

July 2026

Vol.48 No.7

Current Economic Trends

Economic Activity

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Economic News Briefing

Korean GDP in Q1 2026

Investor Relations Session

Launch of KUIC

Republic of Korea Economic Bulletin





▲ Korea becomes second largest exporting country in the world for cosmetics.

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.

July 2026 Vol.48 No.7

Editors-in-Chief Song In-Ho (KDI), Lee Jeonga (MOFE)

Editorial Board Park Ji-Hye (MOFE), Jung Sung-Jin (KDI)

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

Design Qline

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Current Economic Trends

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Overview

In April, total industrial production, facilities investment, and retail sales decreased. In May, the number of employed persons fell, while consumer price growth accelerated from the previous month.

In April, the industrial sector (*down 0.7% m-o-m and up 1.5% y-o-y*) and services sector (*down 1.0% m-o-m and up 3.5% y-o-y*) and construction sector (*down 1.4% m-o-m and down 5.5% y-o-y*) fell, resulting in a decline in total industrial production (*down 0.6% m-o-m and up 2.4% y-o-y*).

The cyclical indicator of the coincident composite index went up by 0.2 points and the cyclical indicator of the leading composite index increased by 0.6 points in April.

In April, facilities investment (*down 3.6% m-o-m and up 8.1% y-o-y*) and retail sales (*down 3.6% and up 1.6%*) decreased.

In May, the consumer sentiment index (CSI) went up by 6.9 points month-on-month to 106.1. The composite business sentiment index (CBSI) grew by 4.0 points to 98.9 and the CBSI outlook for June increased by 3.7 points to 97.6.

In May, exports climbed by 53.2 percent year-on-year, supported by expanded exports of semiconductor, computers, and ships. Average daily exports rose by 60.7 percent in May compared to the same month of last year.

In May, the number of employed persons went down by 40,000 from a year earlier, and the unemployment rate increased by 0.1 percent point to 2.9 percent.

In May, the year-on-year consumer price index (CPI) climbed by 3.1 percent, up from 2.6 percent last month, while the index excluding food and energy rose by 2.5 percent. The index excluding agricultural products and petroleum products rose by 2.5 percent, and the CPI for living necessities increased by 3.3 percent.

In May, both housing prices (*up 0.21% m-o-m*) and *Jeonse* (lump-sum deposits with no monthly payments) prices (*up 0.35% m-o-m*) continued to climb.

In May, stock prices rose, Korean Treasury Bond yields increased, and the Korean won weakened.

Recently, the Korean economy has maintained its recovery momentum, supported by robust exports and improvements in private consumption and business sentiment. However, concerns remain over pressures on livelihoods, including rising prices and slowing employment growth, amid persistent uncertainties stemming from the conflict in the Middle East and other factors.

The global economy has continued to grow at a moderate pace; however, the conflict in the Middle East has heightened volatility in international financial markets and energy prices, raising concerns over supply chain disruptions, mounting inflationary pressures, and a slowdown in growth.

To minimize the impact of the Middle East conflict, the government plans to continue operating its emergency economic response framework, expedite the execution of the supplementary budget – including financial support for those affected by high energy prices – and take all necessary measures to stabilize livelihoods through close monitoring of key commodity supplies and prices.

Economic Activity

1. Gross Domestic Product (Preliminary estimate)

In the first quarter of 2026, Korea's real Gross Domestic Product (GDP) amounted to 574.1 trillion won, and real Gross Domestic Income (GDI) was 612.8 trillion won.

(Trillion won, inflation adjusted at 2020 prices)

	2024	2025	2024				2025				2026
	Annual	Annual ¹	Q1	Q2	Q3	Q4	Q1 ¹	Q2 ¹	Q3 ¹	Q4 ¹	Q1 ¹
GDP	2,300.1	2,326.3	552.3	573.8	575.3	598.6	553.2	577.9	587.3	607.9	574.1
(Seasonally adjusted)	-	-	575.2	574.3	574.6	576.0	575.0	578.7	586.6	586.0	596.7
- Private consumption	1,100.90	1,117.40	274.3	270.1	276.8	279.6	275.7	273	282.4	286.4	283.1
- Facility investment	214.9	218.0	50.9	53.8	52.6	57.6	53.3	55.3	53.0	56.5	55.7
- Construction investment	293.9	265.4	63.5	82.2	72.5	75.6	55.5	73.0	66.8	70.1	54.4
- Total export	922.1	962.0	222.9	228.4	230.2	240.6	226.3	238.3	245.8	251.6	253.0
- Total import	780.8	806.9	194.6	190.2	195.6	200.5	197.7	196.7	204.4	208.2	214.5
GDI	2,243.7	2,288.9	540.7	557.4	561.3	584.3	541.5	566.3	576.3	604.8	612.8
(Seasonally adjusted)	-	-	562.5	558.8	559.1	563.3	562.5	568.7	573.4	584.3	635.4

Source: Bank of Korea.

¹ Preliminary estimate.

In the first quarter of 2026, real GDP grew 3.8 percent year-on-year, and seasonally adjusted GDP grew 1.8 percent quarter-on-quarter. Real GDI rose 13.2 percent year-on-year, and seasonally adjusted GDI also increased 8.7 percent quarter-on-quarter.

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

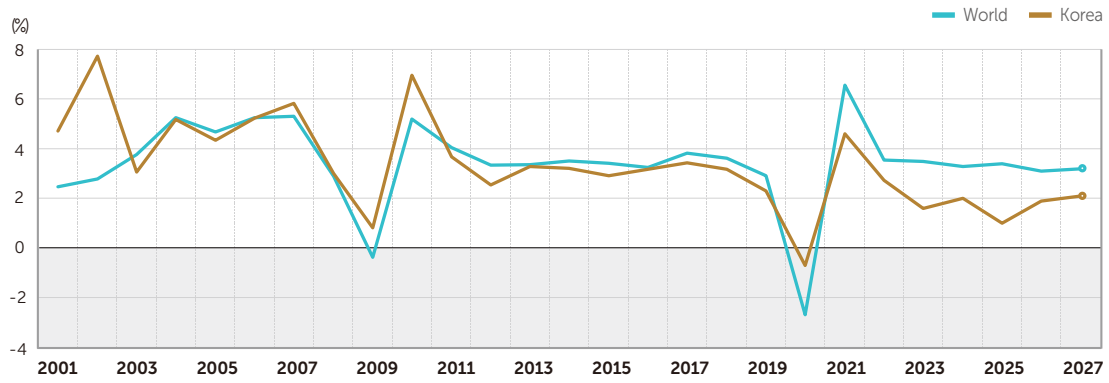
	2024	2025	2024				2025				2026
	Annual	Annual ¹	Q1	Q2	Q3	Q4	Q1 ¹	Q2 ¹	Q3 ¹	Q4 ¹	Q1 ¹
GDP	2.2	1.1	3.6	2.6	1.6	1.1	0.2	0.7	2.1	1.6	3.8
(Seasonally adjusted ²)	-	-	1.0	-0.2	0.1	0.2	-0.2	0.6	1.4	-0.1	1.8
- Private consumption	1.3	1.5	1.4	1.2	1.6	1.1	0.5	1.0	2.0	2.4	2.7
- Facility investment	1.0	1.5	-1.4	-2.9	5.6	3.1	4.7	2.7	0.7	-1.9	4.4
- Construction investment	-2.0	-9.7	1.6	-0.2	-4.5	-4.5	-12.7	-11.3	-7.9	-7.2	-1.9
- Total export	7.6	4.3	10.1	9.9	7.0	3.9	1.5	4.3	6.8	4.6	11.8
- Total import	3.8	3.3	0.3	5.0	6.3	3.6	1.6	3.4	4.5	3.9	8.5
GDI	4.3	2.0	6.7	5.3	3.0	2.3	0.1	1.6	2.7	3.5	13.2
(Seasonally adjusted ²)	-	-	2.2	-0.7	0.1	0.7	-0.1	1.1	0.8	1.9	8.7

Source: Bank of Korea.

¹ Preliminary estimate.

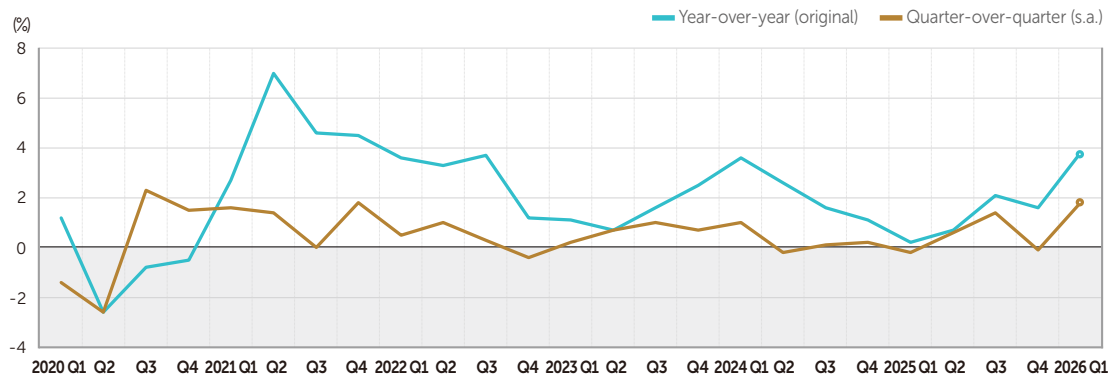
² Percentage change from previous period.

GDP growth: World and Korea



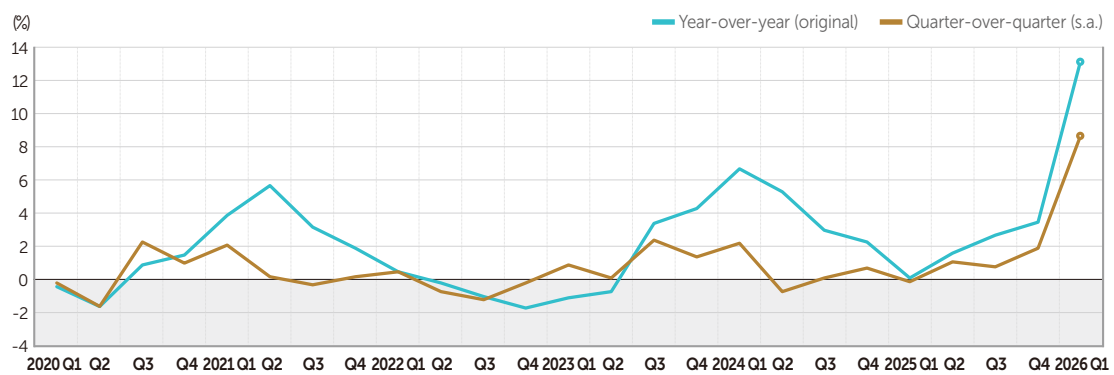
Source: IMF

GDP growth: Korea



Source: Bank of Korea.

GDI growth: Korea



Source: Bank of Korea.

2. Total Production and Composite Index of Business Indicators

In April, the Total Index of Industrial Production fell 0.6 percent month-on-month. Industrial production (*down 0.7%*) and services production (*down 1.0%*), and construction (*down 1.4%*) declined, while public spending (*up 4.5%*) rose. The index climbed 2.4 percent year-on-year.

Coincident composite index

The cyclical indicator of the coincident composite index rose 0.2 points month-on-month to 100.2. More specifically, the industrial production index and the index of services rose, while the retail sales index and imports declined.

Leading composite index

The cyclical indicator of the leading composite index rose 0.6 points month-on-month to 104.1. Within the leading composite index, the KOSPI and construction orders received rose, while the inventory circulation indicator and the economic sentiment index fell.

	2025								2026			
	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb ¹	Mar ¹	Apr ¹
Total Index of Industrial Production (m-o-m, %)	-1.0	1.8	-0.3	-0.1	1.2	-2.2	0.7	1.2	-0.8	2.1	0.4	-0.6
(y-o-y, %)	-0.2	1.9	2.8	0.2	8.0	-3.5	0.7	2.1	4.9	0.1	3.7	2.4
Cyclical indicator of coincident composite index	99.4	99.6	99.6	99.8	99.8	99.4	99.2	99.0	99.0	99.6	100.0	100.2
(m-o-m, p)	-0.3	0.2	0.0	0.2	0.0	-0.4	-0.2	-0.2	0.0	0.6	0.4	0.2
Coincident composite index (2020=100)	113.7	114.1	114.3	114.7	114.9	114.6	114.5	114.5	114.7	115.5	116.1	116.5
(m-o-m, %)	-0.2	0.4	0.2	0.3	0.2	-0.3	-0.1	0.0	0.2	0.7	0.5	0.3
Cyclical indicator of leading composite index	99.8	100.0	100.5	100.9	100.9	100.9	101.1	101.6	102.2	102.8	103.5	104.1
(m-o-m, p)	0.1	0.2	0.5	0.4	0.0	0.0	0.2	0.5	0.6	0.6	0.7	0.6
Leading composite index (2020=100)	118.6	119.1	120.1	120.9	121.2	121.5	122.2	123.1	124.2	125.2	126.4	127.5
(m-o-m, %)	0.4	0.4	0.8	0.7	0.2	0.2	0.6	0.7	0.9	0.8	1.0	0.9

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 Apr 2026 (m-o-m, %)

Industrial production index	1.6
Index of services	0.3
Value of construction completed	0.9
Retail sales	-0.8
Imports	-0.6

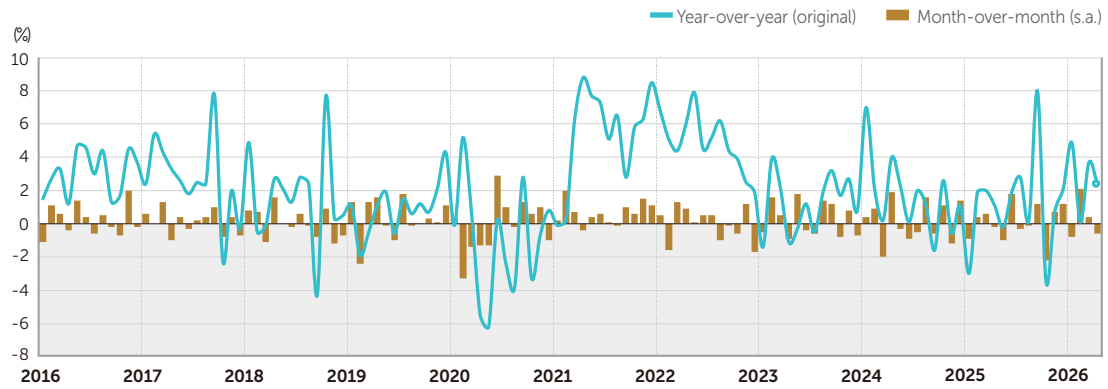
Source: Industrial activity trends, Statistics Korea.

