

# Republic of Korea **Economic Bulletin**

March 2025 Vol.47 No.3



Gwangyang Maehwa Village

## Current Economic Trends

## Economic News Briefing

Korea's interest rate cut  
Korea-Poland exchange views  
Meeting with global investment banks  
Effective tariff rate on US imports



▲ Gwangyang Maehwa Village, a Village Known for Its Abundant Plum Trees.

## Republic of Korea **Economic Bulletin**

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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.

**March 2025 Vol.47 No.3**

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# Current Economic Trends

## Overview

### Economic Activity

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1. Fiscal balance
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# Overview

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**In December 2024, industrial production, services production, facilities investment, and construction investment increased, while retail sales decreased from the previous month. In January 2025, job growth rebounded while the growth of consumer prices accelerated.**

In December, total production (*up 2.3% m-o-m and up 1.4% y-o-y*) rose, as industrial production (*up 4.6% m-o-m and up 5.3% y-o-y*), services production (*up 1.7% m-o-m and up 1.2% y-o-y*) increased.

In December, retail sales (*down 0.6% m-o-m and down 3.3% y-o-y*) decreased, while facilities investment (*up 9.9% m-o-m and up 13.1% y-o-y*) and construction investment (*up 1.3% m-o-m and down 8.3% y-o-y*) increased.

In January, exports fell by 10.3 percent from a year ago due to the fewer working days. Average daily exports surged by 7.7 percent compared to the previous year.

In January, the Consumer Sentiment Index (CSI) increased by 3.0 points month-on-month to 91.2. The Composite Business Sentiment Index (CBSI) moved down by 1.4 points to 85.9 in January, while the CBSI outlook for February moved up by 2.5 points to 85.4.

In December, the cyclical indicator of the coincident composite index remained unchanged, while the cyclical indicator of the leading composite index decreased by 0.2 points.

In January, employment grew by 135,000 jobs compared to the previous year and the unemployment rate remained unchanged at 3.7 percentage from a year ago.

In January, the Consumer Price Index (CPI) grew by 2.2 percent year-on-year. The index when excluding food and energy prices increased by 1.9 percent.

In January, Korean equity prices surged, yields for Korean Treasury Bond fell, and the Korean Won strengthened against the dollar.

In January, housing prices fell (*down 0.1% m-o-m*) and *Jeonse* (lump-sum deposits with no monthly payments) prices also declined (*down 0.02% m-o-m*).

**Recently, the Korean economy has experienced delayed recovery in domestic demand including consumption and construction investment, along with sustained challenges in employment particularly in vulnerable sectors. Moreover, economic sentiment has worsened amid escalating domestic and external uncertainties, which are weighing downward pressure on the economy.**

Amid ongoing geopolitical risks, the global economy is facing increased uncertainties in trade, including the potential imposition of tariffs by major countries.

Based on the livelihood and economic response plan for the first quarter, all available means will be mobilized to swiftly prepare and implement improvement measures for each area including employment, public finance, and small businesses. Furthermore, the government will proactively respond to trade environment uncertainties, including supporting domestic companies that may be affected by the imposition of U.S. tariffs and establishing a fund for advanced strategic industries.

# Economic Activity

## 1. Gross Domestic Product (Advance estimate)

In the fourth quarter of 2024, Korea's real Gross Domestic Product (GDP) amounted to 595.4 trillion won, and real Gross Domestic Income (GDI) was 582.6 trillion won.

(Trillion won, inflation adjusted at 2020 prices)

	2022	2023	2024	2022				2023				2024			
	Annual	Annual <sup>1</sup>	Annual <sup>1</sup>	Q1	Q2	Q3	Q4	Q1 <sup>1</sup>	Q2 <sup>1</sup>	Q3 <sup>1</sup>	Q4 <sup>1</sup>	Q1 <sup>1</sup>	Q2 <sup>1</sup>	Q3 <sup>1</sup>	Q4 <sup>2</sup>
GDP	2,212.2	2,243.2	2,288.9	525.7	554.5	555.9	576.1	531.6	560.0	563.6	588.1	548.9	572.8	571.8	595.4
(Seasonally adjusted)	-	-	-	549.3	553.7	555.8	553.3	555.8	558.8	563.0	565.6	573.0	571.6	572.2	572.9
- Private consumption	1,063.9	1,082.7	1,095.0	257.7	262.4	270.1	273.8	269.9	266.1	271.0	275.7	272.7	268.6	274.8	279.0
- Facility investment	213.2	215.4	219.2	49.9	54.2	52.5	56.6	52.3	56.2	50.4	56.5	51.7	54.8	53.4	59.2
- Construction investment	301.4	306.0	297.8	62.5	82.2	75.1	81.7	63.5	83.5	78.3	80.7	64.5	83.1	73.9	76.3
- Total export	820.3	849.9	908.3	204.7	204.4	204.8	206.5	202.4	206.2	211.3	230.0	220.8	224.8	225.1	237.1
- Total import	730.7	756.4	774.8	180.8	176.7	185.6	187.5	193.6	182.8	185.2	194.8	192.9	188.4	193.2	200.1
GDI	2,117.5	2,151.8	2,235.0	511.3	532.4	526.6	547.2	504.3	532.3	545.4	569.8	536.5	556.6	559.3	582.6
(Seasonally adjusted)	-	-	-	537.2	530.4	524.5	525.4	530.1	530.3	542.9	548.6	561.6	555.1	558.0	561.6

Source: Bank of Korea.

<sup>1</sup> Preliminary estimate.

<sup>2</sup> Advance estimates.

In the fourth quarter of 2024, real GDP rose 1.2 percent year-on-year, and seasonally adjusted GDP rose 0.1 percent quarter-on-quarter. Real GDI rose 2.3 percent year-on-year, and seasonally adjusted GDI rose 0.6 percent quarter-on-quarter.

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

	2022	2023	2024	2022				2023				2024			
	Annual	Annual <sup>1</sup>	Annual <sup>1</sup>	Q1	Q2	Q3	Q4	Q1 <sup>1</sup>	Q2 <sup>1</sup>	Q3 <sup>1</sup>	Q4 <sup>1</sup>	Q1 <sup>1</sup>	Q2 <sup>1</sup>	Q3 <sup>1</sup>	Q4 <sup>2</sup>
GDP	2.7	1.4	2.0	3.5	3.0	3.4	1.1	1.1	1.0	1.4	2.1	3.3	2.3	1.5	1.2
(Seasonally adjusted <sup>3</sup> )	-	-	-	0.5	0.8	0.4	-0.5	0.4	0.6	0.8	0.5	1.3	-0.2	0.1	0.1
- Private consumption	4.2	1.8	1.1	4.3	4.5	5.3	2.9	4.7	1.4	0.3	0.7	1.0	0.9	1.4	1.2
- Facility investment	-0.3	1.1	1.8	-4.9	-5.5	4.8	4.8	4.7	3.8	-3.9	-0.2	-1.0	-2.5	5.9	4.9
- Construction investment	-3.5	1.5	-2.7	-5.0	-4.5	-2.1	-2.6	1.7	1.7	4.3	-1.2	1.6	-0.5	-5.7	-5.3
- Total export	3.9	3.6	6.9	7.8	5.6	5.4	-2.4	-1.1	0.9	3.2	11.4	9.1	9.0	6.8	3.1
- Total import	4.2	3.5	2.4	5.2	2.0	8.2	1.5	7.1	3.4	-0.2	3.9	-0.4	3.1	4.4	2.7
GDI	-0.7	1.6	3.9	0.5	-0.3	-1.1	-1.6	-1.4	0.0	3.6	4.1	6.4	4.6	2.6	2.3
(Seasonally adjusted <sup>2</sup> )	-	-	-	0.8	-1.3	-1.1	0.2	0.9	0.0	2.4	1.1	2.4	-1.2	0.5	0.6

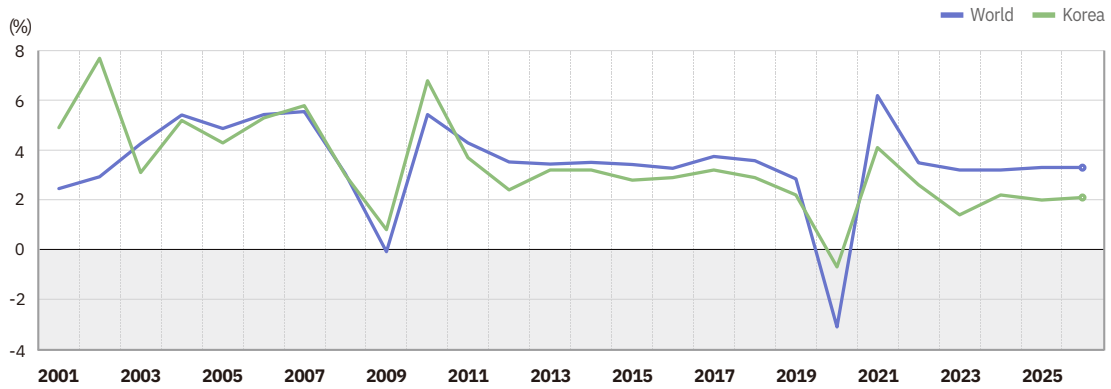
Source: Bank of Korea.

<sup>1</sup> Preliminary estimate.

<sup>2</sup> Advance estimates.

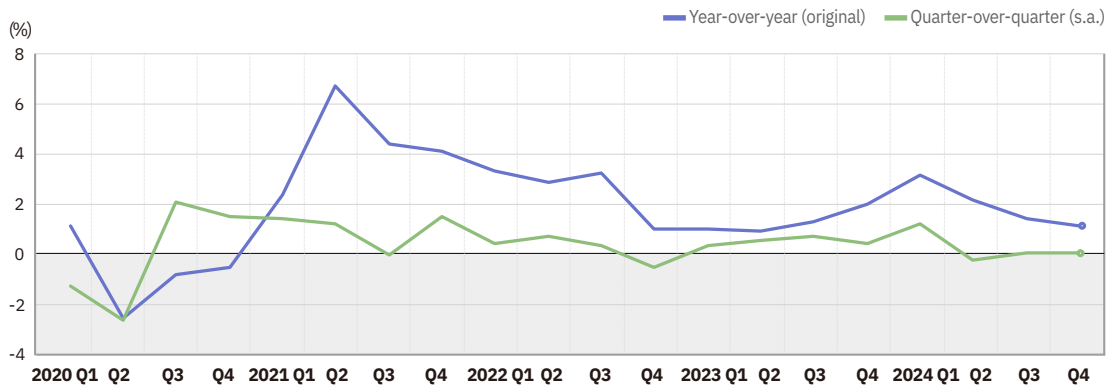
<sup>3</sup> Percentage change from previous period.

### GDP growth: World and Korea



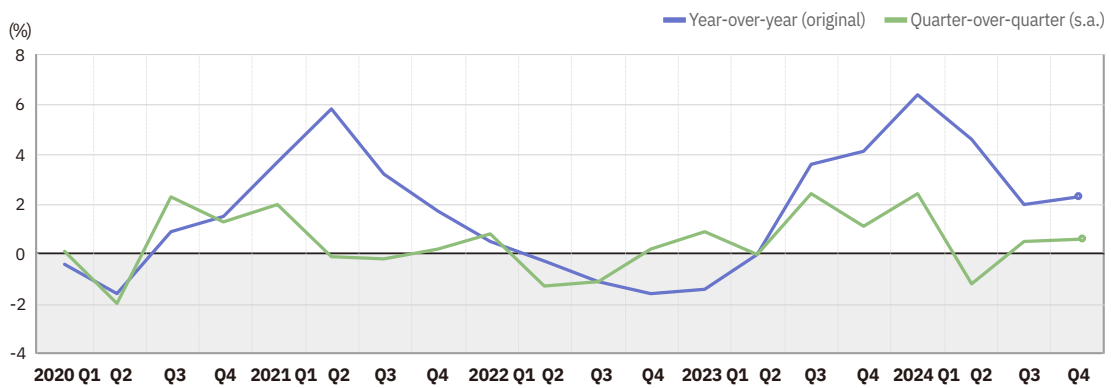
Source: IMF

### GDP growth: Korea



Source: Bank of Korea.

### GDI growth: Korea



Source: Bank of Korea.

## 2. Total Production and Composite Index of Business Indicators

In December, the Total Index of Industrial Production rose by 2.3 percent month-on-month. Industrial production (*up 4.6%*), services (*up 1.7%*), and construction (*up 1.3%*) increased, while public spending (*down 1.2%*) decreased. The index rose 1.4 percent year-on-year.

### Coincident composite index

The cyclical indicator of the coincident composite index remained at 97.6 month-on-month. More specifically, the industrial production index, index of services, and imports increased, while value of construction completed, retail sales index, and shipments for domestic market decreased.

### Leading composite index

The cyclical indicator of the leading composite index fell 0.2 point month-on-month to 100.6. Within the leading composite index, interest rate spread increased, while construction orders received, KOSPI, and economic sentiment index fell.

