

Republic of Korea **Economic Bulletin**

April 2025 Vol.47 No.4



Seongsan Ilchulbong

Current Economic Trends

Economic News Briefing

Korea's GDP in 2024
High-Tech Strategic Industry Fund
Measures to Boost FX Supply
Korean OFDI in 2024



▲ Seongsan Ilchulbong, a Volcanic Mountain in Jeju island.

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.

April 2025 Vol.47 No.4

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Current Economic Trends

Overview

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Overview

In January, industrial production, services production, facilities investment, construction investment, and retail sales decreased. In February, the economy experienced an increase in the number of jobs and consumer prices grew at a slower pace.

In January, total production (*down 2.7% m-o-m and down 3.5% y-o-y*) fell, as industrial production (*down 2.3% m-o-m and down 4.1% y-o-y*), services production (*down 0.8% m-o-m and down 0.9% y-o-y*), construction (*down 4.3% m-o-m and down 27.3% y-o-y*) decreased.

In January, retail sales (*down 0.6% m-o-m and 0.0% y-o-y*), facilities investment (*down 14.2% m-o-m and down 3.1% y-o-y*), and construction investment (*down 4.3% m-o-m and down 27.3% y-o-y*) decreased.

In February, exports rose 1.0 percent from a year ago due to the increased working days. Average daily exports declined 5.9 percent compared to the previous year.

In February, the Consumer Sentiment Index (CSI) increased by 4.0 points month-on-month to 95.2. The Composite Business Sentiment Index (CBSI) decreased by 0.6 points to 85.3 in February, while the CBSI outlook for March rose by 2.6 points to 88.0.

In January, the cyclical indicator of the coincident composite index and the cyclical indicator of the leading composite index decreased by 0.4 points and 0.3 points, respectively.

In February, employment grew by 136,000 jobs compared to the previous year and the unemployment rate remained unchanged at 3.2 percent from a year ago.

In February, the Consumer Price Index (CPI) grew by 2.0 percent year-on-year due to a slower increase in petroleum product prices. The index when excluding food and energy prices increased by 1.8 percent.

In February, Korean equity prices rose, yields for Korean Treasury Bond fell, and the Korean Won weakened against the dollar.

In February, housing prices fell (*down 0.06% m-o-m*) and *Jeonse* (lump-sum deposits with no monthly payments) prices also declined (*down 0.01% m-o-m*).

Recently, the Korean economy has faced delayed recovery in domestic demand, such as consumption and construction investment, along with sustained challenges in employment particularly in vulnerable sectors. Moreover, export growth has slowed and economic sentiment has weakened due to escalating domestic and external uncertainties, leading to heightened downward pressure on the economy.

The global economy continues to face geopolitical risks, while trade uncertainties are increasing owing to the implementation of tariff measures by major countries.

The government will promptly push forward key initiatives from the “People’s Livelihoods Improvement Plan Q1, 2025”, including measures related to employment, construction, small businesses and financial support for low-income households, while continuously seeking additional support measures. At the same time, concerted efforts will be made to respond to trade uncertainty and provide full support for exports, including enhancing assistance for businesses potentially affected by U.S. tariff impositions and establishing the High-Tech Strategic Industry Fund.

Economic Activity

1. Gross Domestic Product (Preliminary estimate)

In the fourth quarter of 2024, Korea's real Gross Domestic Product (GDP) amounted to 595.1 trillion won, and real Gross Domestic Income (GDI) was 583.2 trillion won.

((Trillion won, inflation adjusted at 2020 prices)

	2022	2023	2024	2022				2023				2024			
	Annual	Annual ¹	Annual ¹	Q1	Q2	Q3	Q4	Q1 ¹	Q2 ¹	Q3 ¹	Q4 ¹	Q1 ¹	Q2 ¹	Q3 ¹	Q4 ¹
GDP	2,212.2	2,243.2	2,288.6	525.7	554.5	555.9	576.1	531.6	560.0	563.6	588.1	548.9	572.8	571.8	595.1
(Seasonally adjusted)	-	-	-	549.3	553.7	555.8	553.3	555.8	558.8	563.0	565.6	573.0	571.6	572.2	572.6
- Private consumption	1,063.9	1,082.7	1,095.1	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	59.0
- Construction investment	301.4	306.0	296.8	62.5	82.2	75.1	81.7	63.5	83.5	78.3	80.7	64.5	83.1	73.9	75.3
- Total export	820.3	849.9	909.5	204.7	204.4	204.8	206.5	202.4	206.2	211.3	230.0	220.8	224.8	225.6	237.1
- Total import	730.7	756.4	775.2	180.8	176.7	185.6	187.5	193.6	182.8	185.2	194.8	192.9	188.4	193.2	200.5
GDI	2,117.5	2,151.8	2,235.6	511.3	532.4	526.6	547.2	504.3	532.3	545.4	569.8	536.5	556.6	559.3	583.2
(Seasonally adjusted)	-	-	-	537.2	530.4	524.5	525.4	530.1	530.3	542.9	548.6	561.6	555.1	558.0	562.2

Source: Bank of Korea.

¹ Preliminary estimate.

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 0.7 percent quarter-on-quarter.

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

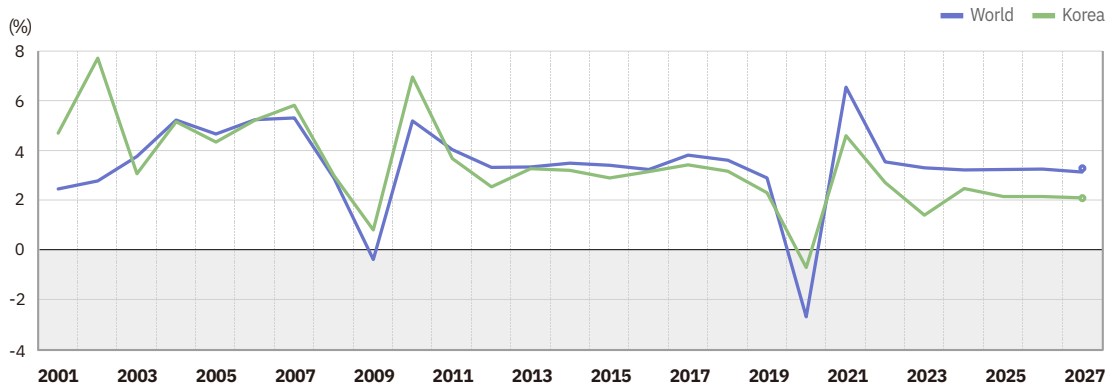
	2022	2023	2024	2022				2023				2024			
	Annual ¹	Annual ¹	Annual ¹	Q1	Q2	Q3	Q4	Q1 ¹	Q2 ¹	Q3 ¹	Q4 ¹	Q1 ¹	Q2 ¹	Q3 ¹	Q4 ¹
GDP	2.7	1.4	2.0	3.5	3.0	3.4	1.1	1.1	1.0	1.4	2.1	3.3	2.3	1.5	1.2
(Seasonally adjusted²)	-	-	-	0.5	0.8	0.4	-0.5	0.4	0.6	0.8	0.5	1.3	-0.2	0.1	0.1
- Private consumption	4.2	1.8	1.1	4.3	4.5	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	1.6	-4.9	-5.5	4.8	4.8	4.7	3.8	-3.9	-0.2	-1.0	-2.5	5.9	4.5
- Construction investment	-3.5	1.5	-3.0	-5.0	-4.5	-2.1	-2.6	1.7	1.7	4.3	-1.2	1.6	-0.5	-5.7	-6.6
- Total export	3.9	3.6	7.0	7.8	5.6	5.4	-2.4	-1.1	0.9	3.2	11.4	9.1	9.0	6.8	3.6
- Total import	4.2	3.5	2.5	5.2	2.0	8.2	1.5	7.1	3.4	-0.2	3.9	-0.4	3.1	4.4	2.9
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 adjusted²)	-	-	-	0.8	-1.3	-1.1	0.2	0.9	0.0	2.4	1.1	2.4	-1.2	0.5	0.7

Source: Bank of Korea.

¹ Preliminary estimate.

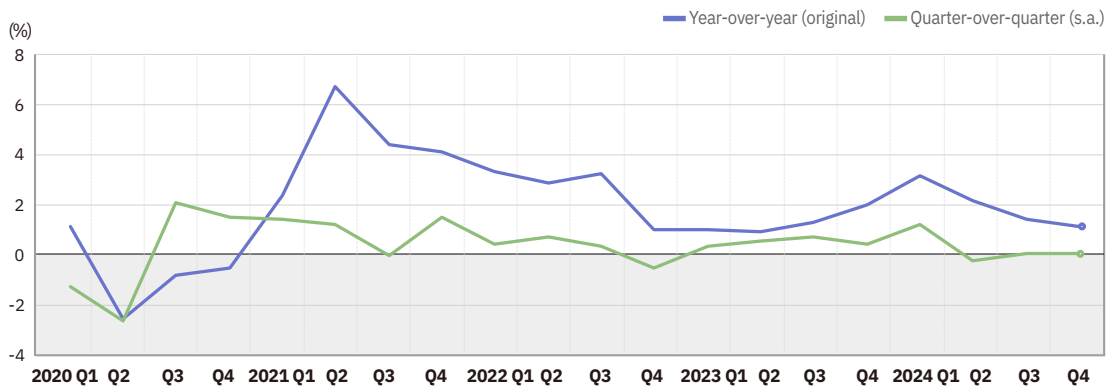
² Percentage change from previous period.

GDP growth: World and Korea



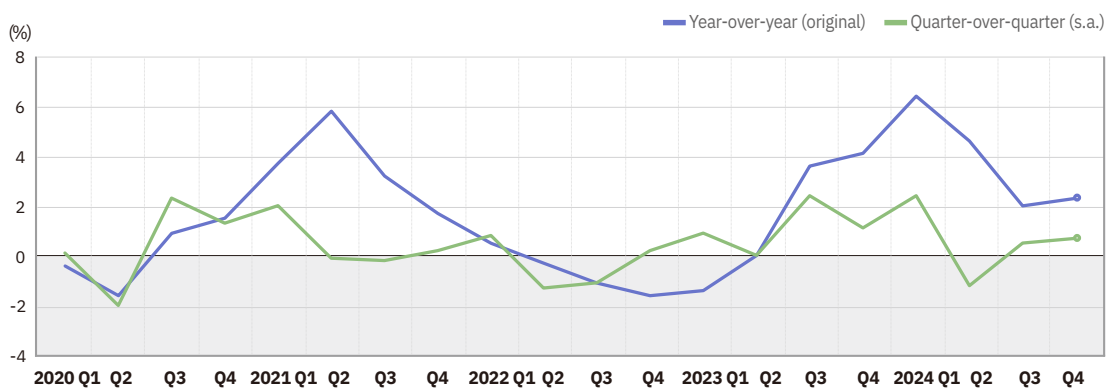
Source: IMF

GDP growth: Korea



Source: Bank of Korea.

GDI growth: Korea



Source: Bank of Korea.

2. Total Production and Composite Index of Business Indicators

In January, the Total Index of Industrial Production fell by 2.7 percent month-on-month. Industrial production (*down 2.3%*), services (*down 0.8%*), and construction (*down 4.3%*) decreased, while public spending (*up 2.2%*) increased. The index declined 3.5 percent year-on-year.

Coincident composite index

The cyclical indicator of the coincident composite index fell 0.4 points month-on-month to 98.4. More specifically, index of services and number of employed persons excluding agriculture, forestry and fishing increased, while shipment index for domestic market and value of construction completed decreased.

Leading composite index

The cyclical indicator of the leading composite index remained unchanged month-on-month to 117.2. Within the leading composite index, interest rate spread increased, while KOSPI, economic sentiment index, and construction orders received fell.

	2024											2025
	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec ¹	Jan ¹
Total index of Industrial Production (m-o-m, %)	1.1	-1.7	1.2	-0.7	-0.2	-0.6	1.0	-0.3	0.5	-1.2	1.7	-2.7
(y-o-y, %)	2.0	0.2	4.0	2.4	0.3	2.0	1.0	-1.7	2.2	-1.0	0.6	-3.5
Cyclical indicator of coincident composite index	100.3	100.1	100.0	99.7	99.6	99.1	99.0	99.0	99.3	98.9	98.8	98.4
(m-o-m, p)	0.0	-0.2	-0.1	-0.3	-0.1	-0.5	-0.1	0.0	0.3	-0.4	-0.1	-0.4
Coincident composite index (2020=100)	112.1	112.0	112.2	112.0	112.1	111.8	111.9	112.1	112.6	112.3	112.4	112.2
(m-o-m, %)	0.2	-0.1	0.2	-0.2	0.1	-0.3	0.1	0.2	0.4	-0.3	0.1	-0.2
Cyclical indicator of leading composite index	100.6	100.5	100.7	100.8	100.9	100.9	100.8	100.8	100.8	100.8	100.7	100.4
(m-o-m, p)	0.2	-0.1	0.2	0.1	0.1	0.0	-0.1	0.0	0.0	0.0	-0.1	-0.3
Leading composite index (2020=100)	114.1	114.3	114.9	115.2	115.7	115.9	116.2	116.5	116.8	117.1	117.2	117.2
(m-o-m, %)	0.4	0.2	0.5	0.3	0.4	0.2	0.3	0.3	0.3	0.4	0.1	0.0

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 Jan 2025 (m-o-m, %)

Index of services	0.2
Number of employed persons excluding agriculture, forestry and fishing	0.1
Retail sale index	-0.4
Shipment index for domestic market	-1.0
Value of construction completed	-3.1

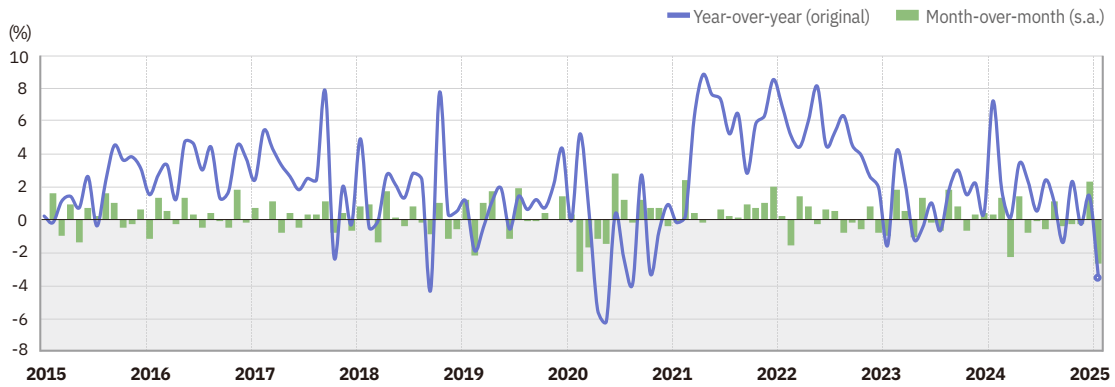
Source: Industrial activity trends, Statistics Korea.