Leading composite index in Apr 2026 (m-o-m, %)

KOSPI	7.9
Construction orders received	5.4
Domestic shipments of machinery	1.5
Inventory circulation indicator (%p)	-2.0
Economic sentiment index (p)	-0.8

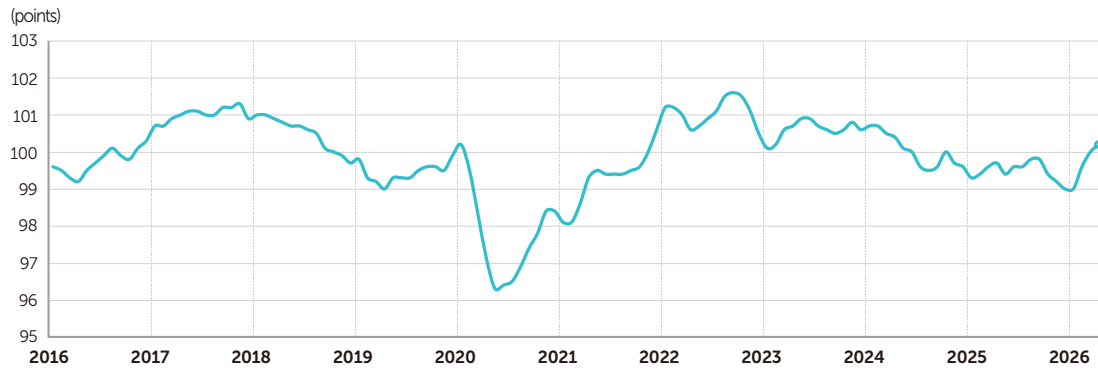
Source: Industrial activity trends, Statistics Korea.

Total index of Industrial Production



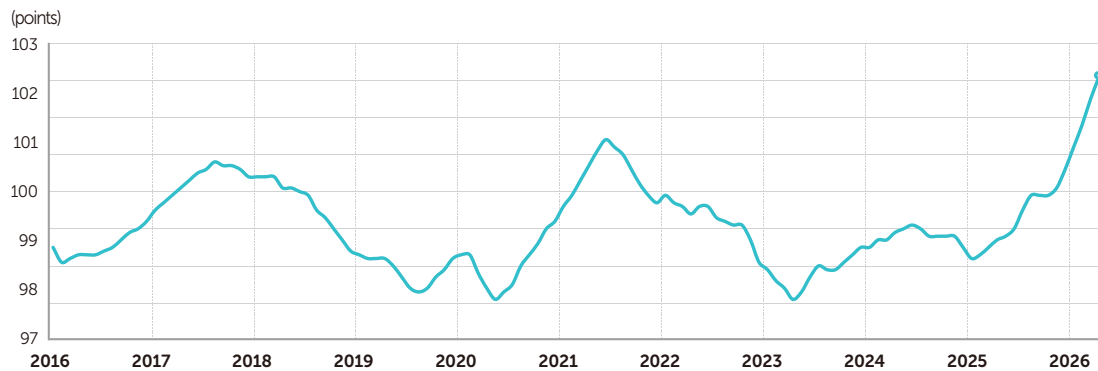
Source: Industrial activity trends, Statistics Korea.

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 first quarter of 2026 increased by 0.6 percent quarter-on-quarter and by 2.7 percent year-on-year.

(Percentage change from previous period)

	2024	2025	2024				2025				2026
	Annual	Annual ¹	Q1	Q2	Q3	Q4	Q1 ¹	Q2 ¹	Q3 ¹	Q4 ¹	Q1 ¹
Private consumption	-	-	0.8	0.0	0.3	0.0	0.2	0.7	1.1	0.4	0.6
(y-o-y)	1.3	1.5	1.4	1.2	1.6	1.1	0.5	1.0	2.0	2.4	2.7

Source: National accounts, Bank of Korea.

¹ Preliminary estimate.

Retail sales fell by 3.6 percent month-on-month in April. Sales of semi-durable goods remained unchanged, while sales of durable goods (*down 11.1%*) and nondurable goods (*down 1.1%*) fell. The year-on-year index rose 1.6 percent.

(Percentage change from previous period)

	2024	2025	2024				2025				2026			
	Annual	Annual	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1 ¹	Feb	Mar ¹	Apr ¹
Retail sales	-	-	-1.2	-0.7	0.4	-0.6	0.6	-0.6	1.2	0.6	2.4	-0.4	1.9	-3.6
(y-o-y)	-1.9	0.3	-1.5	-3.0	-1.4	-1.8	-0.8	-0.1	1.6	0.9	3.2	4.2	5.0	1.6
- Durable goods	-3.6	3.8	-4.1	-2.6	4.3	-2.4	3.7	-1.1	4.8	-3.8	6.5	-1.6	10.2	-11.1
· Automobiles	-7.3	11.0	-11.8	1.0	6.8	0.3	2.8	4.3	3.1	-3.2	6.0	4.4	2.6	-6.4
- Semi-durable goods	-3.0	-2.1	-0.1	-0.3	-2.4	0.9	-2.3	-1.0	2.9	0.1	3.0	-5.5	0.4	0.0
- Nondurable goods	-0.8	-0.2	-0.2	0.1	-0.3	-0.2	0.1	-0.1	-1.1	2.8	0.4	2.3	-1.3	-1.1

Source: Statistics Korea.

¹ Preliminary.

The retail sales index outlook for May is expected to be mixed, as an increase in consumer sentiment index are offset by a decrease in car sales at home.

(Percentage change from same period in previous year)

	2025				2026				
	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
Car sales at home	18.1	-16.3	-4.4	-0.9	11.2	-13.3	8.0	-8.0	-14.2
Department store sales	2.7	5.6	2.0	5.0	-0.7	30.3	10.1	14.2	17.1
Credit card spending at home ¹	8.5	2.1	6.6	4.3	4.7	6.3	8.4	7.3	7.0
Consumer sentiment index ²	110.1	109.8	112.4	109.9	110.8	112.1	107.0	99.2	106.1
Number of Chinese tourists ³	21.7	25.1	26.8	28.8	14.8	40.5	19.8	28.2	15.4

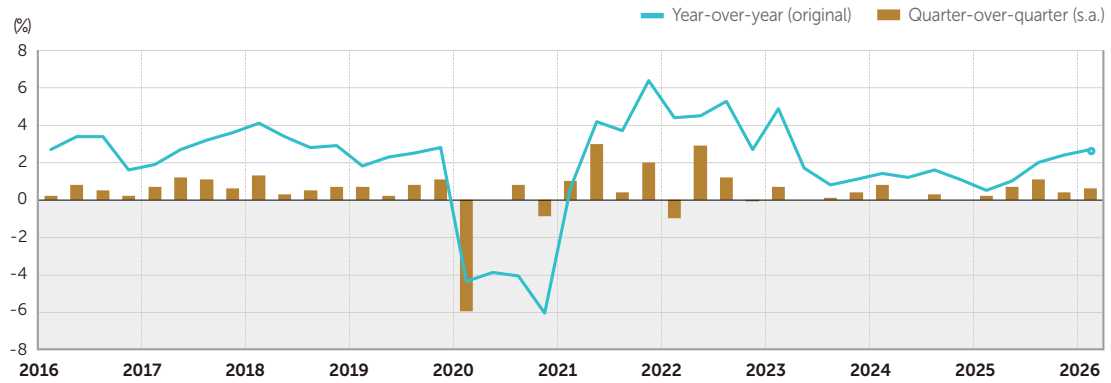
Sources: Korea Automobile Manufacturers Association; The Credit Finance Association; Bank of Korea; Korea Culture & Tourism Institute; data provided by retail industries.

¹ Utility bills are excluded.

² Level value.

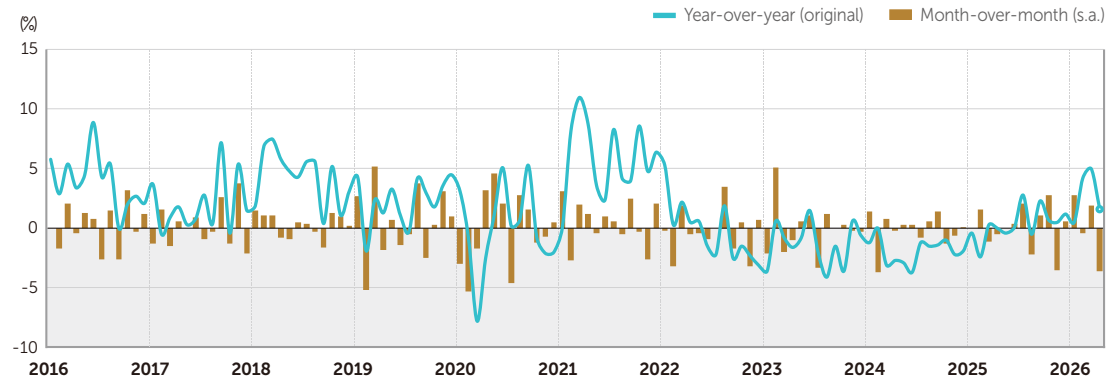
³ Advance estimate based on total entries. The figure can be different from the statistic released by the Ministry of Culture, Sports and Tourism, which excludes diplomatic and military personnel.

Private consumption



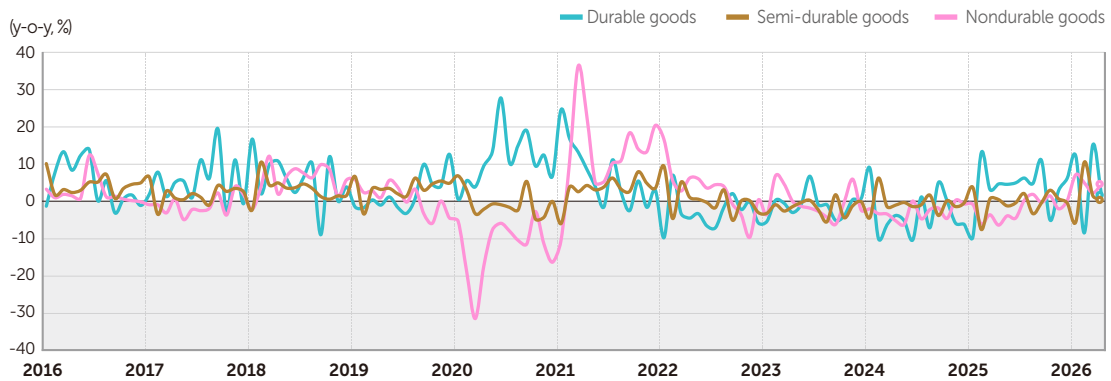
Source: National account, Bank of Korea.

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 first quarter of 2026 grew by 6.6 percent quarter-on-quarter and by 3.6 percent year-on-year.

(Percentage change from previous period)

	2024	2025	2024				2025				2026
	Annual	Annual ¹	Q1	Q2	Q3	Q4	Q1 ¹	Q2 ¹	Q3 ¹	Q4 ¹	Q1 ¹
Facility investment	-	-	-1.5	-0.2	3.8	0.8	0.2	-1.8	1.3	-1.6	6.6
(y-o-y)	1.0	1.5	-2.2	-2.5	6.6	5.3	5.8	3.4	1.0	-1.7	3.6
- Machinery	-0.1	1.1	-1.4	-2.9	5.6	3.1	4.7	2.7	0.7	-1.9	4.4
- Transportation equipment	5.1	2.5	-9.8	6.0	4.5	-0.8	9.3	-8.0	-4.4	-4.4	7.1

Source: National accounts, Bank of Korea.

¹ Preliminary estimate.

In April, the facility investment index declined by 3.6 percent month-on-month, led by a decrease in the transportation equipment investment index. The index also rose by 8.1 percent year-on-year.

(Percentage change from previous period)

	2024	2025	2024				2025				2026			
	Annual	Annual	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1 ¹	Feb	Mar ¹	Apr ¹
Facility investment index	-	-	-3.0	0.4	6.0	1.8	-2.2	0.3	0.6	-3.8	13.0	15.0	1.7	-3.6
(y-o-y)	3.0	1.2	-1.5	-3.4	11.4	5.6	5.4	5.5	1.2	-6.2	9.8	6.5	9.8	8.1
Machinery	2.0	0.6	0.7	0.1	1.9	5.3	-3.0	-2.8	3.4	-1.9	9.1	4.9	-0.1	0.5
Transportation equipment	5.3	2.3	-12.4	1.1	16.5	-5.8	-0.3	7.5	-5.3	-8.2	22.5	43.2	5.4	-11.5

Source: Statistics Korea.

¹ Preliminary.

The facility investment outlook is mixed, as an increase in machinery imports is expected to be offset by a decline in domestic machinery orders received.