	2023			2024								
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov <sup>1</sup>	Dec <sup>1</sup>
Total index of Industrial Production (m-o-m, %)	0.3	1.3	-2.3	1.4	-0.8	-0.1	-0.6	1.1	-0.4	-0.3	-0.3	2.3
(y-o-y, %)	7.2	1.8	0.1	3.4	2.3	0.5	2.4	1.0	-1.4	2.3	-0.3	1.4
Cyclical indicator of coincident composite index (m-o-m, p)	99.9	100.1	99.8	99.7	99.1	99.0	98.3	98.2	98.1	98.1	97.6	97.6
Coincident composite index (2020=100) (m-o-m, %)	111.5	112.0	111.9	112.0	111.6	111.7	111.2	111.3	111.3	111.6	111.3	111.5
Cyclical indicator of leading composite index (m-o-m, p)	100.2	100.4	100.2	100.5	100.5	100.7	100.7	100.6	100.7	100.6	100.8	100.6
Leading composite index (2020=100) (m-o-m, %)	113.7	114.2	114.3	114.9	115.2	115.7	116.0	116.2	116.6	116.8	117.3	117.3

Source: Industrial activity trends, Statistics Korea.

<sup>1</sup> 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 Dec 2024 (m-o-m, %)

Industrial production index	1.4
Index of Services	0.7
Imports	0.7
Shipment index for domestic market	-0.2
Retail sale index	-0.4
Value of construction completed	-0.9

Source: Industrial activity trends, Statistics Korea.

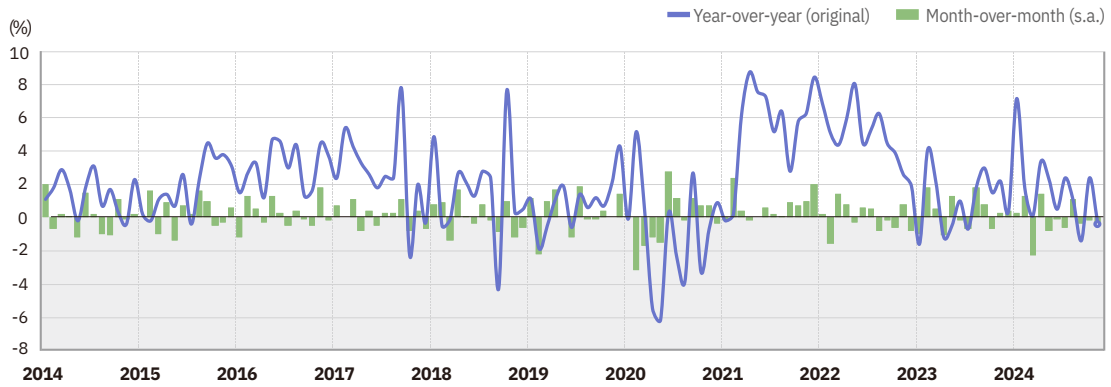
### Leading composite index in Nov 2024 (m-o-m, %)

Interest rate spread (%p)	0.08
Construction orders received	-6.7
Economic Sentiment Index (p)	-3.5
KOSPI	-1.9

Source: Industrial activity trends, Statistics Korea.

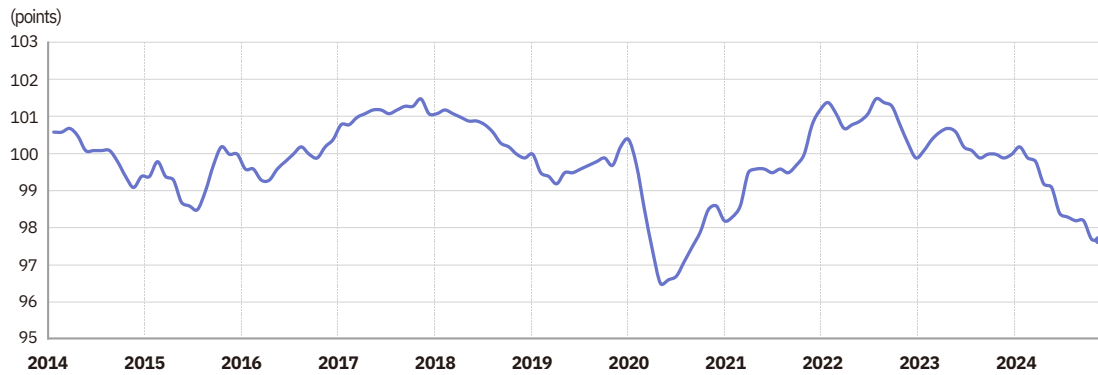


## Total index of Industrial Production



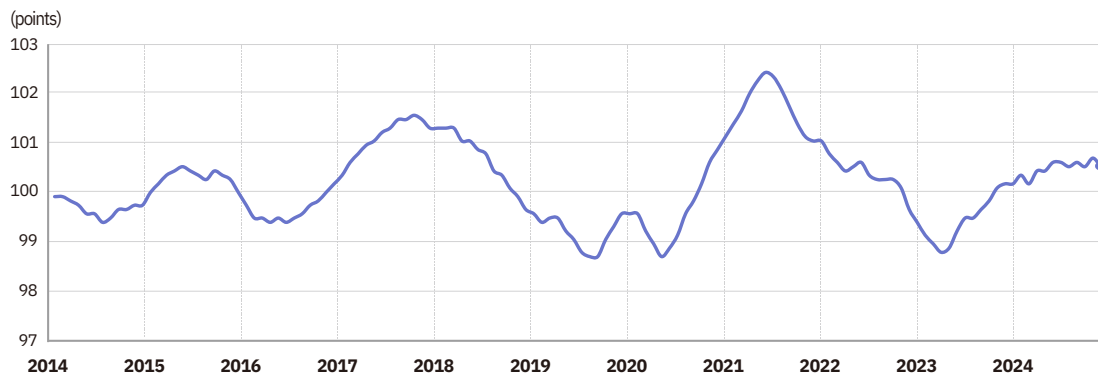
Source: Industrial activity trends, Statistics Korea.

## 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 (*advance estimate of GDP*) in the fourth quarter of 2024 increased by 0.2 percent quarter-on-quarter and rose by 1.2 percent year-on-year.

(Percentage change from previous period)

	2022	2023	2024	2022				2023				2024			
	Annual	Annual <sup>2</sup>	Annual <sup>2</sup>	Q1	Q2	Q3	Q4	Q1 <sup>1</sup>	Q2 <sup>1</sup>	Q3 <sup>1</sup>	Q4 <sup>1</sup>	Q1 <sup>1</sup>	Q2 <sup>1</sup>	Q3 <sup>1</sup>	Q4 <sup>1</sup>
Private consumption	-	-	-	-1.0	2.9	1.3	-0.1	0.5	-0.3	0.1	0.4	0.7	-0.2	0.5	0.2
(y-o-y)	4.2	1.8	1.1	4.3	4.5	5.3	2.9	4.7	1.4	0.3	0.7	1.0	0.9	1.4	1.2

Source: National accounts, Bank of Korea.

<sup>1</sup> Preliminary estimate.

<sup>2</sup> Advance estimates.

Retail sales decreased by 0.6 percent month-on-month in December. Sales of durable goods (*down 4.1%*) and semi-durable goods (*down 0.6%*) fell, while nondurable goods (*up 1.0%*) rose. The index fell by 3.3 percent year-on-year.

(Percentage change from previous period)

	2022	2023	2024	2022				2023				2024						
	Annual	Annual <sup>1</sup>	Annual <sup>1</sup>	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4 <sup>1</sup>	Oct <sup>1</sup>	Nov <sup>1</sup>	Dec <sup>1</sup>
Retail sales	-	-	-	-0.9	-0.7	0.8	-1.5	0.6	-0.5	-1.9	0.4	-0.5	-0.8	-0.6	-0.6	-0.7	0.0	-0.6
(y-o-y)	-0.3	-1.5	-2.2	2.6	-0.2	-0.9	-2.3	-0.8	-0.7	-2.7	-1.9	-2.1	-2.9	-1.9	-2.1	-0.8	-2.2	-3.3
- Durable goods	-3.2	-1.6	-3.1	-0.8	-3.4	1.8	-0.2	-1.3	0.2	-1.4	0.8	-2.4	-1.7	3.5	-4.5	-6.8	-0.7	-4.1
- Automobiles	0.5	6.9	-7.0	2.4	4.0	5.1	3.0	-0.7	4.3	-4.1	2.6	-10.3	-1.0	8.7	-2.5	-3.4	-4.2	-9.1
- Semi-durable goods	2.2	-1.2	-3.7	-2.2	2.3	-0.2	-4.3	5.2	-2.4	-4.3	2.1	-0.1	-2.1	-4.1	4.4	4.2	3.1	-0.6
- Nondurable goods	0.3	-1.6	-1.4	-0.5	-0.4	0.5	-1.0	-0.2	-0.1	-1.3	-0.4	0.2	0.1	-1.1	-0.5	0.5	-0.8	1.0

Source: Statistics Korea.

<sup>1</sup> Preliminary.

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

(Percentage change from same period in previous year)

	2024									2025
	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	
Car sales at home	-9.8	-16.5	0.1	0.4	1.8	10.7	-1.7	6.7	-10.5	
Department store sales	0.6	-1.5	-1.4	4.1	-4.6	1.4	-5.5	2.3	7.0	
Large discount store sales	0.0	-1.9	-3.3	4.4	-4.8	1.3	1.8	-3.0	11.2	
Credit card spending at home <sup>1</sup>	3.4	3.8	3.2	4.4	4.6	1.2	2.9	5.4	1.7	
Consumer sentiment index <sup>2</sup>	98.4	100.9	103.6	100.8	100.0	101.7	100.7	88.4	91.2	
Number of Chinese tourists <sup>3</sup>	170.0	107.9	86.8	78.9	53.9	54.4	37.3	26.2	39.7	

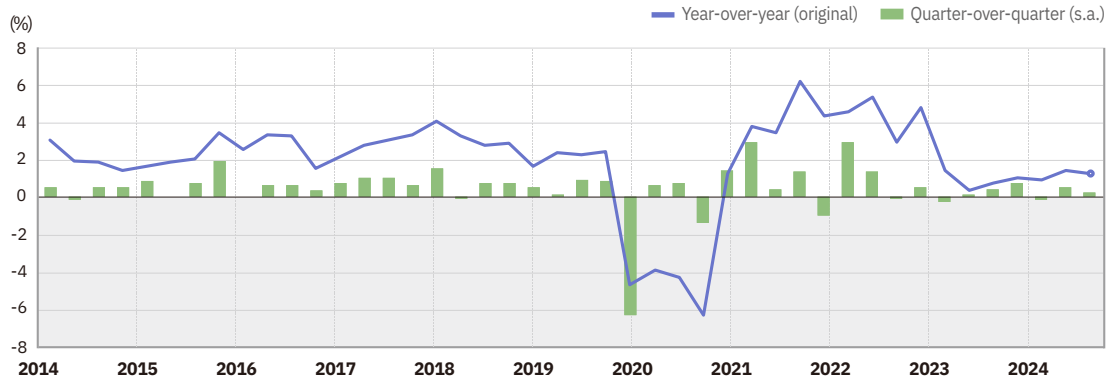
Sources: Korea Automobile Manufacturers Association; The Credit Finance Association; Bank of Korea; Korea Culture & Tourism Institute; data provided by retail industries.

<sup>1</sup> Utility bills are excluded.

<sup>2</sup> Level value.

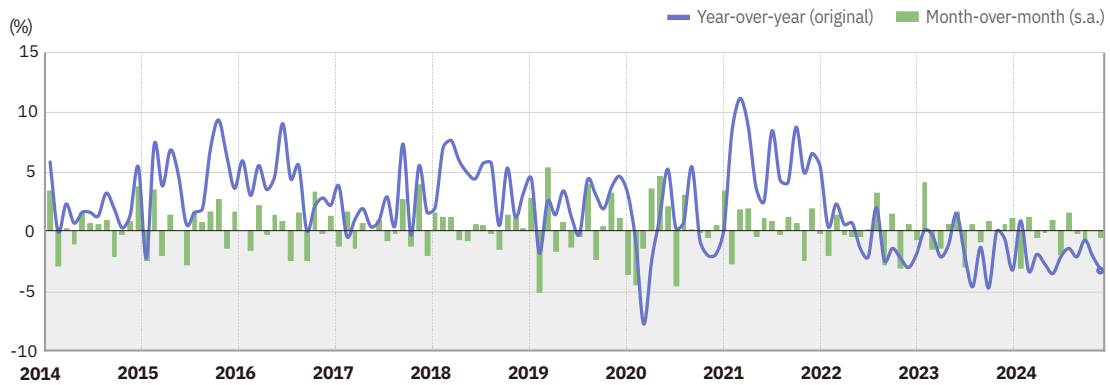
<sup>3</sup> Advance estimate based on total entries, The figure can be different from the statistic released by the Ministry of Culture, Sports and Tourism, which excludes diplomatic and military personnel.

## Private consumption



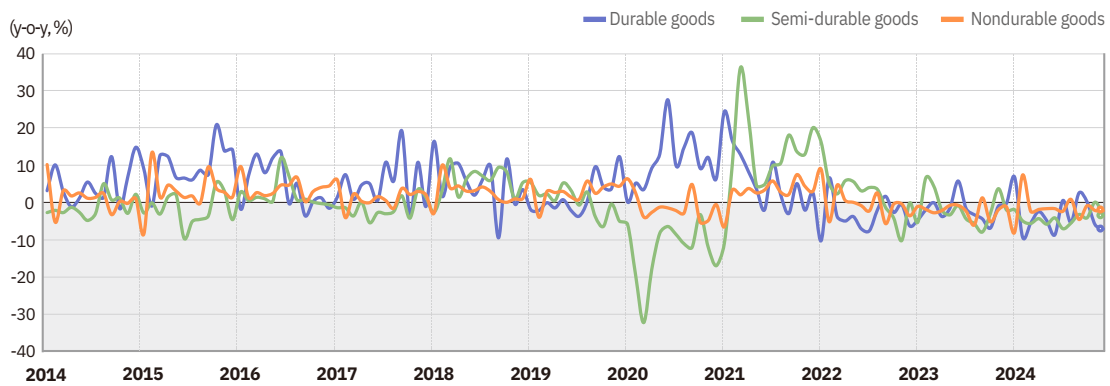
Source: National account, Bank of Korea.

