

November 2026

Vol.48 No.11

Current Economic Trends

Economic Activity

Financial Markets

Public Finance

Economic News Briefing

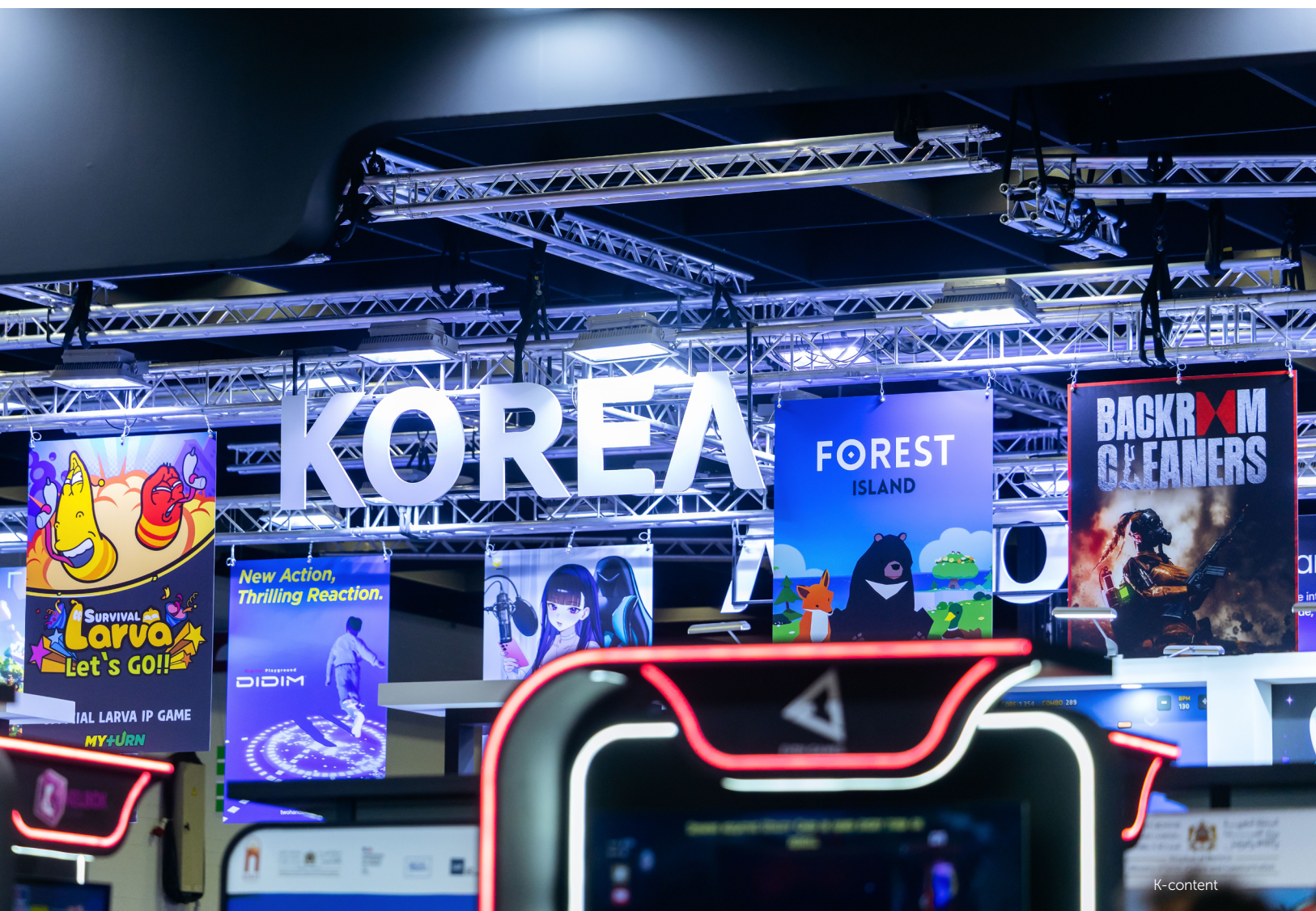
Korean GDP in Q3 2026

FX Transactions Regulations

G20 and G7 Meetings

Korean FDI in Q3 2026

Republic of Korea Economic Bulletin



K-content



Ministry of Finance
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▲ Korean government seeks to foster K-content as a national strategic industry.

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

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Current Economic Trends

Overview

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Overview

In August, total industrial production, retail sales, and facility investment decreased. In September, growth in the number of employed persons slowed, while the month-on-month increase in consumer prices moderated.

In August, output increased in the construction sector (*up 1.9% m-o-m and up 1.3% y-o-y*) and the services sector (*up 0.5% m-o-m and up 4.6% y-o-y*), but it declined in the industrial sector (*down 4.8% m-o-m and down 2.2% y-o-y*). As a result, the overall industrial production declined by 1.3 percent month-on-month, while increasing by 1.9 percent year-on-year.

The cyclical indicator of the coincident composite index for August rose by 0.5 points and the cyclical indicator of the leading composite index decreased by 0.1 point.

In August, retail sales fell (*down 1.8% m-o-m and down 0.3% y-o-y*), and facility investment moved down (*down 9.5% m-o-m and up 16.1% y-o-y*).

The consumer sentiment index (CSI) climbed by 2.1 points month-on-month to 106.6 in September. The composite business sentiment index (CBSI) went down by 0.5 points to 99.1 in September and the CBSI outlook for October remained unchanged at 99.6.

In September, exports grew by 83.5 percent year-on-year, supported by strong exports of semiconductors, computers, and cosmetics. Average daily exports rose by 104.9 percent in September compared to the same month of last year.

In September, the number of employed persons grew by 113,000 year-on-year, with the unemployment rate declining by 0.1 percent point from a year earlier.

The consumer price index (CPI) climbed by 2.9 percent year-on-year (3.1% in August→ 2.9% in September), with the index excluding food and energy rising by 2.8 percent, the index excluding agricultural products and petroleum products by 2.7 percent, and the CPI for living necessities by 2.5 percent.

In August, stock prices moved up, Korean Treasury Bond yields rose, and the Korean won strengthened against the U.S. dollar.

In September, both housing prices (*up 0.30% m-o-m*) and *Jeonse* (lump-sum deposits with no monthly payments) prices (*up 0.34% m-o-m*) climbed.

The Korean economy continues to show signs of a robust recovery, supported by strong export growth, solid investment growth, and a gradual improvement in consumption.

However, uncertainties stemming from the Middle East conflict have increased somewhat. Pressures on livelihoods also persist due to rising inflationary pressures from high oil prices and challenging employment conditions for vulnerable groups.

The global economy continues to grow at a moderate pace, although uncertainties surrounding the Middle East conflict and U.S. tariff measures remain.

The government plans to make every effort to ensure stable supply and demand for key items to minimize the impact of the Middle East conflict, while strengthening policy efforts to stabilize livelihoods and reduce economic polarization so that the benefits of growth can spread throughout the economy.

Economic Activity

1. Gross Domestic Product (Preliminary estimate)

In the second quarter of 2026, Korea's real Gross Domestic Product (GDP) amounted to 599.5 trillion won, and real Gross Domestic Income (GDI) was 655.0 trillion won.

(Trillion won, inflation adjusted at 2020 prices)

	2024	2025	2024				2025				2026	
	Annual ¹	Annual ¹	Q1 ¹	Q2 ¹	Q3 ¹	Q4 ¹	Q1 ¹	Q2 ¹	Q3 ¹	Q4 ¹	Q1 ¹	Q2 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	599.5
(Seasonally adjusted)	-	-	575.2	574.3	574.6	576.0	575.0	578.7	586.6	586.0	596.7	600.5
- 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	279.6
- Facility investment	214.9	218.0	50.9	53.8	52.6	57.6	53.3	55.3	53.0	56.5	55.7	72.1
- Construction investment	293.9	265.4	63.5	82.2	72.5	75.6	55.5	73.0	66.8	70.1	54.4	58.8
- Total export	922.1	962.0	222.9	228.4	230.2	240.6	226.3	238.3	245.8	251.6	253.0	259.5
- Total import	780.8	806.9	194.6	190.2	195.6	200.5	197.7	196.7	204.4	208.2	214.5	208.8
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	655.0
(Seasonally adjusted)	-	-	562.5	558.8	559.1	563.3	562.5	568.7	573.4	584.3	635.4	659.0

Source: Bank of Korea.

¹ Preliminary estimate.

In the second quarter of 2026, real GDP grew 3.7 percent year-on-year, and seasonally adjusted GDP grew 0.6 percent quarter-on-quarter. Real GDI rose 15.7 percent year-on-year, and seasonally adjusted GDI also increased 3.7 percent quarter-on-quarter.

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

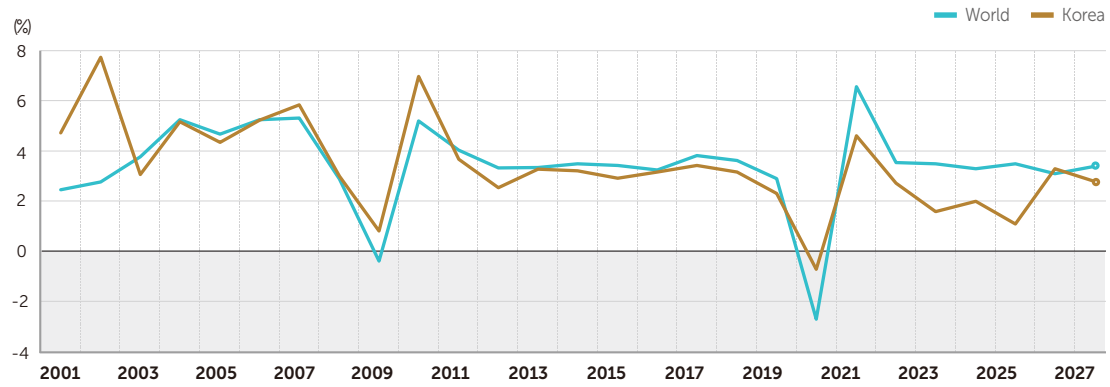
	2024	2025	2024				2025				2026	
	Annual ¹	Annual ¹	Q1 ¹	Q2 ¹	Q3 ¹	Q4 ¹	Q1 ¹	Q2 ¹	Q3 ¹	Q4 ¹	Q1 ¹	Q2 ¹
GDP	2.2	1.1	3.6	2.6	1.6	1.1	0.2	0.7	2.1	1.6	3.8	3.7
(Seasonally adjusted ²)	-	-	1.0	-0.2	0.1	0.2	-0.2	0.6	1.4	-0.1	1.8	0.6
- Private consumption	1.3	1.5	1.4	1.2	1.6	1.1	0.5	1.0	2.0	2.4	2.7	2.4
- Facility investment	1.0	1.5	-1.4	-2.9	5.6	3.1	4.7	2.7	0.7	-1.9	4.4	6.3
- Construction investment	-2.0	-9.7	1.6	-0.2	-4.5	-4.5	-12.7	-11.3	-7.9	-7.2	-1.9	-1.2
- Total export	7.6	4.3	10.1	9.9	7.0	3.9	1.5	4.3	6.8	4.6	11.8	8.9
- Total import	3.8	3.3	0.3	5.0	6.3	3.6	1.6	3.4	4.5	3.9	8.5	6.2
GDI	4.3	2.0	6.7	5.3	3.0	2.3	0.1	1.6	2.7	3.5	13.2	15.7
(Seasonally adjusted ²)	-	-	2.2	-0.7	0.1	0.7	-0.1	1.1	0.8	1.9	8.7	3.7

Source: Bank of Korea.

¹ Preliminary estimate.

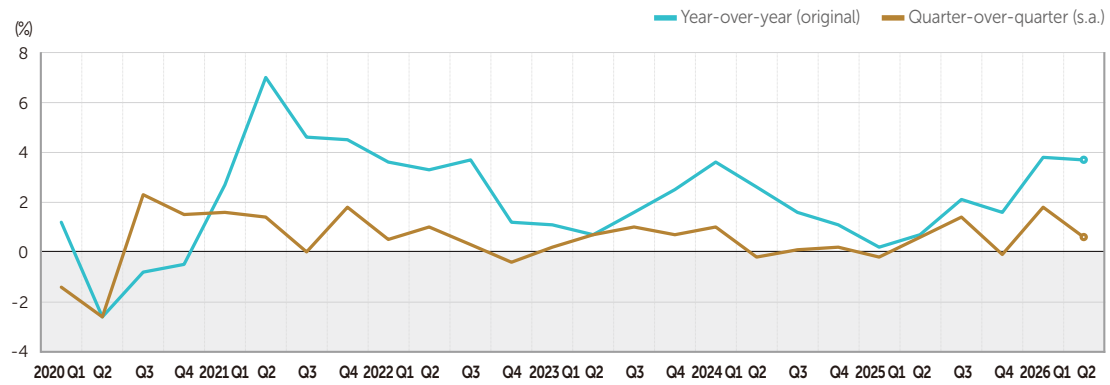
² Percentage change from previous period.

GDP growth: World and Korea



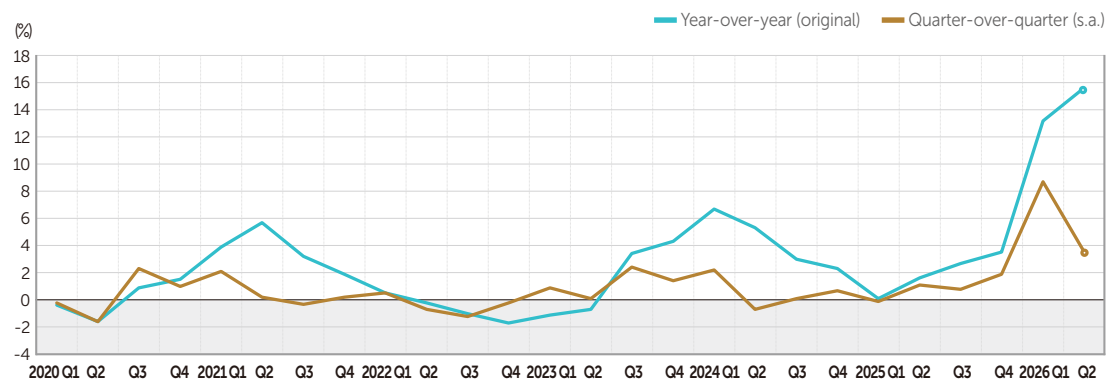
Source: IMF

GDP growth: Korea



Source: Bank of Korea.