Leading composite index in Jan 2025 (m-o-m, %)

Interest rate spread (%p)	0.00
KOSPI	-1.2
Economic Sentiment Index (p)	-2.0
Construction orders received	-12.8

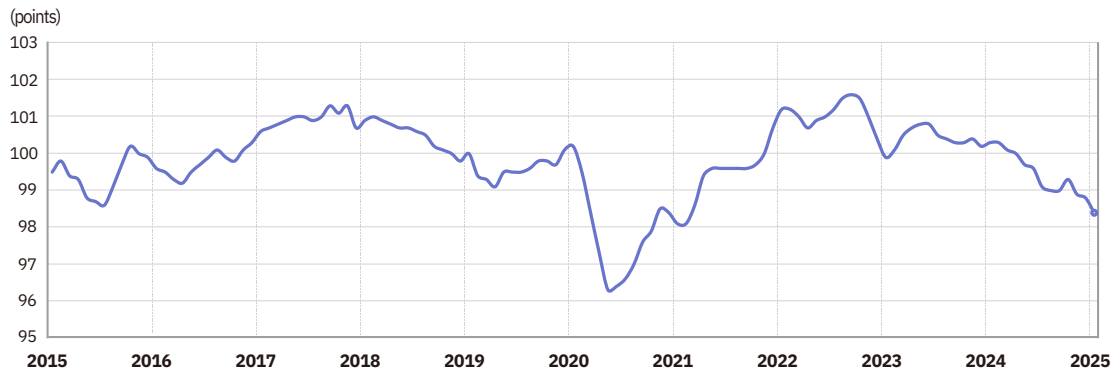
Source: Industrial activity trends, Statistics Korea.

Total index of Industrial Production



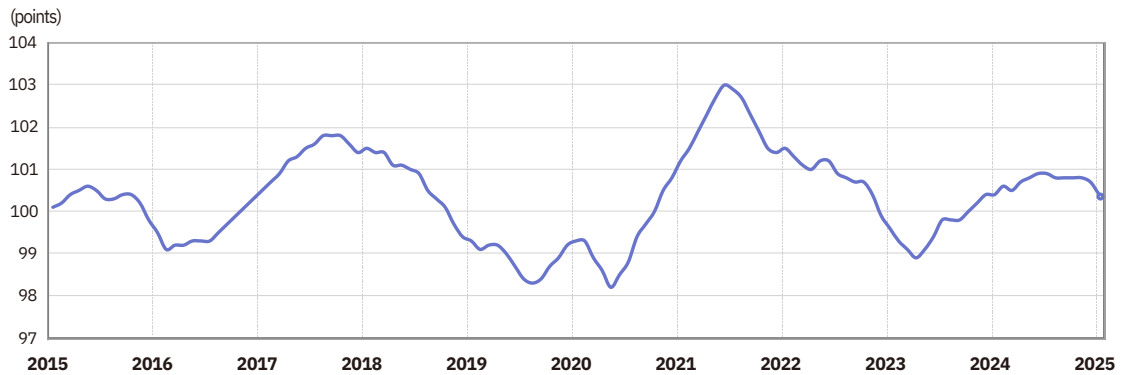
Source: Industrial activity trends, Statistics Korea.

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 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 ¹	Annual ¹	Q1	Q2	Q3	Q4	Q1 ¹	Q2 ¹	Q3 ¹	Q4 ¹	Q1 ¹	Q2 ¹	Q3 ¹	Q4 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	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.

¹ Preliminary estimate.

Retail sales decreased by 0.6 percent month-on-month in January. Sales of semi-durable goods (*down 2.6%*) and nondurable goods (*down 0.5%*), while durable goods (*up 1.1%*) rose. The year-on-year index stayed unchanged.

(Percentage change from previous period)

	2022	2023	2024	2022				2023				2024				2025		
	Annual	Annual ¹	Annual ¹	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4 ¹	Nov ¹	Dec ¹	Jan ¹
Retail sales	-	-	-	-1.9	-0.4	1.3	-1.4	-0.7	0.4	-1.3	0.8	-2.2	-0.3	0.7	-0.5	-0.7	0.2	-0.6
(y-o-y)	-0.3	-1.3	-2.1	2.6	-0.2	-0.9	-2.3	-1.4	-0.4	-2.6	-1.2	-1.6	-3.1	-1.5	-2.2	-2.6	-2.5	0.0
- Durable goods	-3.2	-1.1	-4.0	-1.1	-3.6	1.5	0.7	-1.0	-0.6	-1.9	2.8	-4.1	-3.2	4.5	-2.6	-3.3	-3.3	1.1
- Automobiles	0.5	6.9	-7.5	1.3	3.6	4.5	4.5	0.6	1.8	-5.4	4.4	-11.0	-0.6	7.1	0.0	-5.0	-6.3	-1.7
- Semi-durable goods	2.2	-0.5	-3.1	-3.7	3.7	0.7	-5.1	3.7	-0.5	-2.8	0.8	-1.4	-0.6	-1.2	1.2	0.9	0.8	-2.6
- Nondurable goods	0.3	-1.8	-0.9	-1.5	-0.3	1.6	-1.1	-2.1	1.2	-0.6	-0.1	-1.5	1.0	-0.2	-0.2	0.0	1.5	-0.5

Source: Statistics Korea.

¹ Preliminary.

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

(Percentage change from same period in previous year)

	2024									2025
	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Feb	
Car sales at home	-9.8	-16.5	0.1	0.4	1.8	10.7	-1.7	6.7	15.6	
Department store sales	0.6	-1.5	-1.4	4.1	-4.6	1.4	-5.5	2.3	-10.4	
Large discount store sales	0.0	-1.9	-3.3	4.4	-4.8	1.3	1.8	-3.0	-16.7	
Credit card spending at home ¹	3.4	3.8	3.2	4.4	4.6	1.2	2.9	5.4	6.8	
Consumer sentiment index ²	98.4	100.9	103.6	100.8	100.0	101.7	100.7	88.4	95.2	
Number of Chinese tourists ³	170.0	107.9	86.8	78.9	53.9	54.4	37.3	26.2	6.3	

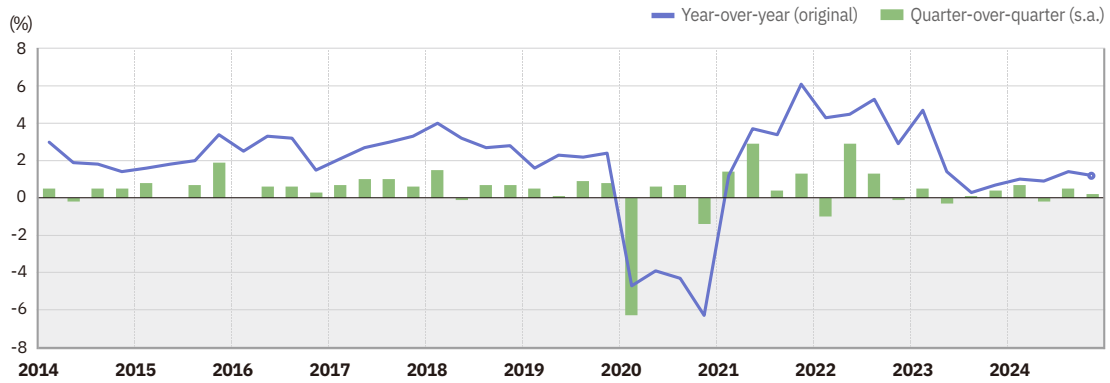
Sources: Korea Automobile Manufacturers Association; The Credit Finance Association; Bank of Korea; Korea Culture & Tourism Institute; data provided by retail industries.

¹ Utility bills are excluded.

² Level value.

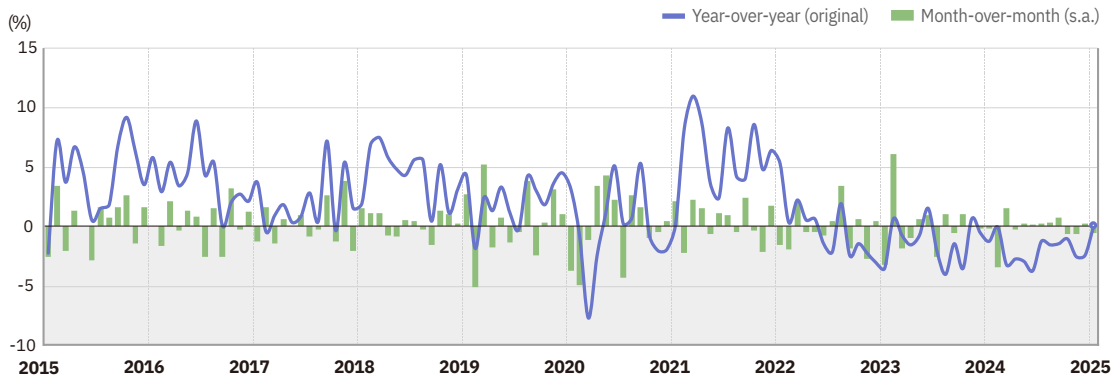
³ Advance estimate based on total entries, The figure can be different from the statistic released by the Ministry of Culture, Sports and Tourism, which excludes diplomatic and military personnel.

Private consumption



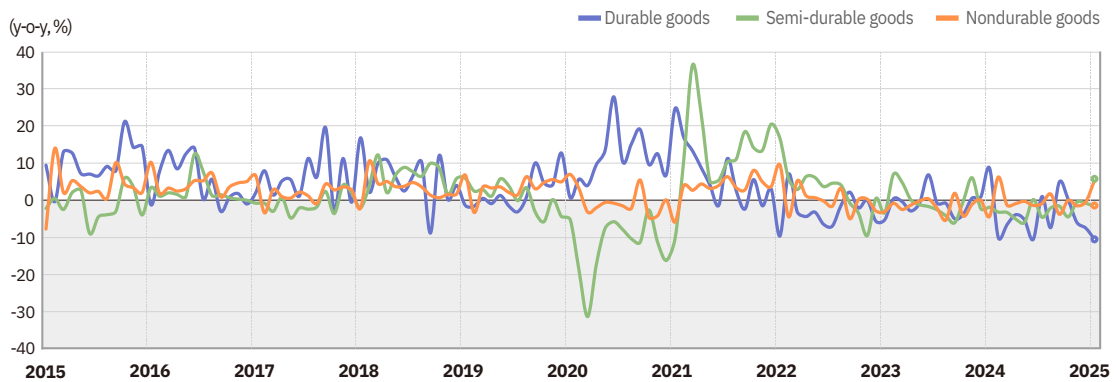
Source: National account, Bank of Korea.

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 fourth of 2024 increased by 1.2 percent quarter-on-quarter and rose by 4.5 percent year-on-year.

(Percentage change from previous period)

	2022	2023	2024	2022				2023				2024			
	Annual	Annual	Annual ¹	Q1	Q2	Q3	Q4	Q1 ¹	Q2 ¹	Q3 ¹	Q4 ¹	Q1 ¹	Q2 ¹	Q3 ¹	Q4 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	1.2
(y-o-y)	-0.3	1.1	1.6	-4.9	-5.5	4.8	4.8	4.7	3.8	-3.9	-0.2	-1.0	-2.5	5.9	4.5
- Machinery	1.9	1.6	1.5	0.3	0.7	5.4	3.1	-2.9	1.6	-3.8	1.3	0.4	-3.6	8.2	2.0
- Transportation equipment	-7.8	-1.0	2.3	-7.8	3.7	7.0	-14.4	5.0	-4.2	5.6	8.9	-10.7	8.1	0.5	-2.0

Source: National accounts, Bank of Korea.

¹ Preliminary estimate..

In January, the facility investment index fell by 14.2 percent month-on-month as machinery investment index decreased. The index declined 3.1 percent year-on-year.

(Percentage change from previous period)

	2022	2023	2024	2022				2023				2024				2025		
	Annual	Annual	Annual ¹	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4 ¹	Nov ¹	Dec ¹	Jan ¹
Facility investment index	-	-	-	2.6	0.8	6.1	1.5	-9.0	1.5	-3.8	3.5	-1.5	-1.4	10.2	-1.7	-1.7	7.5	-14.2
(y-o-y)	26	-48	30	-0.9	-3.5	5.9	9.2	-1.5	-0.9	-10.5	-5.8	-1.4	-3.3	11.5	5.5	1.6	10.5	-3.1
Machinery	17	-71	20	-1.2	3.3	8.0	0.2	-11.0	1.0	-2.8	-0.3	1.7	-1.9	5.0	3.6	-1.7	1.1	-12.6
Transportation equipment	5.7	28	5.3	14.8	-5.7	0.3	5.3	-2.5	2.9	-6.9	15.1	-9.4	-0.1	23.7	-13.1	-1.2	25.1	-17.5

Source: Statistics Korea.

¹ Preliminary.

