damyang, a southern district of the country, which is famous for its tourist attractions of mountains, valleys, forests, waters and gardens. It is said that spring and fall are best seasons to visit bamboo gardens, but summer is a wonderful season to visit. It is 4 to 7 degrees cooler in bamboo groves.

07 Contents

THE GREEN BOOK:

CURRENT ECONOMIC TRENDS

Overview

Consumption and services improved in May. Mining and manufacturing slowed down, along with facilities investment and construction investment. Employment continued to rise in June and consumer prices stayed stable.

Industrial production fell 0.5 percent in May due to weak mining and manufacturing *(up 1.9% → down 1.7%, m-o-m)*. Service output *(up 0.4% → up 0.1%, m-o-m)* improved somewhat.

Retail sales *(down 1.2% → up 0.9%, m-o-m)* rose in May. However, facilities investment *(up 4.6% → down 8.2%, m-o-m)* slowed down, and construction investment *(down 2.1% → down 0.3%, m-o-m)* continued to fall.

Exports declined 13.5 percent year-on-year in June, falling for a seventh consecutive month, due to low semiconductor prices and weak global demand.

Consumer confidence edged down 0.4 points to 97.5 in June, and the business sentiment index (BSI) fell 1 point to 75, the BIS outlook for July staying at 75.

The cyclical indicator of the coincident composite index improved 0.2 points in May to 98.6, and the cyclical indicator of the leading composite index fell 0.2 points to 98.1.

The economy added 281,000 jobs year-on-year in June as service jobs continued to grow. The unemployment rate rose 0.3 percentage points to 4.0 percent.

Consumer prices continued to be stable in June, rising 0.7 percent year-on-year, backed by the low prices of services and oil products.

In June KOSPI rose, the won strengthened and Korea treasury yields went down.

Housing prices continued to decline in June *(down 0.13%, m-o-m)*, along with *Jeonse* (lump-sum deposits with no monthly payments) prices *(down 0.21%, m-o-m)*. Housing transactions continued to fall.

Global economic situations surrounding the Korean economy have been worsening as uncertainties linger with regard to the US-China trade conflict and the semiconductor demand remains weak amid slowing global economies.

While domestic consumption has been improving, exports and investment have yet to pick up.

The government will be prepared for external risks, including Japan's trade curbs, get ready for the spending of the supplementary budget as soon as it is approved by the National Assembly, and work to successfully implement the 2019 economic policies for the second half, which focus on promoting investment, exports and consumption to boost the economy.

1. External economic situation

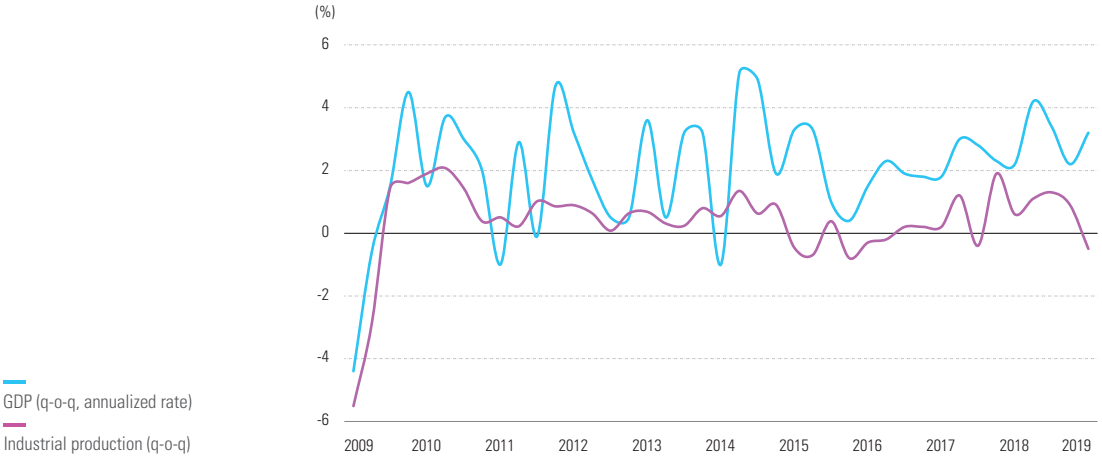
US

The US economy has been on a solid growth trajectory according to major economic indicators, including strong payrolls data in June.

Industrial production rose 0.4 percent in May, following a 0.4 percent decline in the previous month. The ISM Manufacturing Index fell 0.4 points to 51.7 in June.

ISM Manufacturing Index (base=50)
56.6 (Jan 2019) → 54.2 (Feb) → 55.3 (Mar) → 52.8 (Apr) → 52.1 (May) → 51.7 (June)

US GDP growth and industrial production



Sources: US Department of Commerce, Federal Reserve Board

Retail sales rose 0.5 percent month-on-month in May as automobile sales increased *(up 0.6%, m-o-m)*, as well as furniture and electronic appliances *(up 0.6%, m-o-m)*. Consumer confidence fell in June.

Conference Board Consumer Confidence Index (1985=100)
131.4 (Feb 2019) → 124.2 (Mar) → 129.2 (Apr) → 131.3 (May) → 121.5 (June)

Existing home sales rose 2.5 percent month-on-month in May to an annual rate of 5,340,000 homes *(down 1.1%, y-o-y)*. New home sales declined 7.8 percent month-on-month to an annual rate of 630,000 units *(down 3.7%, y-o-y)*.

Case-Shiller Home Price Index (y-o-y, %)
4.1 (Dec 2018) → 3.5 (Jan 2019) → 2.9 (Feb) → 2.6 (Mar) → 2.5 (April)

New home sales (m-o-m, %)
-8.3 (Dec 2018) → 14.2 (Jan 2019) → 3.9 (Feb) → 5.4 (Mar) → -3.7 (Apr) → -7.8 (May)

The US job market remained solid in June as nonfarm payrolls increased by 224,000, although unemployment rose somewhat.

Labor force participation rate (%)
63.2 (Jan 2019) → 63.2 (Feb) → 63.0 (Mar) → 62.8 (Apr) → 62.8 (May) → 62.9 (June)

Nonfarm payroll increase (m-o-m, thousands)
312 (Jan 2019) → 56 (Feb) → 153 (Mar) → 216 (Apr) → 72 (May) → 224 (June)

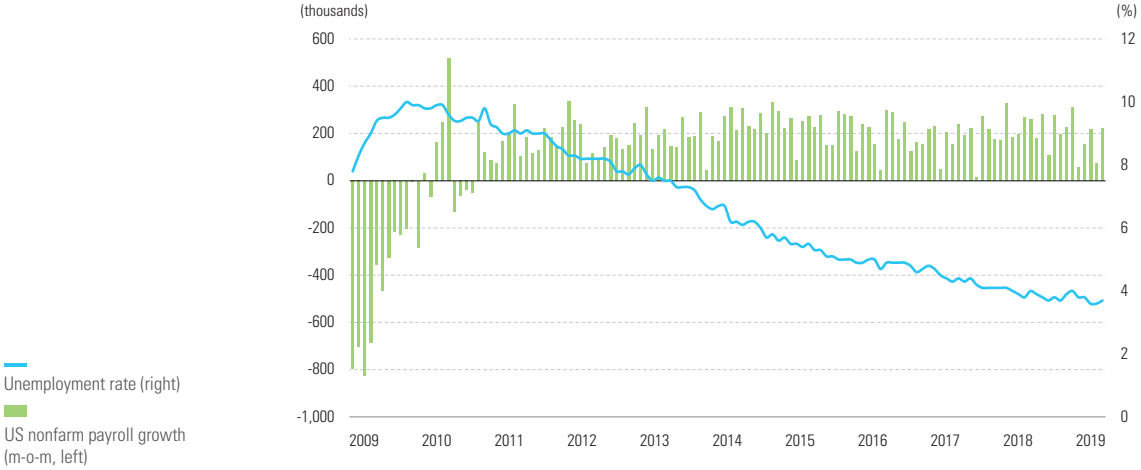
Unemployment rate (%)
4.0 (Jan 2019) → 3.8 (Feb) → 3.8 (Mar) → 3.6 (Apr) → 3.6 (May) → 3.7 (June)

(Percentage change from previous period)

	2017	2018					2019			
	Annual	Annual	Q1	Q2	Q3	Q4	Q1	Apr	May	Jun
Real GDP[1]	2.2	2.9	2.2	4.2	3.4	2.2	3.1	-	-	-
- Personal consumption expenditures	2.5	2.6	0.5	3.8	3.5	2.5	0.9	-	-	-
- Nonresidential fixed investment	5.3	6.9	11.5	8.7	2.5	5.4	4.4	-	-	-
- Residential fixed investment	3.3	-0.3	-3.4	-1.3	-3.6	-4.7	-2.0	-	-	-
Industrial production	2.3	3.9	0.6	1.1	1.3	1.0	-0.5	-0.4	0.4	-
Retail sales	4.6	4.8	0.9	1.3	0.9	0.2	0.3	0.3	0.5	-
Existing home sales	1.7	-3.4	-1.0	-1.8	-1.8	-3.1	1.2	0.0	2.5	-
Unemployment rate[2]	4.4	3.9	4.1	3.9	3.8	3.8	3.9	3.6	3.6	3.7
Consumer prices (y-o-y)	2.1	2.4	2.2	2.7	2.6	2.2	1.6	2.0	1.8	1.6

1. Annualized rate (%)
2. Seasonally adjusted
Sources: US Department of Commerce, Bloomberg

US nonfarm payroll growth and unemployment rate



Source: US Department of Labor

China

China's industrial production grew 5.0 percent in May, the slowest since February 2009. The Manufacturing PMI remained below 50 in June.

Exports (y-o-y, %)
-4.4 (Dec 2018) → 9.3 (Jan 2019) → -20.8 (Feb) → 13.8 (Mar) → -2.7 (Apr) → 1.1 (May)

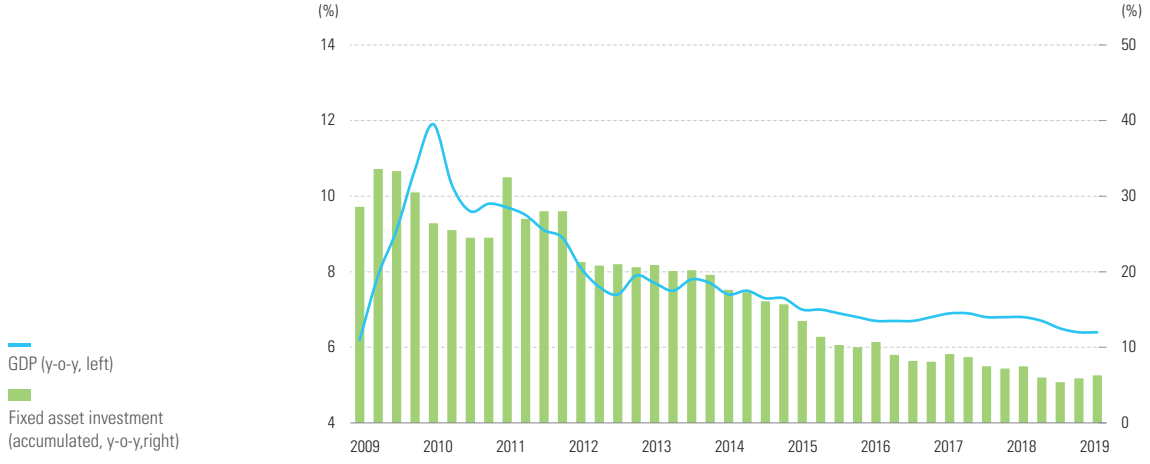
Manufacturing PMI (base=50)
49.5 (Jan 2019) → 49.2 (Feb) → 50.5 (Mar) → 50.1 (Apr) → 49.4 (May) → 49.4 (Jun)

(Percentage change from same period in previous year)

	2017	2018					2019			
	Annual	Annual	Q1	Q2	Q3	Q4	Q1	Apr	May	Jun
Real GDP	6.8	6.6	6.8	6.7	6.5	6.4	6.4	-	-	-
Industrial production	6.6	6.2	6.2	6.6	6.0	5.7	6.5	5.4	5.0	-
Fixed asset investment (accumulated, nominal)	7.2	5.9	7.5	6.0	5.4	5.9	6.3	6.1	5.6	-
Retail sales (nominal)	10.2	9.0	9.7	9.0	9.0	8.3	8.3	7.2	8.6	-
Exports	7.9	9.9	13.7	11.5	11.7	3.9	1.3	-2.7	1.1	-
Consumer prices[1]	1.6	2.1	2.2	1.8	2.3	2.2	1.8	2.5	2.7	2.7
Producer prices[1]	6.3	3.5	3.7	4.1	4.1	2.3	0.2	0.9	0.6	0.0

1. Quarterly data show an average of monthly data
Source: China National Bureau of Statistics

China's GDP growth and fixed asset investment



Source: China National Bureau of Statistics

Japan

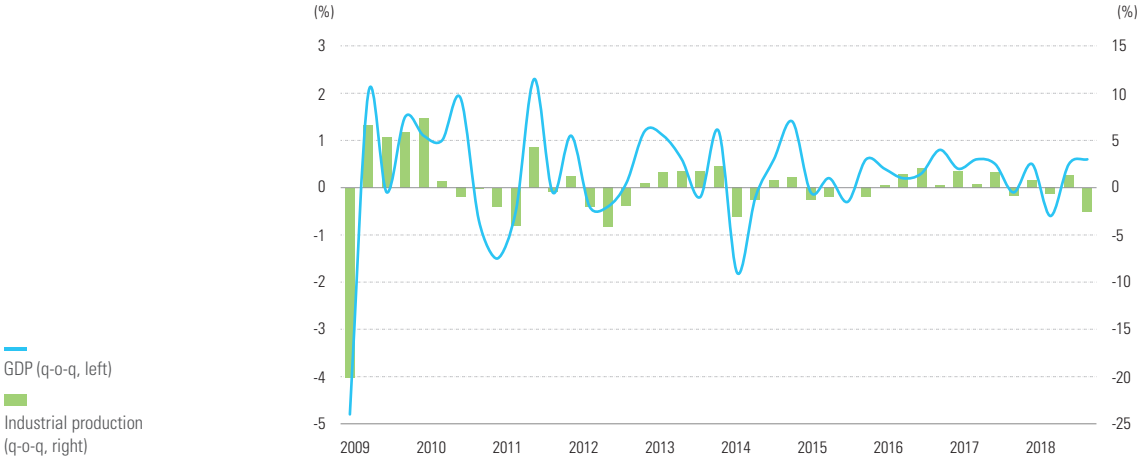
Japan's industrial production and retail sales rose in May, while exports fell for the sixth consecutive month.

(Percentage change from previous period)

	2017	2018					2019		
	Annual	Annual	Q1	Q2	Q3	Q4	Q1	Apr	May
Real GDP	1.9	0.8	-0.1	0.6	-0.6	0.5	0.6	-	-
Industrial production	2.9	1.0	-0.9	0.8	-0.7	1.3	-2.5	0.6	2.3
Retail sales (nominal)	1.2	1.7	-0.4	0.5	0.9	0.7	-1.3	-0.1	0.3
Exports (y-o-y)	11.8	4.1	4.9	7.5	2.9	1.3	-3.9	-2.4	-7.8
Consumer prices (y-o-y)	0.5	1.0	1.3	0.7	1.1	0.8	0.3	0.9	0.7

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

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

Eurozone

The Eurozone economy remained weak: Retail sales continued to fall and industrial production is expected to grow 0.2 percent in May.

Unemployment rate (%)
7.9 (Dec 2018) → 7.8 (Jan 2019) → 7.8 (Feb) → 7.6 (Mar) → 7.6 (Apr) → 7.5 (May)

Manufacturing PMI (base=50)
50.5 (Jan 2019) → 49.3 (Feb) → 47.5 (Mar) → 47.9 (Apr) → 47.7 (May) → 47.6 (Jun)

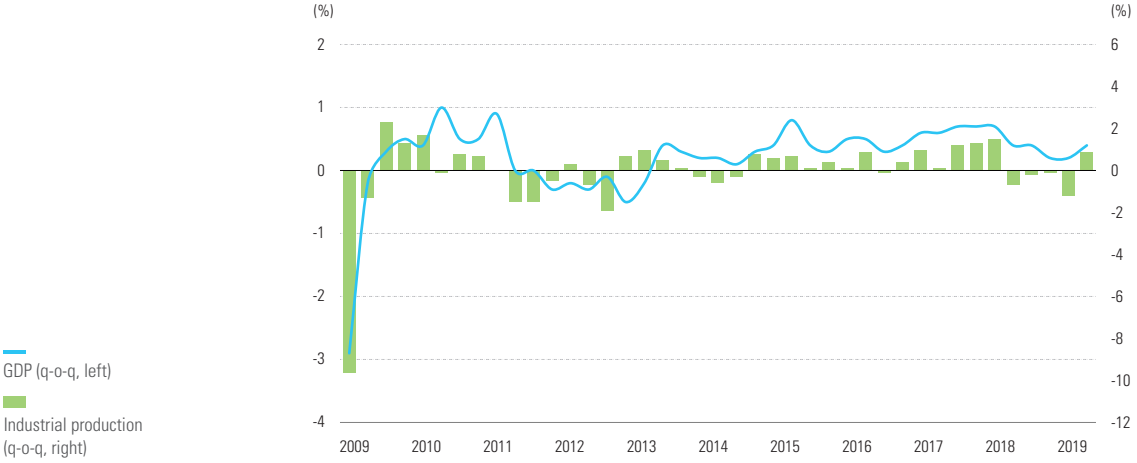
Eurozone Economic Sentiment Indicator (base =100)
106.2 (Feb 2019) → 105.6 (Mar) → 103.9 (Apr) → 105.2 (May) → 103.3 (Jun)

(Percentage change from previous period)

	2017	2018					2019			
	Annual	Annual	Q1	Q2	Q3	Q4	Q1	Apr	May	Jun
Real GDP	2.4	1.9	0.4	0.4	0.1	0.2	0.4	-	-	-
Industrial production	2.9	0.9	-0.9	0.1	-0.1	-1.2	0.9	-0.5	-	-
Retail sales	2.5	1.6	0.2	0.9	-0.1	0.7	0.7	-0.1	-0.3	-
Exports (y-o-y)	7.1	3.8	2.2	4.4	4.7	3.8	3.9	5.2	-	-
Consumer prices (y-o-y)	1.5	1.8	1.3	1.7	2.1	1.9	1.4	1.7	1.2	1.2

Sources: Eurostat, Bloomberg

Eurozone's GDP growth and industrial production



Source: Eurostat

2. Private consumption

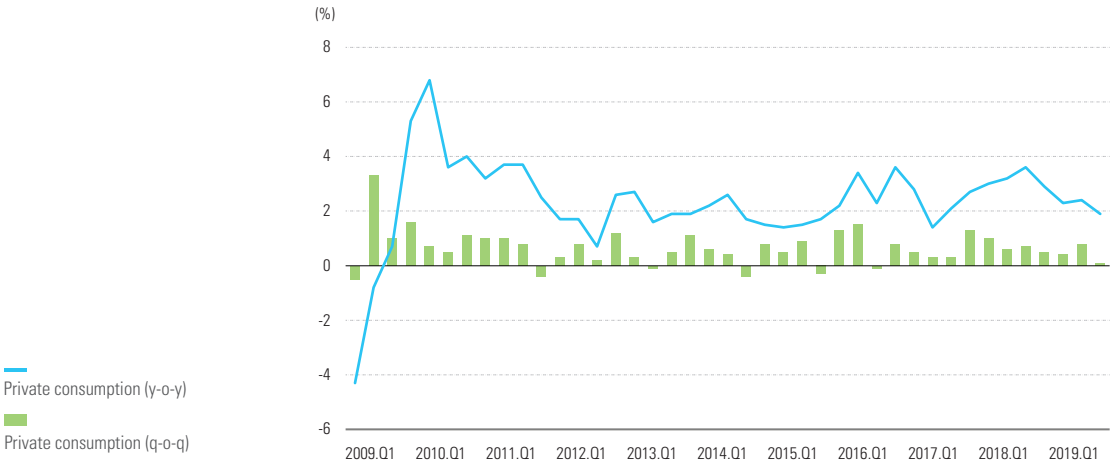
Private consumption *(advance estimate of GDP)* in the first quarter of 2019 rose 0.1 percent from the previous quarter and 1.9 percent compared with a year ago.

(Percentage change from previous period)

	2016	2017					2018					2019
	Annual	Annual[1]	Q1[1]	Q2[1]	Q3[1]	Q4[1]	Annual[1]	Q1[1]	Q2[1]	Q3[1]	Q4[1]	Q1[1]
Private consumption[2]	2.6	2.8	0.3	1.3	1.0	0.6	2.8	0.7	0.5	0.4	0.8	0.1
(y-o-y)	-	-	2.1	2.7	3.0	3.2	-	3.6	2.9	2.3	2.4	1.9

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

Private consumption



Source: Bank of Korea (national accounts)

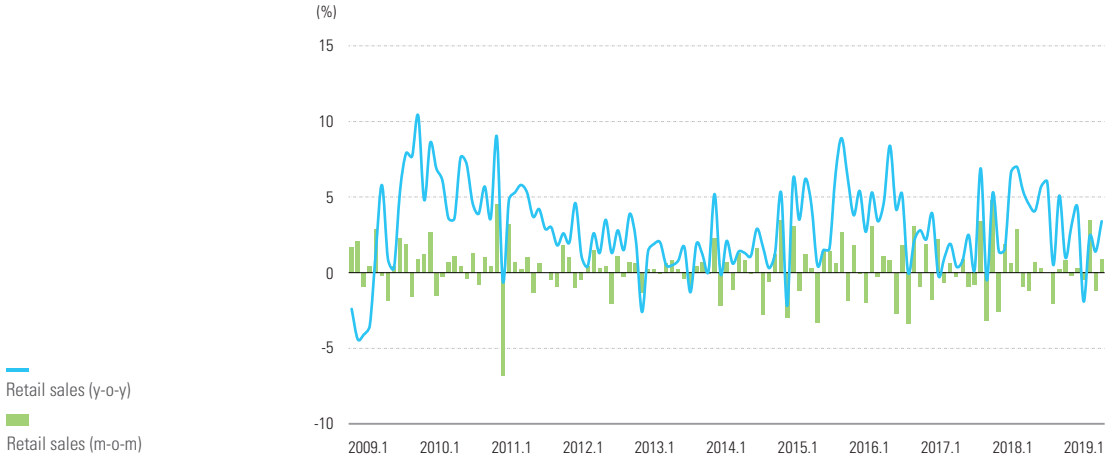
Retail sales rose 0.9 percent from the previous month in May: Sales of durable goods *(up 0.6%)* and semi-durable goods *(up 4.9%)* increased, while non-durable goods sales *(down 0.7%)* declined. The index improved 3.4 percent year-on-year.

((Percentage change from previous period)

	2016	2017	2018					2019			
	Annual	Annual	Annual	Q1	Q2	Q3	Q4	Q1	Mar	Apr[1]	May[1]
Retail sales	3.9	1.9	4.3	2.1	0.6	-0.2	-0.1	1.3	3.5	-1.2	0.9
(y-o-y)	-	-	-	5.3	5.0	3.8	3.0	1.7	2.5	1.4	3.4
- Durable goods[2]	4.6	5.3	5.6	4.7	0.2	-2.6	0.3	2.0	7.9	-4.1	0.6
· Automobiles	2.8	0.9	8.2	10.1	1.0	-4.4	0.6	-1.1	5.9	0.6	-1.3
- Semi-durable goods[3]	2.3	-1.1	5.9	0.7	3.0	1.7	0.6	-2.4	0.8	-0.6	4.9
- Nondurable goods[4]	4.2	1.8	2.9	1.5	-0.2	0.4	-0.5	2.5	2.6	-0.1	-0.7

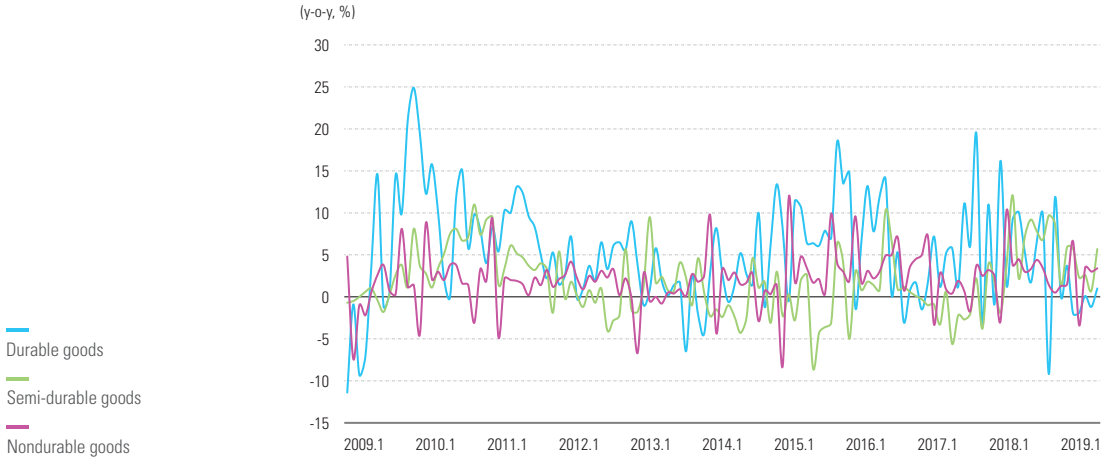
1. Preliminary 2. Durable goods: Automobiles, electronic appliances, furniture, telecommunications devices and etc.
3. Semi-durable goods: Clothing, footwear and etc.
4. Non-durable goods: Food, medicine, cosmetics, fuel, tobacco and etc.
Source: Statistics Korea

Retail sales



Source: Statistics Korea (industrial activity trends)

Retail sales by type



Source: Statistics Korea (industrial activity trends)

In June, car sales at home continued to fall, as well as sales at large discount stores and consumer sentiment. Sales at department stores and the number of Chinese tourists rose.