GDI growth: Korea



Source: Bank of Korea.

2. Total Production and Composite Index of Business Indicators

In August, the Total Index of Industrial Production fell 1.3 percent. Construction (*up 1.9%*) and services production (*up 0.5 %*) rose, while industrial production (*down 4.8%*) and public spending (*down 2.9%*) declined. The index climbed 1.9 percent year-on-year.

Coincident composite index

The cyclical indicator of the coincident composite index rose 0.5 points month-on-month to 101.7. More specifically, imports, value of construction completed, and shipment index for domestic market rose, while retail sales index declined.

Leading composite index

The cyclical indicator of the leading composite index fell 0.1 point month-on-month to 104.2. Within the leading composite index, producer's shipment index of machinery for domestic demand, the net barter terms of trade, and economic sentiment index rose, while construction orders received, KOSPI, and the inventory circulation indicator fell.

	2025				2026							
	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun ¹	Jul ¹	Aug ¹
Total index of Industrial Production (m-o-m, %)	1.2	-2.2	0.7	1.2	-0.8	2.1	0.4	-0.5	-0.4	2.6	-0.1	-1.3
(y-o-y, %)	8.0	-3.5	0.7	2.1	4.9	0.1	3.7	2.4	1.9	4.5	3.1	1.9
Cyclical indicator of coincident composite index (m-o-m, p)	99.9	99.5	99.3	99.1	99.1	99.7	100.1	100.3	99.9	100.4	101.2	101.7
Coincident composite index (2020=100)	114.9	114.6	114.5	114.5	114.7	115.5	116.2	116.5	116.2	116.9	118.1	118.8
(m-o-m, %)	0.2	-0.3	-0.1	0.0	0.2	0.7	0.6	0.3	-0.3	0.6	1.0	0.6
Cyclical indicator of leading composite index (m-o-m, p)	99.7	99.6	99.8	100.2	100.7	101.2	101.8	102.3	102.9	103.8	104.3	104.2
Leading composite index (2020=100)	121.2	121.5	122.2	123.1	124.2	125.2	126.4	127.5	128.7	130.2	131.3	131.7
(m-o-m, %)	0.2	0.2	0.6	0.7	0.9	0.8	1.0	0.9	0.9	1.2	0.8	0.3

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 Aug 2026 (m-o-m, %)

Imports	2.5
Value of construction completed	1.6
Shipment index for domestic market	1.1
Retail sales index	-0.6

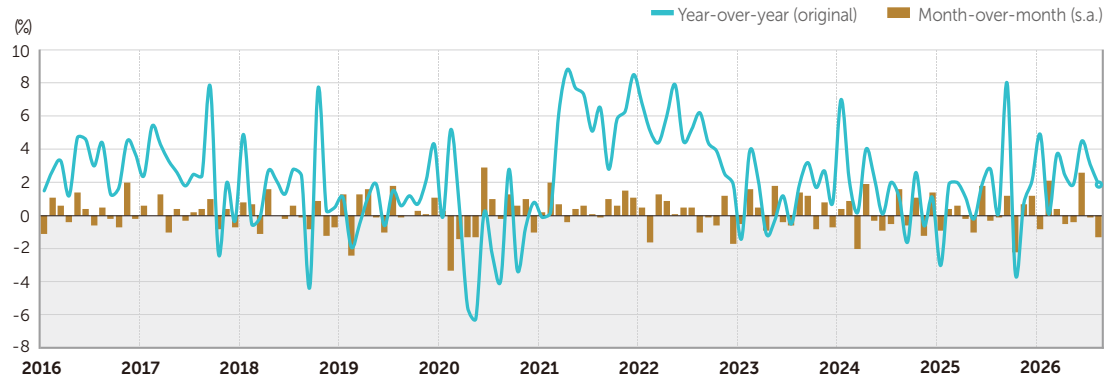
Source: Industrial activity trends, Statistics Korea.

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

Producer's Shipment Index, Machinery for Domestic Demand	4.8
Net barter terms of trade	1.6
Economic Sentiment Index	0.6
Construction orders received	-15.8
KOSPI	-4.6
Inventory circulation indicator (%p)	-1.0

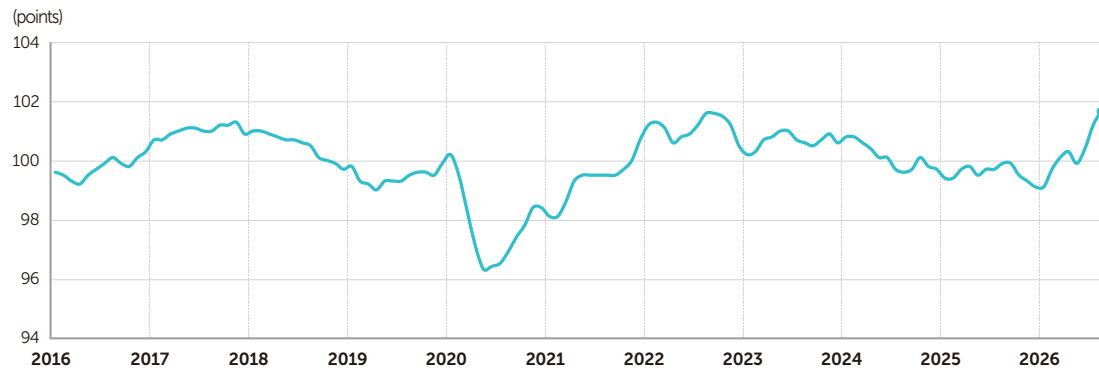
Source: Industrial activity trends, Statistics Korea.

Total index of Industrial Production



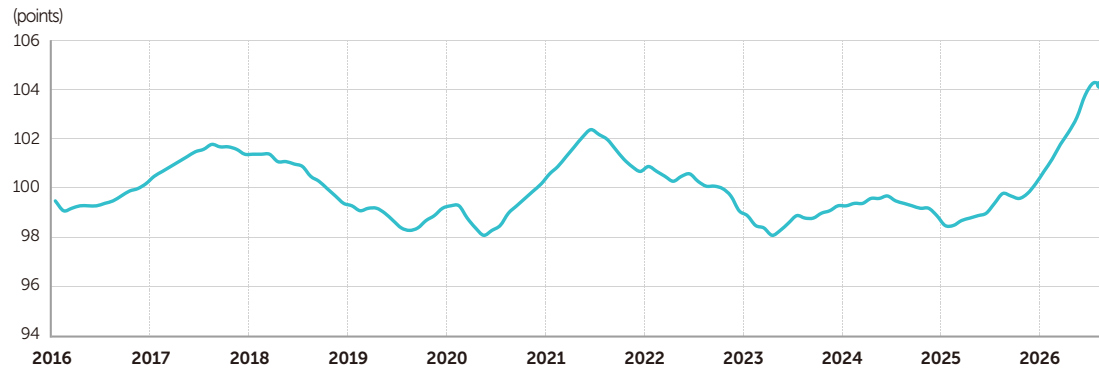
Source: Industrial activity trends, Statistics Korea.

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 second quarter of 2026 increased by 0.4 percent quarter-on-quarter and by 2.4 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	Q2 ¹
Private consumption	-	-	0.8	0.0	0.3	0.0	0.2	0.7	1.1	0.4	0.6	0.4
(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	2.4

Source: National accounts, Bank of Korea.

¹ Preliminary estimate.

Retail sales decreased 1.8 percent month-on-month in August. Sales of durable goods (*down 4.5%*) and non-durable goods (*down 1.6%*) fell, while sales of semi-durable goods (*up 0.4%*) rose. The year-on-year index declined 0.3 percent.

(Percentage change from previous period)

	2024	2025	2024				2025				2026				
	Annual	Annual	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Jun	Jul ¹	Aug ¹
Retail sales	-	-	-1.2	-0.7	0.4	-0.6	0.6	-0.6	1.2	0.6	2.4	-1.8	2.7	-2.6	-1.8
(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	2.3	4.0	-1.0	-0.3
- Durable goods	-3.6	3.8	-4.1	-2.6	4.3	-2.4	3.7	-1.1	4.8	-3.8	6.5	-4.4	12.8	-8.6	-4.5
· Automobiles	-7.3	11.0	-11.8	1.0	6.8	0.3	2.8	4.3	3.1	-3.2	6.0	-4.5	21.4	-11.1	-13.6
- 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	-1.4	-2.7	-1.7	0.4
- Nondurable goods	-0.8	-0.2	-0.2	0.1	-0.3	-0.2	0.1	-0.1	-1.1	2.8	0.4	-0.8	0.3	-0.1	-1.6

Source: Statistics Korea.

¹ Preliminary.

The retail sales index outlook for September is expected to be mixed, as an increase in the consumer spendings index is offset by a decrease in credit card spendings at home.

(Percentage change from same period in previous year)

	2026								
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Car sales at home	11.2	-13.3	8.0	-8.0	-14.2	5.0	-1.8	-28.3	-19.0
Department store sales	-0.7	30.3	10.1	14.2	17.1	13.3	6.6	6.0	2.7
Large discount store sales	-17.0	18.7	-6.7	-7.4	-4.1	-9.6	-8.9	-1.3	-2.1
Credit card spending at home ¹	4.7	6.3	8.4	7.3	7.0	6.0	3.7	4.9	2.3
Consumer sentiment index ²	110.8	112.1	107.0	99.2	106.1	106.6	106.8	104.5	106.6
Number of Chinese tourists ³	14.8	40.5	19.8	28.2	15.4	33.6	27.3	33.1	30.0

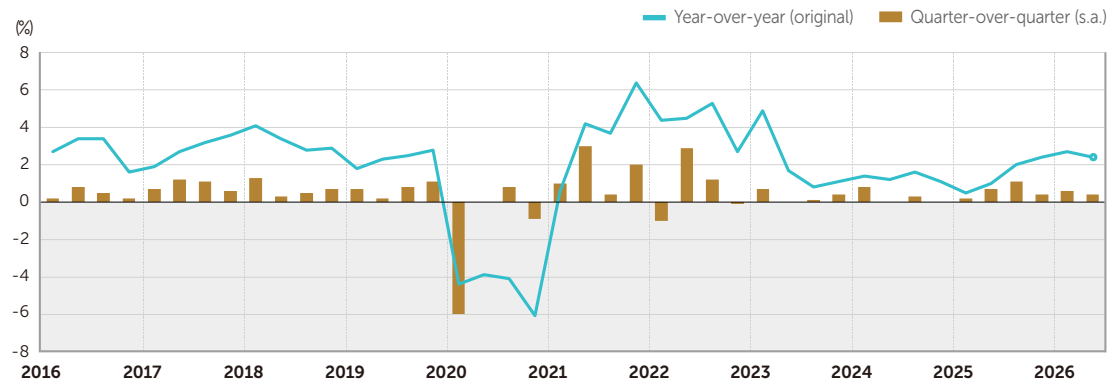
Sources: Korea Automobile Manufacturers Association; The Credit Finance Association; Bank of Korea; Korea Culture & Tourism Institute; data provided by retail industries.

¹ Utility bills are excluded.

² Level value.

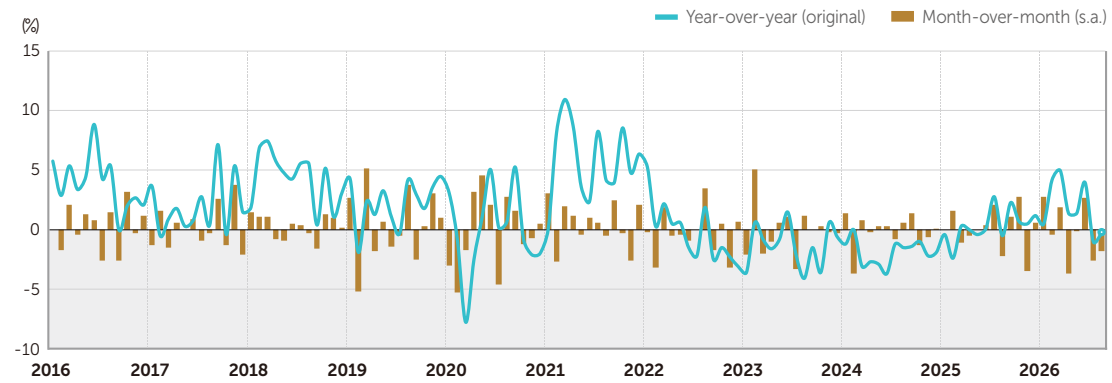
³ Advance estimate based on total entries. The figure can be different from the statistic released by the Ministry of Culture, Sports and Tourism, which excludes diplomatic and military personnel.

Private consumption



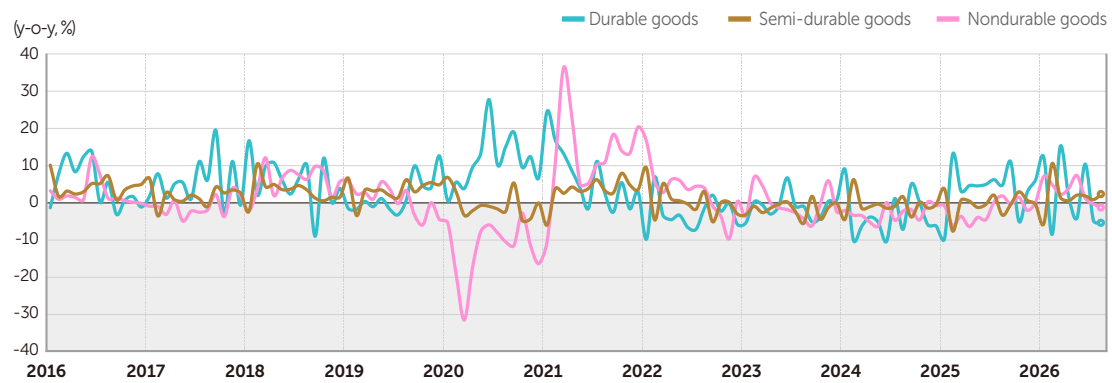
Source: National account, Bank of Korea.