## Retail sales



Source: Industrial activity trends, Statistics Korea.

## Retail sales by type



Source: Industrial activity trends, Statistics Korea.

## 4. Facility investment

Facility investment (*advance estimate of GDP*) in the fourth of 2024 increased by 1.6 percent quarter-on-quarter and rose by 4.9 percent year-on-year.

(Percentage change from previous period)

	2022	2023	2024	2022				2023				2024			
	Annual	Annual <sup>1</sup>	Annual <sup>1</sup>	Q1	Q2	Q3	Q4	Q1 <sup>1</sup>	Q2 <sup>1</sup>	Q3 <sup>1</sup>	Q4 <sup>1</sup>	Q1 <sup>1</sup>	Q2 <sup>1</sup>	Q3 <sup>1</sup>	Q4 <sup>2</sup>
Facility investment	-	-	-	-1.5	1.4	5.7	-0.8	-1.4	0.4	-2.0	2.8	-2.0	-1.2	6.5	1.6
(y-o-y)	-0.3	1.1	1.8	-4.9	-5.5	4.8	4.8	4.7	3.8	-3.9	-0.2	-1.0	-2.5	5.9	4.9
- 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.

<sup>1</sup> Preliminary estimate.

<sup>2</sup> Advance estimates.

In December, the facility investment index rose by 9.9 percent month-on-month led by increase in transportation equipment investment. The index rose 13.1 percent year-on-year.

(Percentage change from previous period)

	2022	2023	2024	2022				2023				2024						
	Annual	Annual	Annual <sup>1</sup>	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4 <sup>1</sup>	Oct <sup>1</sup>	Nov <sup>1</sup>	Dec <sup>1</sup>
Facility investment index	-	-	-	1.8	-2.2	9.8	-1.6	-8.6	1.5	-1.9	5.0	-3.8	-0.2	10.3	0.1	-7.3	0.0	9.9
(y-o-y)	25	-4.9	4.1	-0.7	-3.6	5.6	9.1	-1.9	-1.3	-9.9	-6.0	0.3	-1.5	10.7	7.0	4.2	2.7	13.1
Machinery	14	-7.2	2.9	-2.4	0.4	11.1	-1.7	-10.9	0.7	-0.7	1.4	-2.4	0.1	7.2	3.5	-7.6	-0.1	1.9
Transportation equipment	6.0	2.6	7.8	15.3	-9.2	6.0	-1.3	-0.7	3.8	-5.8	16.3	-7.2	-0.9	19.6	-9.3	-6.4	0.3	39.1

Source: Statistics Korea.

<sup>1</sup> Preliminary.

The facility investment outlook was mixed, as the amount of domestic machinery orders received decreased while facility investment pressure increased.

(Percentage change from same period in previous year)

	2022	2023	2024	2022				2023				2024					
	Annual	Annual	Annual <sup>1</sup>	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4 <sup>1</sup>	Nov <sup>1</sup>	Dec <sup>1</sup>
Domestic machinery orders received	1.1	-3.6	1.2	3.4	1.6	13.5	-12.9	-7.7	-3.0	-14.6	13.8	3.0	-7.4	19.8	-8.3	-5.9	-5.4
(% change from previous period)	-	-	-	-2.9	-0.5	14.8	-21.5	3.0	4.8	-0.3	7.1	-7.7	-5.8	28.7	-18.9	-1.6	1.4
- Public	-24.1	89.8	0.1	8.2	6.9	-4.9	-57.3	155.6	120.0	25.9	40.3	-5.7	-32.0	165.8	-50.7	-38.0	-47.6
- Private	3.2	-9.2	1.3	3.1	1.3	14.5	-5.9	-17.6	-10.9	-16.5	11.9	4.6	-3.5	9.6	-4.5	-4.1	-0.2
Machinery imports	-0.1	-2.6	1.8	-4.0	-6.0	4.8	6.0	2.7	6.7	-12.3	-7.4	-7.4	-12.3	18.2	12.7	7.8	21.5
Average capacity utilization rate <sup>2</sup>	74.5	71.9	72.9	78.3	75.9	73.7	70.0	70.6	72.0	72.3	72.5	72.7	73.5	72.9	72.3	72.3	73.5
Facility investment pressure <sup>3</sup>	1.4	-2.7	3.5	7.3	5.6	-0.4	-6.0	-7.8	-5.4	-0.2	3.0	4.6	3.9	2.4	2.3	5.8	4.4

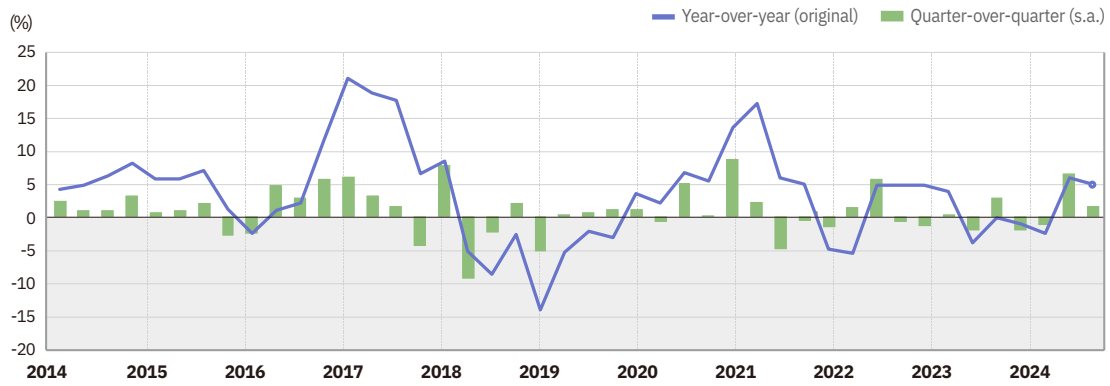
Sources: Statistics Korea; Korea International Trade Association.

<sup>1</sup> Preliminary.

<sup>2</sup> Utilization rate for the period, %.

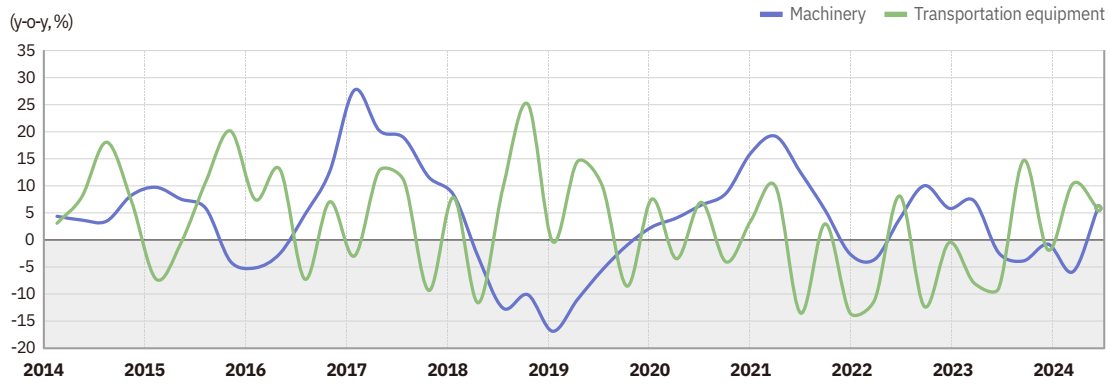
<sup>3</sup> Production growth rate minus production capacity growth rate in the manufacturing sector, %p.

## Facility investment



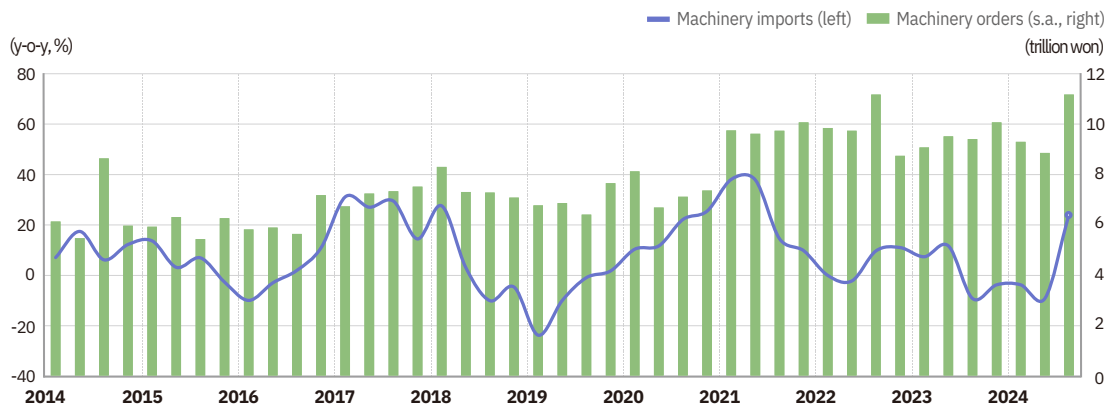
Source: National account, Bank of Korea.

## 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 (*advance estimate of GDP*) in the fourth quarter of 2024 decreased 3.2 percent quarter-on-quarter and 5.3 percent year-on-year.

(Percentage change from previous period)

	2022	2023	2024	2022				2023				2024			
	Annual	Annual <sup>1</sup>	Annual <sup>1</sup>	Q1	Q2	Q3	Q4	Q1 <sup>1</sup>	Q2 <sup>1</sup>	Q3 <sup>1</sup>	Q4 <sup>1</sup>	Q1 <sup>1</sup>	Q2 <sup>1</sup>	Q3 <sup>1</sup>	Q4 <sup>2</sup>
Construction investment	-	-	-	-3.3	0.0	-0.2	1.1	0.6	0.2	1.9	-3.8	3.3	-1.7	-3.6	-3.2
(y-o-y)	-3.5	1.5	-2.7	-5.0	-4.5	-2.1	-2.6	1.7	1.7	4.3	-1.2	1.6	-0.5	-5.7	-5.3
- 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.

<sup>1</sup> Preliminary estimate.

<sup>2</sup> Advance estimates.

In December, construction completed (*constant*) rose 1.3 percent month-on-month, where building construction increased while civil engineering works decreased. The index fell 8.3 percent year-on-year.

(Percentage change from previous period)

	2022	2023	2024	2022				2023				2024						
	Annual	Annual	Annual <sup>1</sup>	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4 <sup>1</sup>	Oct <sup>1</sup>	Nov <sup>1</sup>	Dec <sup>1</sup>
Construction completed (constant)	-	-	-	-1.5	1.5	1.5	4.3	2.8	1.1	1.1	-2.5	4.9	-6.2	-5.0	-5.2	-3.1	-0.9	1.3
(y-o-y)	2.8	7.3	-4.9	-1.7	1.9	3.6	6.7	11.5	8.7	10.1	0.6	4.1	-3.0	-9.6	-10.1	-10.8	-12.9	-8.3
- Building construction	4.2	9.4	-6.9	-2.5	1.3	2.9	4.7	4.5	0.9	0.7	-3.5	5.0	-7.5	-6.4	-4.0	-0.4	-3.0	5.9
- Civil engineering works	-1.2	1.2	1.8	1.5	2.1	-2.7	2.9	-2.5	1.9	2.6	0.8	4.6	-2.0	-0.9	-8.7	-10.0	5.3	-10.9

Source: Statistics Korea.

<sup>1</sup> Preliminary.

The construction investment outlook is mixed, as construction orders received rose while the number of building permits fell.

(Percentage change from same period in previous year)

	2022	2023	2024	2022				2023				2024					
	Annual	Annual	Annual	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4 <sup>1</sup>	Nov <sup>1</sup>	Dec <sup>1</sup>
Construction orders received (current value)	10.0	-18.5	7.2	13.4	21.4	30.2	-17.2	-12.7	-31.4	-44.8	22.7	-15.6	20.9	27.6	2.5	62.9	-26.0
(% change from previous period)	-	-	-	11.6	4.2	13.6	-40.3	22.3	-15.1	-11.1	33.5	-17.8	22.0	-3.7	12.3	22.0	-35.2
- Building construction	8.7	-30.3	11.8	8.4	20.6	28.2	-18.6	-24.8	-43.5	-50.0	8.1	-16.5	19.7	25.7	18.4	69.0	-1.6
- Civil engineering works	14.6	22.7	-1.9	36.0	24.8	39.3	-13.6	31.1	17.9	-24.2	58.5	-13.8	23.4	32.6	-24.2	40.6	-49.3
Building permits <sup>2</sup>	4.9	-25.6	-6.8	14.1	13.7	5.4	-11.0	-8.5	-33.5	-32.8	-24.3	-20.6	-16.6	4.8	8.6	-12.0	28.5
Apartment presales <sup>3</sup>	38.0	21.1	25.0	10.2	7.2	8.3	12.3	3.5	4.0	5.1	8.6	5.8	5.8	5.7	7.7	3.2	2.0

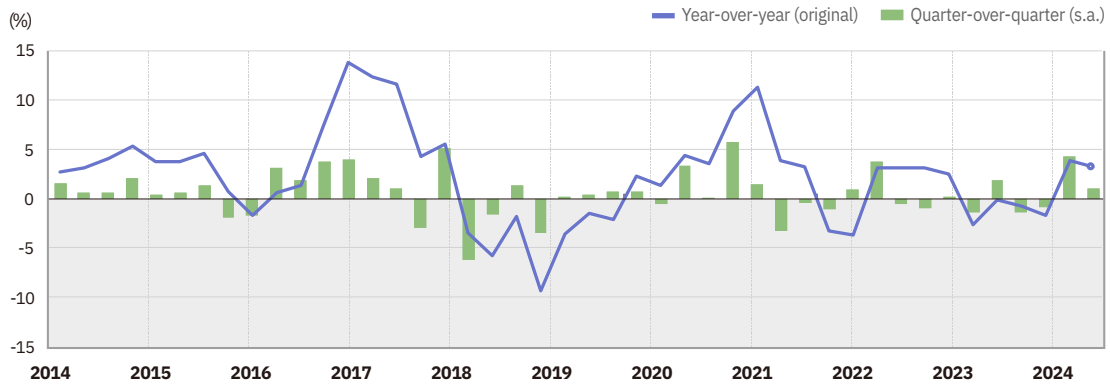
Sources: Statistics Korea; Ministry of Land Infrastructure and Transport; Real Estate 114.