(Percentage change from same period in previous year)

	2024	2025	2024				2025				2026			
	Annual	Annual	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1 ¹	Feb	Mar ¹	Apr ¹
Domestic machinery orders received	-3.1	1.8	-7.6	-7.2	15.5	-10.6	13.8	6.1	-14.4	3.5	-2.8	-1.4	-2.2	-7.6
(% change from previous period)	-	-	-15.0	2.9	22.8	-17.9	11.3	-5.5	-3.5	4.0	0.7	-10.7	8.7	-1.7
- Public	-21.2	-10.1	-63.0	-42.4	169.3	-40.6	14.4	-24.7	-37.2	72.2	-30.1	-48.6	27.8	-6.5
- Private	-0.8	3.0	2.6	-1.6	4.8	-8.0	13.8	9.0	-10.4	-0.4	-1.0	2.1	-3.7	-7.7
Machinery imports	1.8	8.1	-7.4	-12.4	18.2	12.7	11.5	13.5	6.1	2.2	17.1	15.8	11.2	15.1
Average capacity utilization rate ²	72.6	72.6	72.4	73.3	72.1	72.5	72.9	72.9	73.1	71.4	73.4	74.4	74.9	73.7
Facility investment pressure ³	3.5	0.7	4.5	4.1	1.6	3.1	0.8	1.0	5.2	-3.7	2.2	-3.0	3.6	1.1

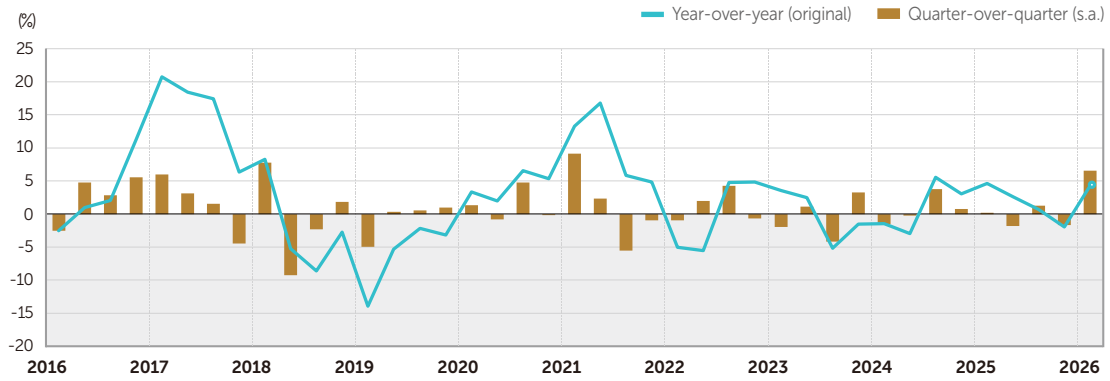
Sources: Statistics Korea; Korea International Trade Association.

¹ Preliminary.

² Utilization rate for the period, %.

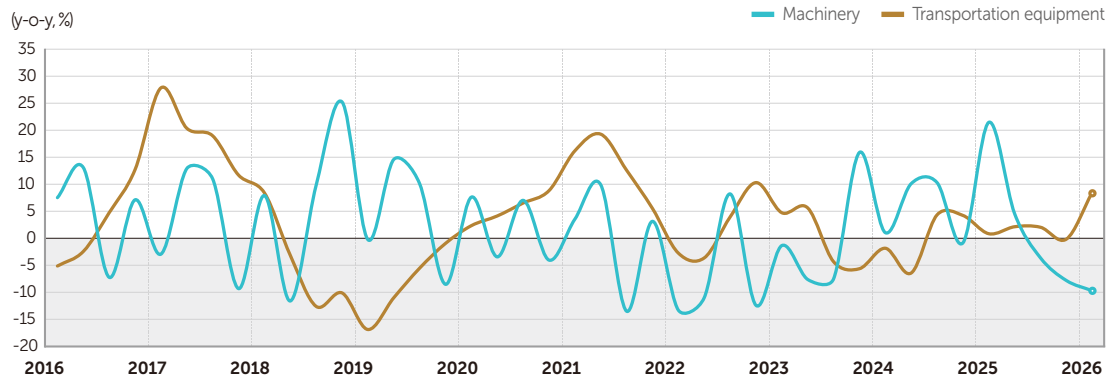
³ Production growth rate minus production capacity growth rate in the manufacturing sector, %p.

Facility investment



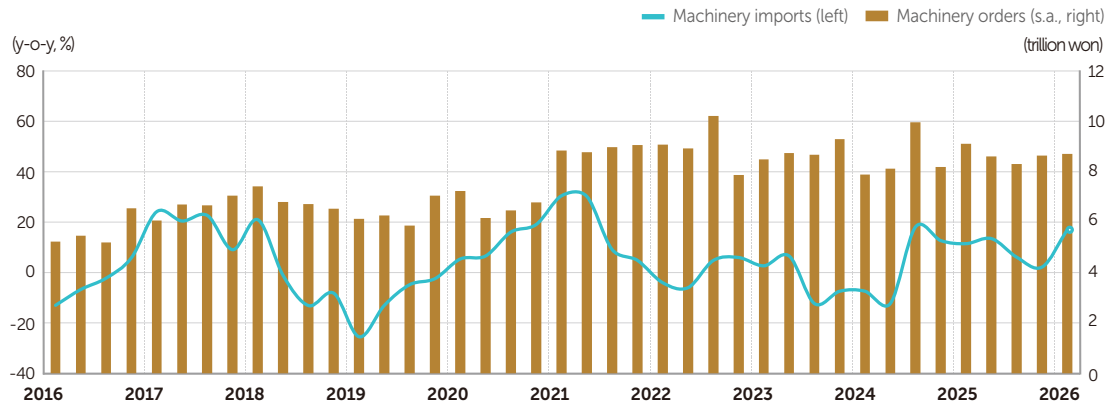
Source: National account, Bank of Korea.

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 first quarter of 2026 rose by 1.4 percent quarter-on-quarter, and declined by 1.9 percent year-on-year.

(Percentage change from previous period)

	2024	2025	2024				2025				2026
	Annual	Annual ¹	Q1	Q2	Q3	Q4	Q1 ¹	Q2 ¹	Q3 ¹	Q4 ¹	Q1 ¹
Construction investment	-	-	4.9	-2.3	-3.4	-3.5	-4	-0.7	0.2	-2.6	1.4
(y-o-y)	-2.0	-9.7	1.6	-0.2	-4.5	-4.5	-12.7	-11.3	-7.9	-7.2	-1.9
- Building construction	-3.9	-10.4	5.4	-3.1	-4.0	-2.4	-5.3	-0.3	-0.8	-0.7	0.2
- Civil engineering works	2.8	-8.0	3.5	-0.2	-2.0	-6.0	-0.9	-1.6	2.7	-7.0	4.2

Source: National accounts, Bank of Korea.

¹ Preliminary estimate.

In April, construction completed (*constant*) fell by 1.4 percent month-on-month, as both building construction and civil engineering decreased. The index declined 5.5 percent year-on-year.

(Percentage change from previous period)

	2024	2025	2024				2025				2026			
	Annual	Annual	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1 ¹	Feb	Mar ¹	Apr ¹
Construction completed (constant)	-	-	4.5	-5.5	-4.6	-4.6	-7.2	-2.6	-0.8	-4.1	0.4	11.1	-6.1	-1.4
(y-o-y)	-4.6	-16.5	4.1	-3.1	-9.0	-9.5	-21.1	-17.3	-11.9	-15.1	-6.2	-5.9	-5.8	-5.5
- Building construction	-6.6	-17.5	4.9	-6.7	-5.4	-4.1	-7.8	-2.9	-1.5	-2.7	-2.5	8.8	-3.6	-1.5
- Civil engineering works	2.0	-13.5	3.4	-1.7	-2.3	-5.8	-5.3	-2.0	1.1	-8.1	9.0	17.3	-12.3	-1.1

Source: Statistics Korea.

¹ Preliminary.

The construction investment outlook is mixed, as an increase in construction orders received is expected to be offset by a decrease in building permits.

(Percentage change from same period in previous year)

	2024	2025	2024				2025				2026			
	Annual	Annual	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1 ¹	Feb	Mar ¹	Apr ¹
Construction orders received (current value)	10.8	4.9	-11.4	20.5	28.6	9.1	-0.1	-5.1	27.4	1.1	28.9	16.7	36.2	39.3
(% change from previous period)	-	-	-0.2	19.5	-10.3	3.9	-6.1	8.6	17.0	-17.6	22.4	13.9	13.3	-4.0
- Building construction	17.4	14.6	-13.7	23.8	27.9	28.2	23.2	13.7	28.6	2.2	23.7	36.6	18.0	24.4
- Civil engineering works	-2.2	-17.7	-6.8	14.1	30.6	-22.7	-43.1	-43.9	24.1	-2.0	49.7	-34.2	183.8	93.6
Building permits ²	-9.0	-10.5	-16.2	-22.2	-5.4	10.8	-23.3	-8.7	-5.6	-5.0	-5.0	-10.5	-4.5	-0.2
Apartment presales ³	25	21.8	5.8	5.8	5.7	7.7	2.3	4.8	7.4	7.3	3.9	0.7	1.9	2.6

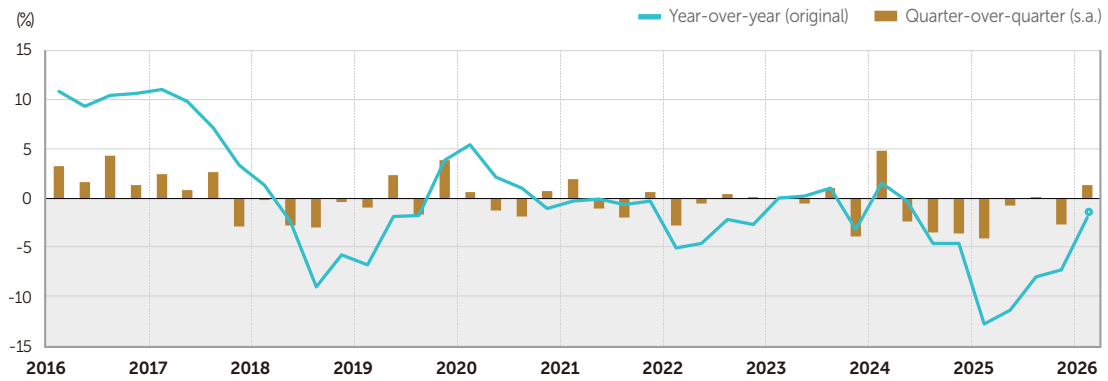
Sources: Statistics Korea; Ministry of Land Infrastructure and Transport; Real Estate 114.

¹ Preliminary.

² Gross Floor Area.

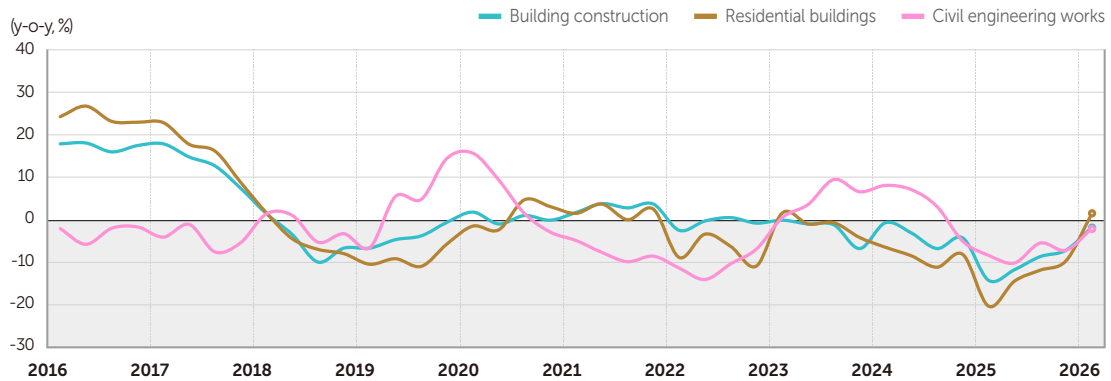
³ Thousand housing units.

Construction investment



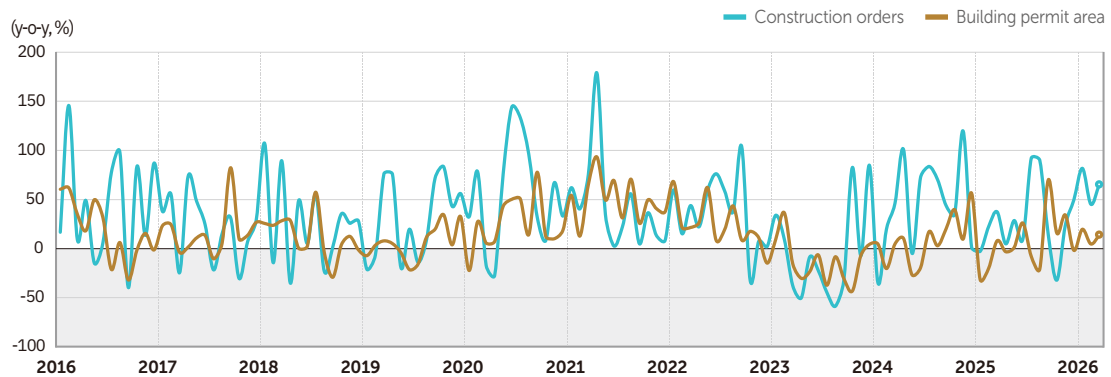
Source: National account, Bank of Korea.

Construction investment by type



Source: National account, Bank of Korea.

Leading indicators of construction investment



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

6. Exports and imports (Preliminary Estimate)

Exports grew by 53.2 percent year-on-year to US \$87.8 billion in May.

