

Republic of Korea **Economic Bulletin**

January 2025 Vol.47 No.1



Seongeup Village

Current Economic Trends

Economic News Briefing

Korea's GDP in Q3 2024
Korea's interest rate cut
Korean OFDI in Q3 2024



▲ Seongeup Village, A Folk Village Preserving Jeju's Traditional Houses.

Republic of Korea **Economic Bulletin**

The Republic of Korea Economic Bulletin is a monthly publication that seeks to promote a greater understanding of the Korean economy by providing readers with information on the latest economic trends and policy issues as well as relevant news and current events.

January 2025 Vol.47 No.1

Editors-in-Chief Song In-Ho (KDI), Kang Young-Kyu (MOEF)

Editorial Board Lee Jung-hee (MOEF), Park Ji-Hye (MOEF), Yu Hee-Jeong (MOEF), Jung Sung-Jin (KDI)

Translation Suh Hye-Won (MOEF), Jung Sung-Jin (KDI)

Design Qline

CONTENTS

Current Economic Trends

05 Overview

06 Economic Activity

06 Gross Domestic Product

08 Total Production and Composite Index of
Business Indicators

10 Private consumption

12 Facility investment

14 Construction investment

16 Exports and imports

18 Employment

22 Prices

25 Housing market

27 Financial Markets

27 Stock market

27 Bond market

29 Foreign exchange market

29 Money market

31 Official foreign reserves

31 External debt

32 Public Finance

32 Fiscal balance

32 Government debt

Economic News Briefing

34 Korea's GDP Increased by 0.1 % in Q3 2024
(Preliminary Estimate)

35 The Bank of Korea Lowers Benchmark
Interest Rate to 3.00%

36 Korean OFDI Continued to Decline in Q3 2024



Current Economic Trends

Overview

Economic Activity

1. Gross Domestic Product
2. Total Production and Composite Index of Business Indicators
3. Private consumption
4. Facility investment
5. Construction investment
6. Exports and imports
7. Employment
8. Prices
9. Housing market

Financial Markets

1. Stock market
2. Bond market
3. Foreign exchange market
4. Money market
5. Official foreign reserves
6. External debt

Public Finance

1. Fiscal balance
2. Government debt

Overview

In October, services production increased while retail sales, facilities investment, and construction investment decreased. Industrial production remained flat from the previous month. In November, job growth increased and consumer prices continued to moderate.

In October, total production fell (*down 0.3% m-o-m and up 2.3% y-o-y*), as construction production declined (*down 4.0% and down 9.7% y-o-y*) while industrial production stayed at the same level from the previous month (*0.0% m-o-m and up 6.3% y-o-y*) and services production rose (*up 0.3% m-o-m and up 1.9% y-o-y*).

In October, retail sales (*down 0.4% m-o-m and down 0.8% y-o-y*) and construction investment (*down 4.0% m-o-m and down 9.7% y-o-y*) decreased. Facilities investment adjusted after a sharp increase in the previous month (*down 5.8% m-o-m and up 5.8% y-o-y*).

In November, exports increased by 1.4 percent from a year ago, driven by stronger exports in the semiconductor and vessel.

In November, the Consumer Sentiment Index (CSI) decreased by 1.0 points to 100.7 month-on-month. The Composite Business Sentiment Index (CBSI) moved down by 0.6 points to 91.5 in November, while the CBSI outlook for December fell by 0.1 points to 89.7.

In October, the cyclical indicator of the coincident composite index remained unchanged from the previous month, while the cyclical indicator of the leading composite index fell by 0.1 point.

In November, the economy added 123,000 jobs compared to the previous year and the unemployment rate decreased by 0.1 percentage point from a year ago to 2.2 percent.

In November, the Consumer Price Index (CPI) grew by 1.5 percent year-on-year. The index when excluding food and energy prices increased by 1.9 percent, and 1.8 percent when excluding agricultural and petroleum products. The CPI for basic necessities rose by 1.6 percent.

In November, Korean equity prices were down and yields for Korean Treasury Bond were also down, while the Korean Won weakened against the dollar.

In November, housing prices and *Jeonse* (lump-sum deposits with no monthly payments) prices rose at a slower rate than the previous month (*up 0.01% m-o-m and up 0.09% m-o-m, respectively*).

While the Korean economy continues to experience stable inflation trends, concerns are growing over increasing downside risks owing to heightened internal and external uncertainties, such as weakened economic sentiment among households and businesses.

While the global economic is broadly on a recovery path, uncertainties are increasing due to persistent geopolitical risks and potential changes in the trade environment.

The Korean government intends to firmly maintain external credibility through close interagency coordination, with the Ministerial Meeting on Economic Affairs serving as the control tower, while shoring up industrial competitiveness and implementing measures to support livelihood stability.

Economic Activity

1. Gross Domestic Product (Preliminary estimate)

In the third quarter of 2024, Korea's real Gross Domestic Product (GDP) amounted to 572.1 trillion won, and real Gross Domestic Income (GDI) was 559.0 trillion won.

(Trillion won, inflation adjusted at 2020 prices)

	2022	2023	2022				2023				2024		
	Annual ¹	Annual ¹	Q1 ¹	Q2 ¹	Q3 ¹	Q4 ¹	Q1 ¹	Q2 ¹	Q3 ¹	Q4 ¹	Q1 ¹	Q2 ¹	Q3 ¹
GDP	2,212.2	2,243.2	525.7	554.5	555.9	576.1	531.6	560.0	563.6	588.1	548.9	572.8	571.8
(Seasonally adjusted)	-	-	549.3	553.7	555.8	553.3	555.8	558.8	563.0	565.6	573.0	571.6	572.2
- Private consumption	1,063.9	1,082.7	257.7	262.4	270.1	273.8	269.9	266.1	271.0	275.7	272.7	268.6	274.8
- Facility investment	213.2	215.4	49.9	54.2	52.5	56.6	52.3	56.2	50.4	56.5	51.7	54.8	53.4
- Construction investment	301.4	306.0	62.5	82.2	75.1	81.7	63.5	83.5	78.3	80.7	64.5	83.1	73.9
- Exports	820.3	849.9	204.7	204.4	204.8	206.5	202.4	206.2	211.3	230.0	220.8	224.8	225.1
- Imports	730.7	756.4	180.8	176.7	185.6	187.5	193.6	182.8	185.2	194.8	192.9	188.4	193.2
GDI	2,117.5	2,151.8	511.3	532.4	526.6	547.2	504.3	532.3	545.4	569.8	536.5	556.6	559.0
(Seasonally adjusted)	-	-	537.2	530.4	524.5	525.4	530.1	530.3	542.9	548.6	561.6	555.1	558.0

Source: Bank of Korea.

¹ Preliminary estimate.

In the third quarter of 2024, real GDP rose 1.5 percent year-on-year, and seasonally adjusted GDP rose 0.1 percent quarter-on-quarter. Real GDI rose 2.5 percent year-on-year, and seasonally adjusted GDI rose 0.5 percent quarter-on-quarter.

(Percentage change from same period in previous year, inflation adjusted at 2020 prices)

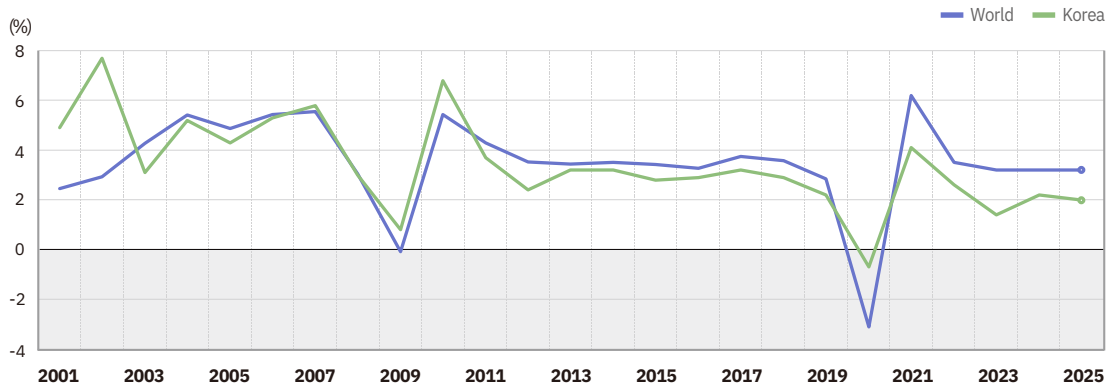
	2022	2023	2022				2023				2024		
	Annual ¹	Annual ¹	Q1 ¹	Q2 ¹	Q3 ¹	Q4 ¹	Q1 ¹	Q2 ¹	Q3 ¹	Q4 ¹	Q1 ¹	Q2 ¹	Q3 ¹
GDP	2.7	1.4	3.5	3.0	3.4	1.1	1.1	1.0	1.4	2.1	3.3	2.3	1.5
(Seasonally adjusted ²)	-	-	0.5	0.8	0.4	-0.5	0.4	0.6	0.8	0.5	1.3	-0.2	0.1
- Private consumption	4.2	1.8	4.3	4.5	5.3	2.9	4.7	1.4	0.3	0.7	1.0	0.9	1.4
- Facility investment	-0.3	1.1	-4.9	-5.5	4.8	4.8	4.7	3.8	-3.9	-0.2	-1.0	-2.5	5.9
- Construction investment	-3.5	1.5	-5.0	-4.5	-2.1	-2.6	1.7	1.7	4.3	-1.2	1.6	-0.5	-5.7
- Exports	3.9	3.6	7.8	5.6	5.4	-2.4	-1.1	0.9	3.2	11.4	9.1	9.0	6.8
- Imports	4.2	3.5	5.2	2.0	8.2	1.5	7.1	3.4	-0.2	3.9	-0.4	3.1	4.4
GDI	-0.7	1.6	0.5	-0.3	-1.1	-1.6	-1.4	0.0	3.6	4.1	6.4	4.6	2.5
(Seasonally adjusted ²)	-	-	0.8	-1.3	-1.1	0.2	0.9	0.0	2.4	1.1	2.4	-1.2	0.5

Source: Bank of Korea.

¹ Preliminary estimate.

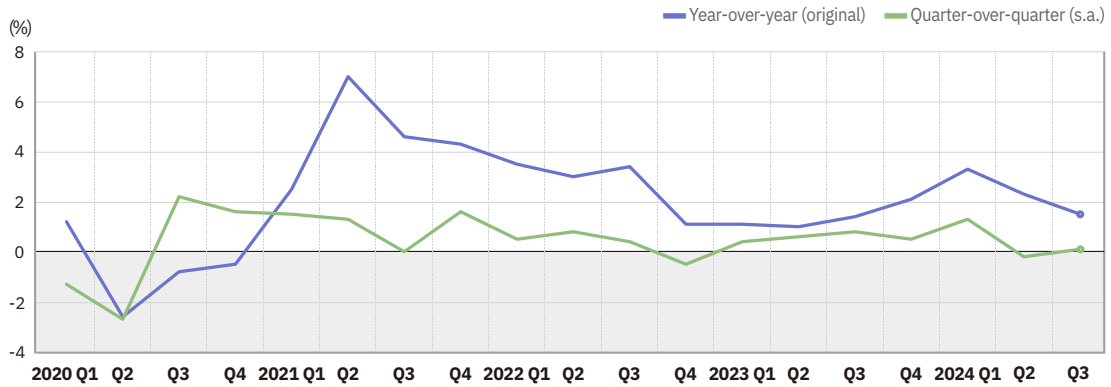
² Percentage change from previous period.

GDP growth: World and Korea



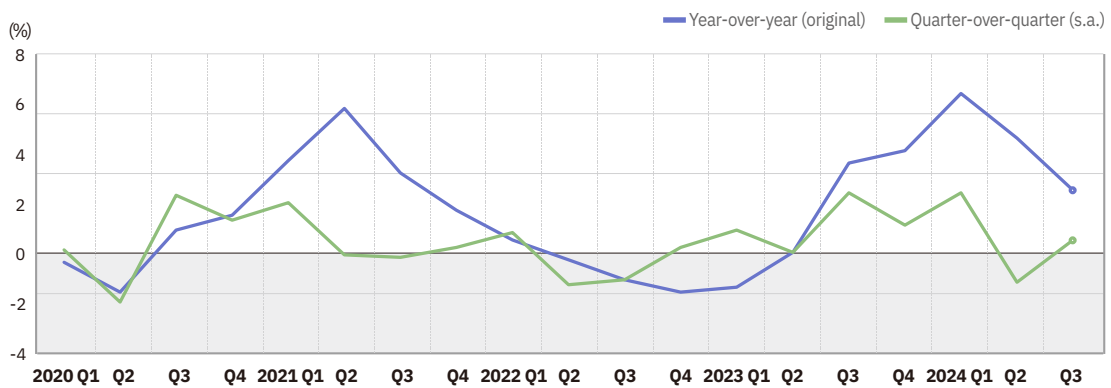
Source: IMF

GDP growth: Korea



Source: Bank of Korea.

GDI growth: Korea



Source: Bank of Korea.

2. Total Production and Composite Index of Business Indicators

In October, the Total Index of Industrial Production decreased by 0.3 percent month-on-month. Services (*up 0.3%*) increased while construction (*down 4.0%*) and public spending (*down 3.8%*) decreased. Industrial production stayed unchanged. The index fell 2.3 percent year-on-year.

Coincident composite index

The cyclical indicator of the coincident composite index stayed unchanged at 98.2 month-on-month. More specifically, a range of components of the index increased including industrial production, imports, and shipments for domestic market, while services and the value of construction completed decreased.

Leading composite index

The cyclical indicator of the leading composite index fell 0.1 point month-on-month to 100.6. Within the leading composite index, key components of the index increased including domestic shipment of machinery and net barter terms of trade, while economic sentiment, KOSPI, and construction orders received fell.