<sup>1</sup> Preliminary.

<sup>2</sup> Gross Floor Area.

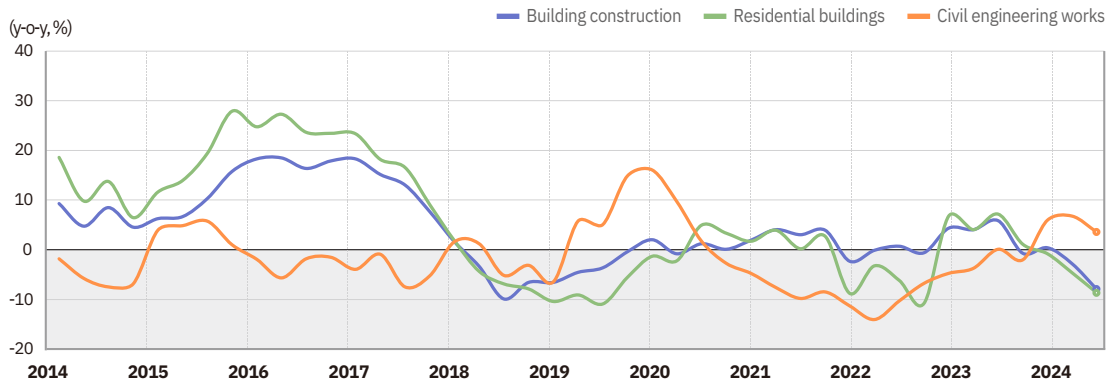
<sup>3</sup> Thousand housing units.

## Construction investment



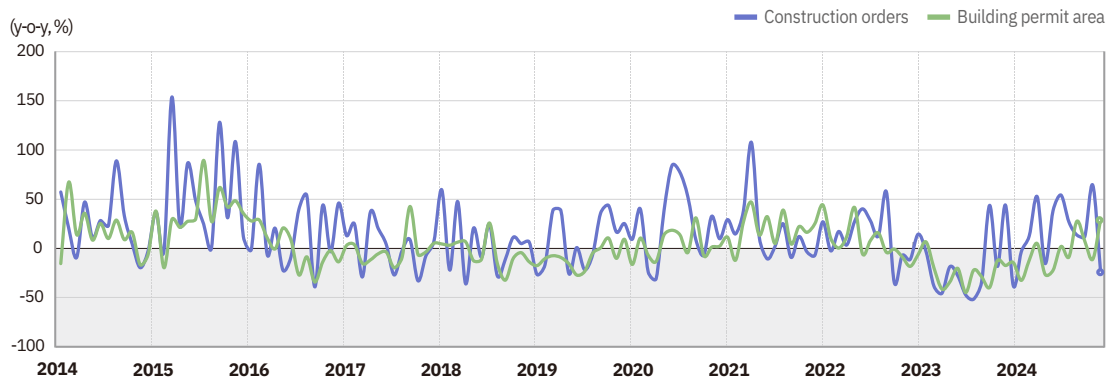
Source: National account, Bank of Korea.

## 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 fell by 10.3 percent year-on-year, totaling US \$49.1 billion in January, largely due to fewer number of business days amid the Lunar New Year holidays.

Exports of semiconductors and computers increased among major export goods. In terms of export markets, exports to major markets including the US, China and ASEAN countries declined.

The average daily amount of exports, an indicator which factors in the number of working days, grew by 7.7 percent year-on-year to US \$2.5 billion.

Imports decreased by 6.5 percent year-on-year to US \$51.0 billion in January owing to increased imports in energy imports despite a decrease in other goods including semiconductors.

The trade balance posted a deficit of US \$1.9 billion in January.

(US \$ billion)

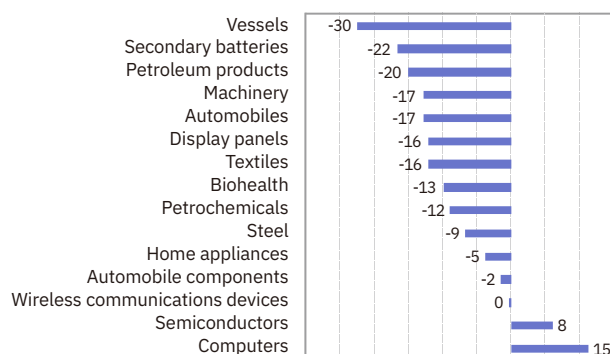
	2023	2024	2023				2024				2024	2025
	Annual	Annual	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Jan	Jan
Exports	632.2	683.8	151.2	155.8	157.1	168.1	163.3	171.5	173.7	175.2	54.7	49.1
(y-o-y, %)	-7.5	8.1	-12.8	-12.0	-9.7	5.7	8.0	10.1	10.5	4.2	18.1	-10.3
Average daily exports	2.3	2.5	2.2	2.3	2.3	2.5	2.4	2.6	2.5	2.6	2.4	2.5
Imports	642.6	632.0	174.0	159.3	150.7	158.6	155.1	157.0	160.0	160.0	54.5	51.0
(y-o-y, %)	-12.1	-1.6	-2.2	-13.2	-21.6	-10.7	-10.9	-1.4	6.2	0.9	-7.7	-6.4
Average daily imports	2.4	2.3	2.6	2.4	2.2	2.4	2.3	2.4	2.3	2.3	2.3	2.6
Trade balance	-10.4	51.6	-22.8	-3.5	6.4	9.6	8.2	14.5	13.6	7.3	0.3	-1.9

Source: Korea Customs Service.

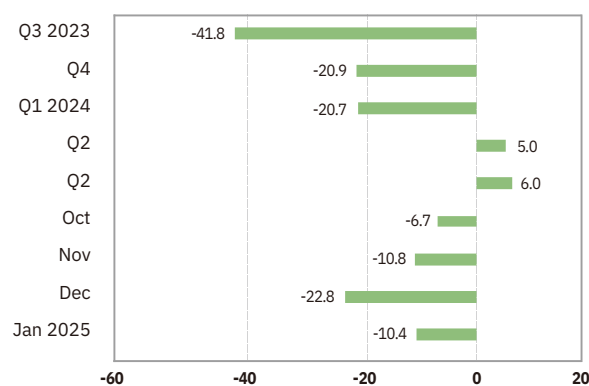
### Export growth and share by region in Jan 2025

	Growth (y-o-y, %)	Share (%)
India	-4	3
Latin America	-6	4
Japan	-8	5
US	-9	19
EU	-12	11
CIS countries	-13	-
China	-14	19
ASEAN countries	-20	18
Middle East	-20	4

### Export growth by item in Jan 2025 (y-o-y, %)

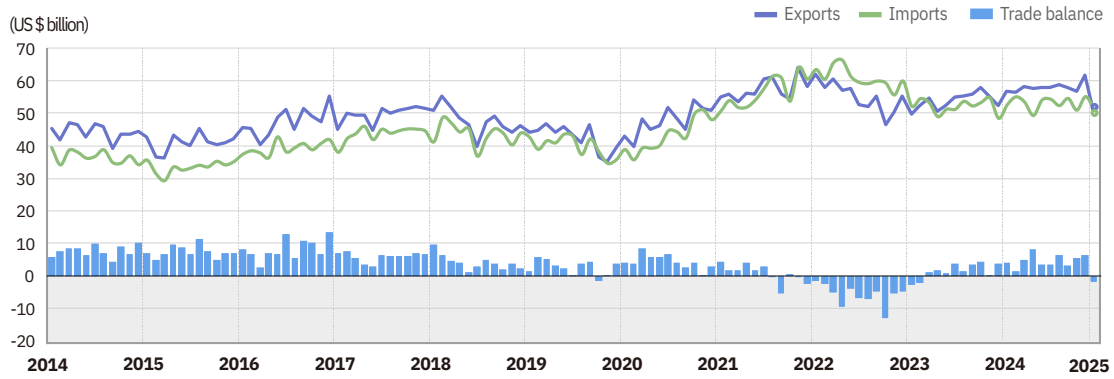


### Energy Imports (y-o-y, %)



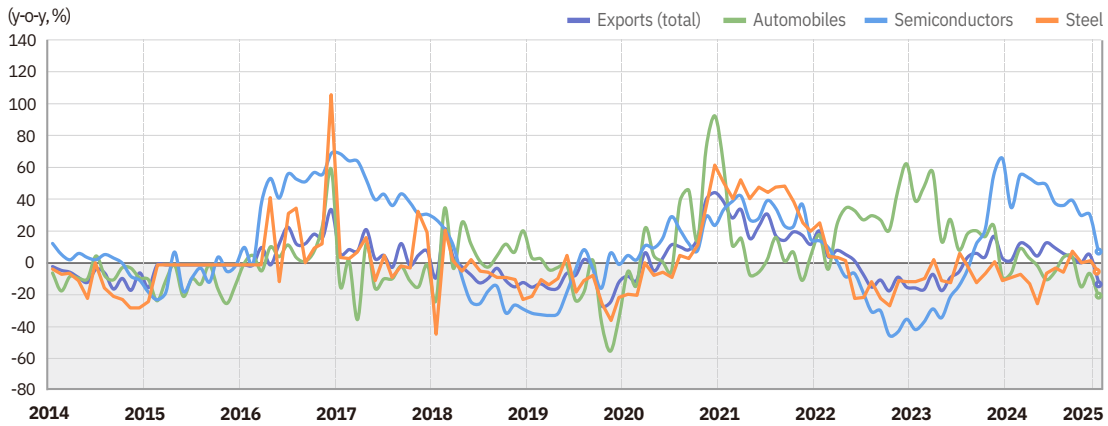


## Exports and imports



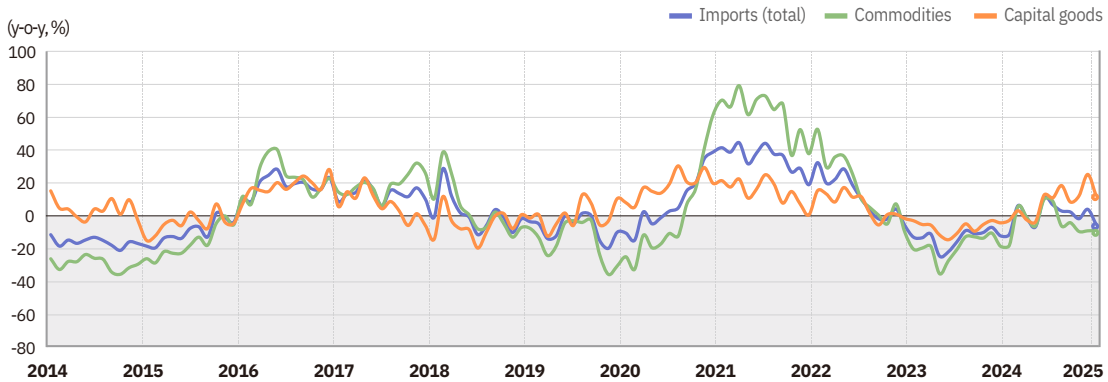
Sources: Korea Customs Service.

## Export growth by item



Sources: Korea Customs Service.

## Import growth by category



Sources: Korea Customs Service.

## 7. Employment

In January, the number of employed workers increased by about 135,000 year-on-year to 27,878,000 and the employment rate (*aged 15 and above*) remained unchanged at 61.0 percent.

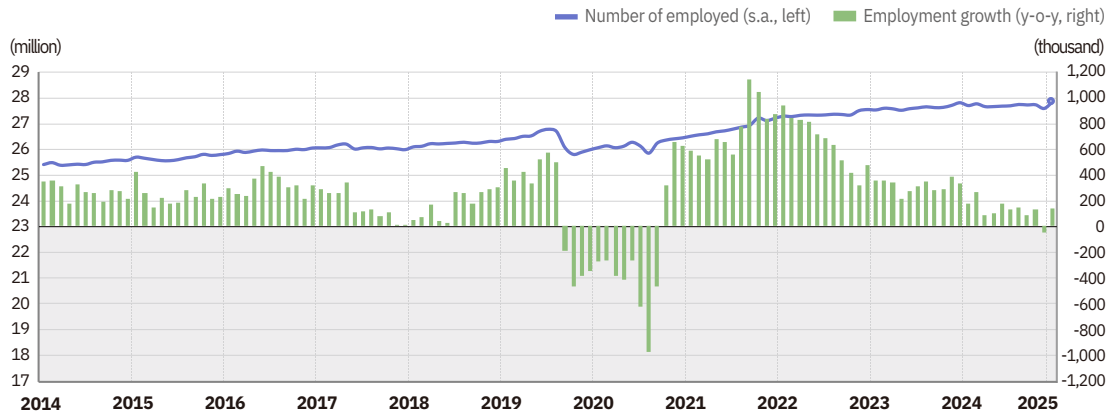
The declining employment growth trend in the manufacturing sector narrowed, while employment growth in the services sector increased.