	2018		2019					
	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Car sales at home (y-o-y, %)	-0.4	3.3	2.1	-0.7	-2.0	1.1	-0.4	-4.9
Department store sales (y-o-y, %)	-3.4	0.5	6.4	-7.7	1.3	-3.0	2.3	2.6
Large discount store sales (y-o-y, %)	-1.7	-3.6	4.6	-10.8	2.0	-4.8	-1.0	-2.1
Online sales (y-o-y, %)	10.1	6.1	7.0	3.4	14.3	5.1	14.5	3.7
Credit card use at home (y-o-y, %)	6.7	7.1	6.6	1.3	3.5	5.6	7.6	4.6
Consumer sentiment index	95.7	96.9	97.5	99.5	99.8	101.6	97.9	97.5
Number of Chinese tourists (y-o-y, %)	35.1	25.3	28.7	31.3	20.9	34.5	35.2	30.1[1]

1. Advance estimate 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

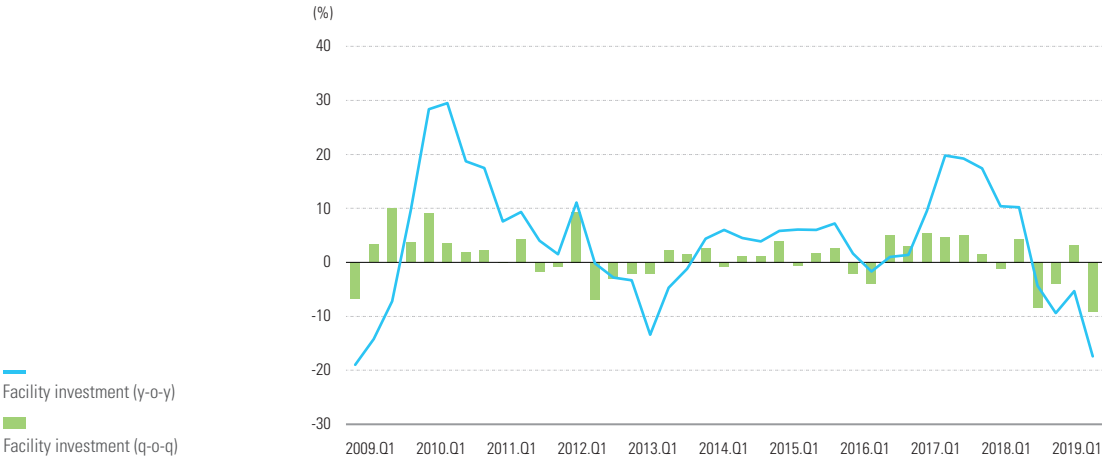
Facility investment *(preliminary)* in the first quarter of 2019 fell 9.1 percent quarter-on-quarter and 17.4 percent year-on-year.

(Percentage change from previous period)

	2017					2018					2019
	Annual[1]	Q1[1]	Q2[1]	Q3[1]	Q4[1]	Annual[1]	Q1[1]	Q2[1]	Q3[1]	Q4[1]	Q1[1]
Facility investment[2]	16.5	4.6	5.1	1.5	-1.2	-2.4	4.3	-8.4	-4.0	3.2	-9.1
(y-o-y)	-	19.8	19.2	17.4	10.4	-	10.2	-4.3	-9.4	-5.3	-17.4
- Machinery	23.0	10.4	0.8	4.9	-0.9	-5.0	5.7	-11.1	-7.9	0.1	-5.0
- Transportation equipment	-1.9	-12.9	21.5	-9.2	-2.2	6.7	-0.5	1.6	9.2	12.1	-19.5

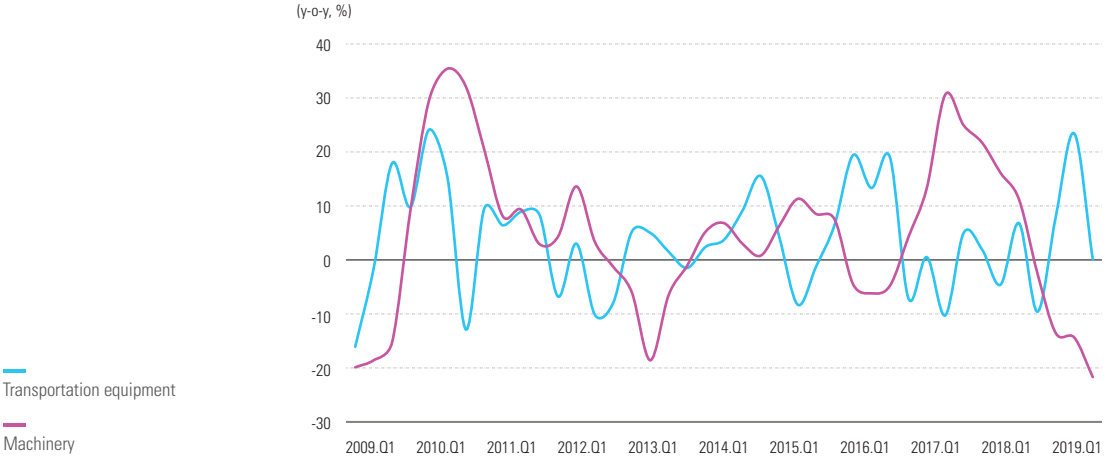
1. Preliminary 2. National accounts Source: Bank of Korea

Facility investment



Source: Bank of Korea (national accounts)

Facility investment by type



Source: Bank of Korea (national accounts)

The facility investment index in May declined 8.2 percent month-on-month as investment in transportation equipment and machinery fell. The index fell 11.5 percent year-on-year.

(Percentage change from previous period)

	2017	2018					2019			
	Annual	Annual	Q1	Q2	Q3	Q4	Q1	Mar	Apr[1]	May[1]
Facility investment index	14.1	-3.8	7.1	-7.6	-7.7	0.0	-5.5	10.1	4.6	-8.2
(y-o-y)	-	-	10.2	-4.8	-13.5	-6.0	-19.6	-15.6	-6.3	-11.5
- Machinery	22.4	-6.5	5.6	-8.7	-9.6	-1.0	-6.4	3.9	8.1	-6.5
- Transportation equipment	-4.4	3.9	11.2	-4.7	-3.1	2.6	-2.4	26.5	-2.7	-13.0

1. Preliminary Source: Statistics Korea

Domestic machinery orders received rose in May, but other leading indicators, such as machinery imports, capacity utilization rate and facility investment pressure, either fell or remained weak.

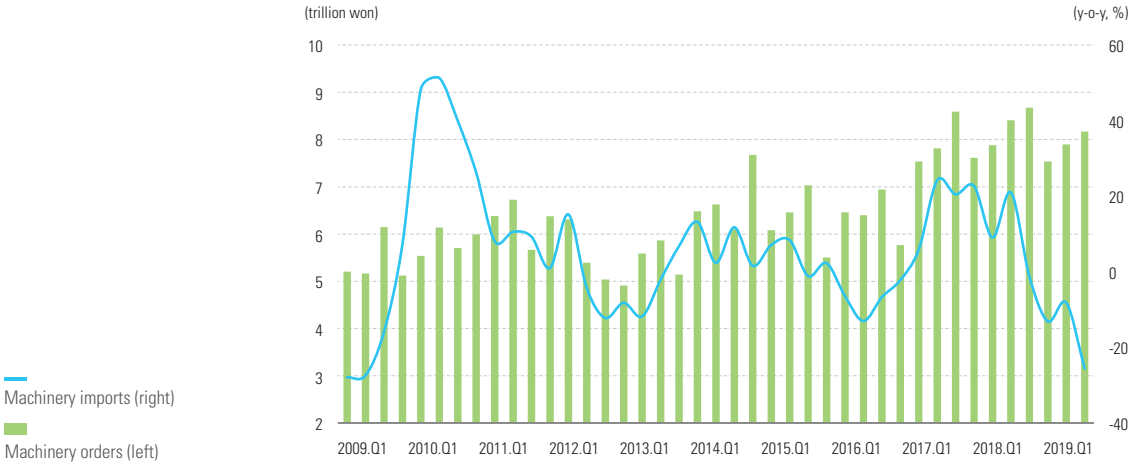
BSI in the manufacturing sector (base=100, Bank of Korea)
71 (Jan 2019) → 68 (Feb) → 76 (Mar) → 76 (Apr) → 77 (May) → 73 (Jun) → 75 (Jul)

(Percentage change from same period in previous year)

	2017	2018					2019			
	Annual	Annual	Q1	Q2	Q3	Q4	Q1	Mar	Apr[1]	May[1]
Domestic machinery orders received	19.7	1.9	7.6	1.0	-1.0	0.2	-2.8	-4.6	0.3	2.9
(q-o-q, m-o-m)	-	-	-3.5	2.9	0.4	0.6	-5.8	15.1	4.1	-4.2
-Public	-20.8	8.8	-12.7	18.8	7.3	26.5	-37.4	-30.0	-66.9	21.6
-Private	24.6	1.4	9.6	-0.3	-1.5	-1.9	-0.1	-3.1	7.8	2.0
Machinery imports	18.8	-0.9	21.0	-1.2	-13.1	-8.2	-25.6	-22.2	-8.0	-15.6
Capacity utilization rate (% to potential outcome)	73.3	73.5	72.8	73.9	74.2	73.1	71.8	71.5	72.7	71.7
Facility investment pressure[2]	1.0	1.4	-1.2	2.3	0.1	4.9	-1.7	-2.3	0.9	0.8

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

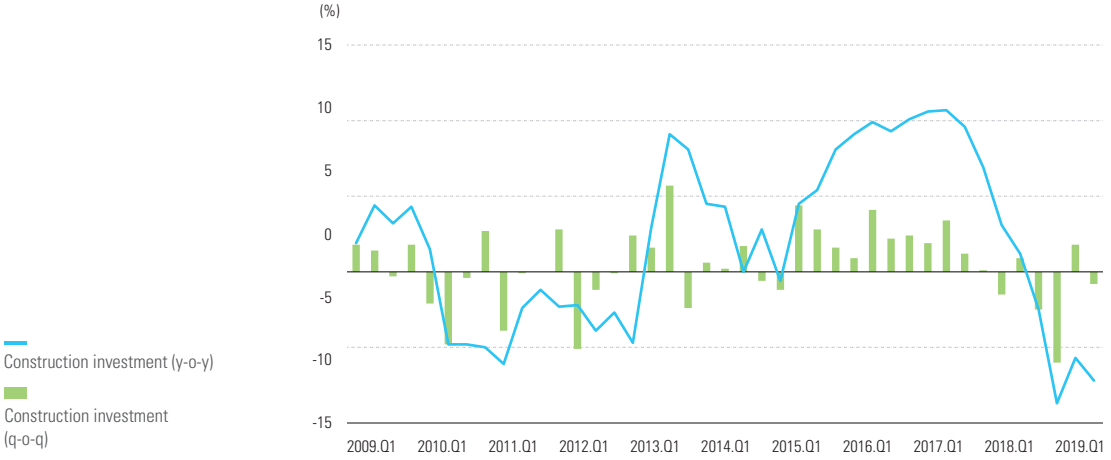
Construction investment *(preliminary)* in the first quarter of 2019 fell 0.8 percent quarter-on-quarter and 7.2 percent year-on-year.

(Percentage change from previous period)

	2017					2018					2019
	Annual[1]	Q1[1]	Q2[1]	Q3[1]	Q4[1]	Annual[1]	Q1[1]	Q2[1]	Q3[1]	Q4[1]	Q1[1]
Construction investment[2]	7.3	3.4	1.2	0.1	-1.5	-4.3	0.9	-2.5	-6.0	1.8	-0.8
(y-o-y)	-	10.7	9.6	6.9	3.1	-	1.2	-2.5	-8.7	-5.7	-7.2
- Building construction	12.4	3.9	2.1	2.0	-1.5	-3.8	0.2	-2.4	-5.5	0.7	-0.7
- Civil engineering works	-4.7	2.0	-1.0	-5.0	-1.5	-5.7	2.9	-2.8	-7.4	5.1	-1.2

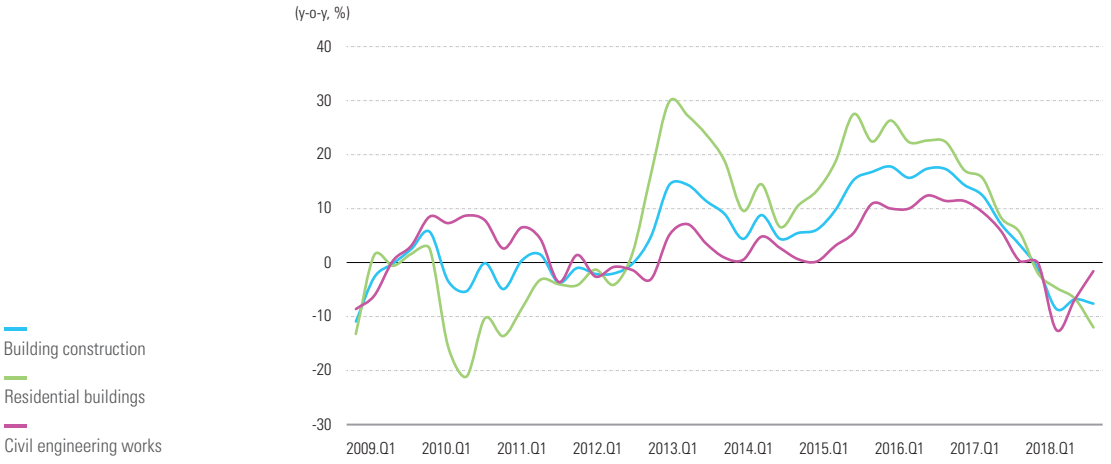
1. Preliminary 2. National accounts Source: Bank of Korea

Construction investment



Source: Bank of Korea (national accounts)

Construction investment by type



Source: Bank of Korea (national accounts)

Construction completed *(constant)* in May fell 0.3 percent month-on-month as building construction and civil engineering works declined. The index fell 5.3 percent year-on-year.

(Percentage change from previous period)

	2017	2018					2019			
	Annual	Annual	Q1	Q2	Q3	Q4	Q1	Mar	Apr[1]	May[1]
Construction completed (constant)	10.5	-5.3	0.8	-4.1	-3.8	-3.7	1.8	5.1	-2.1	-0.3
(y-o-y)	-	-	0.8	-3.5	-9.7	-7.9	-9.5	-6.2	-8.3	-5.3
- Building construction	18.5	-4.0	0.6	-2.9	-4.4	-3.8	2.2	-0.8	-1.3	-0.2
- Civil engineering works	-7.6	-8.9	1.5	-7.6	-2.2	-3.5	0.5	25.5	-4.3	-0.7

1. Preliminary Source: Statistics Korea

Leading indicators are mixed: Construction orders received and building permits fell in May, while apartment presales rose. The government has raised its SOC budget for 2019.

Government SOC budgets (trillion won)
19.0 (2018) → 19.8 (2019)

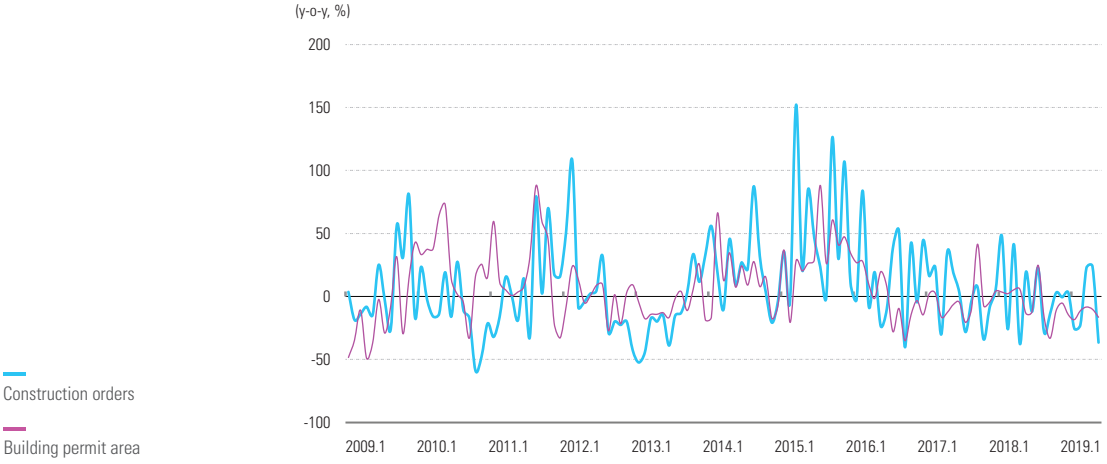
(Percentage change from same period in previous year)

	2017	2018					2019			
	Annual	Annual	Q1	Q2	Q3	Q4	Q1	Mar	Apr[1]	May[1]
Construction orders received (current value)	-1.7	-2.2	14.4	-12.4	-10.0	2.1	-4.2	33.0	39.6	-36.6
(q-o-q, m-o-m)	-	-	3.2	-7.8	-4.0	3.2	4.1	81.0	-14.7	-39.0
- Building construction	-4.7	-7.7	14.9	-10.5	-28.2	-1.9	-4.9	0.3	33.6	-31.8
- Civil engineering works	9.6	15.6	13.3	-18.8	65.7	16.8	-2.6	233.9	79.3	-48.8
Building permits[2]	-4.0	-6.3	3.7	-7.2	-10.2	-10.4	-12.6	-8.4	-10.2	-16.5

1. Preliminary 2. Floor area
Sources: Statistics Korea, Ministry of Land, Infrastructure and Transport

Apartment presales (thousands, Real Estate 114)
50 (Q1 2018) → 111 (Q2) → 66 (Q3) → 71 (Q4) → 53 (Q1 2019) → 25 (Apr) → 41 (May)

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)* decreased 13.5 percent year-on-year to US $44.18 billion in June.

By item, exports of vessels and automobiles rose, while computers, semiconductors, petrochemicals, petroleum products and machinery dropped. By region, shipments to Latin America increased, while exports to the US, China, the EU, India, the ASEAN countries and the Middle East declined.

Export growth by item (y-o-y, %)
46.4 (vessels), 8.1 (automobiles), -43.6 (computers), -25.5 (semiconductors), -24.5 (petrochemicals), -24.2 (petroleum products), -3.8 (machinery)

Export growth by region (y-o-y, %)
8.3 (Latin America), -24.1 (China), -23.9 (Middle East), -8.5 (ASEAN countries), -7.2 (India), -3.1 (EU), -2.5 (US)

Average daily exports, an indicator calculated according to days worked, fell 13.5 percent year-on-year to US $2.05 billion.

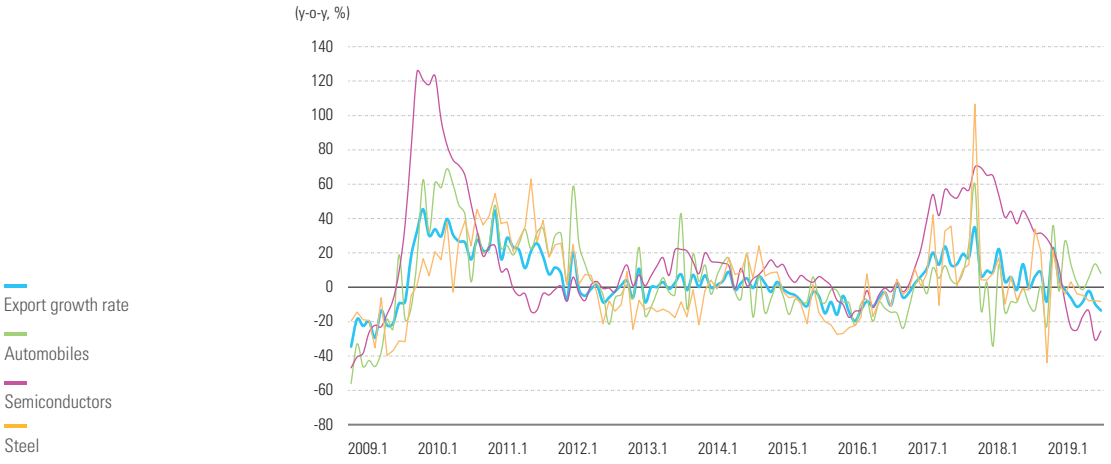
Average daily export growth (y-o-y, %)
3.9 (Q2 2018) → 7.0 (Q3) → -0.1 (Q4) → -6.4 (Q1 2019) → -11.7 (Q2) → -13.5 (Jun)

(US $ billion)

	2017	2018					2019			
	Annual	Annual	Q2	Jun	Q3	Q4	Q1	Q2[1]	May	Jun[1]
Exports	573.69	604.86	151.62	51.08	153.64	154.55	132.67	138.88	45.89	44.18
(y-o-y, %)	15.8	5.4	3.1	-0.4	1.7	7.7	-8.5	-8.4	-9.5	-13.5
Average daily exports	2.13	2.24	2.30	2.38	2.28	2.22	2.03	2.03	2.00	2.05

1. Preliminary Source: Korea Customs Service

Exports by item



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

Imports *(preliminary)* in June fell 11.1 percent year-on-year to US $40.01 billion.

Commodities imports continued to fall, and capital and consumer goods slowed down.

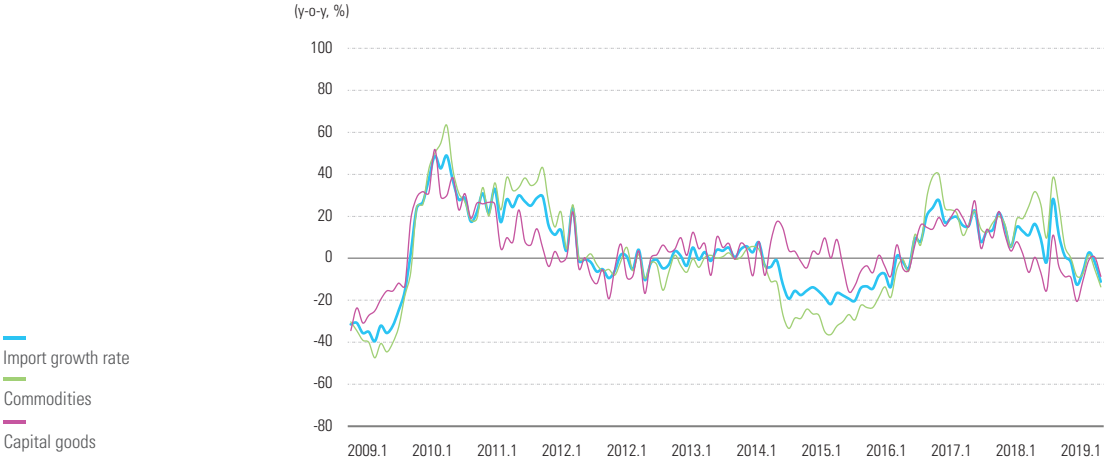
Import growth by category (y-o-y, %, May → Jun)
-5.4 → -13.6 (commodities), 0.5 → -8.6 (capital goods), 5.0 → -7.4 (consumer goods)

(US $ billion)

	2017	2018					2019			
	Annual	Annual	Q2	Jun	Q3	Q4	Q1	Q2[1]	May	Jun[1]
Imports	478.48	535.20	133.15	45.00	130.31	139.31	123.47	128.53	43.64	40.01
(y-o-y, %)	17.8	11.9	13.0	11.0	7.8	12.9	-6.8	-3.5	-1.8	-11.1
Average daily imports	1.78	1.98	2.02	2.09	1.93	2.00	1.88	1.88	1.90	1.86

1. Preliminary
Source: Korea Customs Service

Imports by category



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

The trade balance *(preliminary)* posted a surplus of US $4.17 billion in June, staying in the black for the 89th consecutive month. Surpluses rose month-on-month.

(US $ billion)

	2017	2018					2019			
	Annual	Annual	Q2	Jun	Q3	Q4	Q1	Q2[1]	May	Jun[1]
Trade balance	95.22	69.66	18.47	6.08	23.33	15.23	9.21	10.34	2.25	4.17

1. Preliminary Source: Korea Customs Service

6. Mining and manufacturing production

Mining and manufacturing production fell 1.7 percent month-on-month in May as manufacturing and mining declined, as well as gas and electricity production. The index went down 0.2 percent year-on-year.

Compared to the previous month, production of automobiles *(up 0.6%)*, electrical equipment *(up 1.0%)* and electronic components *(up 0.2%)* rose, while refined petroleum *(down 14.0%)*, processed metals *(down 3.6%)* and semiconductors *(down 0.6%)* fell.

Compared to a year ago, production of semiconductors *(up 13.4%)*, other transportation equipment *(up 20.4%)* and automobiles *(up 2.8%)* rose, while electronic components *(down 10.3%)*, mechanical equipment *(down 5.9%)* and chemical products *(down 5.8%)* declined.

The manufacturing inventory-shipment ratio rose 2.6 percentage points month-on-month to 118.5 percent as inventories increased 0.9 percent and shipments fell 1.4 percent.

Inventories of refined petroleum *(up 14.6%)*, automobiles *(up 4.1%)* and mechanical equipment *(up 1.8%)* rose, while chemical products *(down 2.9%)*, broadcasting and communications equipment *(down 7.8%)*, and primary metals *(down 0.9%)* declined.

Shipments of semiconductors *(up 11.4%)*, electrical equipment *(up 1.8%)* and primary metals *(up 0.9%)* rose, while refined petroleum *(down 17.8%)*, chemical products *(down 2.6%)* and processed metals *(down 3.3%)* fell.

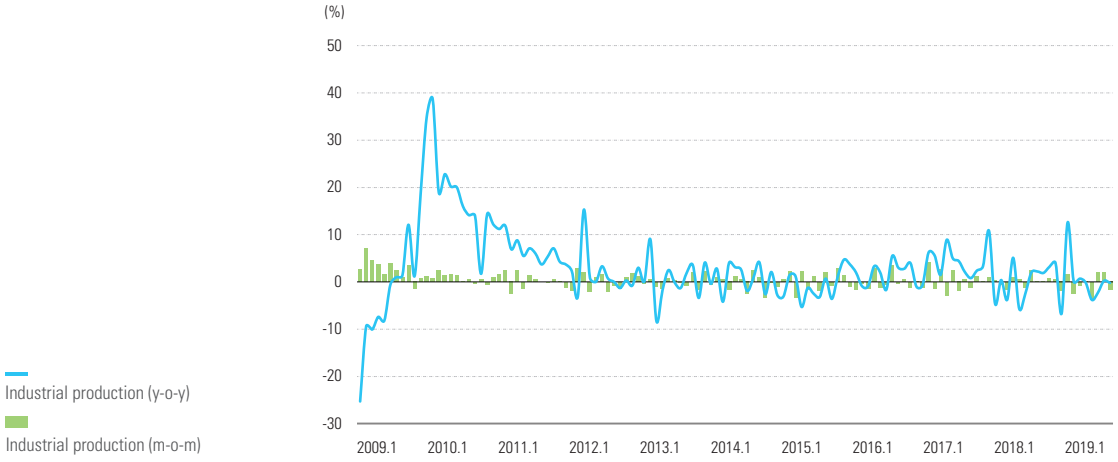
The capacity utilization rate of the manufacturing sector fell 1.0 percentage point month-on-month to 71.7 percent.