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 second quarter of 2026 grew by 0.2 percent quarter-on-quarter and by 6.3 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	Q2 ¹
Facility investment	-	-	-1.5	-0.2	3.8	0.8	0.2	-1.8	1.3	-1.6	6.6	0.2
(y-o-y)	1.0	1.5	-1.4	-2.9	5.6	3.1	4.7	2.7	0.7	-1.9	4.4	6.3
- Machinery	-0.1	1.1	0.9	-1.9	3.6	1.3	-2.5	0.1	3.0	-0.8	6.5	2.3
- Transportation equipment	5.1	2.5	-9.8	6.0	4.5	-0.8	9.3	-8.0	-4.4	-4.4	7.1	-7.7

Source: National accounts, Bank of Korea.

¹ Preliminary estimate.

In August, the facility investment index decreased by 9.5 percent month-on-month, the transportation equipment index fell. The index also rose by 16.1 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	Q2	Jun	Jul ¹	Aug ¹
Facility investment index	-	-	-3.0	0.4	6.0	1.8	-2.2	0.3	0.6	-3.8	13.0	3.4	6.2	8.0	-9.5
(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	12.8	21.6	24.6	16.1
- Machinery	2.0	0.6	0.7	0.1	1.9	5.3	-3.0	-2.8	3.4	-1.9	9.1	4.4	8.5	3.7	1.6
- Transportation equipment	5.3	2.3	-12.4	1.1	16.5	-5.8	-0.3	7.5	-5.3	-8.2	22.5	1.5	0.9	18.2	-32.8

Source: Statistics Korea.

¹ Preliminary.

Domestic machinery orders received in August is expected to support facility investment going forward, while a decrease in facility investment is expected to weigh on future investments.

(Percentage change from same period in previous year)

	2024	2025	2024				2025				2026				
	Annual	Annual	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Jun	Jul ¹	Aug 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	19.5	53.3	31.6	42.2
(% change from previous period)	-	-	-15	2.9	22.8	-17.9	11.3	-5.5	-3.5	4.0	0.7	19.1	14.6	-19.5	33.8
- Public	-21.2	-10.1	-63.0	-42.4	169.3	-40.6	14.4	-24.7	-37.2	72.2	-29.9	-28.8	-19.3	-0.5	-19.7
- Private	-0.8	3.0	2.6	-1.6	4.8	-8.0	13.8	9.0	-10.4	-0.4	-1.0	22.6	57.6	33.4	49.9
Machinery imports	1.8	8.1	-7.4	-12.4	18.2	12.7	11.5	13.5	6.1	2.2	17.2	17.1	21.8	23.5	25.5
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	73.3	72.9	74.7	74.8	70.8
Facility investment pressure ³	3.5	0.7	4.5	4.1	1.6	3.1	0.8	1.0	5.2	-3.7	2.1	1.4	5.8	3.7	-3.1

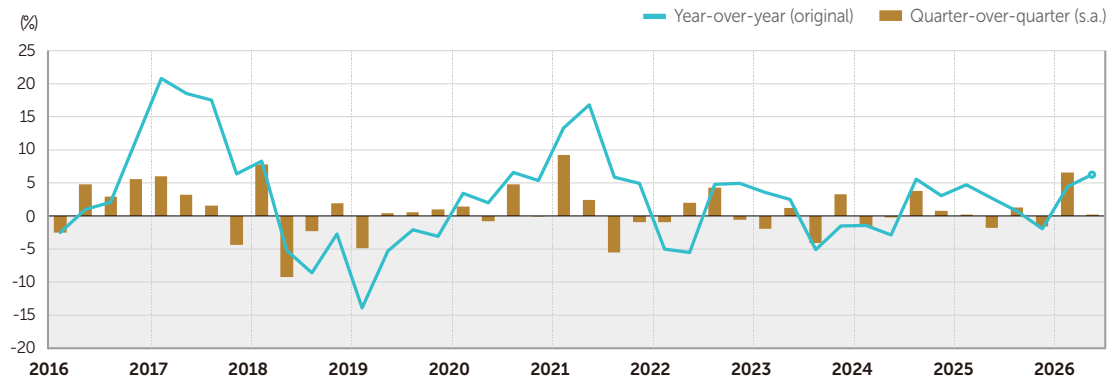
Sources: Statistics Korea; Korea International Trade Association.

¹ Preliminary.

² Utilization rate for the period, %.

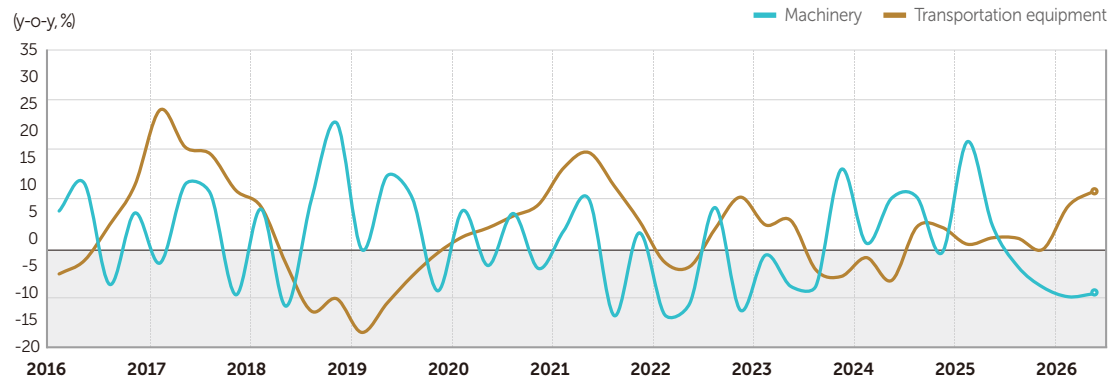
³ Production growth rate minus production capacity growth rate in the manufacturing sector, %p.

Facility investment



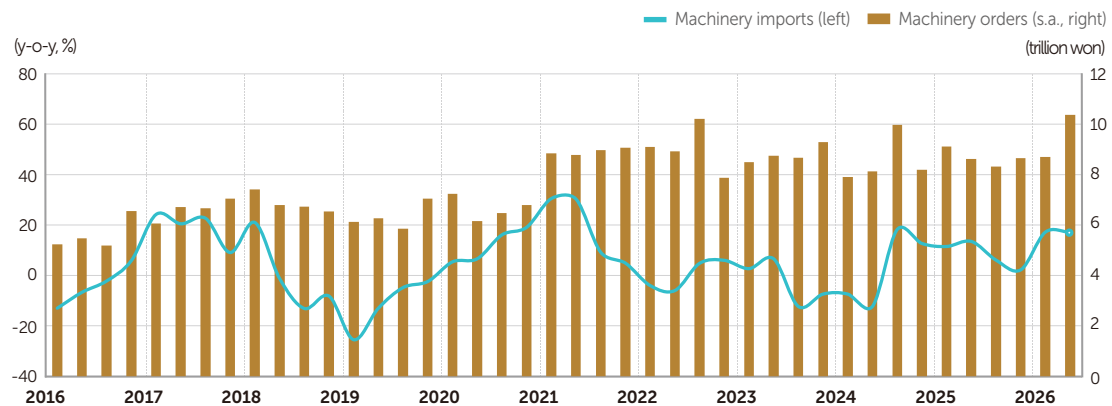
Source: National account, Bank of Korea.

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 second quarter of 2026 fell by 0.1 percent quarter-on-quarter, and declined by 1.2 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	Q2 ¹
Construction investment	-	-	4.9	-2.3	-3.4	-3.5	-4	-0.7	0.2	-2.6	1.4	-0.1
(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	-1.2
- Building construction	-3.9	-10.4	5.4	-3.1	-4.0	-2.4	-5.3	-0.3	-0.8	-0.7	0.2	2.8
- 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	-6.8

Source: National accounts, Bank of Korea.

¹ Preliminary estimate.

In August, construction completed (*constant*) rose 1.9 percent month-on-month, led by an increase in building construction. The index also climbed 1.3 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	Q2	Jun	Jul ¹	Aug ¹
Construction completed (constant)	-	-	4.5	-5.5	-4.6	-4.6	-7.2	-2.6	-0.8	-4.1	0.5	0.1	4.1	-1.0	1.9
(y-o-y)	-4.6	-16.5	4.1	-3.1	-9.0	-9.5	-21.1	-17.3	-11.9	-15.1	-6.1	-4.9	-4.4	-3.4	1.3
- Building construction	-6.6	-17.5	4.9	-6.7	-5.4	-4.1	-7.8	-2.9	-1.5	-2.7	-2.4	3.6	5.6	-9.0	4.5
- Civil engineering works	2.0	-13.5	3.4	-1.7	-2.3	-5.8	-5.3	-2.0	1.1	-8.1	8.9	-9.1	-0.5	23.8	-3.9

Source: Statistics Korea.

¹ Preliminary.

The increase in building permits in August is expected to support construction investment going forward, while the decline in construction orders is expected to weigh on future investments.

(Percentage change from same period in previous year)

	2024	2025	2024				2025				2026				
	Annual	Annual	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Jun	Jul ¹	Aug 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	30.7	27.4	-17.1	-26.3	-10.6
(% change from previous period)	-	-	-0.2	19.5	-10.3	3.9	-6.1	8.6	17.0	-17.6	21.8	19.0	-52.9	20.1	19.1
- Building construction	17.4	14.6	-13.7	23.8	27.9	28.2	23.2	13.7	28.6	2.2	24.1	22.9	-24.2	-15.4	-14.1
- Civil engineering works	-2.2	-17.7	-6.8	14.1	30.6	-22.7	-43.1	-43.9	24.1	-2.0	57.2	46.0	8.0	-47.3	0.4
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	-7.9	-6.3	45.8	13.3
Apartment presales ³	25	21.8	5.8	5.8	5.7	7.7	2.3	4.7	7.4	7.3	3.9	7.4	2.3	1.9	1.9

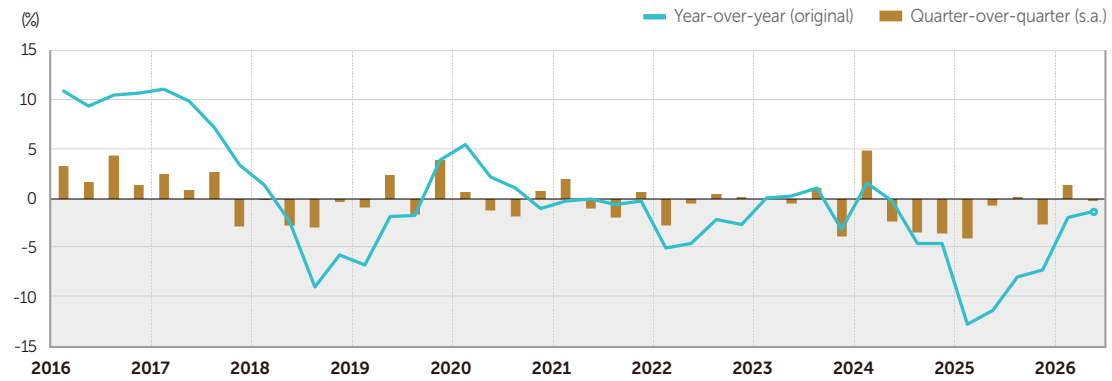
Sources: Statistics Korea; Ministry of Land Infrastructure and Transport; Real Estate 114.

¹ Preliminary.

² Gross Floor Area.

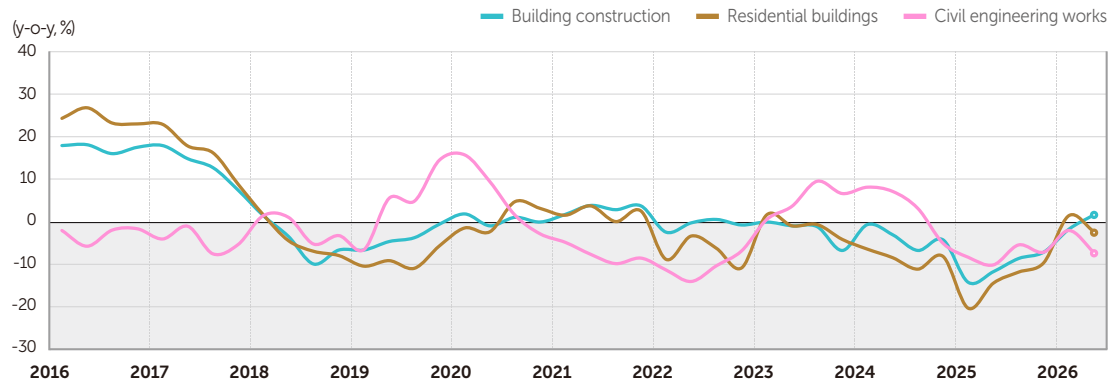
³ Thousand housing units.

Construction investment



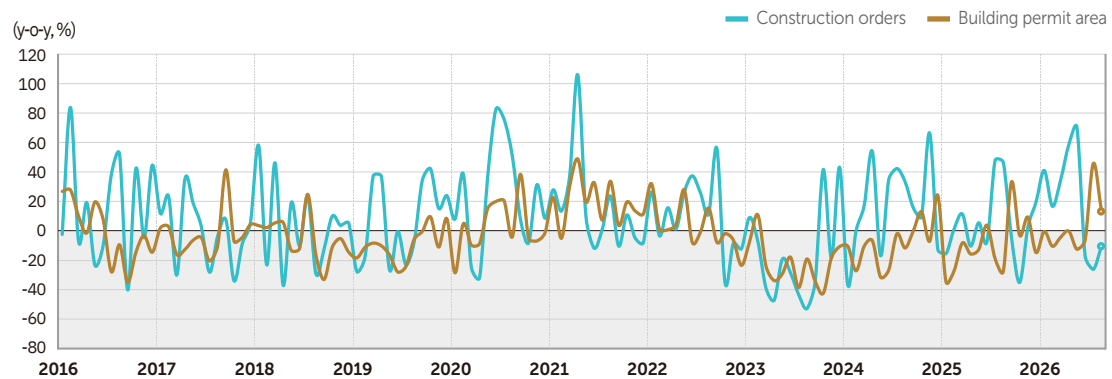
Source: National account, Bank of Korea.