In terms of job growth by employment type, the number of permanent workers increased while growth in the number of temporary workers rebounded.

	2022	2023	2024	2024												2025
	Annual	Annual	Annual	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan
Number of employed (million)	28.09	28.42	28.58	27.74	28.04	28.40	28.69	28.92	28.91	28.86	28.80	28.84	28.85	28.82	28.04	27.88
Employment rate (%)	62.1	62.6	62.7	61.0	61.6	62.4	63.0	63.5	63.5	63.3	63.2	63.3	63.3	63.2	61.4	61.0
(Seasonally adjusted)	-	-	-	62.8	63.0	62.8	62.9	62.6	62.6	62.6	62.7	62.8	62.7	62.7	62.3	62.9
- 15 to 64	68.5	69.2	69.5	68.7	68.7	69.1	69.6	70.0	69.9	69.8	69.8	69.9	69.8	69.9	69.4	68.8
Employment growth (y-o-y, thousand)	816	327	159	380	329	173	261	80	96	172	123	144	83	123	-52	135
- Manufacturing	135	-43	-6	20	38	49	100	38	9	-11	-35	-49	-33	-95	-97	-56
- Construction	33	-9	-49	73	36	22	5	-47	-66	-81	-84	-100	-93	-96	-157	169
- Services	575	385	239	286	279	145	140	116	183	286	286	345	278	350	177	349
· Wholesale & retail	-41	-37	-61	0	2	-14	-39	-73	-51	-64	-55	-104	-148	-89	-96	-91
· Hotels & restaurants	84	114	25	-8	-2	7	29	80	47	34	7	46	28	24	12	27
· Healthcare & social welfare service	180	143	83	104	72	50	93	94	120	117	63	75	97	113	-3	119
- Wage workers	749	327	214	376	386	216	345	208	223	252	189	160	96	171	-49	180
· Permanent workers	805	478	183	320	357	286	293	75	139	96	99	79	91	167	187	224
· Temporary workers	43	-61	154	137	207	97	200	249	204	227	191	206	105	106	-86	72
· Day laborers	-100	-90	-122	-82	-177	-168	-147	-116	-121	-71	-101	-125	-100	-103	-150	-116
- Nonwage workers	68	0	-55	4	-57	-43	-84	-128	-127	-80	-67	-16	-13	-48	-3	-45
· Self-employed	119	57	-32	29	-21	-36	-94	-110	-100	-62	-38	22	37	-13	7	-28
- Male	381	24	-29	108	83	-7	19	-45	-44	-29	-70	-84	-114	-34	-127	-56
- Female	436	303	188	272	246	179	242	124	140	200	192	228	197	157	75	191
- 15 to 29	119	-98	-144	-85	-61	-131	-89	-173	-149	-149	-142	-168	-182	-180	-217	-218
- 30 to 39	49	54	90	85	71	91	132	74	91	110	99	77	67	89	96	98
- 40 to 49	4	-54	-81	-42	-62	-79	90	-114	-106	-91	-68	-62	-72	-91	-97	71
- 50 to 59	194	59	28	71	84	59	16	27	2	23	3	25	12	7	4	14
- 60 and above	452	366	266	350	297	233	292	265	258	278	231	272	257	298	162	340

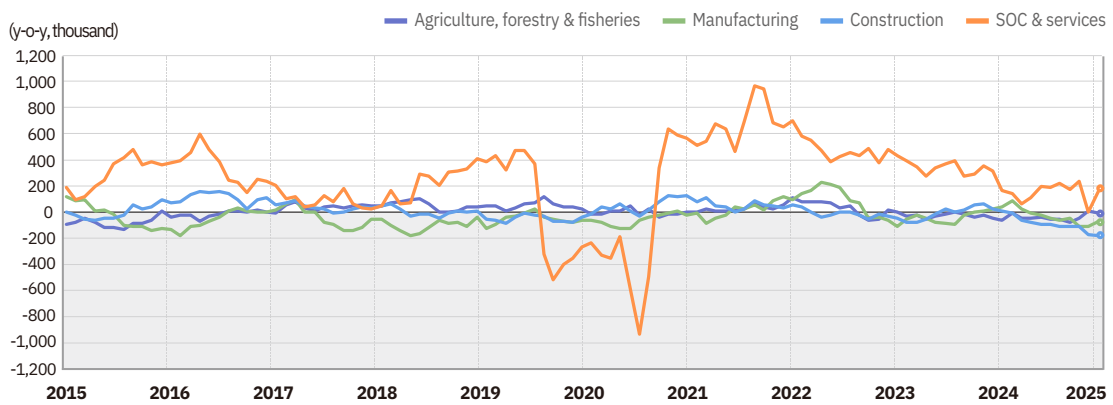
Source: Statistics Korea.

## Number of employed workers and employment growth



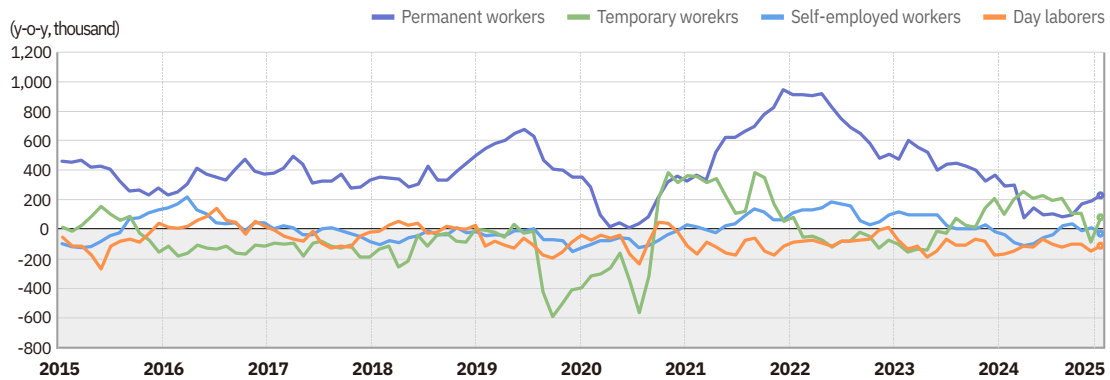
Source: Employment trends, Statistics Korea.

## 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 January, the number of unemployed workers increased by about 11,000 year-on-year to 1,083,000 and the unemployment rate remained unchanged at 3.7 percent.

	2022	2023	2024	2024												2025
	Annual	Annual	Annual	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan
Number of unemployed (thousand)	833	787	823	1,072	915	892	885	884	857	737	564	622	678	656	1,115	1,083
Unemployment growth (y-o-y, thousand)	-205	-46	36	48	25	52	81	97	50	-70	-9	-39	51	-21	171	11
- Male	-129	-14	18	29	29	35	48	75	44	-38	-1	-26	22	-32	29	-17
- Female	-76	-32	18	19	-5	17	33	21	6	-32	-8	-13	29	11	141	28
Unemployment rate (%)	2.9	2.7	2.8	3.7	3.2	3.0	3.0	3.0	2.9	2.5	1.9	2.1	2.3	2.2	3.8	3.7
(Seasonally adjusted)	-	-	-	3.0	2.6	2.8	2.8	2.8	2.8	2.5	2.4	2.5	2.7	2.7	3.7	2.9
- 15 to 29	6.4	5.9	5.9	6.0	6.5	6.5	6.8	6.7	6.2	5.5	4.1	5.1	5.5	5.5	5.9	6.0
- 30 to 39	2.7	2.6	2.7	2.8	3.1	3.2	2.8	2.9	3.1	2.8	2.4	2.2	2.3	2.2	2.2	2.6
- 40 to 49	2.0	1.9	1.9	2.2	2.1	2.2	2.2	2.2	2.4	1.8	1.3	1.5	1.7	1.7	1.8	2.0
- 50 to 59	1.7	1.7	1.8	1.9	1.9	2.2	2.2	2.0	1.8	1.5	1.2	1.4	1.7	1.6	1.8	1.8
- 60 and above	2.8	2.6	2.9	6.6	3.4	2.4	2.4	2.4	2.3	2.1	1.5	1.6	1.6	1.5	8.0	7.0

Source: Statistics Korea.

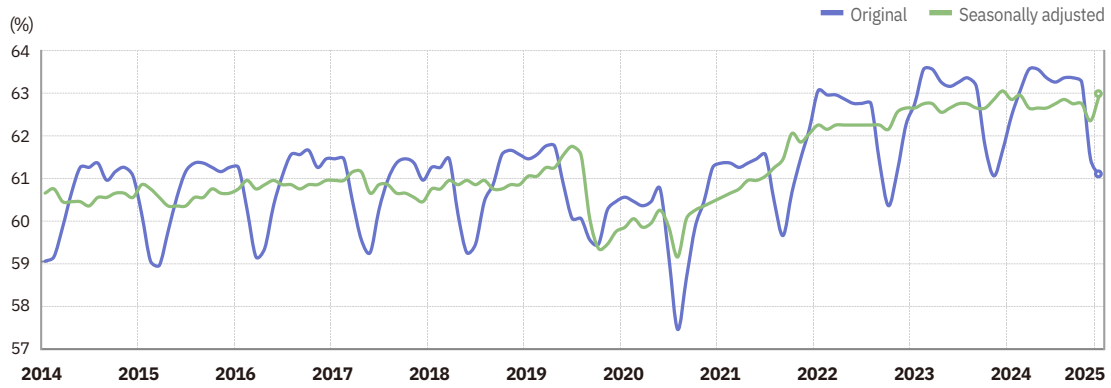
In January, the economically inactive population increased by 150,000 year-on-year to 16,710,000 and the labor force participation rate rose 0.1 percent point to 63.4 percent.

The number of people economically inactive due to child and job seeking fell, while the number of economically inactive due to rest and retraining rose.

	2022	2023	2024	2024												2025
	Annual	Annual	Annual	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan
Economically inactive population (million)	16.3	16.2	16.2	16.7	16.6	16.2	16.0	15.7	15.8	16.0	16.2	16.1	16.1	16.2	16.5	16.7
Labor force participation rate (%)	63.9	64.3	64.5	63.3	63.6	64.3	65.0	65.4	65.3	64.9	64.4	64.6	64.7	64.6	63.9	63.4
(Seasonally adjusted)	-	-	-	64.7	64.7	64.6	64.7	64.5	64.4	64.2	64.2	64.3	64.4	64.4	64.7	64.7
Growth in economically inactive population (y-o-y, thousand)	-432	-134	-32	-267	-183	-63	-174	-12	21	89	48	54	21	50	29	15
- Childcare	-125	-140	-113	-102	-102	-110	-142	-136	-115	-121	-131	-122	-112	-89	-68	-96
- Housework	-53	-1	45	-21	49	34	7	63	58	53	61	62	50	90	34	11
- Retraining	-136	11	-54	-46	-27	-55	-92	-54	-67	-24	-45	-48	-56	-78	-58	24
- Old age	121	-31	47	71	61	78	85	120	103	13	3	-3	6	4	22	4
- Rest	-122	74	117	-108	-61	30	38	87	129	243	245	231	207	179	179	128
- Job seeking	-78	-88	-48	-56	-49	-9	-32	-76	58	-46	-52	-63	-24	-62	-55	-7

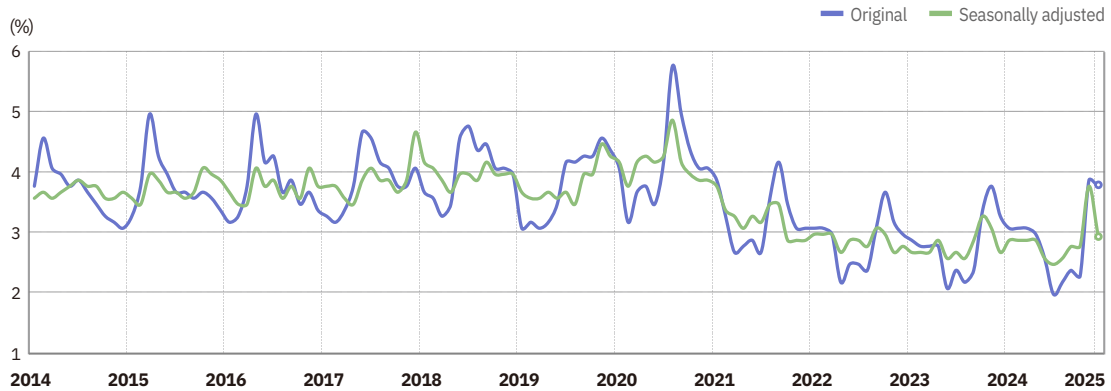
Source: Statistics Korea.