(Percentage change from previous period)

			2018			2019			
			Annual	Q1	May	Q1	Mar	Apr[1]	May[1]
Mining and manufacturing[2]		(q-o-q, m-o-m)	-	-0.4	0.1	-2.9	2.1	1.9	-1.7
		(y-o-y)	1.3	-1.1	2.2	-2.1	-2.3	0.2	-0.2
Manufacturing	Production	(q-o-q, m-o-m)	-	-0.4	0.1	-3.0	2.3	1.9	-1.5
		(y-o-y)	1.2	-1.4	2.1	-2.1	-2.4	0.0	-0.1
	Inventory[3]		8.0	1.9	-0.8	-1.6	-0.6	3.2	0.9
	Shipments		-0.2	-1.1	2.6	-1.9	3.1	-0.9	-1.4
	Capacity utilization rate		73.5	72.8	74.4	71.8	71.5	72.7	71.7
	Production capacity (y-o-y)		-0.2	-0.2	-0.7	-0.4	-0.1	-0.9	-0.9

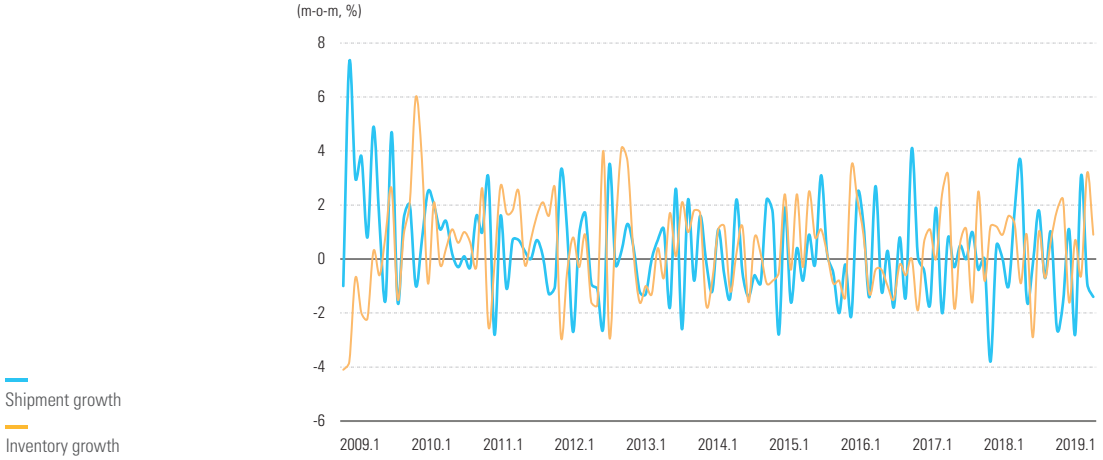
1. Preliminary 2. Including mining, manufacturing, electricity and gas industry 3. End-period
Source: Statistics Korea

Industrial production



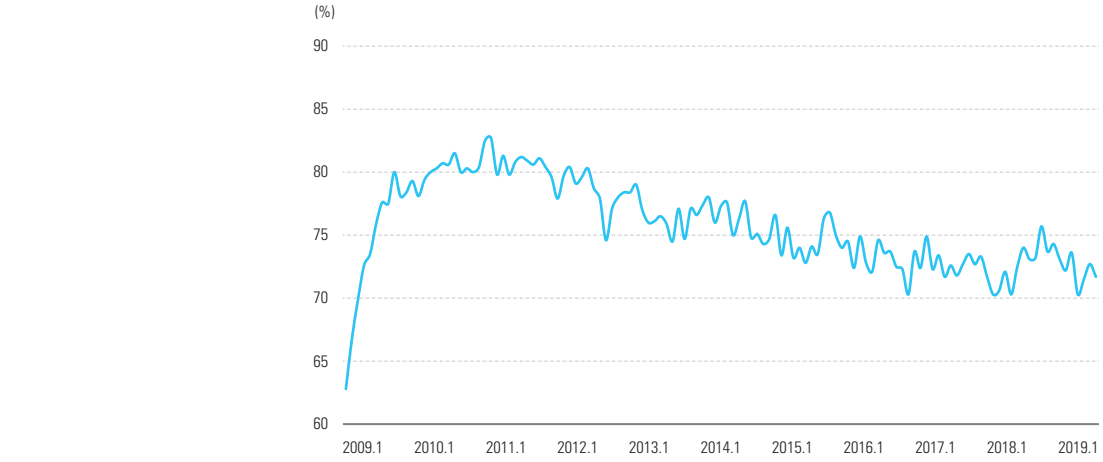
Source: Statistics Korea (industrial activity trends)

Shipment and inventory



Source: Statistics Korea (industrial activity trends)

Capacity utilization rate



Source: Statistics Korea (industrial activity trends)

7. Service sector activity

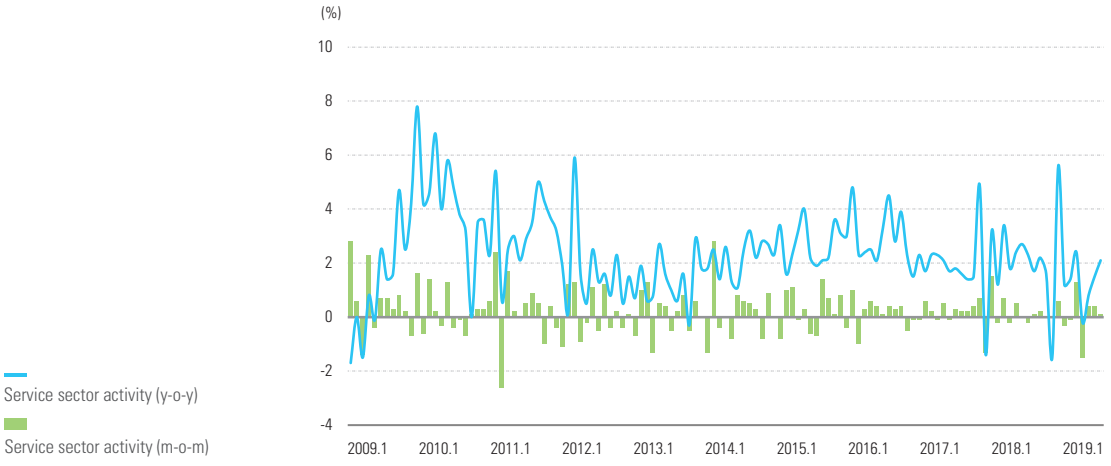
Service output increased 0.3 percent month-on-month in May. Wholesale & retail, real estate & renting and healthcare & welfare services rose, while transportation & storage services, hotels & restaurants and professional, scientific & technical services declined. Compared to a year ago, the index rose 1.5 percent.

(Percentage change from previous period)

	Weight	2017	2018					2019		
		Annual	Annual	Q1	Q2	Q3	Q4	Q1	Apr[1]	May[1]
Service activity index	100.0	1.9	2.1	0.9	0.4	0.3	0.4	0.3	0.4	0.1
- Wholesale & retail	21.1	0.7	1.5	0.7	-0.1	-0.2	0.2	0.4	-1.1	1.8
- Transportation & storage services	9.0	1.6	2.1	-0.2	2.7	-0.7	0.0	-0.7	0.4	-1.3
- Hotels & restaurants	6.2	-1.9	-1.9	-1.2	0.6	-0.2	0.3	-1.8	0.3	-0.3
- Information & communications services	8.0	1.6	1.4	0.4	-0.2	0.3	-1.7	4.9	1.9	-0.3
- Financial & insurance services	14.1	5.1	5.8	1.2	0.9	-1.0	1.0	0.5	-0.3	-0.1
- Real estate & renting	3.2	1.2	0.2	4.1	-0.6	1.0	-1.1	-2.4	0.0	1.1
- Professional, scientific & technical services	7.1	-1.6	0.8	1.0	0.5	-0.4	1.9	-1.8	2.9	-1.4
- Business services	4.8	4.2	0.6	0.2	-1.1	-1.2	1.8	0.5	1.8	0.2
- Education services	10.6	0.0	0.1	0.4	-0.1	-0.6	0.8	-0.7	1.7	-0.9
- Healthcare & welfare services	9.4	6.6	5.6	3.4	0.2	7.3	-0.8	1.6	0.0	0.4
- Entertainment & leisure	2.2	0.2	-0.6	0.9	-0.4	-0.9	0.4	3.3	0.9	-1.0
- Membership organizations & personal services	3.2	0.0	0.7	1.3	0.3	-1.0	0.5	-1.5	-0.3	-0.8
- Sewerage & waste management	1.1	0.4	3.0	-0.2	2.0	0.9	-0.1	-4.3	-0.8	1.9

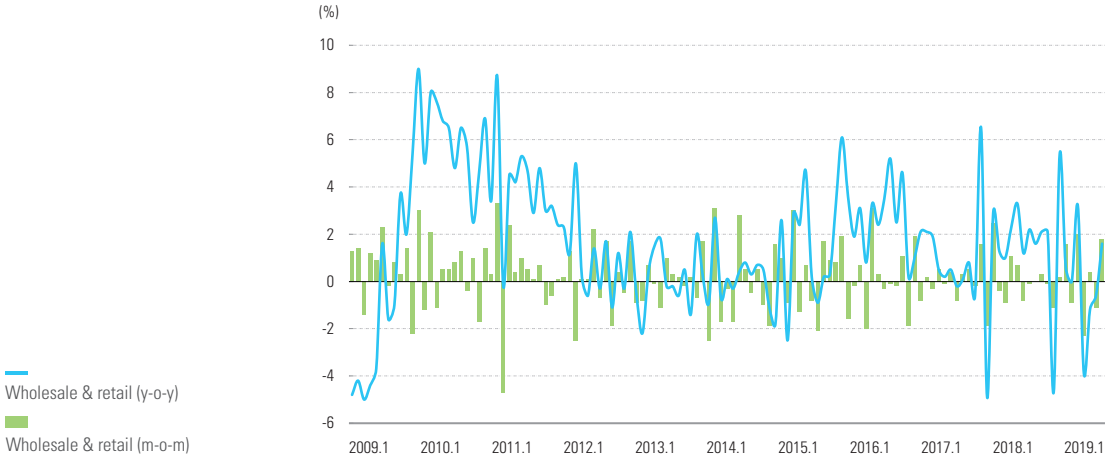
1. Preliminary
Source: Statistics Korea

Service sector activity



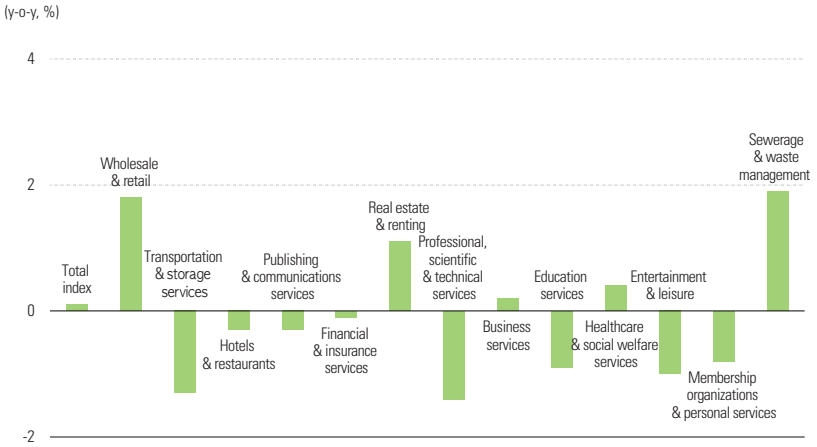
Source: Statistics Korea (industrial activity trends)

Wholesale & retail



Source: Statistics Korea (industrial activity trends)

May 2019 service output by business



Source: Statistics Korea (industrial activity trends)

In June large discount store sales fell, while the number of Chinese tourists increased.

	2018		2019					
	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Car sales at home (y-o-y, %)	-0.4	3.3	2.1	-0.7	-2.0	1.1	-0.4	-4.9
Department store sales (y-o-y, %)	-3.4	0.5	6.4	-7.7	1.3	-3.0	2.3	2.6
Large discount store sales (y-o-y, %)	-1.7	-3.6	4.6	-10.8	2.0	-4.8	-1.0	-2.1
Online sales (y-o-y, %)	10.1	6.1	7.0	3.4	14.3	5.1	14.5	3.7
Average daily stock transactions (trillion won)	8.4	8.7	9.3	9.6	9.4	9.6	9.7	8.9
Number of Chinese tourists (y-o-y, %)	35.1	25.3	28.7	31.3	20.9	34.5	35.2	30.1[1]

1. Advance estimate 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 June increased by 281,000 from a year ago to 27,408,000, and the employment rate *(aged 15-64)* rose 0.2 percentage points to 67.2 percent.

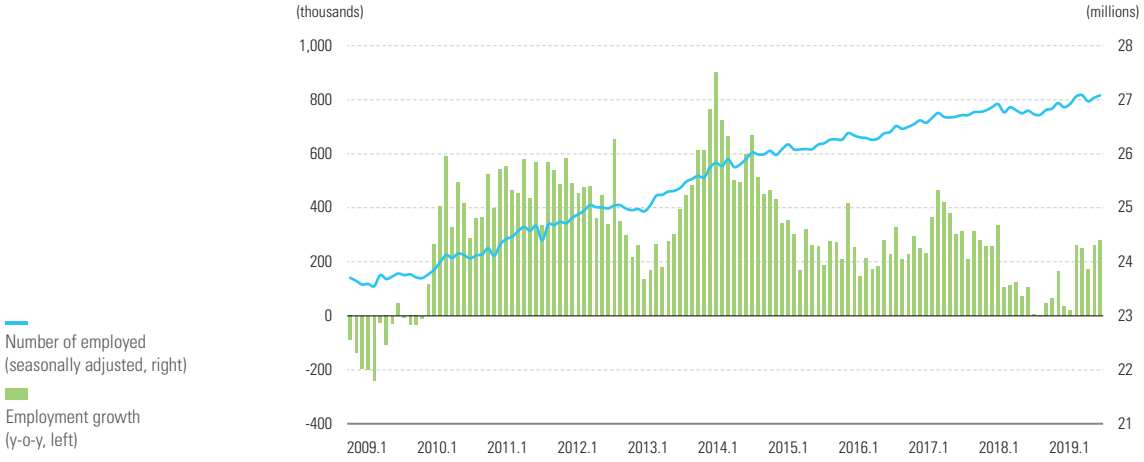
By industry, services led employment growth, while manufacturing jobs declined at a slower rate.

By employment status, permanent workers continued to increase and temporary workers continued to decrease. Daily workers and self-employed workers increased somewhat.

	2018						2019			
	Annual	Q1	Q2	Jun	Q3	Q4	Q1	Q2	May	Jun
Number of employed (millions)	26.82	26.28	27.02	27.13	27.02	26.97	26.46	27.26	27.32	27.41
Employment rate (%)	60.7	59.6	61.2	61.4	61.1	60.9	59.6	61.3	61.5	61.6
(Seasonally adjusted)	60.7	60.9	60.7	60.7	60.5	60.7	60.9	60.7	60.8	60.9
- 15 to 64	66.6	66.0	66.9	67.0	66.7	66.8	66.0	66.9	67.1	67.2
Employment growth (y-o-y, thousands)	97	183	101	106	17	88	177	237	259	281
- Manufacturing	-56	45	-91	-126	-91	-88	-143	-64	-73	-66
- Construction	47	69	16	10	45	56	-7	-1	6	22
- Services	51	18	125	186	6	55	240	295	320	311
· Wholesale & retail	-72	-74	-50	-31	-87	-77	-52	-39	1	-40
· Hotels & restaurants	-45	-24	-24	-1	-69	-65	-5	56	60	66
· Healthcare & social welfare services	125	51	148	162	142	159	196	126	124	125
- Wage workers	150	228	113	118	65	192	223	295	317	309
· Permanent workers	345	409	335	365	293	342	334	347	330	388
· Temporary workers	-141	-124	-109	-130	-162	-170	-123	-53	-30	-85
· Daily workers	-54	-57	-113	-117	-67	19	12	1	17	6
- Nonwage workers	-52	-45	-13	-12	-48	-104	-45	-58	-58	-28
· Self-employed workers	-44	-24	-3	-15	-55	-93	-39	-26	-41	5
- Male	4	75	-14	-18	-48	1	31	55	60	76
- Female	94	109	115	125	65	87	146	182	198	206
- 15 to 29	-3	26	-69	-42	-27	58	22	30	46	-4
- 30 to 39	-61	-29	-33	-50	-91	-92	-108	-65	-73	-32
- 40 to 49	-117	-85	-101	-128	-143	-139	-154	-182	-77	-182
- 50 to 59	44	67	62	71	26	21	81	100	109	127
- 60 and above	234	203	241	255	252	239	336	354	354	372

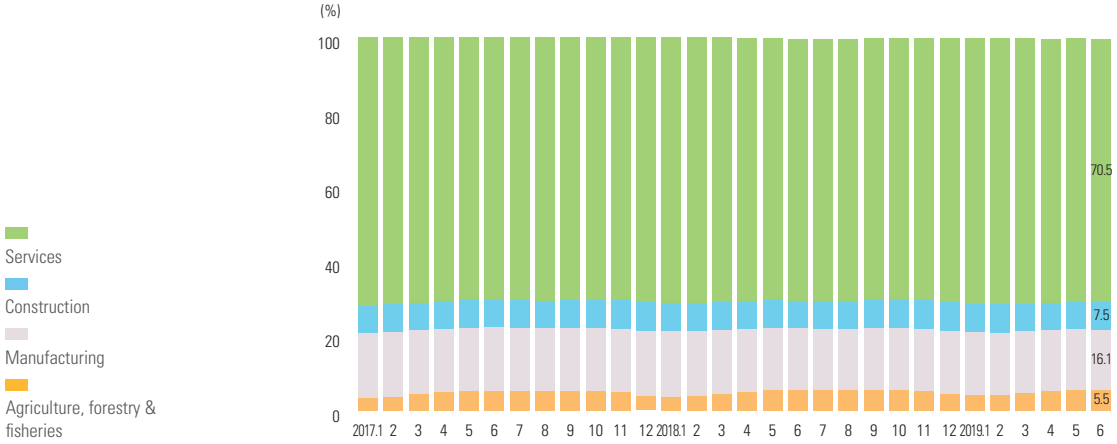
Source: Statistics Korea

Number of persons employed and employment growth



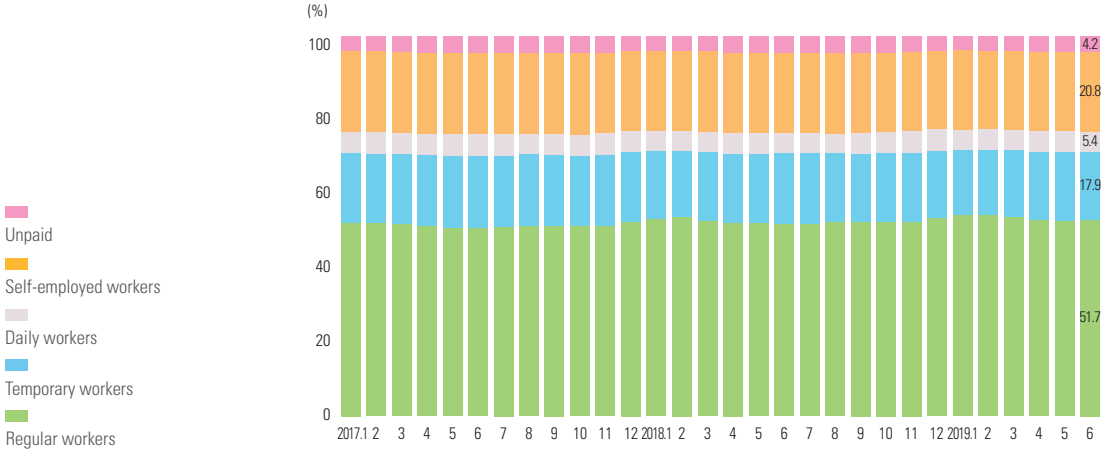
Source: Statistics Korea (employment trends)

Employment by industry



Source: Statistics Korea (employment trends)

Employment by status of workers



Source: Statistics Korea (employment trends)

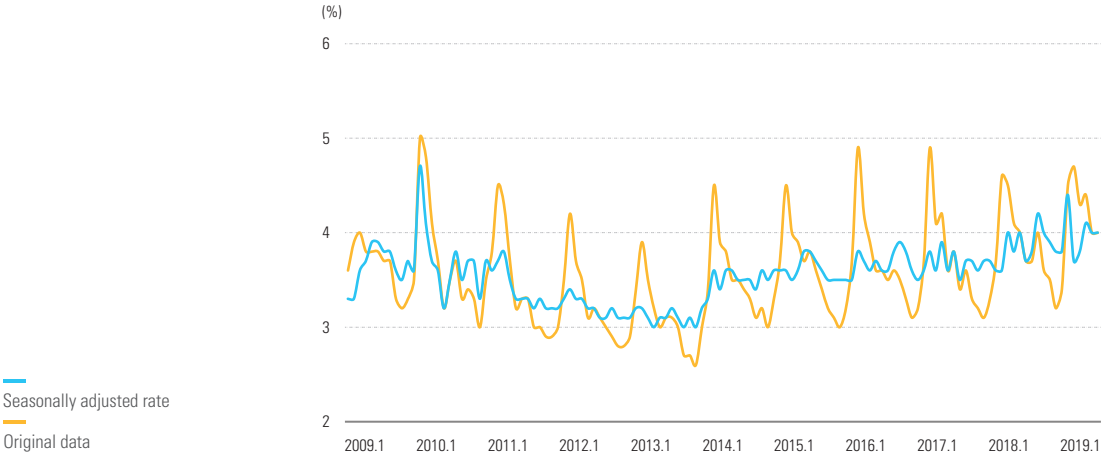
The number of unemployed persons in June rose 103,000 year-on-year to 1,137,000, and the unemployment rate rose 0.3 percentage points year-on-year to 4.0 percent.

The unemployment rate fell among those in their 50s, but rose in the other groups.

	2018						2019			
	Annual	Q1	Q2	Jun	Q3	Q4	Q1	Q2	May	Jun
Number of unemployed (thousands)	1,073	1,181	1,105	1,034	1,065	942	1,241	1,176	1,145	1,137
Unemployment growth (y-o-y, thousands)	50	19	31	-26	102	50	61	71	24	103
- Male	23	13	15	-27	42	24	38	53	19	74
- Female	27	6	17	1	60	25	22	18	6	29
Unemployment rate (%)	3.8	4.3	3.9	3.7	3.8	3.4	4.5	4.1	4.0	4.0
(Seasonally adjusted)	3.8	3.7	3.8	3.7	4.0	3.8	3.9	4.0	4.0	4.0
- 15 to 29	9.5	10.0	10.1	9.0	9.4	8.3	9.7	10.6	9.9	10.4
- 30 to 39	3.4	3.3	3.6	3.5	3.6	3.0	3.4	3.8	3.7	3.7
- 40 to 49	2.5	2.5	2.5	2.3	2.6	2.3	2.6	2.4	2.4	2.4
- 50 to 59	2.5	2.5	2.6	2.6	2.6	2.3	3.0	2.6	2.6	2.4
- 60 and above	3.1	5.4	2.5	2.4	2.3	2.4	5.7	3.1	3.2	3.0

Source: Statistics Korea

Unemployment rate



Source: Statistics Korea (employment trends)

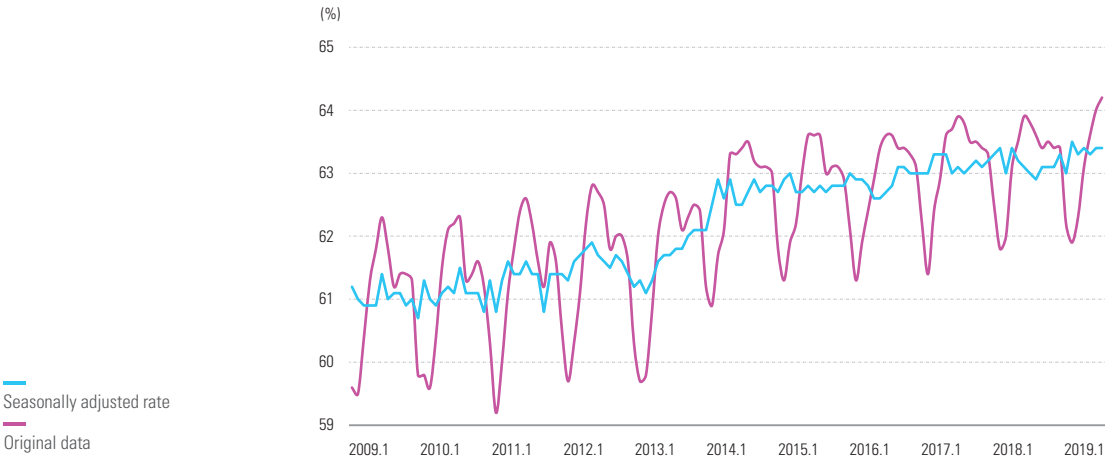
The economically inactive population in June decreased 50,000 from a year earlier to 15,951,000, and the labor force participation rate rose 0.4 percentage points year-on-year to 64.2 percent.

The number of persons economically inactive due to rest *(up 247,000)* increased, and those due to education *(down 140,000)* and housework *(down 186,000)* decreased. Job seekers went up by 22,000.

	2018						2019			
	Annual	Q1	Q2	Jun	Q3	Q4	Q1	Q2	May	Jun
Economically inactive population (millions)	16.29	16.62	16.02	16.00	16.13	16.38	16.67	16.03	15.99	15.95
Labor force participation rate (%)	63.1	62.3	63.7	63.8	63.5	63.0	62.4	63.9	64.0	64.2
(Seasonally adjusted)	63.1	63.3	63.1	63.0	63.1	63.2	63.4	63.3	63.4	63.4
Growth in economically inactive population (y-o-y, thousands)	104	68	110	156	126	112	44	18	36	-50
- Childcare	-76	-80	-87	-75	-86	-50	-26	-11	-2	-20
- Housework	76	52	85	92	94	75	-88	-143	-153	-186
- Education	-106	-58	-62	-74	-128	-176	-141	-146	-146	-140
- Old age	15	35	6	-2	16	4	28	-4	3	-6
- Rest	118	107	127	129	137	103	152	224	203	247
- Job seeking	24	15	17	53	2	64	107	52	84	22

Source: Statistics Korea

Labor force participation rate



Source: Statistics Korea (employment trends)

9. Financial markets

9.1 Stock market

KOSPI rose 4.2 percent in June amid growing expectations of interest rate cuts by Fed and the Bank of Korea, as well as on expectations for positive developments in the US-China trade negotiations. KOSDAQ fell 0.8 percent due to weak pharmaceuticals and biotech stocks.