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 83.5 percent year-on-year to US \$129.0 billion in September.

Exports of semiconductor, computers, cosmetics, and ships increased, while exports of automobiles decreased. In terms of export markets, exports to US, China 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 104.9 percent year-on-year to US \$5.6 billion..

Imports rose by 26.0 percent year-on-year to US \$71.1 billion in September.

The trade balance recorded a surplus of US \$49.9 billion in September.

(US \$ billion)

	2024	2025	2025				2026			
	Annual	Annual	Q1	Q2	Q3	Q4	Jun	Jul	Aug	Sep
Exports	683.6	709.4	159.5	175.1	184.9	189.8	102.0	99.2	98.3	129.0
(y-o-y, %)	8.1	3.8	-2.3	2.1	6.5	8.4	70.4	63.3	68.7	83.5
Average daily exports	2.5	2.6	2.5	2.4	2.6	2.9	4.5	4.1	4.5	5.6
Imports	631.8	631.8	152.6	154.3	162.4	162.2	66.1	68.5	63.5	71.1
(y-o-y, %)	-1.6	-0.0	-1.4	-1.7	1.5	1.4	30.0	26.4	22.4	26.0
Average daily imports	2.3	2.4	2.4	2.3	2.6	2.5	2.9	2.9	2.9	3.3
Trade balance	51.8	77.7	6.9	20.9	22.5	27.7	35.9	30.7	34.8	49.9

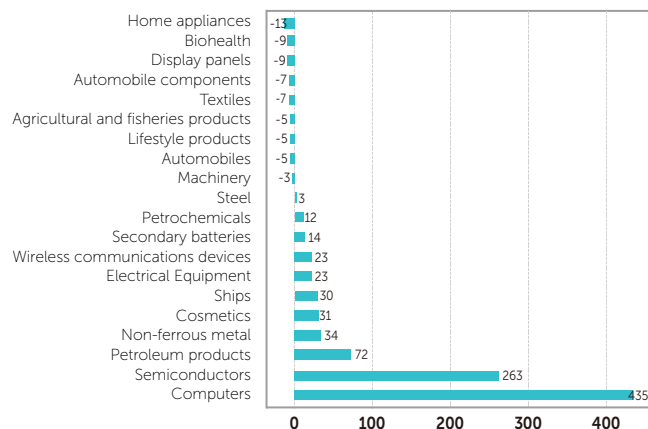
Source: Korea Customs Service.

Export growth and share by region in Sep 2026

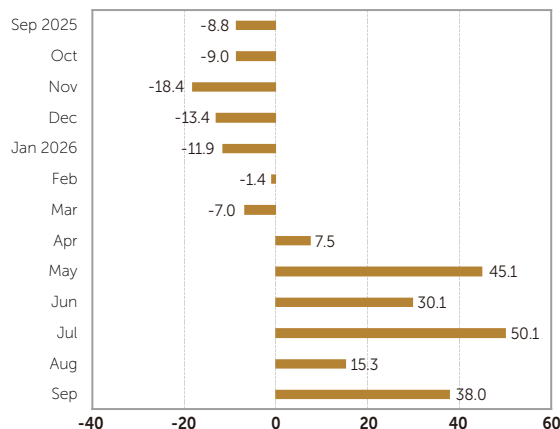
	Growth (y-o-y, %)	Share (%) ¹
US	137	18.6
China	123	21.2
ASEAN countries	93	18.2
India	50	2.4
Japan	25	3.1
EU	21	7.9
Latin America	-4	3.2
Middle East	-14	1.2
CIS countries	-38	-

¹ Cumulative total since January 2026.

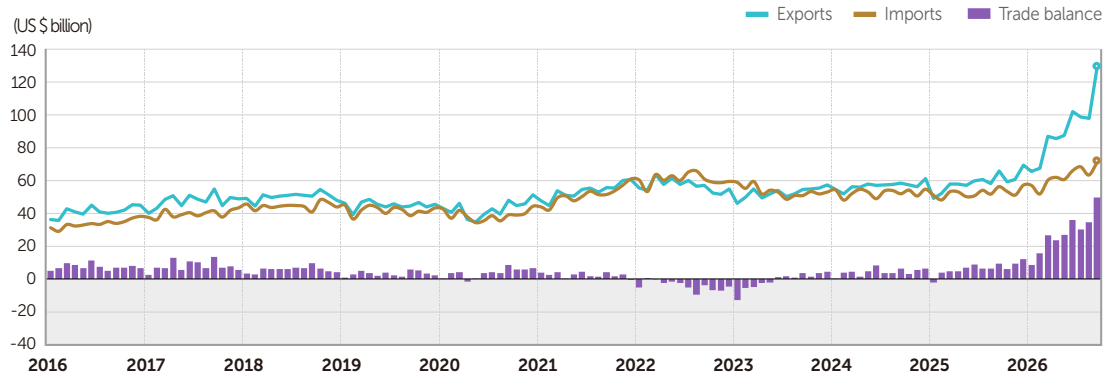
Export growth by item in Sep 2026 (y-o-y, %)



Energy Imports (y-o-y, %)

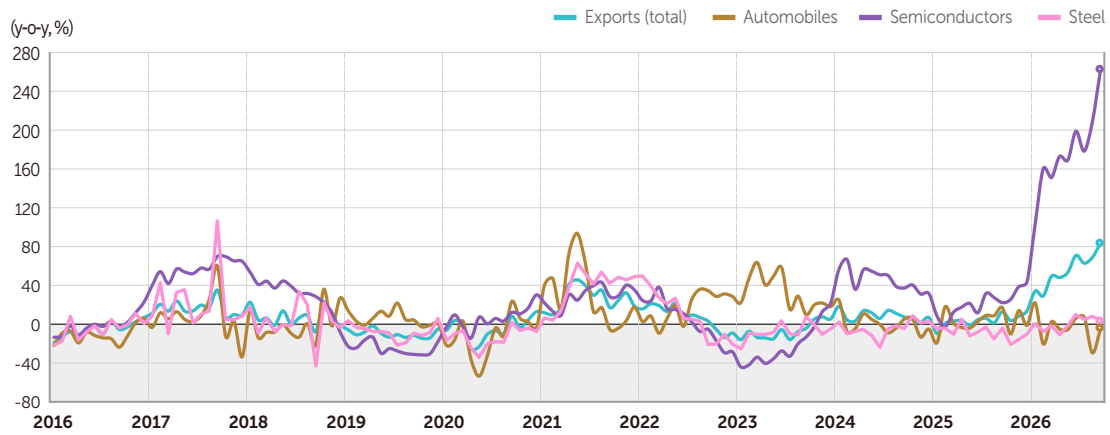


Exports and imports



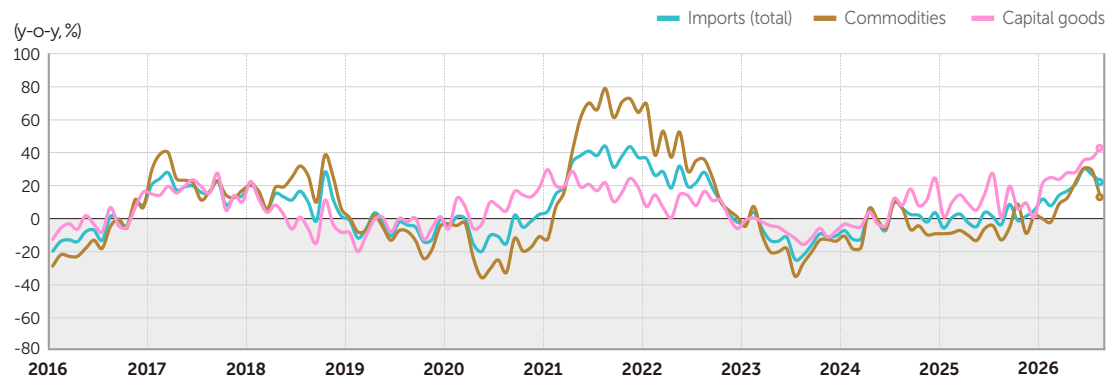
Sources: Korea Customs Service.

Export growth by item



Sources: Korea Customs Service.

Import growth by category



Sources: Korea Customs Service.

7. Employment

In September, the number of employed workers increased by about 113,000 year-on-year to 29,266,000 and the employment rate (*aged 15 and above*) fell 0.2 percent points to 63.5 percent.

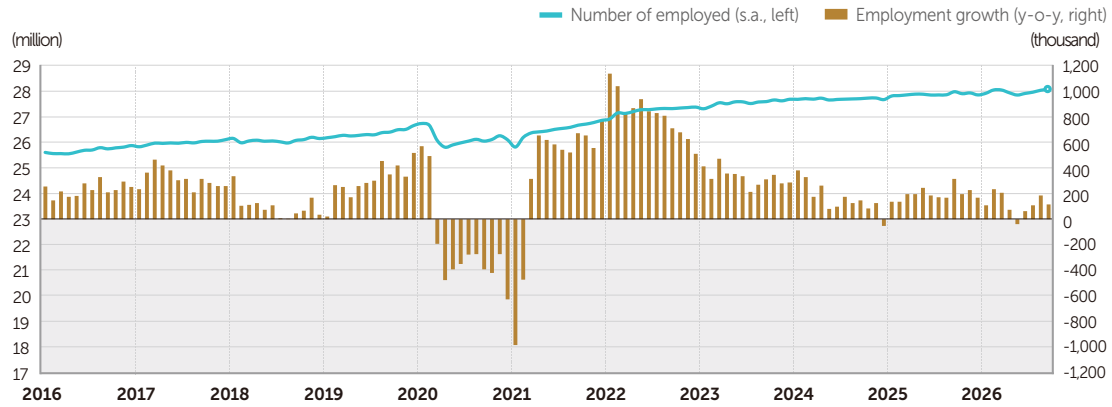
By sector, employment growth continued to accelerate in the services sector, while the growth trend in the manufacturing sector shifted to an upward trajectory. Moreover, the decline in employment growth in the construction sector narrowed.

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

	2023	2024	2025	2025				2026								
	Annual	Annual	Annual	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Number of employed (million)	28.42	28.58	28.77	29.15	29.04	29.05	28.21	27.99	28.41	28.79	28.96	29.16	29.15	29.14	29.15	29.27
Employment rate (%)	62.6	62.7	62.9	63.7	63.4	63.4	61.5	61.0	61.8	62.7	63.0	63.3	63.4	63.3	63.3	63.5
(Seasonally adjusted)	-	-	-	63.1	62.9	62.9	62.7	62.8	63.0	63.0	62.7	62.5	62.6	62.7	62.9	62.9
- 15 to 64	69.2	69.5	69.8	70.4	70.1	70.2	69.6	69.2	69.2	69.7	70.0	70.2	70.2	70.3	70.4	70.6
Employment growth (y-o-y, thousand)	327	159	193	312	193	225	168	108	234	206	74	-40	63	108	184	113
- Manufacturing	-43	-6	-73	-61	-51	-41	-63	-23	-16	-42	-55	-140	-97	-68	-38	16
- Construction	-9	-49	-125	-83	-123	-131	-63	-20	-40	-16	-8	-43	-67	-57	-32	-24
- Services	385	239	492	588	481	516	403	256	374	316	208	248	307	295	345	221
· Wholesale & retail	-37	-61	-1	28	46	11	44	23	22	-18	-52	-36	-44	-5	21	-1
· Hotels & restaurants	114	25	-3	26	22	-22	-22	-16	-27	-2	29	20	10	2	-61	97
· Healthcare & social welfare service	143	83	237	304	280	281	220	185	288	294	261	212	214	173	186	207
- Wage workers	327	214	275	386	311	294	214	121	205	113	-43	-115	-81	-11	113	117
· Permanent workers	478	183	283	340	286	258	195	192	158	140	62	-7	16	71	180	253
· Temporary workers	-61	154	46	2	79	65	-7	-97	8	-59	-127	-121	-51	-40	-50	-81
· Day laborers	-90	-122	-55	44	-55	-29	25	26	39	32	22	14	-45	-41	-17	-55
- Nonwage workers	0	-55	-81	-75	-118	-70	-46	-13	29	93	116	75	144	119	71	-5
· Self-employed	57	-32	-38	-55	-98	-38	12	45	70	105	140	109	166	150	109	41
- Male	24	-29	20	67	22	22	95	33	20	69	4	-55	37	48	107	138
- Female	303	188	174	244	171	203	73	75	214	137	70	15	26	60	77	-26
- 15 to 29	-98	-144	-178	-146	-163	-177	-112	-175	-146	-147	-194	-255	-197	-191	-143	-147
- 30 to 39	54	90	102	133	80	76	83	101	86	112	84	62	65	65	91	81
- 40 to 49	-54	-81	-50	-45	-38	-9	-33	-3	0	-5	-17	-43	-19	-31	-17	-42
- 50 to 59	59	28	-26	-11	-19	2	-11	45	6	5	11	25	3	33	62	48
- 60 and above	366	266	345	381	334	333	241	141	287	242	189	171	211	231	191	172

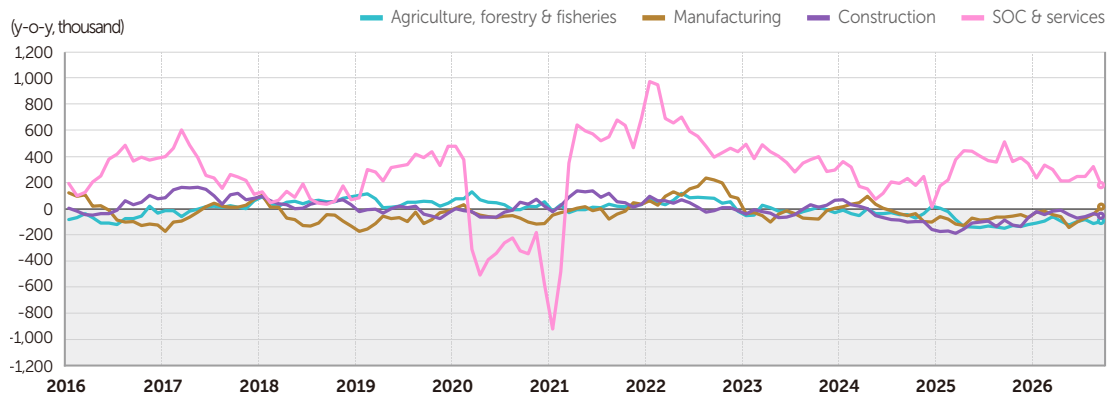
Source: Statistics Korea.