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

(Percentage change from same period in previous year)

	2022	2023	2024	2022				2023				2024				2025	
	Annual	Annual	Annual ¹	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4 ¹	Dec ¹	Jan ¹
Domestic machinery orders received	1.0	-2.6	-2.9	3.4	1.7	13.1	-12.9	-5.9	-3.1	-14.5	15.9	-7.1	-7.3	15.6	-10.4	-4.7	38.1
(% change from previous period)	-	-	-	3.2	0.8	7.9	-16.4	3.9	4.6	-5.1	9.2	-12.8	-0.9	19.8	-13.7	-0.5	35.9
- Public	-25.1	92.3	-23.0	7.9	5.5	-7.1	-57.7	158.8	124.5	28.0	40.1	-63.0	-42.6	169.3	-50.2	-47.1	93.1
- Private	3.2	-8.2	-0.4	3.1	1.4	14.2	-5.8	-15.7	-11.1	-16.4	14.2	3.1	-1.7	4.8	-6.9	0.3	34.7
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	21.5	-14.5
Average capacity utilization rate ²	74.5	72.1	72.7	78.6	75.7	73.6	70.1	70.9	72.2	72.5	72.7	72.4	73.4	72.5	72.5	73.3	73.8
Facility investment pressure ³	0.9	-2.1	3.5	6.3	5.0	-0.9	-6.0	-7.1	-4.6	0.3	3.7	4.8	4.4	1.8	3.1	4.6	-5.0

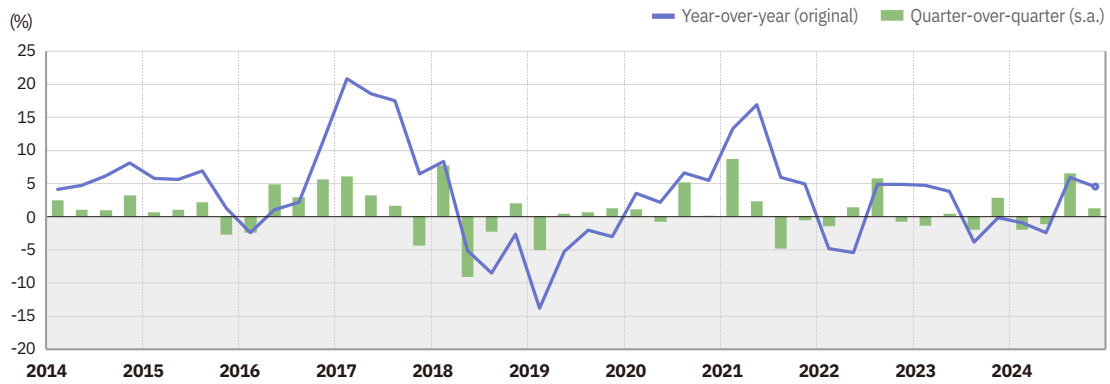
Sources: Statistics Korea; Korea International Trade Association.

¹ Preliminary.

² Utilization rate for the period, %.

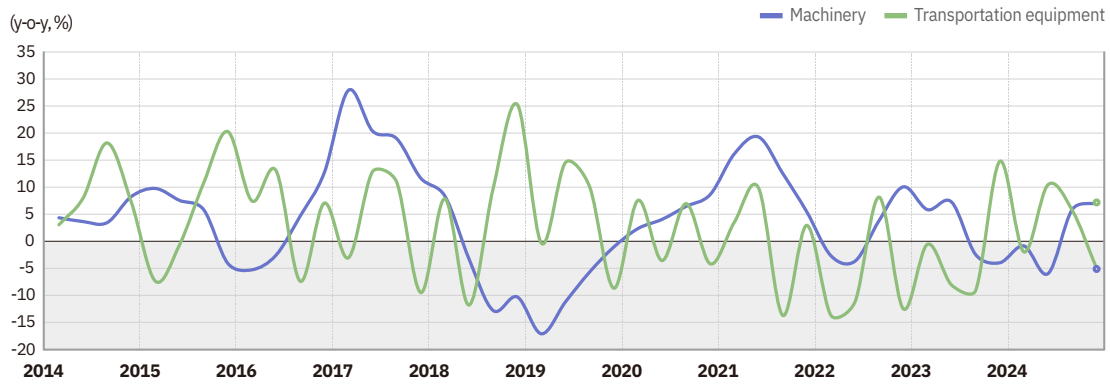
³ Production growth rate minus production capacity growth rate in the manufacturing sector, %p.

Facility investment



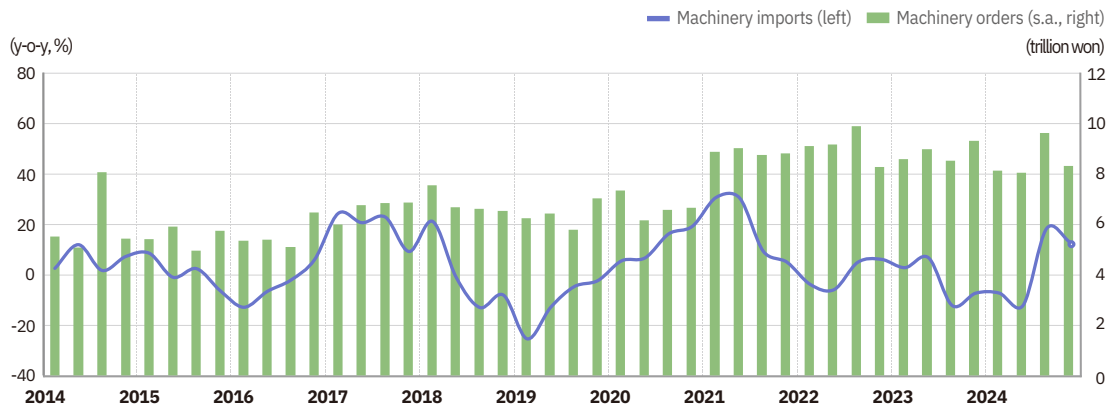
Source: National account, Bank of Korea.

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 fourth quarter of 2024 decreased 4.5 percent quarter-on-quarter and 6.6 percent year-on-year.

(Percentage change from previous period)

	2022	2023	2024	2022				2023				2024			
	Annual ¹	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	Q4 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	-4.5
(y-o-y)	-3.5	1.5	-3.0	-5.0	-4.5	-2.1	-2.6	1.7	1.7	4.3	-1.2	1.6	-0.5	-5.7	-6.6
- Building construction	-0.7	3.1	-5.0	-3.5	1.8	0.1	1.1	1.0	1.6	1.5	-4.7	1.9	-1.4	-4.6	-3.8
- Civil engineering works	-10.7	-2.8	2.9	-2.6	-4.8	-0.9	1.3	-0.5	-3.8	3.0	-0.9	7.5	-2.7	-0.8	-6.2

Source: National accounts, Bank of Korea.

¹ Preliminary estimate.

In January, construction completed (constant) declined 0.7 percent month-on-month, where both building construction and civil engineering works decreased. The index fell 1.9 percent year-on-year.

(Percentage change from previous period)

	2022	2023	2024	2022				2023				2024				2025		
	Annual	Annual	Annual ¹	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4 ¹	Nov ¹	Dec ¹	Jan ¹
Construction completed (constant)	-	-	-	-0.7	1.7	0.8	5.8	3.4	-0.4	1.9	-4.2	7.7	-8.2	-3.8	-5.1	-1.9	-4.3	-0.7
(y-o-y)	2.6	7.8	-4.7	-1.9	1.5	3.3	6.5	12.0	9.5	10.8	0.8	4.0	-3.1	-9.1	-9.7	-7.4	-27.3	-1.9
- Building construction	4.2	9.4	-6.9	-0.5	0.9	1.9	5.9	6.3	-1.3	1.3	-5.7	9.2	-10.0	-5.3	-4.3	0.3	-4.1	-0.5
- Civil engineering works	-1.2	1.2	1.8	-1.3	4.0	-2.6	5.5	-5.6	2.7	3.8	0.6	3.2	-2.5	0.9	-7.4	-7.8	-5.2	-1.3

Source: Statistics Korea.

¹ Preliminary

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

(Percentage change from same period in previous year)

	2022	2023	2024	2022				2023				2024				2025	
	Annual	Annual	Annual	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4 ¹	Dec ¹	Jan ¹
Construction orders received (current value)	10.0	-18.3	10.9	13.4	21.4	30.2	-17.2	-14.5	-31.2	-43.2	23.2	-10.4	20.7	26.8	9.8	-12.4	-25.1
(% change from previous period)	-	-	-	14.7	10.2	7.1	-37.5	19.7	-15.6	-5.6	1.9	8.2	15.6	0.8	8.2	-16.0	-46.3
- Building construction	8.7	-30.5	17.5	8.4	20.6	28.2	Δ18.6	-27.4	-43.8	-48.3	8.5	-12.5	24.1	25.3	29.0	23.8	-17.3
- Civil engineering works	14.6	23.9	-1.8	36.0	24.8	39.3	Δ13.6	32.2	20.1	-23.1	59.2	-6.2	14.3	30.8	-22.4	-46.8	-38.8
Building permits ²	4.9	-25.6	-6.8	14.1	13.7	5.4	Δ11.0	Δ8.5	Δ33.5	-32.8	-24.3	-20.6	-16.6	4.8	8.6	28.5	-33.2
Apartment presales ³	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	2.0	1.0

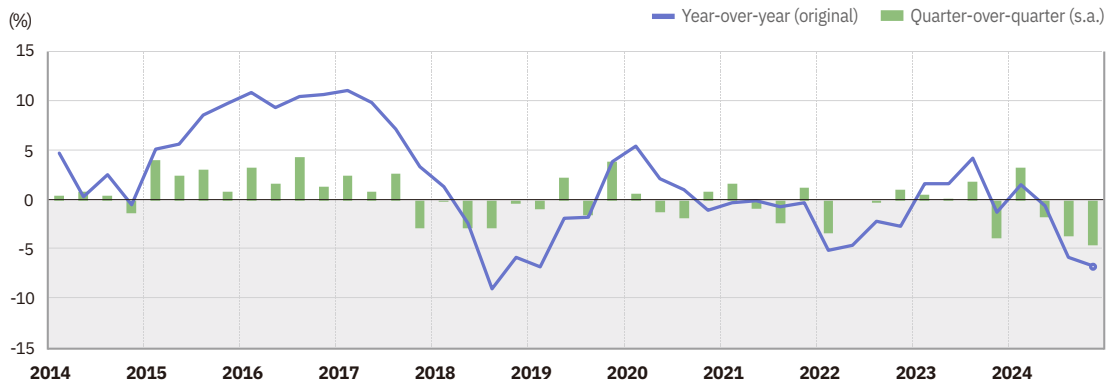
Sources: Statistics Korea; Ministry of Land Infrastructure and Transport; Real Estate 114.

¹ Preliminary.

² Gross Floor Area.

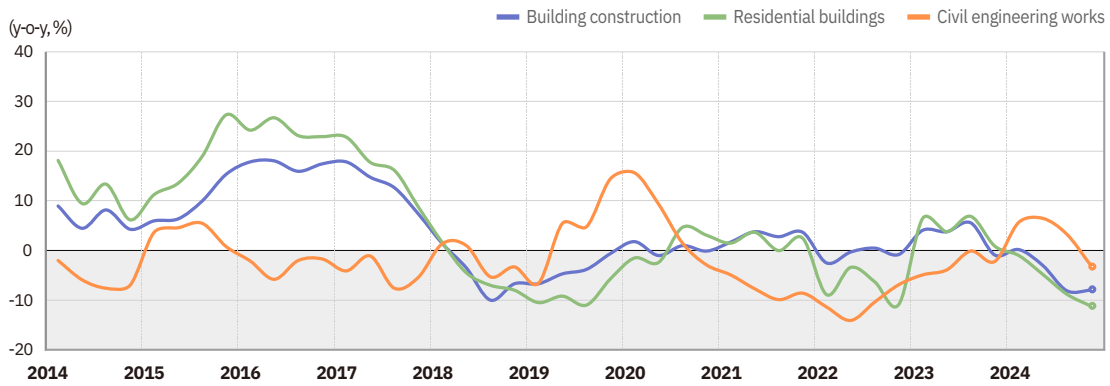
³ Thousand housing units.

Construction investment



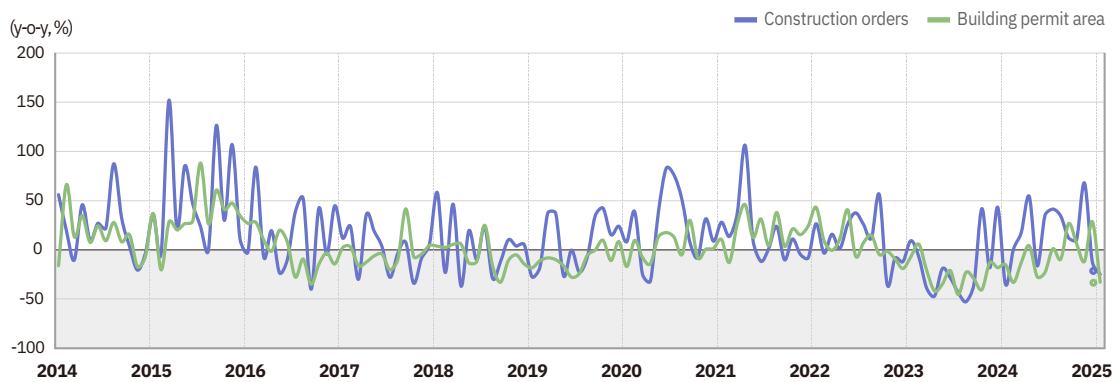
Source: National account, Bank of Korea.

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 rebounded and grew by 1.0 percent year-on-year, totaling US \$52.6 billion in February, largely due to higher number of business days.

Exports of wireless communications devices, computers, and automobiles increased among major export goods. In terms of export markets, exports to China and EU declined.