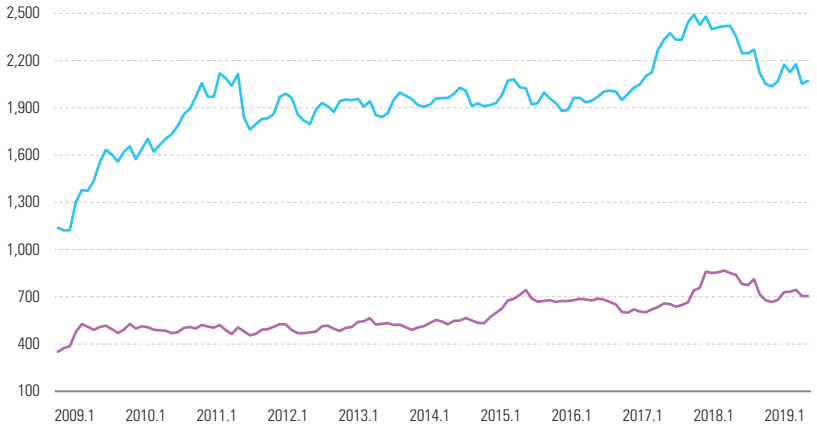
(Closing rate)

	KOSPI			KOSDAQ		
	May 2019	Jun 2019	Change[1]	May 2019	Jun 2019	Change[1]
Stock price index (points)	2,041.7	2,131.0	89.3 (4.2%)	696.5	691	-5.5 (-0.8%)
Market capitalization (trillion won)	1,358.7	1,419.5	60.8 (4.3%)	236.9	236.4	-0.5 (-0.2%)
Daily trade (trillion won)	5.4	4.6	-0.8 (-17.4%)	4.3	4.3	0 (0.0%)
Foreign stock ownership (%, %p)	37.2	37.54	0.34 (0.9%)	10.9	10.65	-0.25 (-2.3%)

1. Change from the end of the previous month as of end-June 2019
Source: Korea Exchange

Stock prices

(monthly average, points)



Source: Korea Exchange

9.2 Exchange rate

The dollar-won exchange rate fell in June after Fed signaled rate cuts on June 20, and then rose in July to around 1,180 won (as of July 9) following the release of US strong job data.

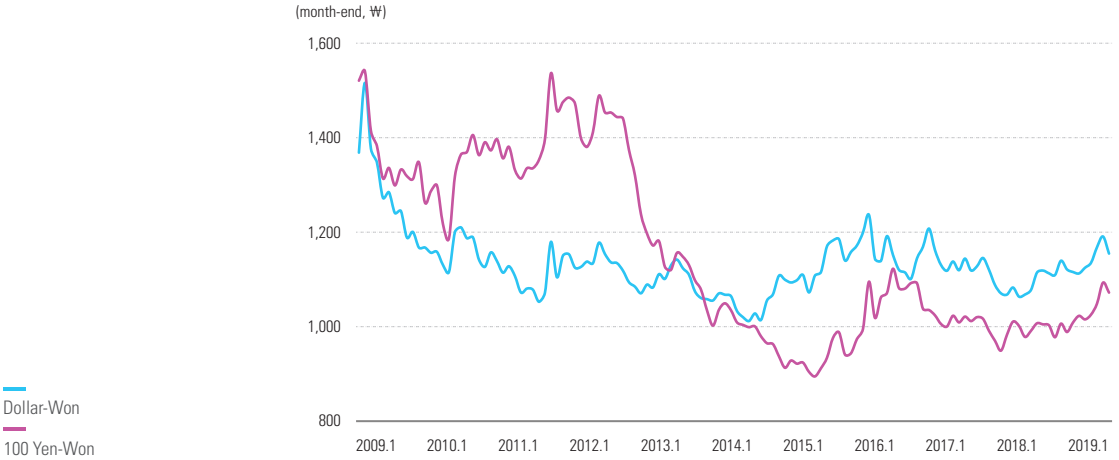
The 100 yen-won exchange rate fell to over 1,080 won in July.

(Closing rate[1])

	2013	2014	2015	2016	2017	2018	2019			
	Dec	Dec	Dec	Dec	Dec	Dec	May	Jun	Jul 9	Change[2]
Dollar-Won	1,055.4	1,099.3	1,172.5	1,207.7	1,070.5	1,115.7	1,190.9	1,154.7	1,180.5	-2.2
100 Yen-Won	1,002.3	913.0	974.1	1,035.4	949.3	1,008.9	1,093.3	1,072.2	1,085.2	-7.0

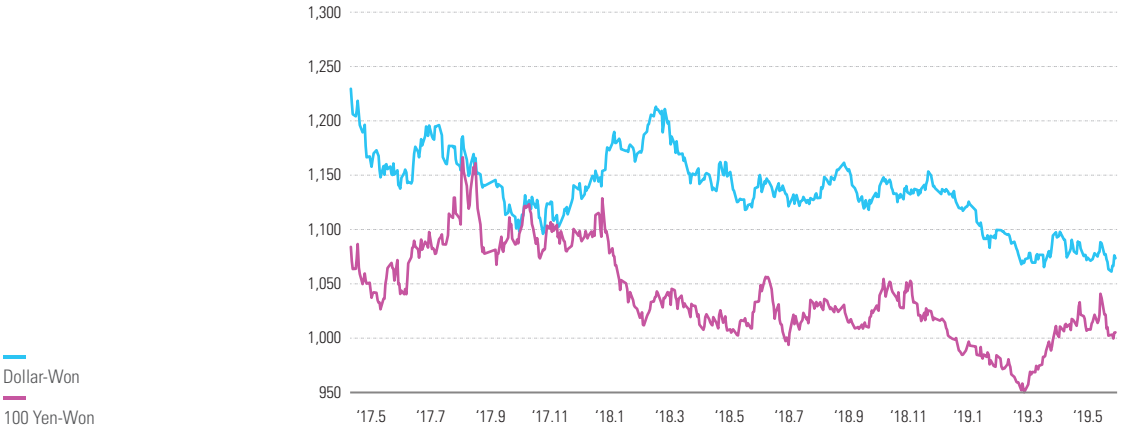
1. The exchange rate is based on the closing price at 3:30 p.m., local time.
2. Appreciation from the end of the previous month as of July 9 2019 (%)
Source: Bank of Korea

Foreign exchange rates



Source: Bank of Korea

Daily foreign exchange rates



Source: Bank of Korea

9.3 Bond market

Korea treasury yields fell to the year's lowest in June as Fed and the Bank of Korea signaled a possible rate cut and Iran's attack on a US drone escalated tensions in the Middle East.

Yield to maturity (m-o-m, basis points)
-12 (3 yrs), -10 (5 yrs), -9 (10 yrs), -9 (20 yrs), -9 (30 yrs)

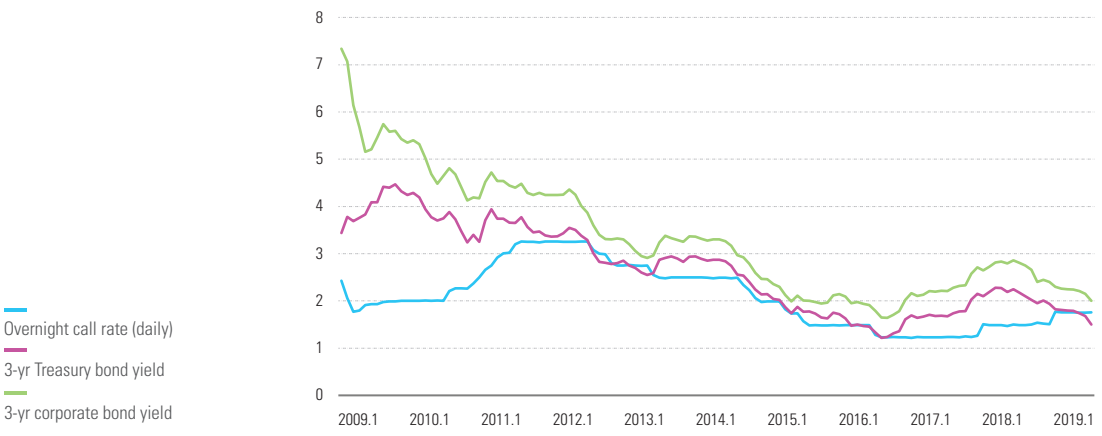
(Closing rate, %)

	2013	2014	2015	2016	2017	2018	2019			
	Dec	Dec	Dec	Dec	Dec	Dec	Apr	May	Jun	Change[1]
Call rate (1 day)	2.52	2.03	1.52	1.27	1.58	1.89	1.79	1.79	1.83	4.0
CD (91 days)	2.66	2.13	1.67	1.52	1.66	1.93	1.84	1.84	1.78	-6.0
Treasury bonds (3 yrs)	2.86	2.10	1.66	1.64	2.14	1.82	1.70	1.59	1.47	-12
Corporate bonds (3 yrs)	3.29	2.43	2.11	2.13	2.68	2.29	2.17	2.08	1.97	-11
Treasury bonds (5 yrs)	3.23	2.28	1.81	1.80	2.34	1.88	1.73	1.61	1.51	-10

1. Basis points, change from the previous month as of end-June 2019
Source: Bank of Korea

Interest rates

(monthly average, yearly, %)



Source: Bank of Korea

9.4 Money supply and money market

M2 *(monthly average)* in May rose 6.6 percent from a year ago, continuing to expand since September 2017.

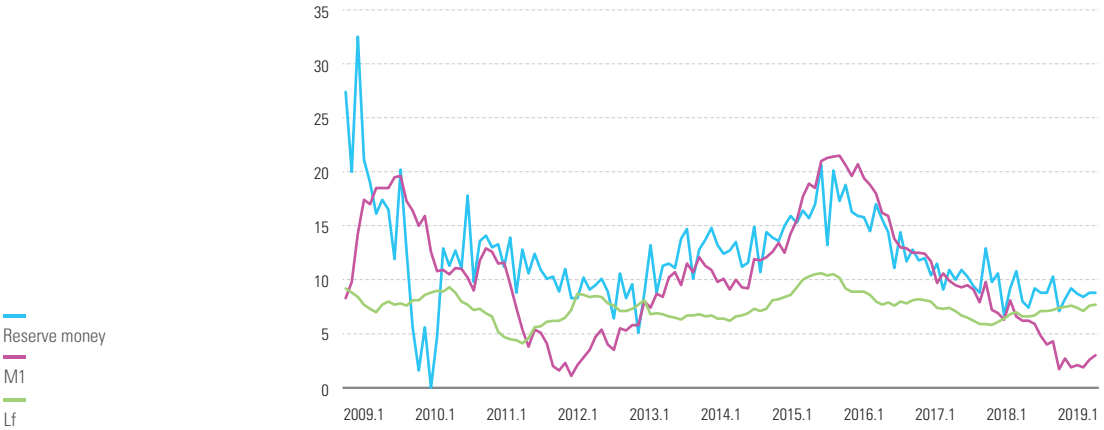
(Percentage change from same period in previous year, average)

	2012	2013	2014	2015	2016	2017	2018	2019		
	Annual	Annual	Annual	Annual	Annual	Annual	Annual	Apr	May[1]	May[2]
M1[3]	3.8	9.5	10.9	18.6	15.4	9.2	4.9	3.0	3.2	866.6
M2	5.2	4.8	6.6	8.6	7.3	5.5	6.3	6.6	6.6	2,771.6
Lf[4]	7.8	6.9	7.0	9.7	8.1	6.7	7.0	7.7	7.9	3,929.5

1. Preliminary 2. Balance at end-May 2019, trillion won
3. M1 excludes corporate MMFs and individual MMFs, and includes CMAs
4. Liquidity aggregates of financial institutions (mostly identical with M3)
Source: Bank of Korea

Total money supply

(y-o-y, monthly average balance, %)



Source: Bank of Korea

Bank deposits grew in June at a faster rate *(up 7.7 trillion won → up 22.1 trillion won)* as instant access deposits surged *(up 0.3 trillion won → up 23.3 trillion won)*. Time deposits rose at a slower rate *(up 8.9 trillion won → up 2.8 trillion won)*.

Asset management company (AMC) deposits continued to grow *(up 7.0 trillion won → up 10.8 trillion won)* backed by the inflows of bond funds *(up 3.2 trillion won → up 3.1 trillion won)*. Money flowed out from MMFs *(down 1.3 trillion won → down 3.3 trillion won)* as banks withdrew funds to manage their financial ratios at the end of the first half and the government took out its surplus funds.

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

	2012	2013	2014	2015	2016	2017	2018	2019		
	Annual	Annual	Annual	Annual	Annual	Annual	Annual	May	Jun	Jun1
Bank deposits	37.0	41.0	115.4	100.3	80.8	79.5	91.6	7.7	22.1	1,693
AMC deposits	18.8	17.7	42.4	44.4	47.6	27.9	53.8	7.0	10.8	615.5

1. Balance at end-June 2019 Source: Bank of Korea

10. Balance of payments

Korea's current account *(preliminary)* posted a surplus of US $ 4.59 billion in May returning to black after one month's of deficits.

Goods account surpluses grew at a slower pace compared to a year ago from US $10.79 billion to US $5.39 billion.

Growth in goods exports (US $ billion, May 2018 → May 2019)
53.85 → 48.03 (-10.8%)

Growth in goods imports (US $ billion, May 2018 → May 2019)
43.06 → 42.64 (-1.0%)

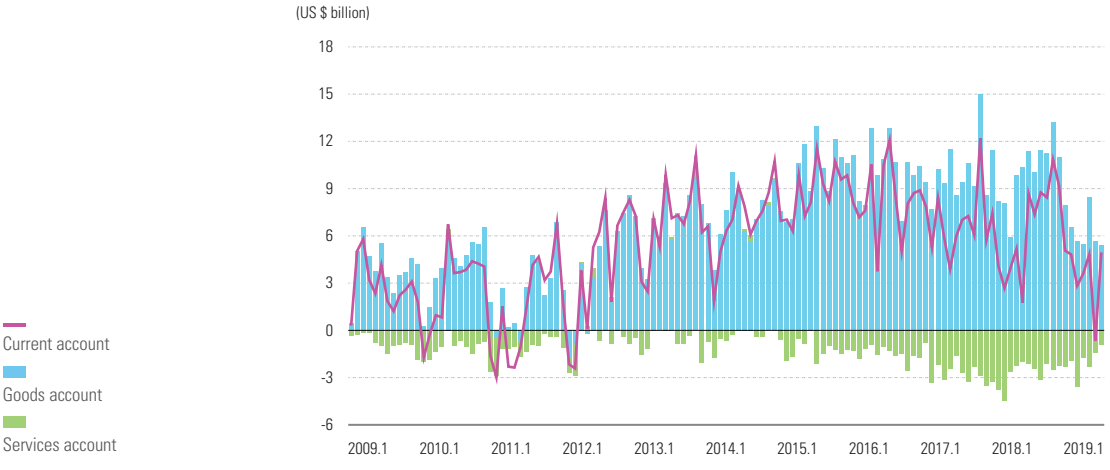
Export growth by item in May (y-o-y, %, customs clearance basis)
44.9 (vessels), 13.6 (automobiles), -7.7 (steel), -27.2 (computers), -30.5 (semiconductors)

Import growth by category in May (y-o-y, %, customs clearance basis)
-5.4 (commodities), 0.5 (capital goods), 5.0 (consumer goods)

Services account deficits decreased year-on-year from US $ 2.09 billion to US $ 0.9 billion.

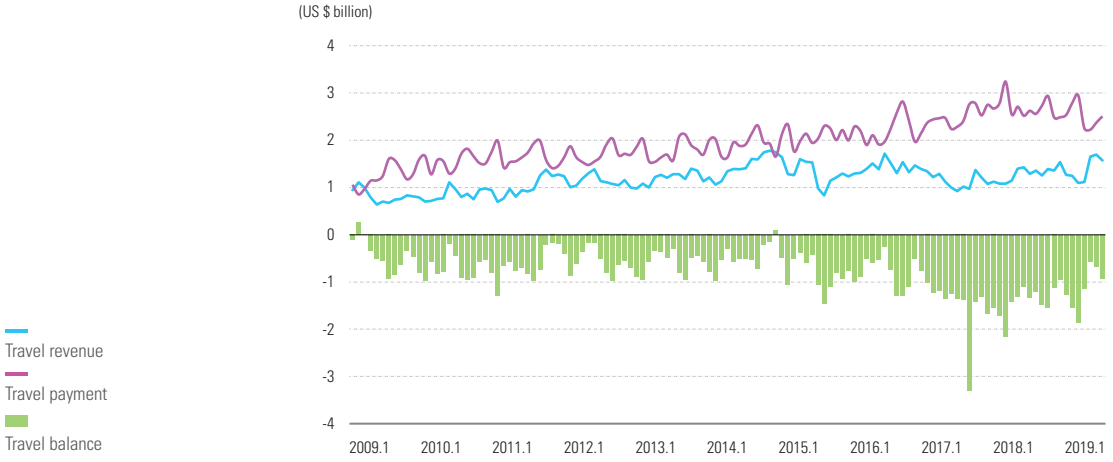
Services balance (US $ billion, May 2018 → May 2019)
-1.36 → -0.94 (travel), -0.56 → -0.13 (transportation), 0.79 → 1.03 (construction), 0.14 → 0.16 (intellectual property rights), -0.59 → -0.62 (manufacturing), -0.82 → -0.72 (others)

Current account balance



Source: Bank of Korea (balance of payments trends)

Travel balance



Source: Bank of Korea (balance of payments trends)

Surpluses increased in the primary income account from US $0.48 billion to US $1.16 billion year-on-year. Deficits in the secondary income account decreased from US $0.74 billion to US $0.69 billion.

(US $ billion)

	2016	2017	2018						2019		
	Annual	Annual	Annual[1]	Q1[1]	Q2[1]	May[1]	Q3[1]	Q4[1]	Q1[1]	Apr[1]	May[1]
Current account	97.92	75.23	76.41	11.65	17.25	8.43	28.12	19.39	11.25	-0.66	4.95
- Goods balance	116.46	113.59	111.87	22.53	29.95	10.79	34.72	24.67	19.61	5.67	5.39
- Services balance	-17.34	-36.73	-29.74	-9.31	-6.49	-2.09	-7.61	-6.33	-7.66	-1.43	-0.90
- Primary income balance	4.57	5.34	2.78	1.31	-4.22	0.48	2.83	2.86	1.02	-4.33	1.16
- Secondary income balance	-5.77	-6.96	-8.50	-2.88	-1.99	-0.74	-1.82	-1.81	-1.72	-0.57	-0.69

1. Preliminary
Source: Bank of Korea

The capital and financial account *(preliminary)* in May posted an outflow of US $4.55 billion.

Capital & financial account balance* (US $ billion)

6.91 (May 2018) → 3.00 (Jan 2019) → 2.84 (Feb) → 6.18 (Mar) → 0.38 (Apr) → 4.55 (May)

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

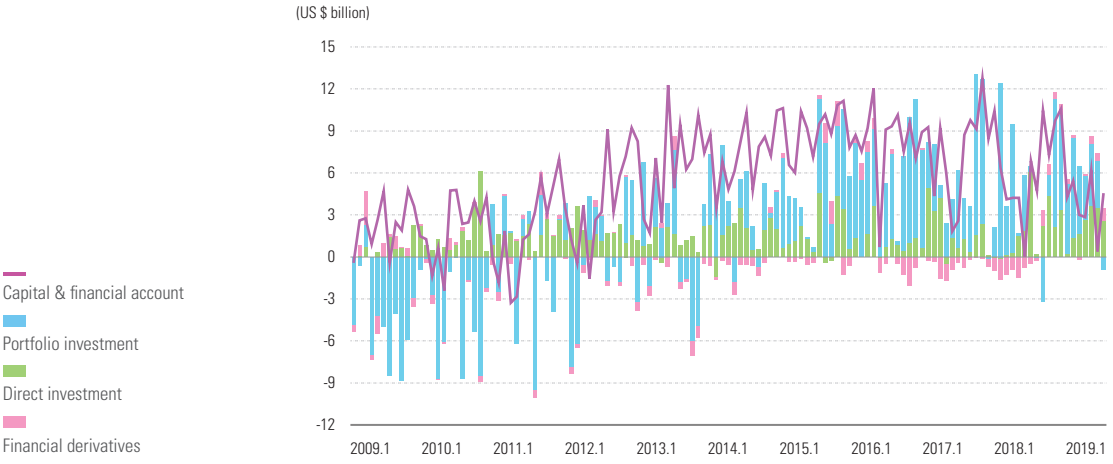
Net outflows in foreign direct investment (FDI) decreased from a year earlier in May *(US $6.08 billion → US $2.60 billion)* as Korean FDI went down *(US $6.40 billion → US $3.82 billion)* and inbound FDI went up *(US $0.32 billion → US $1.22 billion)*.

Portfolio investment posted net inflows *(US 0.53 billion outflows in May 2018 → US $0.93 billion inflows in May 2019)* as Korean investment in foreign shares fell *(US $3.55 billion → US $2.66 billion)* and foreign investment in Korean shares increased *(US $3.02 billion → US $3.59 billion)*.

Financial derivatives investment *(US $0.38 billion inflows in May 2018 → US $0.87 billion outflows in May 2019)* and other investment *(US $3.03 billion inflows in May 2018 → US $3.35 billion outflows in May 2019)* posted net outflows.

Current account surplus is expected to increase in June given a rise in trade surpluses *(US $ 2.2 billion in May → US $ 4.2 billion in June)*.

Capital & financial account balance



Source: Bank of Korea (balance of payments trends)

11. Prices

11.1 Consumer prices

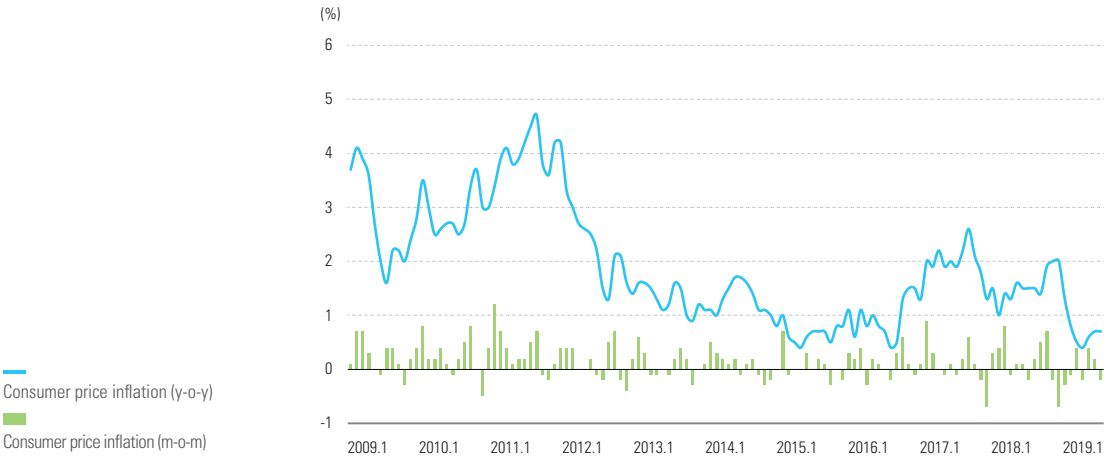
Consumer prices in June fell 0.2 percent from the previous month and rose 0.7 percent from the same period of the previous year.

(Percentage change)

	2018					2019					
	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Consumer price inflation (m-o-m)	0.9	0.8	-0.2	-0.7	-0.3	-0.1	0.4	-0.2	0.4	0.2	-0.2
(y-o-y)	1.4	2.1	2.0	2.0	1.3	0.8	0.5	0.4	0.6	0.7	0.7

Source: Statistics Korea

Consumer price inflation



Source: Statistics Korea (consumer price trends)

Fresh food prices rose at a faster rate *(up 1.2% in May → up 1.8% in June, y-o-y)*, despite low vegetable prices, as grain prices went up.

Fresh food prices in June (y-o-y, %)
3.2 (agricultural products): 11.8 (grains), -2.5 (vegetables), 3.8 (fruits), 3.7 (others)
-0.9 (seafood), 0.7 (meat)

Domestic oil prices continued to fall *(down 1.7% in May → down 3.2% in June, y-o-y)* in line with falling international oil prices.

Public service prices, despite hikes in transportation fares, continued to fall *(down 0.2% in May → down 0.2% in June, y-o-y)* backed by low costs of healthcare and mobile communications.

Personal service prices rose at a faster pace *(up 1.5% in May → up 1.9% in June, y-o-y)*.

Consumer price inflation in major sectors

	Total	Agricultural, livestock & fishery products	Manufactured products	Oil products	Public utilities	Housing rents	Public services	Personal services
May (y-o-y, %)	0.7	1.2	0.3	-1.7	1.3	-0.1	-0.2	1.5
June (y-o-y, %)	0.7	1.8	0.0	-3.2	1.3	-0.2	-0.2	1.9
- Contribution (%p)	0.72	0.13	0.00	-0.14	0.05	-0.01	-0.03	0.60

Source: Statistics Korea

Core inflation, which excludes oil and agricultural products, rose faster in June *(up 0.8% in May → up 0.9% in June, y-o-y)*.

(Percentage change from same period in previous year)

	2018		2019					
	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Consumer prices excluding oil and agricultural products	1.4	1.3	1.2	1.3	0.9	0.9	0.8	0.9
Consumer prices excluding food and energy	1.2	1.1	1.0	1.1	0.7	0.7	0.6	0.7

Source: Statistics Korea

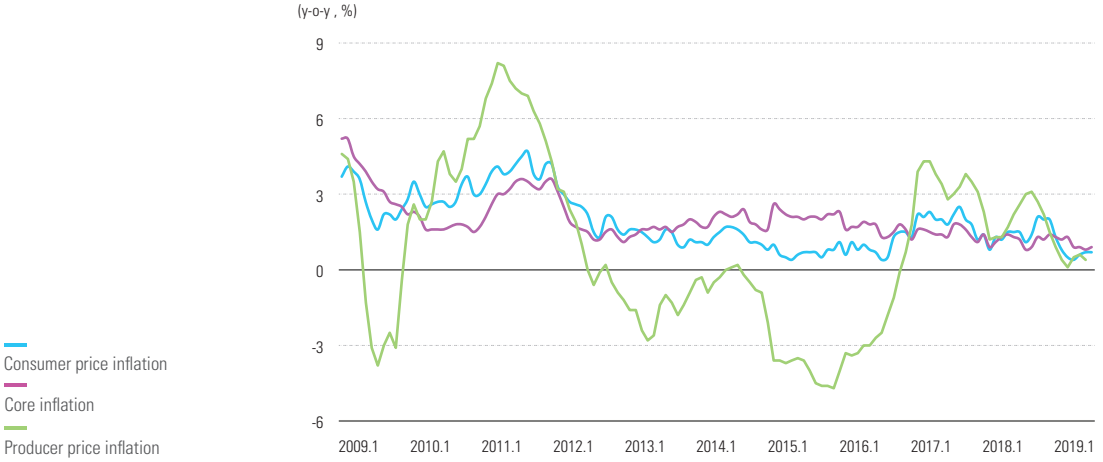
The basic necessity price index *(up 0.8% in May → up 0.8% in June, y-o-y)* continued to rise, and the fresh food price index remained unchanged.

(Percentage change from same period in previous year)

	2018		2019					
	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Consumer prices for basic necessities	2.3	1.3	0.4	0.0	0.0	0.4	0.8	0.8
Fresh food prices	10.5	6.6	1.2	-5.2	-3.0	-2.7	-2.1	0.0

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 fell in June, despite geopolitical risks in the Middle East due to the US-Iran conflict, as trade tensions between the US and China raised concerns over slowdown in demand.