Number of employed workers and employment growth



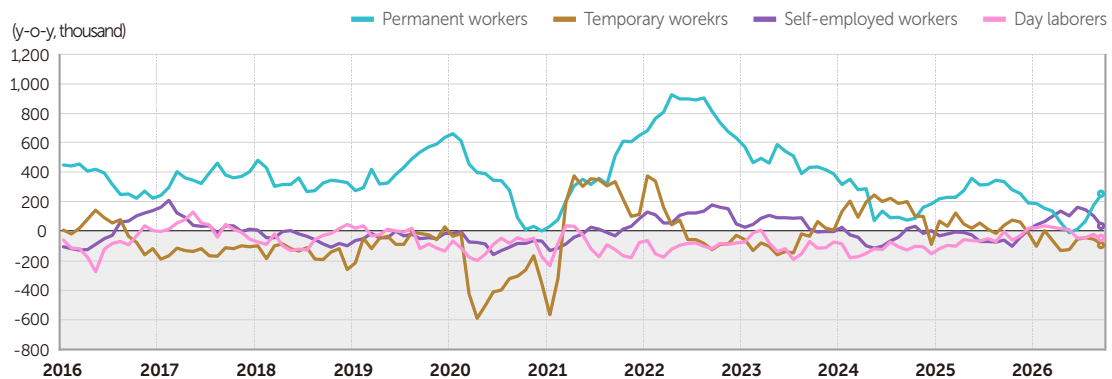
Source: Employment trends, Statistics Korea.

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 September, the number of unemployed workers decreased by about 34,000 year-on-year to 600,000 and the unemployment rate remained declined by 0.1 percent point to 2.0 percent.

	2023	2024	2025	2025				2026								
	Annual	Annual	Annual	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Number of unemployed (thousand)	787	823	830	635	658	661	1,217	1,211	993	884	853	873	834	776	558	600
Unemployment growth (y-o-y, thousand)	-46	36	7	12	-20	5	103	128	54	-35	-2	25	10	50	-4	-34
- Male	-14	18	13	52	4	29	47	36	44	-31	-28	5	-26	20	-8	-55
- Female	-32	18	-6	-39	-24	-24	55	49	10	-4	26	30	36	31	5	21
Unemployment rate (%)	2.7	2.8	2.8	2.1	2.2	2.2	4.1	4.1	3.4	3.0	2.9	2.9	2.8	2.6	2.0	2.0
(Seasonally adjusted)	-	-	-	2.5	2.6	2.7	4.0	3.0	2.9	2.7	2.8	2.8	2.7	2.8	2.7	2.6
- 15 to 29	5.9	5.9	6.1	4.8	5.3	5.5	6.2	6.8	7.7	7.6	7.1	7.2	7.0	6.8	5.4	5.4
- 30 to 39	2.6	2.7	2.7	2.6	2.7	2.9	3.0	3.0	3.6	3.3	3.3	3.2	3.4	3.2	2.4	2.3
- 40 to 49	1.9	1.9	2.0	1.7	1.7	1.8	1.9	1.8	1.9	1.8	1.9	2.1	1.9	1.8	1.5	1.6
- 50 to 59	1.7	1.8	1.8	1.6	1.5	1.4	1.6	1.7	1.9	2.0	1.8	1.8	1.6	1.5	1.1	1.1
- 60 and above	2.6	2.9	2.8	1.2	1.4	1.2	8.4	8.3	3.7	2.3	2.2	2.3	2.0	1.8	1.2	1.3

Source: Statistics Korea.

In September, the economically inactive population increased by 179,000 year-on-year to 16,188,000 and the labor force participation rate fell by 0.2 percent points to 64.8 percent.

The number of people economically inactive because of retraining increased, while the number of people economically inactive because of rest and childcare fell.

	2023	2024	2025	2025				2026								
	Annual	Annual	Annual	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Economically inactive population (million)	16.2	16.2	16.2	16.0	16.1	16.1	16.5	16.7	16.5	16.3	16.2	16.0	16.0	16.1	16.3	16.2
Labor force participation rate (%)	64.3	64.5	64.7	65.0	64.8	64.8	64.7	63.6	64.0	64.6	64.9	65.2	65.2	65.0	64.6	64.8
(Seasonally adjusted)	-	-	-	64.8	64.5	64.6	65.0	64.7	64.9	64.8	64.5	64.3	64.4	64.6	64.6	64.6
Growth in economically inactive population (y-o-y, thousand)	-134	-32	-8	-116	38	-10	-49	4	-39	69	174	264	181	99	77	179
- Childcare	-140	-113	-64	-68	-63	-65	-90	-95	-98	-83	-79	-88	-73	-76	-42	-15
- Housework	-1	45	7	-25	14	-44	-8	-14	-6	28	64	126	89	50	50	99
- Retraining	11	-54	1	25	17	36	-16	34	42	66	96	124	117	134	80	73
- Old age	-31	47	-28	-40	-41	-16	-11	26	24	58	59	68	56	60	69	52
- Rest	74	117	88	42	135	124	124	110	27	31	63	47	5	-62	-89	-25
- Job seeking	-88	-48	5	-8	-38	-13	-37	-28	-27	-51	-43	-41	-26	-3	5	7

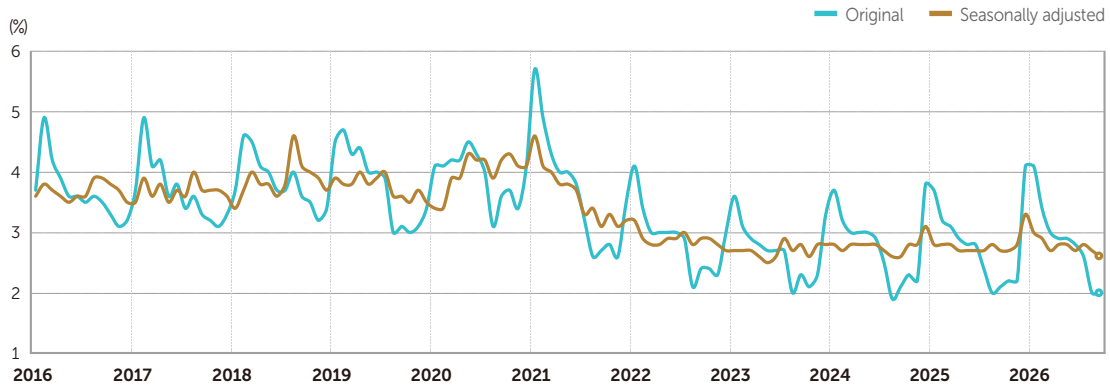
Source: Statistics Korea.

Employment rate



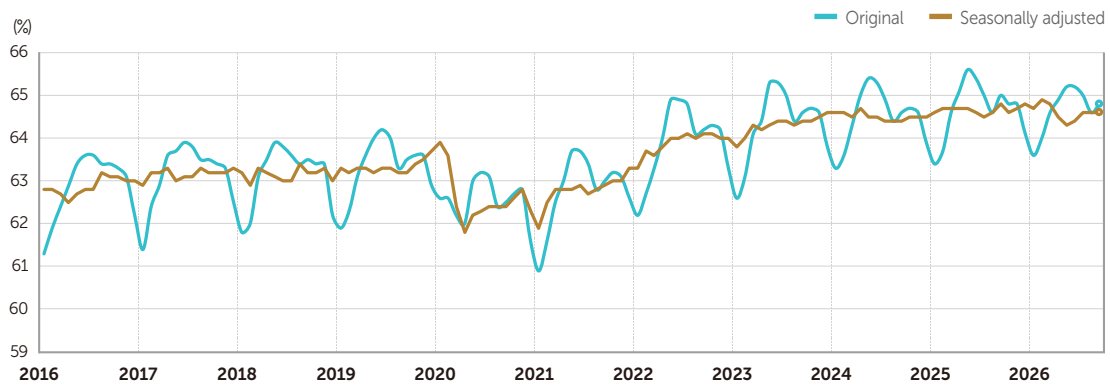
Source: Employment trends, Statistics Korea.

Unemployment rate



Source: Employment trends, Statistics Korea.

Labor force participation



Source: Employment trends, Statistics Korea.

8. Prices

In September, the Consumer Price Index (CPI) grew 2.9 percent from a year ago, and grew 0.3 percent month-on-month.

Prices for consumer goods excluding food and energy rose 2.8 percent year-on-year. Prices for consumer goods excluding crops and oil products rose 2.7 percent

The price index for basic necessities rose 2.5 percent year-on-year. The fresh food price index fell 3.3 percent.

(Percentage change from same period in previous year)

	2025							2026								
	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
CPI (y-o-y)	2.2	2.1	1.7	2.1	2.4	2.4	2.3	2.0	2.0	2.2	2.6	3.1	3.2	2.8	3.1	2.9
(m-o-m)	0.0	0.2	-0.1	0.5	0.3	-0.2	0.3	0.4	0.3	0.3	0.5	0.5	0.1	-0.2	0.2	0.3
Excluding food and energy	2.0	2.0	1.3	2.0	2.2	2.0	2.0	2.0	2.3	2.2	2.2	2.5	2.5	2.6	3.4	2.8
Excluding crops and oil products	2.4	2.3	1.9	2.4	2.5	2.3	2.3	2.3	2.5	2.3	2.2	2.5	2.4	2.5	3.1	2.7
Basic necessities	2.5	2.5	1.5	2.5	2.5	2.9	2.8	2.2	1.8	2.3	2.9	3.3	3.4	2.5	3.2	2.5
Fresh food	-1.7	-0.5	2.1	-2.5	-0.8	4.1	1.8	-0.2	-2.7	-6.6	-6.1	-1.4	0.4	-2.3	-6.7	-3.3

Source: Statistics Korea.

In September, the price of agricultural goods, fishery and livestock continued to fall from a month earlier amid consumer discount measures and increased production. The growth of prices for petroleum products accelerated on account of the base effect. The domestic oil price slightly fell from the previous month.

(Percentage change from same period in previous year)

	Farm and fishery products	Manufactured products	Petroleum products	Public utilities	Housing rents	Public services	Personal services
Aug 2026	-2.6	3.7	14.2	0.4	1.2	6.5	3.5
Sep 2026	-0.3	-4.2	14.8	0.4	1.3	1.5	3.5
Contribution (%p)	-0.0	1.4	0.6	0.0	0.1	0.2	1.2

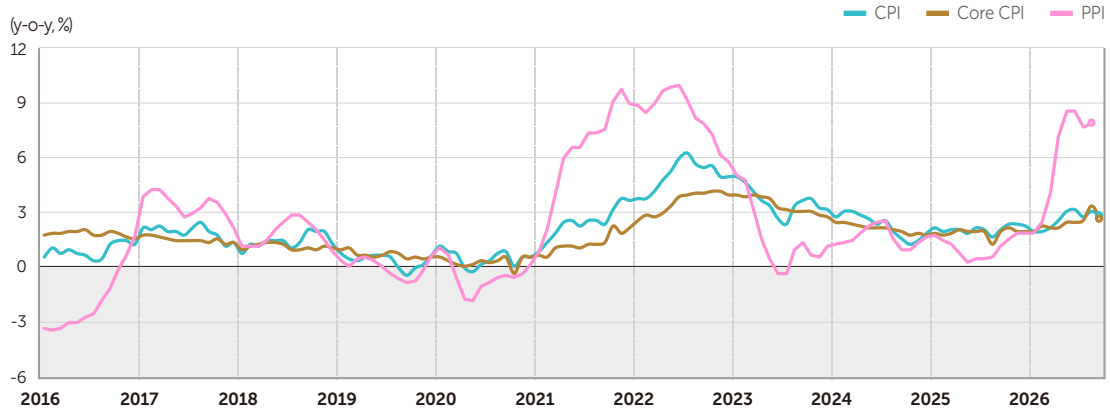
Source: Statistics Korea.

(Won/liter, period average)

	2024	2025	2024				2025				2026			
	Annual	Annual	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Aug	Sep
Gasoline prices	1,647	1,680	1,607	1,681	1,674	1,624	1,708	1,642	1,665	1,707	1,745	2,001	1,863	1,858
Diesel prices	1,503	1,553	1,512	1,528	1,510	1,460	1,570	1,507	1,533	1,602	1,675	1,995	1,847	1,844

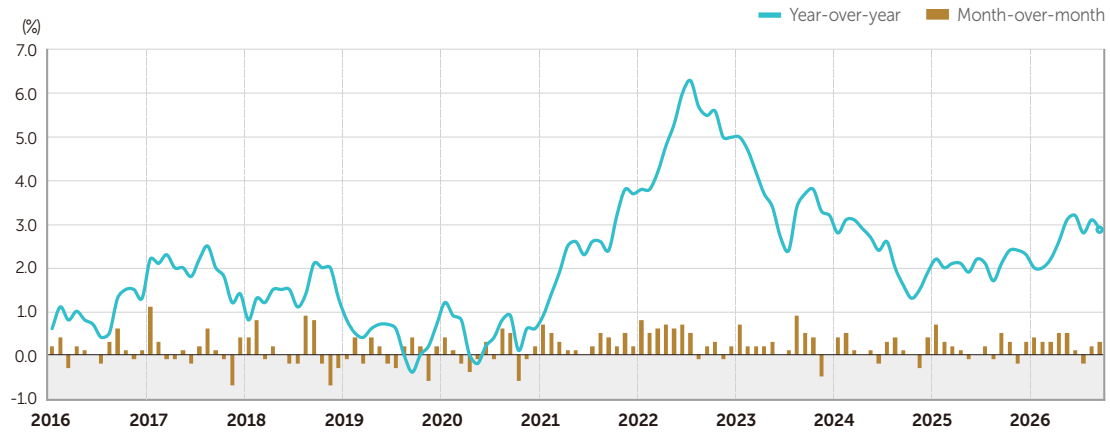
Source: Korea National Oil Corporation.