The average daily amount of exports, an indicator which factors in the number of working days, fell by 5.9 percent year-on-year to US \$2.4 billion.

Imports increased by 0.2 percent year-on-year to US \$48.0 billion in February. Increased imports in other goods including semiconductors increased despite a decrease in energy imports.

The trade balance posted a deficit of US \$4.3 billion in February owing to the recovery in exports.

(US \$ billion)

	2023	2024	2023				2024				2024	2025
	Annual	Annual	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Feb	Feb
Exports	632.2	683.8	151.2	155.8	157.1	168.1	163.3	171.5	173.7	175.2	52.1	52.6
(y-o-y, %)	-7.5	8.1	-12.8	-12.0	-9.7	5.7	8.0	10.1	10.5	4.2	25.4	1.0
Average daily exports	2.3	2.5	2.2	2.3	2.3	2.5	2.4	2.6	2.5	2.6	2.3	2.4
Imports	642.6	632.0	174.0	159.3	150.7	158.6	155.1	157.0	160.0	160.0	48.2	48.3
(y-o-y, %)	-12.1	-1.6	-2.2	-13.2	-21.6	-10.7	-10.9	-1.4	6.2	0.9	-12.9	0.2
Average daily imports	2.4	2.3	2.6	2.4	2.2	2.4	2.3	2.4	2.3	2.3	2.4	2.2
Trade balance	-10.4	51.6	-22.8	-3.5	6.4	9.6	8.2	14.5	13.6	7.3	4.4	4.3

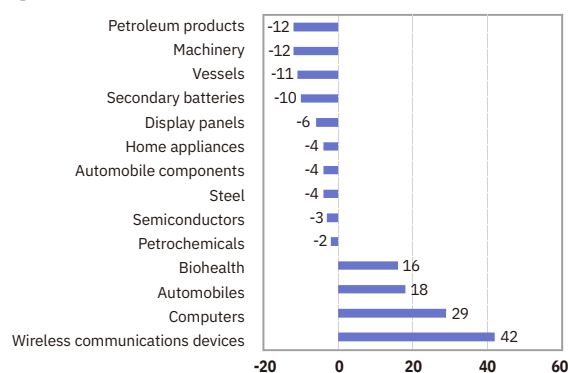
Source: Korea Customs Service.

Export growth and share by region in Feb 2025

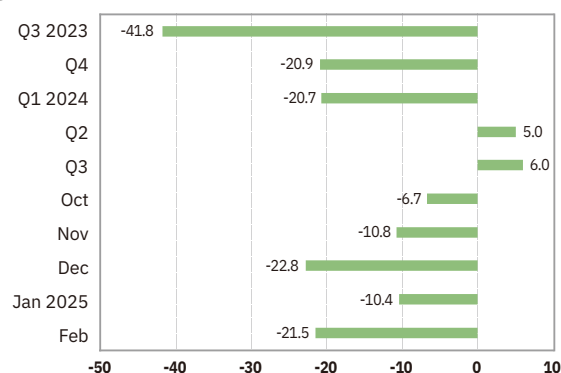
	Growth (y-o-y, %)	Share (%) ¹
Middle East	20	3
India	19	3
ASEAN countries	13	18
US	1	19
China	-1	19
Japan	-5	5
Latin America	-6	4
EU	-8	10
CIS countries	-16	-

¹ Cumulative total since January 2025.

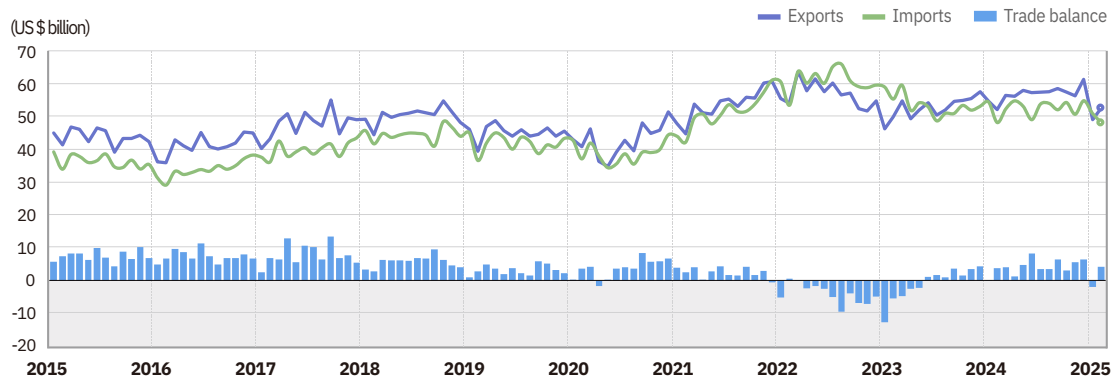
Export growth by item in Feb 2025 (y-o-y, %)



Energy Imports (y-o-y, %)

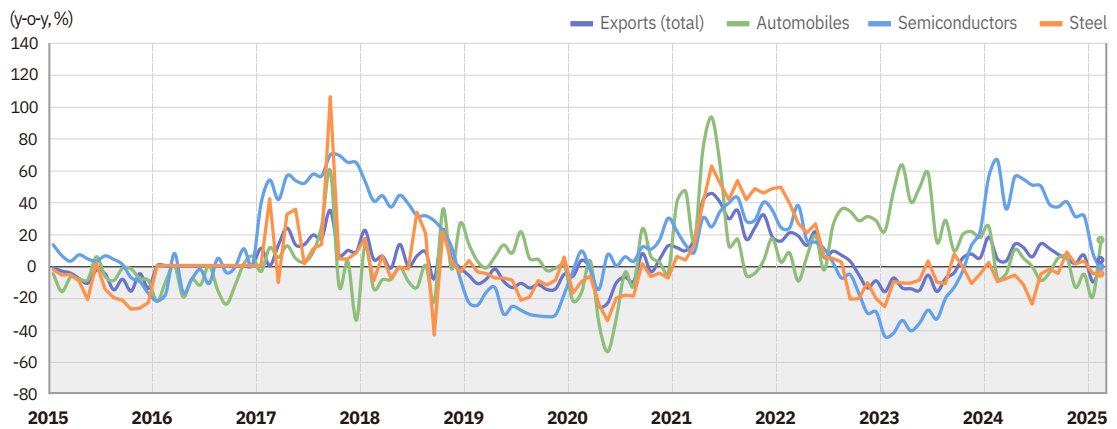


Exports and imports



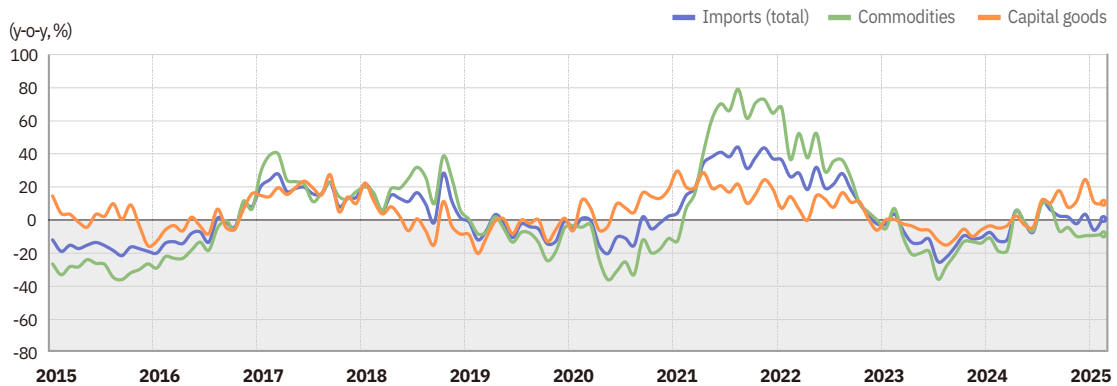
Sources: Korea Customs Service.

Export growth by item



Sources: Korea Customs Service.

Import growth by category



Sources: Korea Customs Service.

7. Employment

In February, the number of employed workers increased by about 136,000 year-on-year to 28,179,000 and the employment rate (*aged 15 and above*) grew by 0.1 percent point to 61.7 percent.

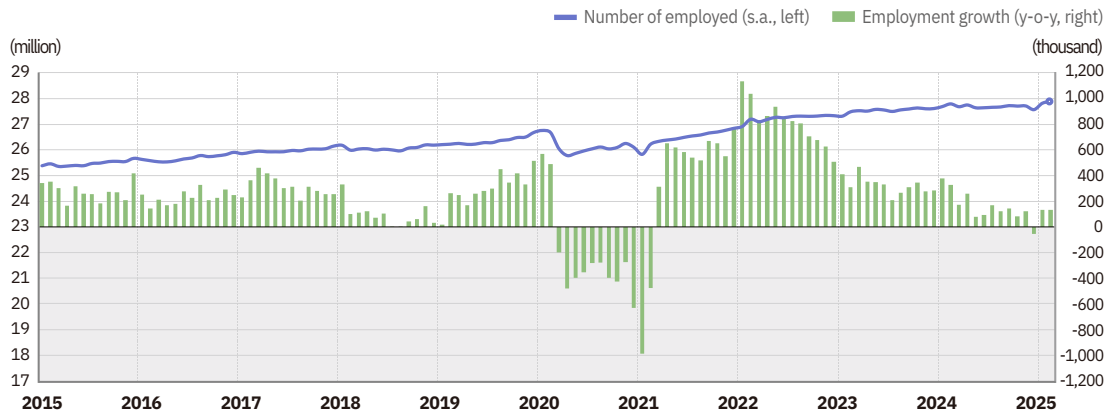
The declining employment growth trend in the wholesale and retail sector slow down, while employment in the healthcare and social welfare service sector grew.

In terms of job growth by employment type, the growth of permanent workers accelerated while the negative growth of daily laborers slowed down.

	2022	2023	2024	2024												2025	
	Annual	Annual	Annual	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	
Number of employed (million)	28.09	28.42	28.58	28.04	28.40	28.69	28.92	28.91	28.86	28.80	28.84	28.85	28.82	28.04	27.88	28.18	
Employment rate (%)	62.1	62.6	62.7	61.6	62.4	63.0	63.5	63.5	63.3	63.2	63.3	63.3	63.2	61.4	61.0	61.7	
(Seasonally adjusted)	-	-	-	63.0	62.8	62.9	62.6	62.6	62.6	62.7	62.8	62.7	62.7	62.3	62.9	63.0	
- 15 to 64	68.5	69.2	69.5	68.7	69.1	69.6	70.0	69.9	69.8	69.8	69.9	69.8	69.9	69.4	68.8	68.9	
Employment growth (y-o-y, thousand)	816	327	159	329	173	261	80	96	172	123	144	83	123	-52	135	136	
- Manufacturing	135	-43	-6	38	49	100	38	9	-11	-35	-49	-33	-95	-97	-56	-74	
- Construction	33	-9	-49	36	22	5	-47	-66	-81	-84	-100	-93	-96	-157	169	-167	
- Services	575	385	239	279	145	140	116	183	286	286	345	278	350	177	349	40.1	
· Wholesale & retail	-41	-37	-61	2	-14	-39	-73	-51	-64	-55	-104	-148	-89	-96	-91	-65	
· Hotels & restaurants	84	114	25	-2	7	29	80	47	34	7	46	28	24	12	27	56	
· Healthcare & social welfare service	180	143	83	72	50	93	94	120	117	63	75	97	113	-3	119	192	
- Wage workers	749	327	214	386	216	345	208	223	252	189	160	96	171	-49	180	177	
· Permanent workers	805	478	183	357	286	293	75	139	96	99	79	91	167	187	224	233	
· Temporary workers	43	-61	154	207	97	200	249	204	227	191	206	105	106	-86	72	36	
· Day laborers	-100	-90	-122	-177	-168	-147	-116	-121	-71	-101	-125	-100	-103	-150	-116	-92	
- Nonwage workers	68	0	-55	-57	-43	-84	-128	-127	-80	-67	-16	-13	-48	-3	-45	-41	
· Self-employed	119	57	-32	-21	-36	-94	-110	-100	-62	-38	22	37	-13	7	-28	-14	
- Male	381	24	-29	83	-7	19	-45	-44	-29	-70	-84	-114	-34	-127	-56	-42	
- Female	436	303	188	246	179	242	124	140	200	192	228	197	157	75	191	178	
- 15 to 29	119	-98	-144	-61	-131	-89	-173	-149	-149	-142	-168	-182	-180	-217	-218	-235	
- 30 to 39	49	54	90	71	91	132	74	91	110	99	77	67	89	96	98	116	
- 40 to 49	4	-54	-81	-62	-79	90	-114	-106	-91	-68	-62	-72	-91	-97	-71	-78	
- 50 to 59	194	59	28	84	59	16	27	2	23	3	25	12	7	4	-14	-8	
- 60 and above	452	366	266	297	233	292	265	258	278	231	272	257	298	162	340	342	

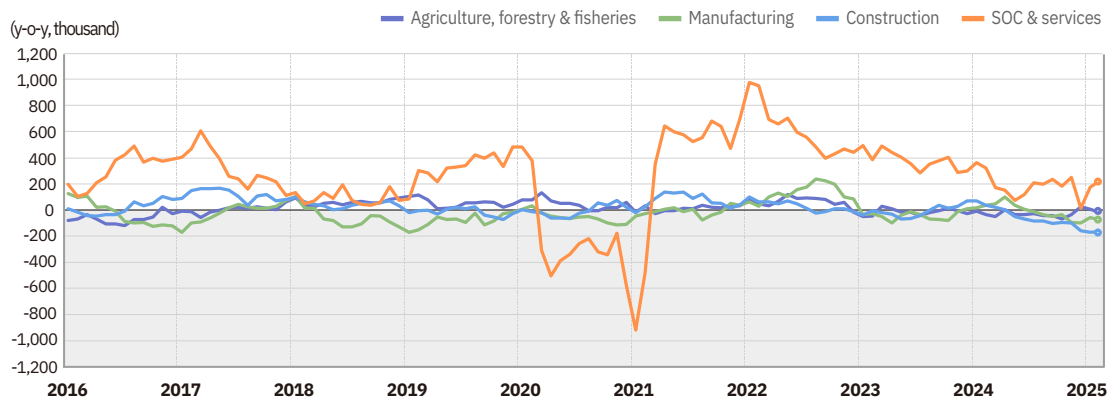
Source: Statistics Korea.