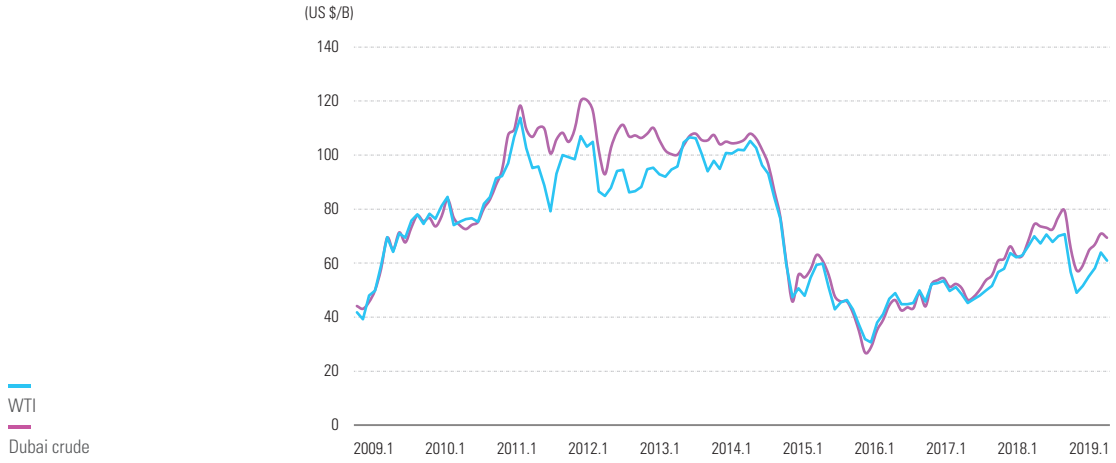
Dubai crude (US $/barrel)
60.2 (1st week June) → 60.7 (2nd week) → 61.7 (3rd week) → 64.2 (4th week)

(US $/barrel, period average)

	2018					2019				
	Annual	Q1	Q2	Q3	Q4	Q1	Q2	Apr	May	Jun
Dubai crude	69.7	64.0	72.1	74.2	68.3	63.4	67.6	70.9	69.4	61.8
WTI crude	64.9	62.9	67.9	69.4	59.3	54.9	59.9	63.9	60.9	54.7
Brent crude	71.7	67.2	75.0	75.8	68.6	63.8	68.5	71.6	70.3	63.0

Source: Korea National Oil Corporation

International oil prices



Source: Korea National Oil Corporation

Domestic gasoline prices went down in June due to the falling international oil prices.

Domestic gasoline prices (won/liter)
1,535.1 (1st week June) → 1,527.7 (2nd week) → 1,512.5 (3rd week) → 1,501.2 (4th week)

International gasoline prices (US $/barrel)
75.3 (4th week May) → 70.6 (5th week) → 63.8 (1st week June) → 65.3 (2nd week)

Dollar-won exchange rate (won)
1,192 (4th week May) → 1,188 (5th week) → 1,183 (1st week June) → 1,171 (2nd week)

(Won/liter, period average)

	2018					2019				
	Annual	Q1	Q2	Q3	Q4	Q1	Q2	Apr	May	Jun
Gasoline prices	1,581	1,558	1,580	1,622	1,565	1,355	1,487	1,424	1,517	1,518
Diesel prices	1,392	1,353	1,380	1,423	1,411	1,254	1,361	1,316	1,385	1,380

Source: Korea National Oil Corporation

International corn and wheat prices rose amid concerns that the torrential rain in US could bring about bad crops. Soybean prices went up on expectations that the US-China trade negotiations would resume.

International grain prices in June (monthly average prices, m-o-m, %)
13.6 (corn), 13.9 (wheat), 6.8 (soybeans)

Copper, aluminum and nickel prices all fell as major economies' indicators showed signs of a slowdown in demand.

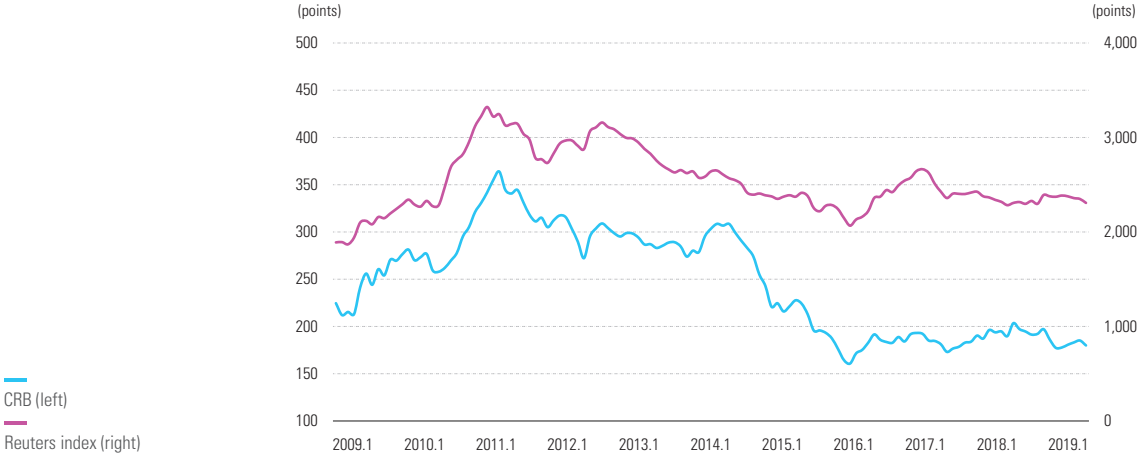
Nonferrous metal prices in June (monthly average prices, m-o-m, %)
-2.7 (copper), -1.2 (aluminum), -0.2 (nickel)

(Period average)

	2018					2019				
	Annual	Q1	Q2	Q3	Q4	Q1	Q2	Apr	May	Jun
Reuters Index[1] (Sep 18, 1931=100)	2,337	2,342	2,317	2,309	2,382	2,374	2,352	2,362	2,308	2,389

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 fell 0.13 percent month-on-month in June.

Housing prices declined 0.10 percent in the Seoul metropolitan area, which includes Seoul *(down 0.04%)*, Gyeonggi Province *(down 0.17%)* and Incheon *(0.00%)*.

Housing prices fell 0.07 percent in the five metropolitan cities and 0.20 percent in the eight provinces.

Housing prices in five metropolitan cities (m-o-m, %)
Busan (-0.22), Daegu (0.03), Gwangju (-0.04), Daejeon (0.36), Ulsan (-0.37)

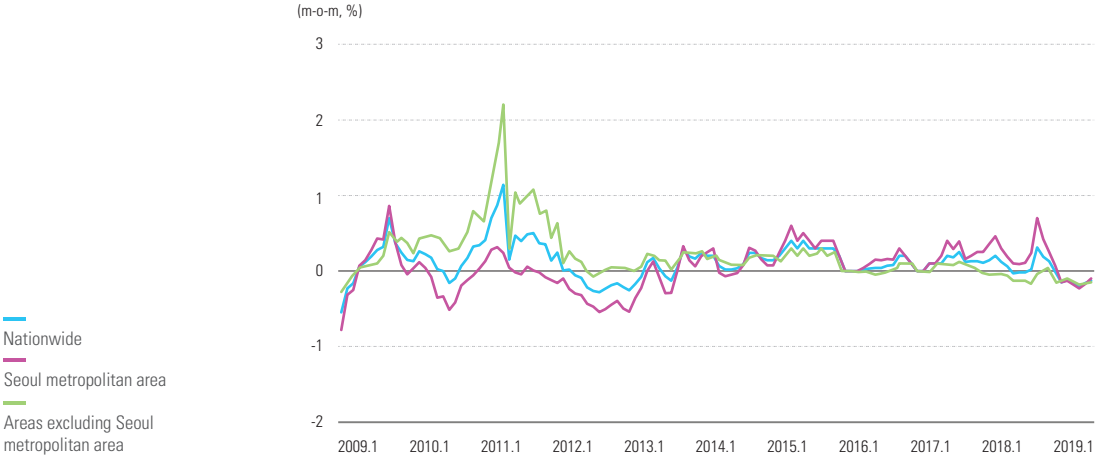
Housing sales prices

(Percentage change from previous period)

	2015	2016	2017	2018		2019				
	Annual	Annual	Annual	Annual	Jun	Annual	Mar	Apr	May	Jun
Nationwide	3.5	0.7	1.5	1.1	-0.02	-0.9	-0.16	-0.21	-0.16	-0.13
Seoul metropolitan area	4.4	1.3	2.4	3.3	0.09	-1.0	-0.18	-0.23	-0.17	-0.10
- Seoul	4.6	2.1	3.6	6.2	0.23	-0.9	-0.22	-0.18	-0.11	-0.04
· Gangnam[1]	5.2	2.5	4.4	6.5	0.12	-1.3	-0.31	-0.24	-0.14	-0.05
· Gangbuk[2]	3.9	1.8	2.9	5.9	0.35	-0.5	-0.12	-0.11	-0.07	-0.03
Areas excluding the Seoul metropolitan area	2.7	0.2	0.7	-0.9	-0.12	-0.9	-0.14	-0.18	-0.15	-0.15

1. Southern Seoul 2. Northern Seoul Source: Korea Appraisal Board

Housing sales prices



Source: Korea Appraisal Board

Housing rental prices nationwide declined 0.21 percent month-on-month in June.

Housing rental prices fell 0.18 percent in the Seoul metropolitan area and declined 0.24 percent in areas excluding the Seoul metropolitan area.

Housing rental prices in major districts in the Seoul metropolitan area (m-o-m, %)
Gangnam (0.04), Seocho (-0.07), Songpa(0.11), Gangdong (-0.39), Bundang (-0.35)

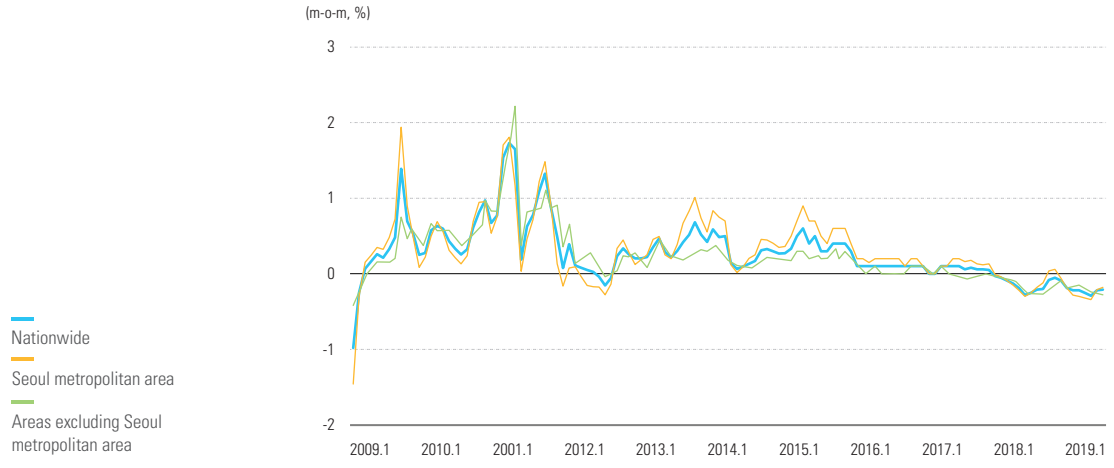
Housing rental prices

(Percentage change from previous period)

	2015	2016	2017	2018		2019				
	Annual	Annual	Annual	Annual	Jun	Annual	Mar	Apr	May	Jun
Nationwide	4.8	1.3	0.6	-1.8	-0.25	-1.4	-0.25	-0.29	-0.22	-0.21
Seoul metropolitan area	7.1	2.0	1.4	-1.5	-0.25	-1.6	-0.32	-0.34	-0.21	-0.18
- Seoul	7.2	2.0	2.0	0.3	-0.14	-1.5	-0.39	-0.21	-0.10	-0.05
· Gangnam[1]	7.9	1.8	2.6	-0.3	-0.27	-2.0	-0.47	-0.25	-0.13	-0.07
· Gangbuk[2]	6.5	2.1	1.5	0.8	0.00	-1.0	-0.30	-0.17	-0.07	-0.04
Areas excluding the Seoul metropolitan area	2.8	0.7	-0.1	-2.1	-0.25	-1.2	-0.18	-0.24	-0.23	-0.24

1. Southern Seoul 2. Northern Seoul Source: Korea Appraisal Board

Housing rental prices



Source: Korea Appraisal Board

There were 57,103 housing transactions in May, up 0.1 percent from the previous month *(57,025)* and down 15.8 percent from a year ago *(67,789)*.

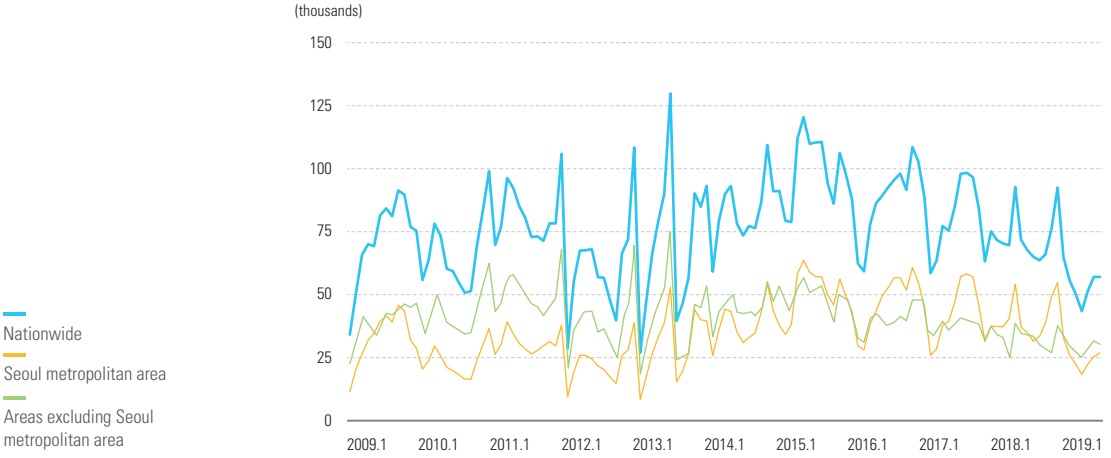
Housing transactions

(Thousands)

	2017	2018									2019				
	Annual[1]	Annual[1]	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
Nationwide	79	71	68	65	64	66	76	93	65	56	50	43	51	57	57

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 0.33 percent month-on-month in May.

Land prices rose 0.36 percent in the Seoul metropolitan area, which includes Seoul *(up 0.45%)*, Gyeonggi Province *(up 0.35%)* and Incheon *(up 0.32%)*.

Land prices increased 0.22 percent in areas excluding the Seoul metropolitan area.

Land prices in areas excluding Seoul metropolitan area (m-o-m, %)
Gwangju (0.38), Ulsan (0.08)

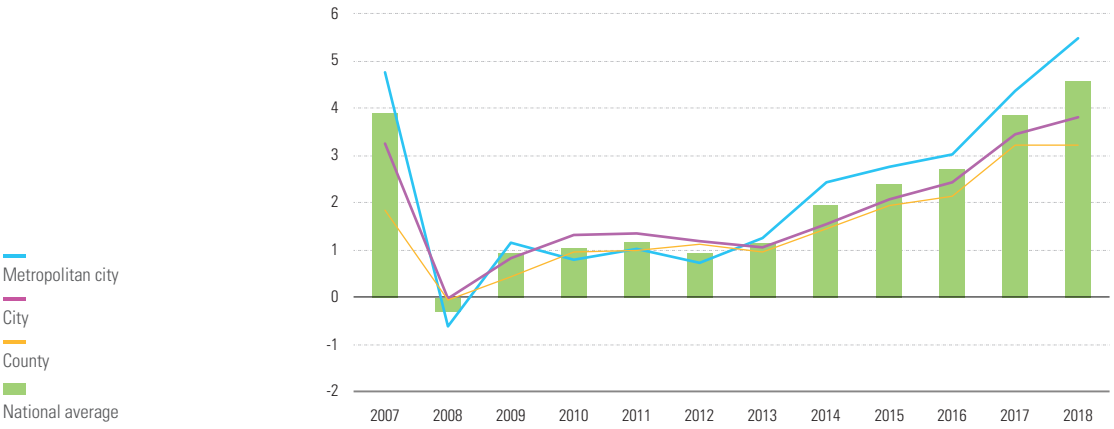
Land prices

(Percentage change from previous period)

	2015	2016	2017	2018		2019				
	Annual	Annual	Annual	Annual	May	Annual	Q1	Mar	Apr	May
Nationwide	2.40	2.70	3.88	4.58	0.35	1.54	0.88	0.30	0.32	0.33
Seoul	2.69	2.97	4.32	6.11	0.36	1.83	1.00	0.33	0.38	0.45
Gyeonggi	1.73	2.23	3.45	4.42	0.38	1.70	0.99	0.35	0.35	0.35
Incheon	1.95	1.74	3.10	3.59	0.28	1.65	0.97	0.31	0.35	0.32
Areas excluding the Seoul metropolitan area	2.77	2.97	3.97	3.65	0.32	1.16	0.69	0.24	0.24	0.22

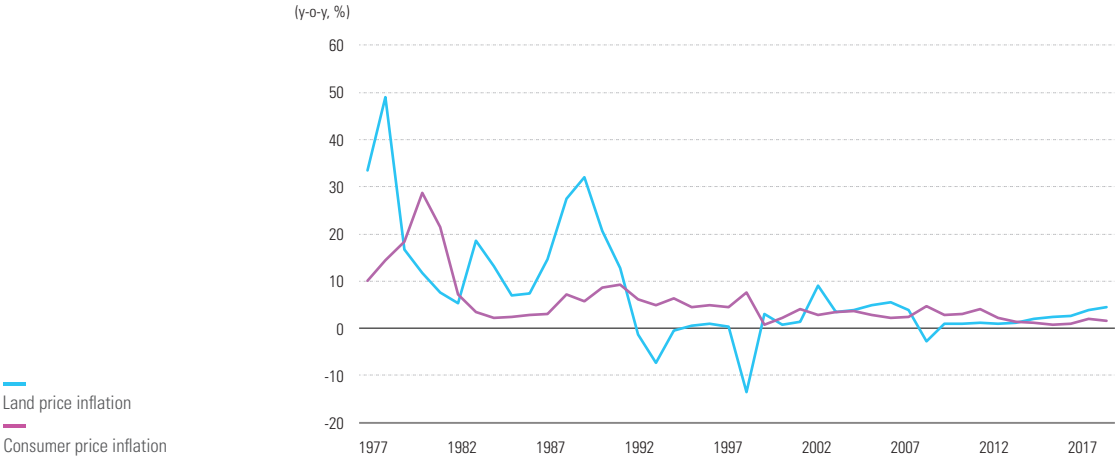
Source: Korea Appraisal Board

Land prices



Source: Korea Appraisal Board

Land and consumer prices



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

There were 231,000 land transactions in May, up 2.7 percent from the previous month *(237,000)* and down 14.7 percent from a year ago *(271,000)*.

Land transactions (m-o-m, %)
Seoul (9.7), Gyeonggi province (3.0), Gwangju (-26.2), Ulsan (-19.9), Daegu (-9.2)

Vacant land transactions decreased 2.3 percent from the previous month *(97,000 → 94,000)* accounting for 40.9 percent of the total land transactions. The index fell 6.4 percent compared with a year ago *(101,000)*.

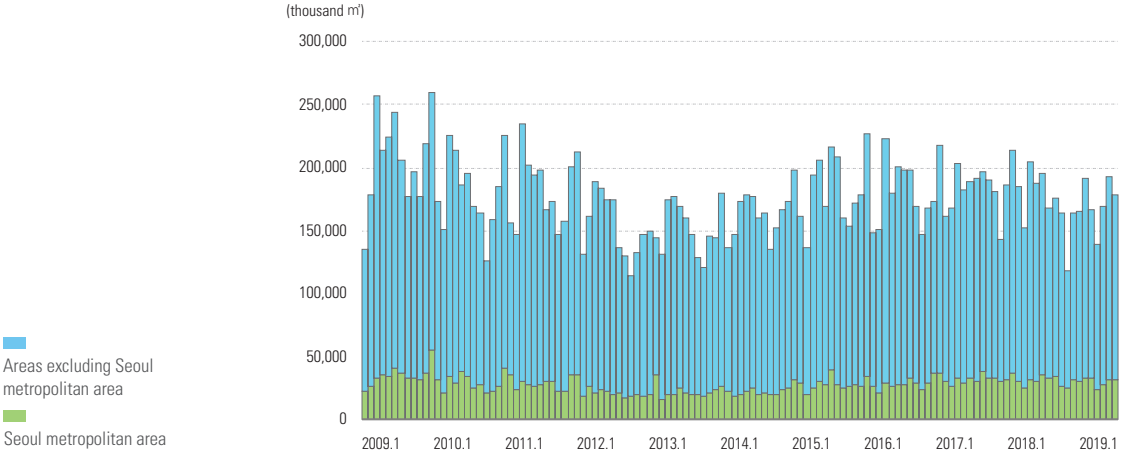
Land transactions

(Land lots, thousands)

	2017	2018									2019				
	Annual[1]	Annual[1]	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
Nationwide	276	265	271	255	272	248	232	282	249	243	240	196	237	237	231
Seoul	32	30	29	24	34	28	32	35	22	21	22	15	20	20	21
Gyeonggi	75	79	76	75	85	80	78	92	77	67	68	57	67	65	67
Incheon	16	15	18	15	12	12	12	15	14	15	14	14	16	13	12

1. Monthly average
Source: Korea Land and Housing Corporation

Land transactions

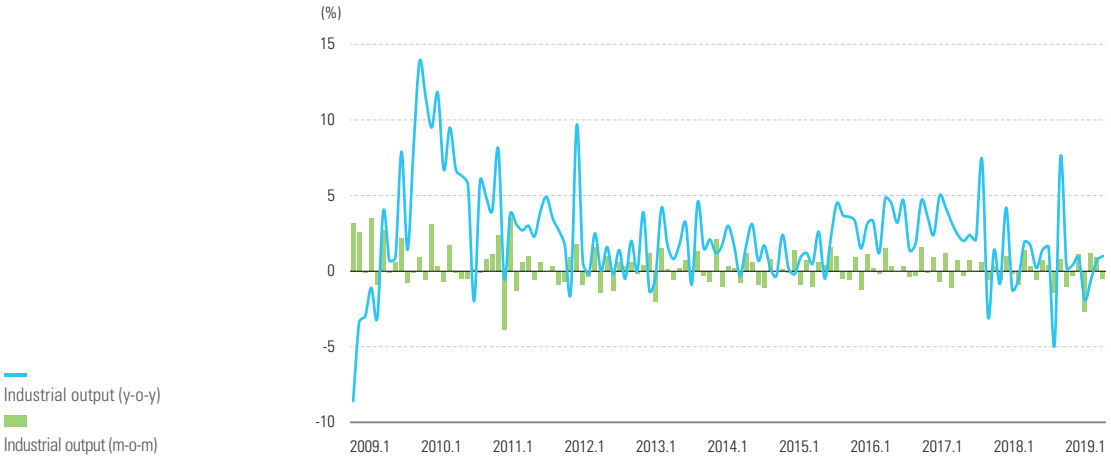


Source: Korea Appraisal Board

13. Composite indices of business cycle indicators

Industrial output went down 0.5 percent month-on-month in May. Services *(up 0.1%)* and public administration *(up 0.5%)* increased, while mining & manufacturing *(down 1.7%)* and construction *(down 0.3%)* decreased. Compared to a year ago, the index rose 1.0 percent.

Index of all industry production



Source: Statistics Korea (industrial activity trends)

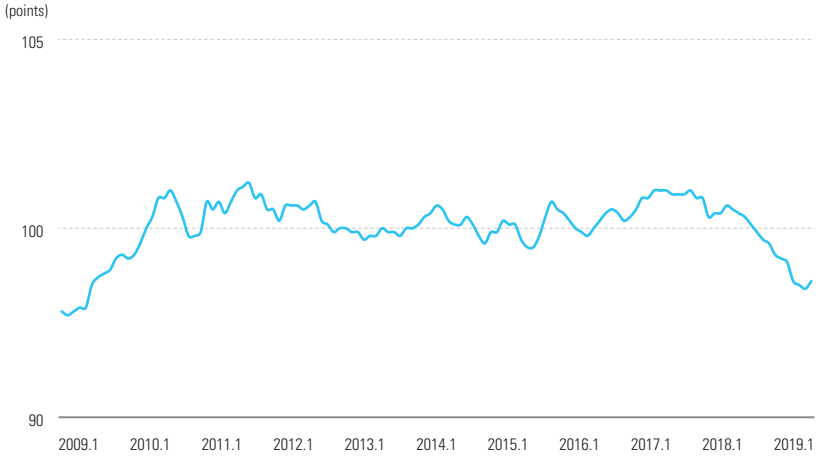
The cyclical indicator of the coincident composite index rose 0.2 percentage points to 98.6 from the previous month. Six components of the index rose, while the other one remained unchanged.

Coincident composite index in May (m-o-m, %)
mining & manufacturing production (0.7), service output (0.3), value of construction completed (0.8), retail sales (1.1), domestic shipments (0.1), nonfarm payroll employment (0.1), imports (0.0)

The cyclical indicator of the leading composite index fell 0.2 percentage points month-on-month to 98.1. One component of the index rose, while the other seven declined.

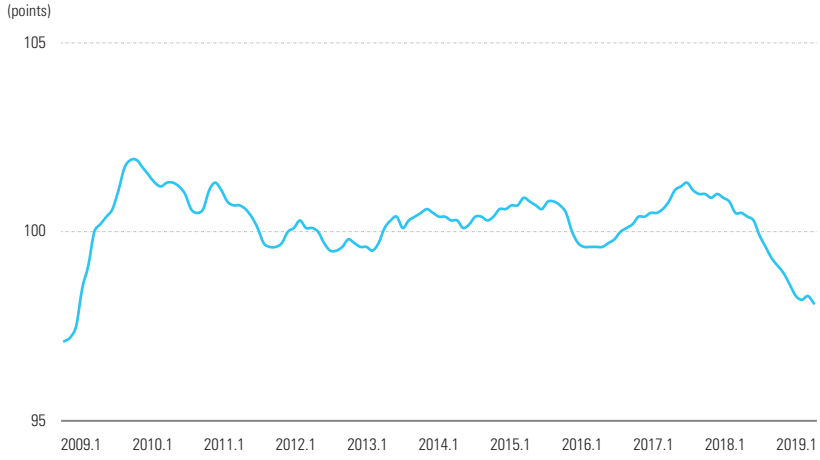
Leading composite index in May (m-o-m)
ratio of job openings to job seekers (2.0%p), inventory circulation indicator (-1.2%p), consumer expectations index (-0.6p), domestic shipments of machinery (-0.8%), value of construction orders received (-1.5%), ratio of export to import prices (-0.8%), KOSPI (-1.9%), spreads between long term and short term interest rates (-0.05%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)

	2018			2019				
	Oct	Nov	Dec	Jan	Feb	Mar	Apr[1]	May[1]
Index of all industry production (m-o-m, %)	0.8	-1.0	-0.3	1.1	-2.7	1.2	0.9	-0.5
(y-o-y, %)	7.6	0.2	0.4	0.9	-1.9	-0.6	0.7	1.0
Coincident composite index (2015=100)	109.7	109.8	109.8	110.0	109.7	109.8	110.0	110.4
(m-o-m, %)	0.1	0.1	0.0	0.2	-0.3	0.1	0.2	0.4
Cyclical indicator of coincident composite index	99.6	99.3	99.2	99.1	98.6	98.5	98.4	98.6
(m-o-m, p)	-0.1	-0.3	-0.1	-0.1	-0.5	-0.1	-0.1	0.2
Leading composite index (2015=100)	113.3	113.4	113.5	113.5	113.6	113.8	114.2	114.4
(m-o-m, %)	0.0	0.1	0.1	0.0	0.1	0.2	0.4	0.2
Cyclical indicator of leading composite index	99.4	99.1	98.9	98.6	98.3	98.2	98.3	98.1
(m-o-m, p)	-0.3	-0.3	-0.2	-0.3	-0.3	-0.1	0.1	-0.2

1. Preliminary
Source: Statistics Korea (industrial activity trends)

POLICY ISSUE

Economic Policies, H2 2019

Background

With global economic conditions worsening and semiconductor markets expected to remain weak, the economy, over the second half, will have to deal with uncertainties surrounding global trade, as well as slowing investment at home. Although employment continues to improve since February this year backed by the service sector, manufacturing jobs have yet to pick up and it appears that there should be an innovation in the country's manufacturing sector. The economy also has to be prepared for demographic changes which will pose challenges in the future.