	2023		2024									
	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep ¹	Oct ¹
Total index of Industrial Production (m-o-m, %)	0.4	0.3	0.3	1.3	-2.3	1.4	-0.8	-0.1	-0.6	1.1	-0.3	-0.3
(y-o-y, %)	0.4	7.2	7.2	1.8	0.1	3.4	2.3	0.5	2.4	1.0	-1.3	2.3
Cyclical indicator of coincident composite index	99.8	99.9	99.9	100.1	99.8	99.7	99.1	99.0	98.3	98.2	98.1	98.1
(m-o-m, p)	-0.1	0.1	0.1	0.2	-0.3	-0.1	-0.6	-0.1	-0.7	-0.1	-0.1	0.0
Coincident composite index (2020=100)	111.1	111.5	111.5	112.0	111.9	112.0	111.6	111.7	111.2	111.3	111.4	11.6
(m-o-m, %)	0.1	0.4	0.4	0.4	-0.1	0.1	-0.4	0.1	-0.4	0.1	0.1	0.2
Cyclical indicator of leading composite index	100.2	100.2	100.2	100.4	100.2	100.5	100.5	100.7	100.7	100.6	100.7	100.6
(m-o-m, p)	0.1	0.0	0.0	0.2	-0.2	0.3	0.0	0.2	0.0	-0.1	0.1	-0.1
Leading composite index (2020=100)	113.4	113.7	113.7	114.2	114.3	114.9	115.2	115.7	116.0	116.2	116.6	116.8
(m-o-m, %)	0.4	0.3	0.3	0.4	0.1	0.5	0.3	0.4	0.3	0.2	0.3	0.2

Source: Industrial activity trends, Statistics Korea.

¹ Figures for the last three months of coincident composite index are preliminary, while figures for the last two months of leading composite index are preliminary.

Coincident composite index in Oct 2024 (m-o-m, %)

Industrial production index	1.3
Imports	0.8
Shipment index for domestic market	0.8
Index of Services	-0.3
Value of construction completed	-2.3

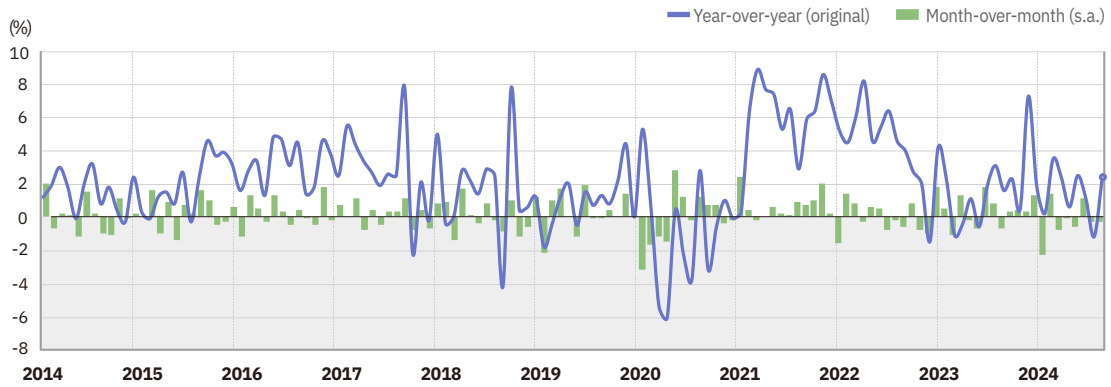
Source: Industrial activity trends, Statistics Korea.

Leading composite index in Oct 2024 (m-o-m, %)

Domestic shipments of machinery	2.9
Net barter terms of trade	0.1
Economic Sentiment Index (p)	-1.1
KOSPI	-2.6
Construction orders received	-7.1

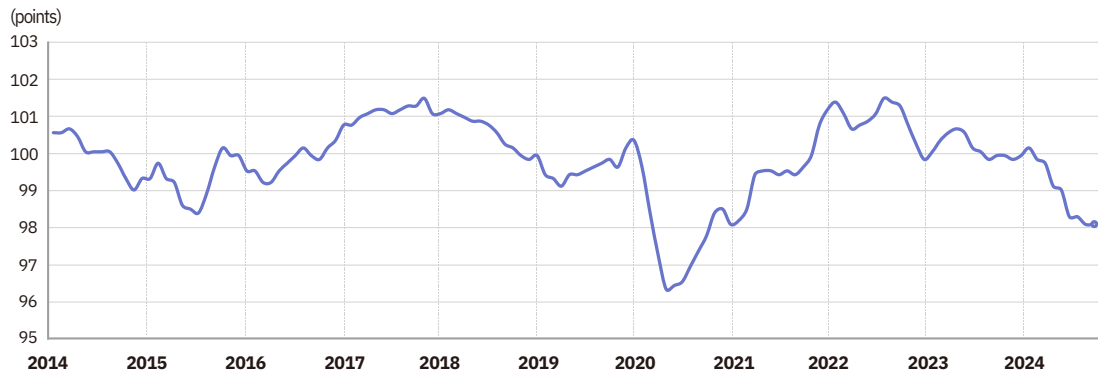
Source: Industrial activity trends, Statistics Korea.

Total index of Industrial Production



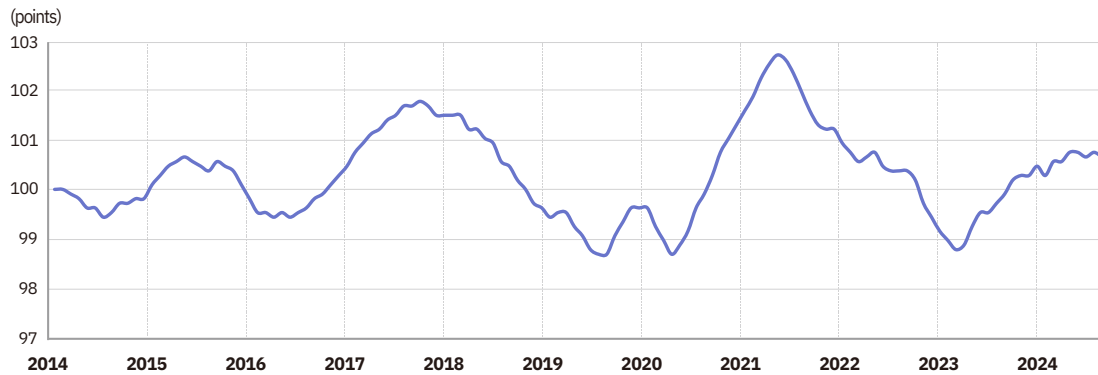
Source: Industrial activity trends, Statistics Korea.

Cyclical indicator of coincident composite index



Source: Industrial activity trends, Statistics Korea.

Cyclical indicator of leading composite index



Source: Industrial activity trends, Statistics Korea.

3. Private consumption

Private consumption (*preliminary estimate of GDP*) in the third quarter of 2024 increased by 0.5 percent quarter-on-quarter and rose by 1.4 percent year-on-year.

(Percentage change from previous period)

	2022	2023	2022				2023				2024		
	Annual ¹	Annual ¹	Q1 ¹	Q2 ¹	Q3 ¹	Q4 ¹	Q1 ¹	Q2 ¹	Q3 ¹	Q4 ¹	Q1 ¹	Q2 ¹	Q3 ¹
Private consumption	-	-	-1.0	2.9	1.3	-0.1	0.5	-0.3	0.1	0.4	0.7	-0.2	0.5
(y-o-y)	4.2	1.8	4.3	4.5	5.3	2.9	4.7	1.4	0.3	0.7	1.0	0.9	1.4

Source: National accounts, Bank of Korea.

¹ Preliminary estimate.

² Advance estimate.

Retail sales decreased by 0.4 percent month-on-month in October. Sales of durable goods (*down 5.8%*) fell, while semi-durable goods (*up 4.1%*) and nondurable goods (*up 0.6%*) rose. The index fell by 0.8 percent year-on-year.

(Percentage change from previous period)

	2022	2023	2022				2023				2024					
	Annual	Annual ¹	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3 ¹	Aug	Sep ¹	Oct ¹
Retail sales	-	-	-0.9	-0.7	0.8	-1.5	0.6	-0.5	-1.9	0.4	-0.5	-0.8	-0.7	1.5	-0.5	-0.4
(y-o-y)	-0.3	-1.5	2.6	-0.2	-0.9	-2.3	-0.8	-0.7	-2.7	-1.9	-2.1	-2.9	-1.9	-1.5	-2.4	-0.8
- Durable goods	-3.2	-1.6	-0.8	-3.4	1.8	-0.2	-1.3	0.2	-1.4	0.8	-2.4	-1.7	3.2	0.4	5.6	-5.8
- Automobiles	0.5	6.9	2.4	4.0	5.1	3.0	-0.7	4.3	-4.1	2.6	-10.3	-1.0	8.9	8.8	7.1	-3.4
- Semi-durable goods	2.2	-1.2	-2.2	2.3	-0.2	-4.3	5.2	-2.4	-4.3	2.1	-0.1	-2.1	-4.2	-0.7	-2.3	4.1
- Nondurable goods	0.3	-1.6	-0.5	-0.4	0.5	-1.0	-0.2	-0.1	-1.3	-0.4	0.2	0.1	-1.1	2.8	-2.5	0.6

Source: Statistics Korea.

¹ Preliminary.

The retail sales outlook for November was mixed, as credit card spending and sales at large discount stores increased while sales figures for car sales at home and department stores decreased.

(Percentage change from same period in previous year)

	2024									
	March	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	
Car sales at home	-12.7	-7.2	-9.8	-16.5	0.1	0.4	1.8	10.7	-1.7	
Department store sales	2.8	2.1	0.6	-1.5	-1.4	4.1	-4.6	1.4	-5.5	
Large discount store sales	6.9	-2.5	0.0	-1.9	-3.3	4.4	-4.8	1.3	1.8	
Credit card spending at home ¹	3.0	3.3	3.4	3.8	3.2	4.4	4.6	1.2	2.9	
Consumer sentiment index ²	100.7	100.7	98.4	100.9	103.6	100.8	100.0	101.7	100.7	
Number of Chinese tourists ³	320.4	226.0	170.0	107.9	86.8	78.9	53.9	54.4	37.3	

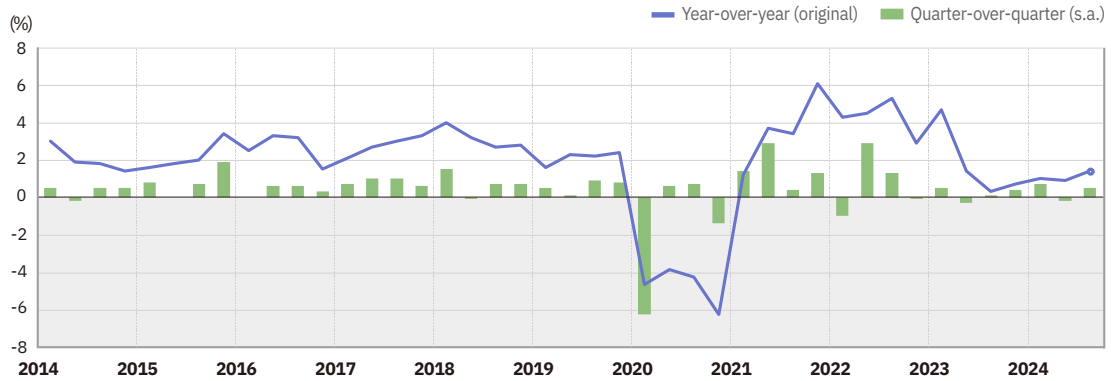
Sources: Korea Automobile Manufacturers Association; The Credit Finance Association; Bank of Korea; Korea Culture & Tourism Institute; data provided by retail industries.

¹ Utility bills are excluded.

² Level value.

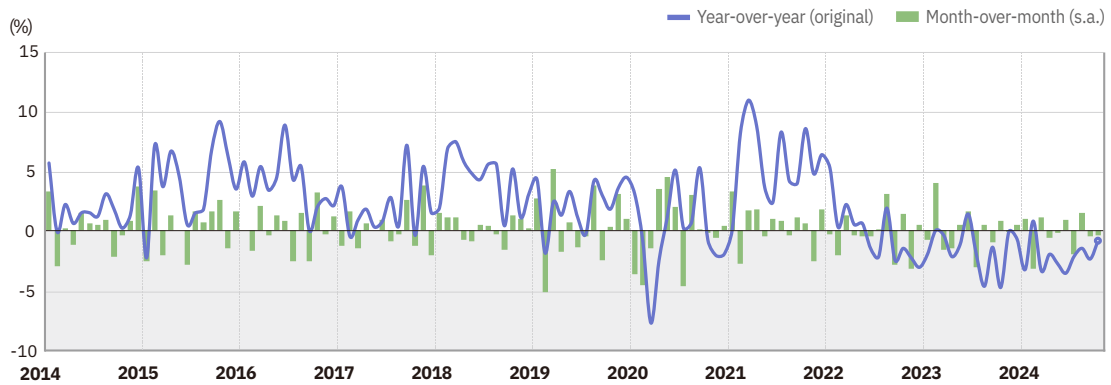
³ Advance estimate based on total entries, The figure can be different from the statistic released by the Ministry of Culture, Sports and Tourism, which excludes diplomatic and military personnel.

Private consumption



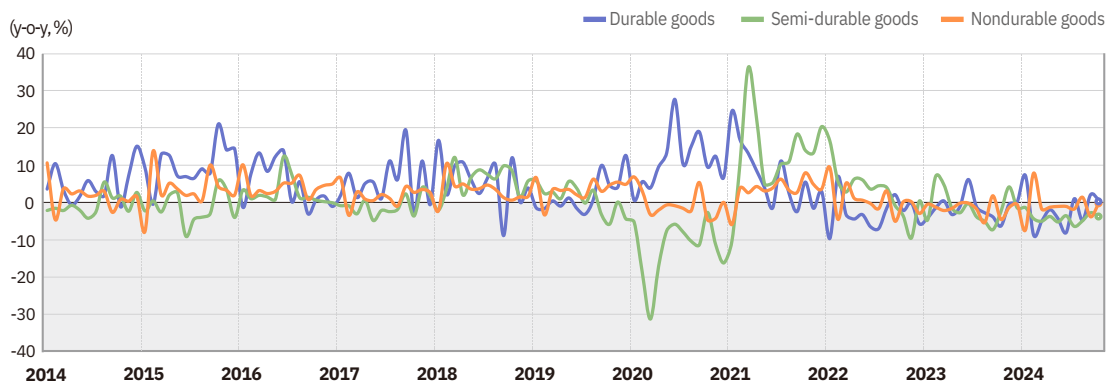
Source: National account, Bank of Korea.

Retail sales



Source: Industrial activity trends, Statistics Korea.

Retail sales by type



Source: Industrial activity trends, Statistics Korea.

4. Facility investment

Facility investment (*preliminary estimate of GDP*) in the third quarter of 2024 increased 6.5 percent quarter-on-quarter and 5.9 percent year-on-year.