Number of employed workers and employment growth



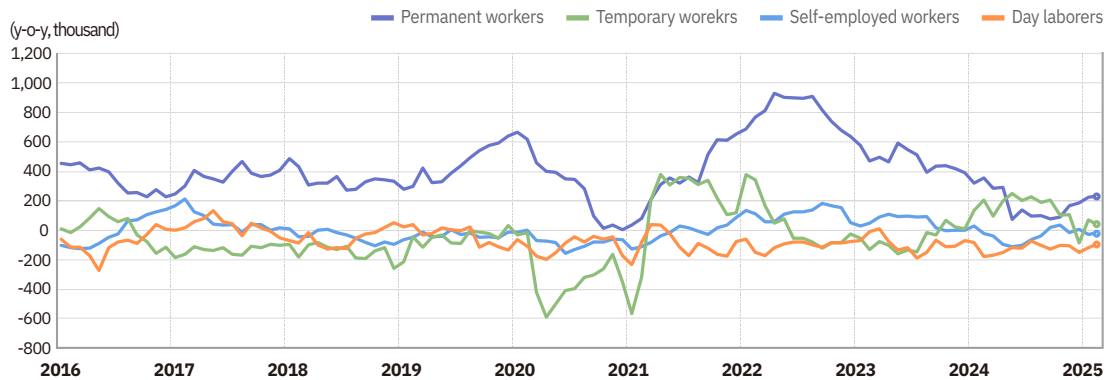
Source: Employment trends, Statistics Korea.

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 February, the number of unemployed workers increased by about 25,000 year-on-year to 940,000 and the unemployment rate remained unchanged at 3.2 percent.

	2022	2023	2024	2024												2025	
	Annual	Annual	Annual	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	
Number of unemployed (thousand)	833	787	823	915	892	885	884	857	737	564	622	678	656	1,115	1,083	940	
Unemployment growth (y-o-y, thousand)	-205	-46	36	25	52	81	97	50	-70	-9	-39	51	-21	171	11	25	
- Male	-129	-14	18	29	35	48	75	44	-38	-1	-26	22	-32	29	-17	15	
- Female	-76	-32	18	-5	17	33	21	6	-32	-8	-13	29	11	141	28	10	
Unemployment rate (%)	2.9	2.7	2.8	3.2	3.0	3.0	3.0	2.9	2.5	1.9	2.1	2.3	2.2	3.8	3.7	3.2	
(Seasonally adjusted)	-	-	-	2.6	2.8	2.8	2.8	2.8	2.5	2.4	2.5	2.7	2.7	3.7	2.9	2.7	
- 15 to 29	6.4	5.9	5.9	6.5	6.5	6.8	6.7	6.2	5.5	4.1	5.1	5.5	5.5	5.9	6.0	7.0	
- 30 to 39	2.7	2.6	2.7	3.1	3.2	2.8	2.9	3.1	2.8	2.4	2.2	2.3	2.2	2.2	2.6	2.8	
- 40 to 49	2.0	1.9	1.9	2.1	2.2	2.2	2.2	2.4	1.8	1.3	1.5	1.7	1.7	1.8	2.0	2.3	
- 50 to 59	1.7	1.7	1.8	1.9	2.2	2.2	2.0	1.8	1.5	1.2	1.4	1.7	1.6	1.8	1.8	1.9	
- 60 and above	2.8	2.6	2.9	3.4	2.4	2.4	2.4	2.3	2.1	1.5	1.6	1.6	1.5	8.0	7.0	3.6	

Source: Statistics Korea.

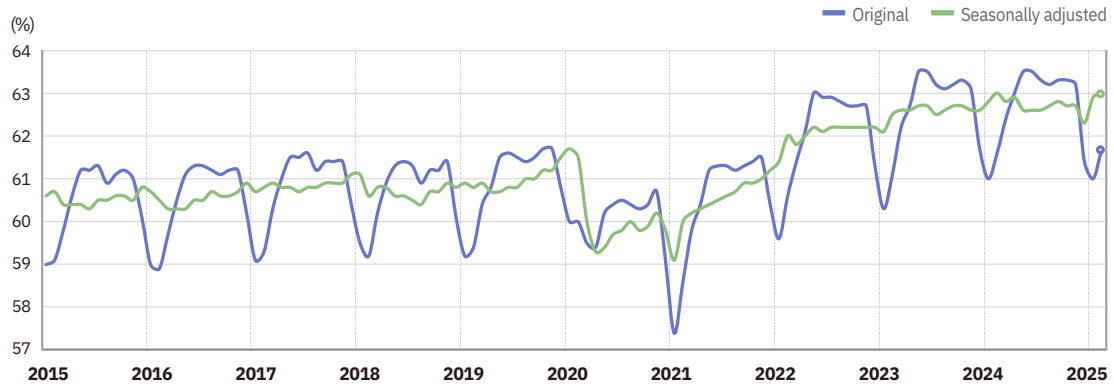
In February, the economically inactive population increased by 7,000 year-on-year to 16,580,000 and the labor force participation rate rose 0.1 percent point to 63.7 percent.

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

	2022	2023	2024	2024												2025	
	Annual	Annual	Annual	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	
Economically inactive population (million)	16.3	16.2	16.2	16.6	16.2	16.0	15.7	15.8	16.0	16.2	16.1	16.1	16.2	16.5	16.7	16.6	
Labor force participation rate (%)	63.9	64.3	64.5	63.6	64.3	65.0	65.4	65.3	64.9	64.4	64.6	64.7	64.6	63.9	63.4	63.7	
(Seasonally adjusted)	-	-	-	64.7	64.6	64.7	64.5	64.4	64.2	64.2	64.3	64.4	64.4	64.7	64.7	64.8	
Growth in economically inactive population (y-o-y, thousand)	-432	-134	-32	-183	-63	-174	-12	21	89	48	54	21	50	29	15	7	
- Childcare	-125	-140	-113	-102	-110	-142	-136	-115	-121	-131	-122	-112	-89	-68	-96	-95	
- Housework	-53	-1	45	49	34	7	63	58	53	61	62	50	90	34	11	-5	
- Retraining	-136	11	-54	-27	-55	-92	-54	-67	-24	-45	-48	-56	-78	-58	24	-24	
- Old age	121	-31	47	61	78	85	120	103	13	3	-3	6	4	22	4	2	
- Rest	-122	74	117	-61	30	38	87	129	243	245	231	207	179	179	128	123	
- Job seeking	-78	-88	-48	-49	-9	-32	-76	58	-46	-52	-63	-24	-62	-55	-7	14	

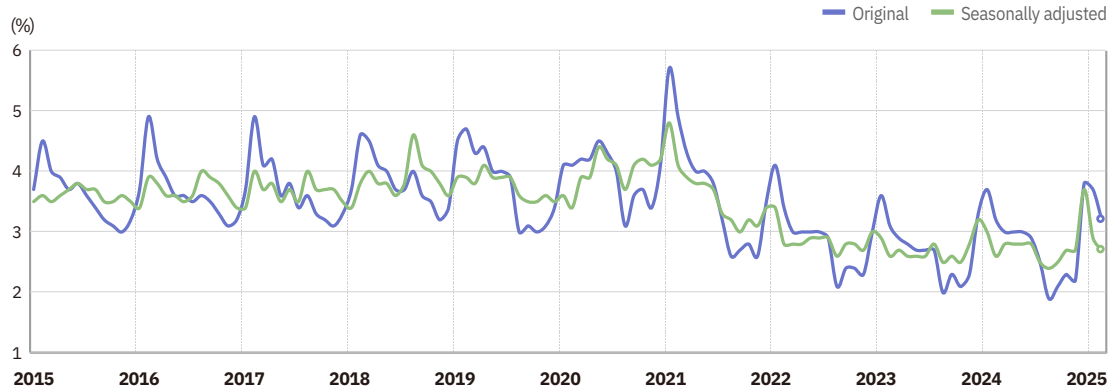
Source: Statistics Korea.

Employment rate



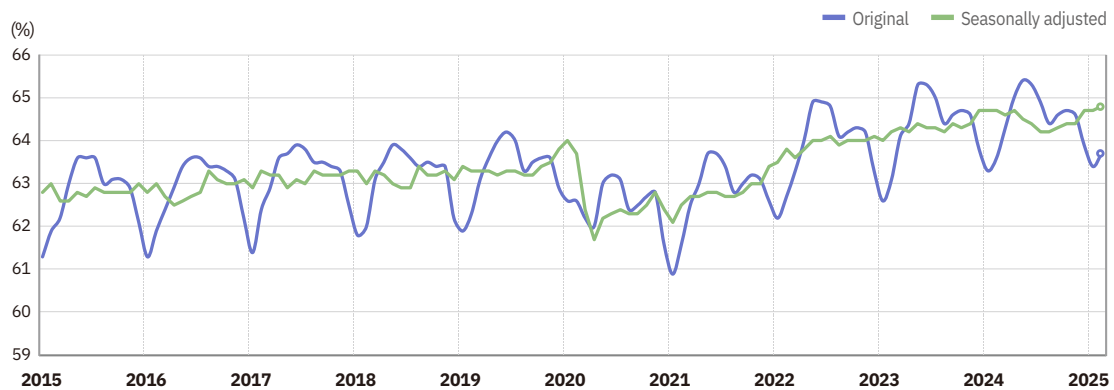
Source: Employment trends, Statistics Korea.

Unemployment rate



Source: Employment trends, Statistics Korea.

Labor force participation



Source: Employment trends, Statistics Korea.

8. Prices

In February, the Consumer Price Index (CPI) grew 2.0 percent from a year ago and rose 0.3 percent month-on-month as the growth in oil prices moderated.

The prices of consumer goods excluding food and energy rose 1.8 percent year-on-year in February. The prices of consumer goods excluding crops and oil products rose 1.9 percent.

The index of prices for basic necessities rose 2.6 percent year-on-year in February. The fresh food price index fell 1.4 percent.

(Percentage change from same period in previous year)

	2023				2024								2025					
	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
CPI (y-o-y)	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	2.0
(m-o-m)	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	0.3
Excluding food and energy	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	1.8
Excluding crops and oil products	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	1.9
Basic necessities	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	2.6
Fresh food	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	-1.4

Source: Statistics Korea.

In February, 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 also grew at a slower rate than the previous month owing to decrease in international oil prices, weakened 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
Jan 2025	1.9	2.2	7.3	3.1	0.6	0.8	3.2
Feb 2025	1.0	2.0	6.3	3.1	0.7	0.8	3.0
Contribution (%p)	0.1	0.7	0.2	0.1	0.1	0.1	1.0

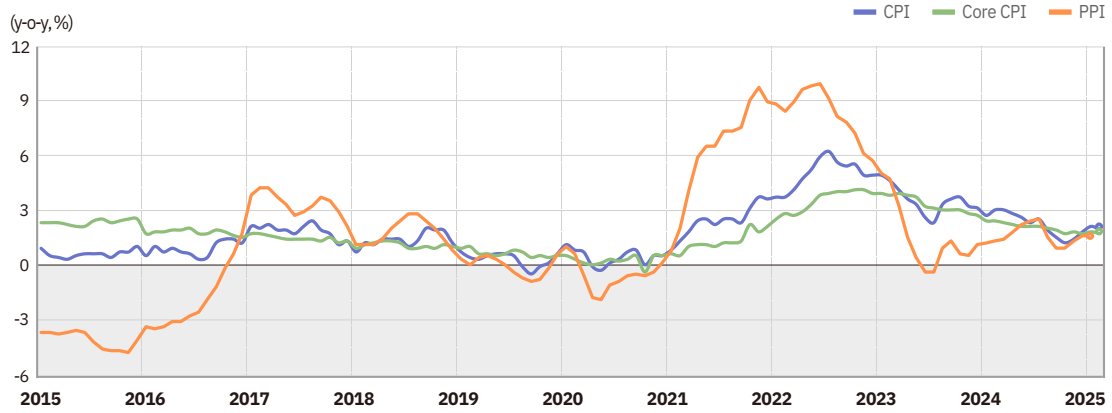
Source: Statistics Korea.

(Won/liter, period average)

	2023	2024	2023				2024				2025						
	Annual	Annual	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Dec	Jan	Feb	1st week	2nd week	3rd week	4th week
Gasoline prices	1,643	1,647	1,578	1,617	1,690	1,687	1,607	1,681	1,674	1,624	1,654	1,709	1,728	1,733	1,730	1,726	1,721
Diesel prices	1,558	1,503	1,607	1,467	1,544	1,615	1,512	1,528	1,510	1,460	1,497	1,564	1,594	1,598	1,596	1,592	1,587

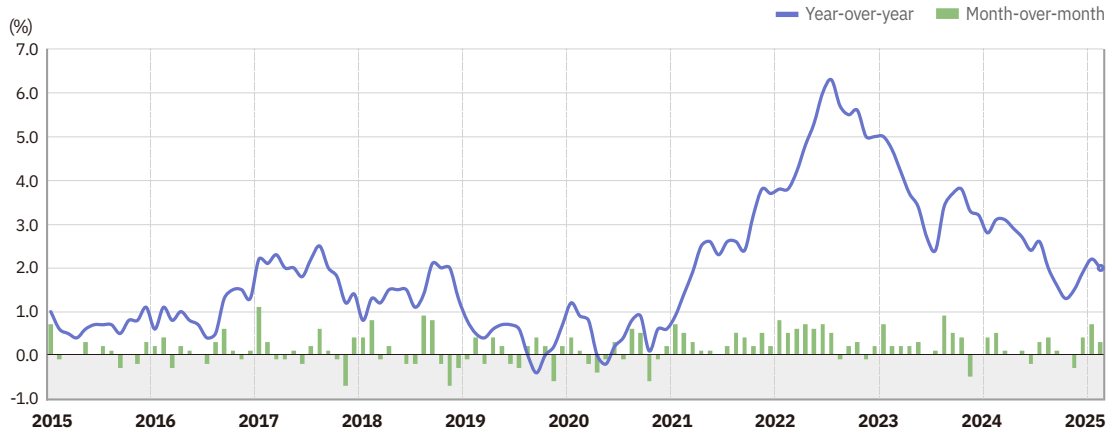
Source: Korea National Oil Corporation.