Prices



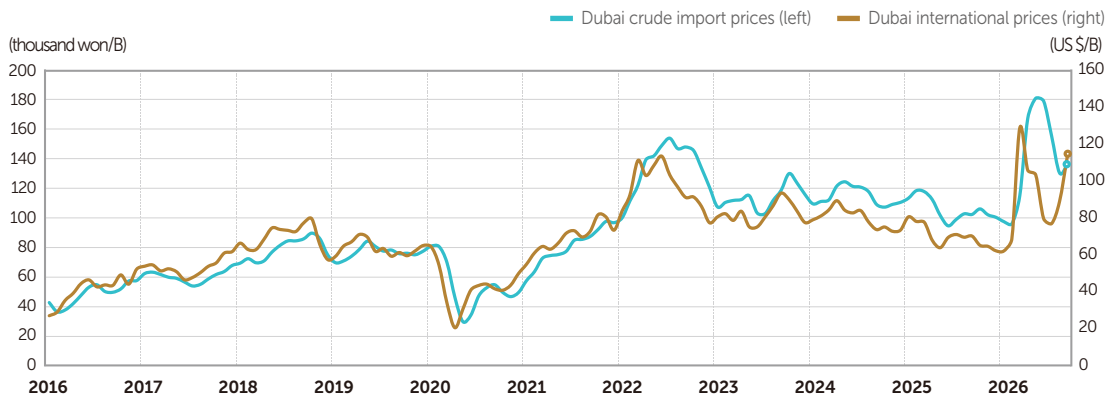
Sources: Consumer price trends, Statistics Korea; Bank of Korea.

Consumer price inflation



Source: Consumer price trends, Statistics Korea.

Dubai crude prices and import prices



Source: Korea National Oil Corporation.

International oil prices climbed month-on-month in September, driven by heightened risks in the Middle east.

International grain prices rose from the previous month due to disruptions to export from the Black Sea region and concerns over U.S. crop conditions.

Non-ferrous metal prices also increased month-on-month amid supply concerns stemming from production disruptions.

(period average)

	2024	2025	2024				2025				2026			
	Annual	Annual	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Aug	Sep
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	96.1	88.8	113.7
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	92.8	82.5	95.7
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	96.9	88.1	102.0
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	3,031	3,222	3,407

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 Sep 2026 (m-o-m, %)

Corn	7.9
Wheat	5.7
Soybeans	8.0

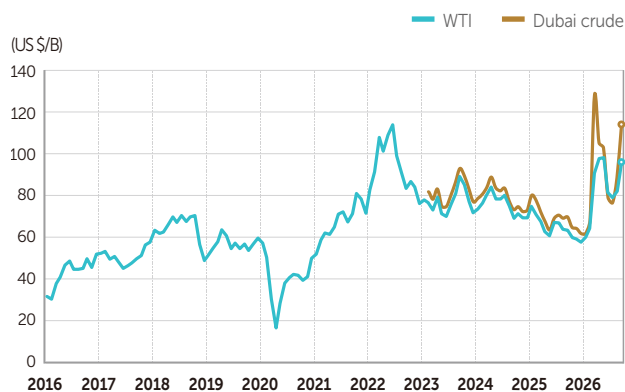
Note: Monthly average prices.

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

Copper	0.9
Aluminium	0.8
Nickel	-2.7

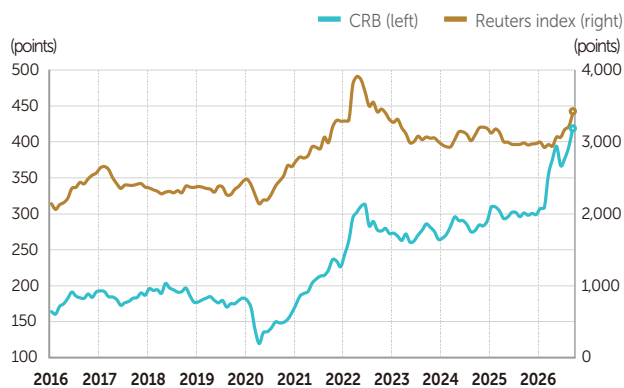
Note: Monthly average prices.

International oil prices



Source: Korea National Oil Corporation.

International commodity prices



Source: Korea PDS

9. Housing market

Nationally, housing sales prices rose 0.30 percent month-on-month in September.

Within the Seoul metropolitan area, housing sales prices rose 0.60 percent, increasing 0.84 percent in Seoul and 0.63 percent in Gyeonggi Province, and decreasing 0.11 percent in Incheon.

In the areas excluding the Seoul metropolitan, housing sales prices rose 0.03 percent. The prices fell 0.01 in the five metropolitan cities and rose 0.30 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	Sep	Cumulative total	Jul	Aug	Sep
Nationwide	9.9	-4.7	-3.6	0.1	1.0	0.09	2.36	0.35	0.32	0.30
Seoul metropolitan area	12.8	-6.5	-3.6	1.4	2.9	0.22	4.69	0.72	0.63	0.60
- Seoul	6.5	-4.8	-2.0	3.2	7.1	0.58	7.58	1.09	0.97	0.84
· Southern Seoul	6.8	-4.1	-1.5	3.6	9.2	0.64	6.60	0.97	0.71	0.50
· Northern Seoul	6.1	-5.4	-2.4	2.8	4.9	0.51	8.65	1.23	1.25	1.21
Areas excluding the Seoul metropolitan area	7.4	-3.0	-3.5	-1.1	-0.7	-0.03	0.22	0.01	0.03	0.02

Source: Korea Real Estate Board.

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

Busan	Daegu	Gwangju	Daejeon	Ulsan	Sejong
-0.05	0.00	0.09	0.14	0.22	-0.19

Nationally, housing rental prices increased 0.34 percent in September compared to the previous month.

By region, housing rental prices rose 0.60 percent in the Seoul metropolitan area and 0.09 percent in other areas.

Housing rental prices

(Percentage change from previous period)

	2021	2022	2023	2024	2025	2025	2026			
	Annual	Annual	Annual	Annual	Annual	Sep	Cumulative total	Jul	Aug	Sep
Nationwide	6.5	-5.6	-5.1	1.3	0.9	0.10	2.92	0.38	0.35	0.34
Seoul metropolitan area	7.7	-8.0	-5.7	3.1	1.8	0.17	4.93	0.68	0.63	0.60
- Seoul	4.9	-6.5	-5.3	3.3	3.0	0.30	6.70	1.03	0.83	0.74
· Southern Seoul	5.1	-6.9	-5.8	2.9	3.9	0.39	5.85	0.95	0.67	0.56
· Northern Seoul	4.7	-6.2	-4.7	3.6	2.1	0.21	7.62	1.13	1.00	0.93
Areas excluding the Seoul metropolitan area	5.5	-3.3	-4.4	-0.4	0.1	0.04	1.08	0.10	0.09	0.09

Source: Korea Real Estate Board.

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

Songpa	Seongdong	Nowon	Gwangmyeong	Dongtan
0.75	0.90	1.55	1.28	1.26

Source: Korea Real Estate Board.

There were 48,359 housing sales transactions in August, a decrease of 23.5 percent month-on-month (63,185 in July 2026) and an increase of 4.6 percent year-on-year (46,232 in August 2025).

Housing sales transactions

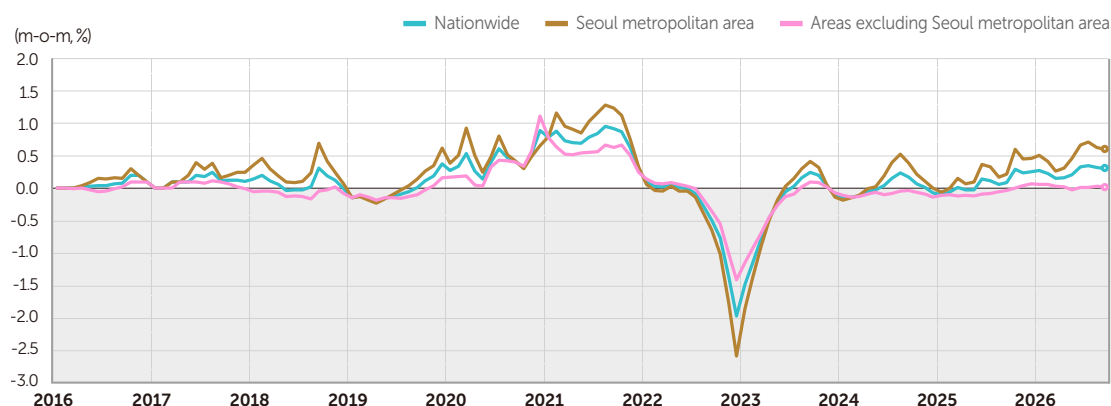
(Thousand)

	2022	2023	2024	2025	2025					2026							
	Annual ¹	Annual ¹	Annual ¹	Annual ¹	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Nationwide	42	46	54	61	46	63	70	61	63	61	58	72	70	66	69	63	48

¹ Monthly average.

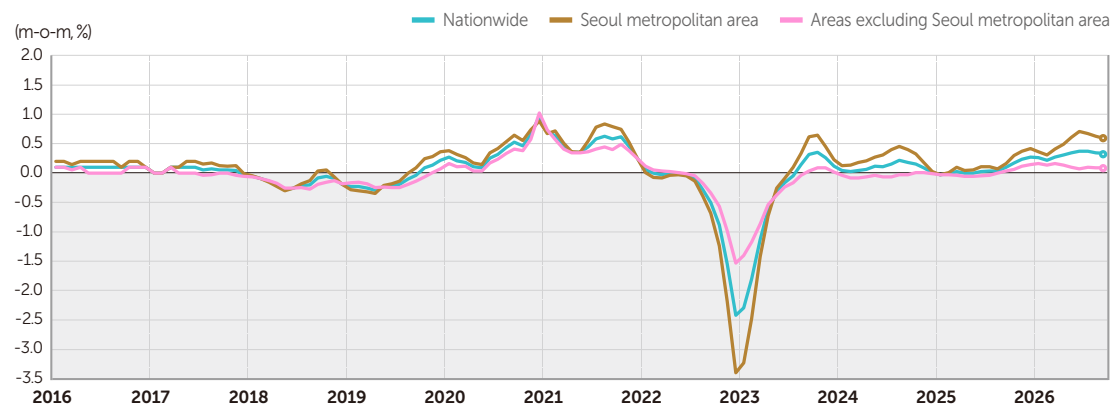
Source: Ministry of Land, Infrastructure and Transport

Housing sales prices



Source: Korea Real Estate Board

Housing rental prices



Source: Korea Real Estate Board

Financial Markets

1. Stock market

In September, stock prices fluctuated but edged up slightly from the previous month in response to the outlook for the semiconductor industry, persistent tensions in the Middle East, and changes in government bond yields in major economies.

	KOSPI			KOSDAQ		
	Aug 2026	Sep 2026	Change	Aug 2026	Sep 2026	Change
Stock price index (points)	6,820.0	6,838.0	18 (0.26%)	834.3	855.9	21.6 (2.59%)
Market capitalization (trillion won)	5,620.1	5,638.3	18.2 (0.32%)	467.0	481.9	14.9 (3.19%)
Daily trade (trillion won)	25.8	21.4	-4.4 (-17.05%)	6.0	7.1	1.1 (18.33%)
Foreign stock ownership (% , %p)	39.4	39.6	0.2 (0.51%)	11.8	11.7	-0.1 (-0.85%)

Source: Korea Exchange.

Note: The figures are closing rate.

2. Bond market

The government issued 17.4 trillion won worth of treasury bonds in September.

(End-period, trillion won)

	2022	2023	2024	2025	2025				2026								
	Annual	Annual	Annual	Annual	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Treasury bonds issuance ¹	168.6	165.7	157.7	226.2	21.5	17.7	15.6	5.4	17.9	22.4	21.2	22.6	22.9	17.1	17.0	21.2	17.4

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

¹ Issuance limit is 225.7 trillion won in 2026.

In September, government bond yields rose amid higher international oil prices driven by persistent tensions in the Middle East, increased expectations of a U.S. interest rate hike, and rising yields in major economies.