2019 outlook

- **Growth:** Annual growth of 2.4 - 2.5 percent is expected, a downward revision from the original outlook made at the beginning of the year (2.6 - 2.7 %). Exports and investment are projected to slow down, and growth will be supported by supplementary budgets, as well as by measures to boost exports and investment.
- **Employment:** A total of 200,000 jobs are expected to be added to the economy, the employment rate improving from 66.7 percent to 66.8 percent.
- **Inflation:** The annual consumer price inflation is projected to be 0.9 percent due to low oil and fresh food prices.
- **Current account balance:** Current account surpluses are expected to decline to US $60.5 billion amid slowing exports. Service balance is expected to improve somewhat.

	2018	2019	2020
GDP growth (%)	2.7	2.4 - 2.5	2.6
Employment growth (thousand)	97	200	200
Employment rate (%, aged 15-64)	66.6	66.8	67
Consumer price inflation (%)	1.5	0.9	1.5
Current account (US $billion)	76.4	60.5	63.5

Second half economic policies

The government will pursue the three pillars over the second half: Boosting the economy, restructuring industries and seeking inclusive growth.

1. Boost the economy

The government will put its first priority on promoting investment and properly managing internal and external risks.

- Continue with expansionary fiscal policies

1) Work to spend fiscal stimulus as planned
2) Work to spend at least 70 percent of the supplementary budget over the first two months upon its passage in the National Assembly

- Promote investment

1) Temporarily expand tax incentives for corporate facilities investment to up to 10 percent for one year after the revision takes effect, and extend the corporate tax reduction for facilities investment, scheduled to end this year, to 2021 and the accelerated depreciation for 6 months to the end of 2019, or the end of June 2020 for special deduction
2) Help launch construction projects worth more than 10 trillion won in the second half: corporate projects worth 8.0 trillion won and SOC projects worth around 2.0 trillion won
3) Promote local governments' construction projects, such as urban renewal projects, community SOC projects, public transportation projects and infrastructure maintenance
4) Provide more than 10 trillion won worth of financial support, including one trillion won worth of on-lending by Korea Development Bank, to promote corporate facilities investment in new industries, such as a system on a chip, bio-health and future cars
5) Increase reshoring incentives and encourage participating in PPP projects (private investment in public projects)

- Increase domestic demand

1) Extend the individual consumption tax cut for car purchases to the end of this year and for hydroelectric cars to the end of 2022, and temporarily give individual consumption tax cuts when scrapping old cars (more than

15 years old) and buying new ones (not applicable to diesel cars) for six months after the revision is passed
2) Organize large-scale sales events, such as Korea Sales FESTA, launch an online sales platform for self-employed merchants, refund 10 percent of the prices when buying energy-efficient home appliances, run a pilot Online to Offline Market through which consumers purchase products they found online at offline markets after checking the products, and raise the duty free shop purchase ceiling for Koreans to US $5,600
3) Develop tourism for locals, such as a variety of tour programs and passenger rail programs
4) Work to attract foreign visitors: Work to regularly hold the K-culture festival every fall, promote tax-free shops and raise the on-the-spot tax refund ceiling to 2 million won, work to develop medical tourism, and streamline the visa-free entry procedure for cruise ship by adopting QR codes

- Boost exports

1) Run a government-wide export support system and draw up measures that will be focused on diversifying markets through trade deals and expanding export items to services, contents and K-culture
2) Expand financial support by 7.5 trillion won, new export engines being major recipients, such as rechargeable batteries, bio-health products, electric cars and OLED, launch 2.5 trillion won worth of facilities investment support funds for exporters, and spend 300 billion won out of the 1.5 trillion won overseas construction support funds to help Korean builders go overseas
3) Expand the refund of tariffs on imported materials, which is given to exporters if they use the materials to produce export goods, to all items imported by SME exporters

- Encourage local economies

1) Increase support: Launch local development funds worth five trillion won to be invested in urban regeneration, old industrial complex renovation and tourism development, raise 100 billion won worth of local funds to be invested in local ventures
2) Support corporate investment in a region where an agreement has been reached between the management and labor on an employment model most fit for them
3) Work on balanced national development: 23 projects worth 24.1 trillion won being reviewed

- Strengthen risk management

1) Work to ensure housing market stability
2) Strengthen household debt risk management: Expand the DSR (debt service ratio) requirement to nonbank financial institutions and build a system to monitor the financial sector in relation to its exposure to the real estate sector
3) Help corporate restructuring: Increase corporate restructuring funds

by one trillion won to two trillion won and make it first available to car manufacturers, shipbuilders and machinery industries, increase investment in nonperforming loans (NPL) by Korea Asset Management Corporation (KAMCO) to promote private investment in NPLs, and increase financial support for restructuring through KAMCO

4) Be prepared for escalating trade tensions: Strengthen preparedness for US-China trade conflicts and provide companies affected with consulting services to help them explore new markets, as well as with loan modifications and other financial support

2. Restructure industries

The government will seek industrial innovation in both manufacturing and services with its focus on new industries and ventures. In addition we will work on mid-to-long-term economic policies, taking into account demographic challenges in the future.

- Work on the Innovation 2.0 to hold up innovation-led growth: Announce the Innovation 2.0 in July, which will cover plans to develop new industries, promote business convergence, support R&D for future demand and grow human resources

- Work for the industrial innovation-promoting policies to produce outcomes

1) Work to successfully implement the policies to develop a platform economy, such as building big data platforms, providing AI education packages and supplying around 5,000 hydrogen fuel cell cars, expand support for the eight most promising industries to 12 industries including smart factories, new energies and intelligent robots
2) Work to launch as many as 100 businesses under regulatory sand boxes and provide them with financial and consulting services, and select regions for regulation-free zones in the second half
3) Promote venture capital: Extend the corporate tax deduction for investing in venture stocks for three years to the end of 2022
4) Expand R&D tax incentives for 173 new growth engines and source technologies to cover biobetters and a system on a chip, the tax incentives made to be carried over for up to 10 years
5) Draw up a new public procurement system favoring new and innovative products
6) Strengthen startup support: Raise more than 3.2 trillion won worth of funds to support tech startups and venture scaleups, provide agtech with 100 billion won support, make 110 billion won guarantees available for unicorn hopefuls and startups with angel investment, and launch a ‘Future Unicorn 50’ project by the end of 2019 to grow ICT enterprises

- Work on manufacturing innovation

1) Seek smart and environment-friendly manufacturing, as well as promote industrial convergence
2) Work to develop new industries into major growth engines, and promote innovation in major industries

3) Draw up industry-specific plans to accelerate innovation, invest in technologies essential to produce the 100 most important materials and components, and announce measures in September to grow the food industry
4) Launch a 2.5 trillion won loan program to support business operation costs, available to SMEs in major industries and new industries

- Work on further developing the service sector

1) Work to provide the service sector with the same level of fiscal, tax and financial support as manufacturing has had, and promote R&D, service standardization and service-manufacturing convergence
2) Work to develop logistics industries and draw up plans to grow content industries

- Prepare for demographic challenges

1) Work to adopt short-term solutions, such as encouraging enterprises to keep employees past the retirement age, work to attract foreign talent, and shorten the long-term fiscal forecasting from 5 years to 3 years to reflect the fast changing demography
2) Announce in December mid- to long-term policies to tackle demographic challenges, which will include plans to improve living quality, raise growth potential and boost productivity

3. Seek inclusive growth

The government will increase its employment support and strengthen social safety nets, helping young adults with climbing the social ladder and playing the role of supporting the market.

- Strengthen social safety nets

1) Expand government employment programs for low-income households, including the elderly
2) Expand the job training support to all employees, including the self-employed, which provides 60-70 percent of costs incurred over five years (up to 5 million won)
3) Provide SMEs with tax exemption for interests earned from loans arranged to their employees who want to buy or rent a house
4) Expand basic social insurance recipients by revising the asset and income evaluation
5) Work to protect those outside the industrial accident compensation insurance, including platform workers, by developing personal accident insurance fit for them
6) Continue to work to reduce cost of living, such expenses as housing, transportation, education, healthcare and communications
7) Improve small merchant support: Increase startup education centers by three in the second half to a total of nine and strengthen education programs provided there, such as by adding field experience, and issue up to 2.3 trillion won worth of gift certificates to be used at small merchants'

- Expand support for young adults

1) Encourage businesses to hire young adults by increasing government's employment support given to companies for hiring young adult employees
2) Help young adults climb the social ladder: Expand scholarships given to young SME employees, and continue to promote creativity and entrepreneurship among young adults, such as by expanding startup loans and young adult startup funds

- Expand financial inclusion

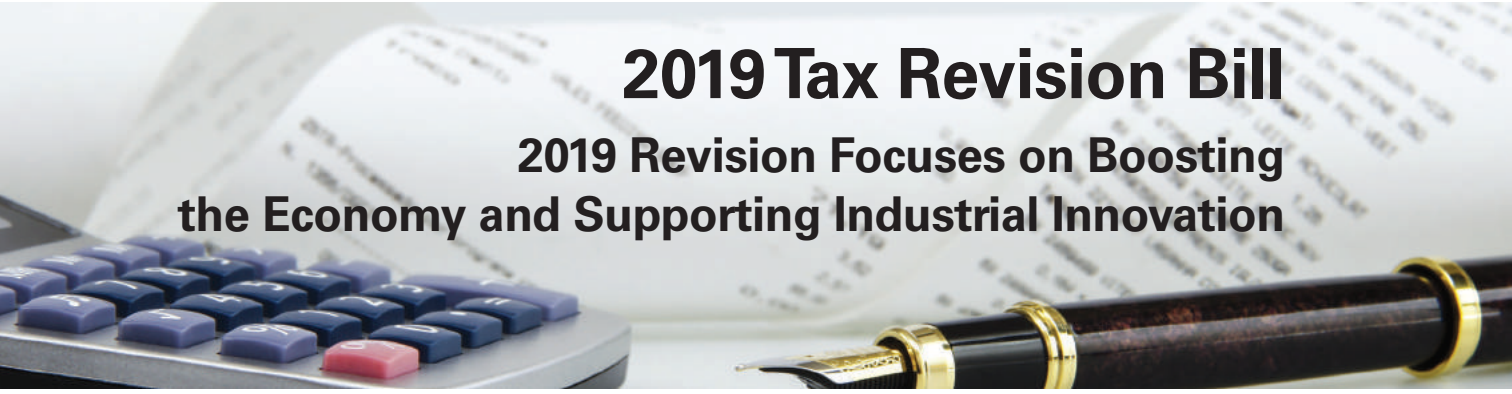
1) Work to extend the tax-free savings account, scheduled to expire at the end of 2019
2) Announce measures to increase financial inclusion in the second half, which will include asset-building support for low income households and consumer-friendly finance

- Work on fair business practices

1) Announce measures in November to promote cooperation among business partners and help fix unfair business practices
2) Encourage competition in the market and closely monitor business practices violating antitrust laws

- Improve the minimum wage system and 52-hour maximum working week

1) Help improve the minimum wage system, taking into consideration economic conditions, its influence on the labor market, corporate burden and whether the market can afford the wage system
2) Work for the 52-hour working week to settle, making revisions to it where necessary
3) Work to develop a job-based wage system and give incentives to companies which adopt a job-based wage system



2019 Tax Revision Bill

2019 Revision Focuses on Boosting the Economy and Supporting Industrial Innovation

Background

The economy has to deal with weakening growth potential, slowing global economies and increasing external uncertainties. Although income distribution indicators have improved and social safety nets have strengthened, low income groups continue to suffer and the population is aging. Korea needs active fiscal policies to support future growth engine development and respond to aging population. Against this backdrop, the government has drawn up the 2019 tax revision bill.

Tax revision

The 2019 tax revision focuses on the following.

- Boosting the economy and supporting industrial innovation
- Pursuing inclusiveness and fairness
- Broadening the tax base and improving the tax system

1. Boosting the economy and supporting industrial innovation

Promote investment

- Expand facility investment tax reduction temporarily for one year if the investment is made to improve productivity: From 1 to 2 percent (large conglomerates), from 3 to 5 percent (medium sized companies) and from 7 to 10 percent (SMEs)
- Extend the tax reduction for manufacturing facility investment and safety facility investment by two years, as well as expand industries eligible for the tax reduction: Include pharmaceutical and logistics industries if they invest in high-tech equipment and facilities, and for safety investment tax reduction, expand it to energy pipelines, LPG facilities and all equipment and facilities if the investment is aimed at improving safety
- Extend the 50 percent accelerated depreciation by six months to June 30, 2020, and expand it to investments made over the second half to improve productivity and save energy in addition to the investments made to foster innovation, such as R&D facilities investment and new growth engine

facilities investment
- Give accelerated depreciation of 75 percent to SMEs and medium-sized leading enterprises for their investments made over the second half
- Extend the corporate tax reduction for startups doing business in restructuring-affected areas: Two years of 50 percent reduction in addition to 100 percent reduction for five years currently provided
- Expand the corporate investment tax reduction to 5 percent for SMEs and 3 percent for medium-sized leading enterprises if they are doing business in regulation-free zones
- Impose alcohol content-based tax rates on beer and unstrained rice-wine
- Ease requirements for corporate inheritance tax incentives: Obligations accompanying the tax incentive, such as staying in the same business and retaining employment for 10 years, to be cased to 7 years, and changes in business to be allowed within a broader category
- Ease requirements for paying inheritance taxes in installments
- Expand the installment tax payment and grace period given to capital gains made due to moving manufacturing facilities from a two year installment with two year grace period to a five year installment with five year grace period
- Expand the tax deduction for losses incurred in the previous year from 60 percent of the earnings for the year to 100 percent
- Make up to 6 million won of maintenance costs tax-deductible, an increase from 3 million won

Promote consumption and exports

- Raise the purchase ceiling for locals at downtown and arrival duty-free shops from US $3,000 to US $5,000
- Provide foreign visitors with an on-the-spot tax refund for up to two million won worth of purchases
- Extend the VAT refund given to foreign tourists for their medical service costs and accommodation costs by one year
- Government to pay the cost of cargo security check for goods imported by SMEs and medium-sized enterprises
- Give tariff cuts to SME and medium-sized leading exporters when they import materials to build manufacturing facilities

Support industrial innovation

- Expand the R&D tax reduction for new growth engines and source technologies to biobetters, systems-on-the-chip and other technologies that will lead innovation-driven growth
- Extend the tax reduction carry-over to the next 10 years, which is given to R&D investment in new growth engines and source technologies
- Provide R&D tax reduction to foreign research institutes for projects commissioned by Korean companies
- Raise the ceiling of the capital gains tax exemption for stock options exercised by venture employees from 20 million won a year to 3 million won a year
- Expand the capital gains tax exemption given to venture capital from the sales of old stocks to the sales of new stocks

- Provide a 50 percent income tax cut for five years to Korean talents returning from overseas

2. Pursuing inclusiveness and fairness

Support employment

- Extend the 10 percent tax reduction for large corporate investment in SME employee welfare funds to 2022
- Expand the corporate investment tax reduction given to SMEs and medium-sized enterprises participating in local government job programs to up to 10 percent
- Expand the tax support for employing women returnees, a two year tax cut of 15-30 percent for labor costs incurred by hiring women returnees, to cover those quitting jobs due to marriage and child education, in addition to childbirth and childcare, as well as to include those returning to work after 3 to 15 years from quitting, instead of 3 to 10 years

Seek inclusiveness

- Extend the income tax deduction for credit card use by three years to 2022, and offer 40 percent deduction for spending via 'Zero Pay', a fee-free mobile payment system
- Extend the VAT reduction for purchasing tax-free farm products by two years to 2021
- Raise the income ceiling for work incentives: Single households earning less than 4 million won a year will be made eligible and 7 million won a year for single income families
- Expand the tax support for private pension plans: 1) Allow transferring individual savings accounts to pension accounts when matured and raise the tax-free ceiling to 3 million won, 2) temporarily raise the tax-free ceiling of pension savings accounts to 6 million won a year for those aged fifty or older, the current tax-free ceiling of 4 million won maintained for those earning more than 120 million won a year and 3) apply lower retirement income tax rates to long-term pension plans (longer than 10 years)
- Adopt a long-term tax payment plan for small business owners whose delinquent taxes are 50 million won or less: Payments can be made in installments over up to five years, and the business owners need to be retrying after failure for the tax installment plan to be applied.

Seek fairness

- Work on nonprofit organizations, focusing on making them more responsible and transparent, to help build a culture of philanthropy: 1) National Tax Service (NTS) to be responsible for every step needed for nonprofit organizations from nonprofit designation to business evaluation, starting on January 1, 2021, 2) Newly designated nonprofit organizations to be evaluated three years after the designation and if the evaluation finds that the organization has been run properly, it can continue for the next six years, starting on January 1, 2021, 3) NTS authorized to require budget spending specifications if the financial statements submitted are found

not to be clear, starting January 1, 2021, 4) Require to spend more than 1 percent of the value of their business assets on public interest, as well as make corporate disclosure mandatory to all nonprofit organizations, and 5) Nonprofit organizations required to have their accounts audited by NTS appointees every nine years, NTS auditing for three consecutive years and for the remaining six years audits done by auditors of their choice
- Capital gains taxes on investment in subsidiaries through investment in kind to be allowed to be paid in installments, starting in 2022

3. Broadening the tax base and improving the tax system

Work on taxpayer protection and increase taxpayer convenience

- Protect taxpayers under investigation as officials in charge of taxpayer protection will monitor the investigation, as well as attend the investigation
- Give opportunities to adjust taxable income to those filing past the income report due
- Lower penalties imposed on unreported overseas financial accounts

Improve the tax system

- Lift the gift tax progressive rates imposed on largest shareholders' stocks
- Work to increase access to NTS data by research institutes and government agencies
- Raise the ceiling of corporate car operation costs deductible without documentation to 15 million won a year

Broaden the tax base

- Adopt a 20 million won ceiling for earned income tax deduction
- Lower the severance pay ceiling for board of directors
- Make tax-free savings accounts not available to those who have ever paid capital gains taxes on their financial income over the last three years
- Work to impose taxes on patent rights registered overseas, but owned by Korean companies
- Habitual and large delinquent tax payers to be detained for up to 30 days

4. Expected revenues

Revenues are expected to increase around 4 billion won for the next five years due to the revision.

Tax revenue increase (billion won)

	Total	2020	2021	2022	2023	2024 and beyond
Total	3.7	-140.5	-444.1	440.7	-1.1	148.7
Income tax	12.5	40.8	-14.5	-13.8	-	-
Corporate tax	-14.9	-3.2	-660.4	498.9	-	149.8
VAT	4.4	-79.3	80.5	5.2	-1.0	-1.0
Others	1.7	98.8	150.3	-49.6	-0.1	-0.1

01 Exports down 8.5% in H1 2019
02 Inbound FDI posts US $9.9 billion in H1 2019
03 Korea grows 2.1% in Q2 2019 (advance estimate)

ECONOMIC NEWS BRIEFING

Exports down 8.5% in H1 2019

Korea's exports amounted to US $271.55 billion in the first half of 2019, down 8.5 percent from the same period of the previous year, as global trade slowed down amid continuing trade disputes between the US and China.

Shipments of semiconductors (down 22.5%), petrochemicals (down 13.0%) and oil products (down 8.5%) decreased partly due to falling prices. Imports decreased 5.1 percent in the first half to US $ 252.0 billion, trade surpluses amounting to US $ 19.55 billion.

Inbound FDI posts US $9.9 billion in H1 2019

Foreign direct investment (FDI) in Korea amounted to US $9.87 billion in the first half of 2019, down 37.3 percent from a year ago amid global economic slowdown and partly due to a high base effect.

The US (US $3.11 billion), EU (US $2.68 billion), Japan (US $0.54 billion) and China (US $0.30 billion) were largest investor countries. Services attracted US $6.72 billion, manufacturing drawing US $3.09 billion.

Korea grows 2.1% in Q2 2019 (advance estimate)

Korea's real gross domestic product (GDP) expanded 1.1 percent quarter-on-quarter and 2.1 percent year-on-year in the second quarter of 2019, according to the Bank of Korea's advance estimate released on July 25.

On the production side, agriculture, forestry & fisheries fell 3.7 percent compared to the previous quarter due to weak agriculture. Manufacturing rose 1.8 percent backed by strong computers, electronic products and optical products. Construction went up 1.4 backed by subcontracts. Services grew 0.6 percent as business services rose, as well as healthcare and social services.

On the expenditure side, private consumption increased 0.7 percent backed by strong sales of semi-durable goods, and government consumption rose 2.5 percent due to rising health care spending. Construction investment expanded 1.4 percent as civil engineering works increased, and facility investment grew 2.4 percent, transportation equipment being strong. Intellectual property investment contracted 0.3 percent.

Exports increased 2.3 percent backed by strong automobiles and semiconductors, and imports expanded 3.0 percent led by machinery.

GDP by production and expenditure*

(Percentage change from previous period)

	2017				2018[1]				2019[1]	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
GDP	0.9 (3.1)[2]	0.5 (2.8)[2]	1.5 (3.9)[2]	-0.1 (2.8)[2]	1.0 (2.8)[2]	0.6 (2.9)[2]	0.5 (2.1)[2]	0.9 (2.9)[2]	-0.4 (1.7)[2]	1.1 (2.1)[2]
Agriculture, forestry & fisheries	0.3	3.3	0.6	0.4	3.2	-2.6	-3.5	2.8	4.7	-3.7
Manufacturing	1.3	-0.4	2.7	-1.5	0.8	1.6	1.6	1.6	-3.3	1.8
Electricity, gas & water supply	4.1	1.7	1.8	-0.6	-1.8	4.5	-0.1	2.5	0.0	8.3
Construction	3.9	-0.8	-0.2	-1.3	1.1	-2.1	-5.0	0.8	-1.0	1.4
Services[3]	0.5	0.8	1.1	0.5	1.3	0.4	0.5	0.5	0.8	0.6
Private consumption	0.3	1.3	1.0	0.6	0.7	0.5	0.4	0.8	0.1	0.7
Government consumption	0.8	1.6	1.6	0.6	1.9	0.6	1.6	2.8	0.4	2.5
Facilities investment	4.6	5.1	1.5	-1.2	4.3	-8.4	-4.0	3.2	-9.1	2.4
Construction investment	3.4	1.2	0.1	-1.5	0.9	-2.5	-6.0	1.8	-0.8	1.4
Intellectual property investment	1.6	2.3	2.0	0.9	-0.7	0.0	1.2	0.3	1.3	-0.3
Exports	3.4	-2.4	3.9	-4.5	3.5	0.7	4.0	-1.4	-3.2	2.3
Imports	7.6	-0.9	2.5	-3.3	4.3	-2.3	-1.1	1.6	-3.4	3.0

*At 2015 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.