Prices



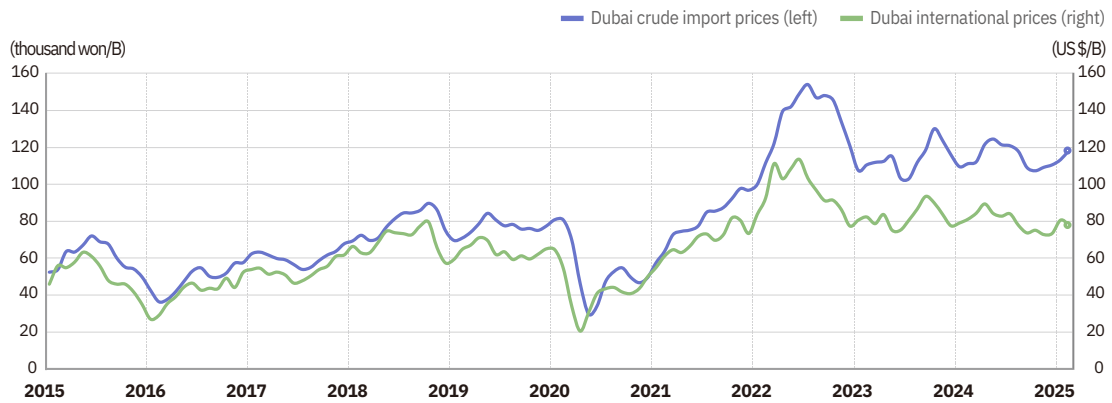
Sources: Consumer price trends, Statistics Korea; Bank of Korea.

Consumer price inflation



Source: Consumer price trends, Statistics Korea.

Dubai crude prices and import prices



Source: Korea National Oil Corporation.

In February, international oil prices fell driven by a range of issues including a slowing US economy, signs of the Russia-Ukraine conflict drawing to an end, and growing US pressure on Iraq to resume exports of crude oil.

International grain prices rose from the previous month driven by concerns of a supply shortage.

Nonferrous metal prices rose from the previous month with expectations of a rebound in demand from China and the looming uncertainty brought on by rising trade tension among major economies

(Period average)

	2023	2024	2023				2024				2025		
	Annual	Annual	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Dec	Jan	Feb
Dubai crude ¹	82.1	79.6	80.3	77.6	86.6	83.7	81.2	85.3	78.5	73.6	73.2	80.4	77.9
WTI crude ¹	77.6	75.8	76.0	73.6	82.2	78.5	76.9	80.7	75.3	70.3	69.7	75.1	71.2
Brent crude ¹	82.2	79.9	82.1	77.7	85.9	82.9	81.8	85.0	78.7	74.0	73.1	78.3	75.0
Reuters Index ²	3,104	3,086	3,265	3,040	3,066	3,045	2,948	3,110	3,080	3,203	3,194	3,131	3,187

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 Feb 2025 (m-o-m, %)

Wheat	7.0
Corn	3.4
Soybeans	1.1

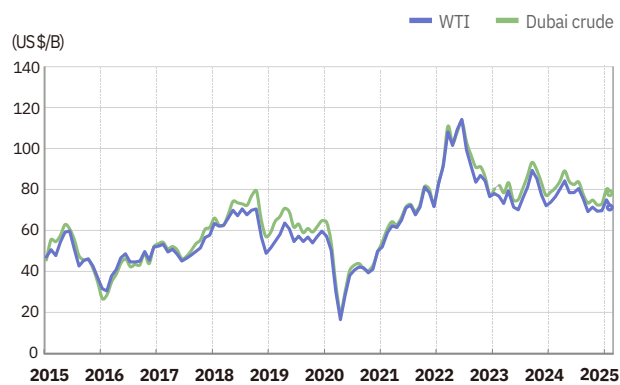
Note: Monthly average prices.

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

Copper	3.9
Aluminum	3.0
Nickel	-0.7

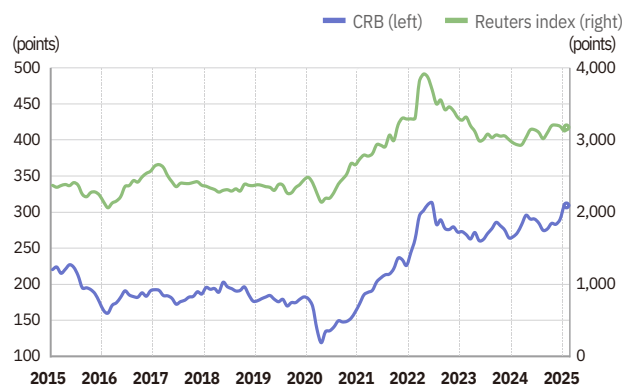
Note: Monthly average prices.

International oil prices



Source: Korea National Oil Corporation.

International commodity prices



Source: Korea PDS

9. Housing market

Nationally, housing sales prices fell 0.06 percent month-on-month in February.

Within the Seoul metropolitan area, housing sales prices declined 0.01 percent, increasing 0.18 percent in Seoul, decreasing 0.10 percent in Gyeonggi Province, and decreasing 0.20 percent in Incheon.

In the areas excluding the Seoul metropolitan, housing sales prices declined 0.10 percent, decreasing 0.16 percent in the five metropolitan cities and 0.05 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	Feb	Nov	Dec	Cumulative total	Jan	Feb
Nationwide	5.4	9.9	-4.7	-3.6	0.1	-0.14	0.01	-0.07	-0.16	-0.10	-0.06
Seoul metropolitan area	6.5	12.8	-6.5	-3.6	1.4	-0.15	0.11	0.00	-0.07	-0.06	-0.01
- Seoul	2.7	6.5	-4.8	-2.0	3.2	0.00	0.20	0.08	0.22	0.04	0.18
· Southern Seoul	2.2	6.8	-4.1	-1.5	3.6	-0.08	0.21	0.09	0.37	0.05	0.32
· Northern Seoul	3.2	6.1	-5.4	-2.4	2.8	-0.10	0.20	0.08	0.06	0.02	0.04
Areas excluding the Seoul metropolitan area	4.3	7.4	-3.0	-3.5	-1.1	-0.14	-0.09	-0.14	-0.23	-0.11	-0.10

Source: Korea Real Estate Board.

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

Busan	Daegu	Gwangju	Daejeon	Ulsan	Sejong
-0.14	-0.32	-0.12	-0.14	0.02	-0.29

Source: Korea Real Estate Board.

Nationally, housing rental prices fell 0.01 percent month-on-month in February.

By region, housing rental prices rose 0.01 percent in the Seoul metropolitan area while they fell 0.02 percent in other areas.

Housing rental prices

(Percentage change from previous period)

	2020	2021	2022	2023	2024	2024			2025		
	Annual	Annual	Annual	Annual	Annual	Feb	Nov	Dec	Cumulative total	Jan	Feb
Nationwide	4.6	6.5	-5.6	-5.1	1.3	0.03	0.09	0.01	-0.03	-0.02	-0.01
Seoul metropolitan area	5.6	7.7	-8.0	-5.7	3.1	0.14	0.19	0.03	-0.01	-0.02	0.01
- Seoul	3.7	4.9	-6.5	-5.3	3.3	0.12	0.15	0.02	0.06	0.00	0.06
· Southern Seoul	4.4	5.1	-6.9	-5.8	2.9	0.06	0.11	0.00	0.11	0.01	0.10
· Northern Seoul	2.9	4.7	-6.2	-4.7	3.6	0.19	0.18	0.44	0.01	0.00	0.01
Areas excluding the Seoul metropolitan area	3.7	5.5	-3.3	-4.4	-0.44	-0.08	0.01	-0.01	-0.05	-0.02	-0.02

Source: Korea Real Estate Board.

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

Seocho	Songpa	Gangdong	Nowon	Seongdong
0.13	0.31	0.07	0.09	-0.14

Source: Korea Real Estate Board.

There were 38,322 housing sales transactions in January, decrease of 16.5 percent month-on-month (45,921 in December 2024) and decrease of 10.9 percent year-on-year (43,033 in January 2024).

Housing sales transactions

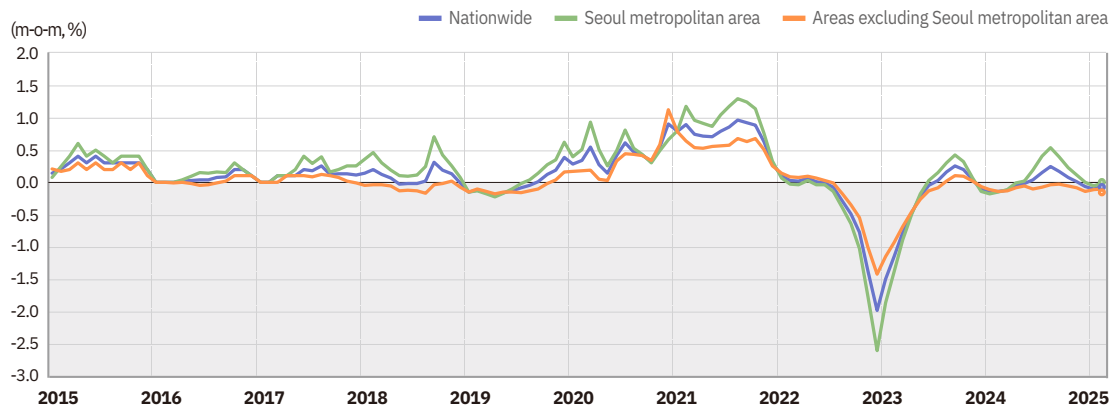
(Thousand)

	2021	2022	2023	2024	2024												2025
	Annual ¹	Annual ¹	Annual ¹	Annual ¹	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan
Nationwide	85	42	46	54	43	43	53	58	57	56	68	61	51	57	49	46	38

¹ Monthly average.

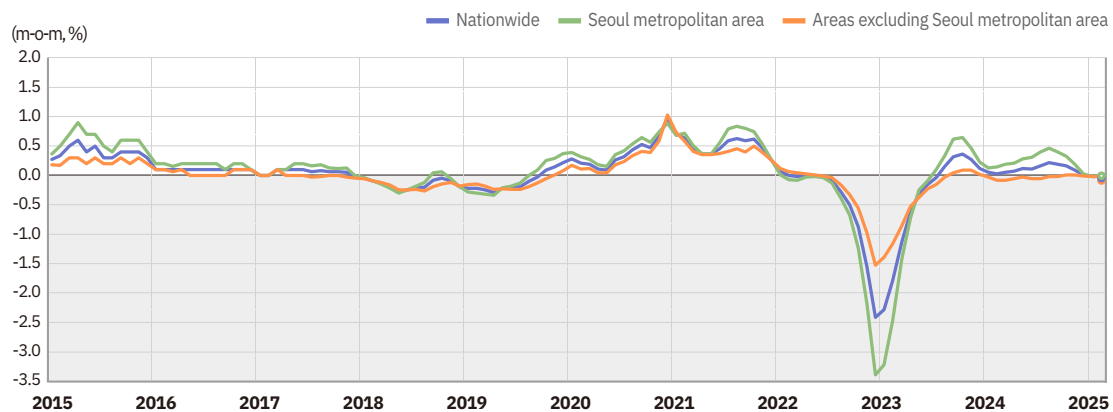
Source: Ministry of Land, Infrastructure and Transport.

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, were up as investor's concerns of the negative impact of US trade policies moderated and signs of the Russia-Ukraine conflict ending began to emerge.

	KOSPI			KOSDAQ		
	Jan 2025	Feb 2025	Change	Jan 2025	Feb 2025	Change
Stock price index (points)	2,517.4	2,532.8	15.4 (0.61%)	728.3	744.0	15.7 (2.16%)
Market capitalization (trillion won)	2,057.1	2,074.4	17.3 (0.84%)	367.1	377.9	10.8 (2.94%)
Daily trade (trillion won)	9.6	12.2	2.6 (27.08%)	6.9	9.0	2.1 (30.43%)
Foreign stock ownership (% , %p)	32.26	31.72	-0.54 (-1.67%)	9.93	10.20	0.27 (2.72%)

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

2. Bond market

The government issued 21.3 trillion won worth of Treasury bonds in February.