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

3 yrs	5 yrs	10 yrs	20 yrs	30 yrs
17	15	10	-7	0

(Percent per annum)

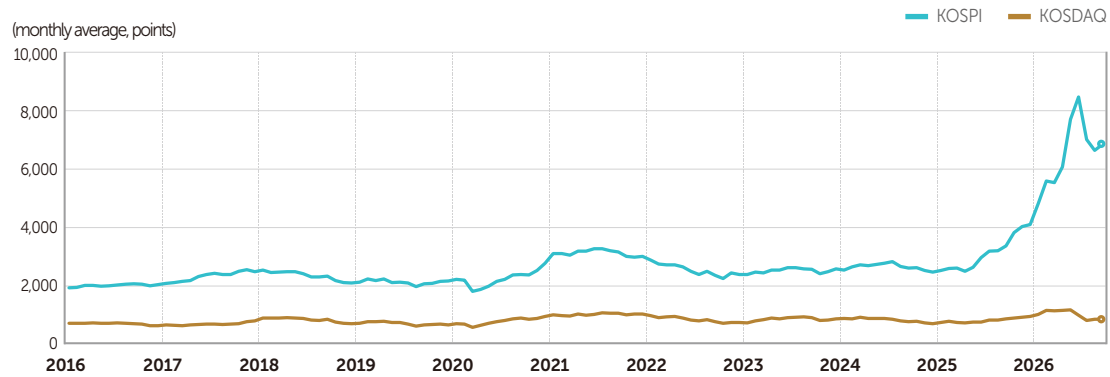
	2019	2020	2021	2022	2023	2024	2025	2026			
	Dec	Dec	Dec	Dec	Dec	Dec	Dec	Jul	Aug	Sep	Change ¹
Call rate (1 day)	0.61	1.44	3.38	3.91	3.33	2.63	2.65	2.82	3.06	3.11	5
CD (91 days)	0.66	1.29	3.98	3.83	3.39	2.81	2.92	2.95	3.12	3.22	10
Treasury bonds (3 yrs)	0.98	1.80	3.72	3.15	2.60	2.95	3.70	3.76	3.84	4.01	17
Treasury bonds (5 yrs)	1.34	2.01	3.74	3.16	2.76	3.24	3.93	4.02	4.05	4.20	15
Corporate bonds (3 yrs)	2.21	2.42	5.23	3.90	3.28	3.48	4.38	4.48	4.52	4.70	18

Source: Bank of Korea.

Note: Figures are closing rate.

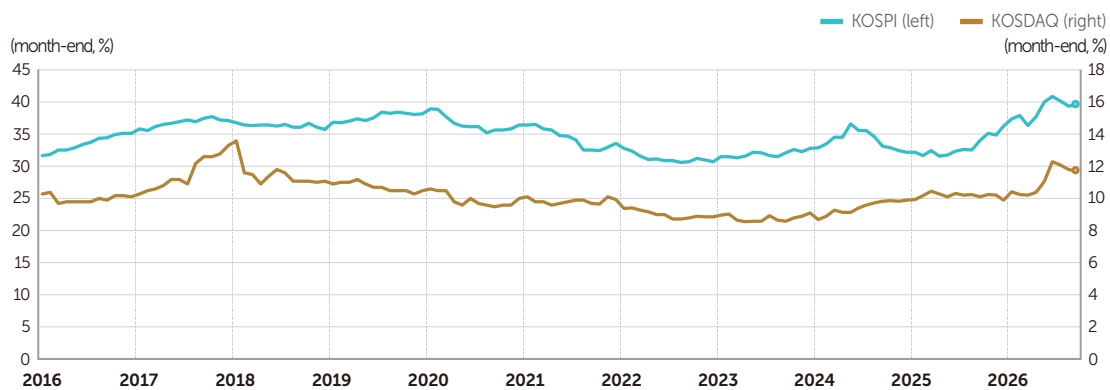
¹ Change from the previous month as of end-Sep 2026, basis point.

Stock prices



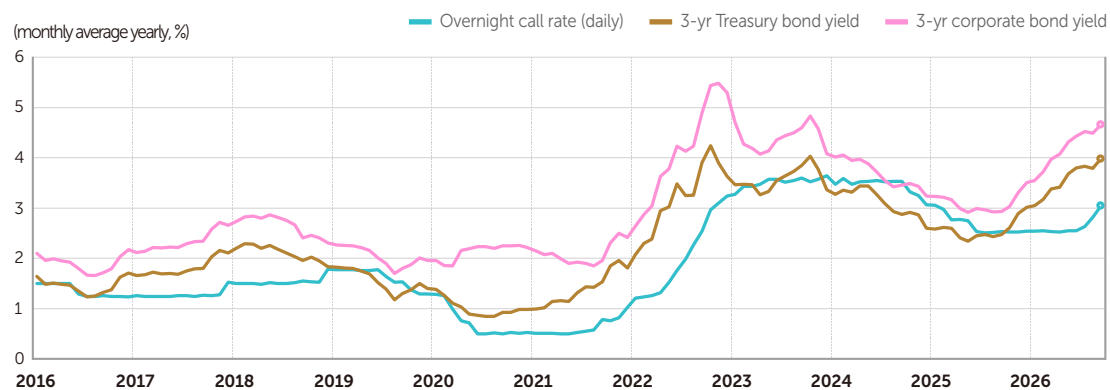
Source: Korea Exchange

Foreign stock ownership



Sources: Financial Supervisory Service, Korea Exchange

Interest rates



Source: Bank of Korea.

3. Foreign exchange market

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

	2019	2020	2021	2022	2023	2024	2025	2026		
	Dec	Dec	Dec	Dec	Dec	Dec	Dec	Aug	Sep	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	1,368.6	1,352.8	1.2
100 Yen-Won	1,059.8	1,051.2	1,032.5	945.6	912.3	934.3	917.6	859.3	863.2	-0.5
Yuan-Won	165.6	167.0	186.6	181.6	181.2	202.6	206.0	203.6	201.9	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- Sep 2026, %..

4. Money market

In August, M2 (*monthly average*) rose 5.6 percent year-on-year.

(Percentage change from same period in previous year)

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026			
	Annual	Annual	Annual	Annual	Annual	Annual	Annual	Annual	Annual	Jun	Jul	Aug ¹	Aug ²
M1 ³	9.5	4.7	3.9	20.9	21.5	4.2	-10.6	2.9	5.2	10.0	6.4	4.1	1,351.9
M2	6.8	5.7	6.2	11.1	11.4	9.8	3.8	3.3	4.5	6.0	5.8	5.6	4,257.8
Lf ⁴	7.4	6.4	7.8	8.4	8.6	8.3	3.5	6.4	6.9	8.5	7.5	7.2	6,380.3

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 September, total deposits increased for banks, while it decreased for Asset Management Companies (AMC).

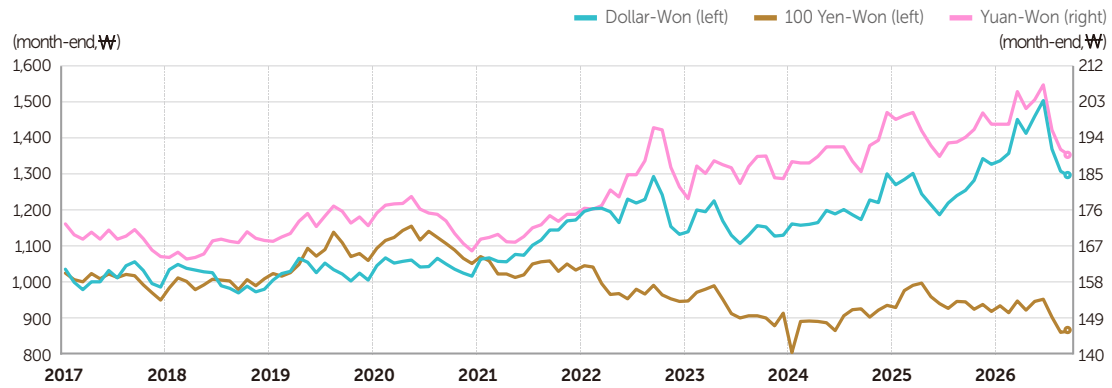
(Change from the end of the previous period, trillion won)

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026				
	Annual	Annual	Annual	Annual	Annual	Annual	Annual	Annual	Annual	Jun	Jul	Aug	Sep	Sep ¹
Bank deposits	79.5	91.6	106.3	188.4	198.5	110.4	76.4	111.7	100.2	28.8	-30.0	0.1	29.1	2,621.7
AMC deposits	27.9	53.8	98.6	42.2	93.9	45.4	93.7	117.2	241.0	-11.7	-42.8	23.5	-11.1	1,538.3

Source: Bank of Korea.

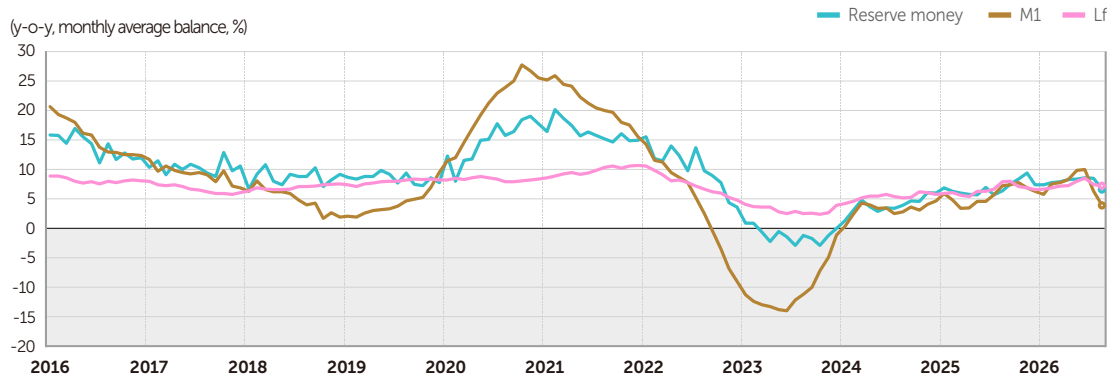
¹Balance at end- Sep 2026.

Foreign exchange rates



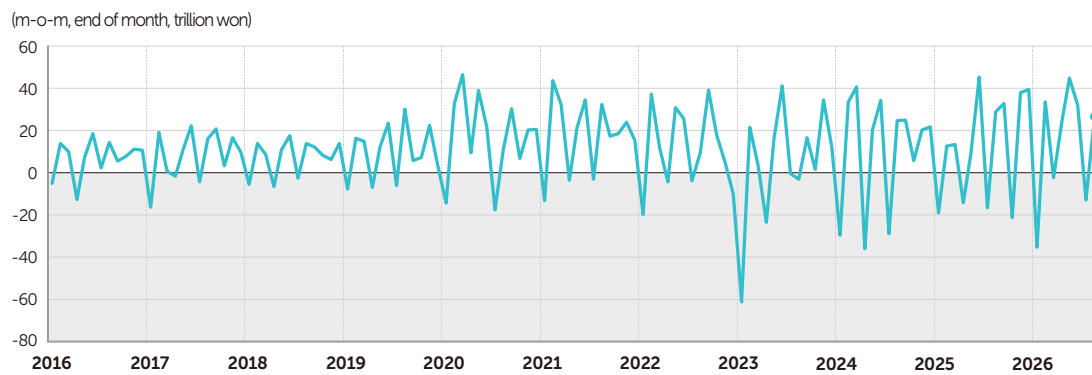
Source: Bank of Korea.

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 \$440.6 billion as of the end of September.

(US \$ billion)

	2022	2023	2024	2025	2026		
					Aug	Sep	Change (m-o-m)
Official foreign reserves	423.2	420.2	415.6	428.1	442.3	440.6 (100.0%)	-1.7
- Securities ¹	369.7	373.7	366.7	371.1	387.1	386.0 (87.6%)	-1.1
- Deposits	29.4	22.0	25.2	31.9	30.3	30.0 (6.8%)	-0.4
- SDRs	14.8	15.1	14.7	15.9	15.8	15.5 (3.5%)	-0.3
- IMF position ²	4.5	4.6	4.2	4.4	4.3	4.3 (1.0%)	-0.0
- 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 \$812.8 billion as of the end of the second quarter of 2026, up US \$38.4 billion quarter-on-quarter. Short-term debt was US \$198.5 billion (*up US\$ 14.9 billion q-o-q*), and long-term debt was US \$614.3 billion (*up US\$ 23.5 billion q-o-q*). Net external assets increased by US \$2.3 billion to US \$367.8 billion.

(End-period, US \$billion)

	2025 ¹				2026 ¹		Change (y-o-y)
	Q1	Q2	Q3	Q4	Q1	Q2	
External assets (in debt instruments, A)	1,057.0	1,099.6	1,127.8	1,143.2	1,139.9	1,180.6	40.7
Total debt (B)	687.9	739.6	741.8	770.2	774.4	812.8	38.4
- Short-term	149.8	168.0	162.8	179.4	183.6	198.5	14.9
- Long-term	538.1	571.6	579.0	590.8	590.8	614.3	23.5
Short-term/Total debt (%)	21.8	22.7	21.9	23.3	23.7	24.4	0.7%p
Short-term/Reserve assets (%)	36.6	40.9	38.6	41.9	43.3	46.5	3.2%p
Net external assets (A-B)	369.1	360.0	386.1	373.1	365.5	367.8	2.3

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

¹ Preliminary.

Public Finance

1. Fiscal balance

The consolidated fiscal balance recorded a surplus of 5.0 trillion won in August, a increase of of 58.8 trillion won year-on-year. The managed fiscal balance recorded a deficit of 43.0 trillion won, an increase of 45.3 trillion won year-on-year.

(Trillion won, percent)

	2025					2026 ¹			Change
	Supplementary budget (a)	Settlement (b)	Aug (Cumulative, c)	(c)/(a)	(c)/(b)	Supplementary budget (d)	Aug (Cumulative, e)	(e)/(d)	(e)-(c)
A. Total revenue	642.4	637.4	431.7	67.2	67.7	700.6	529.7	75.6	98.0
B. Total spending	703.3	684.1	485.4	69.0	71.0	753.1	524.7	69.7	39.3
C. Consolidated fiscal balance (A-B)	-60.8	-46.7	-53.7	-	-	-52.5	5.0	-	58.8
D. Net social security fund ²	50.8	57.5	34.6	-	-	55.1	48.1	-	13.5
E. Managed fiscal balance (C-D)	-111.6	-104.2	-88.3	-	-	-107.6	-43.0	-	45.3

Source: Monthly public finance, 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	-20.1
Managed fiscal balance	-22.7	-18.5	-10.6	-54.4	-112.0	-90.6	-117.0	-87.0	-104.8	-89.6	-64.8

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

¹ Preliminary.

2. Government debt

The total amount of central government debt in August was 1,372.1 trillion won, up 17.9 trillion won from a month earlier. Korean Treasuries totaled 1,370.5 trillion won, which is comprised of bonds at 1,263.5 trillion won, national housing bonds at 72.8 trillion won, and foreign exchange stabilization bonds at 34.2 trillion won.