STATISTICAL APPENDICES

1 National accounts

(year-on-year change, %, chained 2015 year prices)

Period	Real GDP			Final consumption expenditure		Gross fixed capital formation		
		Agri., fores. & fisheries	Manufacturing		Private consumption		Construction	Facilities
2011	3.7	-1.0	5.2	2.9	2.9	1.3	-2.8	5.5
2012	2.4	-0.5	1.4	2.3	1.7	-0.1	-3.5	1.0
2013	3.2	4.2	3.1	2.4	1.7	2.8	6.3	-3.9
2014	3.2	5.1	3.2	2.5	2.0	3.1	1.4	5.1
2015	2.8	-0.2	1.7	2.6	2.2	5.4	6.9	5.1
2016	2.9	-5.6	2.3	3.0	2.6	6.6	10.0	2.6
2017p	3.2	2.3	3.7	3.1	2.8	9.8	7.3	16.5
2018p	2.7	1.5	3.4	3.5	2.8	-2.4	-4.3	-2.4
2011 I	5.4	-8.8	11.7	3.7	3.9	0.2	-6.1	7.6
II	3.8	-1.5	5.5	3.4	3.5	2.8	-2.4	9.3
III	3.1	-5.1	3.6	2.6	2.6	2.4	-1.2	4.0
IV	2.6	8.3	1.3	1.9	1.9	-0.1	-2.3	1.5
2012 I	2.4	-0.8	0.9	2.2	1.3	4.9	-2.2	11.1
II	2.4	-1.0	1.5	1.5	0.6	-1.3	-3.9	-0.2
III	2.3	0.4	1.6	2.6	2.3	-0.8	-2.7	-2.8
IV	2.5	-0.6	1.6	2.8	2.4	-2.5	-4.7	-3.3
2013 I	2.3	-0.7	2.6	1.8	1.3	-2.9	2.9	-13.4
II	2.9	0.7	2.9	2.7	1.7	3.9	9.1	-4.7
III	3.5	5.4	3.2	2.3	1.7	4.8	8.1	-1.2
IV	3.9	8.7	3.6	2.8	2.2	4.7	4.5	4.4
2014 I	3.8	7.6	4.2	3.4	3.0	5.3	4.3	6.0
II	3.4	5.7	4.2	2.3	1.9	2.4	0.0	4.5
III	3.1	3.9	2.5	2.3	1.8	3.0	2.8	3.9
IV	2.6	4.3	1.9	2.1	1.4	2.1	-0.6	5.8
2015 I	2.5	9.1	1.0	2.2	1.6	4.4	4.5	6.1
II	2.0	-2.1	0.2	2.5	1.8	4.7	5.4	6.0
III	3.3	0.6	2.6	2.3	2.0	6.6	8.1	7.2
IV	3.4	-4.4	3.0	3.3	3.4	5.6	9.1	1.6
2016 I	2.8	-6.3	1.4	3.1	2.5	4.4	9.9	-1.7
II	3.6	-2.7	2.8	3.5	3.3	5.9	9.3	1.0
III	2.8	-7.8	1.7	3.6	3.2	6.5	10.1	1.4
IV	2.7	-5.8	3.2	2.0	1.5	9.1	10.6	9.5
2017p I	3.1	-2.9	4.1	2.3	2.1	12.4	10.7	19.8
II	2.8	3.2	2.1	2.9	2.7	11.6	9.6	19.2
III	3.9	2.7	6.6	3.5	3.0	9.8	6.9	17.4
IV	2.8	4.2	2.3	3.5	3.2	6.0	3.1	10.4
2018p I	2.8	8.0	1.4	4.2	3.6	4.7	1.2	10.2
II	2.9	2.3	3.3	3.3	2.9	-2.2	-2.5	-4.3
III	2.1	-2.3	3.0	2.8	2.3	-6.9	-8.7	-9.4
IV	2.9	0.4	5.6	3.6	2.4	-4.2	-5.7	-5.3
2019p I	1.7	1.6	1.3	2.8	1.9	-8.6	-7.2	-17.4
II	2.1	0.3	1.5	3.4	2.0	-3.6	-3.5	-7.8

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	102.2	2.2	101.5	1.5	97.5	-2.2	102.6	2.6
2017	104.7	2.4	102.7	1.2	105.3	8.0	104.5	1.9
2018	106.1	1.3	102.7	0.0	113.7	8.0	106.7	2.1
2016 I	98.3	1.1	98.7	0.8	105.7	9.0	98.7	2.4
II	102.3	2.2	102.0	1.6	101.8	1.4	102.8	3.3
III	99.7	1.3	98.2	0.3	100.9	-0.9	102.4	3.0
IV	108.3	3.8	107.1	3.2	97.5	-2.2	106.6	1.8
2017 I	103.4	5.2	101.6	2.9	99.9	-5.5	100.9	2.2
II	104.8	2.4	103.2	1.2	101.1	-0.7	104.6	1.8
III	105.1	5.4	102.9	4.8	101.3	0.4	105.1	2.6
IV	105.4	-2.7	103.1	-3.7	105.3	8.0	107.4	0.8
2018 I	102.3	-1.1	99.5	-2.1	108.4	8.5	103.4	2.5
II	106.9	2.0	103.5	0.3	109.1	7.9	106.9	2.2
III	105.2	0.1	101.4	-1.5	107.6	6.2	105.9	0.8
IV	109.9	4.3	106.3	3.1	113.7	8.0	110.3	2.7
2019 I	100.2	-2.1	97.8	-1.7	113.4	4.6	104.5	1.1
2016 1	98.8	-0.8	97.6	-2.0	105.5	9.2	97.4	2.3
2	90.6	2.0	91.3	1.7	106.3	9.4	95.3	2.4
3	105.6	2.3	107.2	2.9	105.7	9.0	103.4	2.5
4	99.7	-1.7	100.4	-1.3	104.2	5.7	101.4	2.1
5	102.6	5.4	102.1	4.1	104.4	5.7	102.7	3.3
6	104.7	3.2	103.4	2.0	101.8	1.4	104.4	4.5
7	102.3	1.9	100.6	0.8	104.0	0.8	102.1	2.8
8	98.0	3.5	96.3	1.8	102.8	-0.9	102.4	3.9
9	98.7	-1.3	97.8	-1.5	100.9	-0.9	102.6	2.3
10	104.5	-0.6	102.9	-1.8	100.7	-0.8	103.5	1.5
11	108.9	5.9	107.1	5.3	101.1	-0.4	103.3	2.3
12	111.5	6.1	111.3	6.0	97.5	-2.2	112.9	1.7
2017 1	100.6	1.8	97.8	0.2	100.6	-4.6	99.5	2.2
2	98.7	8.9	97.2	6.5	100.3	-5.6	97.5	2.3
3	110.9	5.0	109.9	2.5	99.9	-5.5	105.6	2.1
4	104.1	4.4	102.6	2.2	101.8	-2.3	103.1	1.7
5	104.8	2.1	102.3	0.2	104.8	0.4	104.6	1.9
6	105.5	0.8	104.6	1.2	101.1	-0.7	106.0	1.5
7	104.8	2.4	101.7	1.1	104.0	0.0	103.6	1.5
8	101.2	3.3	98.9	2.7	104.3	1.5	104.0	1.6
9	109.4	10.8	108.0	10.4	101.3	0.4	107.7	5.0
10	99.7	-4.6	96.8	-5.9	104.8	4.1	102.2	-1.3
11	109.3	0.4	108.0	0.8	105.2	4.1	106.2	2.8
12	107.3	-3.8	104.6	-6.0	105.3	8.0	113.8	0.8
2018 1	105.7	5.1	102.1	4.4	107.8	7.2	103.0	3.5
2	93.1	-5.7	90.9	-6.5	107.9	7.6	99.6	2.2
3	108.1	-2.5	105.5	-4.0	108.4	8.5	107.7	2.0
4	106.2	2.0	101.7	-0.9	109.5	7.6	105.9	2.7
5	107.1	2.2	104.6	2.2	108.7	3.7	106.9	2.2
6	107.5	1.9	104.2	-0.4	109.1	7.9	108.0	1.9
7	108.2	3.2	102.3	0.6	110.8	6.5	106.3	2.6
8	105.2	4.0	101.6	2.7	111.1	6.5	105.6	1.5
9	102.1	-6.7	100.4	-7.0	107.6	6.2	105.8	-1.8
10	112.3	12.6	108.9	12.5	110.3	5.2	108.1	5.8
11	109.4	0.1	105.9	-1.9	113.5	7.9	107.5	1.2
12	108.1	0.7	104.0	-0.6	113.7	8.0	115.4	1.4
2019 1	105.5	-0.2	101.2	-0.9	114.4	6.1	105.5	2.4
2	89.6	-3.8	87.9	-3.3	114.4	6.0	99.4	-0.2
3	105.6	-2.3	104.3	-1.1	113.4	4.6	108.6	0.8
4[p]	106.4	0.2	101.9	0.2	116.9	6.8	107.5	1.5
5[p]	106.9	-0.2	102.5	-2.0	117.7	8.3	109.1	2.1

* 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*		Operation ratio index*		Capacity utilization rate* (%)
		y-o-y change (%)		y-o-y change (%)	
2016	102.1	2.1	98.9	-1.1	73.4
2017	103.3	1.2	98.1	-0.8	73.3
2018	103.1	-0.2	98.4	0.3	73.5
2016 I	100.9	1.7	95.8	-1.1	73.6
II	101.4	1.7	101.2	-0.1	73.9
III	102.5	2.4	96.1	-2.4	73.1
IV	103.5	2.5	102.5	-0.8	73.1
2017 I	102.5	1.6	96.8	1.0	74.5
II	102.9	1.5	99.4	-1.8	72.5
III	103.6	1.1	98.9	2.9	73.3
IV	104.3	0.8	97.1	-5.3	72.8
2018 I	102.3	-0.2	94.6	-2.3	72.8
II	102.5	-0.4	100.6	1.2	73.9
III	103.4	-0.2	97.0	-1.9	74.2
IV	104.0	-0.3	101.3	4.3	73.1
2019 I	101.9	-0.4	92.8	-1.9	71.8
2016 1	101.0	1.9	95.7	-3.5	72.8
2	100.6	1.5	88.3	-0.2	74.3
3	101.1	1.6	103.5	0.4	73.7
4	101.1	1.6	98.5	-3.7	72.4
5	101.4	1.8	101.9	3.6	74.9
6	101.7	1.8	103.3	0.2	74.3
7	102.2	2.3	100.1	-1.1	73.9
8	102.5	2.4	93.7	-0.7	72.4
9	102.9	2.6	94.5	-5.5	73.0
10	103.3	2.7	99.9	-4.9	71.0
11	103.5	2.4	103.9	1.9	74.6
12	103.6	2.4	103.6	0.8	73.8
2017 1	102.6	1.6	93.6	-2.2	76.2
2	102.3	1.7	92.4	4.6	72.8
3	102.6	1.5	104.4	0.9	74.4
4	102.7	1.6	98.5	0.0	72.5
5	103.0	1.6	99.5	-2.4	72.9
6	103.0	1.3	100.2	-3.0	72.0
7	103.2	1.0	99.0	-1.1	73.1
8	103.5	1.0	95.0	1.4	73.4
9	104.1	1.2	102.8	8.8	73.5
10	104.2	0.9	93.0	-6.9	73.9
11	104.4	0.9	101.6	-2.2	73.0
12	104.2	0.6	96.8	-6.6	71.5
2018 1	102.5	-0.1	97.0	3.6	72.8
2	102.4	0.1	85.8	-7.1	73.5
3	102.1	-0.5	100.9	-3.4	72.1
4	102.3	-0.4	99.6	1.1	73.5
5	102.3	-0.7	101.5	2.0	74.4
6	102.9	-0.1	100.8	0.6	73.8
7	103.3	0.1	100.0	1.0	73.9
8	103.3	-0.2	97.2	2.3	75.1
9	103.7	-0.4	93.8	-8.8	73.7
10	103.9	-0.3	104.3	12.2	74.4
11	104.1	-0.3	101.3	-0.3	72.7
12	103.9	-0.3	98.3	1.5	72.2
2019 1	101.9	-0.6	97.3	0.3	73.6
2	101.8	-0.6	82.6	-3.7	70.3
3	102.0	-0.1	98.6	-2.3	71.5
4p	101.4	-0.9	100.1	0.5	72.7
5p	101.4	-0.9	101.2	-0.3	71.7

* 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	110.1	5.3	101.2	-1.1	106.1	1.8
2018	110.5	4.3	116.3	5.6	107.2	5.9	109.2	2.9
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	105.3	4.4
2017 I	101.3	1.4	102.8	3.4	94.7	-1.8	103.6	1.9
II	105.2	0.9	112.8	3.7	101.0	-2.3	103.6	1.1
III	105.2	3.4	111.1	12.0	90.8	-0.8	108.9	1.4
IV	112.0	2.2	113.9	2.4	118.4	0.6	108.2	2.8
2018 I	106.7	5.3	112.5	9.4	99.1	4.6	107.5	3.8
II	110.5	5.0	119.8	6.2	106.8	5.7	107.7	4.0
III	109.2	3.8	113.7	2.3	98.2	8.1	112.1	2.9
IV	115.4	3.0	119.4	4.8	124.6	5.2	109.4	1.1
2019 I	108.5	1.7	111.2	-1.2	102.5	3.4	109.9	2.2
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	107.5	5.0
2017 1	103.3	3.7	94.6	1.8	96.3	-1.0	110.4	6.5
2	95.2	-0.4	100.0	7.8	88.4	-1.0	96.1	-3.6
3	105.4	0.9	113.8	1.2	99.3	-3.2	104.2	2.6
4	103.9	1.8	108.5	5.0	105.5	0.6	101.1	0.8
5	107.6	0.3	114.1	5.3	104.9	-5.1	105.8	0.4
6	104.2	0.8	115.7	0.9	92.7	-2.2	103.9	2.0
7	104.9	2.7	114.9	11.0	91.6	-2.7	106.1	1.0
8	101.3	0.5	107.1	6.1	83.4	-2.0	106.5	-1.1
9	109.5	7.1	111.4	19.5	97.5	2.2	114.0	4.2
10	108.0	-0.4	104.0	-3.1	113.7	-3.8	107.3	2.6
11	115.0	5.4	122.8	11.0	124.6	3.9	107.2	3.4
12	112.9	1.5	114.8	-0.7	117.0	1.7	110.2	2.5
2018 1	105.3	1.9	110.7	17.0	94.3	-2.1	107.7	-2.4
2	101.7	6.8	101.9	1.9	91.6	3.6	106.0	10.3
3	113.2	7.4	124.9	9.8	111.3	12.1	108.7	4.3
4	109.9	5.8	120.1	10.7	107.7	2.1	106.1	4.9
5	112.8	4.8	121.0	6.0	111.9	6.7	109.5	3.5
6	108.7	4.3	118.2	2.2	100.9	8.8	107.6	3.6
7	110.8	5.6	122.2	6.4	98.6	7.6	110.9	4.5
8	107.0	5.6	117.8	10.0	88.8	6.5	110.0	3.3
9	109.9	0.4	101.1	-9.2	107.1	9.8	115.4	1.2
10	113.5	5.1	116.3	11.8	123.6	8.7	107.8	0.5
11	116.2	1.0	122.8	0.0	126.4	1.4	108.6	1.3
12	116.4	3.1	119.1	3.7	123.9	5.9	111.9	1.5
2019 1	109.8	4.3	108.5	-2.0	99.7	5.7	114.8	6.6
2	99.8	-1.9	100.0	-1.9	93.7	2.3	102.4	-3.4
3	116.0	2.5	125.2	0.2	114.2	2.6	112.5	3.5
4[p]	111.4	1.4	118.6	-1.2	108.5	0.7	109.3	3.0
5[p]	116.6	3.4	122.2	1.0	118.3	5.7	113.2	3.4

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 (%)
2016	26,643	4.7	2,862	49.0	23,781	1.1	110.7	-1.3
2017	31,897	19.7	2,266	-20.8	29,631	24.6	126.3	14.1
2018	32,512	1.9	2,465	8.8	30,047	1.4	121.5	-3.8
2016 I	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
2017 I	7,812	22.1	691	8.5	7,121	23.6	118.3	18.2
II	8,590	23.7	543	-5.7	8,048	26.4	134.5	17.8
III	7,613	32.0	462	-0.8	7,151	34.9	128.2	20.6
IV	7,882	4.6	570	-51.8	7,311	15.1	124.4	2.0
2018 I	8,407	7.6	603	-12.7	7,803	9.6	130.4	10.2
II	8,672	1.0	645	18.8	8,027	-0.3	128.0	-4.8
III	7,538	-1.0	495	7.3	7,042	-1.5	110.9	-13.5
IV	7,896	0.2	721	26.5	7,174	-1.9	116.9	-6.0
2019 I	8,170	-2.8	378	-37.4	7,792	-0.1	104.9	-19.6
2016 1	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
2017 1	2,149	29.3	122	72.7	2,026	27.4	107.0	10.3
2	2,462	7.9	227	-11.0	2,235	10.2	108.5	19.6
3	3,202	30.5	342	9.9	2,860	33.5	139.3	23.6
4	2,777	38.5	241	28.2	2,536	39.5	127.0	14.4
5	2,585	17.0	117	-32.8	2,468	21.3	132.8	20.1
6	3,228	18.4	184	-13.4	3,044	21.1	143.7	18.7
7	2,820	38.9	296	526.5	2,524	27.3	131.1	24.9
8	2,353	40.7	82	-3.1	2,271	43.0	123.5	12.5
9	2,440	18.2	84	-74.8	2,356	36.2	130.0	25.0
10	2,352	28.9	187	193.9	2,166	22.9	105.0	-3.9
11	2,930	25.2	139	-9.2	2,790	27.7	126.8	6.7
12	2,600	-22.9	244	-74.7	2,355	-2.1	141.4	2.5
2018 1	2,748	27.9	270	120.8	2,478	22.3	130.8	22.2
2	2,337	-5.1	141	-38.0	2,197	-1.7	120.0	10.6
3	3,322	3.7	193	-43.7	3,129	9.4	140.3	0.7
4	3,006	8.2	302	25.2	2,704	6.6	130.9	3.1
5	2,787	7.8	121	3.1	2,666	8.0	129.0	-2.9
6	2,879	-10.8	222	20.6	2,657	-12.7	124.0	-13.7
7	2,662	-5.6	113	-61.9	2,549	1.0	118.2	-9.8
8	2,470	5.0	274	236.3	2,196	-3.3	109.7	-11.2
9	2,406	-1.4	108	28.3	2,297	-2.5	104.9	-19.3
10	2,545	8.2	232	24.3	2,313	6.8	115.7	10.2
11	2,365	-19.3	64	-54.2	2,301	-17.5	114.9	-9.4
12	2,986	14.9	426	74.3	2,560	8.7	120.1	-15.1
2019 1	2,620	-4.6	102	-62.3	2,518	1.6	108.5	-17.0
2	2,383	1.9	141	0.2	2,242	2.1	87.7	-26.9
3	3,167	-4.6	135	-30.0	3,032	-3.1	118.4	-15.6
4p	3,016	0.3	100	-66.9	2,916	7.8	122.7	-6.3
5p	2,867	2.9	147	21.6	2,720	2.0	114.2	-11.5

p: Preliminary
Source: Statistics Korea

6 Value of construction completed and domestic construction orders received

(current value, billion)

Period	Value of construction						Domestic construction orders					
	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 (%)
2016	119,971	16.9	30,916	-0.4	83,680	24.2	145,386	8.1	33,832	18.5	107,748	4.4
2017	139,039	15.9	30,314	-1.9	105,033	25.5	142,966	-1.7	33,446	-1.1	104,431	-3.1
2018	136,988	-1.5	28,352	-6.5	105,252	0.2	139,768	-2.2	29,531	-11.7	103,127	-2.2
2016 I	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	25,448	32.2	46,966	26.4	12,600	24.9	33,603	30.1
2017 I	30,697	25.1	6,931	3.3	22,722	37.6	28,605	-1.1	7,269	-6.2	17,267	-15.6
II	35,692	19.1	8,167	0.8	26,606	29.8	38,778	18.3	7,516	35.0	30,481	14.2
III	34,902	18.0	6,862	-2.8	27,173	28.0	33,685	-8.2	6,954	-12.1	26,586	-1.5
IV	37,748	5.2	8,354	-7.7	28,532	12.1	41,898	-10.8	11,708	-7.1	30,097	-10.4
2018 I	32,158	4.8	6,492	-6.3	24,845	9.3	32,721	14.4	4,656	-35.9	23,548	36.4
II	35,882	0.5	7,629	-6.6	27,487	3.3	33,951	-12.4	6,241	-17.0	26,930	-11.7
III	32,902	-5.7	6,356	-7.4	25,647	-5.6	30,330	-10.0	6,174	-11.2	22,802	-14.2
IV	36,045	-4.5	7,874	-5.7	27,272	-4.4	42,766	2.1	12,460	6.4	29,847	-0.8
2019 I	30,077	-6.5	5,661	-12.8	23,716	-4.5	31,342	-4.2	5,664	21.6	22,162	-5.9
2016 1	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	2,347	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
2017 1	8,996	19.8	1,971	-3.6	6,691	30.1	8,189	11.7	2,250	-16.3	5,935	35.8
2	9,602	29.4	2,130	7.8	7,195	41.5	12,329	23.4	3,084	31.0	5,899	-22.0
3	12,099	26.0	2,831	5.3	8,836	40.7	8,087	-30.2	1,934	-28.7	5,433	-36.3
4	11,222	24.3	2,295	-0.9	8,640	37.2	14,685	35.4	2,119	78.9	11,956	28.6
5	11,341	21.3	2,510	7.9	8,550	29.3	11,462	18.7	1,469	-30.9	9,934	34.0
6	13,128	13.1	3,362	-2.7	9,417	24.2	12,631	2.8	3,927	74.3	8,590	-14.1
7	11,215	17.5	2,225	-1.4	8,718	26.1	8,616	-28.2	1,794	-31.7	6,797	-20.2
8	11,114	13.0	2,070	-11.7	8,796	23.7	12,857	-3.5	3,007	-10.6	9,837	3.9
9	12,574	23.3	2,568	4.4	9,659	34.1	12,213	7.4	2,153	11.8	9,951	10.5
10	10,900	4.1	2,172	-7.5	8,483	10.3	9,748	-34.1	897	-72.1	8,828	-23.3
11	12,153	6.1	2,460	-11.5	9,405	14.4	11,511	-8.8	2,301	-17.6	9,192	-5.5
12	14,696	5.3	3,722	-5.0	10,643	11.7	20,638	5.6	8,510	28.9	12,078	-2.3
2018 1	10,669	18.6	1,930	-2.1	8,493	26.9	12,154	48.4	1,329	-40.9	6,484	9.3
2	9,718	1.2	1,906	-10.5	7,611	5.8	9,122	-26.0	2,106	-31.7	6,941	17.7
3	11,771	-2.7	2,656	-6.2	8,741	-1.1	11,444	41.5	1,222	-36.8	10,123	86.3
4	11,569	3.1	2,258	-1.6	9,075	5.0	9,144	-37.7	1,444	-31.9	7,428	-37.9
5	11,453	1.0	2,346	-6.5	8,867	3.7	13,701	19.5	2,782	89.3	10,760	8.3
6	12,860	-2.0	3,026	-10.0	9,545	1.4	11,107	-12.1	2,015	-48.7	8,742	1.8
7	11,025	-1.7	2,137	-4.0	8,531	-2.1	10,573	22.7	1,620	-9.7	8,885	30.7
8	10,958	-1.4	1,954	-5.6	8,706	-1.0	9,208	-28.4	2,182	-27.4	5,864	-40.4
9	10,918	-13.2	2,265	-11.8	8,410	-12.9	10,549	-13.6	2,372	10.2	8,052	-19.1
10	10,995	0.9	2,046	-5.8	8,644	1.9	10,039	3.0	2,138	138.5	7,825	-11.4
11	11,286	-7.1	2,238	-9.0	8,779	-6.7	11,443	-0.6	2,839	23.4	8,479	-7.8
12	13,764	-6.3	3,590	-3.5	9,850	-7.5	21,284	3.1	7,482	-12.1	13,543	12.1
2019 1	9,829	-7.9	1,715	-11.1	7,891	-7.1	9,050	-25.5	1,955	47.1	6,478	-0.1
2	8,828	-9.2	1,527	-19.9	7,111	-6.6	7,067	-22.5	1,725	-18.1	5,017	-27.7
3	11,420	-3.0	2,418	-8.9	8,714	-0.3	15,226	33.0	1,984	62.4	10,667	5.4
4[p]	10,987	-5.0	2,113	-6.4	8,584	-5.4	12,767	39.6	1,620	12.2	11,037	48.6
5[p]	11,207	-2.1	1,966	-16.2	8,916	0.6	8,685	-36.6	1,291	-53.6	6,924	-35.7