(Percentage change from previous period)

	2022	2023	2022				2023				2024		
	Annual ¹	Annual ¹	Q1 ¹	Q2 ¹	Q3 ¹	Q4 ¹	Q1 ¹	Q2 ¹	Q3 ¹	Q4 ¹	Q1 ¹	Q2 ¹	Q3 ¹
Facility investment	-	-	-1.5	1.4	5.7	-0.8	-1.4	0.4	-2.0	2.8	-2.0	-1.2	6.5
(y-o-y)	-0.3	1.1	-4.9	-5.5	4.8	4.8	4.7	3.8	-3.9	-0.2	-1.0	-2.5	5.9
- Machinery	1.9	1.6	0.3	0.7	5.4	3.1	-2.9	1.6	-3.8	1.3	0.4	-3.6	8.2
- Transportation equipment	-7.8	-1.0	-7.8	3.7	7.0	-14.4	5.0	-4.2	5.6	8.9	-10.7	8.1	0.5

Source: National accounts, Bank of Korea.

¹ Preliminary estimate.

In October, the facility investment index decreased by 5.8 percent month-on-month, as investments in both machinery and transportation equipment decreased. The index rose 5.8 percent year-on-year.

(Percentage change from previous period)

	2022	2023	2022				2023				2024					
	Annual	Annual	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3 ¹	Aug	Sep ¹	Oct ¹
Facility investment index	-	-	1.8	-2.2	9.8	-1.6	-8.6	1.5	-1.9	5.0	-3.8	-0.2	10.4	-5.6	10.1	-5.8
(y-o-y)	2.5	-4.9	-0.7	-3.6	5.6	9.1	-1.9	-1.3	-9.9	-6.0	0.3	-1.5	10.8	7.1	7.3	5.8
- Machinery	1.4	-7.2	-2.4	0.4	11.1	-1.7	-10.9	0.7	-0.7	1.4	-2.4	0.1	7.2	-0.8	18.6	-5.4
- Transportation equipment	6.0	2.6	15.3	-9.2	6.0	-1.3	-0.7	3.8	-5.8	16.3	-7.2	-0.9	19.6	-16.2	-12.9	-7.2

Source: Statistics Korea.

¹ Preliminary.

The facility investment outlook was mixed, as the amount of domestic machinery orders received decreased while indicators showed that production grew faster than actual capacity.

(Percentage change from same period in previous year)

	2022	2023	2022				2023				2024				
	Annual	Annual ¹	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2 ¹	Q3 ¹	Sep ¹	Oct ¹
Domestic machinery orders received	1.1	-3.6	3.4	1.6	13.5	-12.9	-7.7	-3.0	-14.6	13.8	3.0	-7.4	19.7	5.9	-10.6
(% change from previous period)	-	-	-2.9	-0.5	14.8	-21.5	3.0	4.8	-0.3	7.1	-7.7	-5.8	28.5	-55.0	-42.6
- Public	-24.1	89.8	8.2	6.9	-4.9	-57.3	155.6	120.0	25.9	40.3	-5.7	-32.0	165.0	-31.3	-21.4
- Private	3.2	-9.2	3.1	1.3	14.5	-5.9	-17.6	-10.9	-16.5	11.9	4.6	-3.5	9.4	9.2	-10.1
Machinery imports	-0.1	-2.6	-4.0	-6.0	4.8	6.0	2.7	6.7	-12.3	-7.4	-7.4	-12.3	18.0	15.7	7.8
Average capacity utilization rate ²	74.5	71.9	78.3	75.9	73.7	70.0	70.6	72.0	72.3	72.5	72.7	73.5	72.9	73.5	72.5
Facility investment pressure ³	1.4	-2.5	7.3	5.6	-0.4	-6.0	-7.8	-5.4	-0.2	3.0	4.6	3.9	1.9	-0.8	5.6

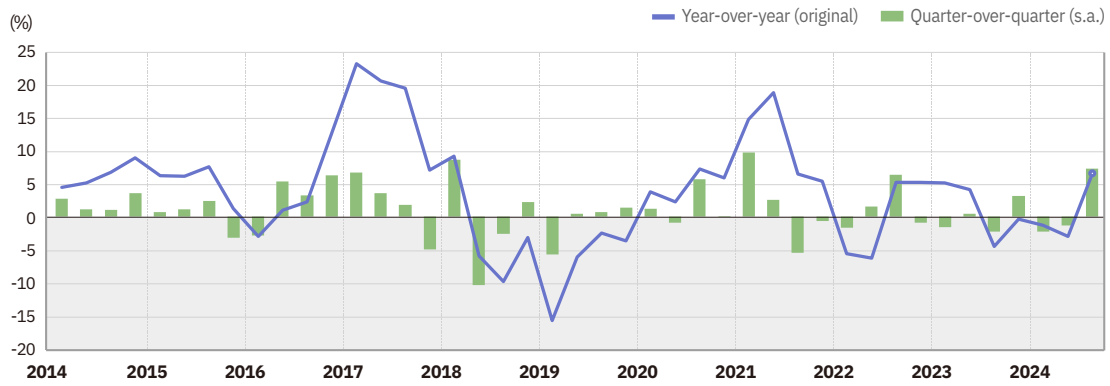
Sources: Statistics Korea; Korea International Trade Association.

¹ Preliminary.

² Utilization rate for the period, %.

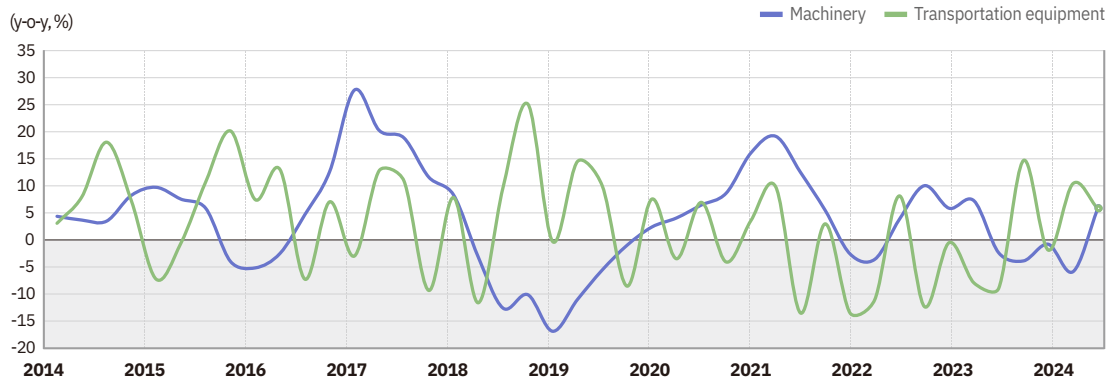
³ Production growth rate minus production capacity growth rate in the manufacturing sector, %p.

Facility investment



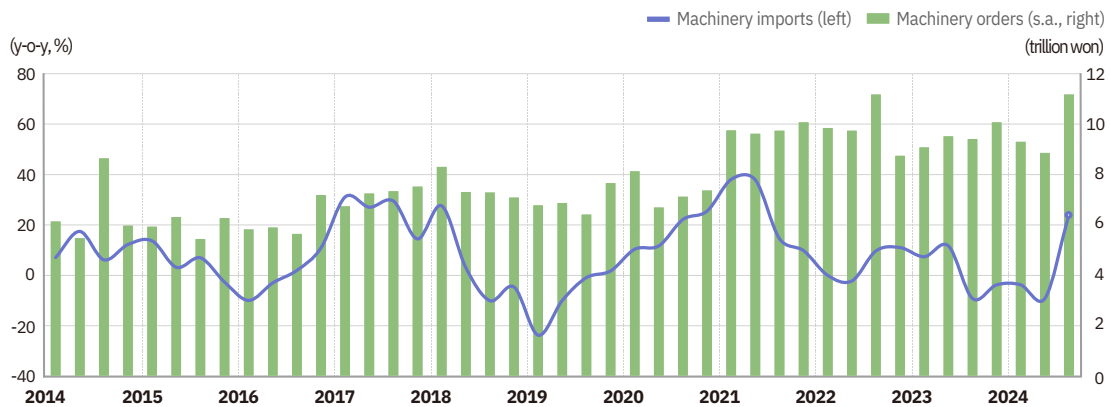
Source: National account, Bank of Korea.

Facility investment by type



Source: National account, Bank of Korea.

Leading indicators of facility investment



Sources: Statistics Korea; Korea International Trade Association.

5. Construction investment

Construction investment (*preliminary estimate of GDP*) in the third quarter of 2024 decreased 3.6 percent quarter-on-quarter and 5.7 percent year-on-year.

(Percentage change from previous period)

	2022	2023	2022				2023				2024		
	Annual ¹	Annual ¹	Q1 ¹	Q2 ¹	Q1 ¹	Q4 ¹	Q1 ¹	Q2 ¹	Q3 ¹	Q4 ¹	Q1 ¹	Q2 ¹	Q3 ¹
Construction investment	-	-	-3.3	0.0	-0.2	1.1	0.6	0.2	1.9	-3.8	3.3	-1.7	-3.6
(y-o-y)	-3.5	1.5	-5.0	-4.5	-2.1	-2.6	1.7	1.7	4.3	-1.2	1.6	-0.5	-5.7
- Building construction	-0.7	3.1	-3.5	1.8	0.1	1.1	1.0	1.6	1.5	-4.7	1.9	-1.4	-4.6
- Civil engineering works	-10.7	-2.8	-2.6	-4.8	-0.9	1.3	-0.5	-3.8	3.0	-0.9	7.5	-2.7	-0.8

Source: National accounts, Bank of Korea.

¹ Preliminary estimate.

In October, construction completed (*constant*) fell 4.0 percent month-on-month, which saw a decrease in both building construction and civil engineering works. The index decreased 9.7 percent year-on-year.

(Percentage change from previous period)

	2022	2023	2022				2023				2024					
	Annual	Annual	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2 ¹	Q3 ¹	Aug ¹	Sep ¹	Oct
Construction completed (constant)	-	-	-1.5	1.5	1.5	4.3	2.8	1.1	1.1	-2.5	4.9	-6.2	-4.6	-2.2	-0.7	-4.0
(y-o-y)	2.8	7.3	-1.7	1.9	3.6	6.7	11.5	8.7	10.1	0.6	4.1	-3.0	-9.2	-9.6	-12.9	-9.7
- Building construction	4.2	9.4	-2.5	1.3	2.9	4.7	4.5	0.9	0.7	-3.5	5.0	-7.5	-6.2	-3.7	-2.7	-1.9
- Civil engineering works	-1.2	1.2	1.5	2.1	-2.7	2.9	-2.5	1.9	2.6	0.8	4.6	-2.0	0.1	2.1	4.8	-9.5

Source: Statistics Korea.

¹ Preliminary.

The construction investment outlook is mixed, as construction orders received declined while apartment sales rose.

(Percentage change from same period in previous year)

	2022	2023	2022				2023				2024				
	Annual	Annual	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2 ¹	Q3 ¹	Sep ¹	Oct ¹
Construction orders received (current value)	10.0	-18.5	13.4	21.4	30.2	-17.2	-12.7	-31.4	-44.8	22.7	-15.6	20.9	27.0	10.9	-11.9
(% change from previous period)	-	-	11.6	4.2	13.6	-40.3	22.3	-15.1	-11.1	33.5	-17.8	22.0	-4.1	44.2	-22.8
- Building construction	8.7	-30.3	8.4	20.6	28.2	-18.6	-24.8	-43.5	-50.0	8.1	-16.5	19.7	24.7	28.8	-22.9
- Civil engineering works	14.6	22.7	36.0	24.8	39.3	-13.6	31.1	17.9	-24.2	58.5	-13.8	23.4	32.8	-27.8	34.3
Building permits ²	4.9	-25.6	14.1	13.7	5.4	-11.0	-8.5	-33.5	-32.8	-24.3	-20.6	-16.6	4.8	26.5	6.3
Apartment presales ³	38.0	21.1	10.2	7.2	8.3	12.3	3.5	4.0	5.1	8.6	5.8	5.7	5.7	1.8	2.5

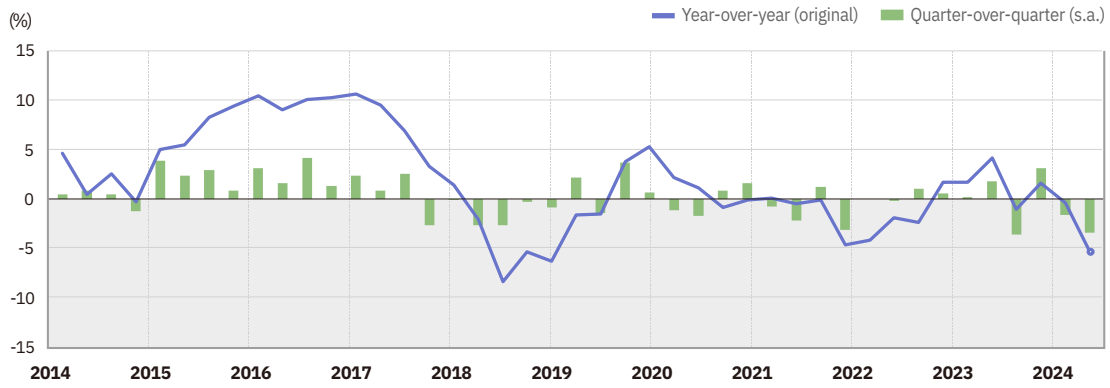
Sources: Statistics Korea; Ministry of Land Infrastructure and Transport; Real Estate 114.

¹ Preliminary.

² Gross Floor Area.

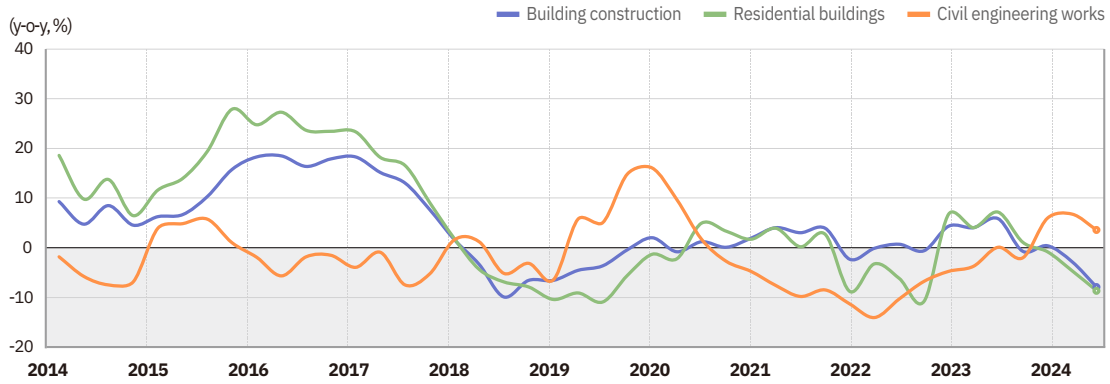
³ Thousand housing units.