## Employment rate



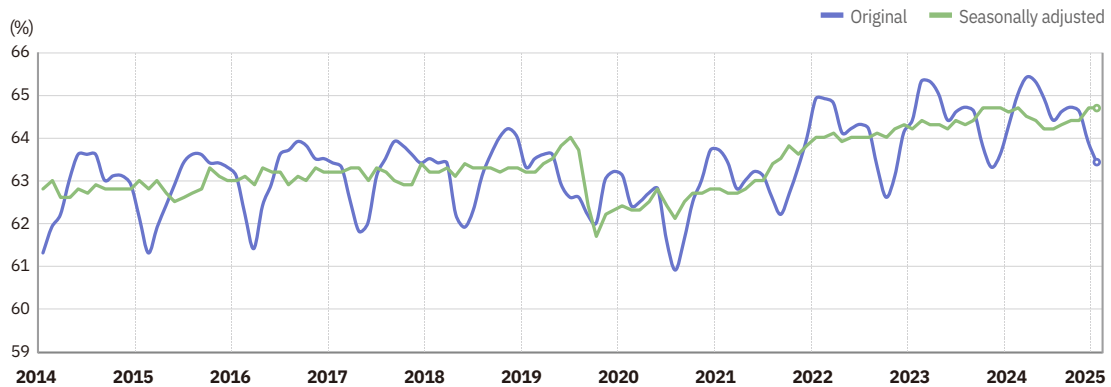
Source: Employment trends, Statistics Korea.

## Unemployment rate



Source: Employment trends, Statistics Korea.

## Labor force participation



Source: Employment trends, Statistics Korea.

## 8. Prices

In January, the Consumer Price Index (CPI) grew 2.2 percent from a year ago and rose 0.7 percent month-on-month due to higher price oil prices.

The prices of consumer goods excluding food and energy rose 1.9 percent year-on-year in January. The prices of consumer goods excluding crops and oil products rose 2.0 percent.

The index of prices for basic necessities rose 2.5 percent year-on-year in January. The fresh food price index rose 0.7 percent.

(Percentage change from same period in previous year)

	2023					2024												2025
	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan
<b>CPI (y-o-y)</b>	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	1.9	2.2
<b>(m-o-m)</b>	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	0.4	0.7
<b>Excluding food and energy</b>	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	1.9	1.8	1.9
<b>Excluding crops and oil products</b>	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	1.8	2.0
<b>Basic necessities</b>	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	2.2	2.5
<b>Fresh food</b>	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	2.9	0.7

Source: Statistics Korea.

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

The price of domestic oil rose again compared to last year due to higher international oil prices, stronger US Dollar, and the base effects in comparison to 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
<b>Dec 2024</b>	2.6	1.4	1.0	3.0	0.6	1.0	2.9
<b>Jan 2025</b>	1.9	2.2	7.3	3.1	0.6	0.8	3.2
<b>Contribution (%p)</b>	0.2	0.7	0.3	0.1	0.1	0.1	1.1

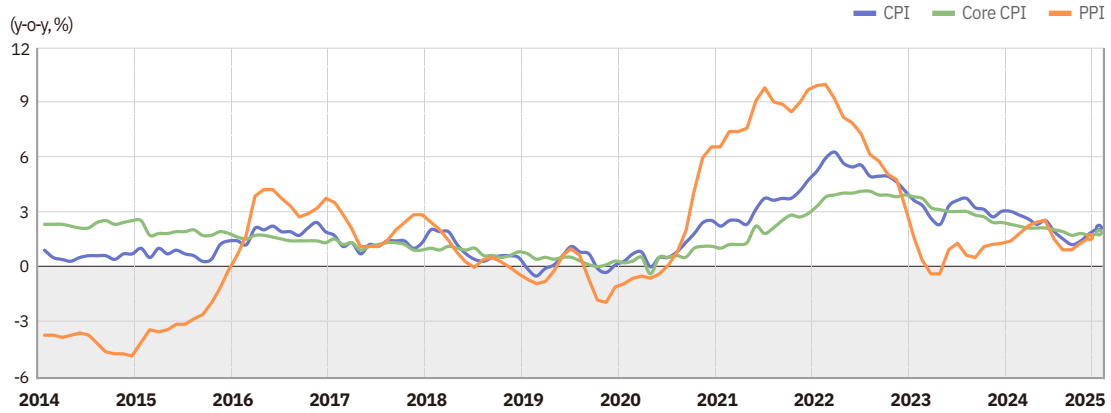
Source: Statistics Korea.

(Won/liter, period average)

	2023	2024	2023				2024					2025						
	Annual	Annual	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Nov	Dec	Jan	1st week	2nd week	3rd week	4th week	5th week
<b>Gasoline prices</b>	1,643	1,647	1,578	1,617	1,690	1,687	1,607	1,681	1,674	1,624	1,628	1,654	1,709	1,675	1,692	1,713	1,729	1,733
<b>Diesel prices</b>	1,558	1,503	1,607	1,467	1,544	1,615	1,512	1,528	1,510	1,460	1,461	1,497	1,564	1,522	1,540	1,566	1,590	1,597

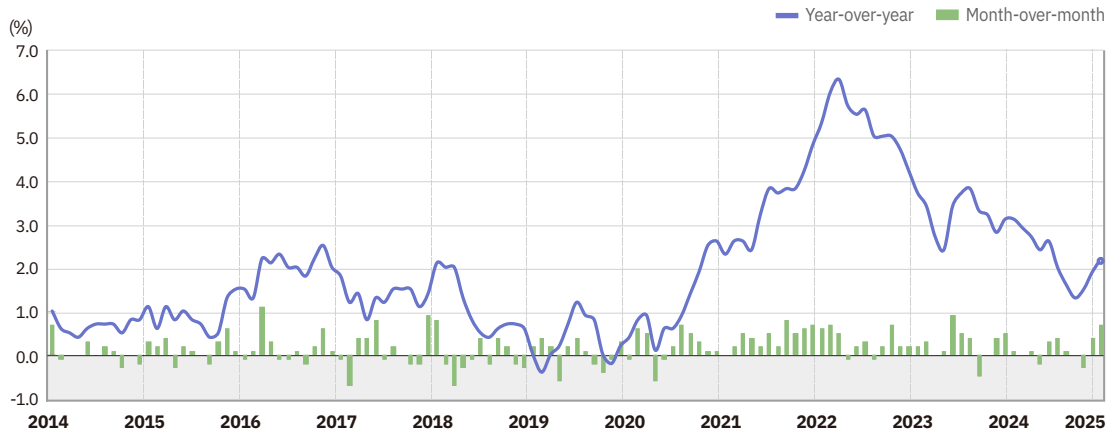
Source: Korea National Oil Corporation.

## Prices



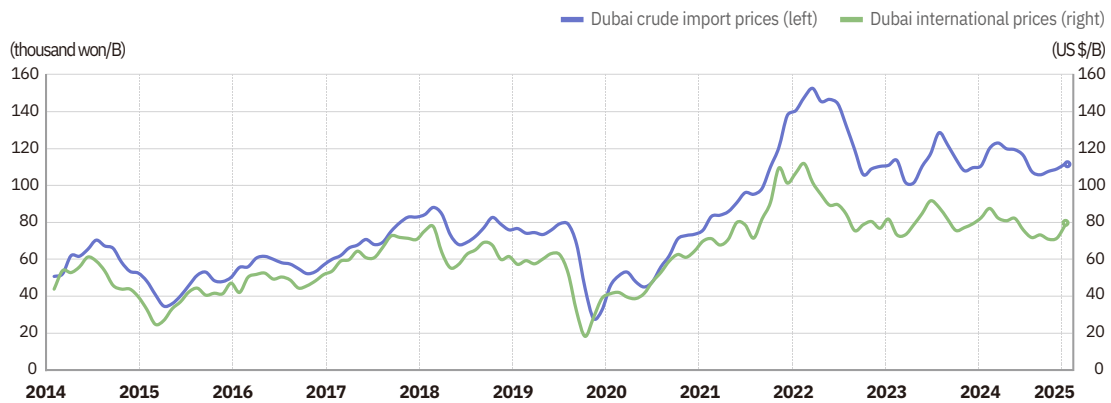
Sources: Consumer price trends, Statistics Korea; Bank of Korea.

## Consumer price inflation



Source: Consumer price trends, Statistics Korea.

## Dubai crude prices and import prices



Source: Korea National Oil Corporation.

In January, international oil prices rose on the back of tougher US sanctions on Russia and growing concern of the impact of tariffs on crude supplied from Canada and Mexico, which increased demand for alternative sources of oil including WTI.

International grain prices rose from the previous month driven by concerns about low crop yields.

Nonferrous metal prices rose slightly from the previous month amid growing uncertainties in global political climate.

(Period average)

	2023	2024	2023				2024				2025		
	Annual	Annual	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Nov	Dec	Jan
Dubai crude <sup>1</sup>	82.1	79.6	80.3	77.6	86.6	83.7	81.2	85.3	78.5	73.6	72.6	73.2	80.4
WTI crude <sup>1</sup>	77.6	75.8	76.0	73.6	82.2	78.5	76.9	80.7	75.3	70.3	69.5	69.7	75.1
Brent crude <sup>1</sup>	82.2	79.9	82.1	77.7	85.9	82.9	81.8	85.0	78.7	74.0	73.4	73.1	78.3
Reuters Index <sup>2</sup>	3,104	3,086	3,265	3,040	3,066	3,045	2,948	3,110	3,080	3,203	3,211	3,194	3,131

Source: Korea National Oil Corporation; Korea PDS.

<sup>1</sup> US \$/barrel.

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

### International grain prices growth in Jan 2025 (m-o-m, %)

Wheat	-0.6
Soybeans	7.2
Corn	4.9

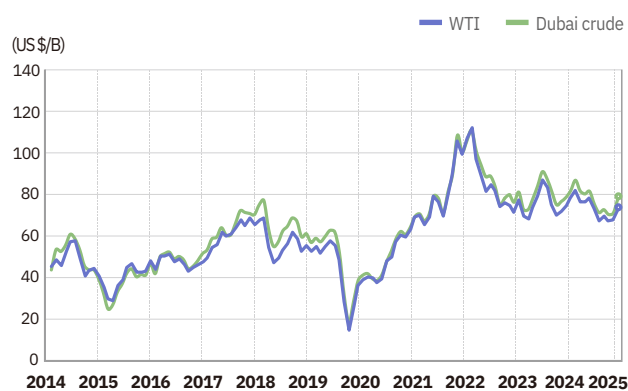
Note: Monthly average prices.

### Nonferrous metal prices growth in Jan 2025 (m-o-m, %)

Copper	0.7
Aluminum	1.4
Nickel	-0.5

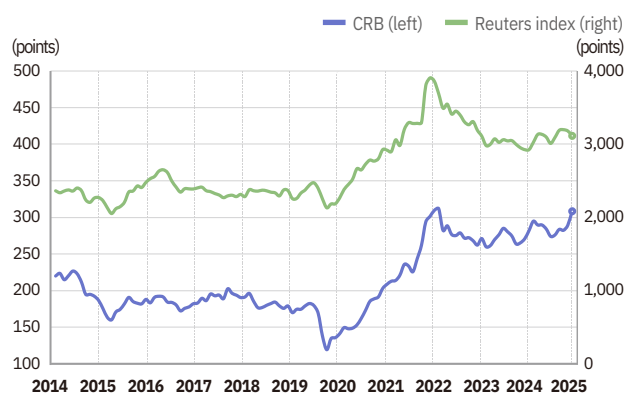
Note: Monthly average prices.

### International oil prices



Source: Korea National Oil Corporation.

### International commodity prices



Source: Korea PDS



# 9. Housing market

Nationally, housing sales prices fell 0.10 percent month-on-month in January. Within the Seoul metropolitan area, housing sales prices declined 0.06 percent, increasing 0.04 percent in Seoul, decreasing 0.08 percent in Gyeonggi Province, and decreasing 0.23 percent in Incheon. In the areas excluding the Seoul metropolitan, housing sales prices declined 0.11 percent, decreasing 0.21 percent in the five metropolitan cities and 0.09 percent in the eight provinces on average.

## Housing sales prices

(Percentage change from previous period)

	2020	2021	2022	2023	2024	2024				2025
	Annual	Annual	Annual	Annual	Annual	Jan	Oct	Nov	Dec	Jan
Nationwide	5.4	9.9	-4.7	-3.6	0.1	-0.14	0.07	0.01	-0.07	-0.10
Seoul metropolitan area	6.5	12.8	-6.5	-3.6	1.4	-0.18	0.22	0.11	0.00	-0.06
- Seoul	2.7	6.5	-4.8	-2.0	3.2	-0.12	0.33	0.20	0.08	0.04
· Southern Seoul	2.2	6.8	-4.1	-1.5	3.6	-0.14	0.34	0.21	0.09	0.05
· Northern Seoul	3.2	6.1	-5.4	-2.4	2.8	-0.10	0.32	0.20	0.08	0.02
Areas excluding the Seoul metropolitan area	4.3	7.4	-3.0	-3.5	-1.1	-0.14	-0.06	-0.09	-0.14	-0.11

Source: Korea Real Estate Board.

## Housing sales prices in six major cities in Jan 2025 (m-o-m, %)

Busan	Daegu	Gwangju	Daejeon	Ulsan	Sejong
-0.18	-0.44	-0.14	-0.11	-0.01	-0.30

Source: Korea Real Estate Board.

Nationally, housing rental prices fell 0.02 percent month-on-month in January. By region, housing rental prices decreased 0.02 percent in the Seoul metropolitan area and in other areas, respectively.

## Housing rental prices

(Percentage change from previous period)

	2020	2021	2022	2023	2024	2024				2025
	Annual	Annual	Annual	Annual	Annual	Jan	Oct	Nov	Dec	Jan
Nationwide	4.6	6.5	-5.6	-5.1	1.3	0.05	0.16	0.09	0.01	-0.02
Seoul metropolitan area	5.6	7.7	-8.0	-5.7	3.1	0.13	0.33	0.19	0.03	-0.02
- Seoul	3.7	4.9	-6.5	-5.3	3.3	0.16	0.30	0.15	0.02	0.00
· Southern Seoul	4.4	5.1	-6.9	-5.8	2.9	0.14	0.29	0.11	0.00	0.01
· Northern Seoul	2.9	4.7	-6.2	-4.7	3.6	0.18	0.31	0.18	0.44	0.00
Areas excluding the Seoul metropolitan area	3.7	5.5	-3.3	-4.4	-0.44	-0.03	0.01	0.01	-0.01	-0.02

Source: Korea Real Estate Board.