p: Preliminary
Source: Statistics Korea

7 Composite indexes 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[1]	BOK BSI[2]	
						Results	Prospects
2015 1	97.8	100.2	98.4	99.9	101.9	75	78
2	98.2	100.1	98.9	100.2	102.6	75	76
3	98.6	100.2	99.1	100.1	100.8	75	78
4	99.0	100.3	99.4	100.1	103.5	76	77
5	99.6	100.5	99.1	99.7	104.8	69	77
6	99.9	100.4	99.3	99.5	97.7	66	73
7	100.1	100.3	99.5	99.5	99.7	71	68
8	100.5	100.4	100.2	99.9	101.0	71	73
9	101.1	100.5	101.0	100.4	102.2	69	72
10	101.5	100.6	101.6	100.8	104.6	72	70
11	101.9	100.6	101.7	100.6	105.3	69	72
12	102.0	100.4	101.9	100.5	102.0	68	71
2016 1	102.0	100.0	101.8	100.2	99.4	66	70
2	102.0	99.7	101.9	100.0	97.2	64	69
3	102.2	99.6	102.0	99.9	99.4	66	64
4	102.6	99.6	102.2	99.8	101.0	66	68
5	103.0	99.6	102.7	100.0	98.6	69	69
6	103.3	99.6	103.2	100.2	98.1	71	71
7	103.8	99.7	103.7	100.4	100.4	72	72
8	104.3	99.8	104.0	100.5	101.3	73	74
9	104.9	100.0	104.2	100.4	101.2	71	75
10	105.4	100.1	104.2	100.2	101.5	72	75
11	105.8	100.2	104.6	100.3	95.0	71	74
12	106.4	100.4	105.1	100.5	93.2	73	73
2017 1	106.8	100.4	105.7	100.8	92.4	77	74
2	107.3	100.5	105.9	100.8	93.6	78	77
3	107.6	100.5	106.4	101.0	96.0	78	79
4	108.1	100.6	106.7	101.0	100.6	80	80
5	108.7	100.8	107.0	101.0	107.6	80	81
6	109.4	101.1	107.1	100.9	110.8	78	81
7	109.9	101.2	107.3	100.9	110.9	79	81
8	110.3	101.3	107.6	100.9	109.6	80	81
9	110.5	101.1	108.0	101.0	107.3	82	81
10	110.8	101.0	108.1	100.8	108.8	82	82
11	111.1	101.0	108.3	100.8	112.0	82	86
12	111.4	100.9	108.1	100.3	110.6	81	84
2018 1	111.9	101.0	108.3	100.4	109.9	78	83
2	112.1	100.9	108.7	100.4	108.1	78	81
3	112.4	100.8	109.1	100.6	108.0	73	79
4	112.4	100.5	109.2	100.5	107	75	75
5	112.8	100.5	109.4	100.4	107.9	75	78
6	113.1	100.4	109.5	100.3	105.4	79	77
7	113.3	100.3	109.5	100.1	100.8	75	81
8	113.2	99.9	109.7	99.9	98.9	74	76
9	113.3	99.7	109.6	99.7	100.0	73	76
10	113.3	99.4	109.7	99.6	99.2	72	78
11	113.4	99.1	109.8	99.3	95.7	72	74
12	113.5	98.9	109.8	99.2	96.9	73	73
2019 1	113.5	98.6	110.0	99.1	97.5	68	72
2	113.6	98.3	109.7	98.6	99.5	71	67
3[p]	113.8	98.2	109.8	98.5	99.8	72	74
4[p]	114.2	98.3	110.0	98.4	101.6	72	75
5[p]	114.4	98.1	110.4	98.6	97.9	73	73
6	-	-	-	-	97.5	75	72
7	-	-	-	-	-	-	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(2015=100)			
	All Items		Commodity		Services		Core		All Items		Commodity	
		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	100.0	-4.0	100.0	-6.3
2016	101.0	1.0	99.4	-0.6	102.3	2.3	101.6	1.6	98.2	-1.8	96.8	-3.3
2017	102.9	1.9	101.3	1.9	104.3	2.0	103.1	1.5	101.6	3.5	101.1	4.5
2018	104.5	1.5	102.7	1.3	105.9	1.6	104.3	1.2	103.5	1.9	103.3	2.1
2015 1	99.8	1.0	100.6	0.1	99.1	1.7	99.4	2.6	100.9	-3.6	101.6	-5.7
2	99.7	0.6	100.4	-0.6	99.2	1.7	99.5	2.4	101.0	-3.6	101.7	-5.7
3	99.7	0.5	100.1	-1.0	99.4	1.7	99.6	2.2	100.8	-3.7	101.5	-5.8
4	99.8	0.4	99.8	-1.1	99.7	1.6	99.6	2.1	100.8	-3.6	101.3	-5.7
5	100.0	0.6	100.3	-0.8	99.8	1.6	99.9	2.1	100.9	-3.5	101.3	-5.6
6	100.1	0.7	100.4	-0.4	99.8	1.6	99.9	2.0	100.8	-3.6	101.3	-5.7
7	100.2	0.7	100.0	-0.8	100.4	2.0	100.2	2.1	100.5	-4.1	100.6	-6.3
8	100.4	0.7	100.1	-0.9	100.6	2.0	100.3	2.1	99.8	-4.5	99.7	-7.0
9	100.1	0.5	99.8	-1.3	100.4	1.9	100.2	2.0	99.4	-4.6	99.0	-7.2
10	100.1	0.8	99.6	-0.7	100.6	2.1	100.4	2.2	98.7	-4.6	97.9	-7.3
11	99.9	0.8	99.3	-0.7	100.5	2.0	100.4	2.2	98.3	-4.7	97.3	-7.4
12	100.2	1.1	99.7	-0.2	100.7	2.2	100.6	2.3	98.1	-4.0	97.0	-6.5
2016 1	100.4	0.6	99.2	-1.4	101.3	2.3	101.0	1.6	97.6	-3.3	96.0	-5.5
2	100.8	1.1	99.9	-0.5	101.6	2.5	101.2	1.7	97.6	-3.4	96.0	-5.6
3	100.6	0.8	99.1	-1.0	101.8	2.4	101.3	1.7	97.5	-3.3	95.9	-5.5
4	100.8	1.0	99.3	-0.5	101.9	2.3	101.5	1.9	97.7	-3.0	96.2	-5.0
5	100.8	0.8	99.1	-1.2	102.2	2.4	101.7	1.8	97.9	-3.0	96.4	-4.9
6	100.8	0.7	99.1	-1.3	102.2	2.4	101.8	1.8	98.1	-2.7	96.7	-4.5
7	100.6	0.4	98.2	-1.8	102.6	2.1	101.5	1.3	98.0	-2.5	96.5	-4.1
8	100.9	0.5	98.5	-1.6	102.8	2.2	101.6	1.3	98.1	-1.8	96.5	-3.2
9	101.5	1.3	100.0	0.3	102.6	2.2	101.7	1.5	98.3	-1.1	96.8	-2.2
10	101.6	1.5	100.3	0.8	102.7	2.1	102.1	1.8	98.6	-0.1	97.2	-0.8
11	101.5	1.5	100.1	0.8	102.6	2.1	102.0	1.6	99.0	0.7	97.8	0.6
12	101.6	1.3	100.1	0.4	102.8	2.0	101.9	1.2	99.9	1.8	99.2	2.3
2017 1	102.6	2.2	101.4	2.2	103.6	2.3	102.6	1.6	101.4	3.9	101.2	5.4
2	102.9	2.1	101.8	2.0	103.8	2.1	102.8	1.6	101.7	4.3	101.7	6.0
3	102.9	2.3	101.6	2.5	103.9	2.1	102.8	1.5	101.7	4.3	101.5	5.8
4	102.7	2.0	100.9	1.6	104.2	2.2	102.9	1.4	101.5	3.8	101.1	5.1
5	102.8	2.0	101.1	2.1	104.2	2.0	103.1	1.4	101.2	3.4	100.6	4.4
6	102.6	1.8	100.9	1.8	104.0	1.8	103.1	1.3	100.8	2.8	100.0	3.4
7	102.8	2.2	100.6	2.5	104.6	2.0	103.4	1.8	100.9	3.0	100.0	3.6
8	103.4	2.5	101.7	3.2	104.7	1.9	103.4	1.8	101.4	3.3	100.7	4.4
9	103.5	2.0	102.2	2.2	104.5	1.8	103.3	1.6	102.0	3.8	101.7	5.1
10	103.4	1.8	101.7	1.4	104.7	2.0	103.5	1.3	102.1	3.6	101.9	4.8
11	102.6	1.2	100.6	0.5	104.3	1.7	103.1	1.1	102.0	3.0	101.7	4.0
12	103.0	1.4	101.1	1.0	104.6	1.7	103.3	1.4	102.1	2.2	101.8	2.6
2018 1	103.4	0.8	101.5	0.1	105.0	1.3	103.5	0.9	102.5	1.2	102.1	1.0
2	104.2	1.3	102.7	0.8	105.5	1.6	103.9	1.1	103.0	1.2	102.7	1.0
3	104.1	1.2	102.2	0.6	105.7	1.7	104.1	1.3	102.9	1.2	102.6	1.1
4	104.3	1.5	102.3	1.4	105.9	1.7	104.4	1.4	103.0	1.5	102.7	1.6
5	104.3	1.5	102.2	1.1	106.1	1.8	104.5	1.3	103.3	2.1	103.1	2.5
6	104.1	1.5	102.0	1.1	105.9	1.8	104.4	1.2	103.4	2.5	103.2	3.3
7	103.9	1.1	101.3	0.7	106.1	1.5	104.2	0.8	103.9	2.9	103.8	3.8
8	104.9	1.4	103.0	1.3	106.3	1.5	104.3	0.9	104.3	2.9	104.5	3.7
9	105.7	2.1	104.9	2.7	106.2	1.6	104.7	1.3	104.6	2.5	105.0	3.2
10	105.5	2.0	104.4	2.6	106.3	1.5	104.7	1.2	104.3	2.1	104.4	2.5
11	104.7	2.0	103.0	2.4	106.1	1.7	104.6	1.4	103.5	1.5	103.3	1.5
12	104.4	1.3	102.2	1.1	106.1	1.5	104.6	1.3	103.0	0.9	102.4	0.7
2019 1	104.2	0.8	101.6	0.1	106.4	1.4	104.8	1.2	102.9	0.4	102.1	-0.1
2	104.7	0.5	101.9	-0.7	107.0	1.4	105.2	1.3	103.0	0.1	102.0	-0.7
3	104.5	0.4	101.7	-0.5	106.8	1.1	105.1	0.9	103.4	0.5	102.5	0.0
4	104.9	0.6	102.4	0.1	106.9	0.9	105.3	0.9	103.7	0.6	102.9	0.2
5	105.1	0.7	102.8	0.5	106.9	0.8	105.4	0.8	103.8	0.4	103.0	-0.1
6	104.9	0.7	102.4	0.4	106.9	1.0	105.3	0.9	103.5	0.1	102.5	-0.7

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 partication 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
2018	27,895	148	16,287	104	63.1	60.7	3.8
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
III	28,080	120	16,131	126	63.5	61.1	3.8
IV	27,912	137	16,375	112	63.0	60.9	3.4
2019 I	27,702	238	16,668	44	62.4	59.6	4.5
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
9	28,079	137	16,158	114	63.5	61.2	3.6
10	28,063	143	16,199	105	63.4	61.2	3.5
11	28,092	203	16,192	41	63.4	61.4	3.2
12	27,582	66	16,733	190	62.2	60.1	3.4
2019 1	27,455	223	16,864	23	61.9	59.2	4.5
2	27,649	300	16,734	-11	62.3	59.4	4.7
3	28,002	190	16,408	119	63.1	60.4	4.3
4	28,284	255	16,160	67	63.6	60.8	4.4
5	28,468	283	15,992	36	64.0	61.5	4.0
6	28,545	384	15,951	-50	64.2	61.6	4.0

Source: Statistics Korea

10 Employment (II)

Period	Employed persons (thousands)					
	All industry		Manufacturing		SOC & services	
		y-o-y change		y-o-y change		y-o-y change
2016	26,409	231	4,584	-21	20,534	312
2017	26,725	316	4,566	-18	20,857	323
2018	26,822	97	4,510	-56	20,953	96
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
III	27,015	17	4,479	-91	21,039	53
IV	26,971	88	4,499	-88	21,090	104
2019 1	26,461	177	4,432	-143	20,856	226
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
9	27,055	45	4,513	-42	21,036	37
10	27,090	64	4,515	-45	21,068	60
11	27,184	165	4,490	-91	21,241	179
12	26,638	34	4,491	-127	20,962	74
2019 1	26,232	19	4,439	-170	20,683	87
2	26,346	263	4,411	-151	20,806	304
3	26,805	250	4,446	-108	21,079	287
4	27,038	171	4,421	-52	21,196	217
5	27,322	259	4,434	-73	21,376	322
6	27,408	281	4,416	-66	21,458	330

Source: Statistics Korea

11 Balance of payments (I)

(US $ million)

Period	Current account	Goods			Services	Primary income	Secondary income
			Exports	Imports			
2016	97,923.7	116,461.7	511,926.1	395,464.4	-17,338.4	4,567.1	-5,766.7
2017	75,230.9	113,592.9	580,310.2	466,717.3	-36,734.1	5,336.9	-6,964.8
2018p	76,408.5	111,866.6	625,437.4	513,570.8	-29,737.1	2,777.7	-8,498.7
2016 I	26,367.7	29,714.6	119,093.5	89,378.9	-3,711.0	1,335.3	-971.2
II	27,085.0	32,544.1	127,675.2	95,131.1	-4,080.2	-166.3	-1,212.6
III	21,759.4	27,172.4	128,305.0	101,132.6	-5,417.2	2,399.6	-2,395.4
IV	22,711.6	27,030.6	136,852.4	109,821.8	-4,130.0	998.5	-1,187.5
2017 I	15,980.6	24,699.4	139,598.3	114,898.9	-9,393.4	1,559.5	-884.9
II	14,455.0	27,303.8	142,985.7	115,681.9	-8,111.1	-3,106.4	-1,631.3
III	25,944.5	33,090.7	149,655.5	116,564.8	-8,616.1	3,940.3	-2,470.4
IV	18,850.8	28,499.0	148,070.7	119,571.7	-10,613.5	2,943.5	-1,978.2
2018p I	11,653.2	22,531.9	150,104.6	127,572.7	-9,313.8	1,312.2	-2,877.1
II	17,248.1	29,946.9	157,666.0	127,719.1	-6,485.9	-4,221.2	-1,991.7
III	28,115.5	34,718.1	158,973.9	124,255.8	-7,610.5	2,825.3	-1,817.4
IV	19,391.7	24,669.7	158,692.9	134,023.2	-6,326.9	2,861.4	-1,812.5
2019p I	11,246.4	19,608.9	137,502.9	117,894.0	-7,659.1	1,021.3	-1,724.7
2016 1	7,317.4	8,255.0	37,326.8	29,071.8	-1,808.4	1,328.6	-457.8
2	7,927.5	8,143.3	36,545.0	28,401.7	-1,053.1	816.7	20.6
3	11,122.8	13,316.3	45,221.7	31,661.4	-874.1	-810.0	-534.0
4	4,184.3	9,893.3	40,501.1	30,607.8	-1,670.3	-3,515.9	-522.8
5	10,491.0	10,237.7	42,155.7	31,918.0	-1,129.8	1,530.0	-146.9
6	12,409.7	12,413.1	45,018.4	32,605.3	-1,280.1	1,819.6	-542.9
7	8,831.8	10,486.8	42,616.0	32,129.2	-1,418.0	388.6	-625.6
8	5,410.1	6,791.0	41,847.1	35,056.1	-1,453.4	1,023.3	-950.8
9	7,517.5	9,894.6	43,841.9	33,947.3	-2,545.8	987.7	-819.0
10	7,476.8	8,874.9	43,111.2	34,236.3	-1,771.7	764.8	-391.2
11	7,873.3	9,453.1	46,297.1	36,844.0	-1,703.2	338.0	-214.6
12	7,361.5	8,702.6	47,444.1	38,741.5	-655.1	-104.3	-581.7
2017 1	3,401.7	6,687.5	44,498.9	37,811.4	-4,174.6	1,206.7	-317.9
2	7,438.6	9,432.3	44,777.1	35,344.8	-2,198.4	755.2	-550.5
3	5,140.3	8,579.6	50,322.3	41,742.7	-3,020.4	-402.4	-16.5
4	3,184.0	10,925.8	48,155.0	37,229.2	-2,494.3	-4,669.9	-577.6
5	4,262.1	7,675.6	46,728.9	39,053.3	-2,807.2	36.4	-642.7
6	7,008.9	8,702.4	48,101.8	39,399.4	-2,809.6	1,527.1	-411.0
7	7,467.4	9,920.7	47,108.0	37,187.3	-3,304.6	1,534.5	-683.2
8	6,139.4	8,647.3	47,834.3	39,187.0	-2,309.0	592.1	-791.0
9	12,337.7	14,522.7	54,713.2	40,190.5	-3,002.5	1,813.7	-996.2
10	6,890.0	9,417.9	46,115.1	36,697.2	-3,602.5	1,547.2	-472.6
11	7,474.3	11,165.6	51,690.0	40,524.4	-3,303.6	272.6	-660.3
12	4,486.5	7,915.5	50,265.6	42,350.1	-3,707.4	1,123.7	-845.3
2018p 1	2,644.6	7,549.7	52,224.4	44,674.7	-4,441.5	1,157.9	-1,621.5
2	3,904.7	5,571.0	44,990.5	39,419.5	-2,612.6	1,444.5	-498.2
3	5,103.9	9,411.2	52,889.7	43,478.5	-2,259.7	-1,290.2	-757.4
4	1,355.7	9,620.4	51,506.8	41,886.4	-1,977.6	-5,622.8	-664.3
5	8,434.5	10,785.4	53,846.7	43,061.3	-2,085.1	478.7	-744.5
6	7,457.9	9,541.1	52,312.5	42,771.4	-2,423.2	922.9	-582.9
7	8,552.3	10,788.5	54,184.3	43,395.8	-3,092.5	1,535.4	-679.1
8	8,550.2	10,922.3	53,472.4	42,550.1	-2,043.8	318.5	-646.8
9	11,013.0	13,007.3	51,317.2	38,309.9	-2,474.2	971.4	-491.5
10	9,348.8	10,654.5	57,403.2	46,748.7	-2,180.2	1,327.6	-453.1
11	5,223.6	7,485.8	51,716.0	44,230.2	-2,198.0	490.7	-554.9
12	4,819.3	6,529.4	49,573.7	43,044.3	-1,948.7	1,043.1	-804.5
2019p 1	2,824.9	5,662.2	49,436.8	43,774.6	-3,608.5	1,402.1	-630.9
2	3,601.9	5,479.4	40,133.0	34,653.6	-1,715.3	359.5	-521.7
3	4,819.6	8,467.3	47,933.1	39,465.8	-2,335.3	-740.3	-572.1
4	-664.8	5,668.0	48,298.4	42,630.4	-1,431.9	-4,329.5	-571.4
5	4,949.4	5,392.2	48,031.9	42,639.7	-904.1	1,155.5	-694.2

p: Preliminary
Source: Bank of Korea

12 Balance of payments (II)

(US $ million)

Period	Financial account*	Direct investment	Portfolio investment	Financial derivatives	Other investment	Reserve assets	Capital account
2016	99,811.3	17,785.2	66,970.2	-3,440.1	10,880.8	7,615.2	-46.2
2017	84,425.3	16,156.5	57,853.0	-8,253.3	14,312.0	4,357.1	-26.8
2018p	70,489.3	24,437.9	43,884.0	-1,311.1	-14,013.4	17,491.9	188.9
2016 I	28,236.5	5,691.9	16,794.1	2,724.0	4,360.2	-1,333.7	-8.1
II	22,642.8	4,489.3	13,981.8	-1,185.3	4,437.6	919.4	-7.0
III	24,612.6	1,828.4	15,865.5	-3,799.5	3,759.0	6,959.2	13.9
IV	24,319.4	5,775.6	20,328.8	-1,179.3	-1,676.0	1,070.3	-45.0
2017 I	19,114.9	7,140.3	8,131.0	-2,951.0	6,061.1	733.5	39.2
II	12,386.9	4,050.0	11,965.1	-2,066.8	-1,775.6	214.2	-60.4
III	29,836.8	4,851.8	23,755.5	-350.9	1,731.7	-151.3	-5.9
IV	23,086.7	114.4	14,001.4	-2,884.6	8,294.8	3,560.7	0.3
2018p I	12,384.7	2,244.4	12,833.6	-3,704.4	-1,776.7	2,787.8	-21.3
II	11,706.6	8,283.1	4,505.1	-1,047.1	-9,837.0	9,802.5	-70.7
III	26,806.9	8,890.6	7,784.3	2,220.1	5,765.6	2,146.3	61.5
IV	19,591.1	5,019.8	18,761.0	1,220.3	-8,165.3	2,755.3	219.4
2019p I	12,018.2	7,979.3	12,416.2	489.8	-9,902.1	1,035.0	-38.8
2016 1	6,747.0	206.1	5,412.9	1,227.8	-460.0	360.2	-2.6
2	9,439.7	2,181.3	5,749.6	756.6	2,343.2	-1,591.0	-2.3
3	12,049.8	3,304.5	5,631.6	739.6	2,477.0	-102.9	-3.2
4	1,596.3	808.9	3,277.6	-1,043.5	-2,763.3	1,316.6	-5.0
5	10,132.2	1,442.8	4,546.1	-463.7	4,205.3	401.7	1.0
6	10,914.3	2,237.6	6,158.1	321.9	2,995.6	-798.9	-3.0
7	9,202.8	710.9	145.0	-471.9	6,852.0	1,966.8	5.8
8	6,855.4	-295.5	7,111.8	-1,292.4	-1,757.5	3,089.0	17.2
9	8,554.4	1,413.0	8,608.7	-2,035.2	-1,335.5	1,903.4	-9.1
10	8,419.5	1,141.2	9,921.6	-739.5	-2,124.1	220.3	-6.3
11	8,505.1	56.4	7,011.4	83.0	1,871.4	-517.1	-35.0
12	7,394.8	4,578.0	3,395.8	-522.8	-1,423.3	1,367.1	-3.7
2017 1	4,325.0	3,301.6	4,794.5	-146.9	-3,879.7	255.5	42.9
2	9,012.8	4,333.5	1,003.6	-1,593.2	5,420.5	-151.6	-2.0
3	5,777.1	-494.8	2,332.9	-1,210.9	4,520.3	629.6	-1.7
4	1,863.3	1,773.0	3,460.2	-912.4	-2,286.6	-170.9	-26.4
5	2,118.2	872.7	5,511.1	-413.3	-3,930.8	78.5	-1.9
6	8,405.4	1,404.3	2,993.8	-741.1	4,441.8	306.6	-32.1
7	8,911.6	637.2	2,727.2	-79.2	5,497.6	128.8	17.1
8	9,399.0	1,953.7	11,338.8	-161.3	-4,079.2	347.0	-21.8
9	11,526.2	2,260.9	9,689.5	-110.4	313.3	-627.1	-1.2
10	7,192.7	198.6	313.3	-555.6	5,809.4	1,427.0	-7.4
11	9,369.1	-1.4	1,616.1	-877.1	7,262.0	1,369.5	38.8
12	6,524.9	-82.8	12,072.0	-1,451.9	-4,776.6	764.2	-31.1
2018p 1	3,560.9	240.3	3,337.9	-1,311.7	-145.9	1,440.3	-6.5
2	4,418.6	419.8	9,391.1	-895.8	-4,656.2	159.7	-13.4
3	4,405.2	1,584.3	104.6	-1,496.9	3,025.4	1,187.8	-1.4
4	5.7	1,951.5	4,061.5	-750.6	-8,375.7	3,119.0	-64.9
5	6,905.9	6,079.9	533.0	-380.3	-3,034.6	3,707.9	2.6
6	4,795.0	251.7	-89.4	83.8	1,573.3	2,975.6	-8.4
7	9,998.2	2,268.1	-3,427.9	1,091.4	8,581.5	1,485.1	-6.7
8	7,030.0	4,372.2	1,692.4	761.9	1,439.1	-1,235.6	-5.1
9	9,778.7	2,250.3	9,519.8	366.8	-4,255.0	1,896.8	73.3
10	10,280.7	3,414.6	6,626.2	767.2	-2,684.9	2,157.6	82.8
11	3,871.3	200.9	5,023.5	308.5	-1,619.6	-42.0	-9.5
12	5,439.1	1,404.3	7,111.3	144.6	-3,860.8	639.7	146.1
2019p 1	3,003.2	1,669.9	4,816.1	-159.7	-3,487.8	164.7	-29.4
2	2,837.2	2,641.6	3,152.3	123.5	-2,493.9	-586.3	-14.8
3	6,177.8	3,667.8	4,447.8	526.0	-3,920.4	1,456.6	5.4
4	382.5	3,553.6	3,304.1	531.7	-5,901.6	-1,105.3	-19.5
5	4,554.3	2,599.3	-929.6	865.2	3,354.0	-1,334.6	37.1

* 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)	CD (91 days)	Treasury bonds (3 years)	Treasury bonds (5 years)	Corporate bonds (3 years, AA-)	KOSPI (end-period)
2015 1	1.99	2.13	2.04	2.16	2.36	1,949
2	1.99	2.12	2.02	2.12	2.30	1,986
3	1.82	1.95	1.87	1.97	2.13	2,041
4	1.73	1.81	1.74	1.86	1.99	2,127
5	1.74	1.80	1.88	2.11	2.12	2,115
6	1.57	1.70	1.77	2.04	2.01	2,074
7	1.48	1.65	1.78	2.05	2.00	2,030
8	1.49	1.64	1.74	1.95	1.98	1,941
9	1.48	1.60	1.65	1.85	1.95	1,963
10	1.48	1.58	1.63	1.78	1.96	2,029
11	1.49	1.59	1.75	1.95	2.12	1,992
12	1.48	1.67	1.72	1.90	2.14	1,961
2016 1	1.49	1.67	1.63	1.77	2.09	1,912
2	1.49	1.64	1.47	1.59	1.95	1,917
3	1.49	1.63	1.50	1.61	1.98	1,996
4	1.49	1.61	1.47	1.57	1.94	1,994
5	1.49	1.58	1.46	1.55	1.91	1,983
6	1.28	1.43	1.33	1.41	1.79	1,970
7	1.23	1.36	1.22	1.25	1.65	2,016
8	1.23	1.35	1.24	1.26	1.65	2,035
9	1.24	1.34	1.31	1.35	1.70	2,044
10	1.23	1.35	1.36	1.41	1.78	2,008
11	1.23	1.42	1.61	1.74	2.02	1,983
12	1.22	1.54	1.69	1.87	2.16	2,026
2017 1	1.24	1.50	1.64	1.82	2.10	2,068
2	1.23	1.49	1.67	1.86	2.13	2,092
3	1.23	1.48	1.71	1.91	2.21	2,160
4	1.23	1.43	1.68	1.86	2.20	2,205
5	1.23	1.39	1.69	1.91	2.22	2,347
6	1.24	1.38	1.67	1.86	2.21	2,392
7	1.24	1.39	1.74	1.94	2.28	2,403
8	1.23	1.39	1.78	1.99	2.32	2,363
9	1.25	1.38	1.79	1.99	2.33	2,394
10	1.24	1.38	2.03	2.25	2.57	2,523
11	1.26	1.45	2.15	2.36	2.71	2,476
12	1.51	1.66	2.10	2.30	2.65	2,467
2018 1	1.49	1.66	2.19	2.44	2.72	2,566
2	1.49	1.65	2.28	2.54	2.82	2,427
3	1.49	1.65	2.27	2.50	2.83	2,446
4	1.47	1.65	2.19	2.44	2.79	2,515
5	1.50	1.65	2.25	2.53	2.86	2,423
6	1.49	1.65	2.18	2.44	2.81	2,326
7	1.49	1.65	2.10	2.34	2.75	2,295
8	1.50	1.65	2.02	2.24	2.66	2,323
9	1.54	1.65	1.95	2.13	2.40	2,343
10	1.52	1.68	2.01	2.16	2.45	2,030
11	1.51	1.71	1.94	2.05	2.40	2,097
12	1.77	1.91	1.83	1.89	2.30	2,041
2019 1	1.75	1.87	1.81	1.88	2.26	2,205
2	1.76	1.87	1.80	1.87	2.25	2,195
3	1.76	1.90	1.79	1.84	2.24	2,141
4	1.75	1.86	1.74	1.77	2.21	2,204
5	1.75	1.84	1.68	1.72	2.15	2,042
6	1.76	1.80	1.50	1.53	2.00	2,131

Source: Bank of Korea

14 Monetary indicators

(period average, billion won)

Period	Reserves		M1		M2		Lf	
		y-o-y change (%)		y-o-y change (%)		y-o-y change (%)		y-o-y change (%)
2015	120,691.4	16.8	636,639.0	18.6	2,182,911.9	8.6	2,986,699.4	9.7
2016	137,441.5	13.9	734,411.8	15.4	2,342,621.3	7.3	3,229,857.2	8.1
2017	151,858.1	10.5	802,016.5	9.2	2,471,225.6	5.5	3,445,685.0	6.7
2018	164,963.2	8.6	841,014.4	4.9	2,626,902.0	6.3	3,686,392.2	7.0
2015 1	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
2016 1	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
2017 1	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
2018 1	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	6.9
3	160,760.7	10.8	840,991.0	6.6	2,578,361.8	5.8	3,616,028.6	6.7
4	161,527.1	8.0	841,002.2	6.2	2,590,840.7	5.7	3,629,830.4	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	3,671,956.8	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
8	165,629.2	8.8	837,607.5	4.0	2,651,503.4	6.7	3,718,480.4	7.1
9	170,529.6	10.3	845,523.7	4.3	2,652,829.5	6.4	3,734,526.2	7.2
10	170,478.9	7.1	840,678.4	1.7	2,674,506.5	6.8	3,759,646.9	7.4
11	168,326.2	8.2	840,084.9	2.7	2,692,974.8	6.8	3,786,039.7	7.5
12	173,137.8	9.2	846,123.7	1.9	2,699,882.3	6.8	3,809,349.2	7.6
2019 1	170,871.6	8.7	847,765.3	2.1	2,716,722.0	6.5	3,838,826.3	7.4
2	177,604.3	8.4	855,633.1	1.9	2,730,481.9	6.2	3,850,189.3	7.1
3	174,831.7	8.8	862,572.7	2.6	2,752,723.9	6.8	3,889,792.1	7.6
4	175,703.9	8.8	866,144.1	3.0	2,763,058.0	6.6	3,909,977.2	7.7
5[p]	176,320.7	9.9	866,643.4	3.2	2,771,633.0	6.6	3,929,454.2	7.9

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
2018	1,181.1	4.4	1013.2	6.8	1,279.2	0.0
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
9	1,112.7	-3.0	981.2	-3.8	1,294.6	-4.2
10	1,140.6	1.4	1,008.9	1.5	1,294.0	-1.2
11	1,121.8	3.6	989.0	2.3	1,277.7	-0.4
12	1,118.1	4.4	1,013.2	6.8	1,279.2	0.0
2019 1	1,170.2	4.3	1,024.8	4.0	1,283.1	-3.5
2	1,117.8	4.4	1,007.6	1.0	1,271.5	-3.0
3	1,137.8	6.7	1,028.2	2.7	1,277.5	-2.6
4	1,158.2	7.6	1,037.0	5.2	1,295.3	-0.7
5	1,190.0	10.1	1,085.8	9.2	1,324.8	5.0
6	1,156.8	3.1	1,073.4	5.8	1,315.1	1.4

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
- **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**
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