Construction investment



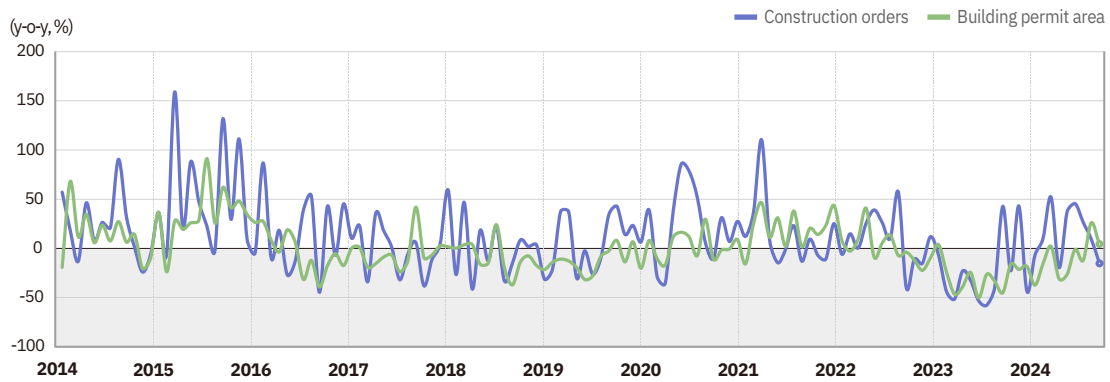
Source: National account, Bank of Korea.

Construction investment by type



Source: National account, Bank of Korea.

Leading indicators of construction investment



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

6. Exports and imports (Preliminary Estimate)

Exports grew by 1.4 percent year-on-year, totaling US \$56.4 billion in November.

Exports rose in five out of the 15 major export goods and in five out of the nine major markets.

Average daily amount of exports, an indicator measured with the number of working days factored in, grew by 3.6 percent year-on-year to US \$2.4 billion.

Imports decreased by 2.4 percent year-on-year to US \$50.7 billion in November owing to increased imports of other goods despite a decrease in energy imports.

The trade balance posted a surplus of US \$5.6 billion in November.

(US \$ billion)

	2022	2023	2022		2023				2024			2023	2024
	Annual	Annual	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Nov	Nov
Exports	683.6	632.2	174.0	159.1	151.2	155.8	157.1	168.1	163.4	171.5	173.9	55.6	56.4
(y-o-y, %)	6.1	-7.5	5.8	-10.0	-12.8	-12.0	-9.7	5.7	8.1	10.1	10.7	7.3	1.4
Average daily exports	2.5	2.3	2.5	2.3	2.2	2.3	2.3	2.5	2.4	2.6	2.5	2.3	2.4
Imports	731.4	642.6	192.3	177.6	174.0	159.3	150.7	158.6	154.9	157.0	160.0	52.0	50.7
(y-o-y, %)	18.9	-12.1	22.6	3.1	-2.2	-13.2	-21.6	-10.7	-11.0	-1.4	6.2	-11.6	-2.4
Average daily imports	2.7	2.4	2.8	2.5	2.6	2.4	2.2	2.4	2.3	2.4	2.3	2.2	2.2
Trade balance	-47.8	-10.4	-18.3	-18.6	-22.8	-3.5	6.4	9.6	8.5	14.63	13.9	3.6	5.6

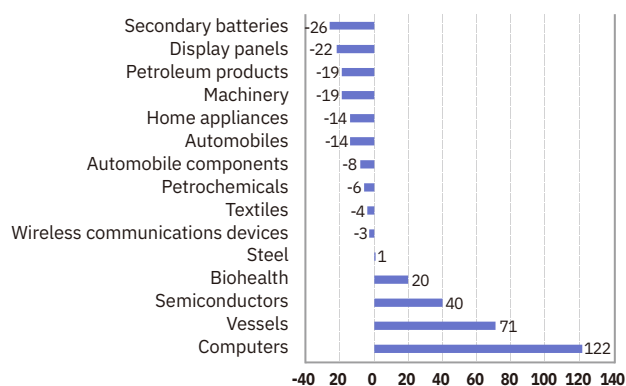
Source: Korea Customs Service.

Export growth and share by region in Nov 2024

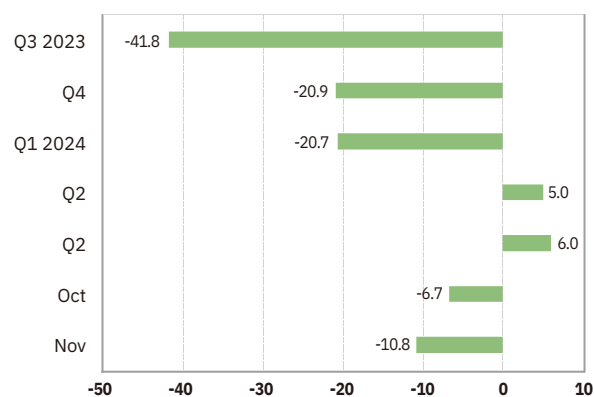
	Growth (y-o-y, %)	Share (%) ¹		Growth (y-o-y, %)	Share (%) ¹
Latin America	20	1	China	-1	20
Middle East	17	3	Japan	-2	4
CIS countries	10	-	India	-4	3
EU	1	10	US	-5	19
ASEAN countries	0	17			

¹ Cumulative total since January 2024.

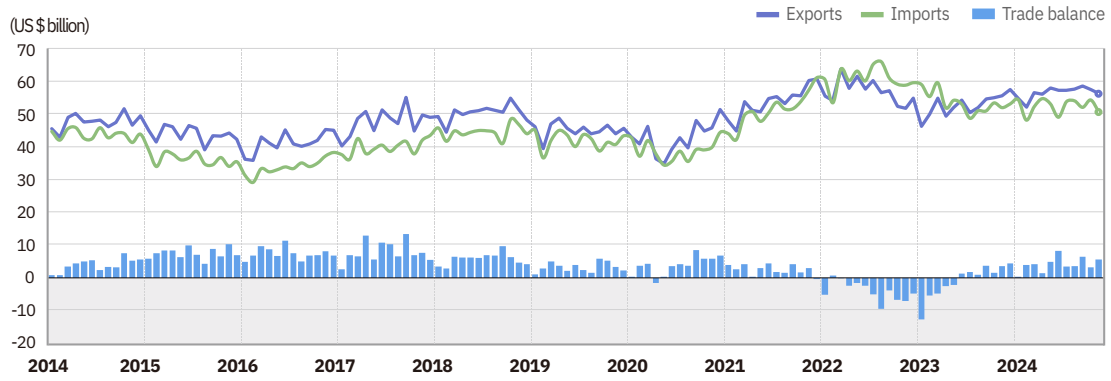
Export growth by item in Nov 2024 (y-o-y, %)



Energy Imports (y-o-y, %)

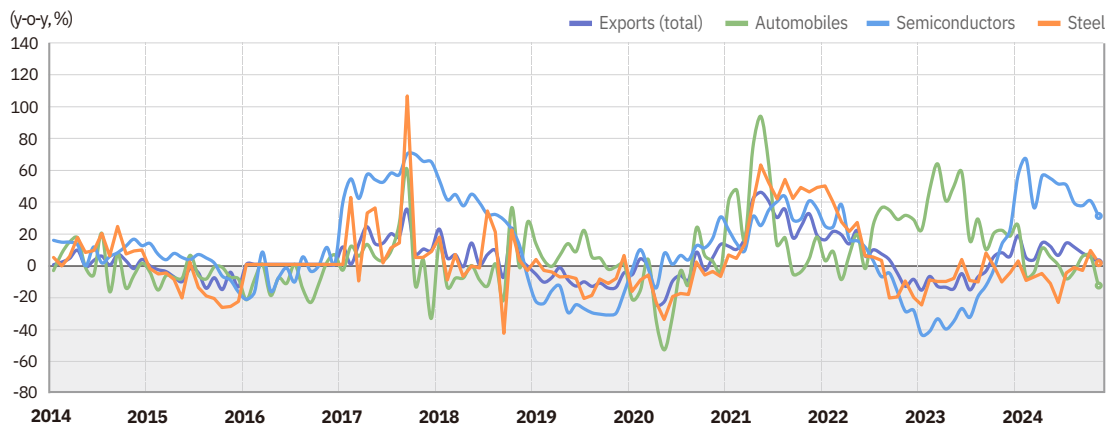


Exports and imports



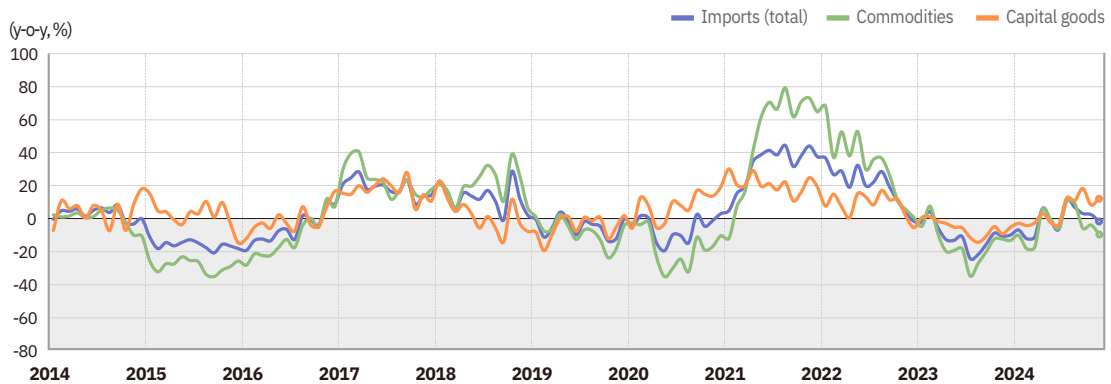
Sources: Korea Customs Service.

Export growth by item



Sources: Korea Customs Service.

Import growth by category



Sources: Korea Customs Service.

7. Employment

In November, the number of employed workers increased by about 123,000 year-on-year to 28,821,000 and the employment rate (*aged 15 and above*) rose by 0.1 percent point to 63.2 percent.

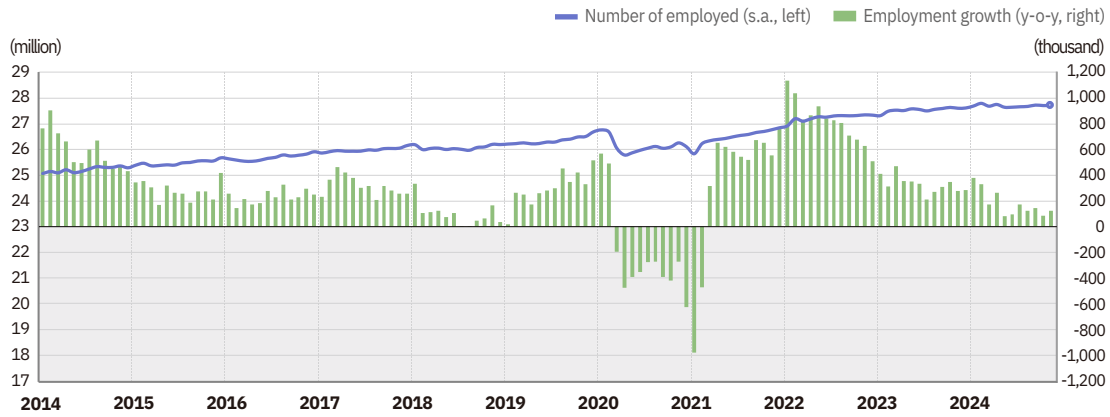
The manufacturing sector's negative employment growth trend widened further, while employment growth in the services sector accelerated.

In terms of employment type, the growth in the number of permanent workers widened, and the negative growth of non-wage workers grew larger.