## Housing rental prices in major districts in Jan 2025 (m-o-m, %)

Gangnam	Seocho	Songpa	Nowon	Seongdong
0.04	0.08	0.11	0.07	-0.17

Source: Korea Real Estate Board.

There were 45,921 housing sales transactions in December, decrease of 6.5 percent month-on-month (49,114 in November 2024) and increase of 20.7 percent year-on-year (38,036 in December 2023).

### Housing sales transactions

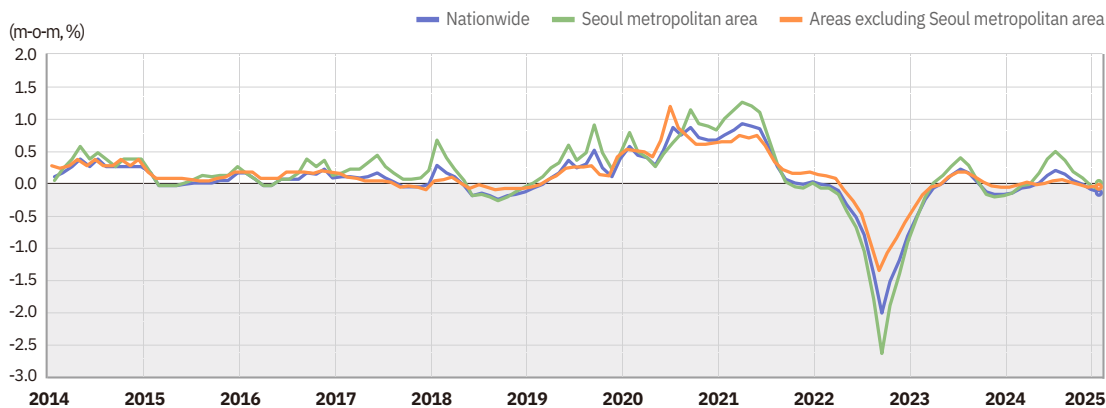
(Thousand)

	2021	2022	2023	2024	2023	2024											
	Annual <sup>1</sup>	Annual <sup>1</sup>	Annual <sup>1</sup>	Annual <sup>1</sup>	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Nationwide	85	42	46	54	38	43	43	53	58	57	56	68	61	51	57	49	46

<sup>1</sup> Monthly average.

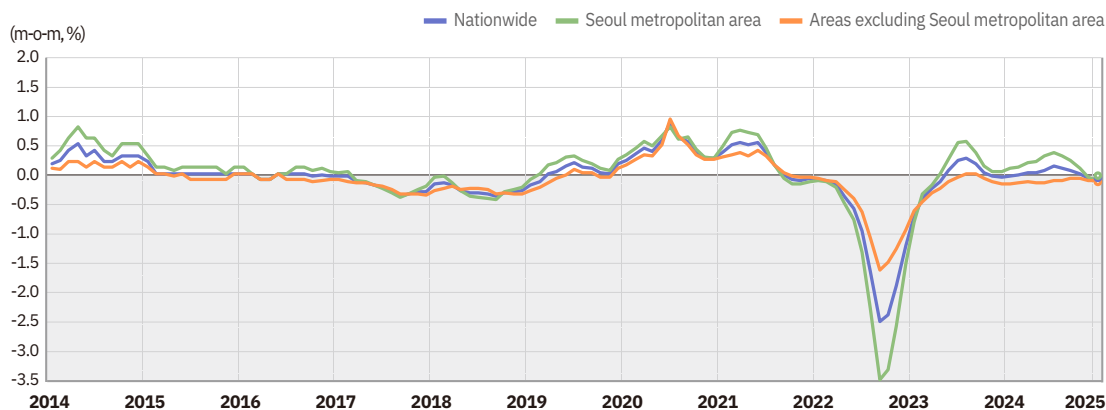
Source: Ministry of Land, Infrastructure and Transport.

### 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, were up in January buoyed by sentiment that Korean stocks were undervalued.

	KOSPI			KOSDAQ		
	Dec 2024	Jan 2025	Change	Dec 2024	Jan 2025	Change
Stock price index (points)	2,399.5	2,517.4	117.9 (4.91%)	678.2	728.3	50.1 (7.39%)
Market capitalization (trillion won)	1,963.3	2,057.1	93.8 (4.78%)	340.2	367.1	26.9 (7.91%)
Daily trade (trillion won)	8.7	9.6	0.9 (10.34%)	6.5	6.9	0.4 (6.15%)
Foreign stock ownership (% , %p)	32.22	32.26	0.04 (0.12%)	9.89	9.93	0.04 (0.40%)

Source: Korea Exchange.  
 Note: The figures are closing rate.

## 2. Bond market

The government issued 18.3 trillion won worth of Treasury bonds in January.

(End-period, trillion won)

	2021	2022	2023	2024	2024												2025
	Annual	Annual	Annual	Annual	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan
Treasury bonds issuance <sup>1</sup>	180.5	168.6	165.7	157.7	12.5	17.5	18.4	15.0	18.5	18.3	15.8	11.8	10.8	9.9	7.8	1.4	18.3

Source: Monthly public finance, Ministry of Economy and Finance.  
<sup>1</sup> Issuance limit is 158.4 trillion won in 2024.

Korean Treasury bond yields fell amid the slowdown of the Korean economy.

### Yields to maturity in Jan 2025 (m-o-m, basis points)

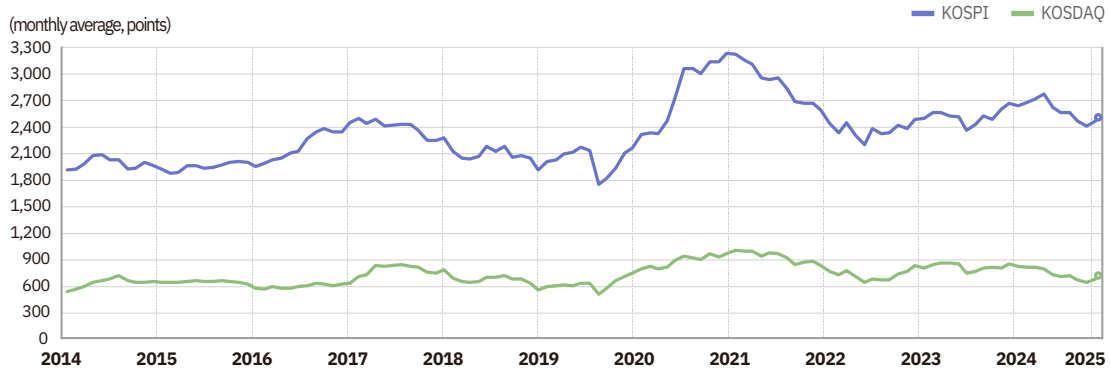
3 yrs	5 yrs	10 yrs	20 yrs	30 yrs
-2	-6	0	-9	-5

(Percent per annum)

	2017	2018	2019	2020	2021	2022	2023	2024	2025	
	Dec	Dec	Dec	Dec	Dec	Dec	Dec	Dec	Jan	Change <sup>1</sup>
Call rate (1 day)	1.58	1.89	1.39	0.61	1.44	3.38	3.91	3.33	3.07	-26
CD (91 days)	1.66	1.93	1.53	0.66	1.29	3.98	3.83	3.39	3.03	-36
Treasury bonds (3 yrs)	2.14	1.82	1.36	0.98	1.80	3.72	3.15	2.60	2.57	-3
Treasury bonds (5 yrs)	2.34	1.88	1.48	1.34	2.01	3.74	3.16	2.76	2.70	-8
Corporate bonds (3 yrs)	2.68	2.29	1.94	2.21	2.42	5.23	3.90	3.28	3.20	-6

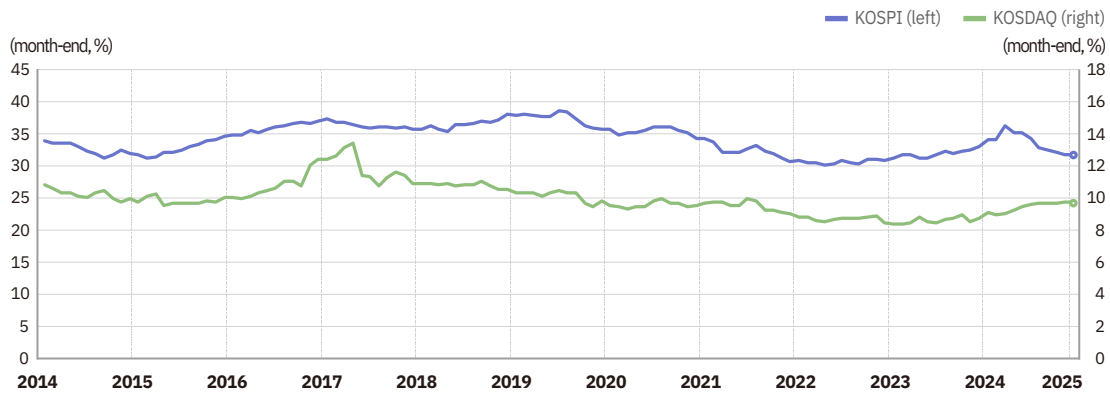
Source: Bank of Korea.  
 Note: Figures are closing rate.  
<sup>1</sup> Change from the previous month as of end-Jan 2025, basis point.

## Stock prices



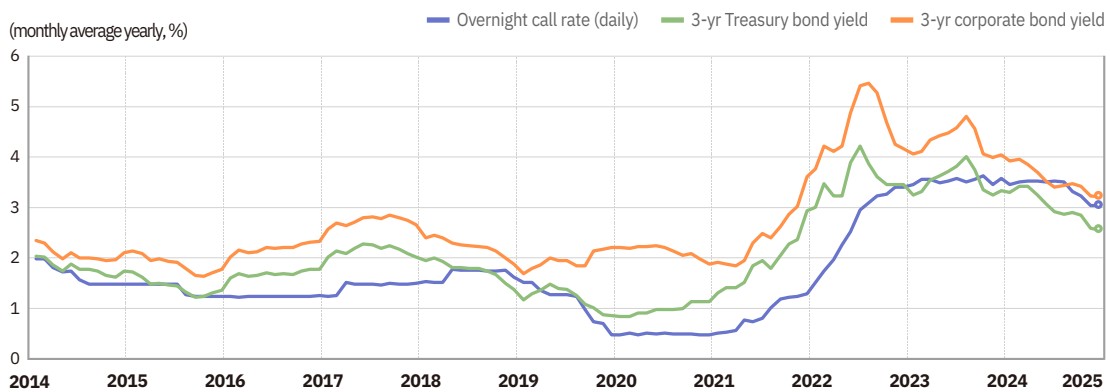
Source: Korea Exchange

## Foreign stock ownership



Sources: Financial Supervisory Service, Korea Exchange

## Interest rates



Source: Bank of Korea

### 3. Foreign exchange market

The won appreciated against the US Dollar in January compared to the previous month.

	2019	2020	2021	2022	2023	2024	2025	
	Dec	Dec	Dec	Dec	Dec	Dec	Jan	Change <sup>1</sup>
Dollar-Won	1,156.4	1,086.3	1,188.8	1,264.5	1,288.0	1,472.5	1,452.7	1.4
100 Yen-Won	1,059.8	1,051.2	1,032.5	945.6	912.25	943.3	927.9	-0.7
Yuan-Won	165.6	167.0	186.6	181.6	181.17	202.6	198.9	1.2

Source: Bank of Korea.

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

<sup>1</sup> Appreciation from the end of the previous month as of end- Jan 2025, %.

### 4. Money market

M2 (monthly average) rose 6.9 percent year-on-year in December.

(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	Nov	Dec <sup>1</sup>	Dec <sup>2</sup>
M1 <sup>3</sup>	15.4	9.2	4.9	4.3	20.8	21.0	4.0	-10.5	4.1	4.7	1,267.8
M2	7.3	5.5	6.3	7.0	9.3	11.7	8.5	2.9	6.4	6.9	4,186.6
Lf <sup>4</sup>	8.1	6.7	7.0	7.9	8.3	9.8	7.5	3.1	6.1	5.8	5,697.6

Source: Bank of Korea.

<sup>1</sup> Preliminary.

<sup>2</sup> Period-average, trillion won.,

<sup>3</sup> M1 excludes corporate MMFs and individual MMFs, and includes CMAs.

<sup>4</sup> Liquidity aggregates of financial institutions (mostly identical with M3).

In January, the deposits of banks decreased by 33.3 trillion won, while the deposits of Asset Management Companies (AMC) increased by 38.1 trillion won.