(End-period, trillion won)

	2021	2022	2023	2024	2024											2025	
	Annual	Annual	Annual	Annual	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
Treasury bonds issuance ¹	180.5	168.6	165.7	157.7	17.5	18.4	15.0	18.5	18.3	15.8	11.8	10.8	9.9	7.8	1.4	18.3	21.3

Source: Monthly public finance, Ministry of Economy and Finance.
¹ 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 Feb 2025 (m-o-m, basis points)

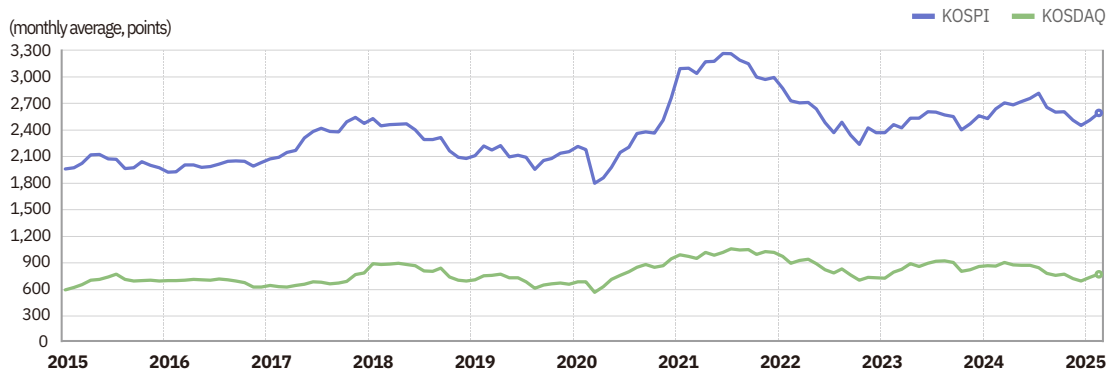
3 yrs	5 yrs	10 yrs	20 yrs	30 yrs
0	-5	-15	-14	-20

(Percent per annum)

	2017	2018	2019	2020	2021	2022	2023	2024	2025		
	Dec	Dec	Dec	Dec	Dec	Dec	Dec	Dec	Jan	Feb	Change ¹
Call rate (1 day)	1.58	1.89	1.39	0.61	1.44	3.38	3.91	3.33	3.07	2.80	-27
CD (91 days)	1.66	1.93	1.53	0.66	1.29	3.98	3.83	3.39	3.03	2.89	-14
Treasury bonds (3 yrs)	2.14	1.82	1.36	0.98	1.80	3.72	3.15	2.60	2.57	2.57	0
Treasury bonds (5 yrs)	2.34	1.88	1.48	1.34	2.01	3.74	3.16	2.76	2.70	2.65	-4
Corporate bonds (3 yrs)	2.68	2.29	1.94	2.21	2.42	5.23	3.90	3.28	3.20	3.16	-5

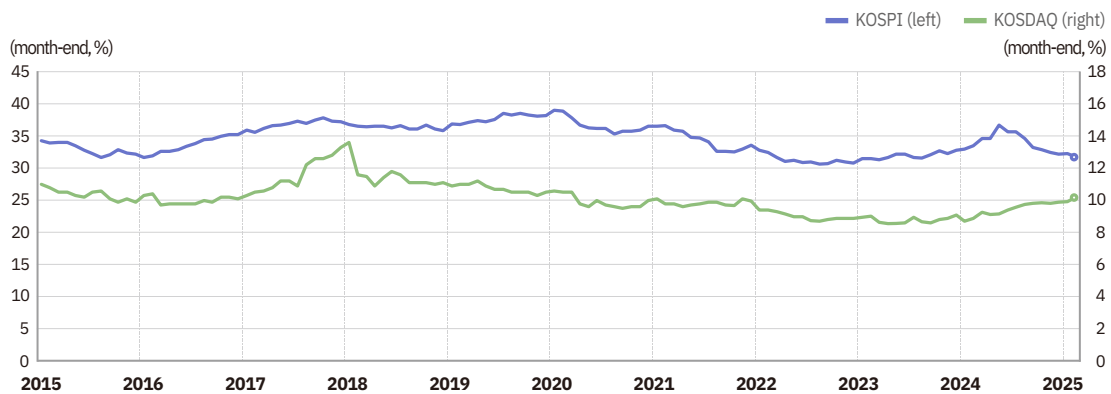
Source: Bank of Korea.
 Note: Figures are closing rate.
¹ Change from the previous month as of end-Feb 2025, basis point.

Stock prices



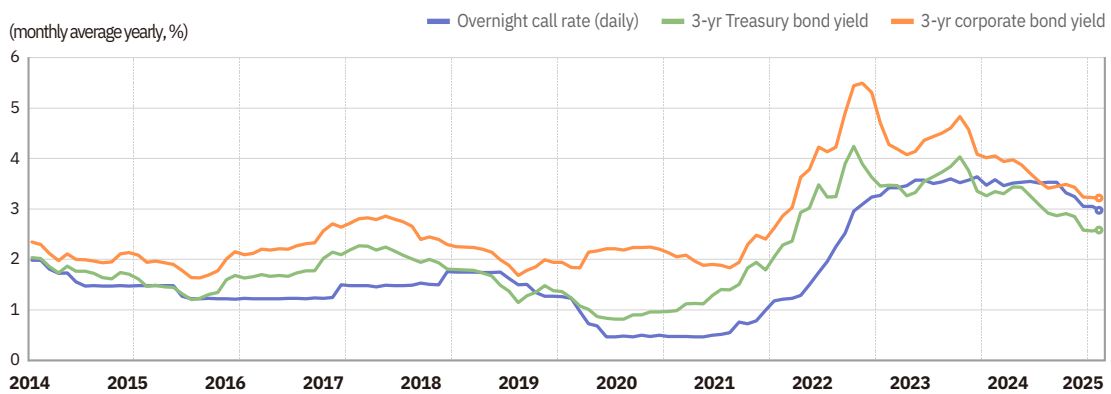
Source: Korea Exchange

Foreign stock ownership



Sources: Financial Supervisory Service, Korea Exchange

Interest rates



Source: Bank of Korea

3. Foreign exchange market

The won depreciated against the US Dollar in February compared to the previous month.

	2019	2020	2021	2022	2023	2024	2025		
	Dec	Dec	Dec	Dec	Dec	Dec	Jan	Feb	Change ¹
Dollar-Won	1,156.4	1,086.3	1,188.8	1,264.5	1,288.0	1,472.5	1,452.7	1,463.4	-0.7
100 Yen-Won	1,059.8	1,051.2	1,032.5	945.6	912.25	943.3	927.9	961.8	-3.8
Yuan-Won	165.6	167.0	186.6	181.6	181.17	202.6	198.9	200.6	-0.8

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- Feb 2025, %.

4. Money market

M2 (monthly average) rose 7.5 percent year-on-year in January.

(Percentage change from same period in previous year)

	2017	2018	2019	2020	2021	2022	2023	2024	2025	
	Annual	Annual	Annual	Annual	Annual	Annual	Annual	Annual	Jan ¹	Jan ²
M1 ³	9.2	4.9	4.3	20.8	21.0	4.0	-10.5	3.2	5.9	1,275.4
M2	5.5	6.3	7.0	9.3	11.7	8.5	2.9	5.6	7.5	4,204.2
Lf ⁴	6.7	7.0	7.9	8.3	9.8	7.5	3.1	5.4	6.0	5,730.0

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 February, the deposits of banks increased by 24.8 trillion won, while the deposits of Asset Management Companies (AMC) increased by 39.3 trillion won.

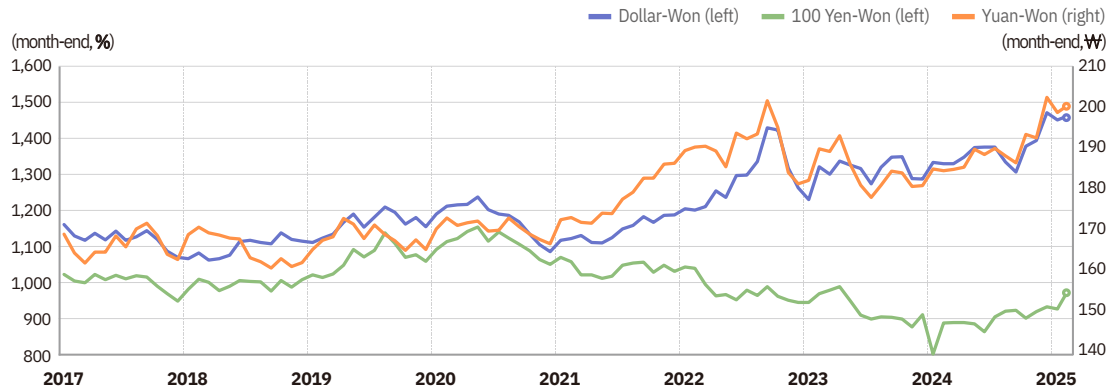
(Change from the end of the previous period, trillion won)

	2017	2018	2019	2020	2021	2022	2023	2024		2025		
	Annual ¹	Annual ¹	Annual ¹	Annual ¹	Annual ¹	Annual ¹	Annual ¹	Nov	Dec	Jan	Feb	Feb ¹
Bank deposits	79.5	91.6	106.3	188.4	198.5	107.4	76.4	18.9	16.5	-33.3	24.8	2,426.1
AMC deposits	27.9	53.8	98.6	42.2	93.9	44.4	93.7	8.7	-23.3	38.1	39.3	1,119.4

Source: Bank of Korea.

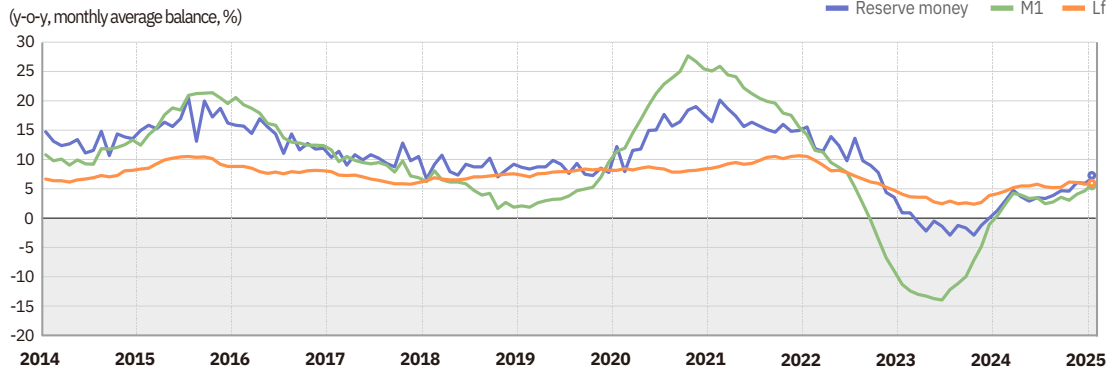
¹Balance at end- Feb 2025.

Foreign exchange rates



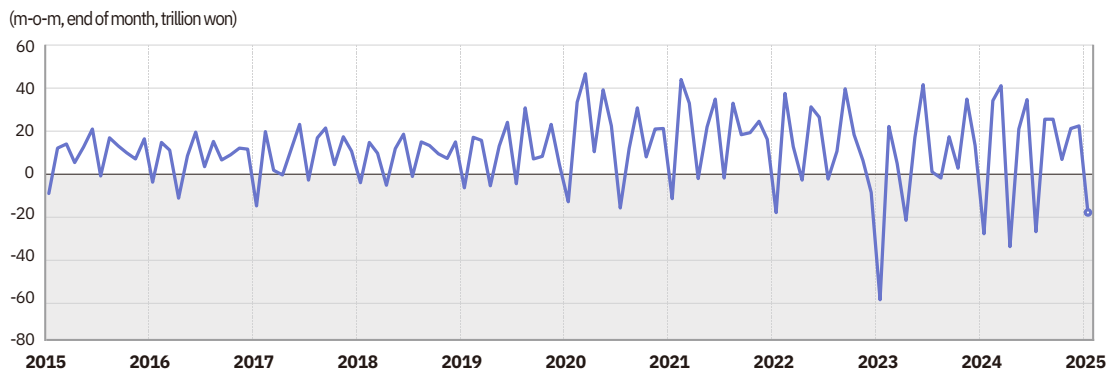
Source: Bank of Korea.

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 \$409.2 billion as of the end of February.

(US \$ billion)

	2021	2022	2023	2024	2024	2024			
						Jan	Feb	Change (m-o-m)	
Official foreign reserves	463.1	423.2	420.2	415.6	415.6	411.0	409.2	(100.0%)	-1.8
- Securities ¹	421.7	369.7	373.7	366.7	366.7	362.0	357.4	(87.3%)	-4.6
- Deposits	16.6	29.3	22.0	25.2	25.2	25.3	28.0	(6.8%)	2.7
- SDRs	15.4	14.8	15.1	14.7	14.7	14.7	14.8	(3.6%)	0.1
- IMF position ²	4.6	4.5	4.6	4.2	4.2	4.2	4.2	(1.0%)	0.0
- Gold	4.8	4.8	4.8	4.8	4.8	4.8	4.8	(1.2%)	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 \$1,068.1 billion as of the end of 2024, up US \$23.6 billion year-on-year. Short-term debt was US \$146.9 billion (*up US \$6.2 billion y-o-y*), and long-term debt was US \$523.3 billion (*down US \$8.7 billion y-o-y*). Net external assets increased by US \$26.1 billion to US \$398.1 billion.

(End-period, US \$billion)

	2020	2021	2022	2023 ¹	2024 ¹	Change (y-o-y)
External assets (in debt instruments, A)	1,034.4	1,082.5	1,035.1	1,044.5	1,068.1	23.6
Total debt (B)	550.6	630.7	673.3	672.5	670.0	-2.5
- Short-term	160.1	165.1	174.0	140.7	146.9	6.2
- Long-term	390.6	465.6	499.3	531.9	523.2	-8.7
Short-term/Total debt (%)	29.1	26.2	25.8	20.9	21.9	1.0%p
Short-term/Reserve assets (%)	36.1	35.7	41.1	33.5	35.3	1.8%p
Net external assets (A-B)	483.8	451.9	361.8	372.0	398.1	26.1

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

¹ Preliminary.

Public Finance

1. Fiscal balance

The consolidated fiscal balance recorded a surplus of 13.5 trillion won in January, an increase of 2.3 trillion won y-o-y. The managed fiscal balance also recorded a deficit of 11.5 trillion won, an increase of 3.2 trillion won y-o-y.