	2021	2022	2023	2023		2024										
	Annual	Annual	Annual	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
Number of employed (million)	27.27	28.09	28.42	28.70	28.09	27.74	28.04	28.40	28.69	28.92	28.91	28.86	28.80	28.84	28.85	28.82
Employment rate (%)	60.5	62.1	62.6	63.1	61.7	61.0	61.6	62.4	63.0	63.5	63.5	63.3	63.2	63.3	63.3	63.2
(Seasonally adjusted)	-	-	-	62.6	62.6	62.8	63.0	62.8	62.9	62.6	62.6	62.6	62.7	62.8	62.7	62.7
- 15 to 64	66.5	68.5	69.2	69.6	69.2	68.7	68.7	69.1	69.6	70.0	69.9	69.8	69.8	69.9	69.8	69.9
Employment growth (y-o-y, thousand)	369	816	327	277	285	380	329	173	261	80	96	172	123	144	83	123
- Manufacturing	-8	135	-43	-11	10	20	38	49	100	38	9	-11	-35	-49	-33	-95
- Construction	74	33	-9	32	71	73	36	22	5	-47	-66	-81	-84	-100	-93	-96
- Services	292	575	385	250	223	286	279	145	140	116	183	286	286	345	278	350
· Wholesale & retail	-150	-41	-37	7	0	0	2	-14	-39	-73	-51	-64	-55	-104	-148	-89
· Hotels & restaurants	-47	84	114	7	17	-8	-2	7	29	80	47	34	7	46	28	24
· Healthcare & social welfare service	198	180	143	85	94	104	72	50	93	94	120	117	63	75	97	113
- Wage workers	421	749	327	337	332	376	386	216	345	208	223	252	189	160	96	171
· Permanent workers	366	805	478	419	390	320	357	286	293	75	139	96	99	79	91	167
· Temporary workers	152	43	-61	25	11	137	207	97	200	249	204	227	191	206	105	106
· Day laborers	-96	-100	-90	-107	-69	-82	-177	-168	-147	-116	-121	-71	-101	-125	-100	-103
- Nonwage workers	-53	68	0	-60	-47	4	-57	-43	-84	-128	-127	-80	-67	-16	-13	-48
· Self-employed	-18	119	57	3	3	29	-21	-36	-94	-110	-100	-62	-38	22	37	-13
- Male	166	381	24	18	72	108	83	-7	19	-45	-44	-29	-70	-84	-114	-34
- Female	202	436	303	260	214	272	246	179	242	124	140	200	192	228	197	157
- 15 to 29	115	119	-98	-67	-74	-85	-61	-131	-89	-173	-149	-149	-142	-168	-182	-1
- 30 to 39	-107	49	54	80	64	85	71	91	132	74	91	110	99	77	67	-15
- 40 to 49	-35	4	-54	-62	-19	-42	-62	-79	90	-114	-106	-91	-68	-62	-72	-9
- 50 to 59	66	194	59	36	34	71	84	59	16	27	2	23	3	25	12	-8
- 60 and above	330	452	366	291	280	350	297	233	292	265	258	278	231	272	257	11

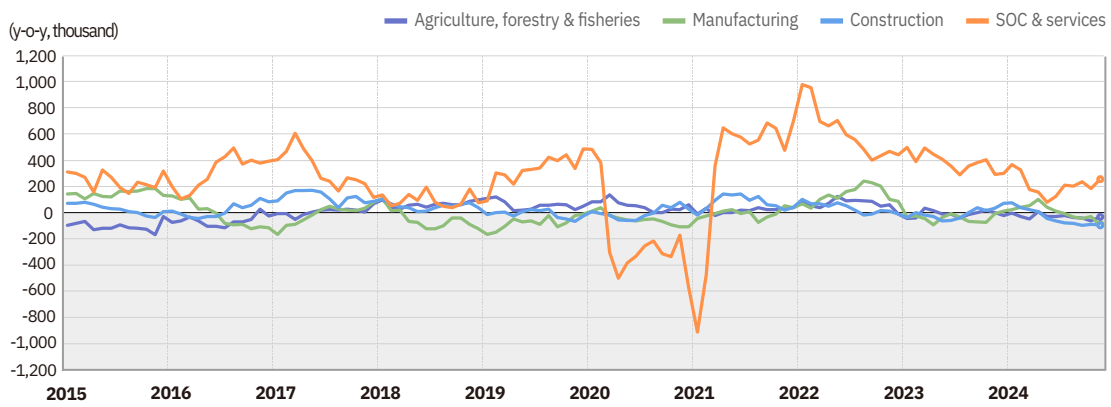
Source: Statistics Korea.

Number of employed workers and employment growth



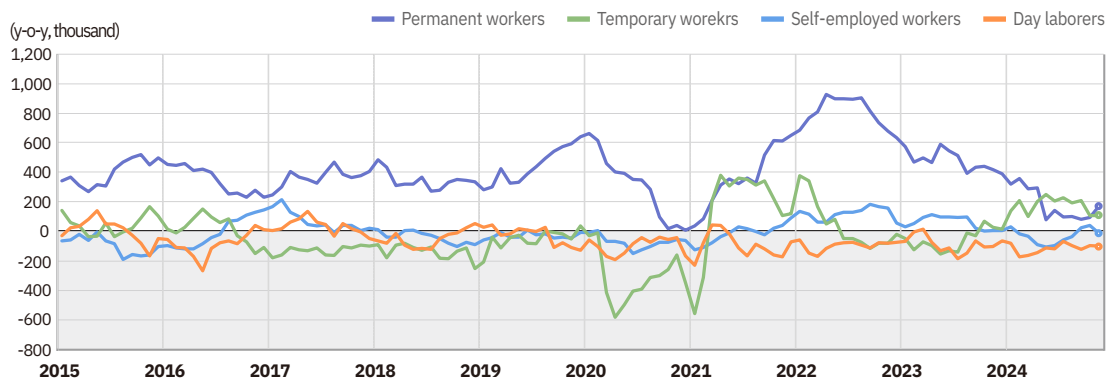
Source: Employment trends, Statistics Korea.

Employment growth by industry



Source: Economically active population survey, Statistics Korea.

Employment growth by type of employment



Source: Economically active population survey, Statistics Korea.

In November, the number of unemployed workers decreased by about 21,000 year-on-year to 656,000 and the unemployment rate decreased by 0.1 percent point to 2.2 percent.

	2021	2022	2023	2023		2024										
	Annual	Annual	Annual	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
Number of unemployed (thousand)	1,037	833	787	677	944		915	892	885	884	857	737	564	622	678	656
Unemployment growth (y-o-y, thousand)	-71	-205	-46	11	78	48	25	52	81	97	50	-70	-9	-39	51	-21
- Male	-48	-129	-14	23	46	29	29	35	48	75	44	-38	-1	-26	22	-32
- Female	-23	-76	-32	-12	32	19	-5	17	33	21	6	-32	-8	-13	29	11
Unemployment rate (%)	3.7	2.9	2.7	2.3	3.3	3.7	3.2	3.0	3.0	3.0	2.9	2.5	1.9	2.1	2.3	2.2
(Seasonally adjusted)	-	-	-	2.8	3.3	3.0	2.6	2.8	2.8	2.8	2.8	2.5	2.4	2.5	2.7	2.7
- 15 to 29	7.8	6.4	5.9	5.3	5.5	6.0	6.5	6.5	6.8	6.7	6.2	5.5	4.1	5.1	5.5	5.5
- 30 to 39	3.3	2.7	2.6	2.5	2.6	2.8	3.1	3.2	2.8	2.9	3.1	2.8	2.4	2.2	2.3	2.2
- 40 to 49	2.4	2.0	1.9	1.8	1.7	2.2	2.1	2.2	2.2	2.2	2.4	1.8	1.3	1.5	1.7	1.7
- 50 to 59	2.6	1.7	1.7	1.7	1.6	1.9	1.9	2.2	2.2	2.0	1.8	1.5	1.2	1.4	1.7	1.6
- 60 and above	3.8	2.8	2.6	1.4	5.7	6.6	3.4	2.4	2.4	2.4	2.3	2.1	1.5	1.6	1.6	1.5

Source: Statistics Korea.

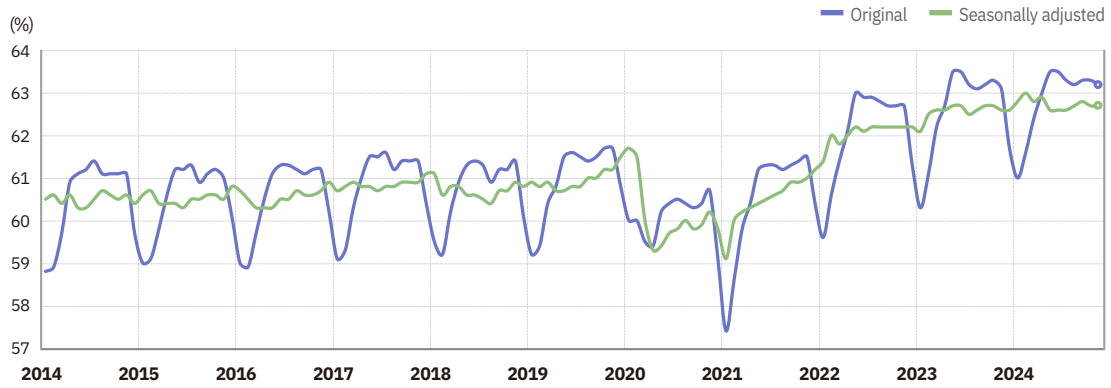
In November, the economically inactive population increased by 50,000 year-on-year to 16,150,000 and the labor force participation rate stayed at 64.6 percent.

The number of people economically inactive due to child rearing and retaining fell, while the number of economically inactive due to housework and rest rose.

	2021	2022	2023	2023		2024										
	Annual	Annual	Annual	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
Economically inactive population (million)	16.8	16.3	16.2	16.1	16.5	16.7	16.6	16.2	16.0	15.7	15.8	16.0	16.2	16.1	16.1	16.2
Labor force participation rate (%)	62.8	63.9	64.3	64.6	63.8	63.3	63.6	64.3	65.0	65.4	65.3	64.9	64.4	64.6	64.7	64.6
(Seasonally adjusted)	-	-	-	64.3	64.6	64.7	64.7	64.6	64.7	64.5	64.4	64.2	64.2	64.3	64.4	64.4
Growth in economically inactive population (y-o-y, thousand)	-3	-432	-134	-130	-190	-267	-183	-63	-174	-12	21	89	48	54	21	50
- Childcare	-68	-125	-140	-121	-138	-102	-102	-110	-142	-136	-115	-121	-131	-122	-112	-89
- Housework	51	-53	-1	-19	13	-21	49	34	7	63	58	53	61	62	50	90
- Retraining	-164	-136	11	-10	-20	-46	-27	-55	-92	-54	-67	-24	-45	-48	-56	-78
- Old age	131	121	-31	83	87	71	61	78	85	120	103	13	3	-3	6	4
- Rest	24	-122	74	-8	-124	-108	-61	30	38	87	129	243	245	231	207	179
- Job seeking	51	-78	-88	-58	-36	-56	-49	-9	-32	-76	58	-46	-52	-63	-24	-62

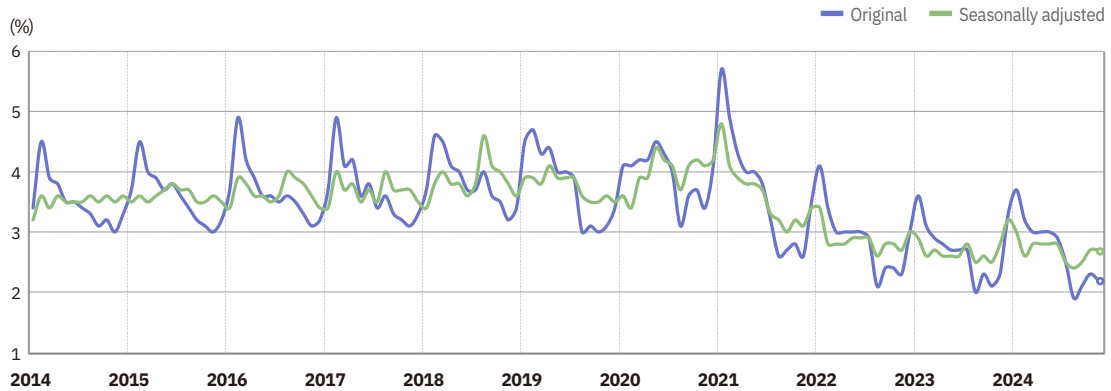
Source: Statistics Korea.

Employment rate



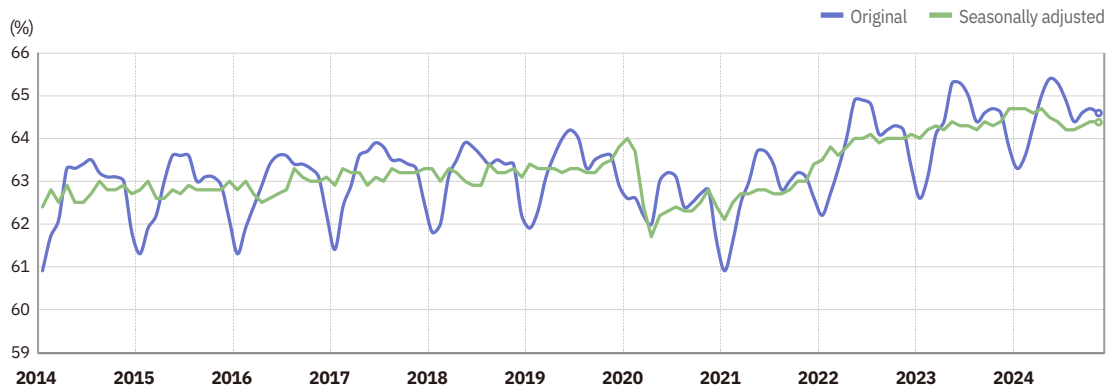
Source: Employment trends, Statistics Korea.

Unemployment rate



Source: Employment trends, Statistics Korea.

Labor force participation



Source: Employment trends, Statistics Korea.

8. Prices

In November, the Consumer Price Index (CPI) grew 1.5 percent from a year ago and fell 0.3 percent month-on-month due to falling oil prices.

The prices of consumer goods excluding food and energy rose 1.8 percent year-on-year in November. The prices of consumer goods excluding crops and oil products rose 1.8 percent.

The index of prices for basic necessities rose 1.6 percent year-on-year in November. The fresh food price index rose 0.4 percent.

(Percentage change from same period in previous year)

	2023								2024										
	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
CPI (y-o-y)	3.4	2.7	2.4	3.4	3.7	3.8	3.3	3.2	2.8	3.1	3.1	2.9	2.7	2.4	2.6	2.0	1.6	1.3	1.5
(m-o-m)	0.3	0.0	0.1	0.9	0.5	0.4	-0.5	0.0	0.4	0.5	0.1	0.0	0.1	-0.2	0.3	0.4	0.1	0.0	-0.3
Excluding food and energy	3.8	3.3	3.2	3.1	3.1	3.1	2.9	2.8	2.5	2.5	2.4	2.3	2.2	2.2	2.2	2.1	2.0	1.8	1.8
Excluding crops and oil products	4.3	4.0	3.8	3.7	3.7	3.5	3.2	3.1	2.6	2.6	2.4	2.2	2.0	2.0	2.1	1.9	1.8	1.7	1.8
Basic necessities	3.3	2.5	2.0	3.9	4.4	4.5	3.9	3.7	3.4	3.7	3.8	3.5	3.1	2.8	3.0	2.1	1.5	1.2	1.6
Fresh food	3.8	4.2	2.2	6.6	7.6	13.3	13.7	14.5	14.4	20.0	19.5	19.1	17.3	11.7	7.7	3.2	3.4	1.6	0.4

Source: Statistics Korea.

In November, the prices of farm and fishery products grew at a slower rate than the previous month as growth of vegetable prices slowed down and fruit prices continued to fall.

The year-on-year growth rate of domestic oil prices fell more slowly than compared to the previous month, due to the cuts of fuel reduction measures and the base effect of low oil prices during the same period last year.