Exports of semiconductor, computers, and ships increased, while exports of automobiles and machinery decreased. In terms of export markets, exports to China, US and ASEAN increased while exports to the Middle East and CIS declined.

The average daily amount of exports, which factors in the number of working days, rose by 60.7 percent year-on-year to US \$4.3 billion.

Imports rose by 20.8 percent year-on-year to US \$60.8 billion in May.

The trade balance recorded a surplus of US \$27.0 billion in May.

(US \$ billion)

	2024	2025	2025				2026			
	Annual	Annual	Q1	Q2	Q3	Q4	Feb	Mar	Apr	May
Exports	683.6	709.4	159.5	175.1	184.9	189.8	67.6	87.2	85.9	87.8
(y-o-y, %)	8.1	3.8	-2.3	2.1	6.5	8.4	29.2	50.2	48.0	53.2
Average daily exports	2.5	2.6	2.5	2.4	2.6	2.9	3.6	3.8	3.6	4.3
Imports	631.8	631.8	152.6	154.3	162.4	162.2	57.1	60.4	62.1	60.8
(y-o-y, %)	-1.6	-0.0	-1.4	-1.7	1.5	1.4	11.6	13.2	16.7	20.8
Average daily imports	2.3	2.4	2.4	2.3	2.6	2.5	2.4	2.6	2.6	3.0
Trade balance	51.8	77.7	6.9	20.9	22.5	27.7	8.7	26.9	23.8	27.0

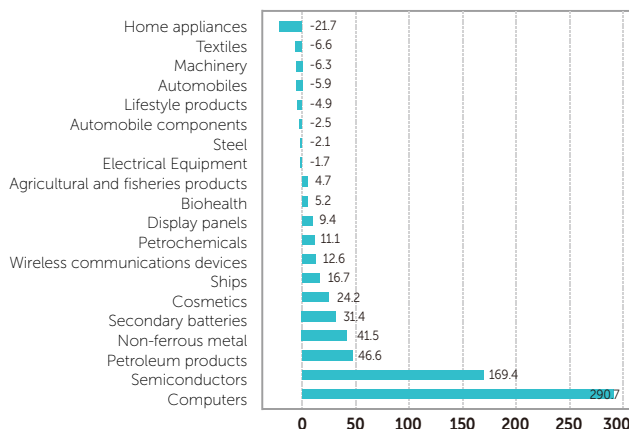
Source: Korea Customs Service.

Export growth and share by region in May 2026

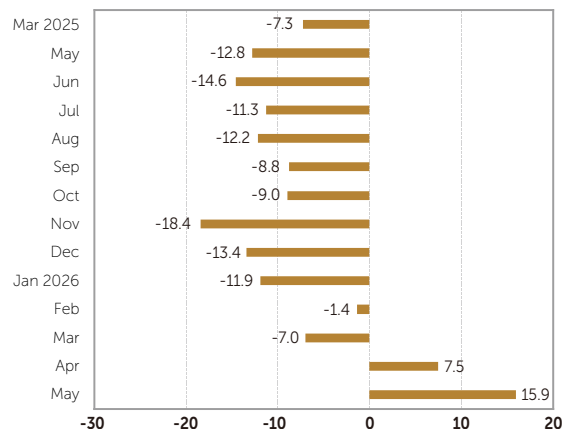
	Growth (y-o-y, %)	Share (%) ¹
China	80.9	20.4
US	59.1	18.7
ASEAN countries	58.4	17.8
Latin America	43.2	3.4
India	25.1	2.5
Japan	11.8	3.4
EU	2.4	8.2
Middle East	-7.7	1.7
CIS countries	-19.2	-

¹ Cumulative total since January 2026.

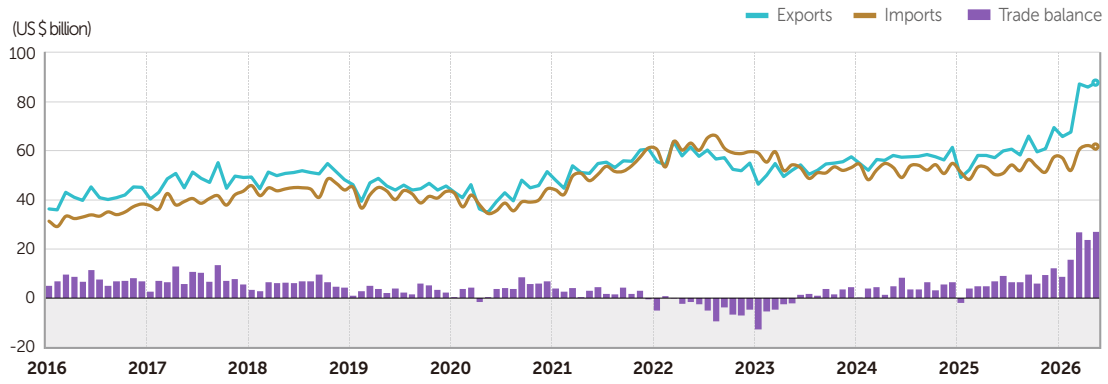
Export growth by item in May 2026 (y-o-y, %)



Energy Imports (y-o-y, %)

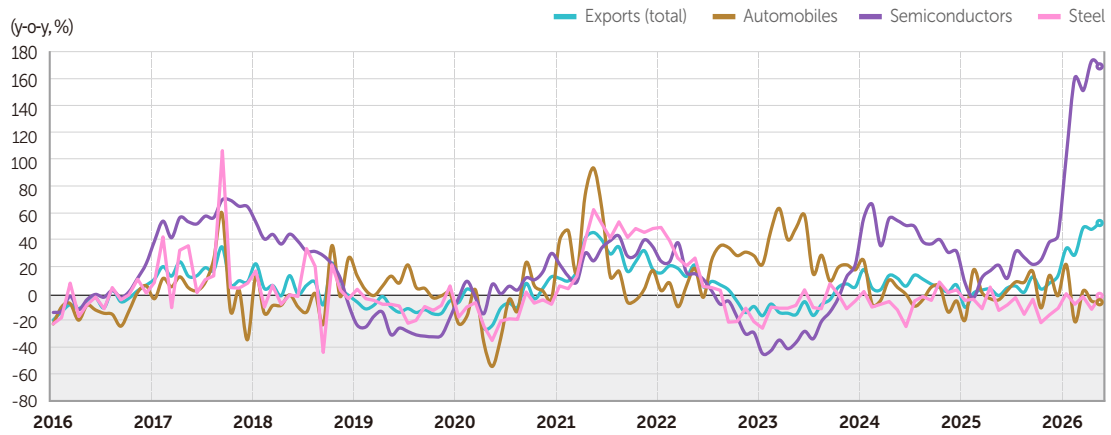


Exports and imports



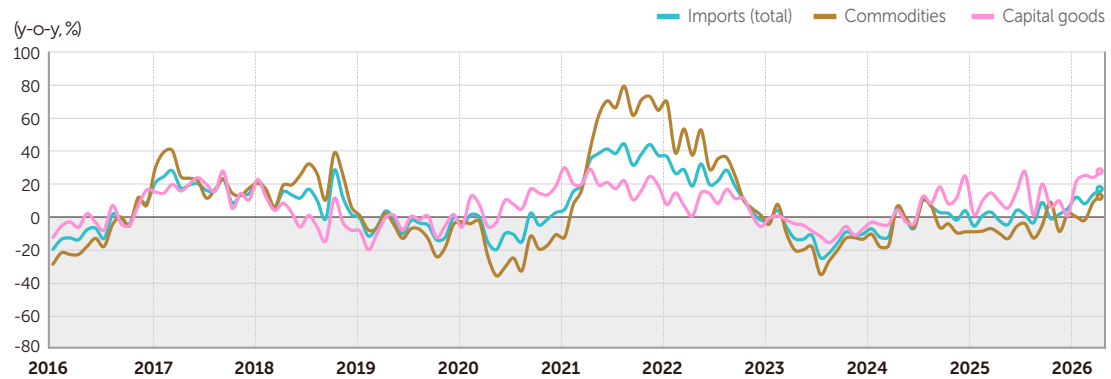
Sources: Korea Customs Service.

Export growth by item



Sources: Korea Customs Service.

Import growth by category



Sources: Korea Customs Service.

7. Employment

In May, the number of employed workers decreased by about 40,000 year-on-year to 29,160,000 and the employment rate (*aged 15 and above*) fell by 0.5 percent points to 63.3 percent.

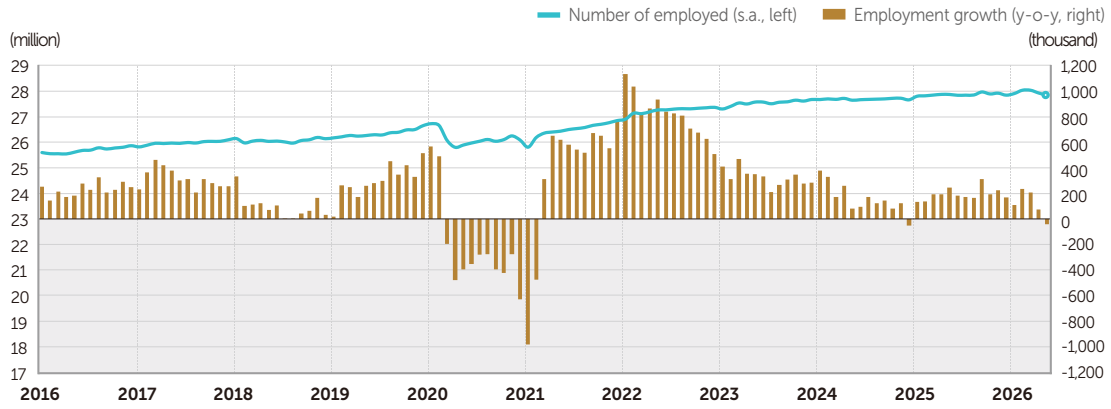
By sector, employment growth accelerated in the services sector, while conditions worsened in the manufacturing and construction sectors.

In terms of job growth by employment type, the number of permanent workers and temporary workers decreased, while the number of day laborers increased.

	2023	2024	2025	2025								2026				
	Annual	Annual	Annual	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
Number of employed (million)	28.42	28.58	28.77	29.16	29.09	29.03	28.97	29.15	29.04	29.05	28.21	27.99	28.41	28.79	28.96	29.16
Employment rate (%)	62.6	62.7	62.9	63.8	63.6	63.4	63.3	63.7	63.4	63.4	61.5	61.0	61.8	62.7	63.0	63.3
(Seasonally adjusted)	-	-	-	62.9	62.8	62.8	62.8	63.1	62.9	62.9	62.7	62.8	63.0	63.0	62.7	62.5
- 15 to 64	69.2	69.5	69.8	70.5	70.3	70.2	69.9	70.4	70.1	70.2	69.6	69.2	69.2	69.7	70.0	70.2
Employment growth (y-o-y, thousand)	327	159	193	245	183	171	166	312	193	225	168	108	234	206	74	-40
- Manufacturing	-43	-6	-73	-67	-83	-78	-61	-61	-51	-41	-63	-23	-16	-42	-55	-140
- Construction	-9	-49	-125	-106	-97	-92	-132	-83	-123	-131	-63	-20	-40	-16	-8	-43
- Services	385	239	492	549	494	460	484	588	481	516	403	256	374	316	208	248
· Wholesale & retail	-37	-61	-1	18	10	13	0	28	46	11	44	23	22	-18	-52	-36
· Hotels & restaurants	114	25	-3	-67	-38	-71	0	26	22	-22	-22	-16	-27	-2	29	20
· Healthcare & social welfare service	143	83	237	233	216	263	304	304	280	281	220	185	288	294	261	212
- Wage workers	327	214	275	329	314	287	270	386	311	294	214	121	205	113	-43	-115
· Permanent workers	478	183	283	362	318	319	348	340	286	258	195	192	158	140	62	-7
· Temporary workers	-61	154	46	25	58	16	-12	2	79	65	-7	-97	8	-59	-127	-121
· Day laborers	-90	-122	-55	-59	-63	-48	-67	44	-55	-29	25	26	39	32	22	14
- Nonwage workers	0	-55	-81	-84	-130	-116	-103	-75	-118	-70	-46	-13	29	93	116	75
· Self-employed	57	-32	-38	-22	-66	-65	-70	-55	-98	-38	12	45	70	105	140	109
- Male	24	-29	20	49	7	16	20	67	22	22	95	33	20	69	4	-55
- Female	303	188	174	196	177	155	146	244	171	203	73	75	214	137	70	15
- 15 to 29	-98	-144	-178	-150	-173	-158	-219	-146	-163	-177	-112	-175	-146	-147	-194	-255
- 30 to 39	54	90	102	132	116	93	96	133	80	76	83	101	86	112	84	62
- 40 to 49	-54	-81	-50	-39	-55	-56	-73	-45	-38	-9	-33	-3	0	-5	-17	-43
- 50 to 59	59	28	-26	-68	-53	-49	-38	-11	-19	2	-11	45	6	5	11	25
- 60 and above	366	266	345	370	348	342	401	381	334	333	241	141	287	242	189	171

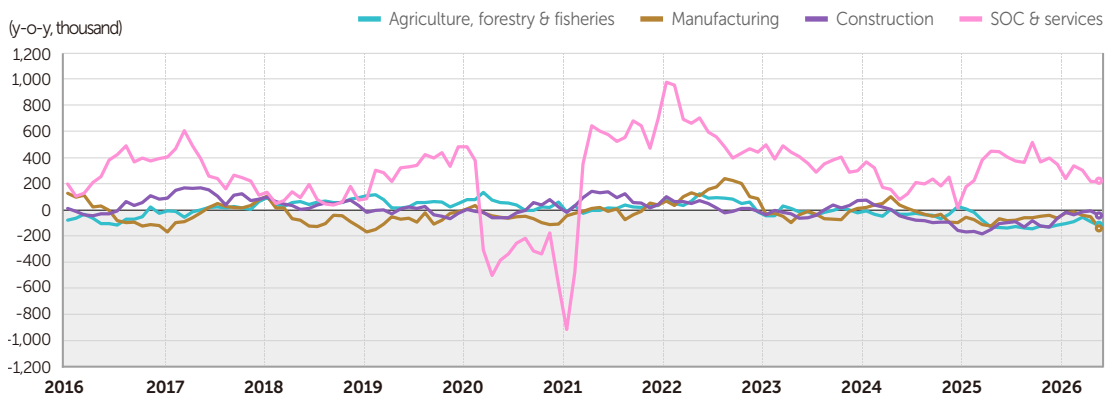
Source: Statistics Korea.