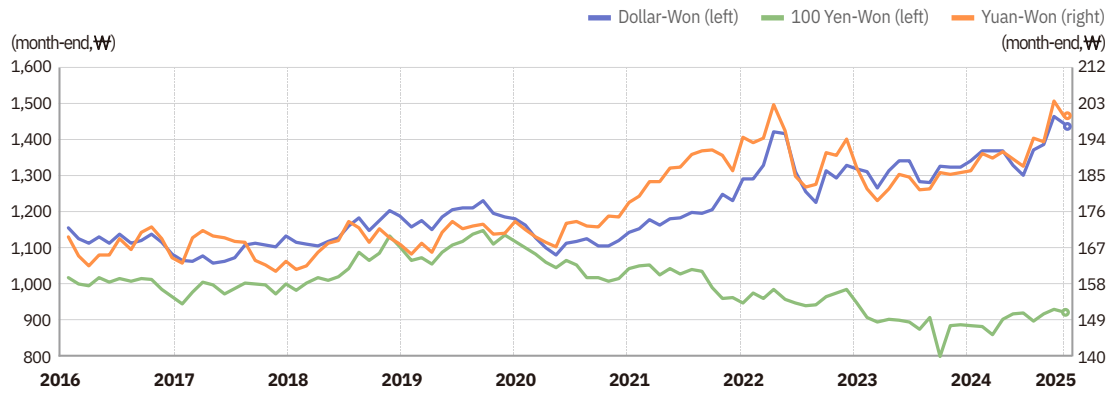
(Change from the end of the previous period, trillion won)

	2017	2018	2019	2020	2021	2022	2023	2024			2025	
	Annual <sup>1</sup>	Annual <sup>1</sup>	Annual <sup>1</sup>	Annual <sup>1</sup>	Annual <sup>1</sup>	Annual <sup>1</sup>	Annual <sup>1</sup>	Oct	Nov	Dec	Jan	Jan <sup>1</sup>
Bank deposits	79.5	91.6	106.3	188.4	198.5	107.4	76.4	8.4	18.9	16.5	-33.3	2,401.3
AMC deposits	27.9	53.8	98.6	42.2	93.9	44.4	93.7	29.6	8.7	-23.3	38.1	1,080.1

Source: Bank of Korea.

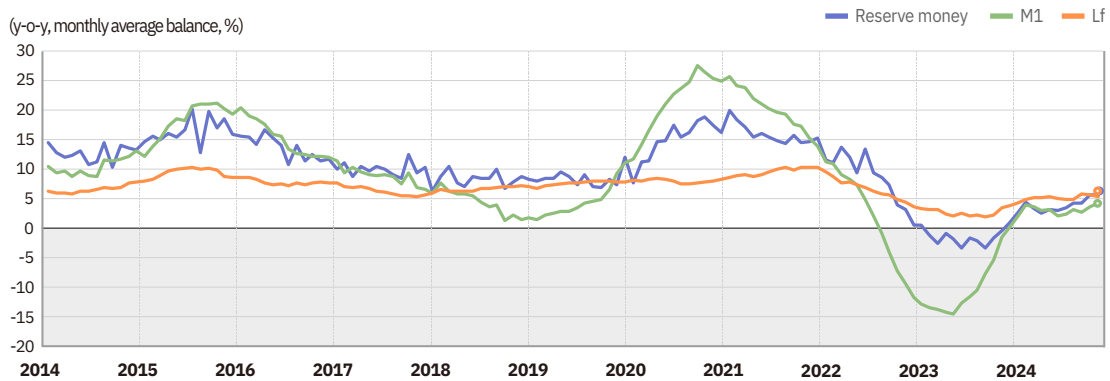
<sup>1</sup>Balance at end- Jan 2025.

## Foreign exchange rates



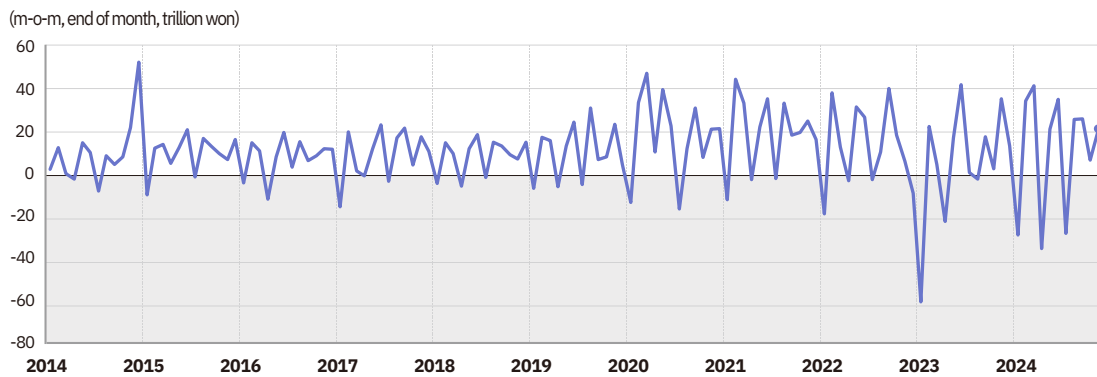
Source: Bank of Korea.

## 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 \$411.0 billion as of the end of January.

(US \$ billion)

	2020	2021	2022	2023	2024	2024		
						Jan		Change (m-o-m)
Official foreign reserves	443.1	463.1	423.2	420.2	415.6	411.0	(100.0%)	0.2
- Securities <sup>1</sup>	409.8	421.7	369.7	373.7	366.7	362.0	(88.2%)	-4.6
- Deposits	20.3	16.6	29.3	22.0	25.2	25.3	(6.1%)	-4.7
- SDRs	3.4	15.4	14.8	15.1	14.7	14.7	(3.5%)	0.1
- IMF position <sup>2</sup>	4.8	4.6	4.5	4.6	4.2	4.2	(1.0%)	0.0
- Gold	4.8	4.8	4.8	4.8	4.8	4.8	(1.2%)	0.0

Source: Bank of Korea.

<sup>1</sup> Including government bonds, government agency bonds, debentures, MBSs, ABSs, etc.

<sup>2</sup> 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 <sup>1</sup>				2024 <sup>1</sup>			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.

<sup>1</sup> Preliminary.

# Public Finance

## 1. Fiscal balance

The consolidated fiscal balance recorded a deficit of 28.2 trillion won in November, an increase of 8.7 trillion won y-o-y. The managed fiscal balance also recorded a deficit of 81.3 trillion won, an increase of 16.4 trillion won y-o-y.

(Trillion won, percent)

	2023					2024 <sup>1</sup>				Change
	Main budget (a)	Settlement (b)	Nov (Cumulative, c)	(c)/(a)	(c)/(b)	Main budget (d)	Nov (Cumulative, e)	(e)/(d)	(e)-(c)	
A. Total revenue	625.7	573.9	529.2	84.6	92.2	612.2	542.0	88.5	12.8	
B. Total spending	638.7	610.7	548.6	85.9	89.8	656.6	570.1	86.8	21.5	
C. Consolidated fiscal balance (A-B)	-13.1	-36.8	-19.5	-	-	-44.4	-28.2	-	-8.7	
D. Net social security fund <sup>2</sup>	45.1	50.3	45.5	-	-	47.2	53.1	-	7.7	
E. Managed fiscal balance (C-D)	-58.2	-87.0	-64.9	-	-	-91.6	-81.3	-	-16.4	

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

<sup>1</sup> Preliminary.

<sup>2</sup> 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 November was 1,160.3 trillion won, increase of 4.1 trillion won from a month earlier. Korean Treasuries totaled 1,158.9 trillion won, followed by bonds at 1,067.5 trillion won, national housing bonds at 79.6 trillion won, and foreign exchange stabilization bonds at 11.8 trillion won.

(Trillion won)

	2018	2019	2020	2021	2022	2023	2024 <sup>1</sup>	
	Annual	Annual	Annual	Annual	Annual	Annual	Oct	Nov
Central gov't debt	651.8	699.0	819.2	939.1	1,033.4	1,092.5	1,155.5	1,160.3
(% of GDP)	34.3	36.3	42.2	45.1	47.8	48.9	-	-
- Treasuries (total) <sup>2</sup>	648.4	696.3	815.2	937.0	1,031.5	1,091.1	1,154.1	1,158.9
· Bonds	567.0	611.5	726.8	843.7	937.5	998.0	1,062.4	1,067.4
· National housing bonds	73.3	76.4	78.9	82.2	82.2	81.6	79.9	79.6
· Foreign exchange stabilization bonds	8.0	8.3	9.5	11.2	11.8	11.5	11.8	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.

<sup>1</sup> Preliminary.

<sup>2</sup> Including debt-equity swap securities for international organizations.



# Economic News Briefing

- Bank of Korea Lowers Benchmark Interest Rate to 2.75%
- Acting President Choi Sang-mok Holds a Phone Call with Polish Prime Minister Donald Tusk
- Acting President Choi Sang-Mok Holds a Meeting with Major Global Investment Banks
- Effective Tariff Rate on US Imports Remains Close to 0% Under the Korea-US FTA

## Bank of Korea Lowers Benchmark Interest Rate to 2.75%

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On February 25, the Bank of Korea's (BOK) Monetary Policy Committee lowered the benchmark interest rate to 2.75%.

The BOK stated that the interest rate cut would alleviate downward pressure of the Korean economy. According to the BOK, the economic growth is expected to be influenced by trade policies of major countries and government's economic stimulus measures, while inflation and household debt continue to stabilize. The central bank also reiterated its monetary policy framework of inflation targeting over the medium-term while also monitoring financial stability.



## Acting President Choi Sang-mok Holds a Phone Call with Polish Prime Minister Donald Tusk

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On February 12th (Wednesday), Acting President and Deputy Prime Minister Choi Sang-mok, who also serves as the Minister of Economy and Finance, held a phone call with Polish Prime Minister Donald Tusk to exchange views on ways to develop bilateral relations.

Acting President Choi expressed his gratitude for the trust that key Polish figures have shown in Korea's democracy. He also assured that the Korean government will make every effort to ensure unwavering management of state affairs across all sectors and manage stable foreign relations.



He also highlighted that, as Poland has set security as its top priority during its term as the EU Presidency in the first half of this year, Korea could be the optimal strategic partner in the fields of defense and security; defense partnership between Korea and Poland will remain strong and enduring under bipartisan support.

Prime Minister Tusk expressed his appreciation for the strong resilience of Korea's democracy. He stressed that Poland highly values its relationship with Korea and that Poland would continue to shore up its cooperation with Korea, including in defense, without any disruption.

Acting President Choi and Prime Minister Tusk noted that the momentum of high-level exchanges between the two countries remains active, including President Duda's state visit to Korea last year to mark the 35th anniversary of diplomatic relations. They agreed to sustain collaborating to bolster the strategic partnership between Korea and Poland in various areas, including trade, investment, and advanced industries.

## Acting President Choi Sang-Mok Holds a Meeting with Major Global Investment Banks

On February 13th (Thursday), Acting President and Deputy Prime Minister Choi Sang-mok, who also serves as the Minister of Economy and Finance, held a meeting with heads and economists of major global investment banks (IBs)<sup>1</sup> at the Government Complex-Seoul. The meeting aims to assess foreign perspectives on Korea's recent political and economic situation, review the current status and outlooks of the global financial markets, and discuss measures for advancing Korea's capital and foreign exchange (FX) markets.



Acting President Choi explained that, despite ongoing domestic political uncertainty and increased volatility in the global financial markets due to the inauguration of the new U.S. administration, the government is making every effort to manage external credibility, including by launching the government-wide credit ratings response body (chaired by First Vice Minister of Economy and Finance). He mentioned that on February 6, Fitch Ratings decided to maintain Korea's sovereign credit rating at AA- with a stable outlook, emphasizing that this decision reflects the global community's recognition of Korea's mature crisis response and management systems. He expressed hope that Fitch's decision would significantly alleviate foreign investors' concerns about Korea's creditworthiness going forward.

At the same time, Acting President Choi stressed that the government is implementing consistent and systematic economic policies, with the top priority being the protection of the nation's credibility and the recovery of people's livelihoods, regardless of the political situation. He also highlighted that the government is closely monitoring and responding 24/7 to policy changes in major countries such as the United States, as well as their effects on financial and FX markets and the real economy.

He further stated that in order to push forward the advancement of Korean capital markets without disruption, bills aimed at implementing the "Value-up Support Plan", such as corporate tax credits for companies that expand shareholder returns and the separate taxation of dividend income, must be actively discussed in the National Assembly. Moreover, he explained that the government will continue to advance the "Improvement Measures for FX Market Structure" to ensure the smooth inclusion of Korea in the FTSE Russell World Government Bond Index (WGBI), slated for this November, while streamlining procedures for tax-exemption applications by foreign investors and for government bond investments to align with global standards.

<sup>1</sup> The participants are from Morgan Stanley Korea, JP Morgan Korea, HSBC Korea, BNP Paribas Seoul Branch, Standard chartered Bank Korea, and Citi Bank Korea.

## Effective Tariff Rate on US Imports Remains Close to 0% Under the Korea-US FTA

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Regarding the memorandum on reciprocal trade and tariffs announced by the Trump administration on February 14, 2025 (KST), multiple foreign media outlets have reported that the tariff rate on goods imported from the U.S. to Korea is at approximately 13.6%, following Mexico and Canada.



The average Most Favored Nation (MFN) tariff rate for Korea is approximately 13.4%<sup>2</sup>. However, Korea has signed Free Trade Agreements (FTAs) with many of its trading partners, and as a result, much lower effective tariff rates apply to goods imported from those FTA Partner countries.

Korea signed an FTA with the United States in June 2007 which took effect in March 2012. As of 2024, the average tariff rate on imports from the U.S. is approximately 0.79% (based on the effective tariff rate before duty refunds). When duty refunds are taken into account, the effective rate is even lower, and it is expected to decrease further in 2025 according to the scheduled tariff concession plan. For reference, under the Korea-U.S. FTA, the tariff rate on imported manufactured goods from the U.S. is 0%.

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<sup>2</sup> World Tariff Profile, July 2024

## 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#>



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