(Percentage change from same period in previous year)

	Farm and fishery products	Manufactured products	Petroleum products	Public utilities	Housing rents	Public services	Personal services
Oct 2024	1.2	-0.3	-10.9	3.0	0.5	0.9	2.9
Nov 2024	1.0	0.6	-5.3	3.0	0.5	0.9	2.9
Contribution (%p)	0.1	0.2	-0.2	0.1	0.0	0.1	0.1

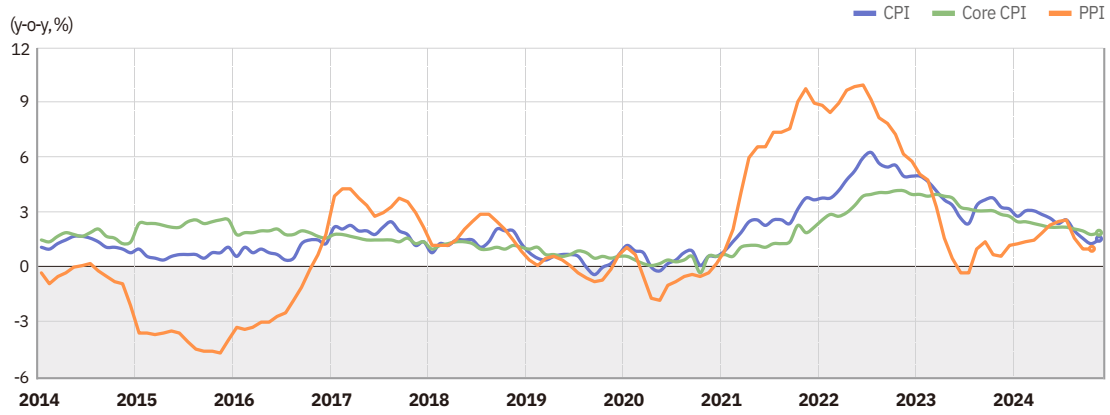
Source: Statistics Korea.

(Won/liter, period average)

	2022		2022				2023				2024								
	Annual	Annual	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Oct	Nov	1st week	2nd week	3rd week	4th week
Gasoline prices	1,813	1,643	1,764	2,009	1,852	1,627	1,578	1,617	1,690	1,687	1,607	1,681	1,674	1,591	1,628	1,618	1,631	1,635	1,639
Diesel prices	1,843	1,558	1,608	1,986	1,942	1,833	1,607	1,467	1,544	1,615	1,512	1,528	1,510	1,421	1,461	1,447	1,462	1,470	1,478

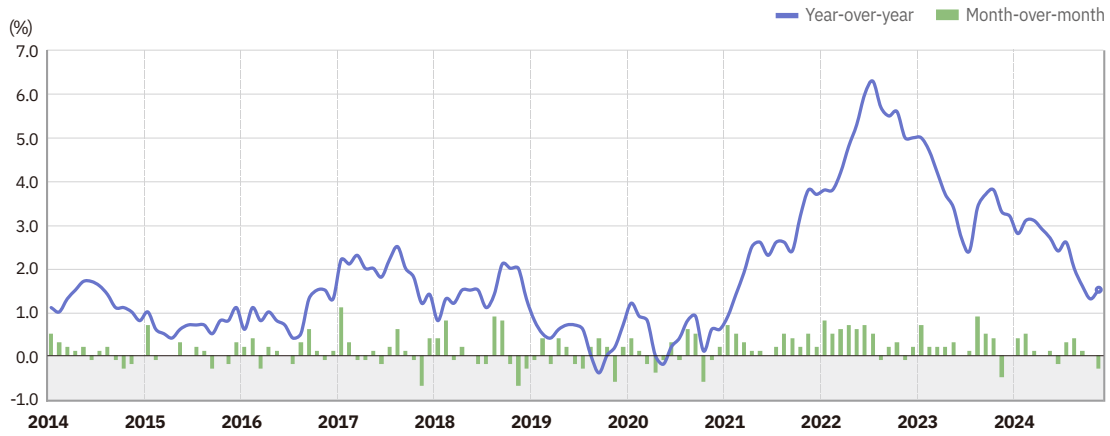
Source: Korea National Oil Corporation.

Prices



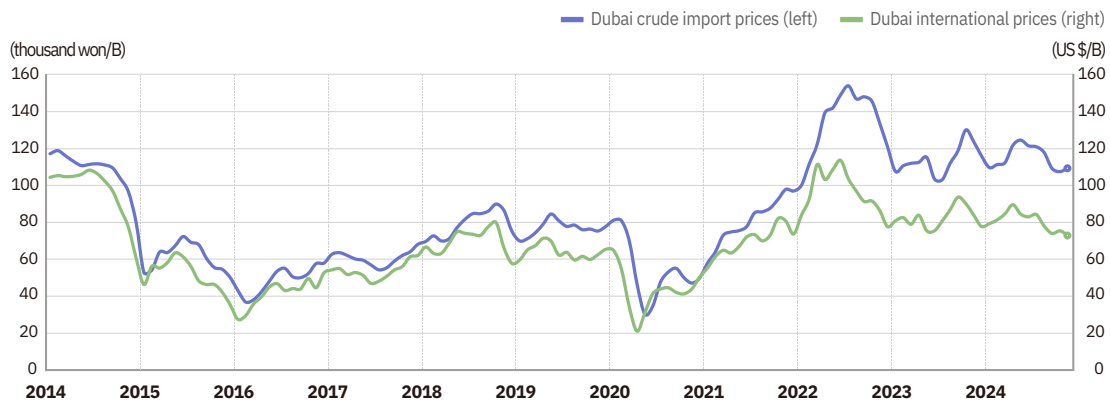
Sources: Consumer price trends, Statistics Korea; Bank of Korea.

Consumer price inflation



Source: Consumer price trends, Statistics Korea.

Dubai crude prices and import prices



Source: Korea National Oil Corporation.

In November, international oil prices fell amid the appreciation of the US Dollar and expectations of an oversupply for next year.

International grain prices declined amid favorable supply and demand conditions.

Nonferrous metal prices rose as major markets anticipated a recovery in demand.

(Period average)

	2022	2023	2022				2023				2024					
	Annual	Annual	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Sep	Oct	Nov
Dubai crude ¹	96.4	82.1	96.2	108.3	96.7	84.8	80.3	77.6	86.6	83.7	81.2	85.3	78.5	73.5	74.9	72.6
WTI crude ¹	94.4	77.6	95.0	108.9	91.4	82.6	76.0	73.6	82.2	78.5	76.9	80.7	75.3	69.4	71.6	69.5
Brent crude ¹	99.1	82.2	97.9	112.0	97.7	88.6	82.1	77.7	85.9	82.9	81.8	85.0	78.7	72.9	75.4	73.4
Reuters Index ²	3,542	3,104	3,489	3,791	3,497	3,397	3,265	3,040	3,066	3,045	2,948	3,110	3,080	3,105	3,202	3,211

Source: Korea National Oil Corporation; Korea PDS.

¹ US \$/barrel,

² A weighted average index of 17 major commodities (Sep 18, 1931=100)

International grain prices growth in Nov 2024 (m-o-m, %)

Wheat	-4.7
Soybeans	2.3
Corn	0.6

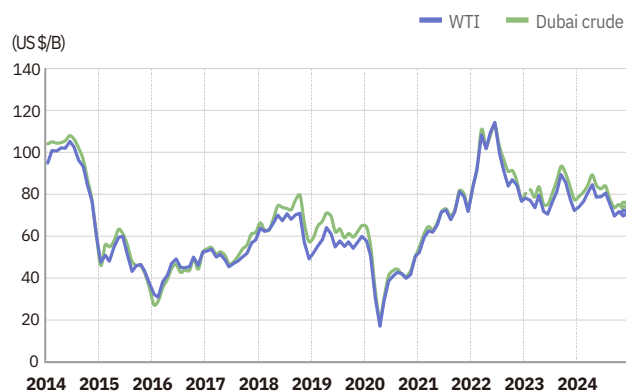
Note: Monthly average prices.

Nonferrous metal prices growth in Nov 2024 (m-o-m, %)

Copper	-4.9
Aluminum	-0.6
Nickel	-6.3

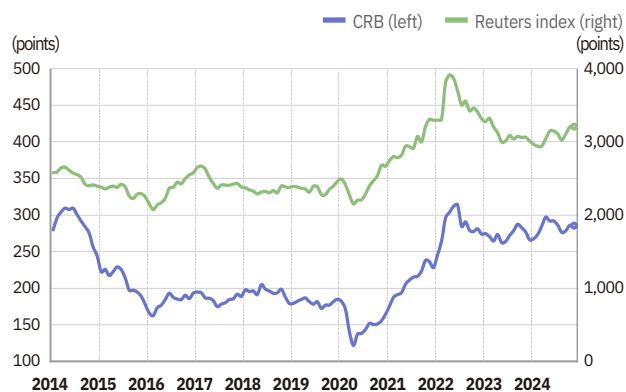
Note: Monthly average prices.

International oil prices



Source: Korea National Oil Corporation.

International commodity prices



Source: Korea PDS

9. Housing market

Nationally, housing sales prices rose 0.01 percent month-on-month in November.

Within the Seoul metropolitan area, housing sales prices rose 0.11 percent, increasing 0.20 percent in Seoul, 0.08 percent in Gyeonggi Province while decreasing 0.06 percent in Incheon.

In the areas excluding the Seoul metropolitan, housing sales prices declined 0.09 percent, decreasing 0.15 percent in the five metropolitan cities and 0.04 percent in the eight provinces on average.

Housing sales prices

(Percentage change from previous period)

	2019	2020	2021	2022	2023	2023	2024			
	Annual	Annual	Annual	Annual	Annual	Nov	Cumulative total	Sep	Oct	Nov
Nationwide	-0.4	5.4	9.9	-4.7	-3.6	0.04	0.20	0.17	0.07	0.01
Seoul metropolitan area	0.5	6.5	12.8	-6.5	-3.6	0.06	1.41	0.39	0.22	0.11
- Seoul	1.2	2.7	6.5	-4.8	-2.0	0.10	3.10	0.54	0.33	0.20
· Southern Seoul	1.4	2.2	6.8	-4.1	-1.5	0.11	3.46	0.59	0.34	0.21
· Northern Seoul	1.1	3.2	6.1	-5.4	-2.4	0.08	2.71	0.49	0.32	0.20
Areas excluding the Seoul metropolitan area	-1.1	4.3	7.4	-3.0	-3.5	0.02	-0.91	-0.03	-0.06	-0.09

Source: Korea Real Estate Board.

Housing sales prices in six major cities in Nov 2024 (m-o-m, %)

Busan	Daegu	Gwangju	Daejeon	Ulsan	Sejong
-0.18	-0.30	-0.07	-0.08	0.03	-0.28

Source: Korea Real Estate Board.

Nationally, housing rental prices rose 0.09 percent month-on-month in November.

By region, housing rental prices increased 0.19 percent in the Seoul metropolitan area and 0.01 percent in other areas.

Housing rental prices

(Percentage change from previous period)

	2019	2020	2021	2022	2023	2023	2024			
	Annual	Annual	Annual	Annual	Annual	Nov	Cumulative total	Sep	Oct	Nov
Nationwide	-1.3	4.6	6.5	-5.6	-5.1	0.27	1.26	0.19	0.16	0.09
Seoul metropolitan area	-0.8	5.6	7.7	-8.0	-5.7	0.46	3.07	0.40	0.33	0.19
- Seoul	-0.4	3.7	4.9	-6.5	-5.3	0.43	3.23	0.40	0.30	0.15
· Southern Seoul	-0.5	4.4	5.1	-6.9	-5.8	0.45	2.89	0.40	0.29	0.11
· Northern Seoul	-0.4	2.9	4.7	-6.2	-4.7	0.41	3.59	0.40	0.31	0.18
Areas excluding the Seoul metropolitan area	-1.7	3.7	5.5	-3.3	-4.4	0.09	-0.42	-0.02	0.01	0.01

Source: Korea Real Estate Board.

Housing rental prices in major districts in Nov 2024 (m-o-m, %)

Gangnam	Seocho	Seongdong	Nowon	Yeongdeungpo
0.40	0.23	0.26	0.34	0.28

Source: Korea Real Estate Board.

There were 56,579 housing sales transactions in October, increase of 10.4 percent month-on-month (51,267 in September 2024) and 18.4 percent year-on-year (47,799 in October 2023).

Housing sales transactions

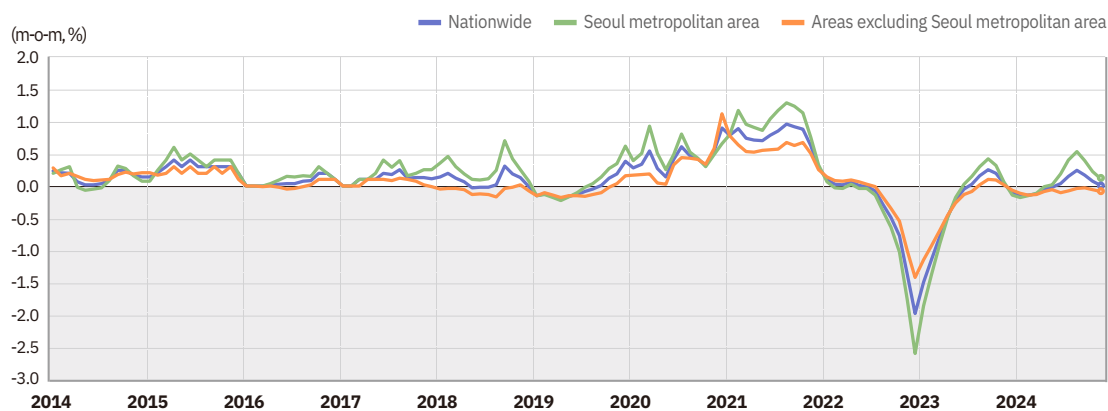
(Thousand)

	2020	2021	2022	2023	2023			2024									
	Annual ¹	Annual ¹	Annual ¹	Annual ¹	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
Nationwide	107	85	42	46	48	45	38	43	43	53	58	57	56	68	61	51	57

¹ Monthly average.