Number of employed workers and employment growth



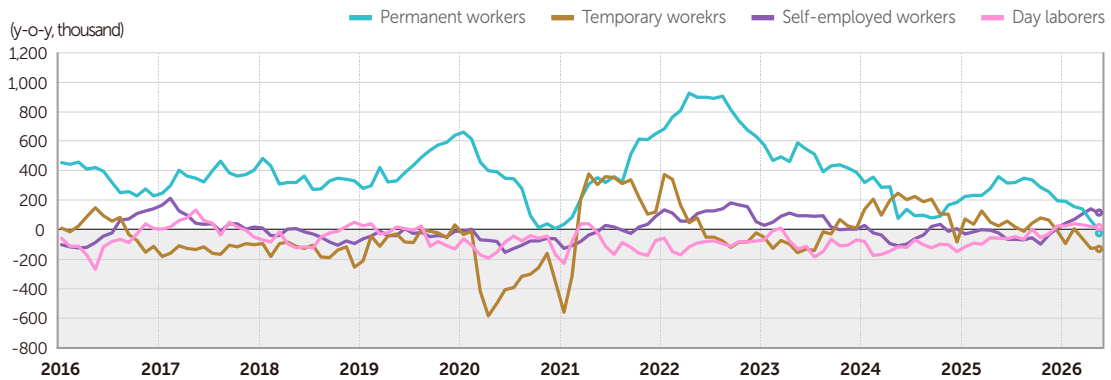
Source: Employment trends, Statistics Korea.

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 May, the number of unemployed workers increased by about 25,000 year-on-year to 878,000 and the unemployment rate rose 0.1 percent point to 2.9 percent.

	2023	2024	2025	2025								2026				
	Annual	Annual	Annual	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
Number of unemployed (thousand)	787	823	830	853	825	726	592	635	658	661	1,217	1,211	993	884	853	873
Unemployment growth (y-o-y, thousand)	-46	36	7	-32	-32	-11	28	12	-20	5	103	128	54	-35	-2	25
- Male	-14	18	13	-17	-1	16	23	52	4	29	47	36	44	-31	-28	5
- Female	-32	18	-6	-15	-32	-27	4	-39	-24	-24	55	49	10	-4	26	30
Unemployment rate (%)	2.7	2.8	2.8	2.8	2.8	2.4	2.0	2.1	2.2	2.2	4.1	4.1	3.4	3.0	2.9	2.9
(Seasonally adjusted)	-	-	-	2.7	2.6	2.5	2.6	2.5	2.6	2.7	4.0	3.0	2.9	2.7	2.8	2.8
- 15 to 29	5.9	5.9	6.1	6.6	6.1	5.5	4.9	4.8	5.3	5.5	6.2	6.8	7.7	7.6	7.1	7.2
- 30 to 39	2.6	2.7	2.7	2.6	2.8	2.5	2.5	2.6	2.7	2.9	3.0	3.0	3.6	3.3	3.3	3.2
- 40 to 49	1.9	1.9	2.0	2.3	2.0	2.0	1.7	1.7	1.7	1.8	1.9	1.8	1.9	1.8	1.9	2.1
- 50 to 59	1.7	1.8	1.8	2.1	2.1	1.8	1.4	1.6	1.5	1.4	1.6	1.7	1.9	2.0	1.8	1.8
- 60 and above	2.6	2.9	2.8	2.2	2.2	1.7	1.0	1.2	1.4	1.2	8.4	8.3	3.7	2.3	2.2	2.3

Source: Statistics Korea.

In May, the economically inactive population increased by 264,000 year-on-year to 15,986,000 and the labor force participation rate fell by 0.4 percent point to 65.2 percent.

The number of people economically inactive because of childcare or job seeking fell, while the number of people involved in retraining or taking time off increased.

	2023	2024	2025	2025								2026				
	Annual	Annual	Annual	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
Economically inactive population (million)	16.2	16.2	16.2	15.7	15.8	16.0	16.2	16.0	16.1	16.1	16.5	16.7	16.5	16.3	16.2	16.0
Labor force participation rate (%)	64.3	64.5	64.7	65.6	65.4	65.0	64.6	65.0	64.8	64.8	64.7	63.6	64.0	64.6	64.9	65.2
(Seasonally adjusted)	-	-	-	64.7	64.5	64.4	64.4	64.8	64.5	64.6	65.0	64.7	64.9	64.8	64.5	64.3
Growth in economically inactive population (y-o-y, thousand)	-134	-32	-8	-22	42	8	9	-116	38	-10	-49	4	-39	69	174	264
- Childcare	-140	-113	-64	-39	-32	-29	-48	-68	-63	-65	-90	-95	-98	-83	-79	-88
- Housework	-1	45	7	3	20	60	13	-25	14	-44	-8	-14	-6	28	64	126
- Retraining	11	-54	1	-12	7	47	21	25	17	36	-16	34	42	66	96	124
- Old age	-31	47	-28	-56	-43	-36	-50	-40	-41	-16	-11	26	24	58	59	68
- Rest	74	117	88	56	6	69	73	42	135	124	124	110	27	31	63	48
- Job seeking	-88	-48	5	56	34	-12	11	-8	-38	-13	-37	-28	-27	-51	-43	-41

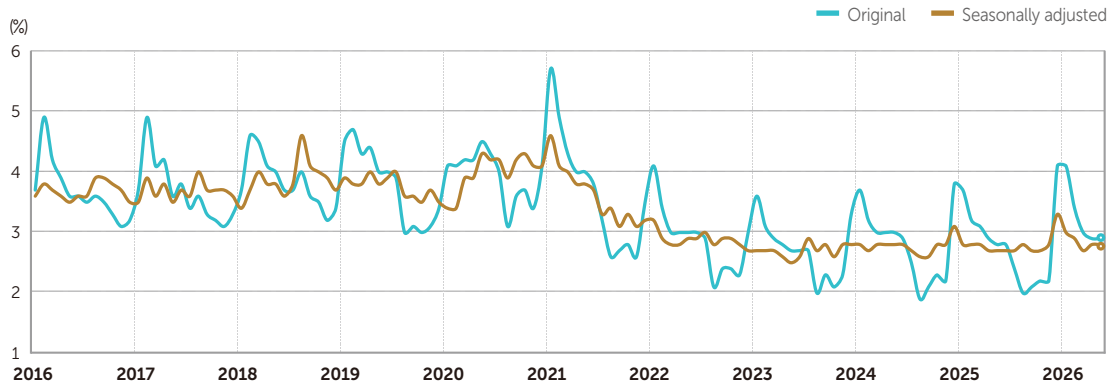
Source: Statistics Korea.

Employment rate



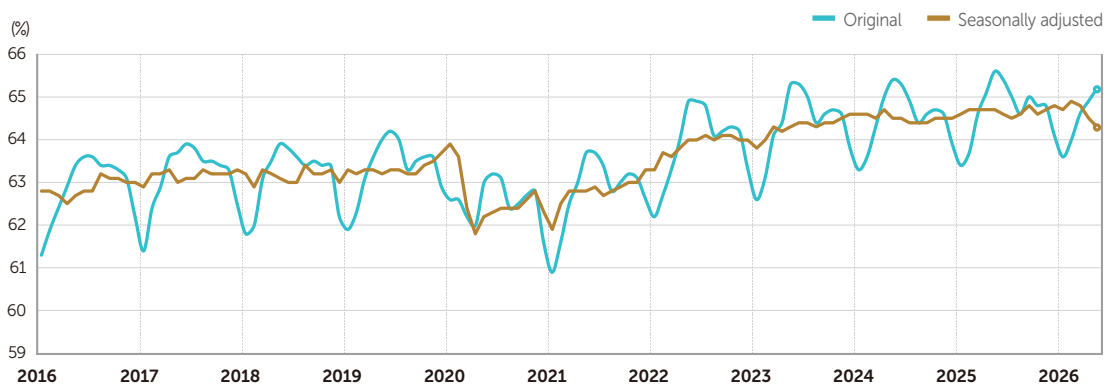
Source: Employment trends, Statistics Korea.

Unemployment rate



Source: Employment trends, Statistics Korea.

Labor force participation



Source: Employment trends, Statistics Korea.

8. Prices

In May, the Consumer Price Index (CPI) grew 3.1 percent from a year ago. The CPI rose 0.5 percent month-on-month.

Prices for consumer goods excluding food and energy rose 2.5 percent year-on-year in May. Prices for consumer goods excluding crops and oil products rose 2.5 percent.

The prices index for basic necessities rose 3.3 percent year-on-year in May. The fresh food price index fell 1.4 percent.

(Percentage change from same period in previous year)

	2025												2026				
	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	
CPI (y-o-y)	2.0	2.1	2.1	1.9	2.2	2.1	1.7	2.1	2.4	2.4	2.3	2.0	2.0	2.2	2.6	3.1	
(m-o-m)	0.3	0.2	0.1	-0.1	0.0	0.2	-0.1	0.5	0.3	-0.2	0.3	0.4	0.3	0.3	0.5	0.5	
Excluding food and energy	1.8	1.9	2.1	2.0	2.0	2.0	1.3	2.0	2.2	2.0	2.0	2.0	2.3	2.2	2.2	2.5	
Excluding crops and oil products	1.9	2.1	2.4	2.3	2.4	2.3	1.9	2.4	2.5	2.3	2.3	2.3	2.5	2.3	2.2	2.5	
Basic necessities	2.6	2.4	2.4	2.3	2.5	2.5	1.5	2.5	2.5	2.9	2.8	2.2	1.8	2.3	2.9	3.3	
Fresh food	-1.4	-1.3	-1.9	-5.0	-1.7	-0.5	2.1	-2.5	-0.8	4.1	1.8	-0.2	-2.7	-6.6	-6.1	-1.4	

Source: Statistics Korea.

In May, the price growth of fishery and livestock goods accelerated, while the price decline of agricultural goods narrowed.

The price of petroleum products rose due to the conflict in the Middle East and the base effect compared the same month of the previous 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
Apr 2026	-0.5	3.8	21.9	0.2	1.0	1.4	3.2
May 2026	2.2	4.2	24.2	0.1	1.0	1.8	2.6
Contribution (%p)	0.2	1.4	0.9	0.0	0.1	0.2	0.4

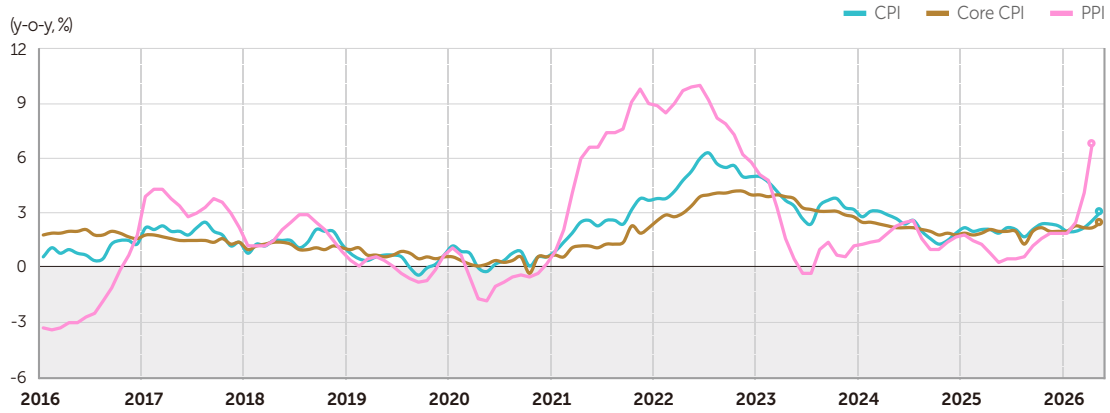
Source: Statistics Korea.

(Won/liter, period average)

	2024	2025	2024				2025				2026			
	Annual	Annual	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Mar	Apr	May
Gasoline prices	1,647	1,680	1,607	1,681	1,674	1,624	1,708	1,642	1,665	1,707	1,745	1,836	1,986	2,011
Diesel prices	1,503	1,553	1,512	1,528	1,510	1,460	1,570	1,507	1,533	1,602	1,675	1,829	1,979	2,006

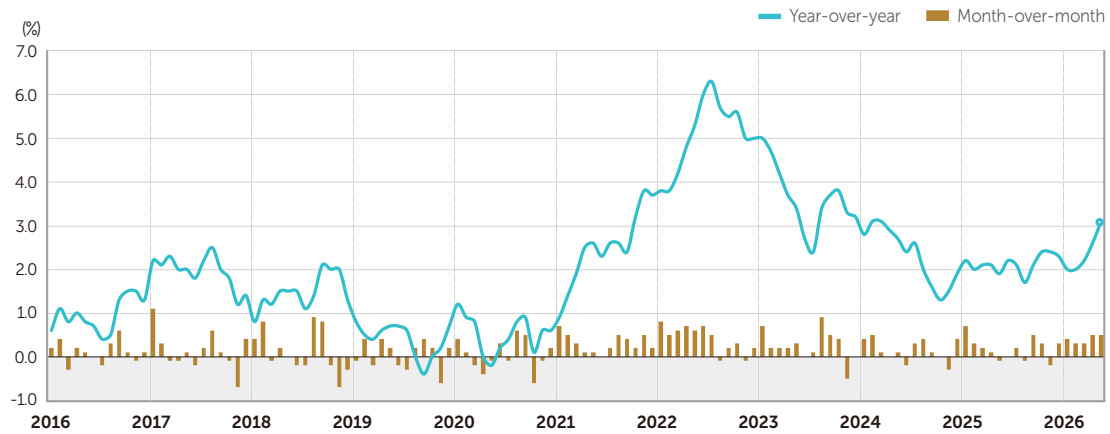
Source: Korea National Oil Corporation.