(Trillion won, percent)

	2024					2025 ¹				Change
	Main budget (a)	Settlement (b)	Jan (Cumulative, c)	(c)/(a)	(c)/(b)	Main budget (d)	Jan (Cumulative, e)	(e)/(d)	(e)-(c)	
A. Total revenue	612.2	-	67.1	11.0	-	651.6	66.3	10.2	-0.9	
B. Total spending	656.6	-	55.9	8.5	-	673.3	52.7	7.8	-3.2	
C. Consolidated fiscal balance (A-B)	-44.4	-	11.2	-	-	-21.7	13.5	-	2.3	
D. Net social security fund ²	47.2	-	2.9	-	-	52.1	2.1	-	-0.9	
E. Managed fiscal balance (C-D)	-91.6	-	8.3	-	-	-73.9	11.5	-	3.2	

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	-28.2
Managed fiscal balance	-29.5	-38.0	-22.7	-18.5	-10.6	-54.4	-112.0	-90.5	-117.0	-87.0	-81.3

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 ¹	
	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	1,156.2	1,160.3
(% 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	1,158.9	1,158.9
· Bonds	567.0	611.5	726.8	843.7	937.5	998.0	1,067.4	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.

¹ Preliminary.

² Including debt-equity swap securities for international organizations.

Economic News Briefing

- Korea's GDP Increased by 2.0 % in 2024 (Preliminary Estimate)
- High-Tech Strategic Industry Fund to be Established
- FX Stability Council Announces Additional Measures to Boost FX Supply
- Korean OFDI Amounted to \$63.95 Billion in 2024, declining by 1.8% year-on-year

Korea's GDP Increased by 2.0 % in 2024 (Preliminary Estimate)

Korea's real gross domestic product (GDP) grew by 2.0 percent in 2024, according to the Bank of Korea's preliminary estimate released on March 5. In the fourth quarter of 2024, the Korean economy rose 0.1 percent quarter-on-quarter and 1.2 percent year-on-year.



On the production side, the figures for agriculture, forestry and fisheries declined by 3.4 percent quarter-on-quarter in the fourth quarter of 2024. Manufacturing grew by 0.2 percent, led by increased production of chemicals and chemical products as well as computer, electronic and optical products computer. Production of electricity, gas and water supply decreased by 5.8 percent. Construction fell by 4.1 percent as building and civil engineering works both declined. Services increased by 0.4 percent due to increases in finance and insurance as well as human health and social work, despite decreases in real estate, wholesale and retail trade as well as accommodation and food services.

On the expenditure side, private consumption grew by 0.2 percent, led by an expenditure in services. Government spending grew by 0.7 percent with increased expenditures on health care benefits. Facility investment increased by 1.2 percent on the back of an increase in machinery, while construction investment decreased by 4.5 percent as building construction and civil engineering works both decreased. Exports grew by 0.8 percent owing to higher exports of IT items such as semiconductors. Imports rose by 0.1 percent as imports of machinery and equipment increased.

Real GDP growth by Production and Expenditure

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

	2023		2024				2024			
	Annual ¹	Annual ¹	Q1 ¹	Q2 ¹	Q3 ¹	Q4 ¹	Q1 ¹	Q2 ¹	Q3 ¹	Q4 ¹
GDP	1.4	2.0	0.4	0.6	0.8	0.5	1.3	-0.2	0.1	0.1
(y-o-y % change of original data)			(1.1)	(1.0)	(1.4)	(2.1)	(3.3)	(2.3)	(1.5)	(1.2)
Agriculture, forestry & fisheries	-2.6	0.8	-3.4	2.6	-0.1	-7.4	1.8	4.4	2.4	-3.4
Manufacturing	1.7	4.0	1.6	3.0	1.5	1.2	0.9	0.8	0.2	0.2
Electricity, gas & water supply	-2.9	4.2	-6.8	3.1	3.1	1.8	-0.1	-1.0	5.9	-5.8
Construction	3.1	-2.8	1.2	-2.7	3.7	-3.5	5.5	-6.0	-1.4	-4.1
Services²	2.1	1.6	0.2	0.1	0.5	0.4	0.9	0.0	0.2	0.4
Private consumption	1.8	1.1	0.5	-0.3	0.1	0.4	0.7	-0.2	0.5	0.2
Government spending	1.3	1.8	0.4	-2.1	0.3	0.5	0.8	0.6	0.6	0.7
Construction investment	1.5	-3.0	0.6	0.2	1.9	-3.8	3.3	-1.7	-3.6	-4.5
Facility investment	1.1	1.6	-1.4	0.4	-2.0	2.8	-2.0	-1.2	6.5	1.2
Intellectual property investment	1.7	0.7	-0.2	1.0	0.8	-0.2	0.8	-0.9	0.0	0.3
Exports	3.6	7.0	4.2	1.1	1.9	3.9	1.8	1.2	-0.2	0.8
Imports	3.5	2.5	3.9	-1.8	0.3	1.6	-0.4	1.6	1.6	0.1

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.

High-Tech Strategic Industry Fund to be Established

On March 5th, the Korean government finalized and announced a plan for establishing a high-tech strategic industry fund to enhance future industrial competitiveness during Ministerial Meetings chaired by Acting President and Deputy Prime Minister Choi Sang-mok.



With growing external uncertainties following the inauguration of the new U.S. administration, high-tech strategic industries have emerged as a key pillar of national economic security. In response, major countries are engaging in an intense global race to gain the upper hand in these industries. Under these circumstances, the government has devised a plan to establish a fund to support and strengthen the competitiveness of high-tech strategic industries.

The fund, with a scale of 50 trillion KRW, will be established in the Korea Development Bank (KDB). It aims to provide broad support across high-tech strategic industries, including semiconductors, secondary batteries, biotechnology, artificial intelligence, and robotics, as well as other industries essential to the nation's future strategy and economic security. In addition, the fund will offer support not only to large corporations but also to mid-sized and small enterprises that form the broader ecosystem of high-tech strategic industries.

The support methods will also be differentiated from the existing programs and approaches. The fund will enable intensive investment in extra-long-term infrastructure and technology development, which financial institutions have not sufficiently carried out in the past; various support measures tailored to corporate needs will be taken, including ultra-low interest loans around treasury bond rates and equity investments through the establishment of special purpose companies (SPCs). For example, when establishing large scale large-scale process facilities such as a fab (fabrication plant), an SPC is established with the supported enterprise, and the fund (or a fund invested by the fund) holds a certain level of equity with a principle of non-exercise of voting rights.

The fund will be financed through the issuance of government-guaranteed high-tech strategic industry fund bonds. The operating expenses of the fund, including administrative costs and interest payments, will be covered by contributions from the KDB's own resources.

Based on this plan, the government plans to swiftly prepare drafts of amendments to the Korea Development Bank Act and the National Guarantee Agreement for High-Tech Strategic Industry Fund Bonds, and submit them to the National Assembly in March. Furthermore, once the legislative amendments and related procedures are completed, the government plans to launch the fund without delay to provide prompt support for high-tech strategic industries.

FX Stability Council Announces Additional Measures to Boost FX Supply

The Ministry of Economy and Finance (MOEF), the Financial Services Commission (FSC), the Bank of Korea (BOK), and the Financial Supervisory Service (FSS) held the Foreign Exchange (FX) Stability Council¹ at the Korea Center for International Finance on March 7, chaired by the First Vice Minister Kim Beomseok. During the meeting, participants discussed the Additional Measures to Boost FX Supply and reviewed the progress of the Plan to Revamp World Government Bond Index (WGBI) Investment Frameworks and the Measures to Facilitate Trading in Extended FX Market Hours, announced in January 2025. The Council also assessed the foreign currency liquidity conditions of domestic financial institutions.



First, the participants discussed the Additional Measure to boost FX Supply. Since the announcement at the end of last December, it has been steadily implemented including raising the limit on banks' forward exchange position, easing restrictions on foreign currency loans for domestic use by FX banks, and expanding FX swaps between the FX authorities and the National Pension Service. Based on continued market feedback, the FX Stability Council has now introduced additional measures to enhance FX supply while ensuring financial stability. The newly announced measures consist of two main objectives: i) Reinforcing the FX inflow deregulation policies announced last year, and ii) Introducing measures to encourage increased investment in domestic assets to achieve a more fundamental balance in FX supply.

In addition, the participants reviewed the progress of the ongoing FX market reform aimed at external opening of the Korea's FX market. They acknowledged that the first step in opening the FX market was smoothly taken by extending market trading hours until 2 a.m. since the latter half of last year, and transaction and settlement procedures have been conducted without incidents over the past eight months. Moreover, it was positively noted that not only global banks from traditional financial hubs such as London, New York, Singapore, and Hong Kong but also new financial institutions from regions like Europe and Taiwan – some of which had never entered the Korean market or had previously withdrawn – have shown significant interest by registering with the FX authorities as Registered Foreign Institutions (RFI)². In addition, the FX trading volume of spot exchange and swap transactions in RFIs has been gradually increasing³.

Furthermore, the participants assessed that improvement measures to secure liquidity in the extended trading hours are progressing sequentially; the revision of the Foreign Exchange Transactions Act, which had been promoted for the introduction of aggregators⁴, was completed as it was passed in the National Assembly plenary session on February 27th; the revision of the Foreign Exchange Transactions Regulations, which includes policy tasks announced in January, such as allowing RFI's foreign currency exchange for current transactions, was completed on February 10th.

¹ A vice-ministerial-level council for information sharing, policy consultation, and coordination among relevant institutions in the FX sector, where deputy heads of MOEF, FSC, BOK, and FSS attend.

² A foreign financial institution located overseas that meets certain requirements under the Foreign Exchange Transactions Act to participate directly in the Korean FX market. Currently, 44 institutions are participating.

³ Daily average of RFI's interbank market transaction volumes records USD 30,000,000 in Q3 2024, USD 73,000,000 in Q4 2024, and USD 425,000,000 during January and February 2025.

⁴ Unlike the existing FX brokerage business that intermediates wholesale transactions between financial institutions, the aggregators intermediate retail transactions between customers (such as companies) and financial institutions, allowing customers to transact with financial institutions offering the most favorable prices.

Participants stressed the importance of ongoing efforts to facilitate FX market; while last year focused on stabilizing the new system, efforts should now be directed toward ensuring the tangible effects of market opening, which includes addressing sharp declines in liquidity during late-night hours and expanding RFI participation in transactions to further facilitate the market. Most of all, participants agreed to steadily implement the tasks outlined in the Measures to Facilitate Trading in Extended FX Market Hours announced in January: The establishment and revision of guidelines on currency exchange for third-party FX transactions and current transactions in March, the disclosure of FX trading volume rankings in March, the introduction of the Leading RFI Program in June, the establishment of minimum transaction volume standards for RFIs in June, and the amendments to the subordinate regulations related to the aggregator system. In particular, the government aims to finalize specific details related to the operation of the aggregator system – such as licensing requirements, approval procedures, and eligible counterparties – before the revised law takes effect at the end of August this year. Besides, revisions to subordinate regulations, including the Enforcement Decree of the Foreign Exchange Transactions Act and the Foreign Exchange Transactions Regulations, will be completed within this timeframe.

Last but not least, the participants reviewed the recent status of financial institutions' foreign currency liquidity and discussed response measures. Last year alone, Korea's net external financial assets increased by \$292 billion, allowing the country to join the ranks of nations with a \$1 trillion surplus for the first time in 10 years. As of the end of 2024, Korea's net external assets stood at \$1.1 trillion. Given this robust external soundness, financial institutions' foreign currency liquidity has been positively assessed as maintaining a stable trend; in February, domestic banks' foreign currency Liquidity Coverage Ratio (LCR) significantly exceeded the regulatory requirement of 80%, reaching 163.1%, and they hold \$39.8 billion in available foreign currency liquidity, which is over 127% of their maturing borrowings due within three months. The participants agreed to continue closely monitoring the foreign currency liquidity situation of financial institutions and to hold in-depth discussions through the FX Stability Council if any necessary measures arise.

Korean OFDI Amounted to \$63.95 Billion in 2024, declining by 1.8% year-on-year

In 2024, Korea's Outbound Foreign Direct Investment (OFDI) showed a relatively steady trend, with a reduced decline compared to the previous year, despite ongoing uncertainties such as global high interest rates and geopolitical risks. This appears to be attributed to a combination of factors, including increased investments by Public Funds' alternative asset investment in advanced countries and continued investments by Korean companies¹ in high-tech industries in the United States.



The government plans to strengthen communication and cooperation with major investment target countries to ensure that Korean companies can continue stable business operations, especially in light of the increasing uncertainty in the trade environment due to rising protectionism and supply chain restructuring.

Korean OFDI by year

	2020	2021	2022	2023	2024				Annual
					Q1	Q2	Q3	Q4	
Amount invested (US \$billion)	58.21	76.92	81.70	65.15	16.45	16.00	14.29	17.21	63.95
Y-o-y change (%)	-11.5	32.1	6.2	-20.3	-7.0	-0.7	-5.0	5.6	-1.8

Korean OFDI by industry

	Finance and insurance	manufacturing	Real estate and renting	Mining	Information and Communication
2023 (US \$billion)	268.9	206.1	42.7	35.0	17.6
2024 (US \$billion)	273.9	161.7	56.0	39.0	30.6
Y-o-y change (%)	1.8	-21.6	31.5	11.4	73.9

Korean OFDI by region

	North America	Europe	Asia	Latin America	Oceania	Africa	Middle East
2023 (US \$billion)	316.1	110.5	113.5	97.9	8.8	3.4	1.3
2024 (US \$billion)	258.8	138.7	124.5	91.5	16.7	5.7	3.6
Y-o-y change (%)	-18.1	25.5	9.7	-6.5	89.8	67.6	176.9

Korean OFDI by country

	U.S.	Cayman Islands	Luxemburg	Canada	Singapore
2023 (US \$billion)	279.9	64.3	50.1	36.2	12.8
2024 (US \$billion)	220.8	66.3	59.9	37.9	26.9
Y-o-y change (%)	-21.1	3.3	19.4	4.7	110.4

¹ In 2024, the investment amount in the manufacturing sector including semiconductors and batteries in the United States was \$3.92 billion, accounting for 24.2% of total manufacturing investment and 17.7% of total U.S. investment.

Related Websites



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



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



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