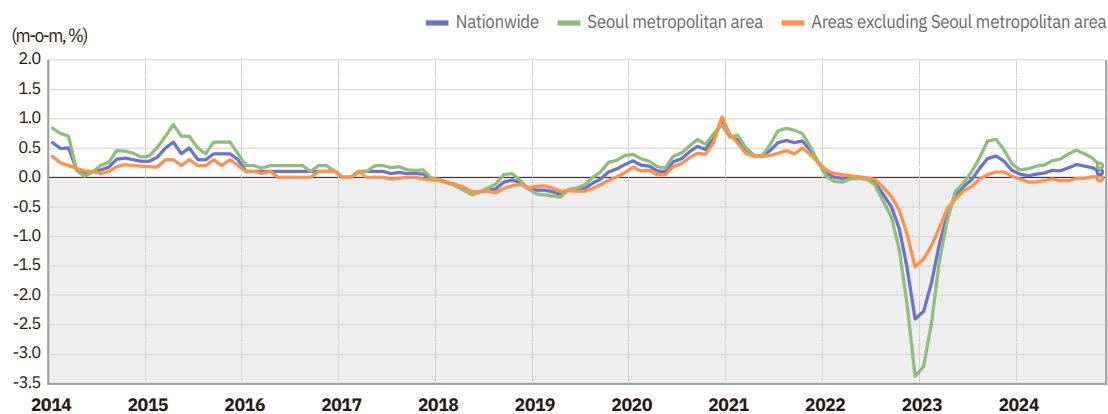
Source: Ministry of Land, Infrastructure and Transport.

Housing sales prices



Source: Korea Real Estate Board

Housing rental prices



Source: Korea Real Estate Board

Financial Markets

1. Stock market

The Korean equity markets, KOSPI and KOSDAQ, fell in November due to concerns about impact of the US presidential elections on corporate profitability.

	KOSPI			KOSDAQ		
	Oct 2024	Nov 2024	Change	Oct 2024	Nov 2024	Change
Stock price index (points)	2,556.2	2,455.9	-100.3 (-3.92%)	743.1	678.2	-64.9 (-8.73%)
Market capitalization (trillion won)	2,083.8	2,011.4	-72.4 (-3.47%)	368.5	337.8	-30.7 (-8.33%)
Daily trade (trillion won)	9.7	9.9	0.2 (2.06%)	6.1	7.0	0.9 (14.75%)
Foreign stock ownership (% , %p)	32.89	32.48	-0.41 (-1.25%)	9.86	9.82	-0.04 (-0.41%)

Source: Korea Exchange.

Note: The figures are closing rate.

2. Bond market

The government issued 7.8 trillion won worth of Treasury bonds in November.

(End-period, trillion won)

	2020	2021	2022	2023	2023	2024											
	Annual	Annual	Annual	Annual	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
Treasury bonds issuance ¹	174.5	180.5	168.6	165.7	6.9	4.0	12.5	17.5	18.4	15.0	18.5	18.3	15.8	11.8	10.8	9.9	7.8

Source: Monthly public finance, Ministry of Economy and Finance.

¹ Issuance limit is 158.4 trillion won in 2024.

Korean Treasury bond yields fell following the BOK's lowering of benchmark interest rate.

Yields to maturity in Nov 2024 (m-o-m, basis points)

3 yrs	5 yrs	10 yrs	20 yrs	30 yrs
-33	-35	-35	-32	-30

(Percent per annum)

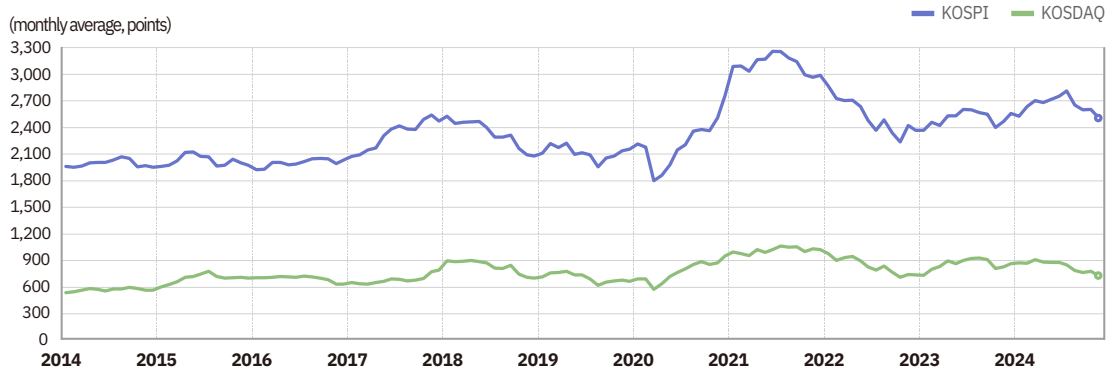
	2017	2018	2019	2020	2021	2022	2023	2024		
	Dec	Dec	Dec	Dec	Dec	Dec	Dec	Oct	Nov	Change ¹
Call rate (1 day)	1.58	1.89	1.39	0.61	1.44	3.38	3.91	3.29	3.07	-22
CD (91 days)	1.66	1.93	1.53	0.66	1.29	3.98	3.83	3.43	3.29	-14
Treasury bonds (3 yrs)	2.14	1.82	1.36	0.98	1.80	3.72	3.15	2.94	2.61	-33
Treasury bonds (5 yrs)	2.34	1.88	1.48	1.34	2.01	3.74	3.16	3.00	2.65	-35
Corporate bonds (3 yrs)	2.68	2.29	1.94	2.21	2.42	5.23	3.90	3.50	3.19	-31

Source: Bank of Korea.

Note: Figures are closing rate.

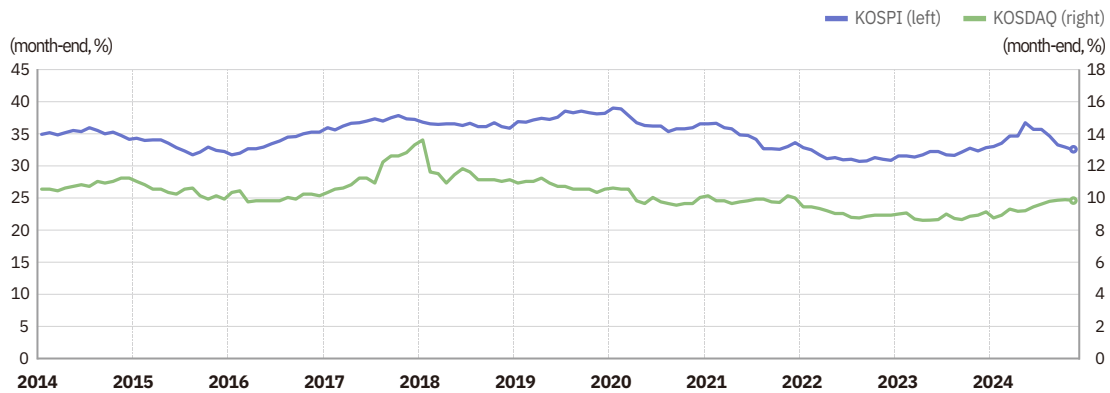
¹ Change from the previous month as of end-Nov 2024, basis point.

Stock prices



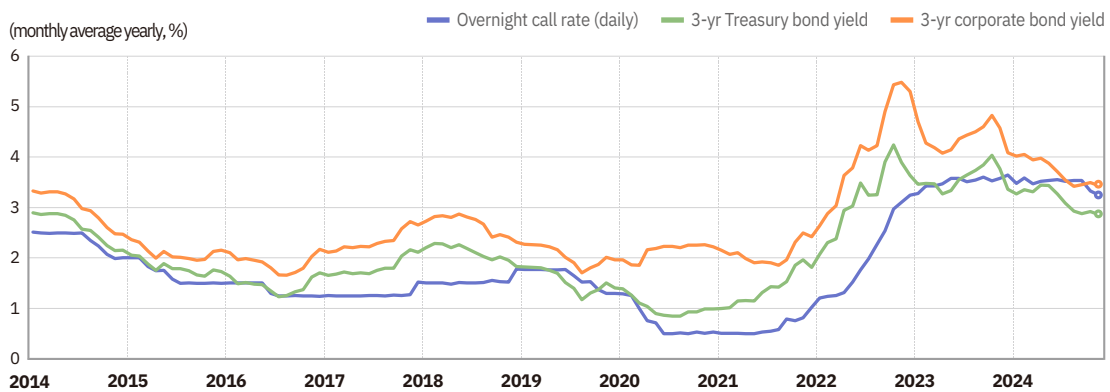
Source: Korea Exchange

Foreign stock ownership



Sources: Financial Supervisory Service, Korea Exchange

Interest rates



Source: Bank of Korea

3. Foreign exchange market

The won weakened against the US Dollar in November compared to the previous month.

	2019	2020	2021	2022	2023	2024		
	Dec	Dec	Dec	Dec	Dec	Oct	Nov	Change ¹
Dollar-Won	1,156.4	1,086.3	1,188.8	1,264.5	1,288.0	1,379.9	1,394.7	-1.1
100 Yen-Won	1,059.8	1,051.2	1,032.5	945.6	912.25	902.2	920.9	-2.0
Yuan-Won	165.6	167.0	186.6	181.6	181.17	193.6	192.7	0.5

Source: Bank of Korea.

Note: The exchange rate is based on the closing price at 3:30 pm, local time.

¹ Appreciation from the end of the previous month as of end- Nov 2024, %.

4. Money market

M2 (*monthly average*) rose 6.5 percent year-on-year in October.

(Percentage change from same period in previous year)

	2016	2017	2018	2019	2020	2021	2022	2023	2024		
	Annual	Annual	Annual	Annual	Annual	Annual	Annual	Annual	Sep ¹	Oct	Oct ²
M1 ³	15.4	9.2	4.9	4.3	20.8	21.0	4.0	-10.5	3.6	3.1	1,232.4
M2	7.3	5.5	6.3	7.0	9.3	11.7	8.5	2.9	5.9	6.5	4,109.7
Lf ⁴	8.1	6.7	7.0	7.9	8.3	9.8	7.5	3.1	5.3	6.2	5,591.2

Source: Bank of Korea.

¹ Preliminary.

² Period-average, trillion won.,

³ M1 excludes corporate MMFs and individual MMFs, and includes CMAs.

⁴ Liquidity aggregates of financial institutions (mostly identical with M3).

In November, the deposits of banks continued to increase by 18.9 trillion won, and the deposits of Asset Management Companies (AMC) increased by 8.7 trillion won.

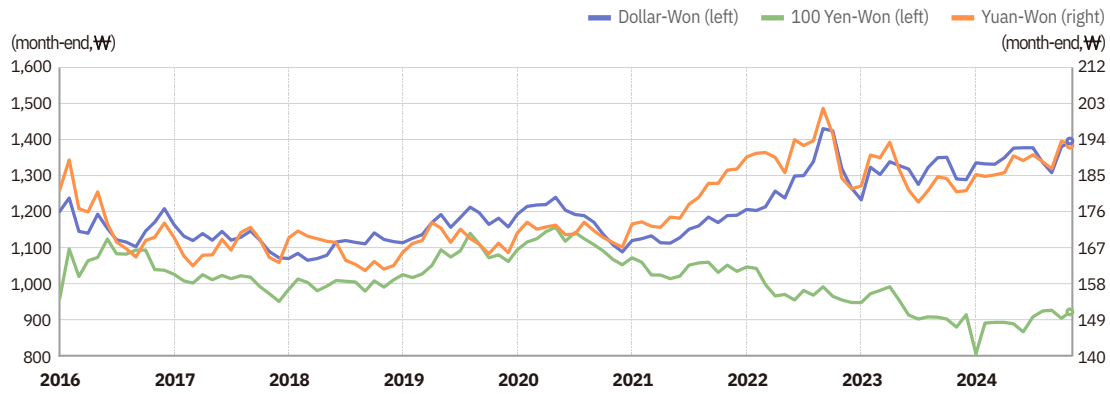
(Change from the end of the previous period, trillion won)

	2016	2017	2018	2019	2020	2021	2022	2023	2024				
	Annual	Annual	Annual	Annual	Annual	Annual	Annual	Annual	Aug	Sep	Oct	Nov	Nov ¹
Bank deposits	80.8	79.5	91.6	106.3	188.4	198.5	107.4	76.4	21.5	18.9	8.4	18.9	2,418.1
AMC deposits	47.6	27.9	53.8	98.6	42.2	93.9	44.4	93.7	-0.9	-14.6	29.6	8.7	1,065.3

Source: Bank of Korea.

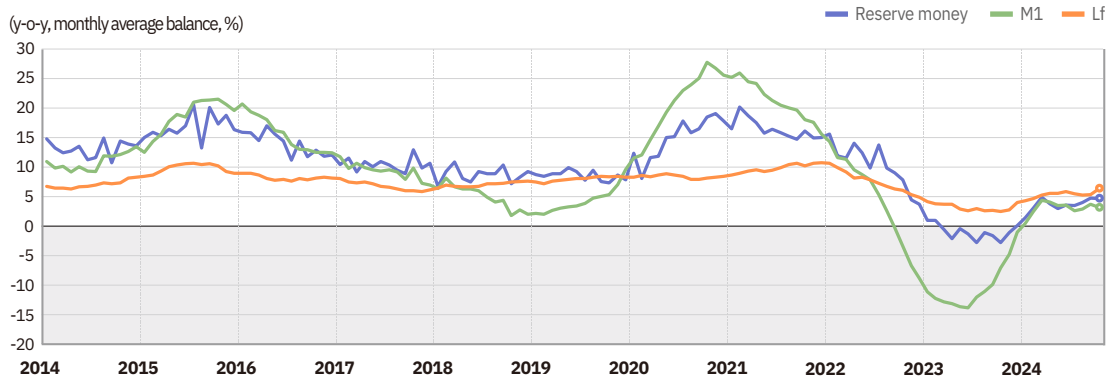
¹Balance at end- Nov 2024.

Foreign exchange rates



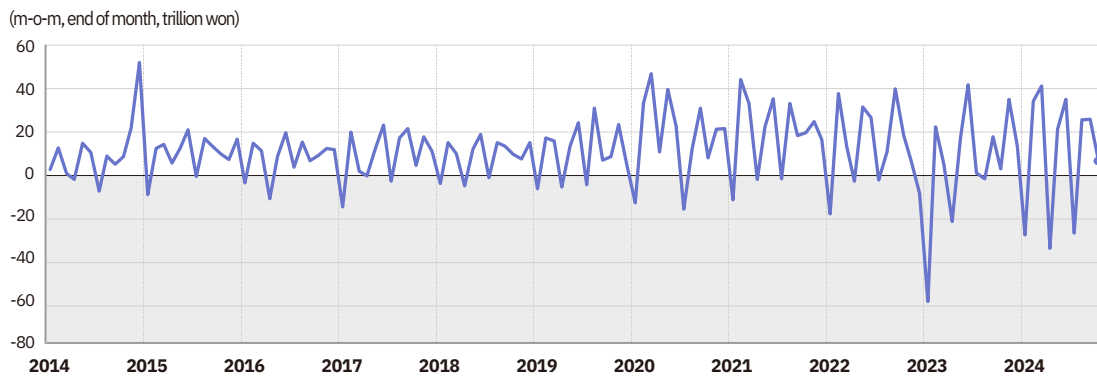
Source: Bank of Korea.