Prices



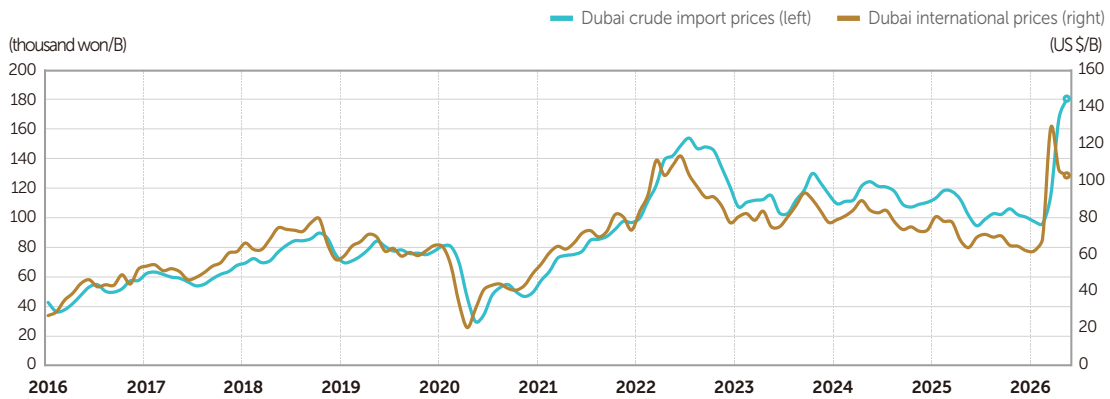
Sources: Consumer price trends, Statistics Korea; Bank of Korea.

Consumer price inflation



Source: Consumer price trends, Statistics Korea.

Dubai crude prices and import prices



Source: Korea National Oil Corporation.

In May, WTI and Brent crude prices increased from the previous month due to declining U.S. inventories, while Dubai crude oil prices declined month on month as conditions in the Strait of Hormuz gradually improved.

International grain prices rose compared to the previous month amid unfavorable weather conditions.

Non-ferrous metal prices rose month-on-month, driven by strong demand in China.

(Period average)

	2024	2025	2024				2025				2026			
	Annual	Annual	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Mar	Apr	May
Dubai crude ¹	79.6	69.4	81.2	85.3	78.5	73.6	76.9	67.0	70.1	63.8	86.3	128.5	105.7	103.2
WTI crude ¹	75.8	64.7	76.9	80.7	75.3	70.3	71.4	63.7	65.0	59.1	71.9	91.0	98.1	98.5
Brent crude ¹	79.9	68.2	81.8	85.0	78.7	74.0	75.0	66.7	68.2	63.1	77.9	99.6	102.5	103.7
Reuters Index ²	3,086	3,025	2,949	3,112	3,081	3,203	3,151	2,996	2,979	2,975	2,969	2,971	2,948	3,075

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 May 2026 (m-o-m, %)

Wheat	5.7
Corn	2.7
Soybeans	2.4

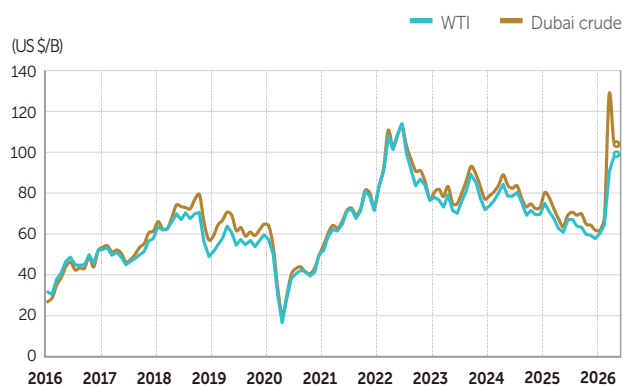
Note: Monthly average prices.

Nonferrous metal prices growth in May 2026 (m-o-m, %)

Copper	4.8
Nickel	4.4
Aluminium	1.9

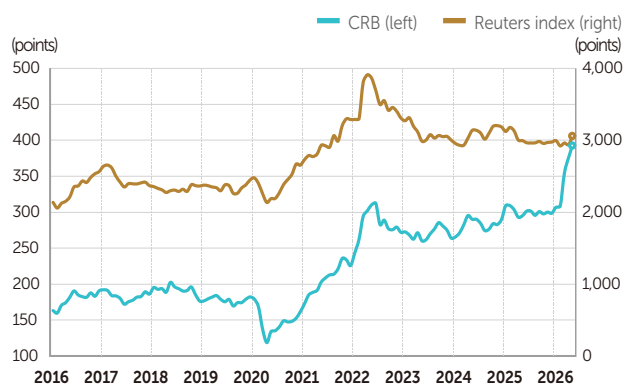
Note: Monthly average prices.

International oil prices



Source: Korea National Oil Corporation.

International commodity prices



Source: Korea PDS

9. Housing market

Nationally, housing sales prices rose 0.21 percent month-on-month in May. Within the Seoul metropolitan area, housing sales prices rose 0.46 percent, increasing 0.90 percent in Seoul and 0.31 percent in Gyeonggi Province, while decreasing 0.06 percent in Incheon. In the areas excluding the Seoul metropolitan, housing sales prices declined 0.02 percent. The prices fell 0.09 in the five metropolitan cities and rose 0.02 percent in the eight provinces on average.

Housing sales prices

(Percentage change from previous period)

	2021	2022	2023	2024	2025	2025	2026			
	Annual	Annual	Annual	Annual	Annual	May	Cumulative total	Mar	Apr	May
Nationwide	9.9	-4.7	-3.6	0.1	1.0	-0.02	1.04	0.15	0.16	0.21
Seoul metropolitan area	12.8	-6.5	-3.6	1.4	2.9	0.10	1.98	0.27	0.31	0.46
- Seoul	6.5	-4.8	-2.0	3.2	7.1	0.38	3.45	0.39	0.55	0.90
· Southern Seoul	6.8	-4.1	-1.5	3.6	9.2	0.53	3.29	0.26	0.46	0.86
· Northern Seoul	6.1	-5.4	-2.4	2.8	4.9	0.23	3.63	0.54	0.24	0.94
Areas excluding the Seoul metropolitan area	7.4	-3.0	-3.5	-1.1	-0.7	-0.12	0.15	0.03	0.02	-0.02

Source: Korea Real Estate Board.

Housing sales prices in six major cities in May 2026 (m-o-m, %)

Busan	Daegu	Gwangju	Daejeon	Ulsan	Sejong
0.00	-0.14	-0.52	-0.06	0.33	-0.16

Nationally, housing rental prices increased 0.35 percent in May compared to the previous month. By region, housing rental prices rose 0.61 percent in the Seoul metropolitan area and 0.10 percent in other areas.

Housing rental prices

(Percentage change from previous period)

	2021	2022	2023	2024	2025	2025	2026			
	Annual	Annual	Annual	Annual	Annual	May	Cumulative total	Mar	Apr	May
Nationwide	6.5	-5.6	-5.1	1.3	0.9	0.00	1.44	0.28	0.31	0.35
Seoul metropolitan area	7.7	-8.0	-5.7	3.1	1.8	0.06	2.22	0.41	0.50	0.61
- Seoul	4.9	-6.5	-5.3	3.3	3.0	0.15	2.86	0.46	0.66	0.91
· Southern Seoul	5.1	-6.9	-5.8	2.9	3.9	0.17	2.60	0.54	0.62	0.84
· Northern Seoul	4.7	-6.2	-4.7	3.6	2.1	0.12	3.14	0.38	0.70	0.98
Areas excluding the Seoul metropolitan area	5.5	-3.3	-4.4	-0.4	0.1	-0.05	0.71	0.17	0.14	0.10

Source: Korea Real Estate Board.

Housing rental prices in major districts in May 2026 (m-o-m, %)

Songpa	Seocho	Nowon	Gwangmyung	Dongtan
1.62	0.87	1.40	1.88	1.50

Source: Korea Real Estate Board.

There were 69,755 housing sales transactions in April, a decrease of 3.1 percent month-on-month (71,975 in March 2026) and an increase of 6.6 percent year-on-year (65,421 in April 2025).

Housing sales transactions

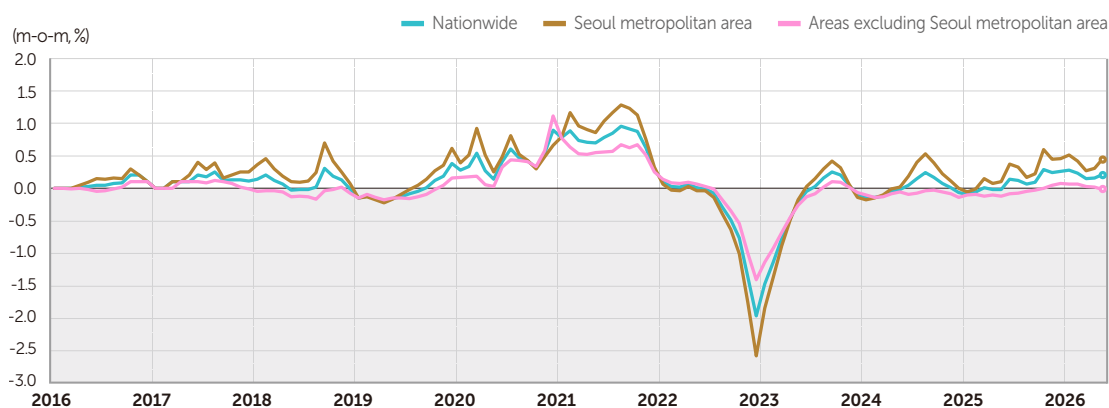
(Thousand)

	2022	2023	2024	2025	2025									2026			
	Annual ¹	Annual ¹	Annual ¹	Annual ¹	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Nationwide	42	46	54	61	65	63	74	64	46	63	70	61	63	61	58	72	70

Source: Ministry of Land, Infrastructure and Transport.

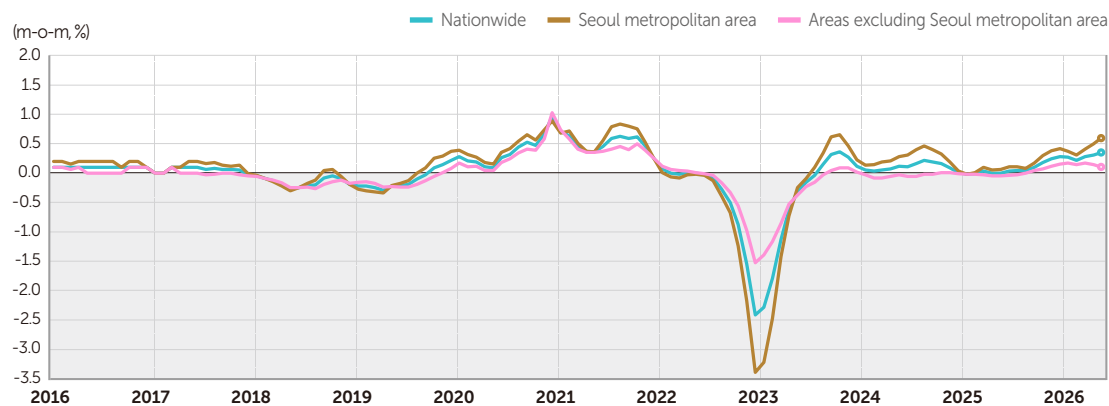
¹ Monthly average.

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, the KOSPI and the KOSDAQ, rose fueled by an upturn in the cycle of semiconductor chips and expectations of improvement in corporate earnings.

	KOSPI			KOSDAQ		
	Apr 2026	May 2026	Change	Apr 2026	May 2026	Change
Stock price index (points)	6,598.87	8,476.15	1,877.28 (28.45%)	1,192.35	1,074.80	-117.55 (-9.86%)
Market capitalization (trillion won)	5,407.5	6,933.1	1,525.6 (28.21%)	662.0	600.4	-61.6 (-9.31%)
Daily trade (trillion won)	29.6	50.2	20.6 (69.59%)	14.1	15.6	1.5 (10.64%)
Foreign stock ownership (% , %p)	37.80	40.01	2.21 (5.85%)	10.40	11.04	0.64 (6.15%)

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

2. Bond market

The government issued 22.9 trillion won worth of treasury bonds in May.

(End-period, trillion won)

	2022	2023	2024	2025	2025							2026					
	Annual	Annual	Annual	Annual	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
Treasury bonds issuance ¹	168.6	165.7	157.7	226.2	19.0	23.8	21.2	21.0	21.5	17.7	15.6	5.4	17.9	22.4	21.2	22.6	22.9

Source: Monthly public finance, Ministry of Planning and Budget.
¹ Issuance limit is 225.7 trillion won in 2026.

Korean Treasury bond yields edged up slightly in May due to inflation concerns, globally and domestically.