Total money supply



Source: Bank of Korea.

Total deposits of banks



Source: Bank of Korea.

5. Official foreign reserves

Korea's official foreign reserves decreased month-on-month, totaling US \$415.4 billion as of the end of November.

(US \$ billion)

	2020	2021	2022	2023	2024		
					Oct	Nov	Change (m-o-m)
Official foreign reserves	443.1	463.1	423.2	420.2	415.7	415.4	-0.3
- Securities ¹	409.8	421.7	369.7	373.7	373.3	372.4	-0.9
- Deposits	20.3	16.6	29.3	22.0	18.4	19.1	0.7
- SDRs	3.4	15.4	14.8	15.1	15.1	14.9	-0.1
- IMF position ²	4.8	4.6	4.5	4.6	4.2	4.2	0.0
- Gold	4.8	4.8	4.8	4.8	4.8	4.8	0.0

Source: Bank of Korea.

¹ Including government bonds, government agency bonds, debentures, MBSs, ABSs, etc.

² Claims related to the IMF composed of the reserve tranche position (RTP) and loans.

6. External debt

External debt amounted to US \$702.7 billion as of the third quarter of 2024, up US \$44.4 billion quarter-on-quarter. Short-term debt was US \$158.7 billion (up US \$16.8 billion q-o-q), and long-term debt was US \$544.0 billion (up US \$27.6 billion q-o-q). Net external assets decreased by US \$3.4 billion to US \$378.0 billion.

(End-period, US \$billion)

	2023 ¹				2024 ¹			Change (q-o-q)
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	
External assets (in debt instruments, A)	1,039.1	1,035.1	1,017.4	1,044.5	1,052.1	1,039.7	1,080.7	41.0
Total debt (B)	673.0	674.2	659.8	672.5	667.5	658.3	702.7	44.4
- Short-term	178.8	166.1	146.1	140.7	141.0	142.0	158.7	16.8
- Long-term	494.2	508.1	513.7	531.9	526.5	516.3	544.0	27.6
Short-term/Total debt (%)	26.6	24.6	22.1	20.9	21.1	21.6	22.6	1.0%p
Short-term/Reserve assets (%)	42.0	39.4	35.3	33.5	33.6	34.4	37.8	3.4%p
Net external assets (A-B)	366.1	360.8	357.6	372.0	384.6	381.5	378.0	-3.4

Source: Ministry of Economy and Finance, Bank of Korea.

¹ Preliminary.

Public Finance

1. Fiscal balance

The consolidated fiscal balance recorded a deficit of 30.5 trillion won in October, an increase of 20.0 trillion won y-o-y. The managed fiscal balance also recorded a deficit of 75.7 trillion won, an increase of rose 23.5 trillion won y-o-y.

(Trillion won, percent)

	2023					2024 ¹				Change
	Main budget (a)	Settlement (b)	Oct (Cumulative, c)	(c)/(a)	(c)/(b)	Main budget (d)	Oct (Cumulative, e)	(e)/(d)	(e)-(c)	
A. Total revenue	625.7	573.9	492.5	78.7	85.8	612.2	498.7	81.5	6.2	
B. Total spending	638.7	610.7	502.9	78.7	82.3	656.6	529.1	80.6	26.3	
C. Consolidated fiscal balance (A-B)	-13.1	-36.8	-10.4	-	-	-44.4	-30.5	-	-20.0	
D. Net social security fund ²	45.1	50.3	41.8	-	-	47.2	45.2	-	3.4	
E. Managed fiscal balance (C-D)	-58.2	-87.0	-52.2	-	-	-91.6	-75.7	-	-23.5	

Source: Monthly public finance and Open fiscal data, Ministry of Economy and Finance.

¹ Preliminary.

² National Pension Fund, Private School Personnel Pension Fund, Industrial Accident Compensation Insurance & Prevention Fund and Employment Insurance Fund.

Fiscal balance and outlook

(Trillion won)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Consolidated fiscal balance	8.5	-0.2	16.9	24.0	31.2	-12.0	-71.2	-30.4	-64.6	-36.8	-52.9
Managed fiscal balance	-29.5	-38.0	-22.7	-18.5	-10.6	-54.4	-112.0	-90.5	-117.0	-87.0	-91.5

2. Government debt

The total amount of central government debt in October was 1,155.5 trillion won, increase of 6.8 trillion won from a month earlier. Korean Treasuries totaled 1,154.1 trillion won, followed by bonds at 1,062.4 trillion won, national housing bonds at 79.9 trillion won, and foreign exchange stabilization bonds at 11.8 trillion won.

(Trillion won)

	2018	2019	2020	2021	2022	2023	2024 ¹	
	Annual	Annual	Annual	Annual	Annual	Annual	Sep	Oct
Central gov't debt	651.8	699.0	819.2	939.1	1,033.4	1,092.5	1,148.6	1,155.5
(% of GDP)	34.3	36.3	42.2	45.1	47.8	48.9	-	-
- Treasuries (total) ²	648.4	696.3	815.2	937.0	1,031.5	1,091.1	1,147.2	1,154.1
· Bonds	567.0	611.5	726.8	843.7	937.5	998.0	1,056.0	1,062.4
· National housing bonds	73.3	76.4	78.9	82.2	82.2	81.6	79.9	79.9
· Foreign exchange stabilization bonds	8.0	8.3	9.5	11.2	11.8	11.5	11.3	11.8
- Loans	3.2	2.6	3.3	2.0	1.9	1.2	1.2	1.2
- Treasury commitments	0.2	0.1	0.7	0.1	0.1	0.2	0.2	0.2

Source: Monthly public finance and Open fiscal data, Ministry of Economy and Finance.

¹ Preliminary.

² Including debt-equity swap securities for international organizations.

Economic News Briefing

A scenic view of a snow-covered mountain trail. In the foreground, a path leads up a snowy slope with some dry grass visible. Two people are walking on the path. In the background, a large, rocky mountain peak rises against a clear blue sky with some light clouds. The overall scene is bright and clear.

- Korea's GDP Increased by 0.1 % in Q3 2024 (Preliminary Estimate)
- The Bank of Korea Lowers Benchmark Interest Rate to 3.00%
- Korean OFDI Continued to Decline in Q3 2024

Korea's GDP Increased by 0.1 % in Q3 2024 (Preliminary Estimate)

In the third quarter of 2024, Korea's real Gross Domestic Product (GDP) increased by 0.1 percent quarter-on-quarter and 1.5 percent year-on-year according to the Bank of Korea's preliminary estimate released on December 5.



On the production side, the figures for agriculture, forestry and fisheries increased by 2.4 percent quarter-on-quarter. Manufacturing grew by 0.2 percent, led by increased production of transportation equipment and machinery equipment. Production of electricity, gas and water supply rose by 5.9 percent. Construction fell by 1.4 percent as building construction decreased. Despite lower figures in several service sectors including wholesale and retail trade, accommodation and food services, and cultural and other services sectors, the service sectors as whole grew by 0.2 percent, driven by growth in human health and social work, and information and communication sectors.

On the expenditure side, private consumption grew by 0.5 percent quarter-on-quarter. Construction investment fell by 3.6 percent, while facility investment rose by 6.5 percent. Meanwhile, exports fell by 0.2 percent, driven by decreased exports of automobiles and chemical products. Imports increased by 1.6 percent, mainly due to increased imports of machinery and equipment.

Real GDP growth by Production and Expenditure

(Percentage change from previous period of seasonally adjusted data; inflation adjusted at 2020 prices)

	2022		2023				2024						
	Annual ¹	Annual ²	Q1	Q2	Q3	Q4	Q1 ¹	Q2 ¹	Q3 ¹	Q4 ¹	Q1 ¹	Q2 ¹	Q3 ¹
GDP	2.7	1.4	0.5	0.8	0.4	-0.5	0.4	0.6	0.8	0.5	1.3	-0.2	0.1
(y-o-y % change of original data)			(3.5)	(3.0)	(3.4)	(1.1)	(1.1)	(1.0)	(1.4)	(2.1)	(3.3)	(2.3)	(1.5)
Agriculture, forestry & fisheries	0.8	-2.6	-0.6	-2.2	1.2	1.1	-3.4	2.6	-0.1	-7.4	1.8	4.4	2.4
Manufacturing	2.5	1.7	3.2	-0.5	0.1	-4.0	1.6	3.0	1.5	1.2	0.9	0.8	0.2
Electricity, gas & water supply	3.5	-2.9	2.5	2.0	-1.1	-0.1	-6.8	3.1	3.1	1.8	-0.1	-1.0	5.9
Construction	0.9	3.1	-1.4	-0.4	2.2	2.7	1.2	-2.7	3.7	-3.5	5.5	-6.0	-1.4
Services²	3.8	2.1	-0.2	1.8	0.5	1.1	0.2	0.1	0.5	0.4	0.9	0.0	0.2
Private consumption	4.2	1.8	-1.0	2.9	1.3	-0.1	0.5	-0.3	0.1	0.4	0.7	-0.2	0.5
Government spending	4.0	1.3	0.1	0.9	0.2	2.4	0.4	-2.1	0.3	0.5	0.8	0.6	0.6
Construction investment	-3.5	1.5	-3.3	0.0	-0.2	1.1	0.6	0.2	1.9	-3.8	3.3	-1.7	-3.6
Facility investment	-0.3	1.1	-1.5	1.4	5.7	-0.8	-1.4	0.4	-2.0	2.8	-2.0	-1.2	6.5
Intellectual property investment	7.8	1.7	2.6	-0.3	5.0	-2.2	-0.2	1.0	0.8	-0.2	0.8	-0.9	0.0
Exports	3.9	3.6	3.0	-1.2	-0.3	-3.7	4.2	1.1	1.9	3.9	1.8	1.2	-0.2
Imports	4.2	3.5	-1.4	1.4	4.1	-2.5	3.9	-1.8	0.3	1.6	-0.4	1.6	1.6

¹ Preliminary estimate.

² Wholesale & retail trade; accommodation & food services; transportation & storage; finance & insurance; real estate; information & communication; business activities; public administration, defense & social security; education; human health & social work; and cultural & other services.

The Bank of Korea Lowers Benchmark Interest Rate to 3.00%

On November 28, the Bank of Korea (BOK) lowered its benchmark interest rate by 25 basis points again, from 3.25% to 3.00%, for the second consecutive month.

The BOK stated that it was appropriate to further ease the restrictive monetary policy stance, based on indications that inflation has stabilized, household debt growth has slowed, and downward pressure on economic growth has intensified. The central bank also reiterated its monetary policy framework of inflation targeting over the medium-term while also monitoring the economy's growth and financial stability including potential volatility in the foreign exchange market.



Korean OFDI Continued to Decline in Q3 2024

In the third quarter of 2024, Korea's Outbound Foreign Direct Investment (FDI) amounted to \$14.19 billion, which have contracted presumably due to a combination of factors, including global economic uncertainties, persistent high interest rates, and geopolitical risks. Regionally, investment in the mining sector increased compared to the same period last year, particularly in North America, driven by rising demand for resources. In addition, investment in European regions, including Poland, has shown an upward trend compared to the previous year.



The Korean government plans to committed to strengthening communication and cooperation with major investment destination countries to ensure that Korean companies operating abroad can manage their business in a stable environment, amid heightened geopolitical and geo-economic risks in the international arena.

Korean OFDI

	2022				2023				2024		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Amount invested (US \$billion)	28.25	19.85	18.48	15.10	17.70	16.10	15.09	16.28	16.37	15.93	14.19
Y-o-y change (%)	147.9	16.6	5.2	-51.2	-37.3	-18.9	-18.4	7.8	-7.5	-1.1	-6.0

Korean OFDI by industry

	Finance and insurance	manufacturing	Mining	Information and Communication	Real estate and renting
Q3 2023 (US \$billion)	70.3	50.0	4.9	2.0	9.3
Q3 2024 (US \$billion)	60.6	39.7	12.9	8.5	6.4
Y-o-y change (%)	-13.7	-20.7	161.8	314.6	-30.5

Korean OFDI by region

	North America	Europe	Asia	Latin America	Oceania	Middle East	Africa
Q3 2023 (US \$billion)	78.1	28.7	22.1	19.2	1.6	0.4	0.8
Q3 2024 (US \$billion)	51.3	36.0	29.2	21.3	3.2	0.5	0.4
Y-o-y change (%)	-34.4	25.5	31.8	11.1	100.4	28.7	-53.7

Korean OFDI by country

	U.S.	Cayman Islands	Canada	Luxemburg	Poland
Q3 2023 (US \$billion)	68.5	14.2	12.8	9.6	0.3
Q3 2024 (US \$billion)	37.9	16.6	14.1	13.3	5.7
Y-o-y change (%)	-44.6	17.3	9.7	38.7	1,965.3

Related Websites



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



Korea Development Institute (KDI)
<https://www.kdi.re.kr/eng/>



Ministry of Trade, Industry and Energy
<https://english.motie.go.kr/www/main.do>



Bank of Korea
<https://www.bok.or.kr/eng/main/main.do>



Statistics Korea
<https://kostat.go.kr/anse/>



Korea Customs Service
<https://www.customs.go.kr/english/main.do>



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



Financial Supervisory Service
<https://www.fss.or.kr/eng/main/main.do?menuNo=400000>



Ministry of Land, Infrastructure and Transport
<https://www.molit.go.kr/english/intro.do>



Korea Real Estate Board
<https://www.reb.or.kr/rebEng/main.do>



Korea Exchange
<https://global.krx.co.kr/main/main.jsp>



Korea National Oil Corporation
<https://www.knoc.co.kr/ENG/main.jsp#>



Republic of Korea
Economic Bulletin

January 2025 Vol.47 No.1

Contact

Economic Information and Education Center
Korea Development Institute
263 Namsejong-ro, Sejong, 30149 Republic of Korea

Tel +82-44-550-4170 **Fax** +82-44-550-4941

E-mail sjung@kdi.re.kr

Website <https://eiec.kdi.re.kr/publish/ebMain.do> <http://english.moef.go.kr>