Yields to maturity in May 2026 (m-o-m, basis points)

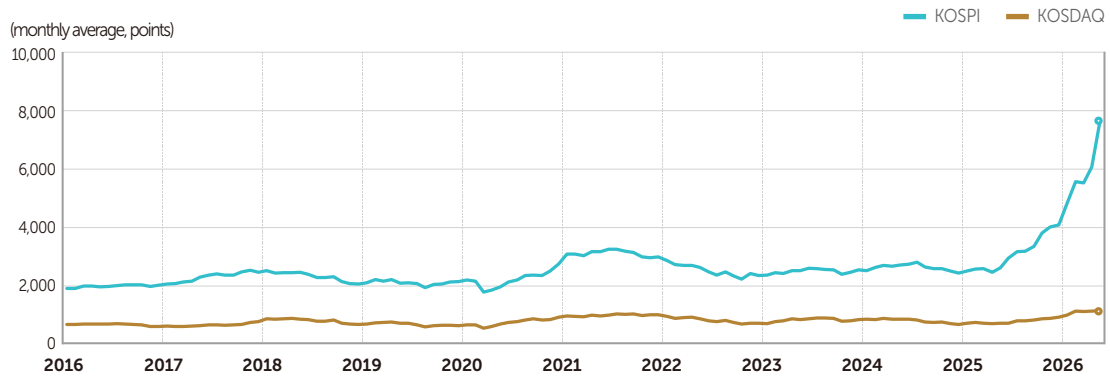
3 yrs	5 yrs	10 yrs	20 yrs	30 yrs
13	14	15	21	22

(Percent per annum)

	2019	2020	2021	2022	2023	2024	2025	2026			
	Dec	Dec	Dec	Dec	Dec	Dec	Dec	Mar	Apr	May	Change ¹
Call rate (1 day)	0.61	1.44	3.38	3.91	3.33	2.63	2.60	2.62	2.55	2.59	4
CD (91 days)	0.66	1.29	3.98	3.83	3.39	2.81	2.81	2.82	2.81	2.86	5
Treasury bonds (3 yrs)	0.98	1.80	3.72	3.15	2.60	2.95	3.04	3.55	3.60	3.73	13
Treasury bonds (5 yrs)	1.34	2.01	3.74	3.16	2.76	3.24	3.28	3.78	3.78	3.92	14
Corporate bonds (3 yrs)	2.21	2.42	5.23	3.90	3.28	3.48	3.64	4.17	4.25	4.35	10

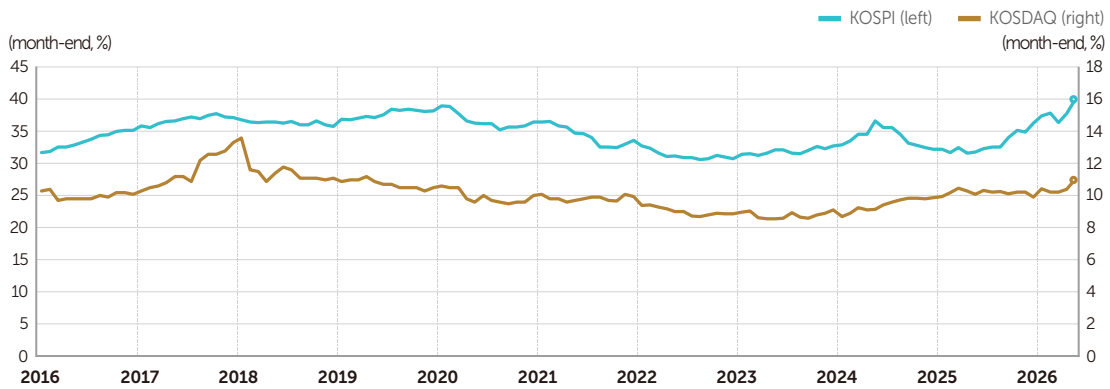
Source: Bank of Korea.
Note: Figures are closing rate.
¹ Change from the previous month as of end-May 2026, basis point.

Stock prices



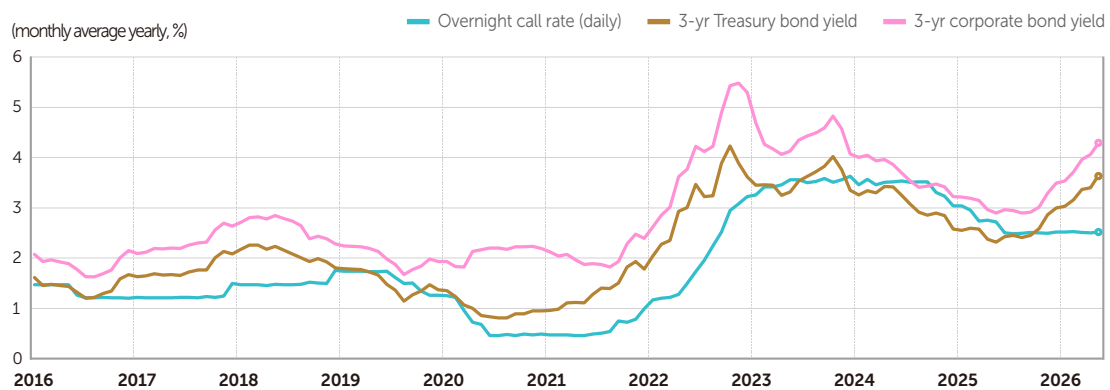
Source: Korea Exchange

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 May compared to the previous month.

	2019	2020	2021	2022	2023	2024	2025	2026		
	Dec	Dec	Dec	Dec	Dec	Dec	Dec	Apr	May	Change ¹
Dollar-Won	1,156.4	1,086.3	1,188.8	1,264.5	1,288.0	1,472.5	1,439.0	1,483.3	1,507.9	-1.6
100 Yen-Won	1,059.8	1,051.2	1,032.5	945.6	912.3	934.3	917.6	920.6	945.6	-2.6
Yuan-Won	165.6	167.0	186.6	181.6	181.2	202.6	206.0	216.8	222.7	-2.6

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- May 2026, %.

4. Money market

In April, M2 (*monthly average*) rose 5.7 percent year-on-year.

(Percentage change from same period in previous year)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026			
	Annual	Annual	Annual	Annual	Annual	Annual	Annual	Annual	Annual	Annual	Feb	Mar	Apr ¹	Apr ²
M1 ³	16.0	9.5	4.7	3.9	20.9	21.5	4.2	-10.6	2.9	5.2	7.6	7.8	8.3	1,382.0
M2	7.6	6.8	5.7	6.2	11.1	11.4	9.8	3.8	3.3	4.5	4.9	5.5	5.7	4,160.9
Lf ⁴	8.5	7.4	6.4	7.8	8.4	8.6	8.3	3.5	6.4	6.9	6.9	7.2	7.3	6,231.4

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 May, deposits of both banks and Asset Management Companies (AMC) increased.

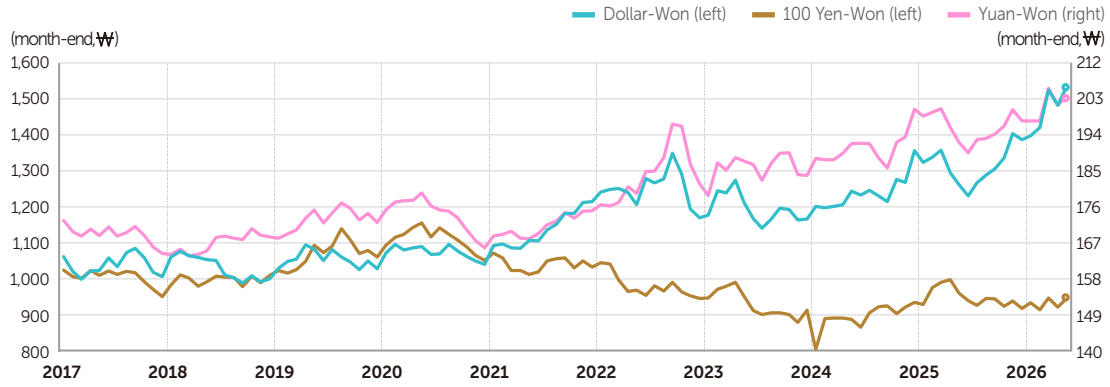
(Change from the end of the previous period, trillion won)

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026				
	Annual	Annual	Annual	Annual	Annual	Annual	Annual	Annual	Annual	Feb	Mar	Apr	May	May ¹
Bank deposits	79.5	91.6	106.3	188.4	198.5	110.4	76.4	111.7	100.2	47.3	20.5	-6.8	48.8	2,593.7
AMC deposits	27.9	53.8	98.6	42.2	93.9	45.4	93.7	117.2	241.0	48.6	-29.1	99.6	86.4	1,580.4

Source: Bank of Korea.

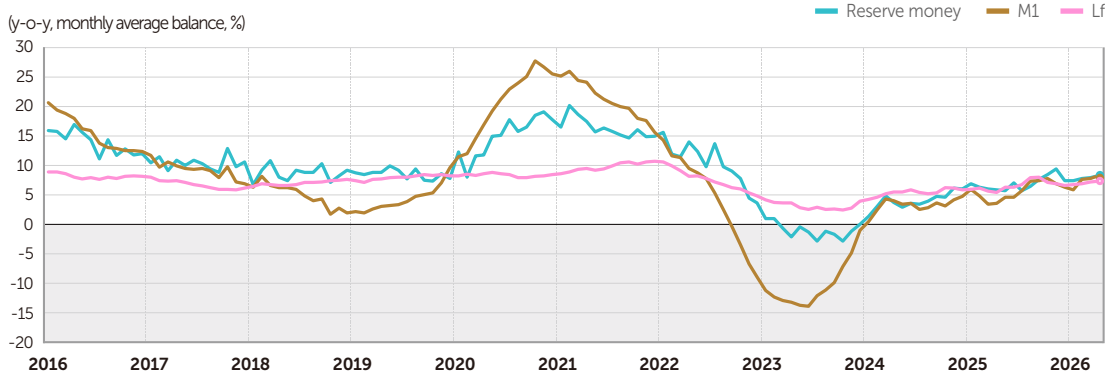
¹ Balance at end- May 2026.

Foreign exchange rates



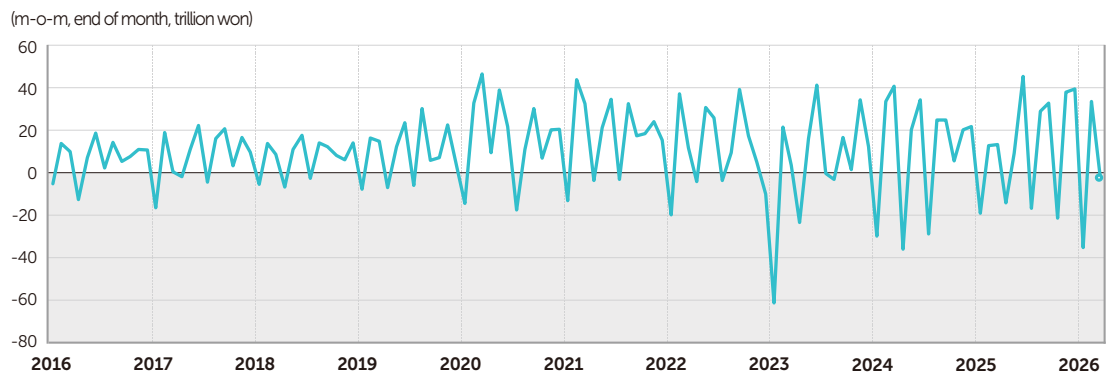
Source: Bank of Korea.

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 \$427.0 billion as of the end of May.

(US \$ billion)

	2022	2023	2024	2025	2026		
					Apr	May	Change (m-o-m)
Official foreign reserves	423.2	420.2	415.6	428.1	427.9	427.0 (100.0%)	-0.9
- Securities ¹	369.7	373.7	366.7	371.1	384.1	380.7 (89.2%)	-3.4
- Deposits	29.4	22.0	25.2	31.9	18.8	21.4 (5.0%)	2.6
- SDRs	14.8	15.1	14.7	15.9	15.8	15.8 (3.7%)	-0.0
- IMF position ²	4.5	4.6	4.2	4.4	4.5	4.4 (1.0%)	-0.1
- Gold	4.8	4.8	4.8	4.8	4.8	4.8 (1.1%)	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 \$774.4 billion as of the end of the first quarter of 2026, up US \$4.2 billion quarter-on-quarter. Short-term debt was US \$183.6 billion (*up US\$ 4.2 billion q-o-q*), and long-term debt was US \$590.8 billion (*unchanged from the previous quarter*). Net external assets decreased by US \$7.6 billion to US \$365.5 billion.

(End-period, US \$billion)

	2025 ¹				2026 ¹	Change (y-o-y)
	Q1	Q2	Q3	Q4	Q1	
External assets (in debt instruments, A)	1,057.0	1,099.6	1,127.8	1,143.2	1,139.9	-3.3
Total debt (B)	687.9	739.6	741.8	770.2	774.4	4.2
- Short-term	149.8	168.0	162.8	179.4	183.6	4.2
- Long-term	538.1	571.6	579.0	590.8	590.8	0.0
Short-term/Total debt (%)	21.8	22.7	21.9	23.3	23.7	0.4%p
Short-term/Reserve assets (%)	36.6	40.9	38.6	41.9	43.3	1.4%p
Net external assets (A-B)	369.1	360.0	386.1	373.1	365.5	-7.6

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

¹ Preliminary.

Public Finance

1. Fiscal balance

The consolidated fiscal balance recorded a deficit of 13.2 trillion won in April, a decrease of 18.0 trillion won year-on-year. The managed fiscal balance also recorded a deficit of 36.6 trillion won, a decrease of 9.5 trillion won year-on-year.

(Trillion won, percent)

	2025					2026 ¹			Change (e)-(c)
	Supplementary budget (a)	Settlement (b)	Apr (Cumulative, c)	(c)/(a)	(c)/(b)	Main budget (d)	Apr (Cumulative, e)	(e)/(d)	
A. Total revenue	642.4	637.4	231.1	36	36.2	700.6	272.3	38.9	41.3
B. Total spending	703.3	684.1	262.3	37.3	38.3	753.1	285.6	37.9	23.3
C. Consolidated fiscal balance (A-B)	-60.8	-46.7	-31.2	-	-	-52.5	-13.2	-	18.0
D. Net social security fund ²	50.8	57.5	14.8	-	-	55.1	23.3	-	8.5
E. Managed fiscal balance (C-D)	-111.6	-104.2	-46.1	-	-	-107.6	-36.6	-	9.5

Source: Monthly public finance and Open fiscal data, Ministry of Planning and Budget.

¹ Preliminary.

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

Fiscal balance

(Trillion won)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025 ¹	2026 ¹
Consolidated fiscal balance	16.9	24.0	31.2	-12.0	-71.2	-30.5	-64.6	-36.8	-43.5	-43.3	-22.8
Managed fiscal balance	-22.7	-18.5	-10.6	-54.4	-112.0	-90.6	-117.0	-87.0	-104.8	-89.6	-39.6

¹ Preliminary.

2. Government debt

The total amount of central government debt in April was 1,312.7 trillion won, up 18.2 trillion won from a month earlier. Korean Treasuries totaled 1,320.0 trillion won, which is comprised of bonds at 1,211.5 trillion won, national housing bonds at 74.2 trillion won, and foreign exchange stabilization bonds at 34.4 trillion won.

(Trillion won)

	2020	2021	2022	2023	2024	2025	2026 ¹	
	Annual	Annual	Annual	Annual	Annual	Annual	Mar	Apr
Central gov't debt	819.2	939.1	1,033.4	1,092.5	1,141.2	1,268.1	1,303.5	1,321.7
(% of GDP)	39.8	42.3	44.5	45.5	44.8	47.6	-	-
- Treasuries (total) ²	815.2	937.0	1,031.5	1,091.1	1,139.8	1,266.5	1,301.8	1,320.0
· Bonds	726.8	843.7	937.5	998.0	1,047.9	1,161.3	1,191.6	1,211.4
· National housing bonds	78.9	82.2	82.2	81.6	79.1	75.6	74.6	74.2
· Foreign exchange stabilization bonds	9.5	11.2	11.8	11.5	12.8	29.5	35.7	34.4
- Loans	3.3	2.0	1.9	1.2	1.2	1.5	1.5	1.5
- Treasury commitments	0.7	0.1	0.1	0.2	0.2	0.1	0.1	0.1

Source: Monthly public finance and Open fiscal data, Ministry of Planning and Budget.

¹ Preliminary.

² Including debt-equity swap securities for international organizations.

Economic News Briefing

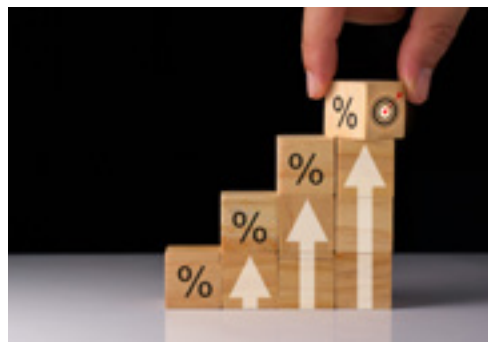
A close-up photograph of a person's hands holding a gold lipstick tube. The background is a blurred display of various cosmetics, including lipsticks and blushes, arranged on shelves in a store.

- Korea's GDP Increased by 1.8 % in Q1 2026 (Preliminary estimate)
- Second Vice Minister Hosts an IR Session on the Korean Economy in Paris
- Korea-U.S. Strategic Investment Corporation Officially Launches

Korea's GDP Increased by 1.8 % in Q1 2026 (Preliminary estimate)

In the first quarter of 2026, Korea's real gross domestic product (GDP) grew by 1.8 percent quarter-on-quarter and 3.8 percent year-on-year, according to the Bank of Korea's preliminary estimate released on June 9.

On the production side, agriculture, forestry and fishery sectors grew by 4.3 percent quarter-on-quarter. Manufacturing increased by 3.9 percent on the back of an increased production in computer, electronic and optical products. Electricity, gas, and water supply increased by 3.1 percent. Construction expanded by 2.2 percent as building construction and civil engineering activity both increased. Services grew by 0.6 percent owing to increases in wholesale and retail trades, accommodation and food services as well as finance and insurance.



On the expenditure side, private consumption grew by 0.6 percent, driven by increased expenditure both on goods and services. Construction investment rose by 1.4 percent, as building construction and civil engineering activity both increased. Facilities investment grew by 6.6 percent, as machinery and transportation equipment both increased. Exports rose by 5.9 percent as exports of IT goods, particularly semiconductors, increased. Imports increased by 3.9 percent, mainly due to increases in the imports of machinery and equipment as well as in motor vehicles.

Real GDP growth by Production and Expenditure

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

	2024	2025	2024				2025				2026
	Annual	Annual ¹	Q1	Q2	Q3	Q4	Q1 ¹	Q2 ¹	Q3 ¹	Q4 ¹	Q1 ¹
GDP	2.2	1.1	1.0	-0.2	0.1	0.2	-0.2	0.6	1.4	-0.1	1.8
(y-o-y % change of original data)			(3.6)	(2.6)	(1.6)	(1.1)	(0.2)	(0.7)	(2.1)	(1.6)	(3.8)
Agriculture, forestry & fisheries	0.7	0.5	2.3	2.2	-0.9	0.2	0.8	-1.7	1.7	-1.1	4.3
Manufacturing	4.9	2.4	1.2	0.4	0.3	0.6	-0.6	2.1	1.7	-0.6	3.9
Electricity, gas & water supply	4.2	-0.6	-2.7	-0.3	4.9	-4.4	4.4	-6.0	4.9	-6.5	3.1
Construction	-3.3	-9.2	5.4	-4.6	-4.0	-3.0	-1.5	-2.0	-0.3	-3.7	2.2
Services ²	1.7	1.7	0.4	0.2	0.3	0.4	-0.1	0.7	1.2	0.6	0.6
Private consumption	1.3	1.5	0.8	0.0	0.3	0.0	0.2	0.7	1.1	0.4	0.6
Government spending	2.2	2.7	1.1	0.7	1.0	0.3	0.0	1.2	1.4	1	-0.4
Construction investment	-2.0	-9.7	4.9	-2.3	-3.4	-3.5	-4.0	-0.7	0.2	-2.6	1.4
Facility investment	1.0	1.5	-1.5	-0.2	3.8	0.8	0.2	-1.8	1.3	-1.6	6.6
Intellectual property investment	2.4	3	1.6	-0.3	0.1	1.6	0.8	0.9	0.9	-0.2	0.9
Exports	7.6	4.3	1.3	1.4	0.2	0.9	-0.9	4.1	2.6	-1.1	5.9
Imports	3.8	3.3	1.4	1.2	0.8	0.2	-0.5	3.0	1.6	-0.2	3.9

¹ Preliminary estimate.

² Wholesale & retail trades; 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.

Second Vice Minister Hosts an IR Session on the Korean Economy in Paris

Second Vice Minister of Finance and Economy Huh Chang hosted an Investor Relations (IR) session on the Korean economy for major global investors in Paris, France, on June 4 (local time).

At the briefing, senior executives from leading French investment banks and asset management firms attended, including Amundi, Europe's largest asset manager, as well as BNP Paribas, Credit Agricole, Natixis, and Societe Generale.



The briefing was organized to further strengthen communication with global investors and respond to their strong interest in the Korean economy and capital markets, despite ongoing changes in the global trading environment and continued geopolitical uncertainties. In particular, as France is one of Europe's leading financial centers, home to major long-term institutional investors and global financial institutions, the briefing provided an opportunity to effectively communicate the strong fundamentals of the Korean economy and the progress made in foreign exchange (FX) and capital market reforms, while broadening the base of European investors going forward.

During the briefing, Vice Minister Huh stated that Korea is further enhancing its attractiveness as an investment destination, supported by its strong economic fundamentals and its pivotal position in the global artificial intelligence (AI) supply chain.

First, Vice Minister Huh noted that Korea's exports reached approximately USD 390 billion during the January-May period of this year, representing an increase of more than 40 percent compared with the same period last year, driven by the semiconductor supercycle. He added that the strong export performance has been translating into broader growth across the real economy. In particular, Korea's real GDP grew by 1.7 percent quarter-on-quarter in the first quarter of this year, marking the highest growth rate among OECD member countries that have released data to date. Gross domestic income (GDI) also increased by 7.5 percent quarter-on-quarter, demonstrating the continued strength of the economy's growth momentum.

He further explained that Korea's external position remains strong, with the current account surplus reaching USD 85 billion during the January-March period of this year, the fifth largest in the world and approximately 220 percent higher than in the same period last year. Should this trend continue, the current account surplus is expected to significantly exceed last year's record-high level of approximately USD 123 billion.

He stressed that the government will continue to support strategic industries such as AI, semiconductors, and advanced manufacturing, while actively promoting domestic demand and private-sector investment, so that the current economic recovery can evolve into a sustainable source of structural growth rather than remain a temporary cyclical rebound. Efforts to modernize the capital market are also being accelerated, including enhanced corporate governance, stronger shareholder protection, and investor-friendly tax reforms such as separate taxation of dividend income.

He pointed out that Korea's capital market reforms have begun to deliver tangible results, noting that the KOSPI has more than tripled since the launch of the new administration and that the market capitalization

of the Korean stock market has risen to rank among the world's top six or seven markets. In addition, foreign investment in Korean government bonds has continued to increase steadily following their inclusion in the FTSE World Government Bond Index (WGBI) in April this year, with cumulative net inflows reaching approximately USD 18.7 billion as of June 4.

Last but not least, he emphasized that the government will continue to press ahead with key initiatives, including the transition to 24-hour operation of the FX market, the establishment of an offshore Korean won settlement system, and improvements to account-opening and settlement procedures for foreign investors. He also encouraged foreign investors to take a keen interest in Korea and expand their investment in the country, underscoring the strong competitiveness of the Korean economy and capital market.

This was followed by a presentation by the Ministry of Finance and Economy, which covered: (i) recent economic developments and the fundamentals of the Korean economy; (ii) Korea's key growth drivers; (iii) future policy directions; and (iv) reform efforts to enhance market accessibility.

Korea-U.S. Strategic Investment Corporation Officially Launches

The Korea-U.S. Strategic Investment Corporation (KUIC), which will support the implementation of strategic investments in the U.S. under the Korea-U.S. Strategic Investment MOU on November 14 2025, was officially launched on June 18. Established pursuant to the Special Act on the Operation and Management of Strategic Investments between the Republic of Korea and the U.S. (the "Korea-U.S. Strategic Investment Act"), which was passed by the National Assembly on March 12, the Corporation was formally established in time for the entry into force of the Act and held an inaugural ceremony at its headquarters in Sejong City.



Immediately following the passage of the Korea-U.S. Strategic Investment Act, the Ministry of Finance and Economy established the Korea-U.S. Strategic Investment Corporation Establishment Committee, composed of seven members, including government and private-sector representatives, and chaired by First Vice Minister Lee Hyung Il, to oversee the establishment of the Corporation. Over the past three months, the Establishment Committee deliberated on and resolved key matters related to the establishment of the Corporation, including its articles of incorporation, organizational structure, and staffing. Upon completing the Corporation's registration on June 18, the Committee concluded its work by transferring responsibilities related to the establishment process to the newly appointed President and CEO of the Corporation.

The inaugural ceremony was attended by key Korean stakeholders, including Deputy Prime Minister and Minister of Finance and Economy Koo Yun Cheol, representatives from government ministries such as the Ministry of Foreign Affairs and the Ministry of Trade, Industry, and Resources, and related institutions, as well as Chairman and CEO of the American Chamber of Commerce (AMCHAM) in Korea James Kim. Participants expressed strong interest in the launch of the dedicated institution responsible for strategic investments and congratulated the establishment of the KUIC.

In his remarks at the inaugural ceremony, Deputy Prime Minister Koo stated, "With the establishment of the KUIC, the Korea-U.S. alliance has evolved into an even stronger partnership that extends beyond economic cooperation and security to encompass high-tech strategic industries." He added, "By combining their respective strengths, Korea and the U.S. will advance together as indispensable hubs in the global supply chain."

Deputy Prime Minister Koo also expressed his hope that the newly launched KUIC would serve as "a bridge connecting the industrial ecosystems of Korea and the U.S.," pursue "investments that create win-win outcomes for both countries based on commercial viability and strategic considerations," and "actively support Korean companies with strong technological capabilities in contributing to the restructuring of U.S. manufacturing."

In his congratulatory remarks, Chairman and CEO of AMCHAM Korea James Kim congratulated the KUIC on its official launch and expressed confidence, stating, "The Corporation will play a pivotal role in translating Korea's U.S. investment plans into tangible investments and concrete results." He added, "AMCHAM, as a bridge between the business communities of Korea and the U.S., will work closely with the Corporation and provide its full support to ensure that this launch delivers meaningful outcomes for the economies of both countries."

In his welcoming remarks, the inaugural President and CEO of the KUIC Park Jong Won stated, "The Corporation has been established as a dedicated institution to systematically advance investment cooperation between Korea and the U.S. at a time of profound transformation in the global economic order." He added, "The Corporation will make every effort to strengthen industrial cooperation in strategic sectors agreed upon by the two countries, including energy and shipbuilding, and to expand the foundation for sustainable growth."

Related Websites



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



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



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Contact

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

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

E-mail sjung@kdi.re.kr

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