(Trillion won)

	2020	2021	2022	2023	2024	2025	2026 ¹	
	Annual	Annual	Annual	Annual	Annual	Annual	Jul	Aug
Central gov't debt	819.2	939.1	1,033.4	1,092.5	1,141.2	1,268.1	1,354.2	1,372.1
(% 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	1,352.5	1,370.5
· Bonds	726.8	843.7	937.5	998.0	1,047.9	1,161.3	1,244.4	1,263.5
· National housing bonds	78.9	82.2	82.2	81.6	79.1	75.6	73.0	72.8
· Foreign exchange stabilization bonds	9.5	11.2	11.8	11.5	12.8	29.5	35.1	34.2
- 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

- Korea's GDP Increased by 1.0 % in Q3 2026
- Proposed Amendments to the Foreign Exchange Transactions Regulations Announced for Public Comment
- Deputy Prime Minister Attends G20 and G7 Finance Ministers and Central Bank Governors Meetings
- Korea's FDI Notifications Through Q3 2026 Up 10.8% to \$22.9 Billion, Actual Inflows Up 30.6% to \$14.9 Billion

Korea's GDP Increased by 1.0 % in Q3 2026 (Advance estimate)

In the third quarter of 2026, Korea's real gross domestic product (GDP) grew by 1.0 percent quarter-on-quarter and 3.4 percent year-on-year, according to the Bank of Korea's advance estimate released on October 27.

On the production side, agriculture, forestry and fisheries rose by 5.9 percent quarter-on-quarter. Manufacturing increased by 2.0 percent on the back of an increased production in computer, electronic and optical product, and machinery and equipment. Electricity, gas, and water supply grew by 3.7 percent. Construction also rose by 2.0 percent on account of civil engineering decreased. Services grew by 0.2 percent owing to increases in business activities, information and communication, and transportation and storage.



On the expenditure side, private consumption declined by 0.2 percent, as expenditures on goods and services both decreased. Construction investment grew by 0.7 percent, as civil engineering increased. Facilities investment rose by 4.1 percent, as machinery (e.g., semiconductor manufacturing equipment) increased. Exports rose by 2.3 percent as exports of semiconductors as well as machinery and electrical equipment increased. Imports rose by 2.4 percent, as crude oil and semiconductor manufacturing equipment increased.

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	Q2 ¹	Q3 ²
GDP	2.2	1.1	1.0	-0.2	0.1	0.2	-0.2	0.6	1.4	-0.1	1.8	0.6	1.0
(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)	(3.7)	(3.4)
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	-7.2	5.9
Manufacturing	4.9	2.4	1.2	0.4	0.3	0.6	-0.6	2.1	1.7	-0.6	3.9	1.4	2.0
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	-0.6	3.7
Construction	-3.3	-9.2	5.4	-4.6	-4.0	-3.0	-1.5	-2.0	-0.3	-3.7	2.2	-1.9	2.0
Services ³	1.7	1.7	0.4	0.2	0.3	0.4	-0.1	0.7	1.2	0.6	0.6	1.0	0.2
Private consumption	1.3	1.5	0.8	0.0	0.3	0.0	0.2	0.7	1.1	0.4	0.6	0.4	-0.2
Government spending	2.2	2.7	1.1	0.7	1.0	0.3	0.0	1.2	1.4	1	-0.4	0.1	1.9
Construction investment	-2.0	-9.7	4.9	-2.3	-3.4	-3.5	-4.0	-0.7	0.2	-2.6	1.4	-0.1	0.7
Facility investment	1.0	1.5	-1.5	-0.2	3.8	0.8	0.2	-1.8	1.3	-1.6	6.6	0.2	4.1
Intellectual property investment	2.4	3	1.6	-0.3	0.1	1.6	0.8	0.9	0.9	-0.2	0.9	3.4	2.3
Exports	7.6	4.3	1.3	1.4	0.2	0.9	-0.9	4.1	2.6	-1.1	5.9	1.3	2.3
Imports	3.8	3.3	1.4	1.2	0.8	0.2	-0.5	3.0	1.6	-0.2	3.9	0.7	2.4

¹ Preliminary estimate.

² Advance estimate.

³ 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.

Proposed Amendments to the Foreign Exchange Transactions Regulations Announced for Public Comment

On October 13, the Ministry of Finance and Economy (MOFE) announced proposed amendments to the Foreign Exchange Transactions Regulations for public comment, pursuant to Article 46 of the Administrative Procedures Act. The proposed amendments are intended to implement the foreign exchange (FX) regulatory easing measures outlined in the Roadmap for KRW Internationalization, announced on July 19, which aims to make the Korean won a freely tradable currency in overseas markets. The proposed amendments and measures for interagency coordination have been discussed on several occasions, including meetings with the American Chamber of Commerce in Korea (April 28 and August 19) and the Market Situation Review Meeting (October 2). The key measures are as follows.



First, prior notification requirements for FX banks' borrowing transactions and the issuance of Korean won-denominated securities by residents and nonresidents will be replaced with ex-post reporting requirements. Taking into account the prudential regulatory frameworks already applicable to banks¹, the government will replace the prior notification requirement for long-term borrowings exceeding USD 50 million with an ex-post reporting requirement for borrowings exceeding USD 100 million. Such borrowings must be reported within two business days. In addition, banks' Korean won borrowings from nonresidents will be treated in the same manner as foreign currency borrowings, with ex-post reporting required only for amounts exceeding KRW 50 billion. Meanwhile, the prior notification requirement for the issuance of Korean won-denominated securities will also be replaced with an ex-post reporting requirement for issuances of KRW 50 billion or less, in line with the treatment of foreign currency-denominated securities linked to the Korean won, for which ex-post reporting applies to issuances of USD 50 million or less.

Second, the reporting thresholds for capital transactions involving Korean won lending and borrowing will be raised, and the cash pooling system will be improved. The notification threshold for residents' Korean won borrowings from nonresidents will be raised from KRW 1 billion to KRW 50 billion per year, while the threshold for FX banks' Korean won lending to nonresidents will be raised from KRW 30 billion to KRW 50 billion. Furthermore, the cash pooling system, which allows multinational companies to lend surplus funds and borrow funds to cover shortfalls within a pre-notified limit, will be expanded to include Korean won transactions. The maximum cash pooling limit will also be doubled from USD 50 million to USD 100 million, including Korean won funds.

Third, domestic branches of foreign securities firms will be permitted to borrow foreign currency and Korean won funds from nonresidents under the same conditions as domestically incorporated entities. This measure will ease existing restrictions on such borrowings and facilitate the smooth procurement of funds needed for securities settlement, including settlement facilitation payments. Also, the government will improve the investment-dedicated account system to allow foreign investors to invest Korean won held for domestic securities investment and other purposes in short-term financial products.

The easing of capital transaction regulations under the proposed amendments to the Foreign Exchange Transactions Regulations is expected to enhance the usability of Korean won funds, reduce the burden of FX risk, improve convenience in FX transactions, and support greater flexibility and timeliness in decision-making. At the same time, the government will work closely with relevant authorities to ensure effective

¹ These include the foreign currency Liquidity Coverage Ratio (LCR), FX derivatives position limits, and the macroprudential stability levy.

risk management, including by closely monitoring potential market impacts arising from the ongoing modernization of the FX system.

On October 13, the first day of the public comment period for the proposed amendments, MOFE held a consultative meeting on FX regulatory easing, chaired by the Director General for International Finance and attended by representatives from the Bank of Korea and financial institutions, including banks and securities firms. Participants discussed the background and significance of the proposed amendments and shared their views. Financial institutions expressed support for the objectives of the amendments to promote Korean won internationalization and welcomed the direction of regulatory easing. The proposed amendments will be finalized after collecting public feedback during the public comment period from October 13 to October 26 and are scheduled to take effect by the end of this year.

Deputy Prime Minister Attends G20 and G7 Finance Ministers and Central Bank Governors Meetings

On October 15, Deputy Prime Minister and Minister of Finance and Economy Lee Hyoung Il attended the G20 Finance Ministers and Central Bank Governors Meeting and the G7 Finance Ministers and Central Bank Governors Meeting held in Bangkok, Thailand. These were the final in-person G20 and G7 finance ministers' meetings of the year, held under the respective 2026 presidencies of the U.S. and France. Alongside finance ministers from major economies, Deputy Prime Minister Lee reviewed the outcomes of discussions over the past year and shared views on future policies.



Outcomes of the G20 Finance Ministers and Central Bank Governors Meeting

Deputy Prime Minister Lee identified several key challenges facing the global economy, including supply chain disruption stemming from geopolitical tensions such as the conflict in the Middle East, the need to address high inflation and elevated interest rates, and the importance of identifying new growth engines amid technological advances, including artificial intelligence (AI). Against this backdrop, he called on G20 members to strengthen supply chain resilience, protect vulnerable populations, and actively invest in future growth drives such as AI.

Meanwhile, G20 members took stock of this year's discussions under the G20 Finance Track, noting that they had focused on key issues including economic growth, global imbalances and debt challenges, financial stability, regulatory reforms, and financial literacy enhancement. Deputy Prime Minister Lee expressed appreciation to the U.S. for its efforts during its G20 presidency and stated that Korea would strive to contribute to stable global economic growth as part of the G20 Troika alongside the U.S. and the U.K. next year.

Outcomes of the G7 Finance Ministers and Central Bank Governors Meeting

On October 15, Deputy Prime Minister attended the G7 Finance Ministers and Central Bank Governors Meeting as an invited guest. For the first time, Korea was invited to participate in two consecutive G7 Finance Ministers' Meetings, in May and October of the same year. Deputy Prime Minister Lee joined finance ministers and central bank governors from major advanced economies in discussing key issues, including the global economy and global imbalances.

Deputy Prime Minister Lee sincerely thanked France for its leadership and achievements during its G7 presidency this year. He also underscored the need for broad-based efforts, including macroeconomic policy measures and structural reforms, to reduce global imbalances. Addressing major global economic challenges, such as global imbalances, requires not only cooperation within the G7 but also inclusive cooperation through G20 governance, he emphasized.

Deputy Prime Minister Lee also participated in a G7 Finance Ministers' Meeting side event focused on Africa. Together with finance ministers from G7 member countries and major African economies, he exchanged views on ways to promote balanced growth and strengthen effective international partnerships through official development assistance (ODA), as highlighted in the G7 Leaders' Declaration issued in June. Deputy Prime Minister Lee emphasized that investment and value creation are key drivers of sustainable growth, as demonstrated by Korea's economic development experience. He also reaffirmed Korea's commitment to continued cooperation as a reliable partner for Africa, as exemplified by the Korea-Africa Economic Cooperation (KOAPEC) Ministerial Conference held in Seoul last month.

Korea's FDI Notifications Through Q3 2026 Up 10.8% to \$22.9 Billion, Actual Inflows Up 30.6% to \$14.9 Billion

Foreign direct investment (FDI) in Korea on a notification basis reached USD 22.9 billion in the first three quarters of 2026, up 10.8 percent year-on-year. Actual inflows increased 30.6 percent year-on-year to \$14.9 billion.

Despite continued uncertainty in the investment environment, including prolonged tensions in the Middle East, foreign investment has continued to flow into promising sectors, underpinned by confidence in Korea's economic fundamentals.



In particular, significant foreign investment has continued to flow into advanced industries such as semiconductor materials, parts and equipment as well as AI data centers, supported by Korea's semiconductor and other industrial supply chains and its AI ecosystem. Analysis also indicates that investment is expanding in clean energy, including offshore wind.

Investment Notifications

Investment notifications reached \$22.9 billion in the first three quarters of 2026, up 10.8 percent year-on-year. This was the third-highest January–September total on record, suggesting that the upward momentum in foreign investment has continued.

By type, greenfield investment notifications for new or expanded factories and business sites totaled \$18.5 billion, up 4.0 percent year-on-year. After falling 19.8 percent in the first quarter, cumulative greenfield investment growth turned positive in the third quarter, which is viewed as a meaningful improvement. Meanwhile, M&A investment notifications, including corporate equity acquisitions and mergers, rose 53.1 percent to \$4.4 billion, maintaining strong growth.

By industry, manufacturing investment notifications fell 34.5 percent year-on-year to \$5.7 billion, led by declines in chemicals, down 28.1 percent to \$1.8 billion, and electrical and electronic products, down 38.5 percent to \$1.8 billion. In contrast, investment in the machinery, equipment, and medical and precision instruments sector and in non-metallic mineral products continued to rise, increasing 145.1 percent to \$0.9 billion and 13.0 percent to \$0.4 billion, respectively.

Services investment notifications rose 27.8 percent year-on-year to \$14.2 billion. Investment increased across most sectors, including finance and insurance, up 29.8 percent to \$5.4 billion, and real estate, up 72.6 percent to \$1.9 billion. In particular, information and communications, including data centers, posted strong growth, rising 35.8 percent to \$2.4 billion.

Investment notifications in electricity, gas, water supply, environmental remediation, and construction, including clean-energy power generation projects, also increased sharply by 279.5 percent year-on-year to \$3.0 billion.

By source country, investment notifications from the United States rose 35.1 percent year-on-year to \$6.7 billion, with numerous investment projects in promising areas such as semiconductor materials, parts and equipment and data centers. Investment notifications from the European Union remained broadly unchanged from a year earlier at \$2.4 billion, down 3.9 percent, while those from Japan and China fell 47.9 percent to \$1.9 billion and 39.7 percent to \$1.7 billion, respectively.

Actual Inflows

Actual inflows reached \$14.9 billion in the first three quarters of 2026, up 30.6 percent year-on-year and marking the highest January–September total on record.

By type, greenfield investment inflows edged down 4.9 percent year-on-year to \$7.9 billion, while M&A investment inflows rose 126.0 percent to \$7.0 billion, maintaining strong growth.

By industry, actual inflows into manufacturing rose 110.6 percent year-on-year to \$6.3 billion. Investment in chemicals and non-metallic mineral products continued to grow, rising 256.6 percent to \$4.8 billion and 242.5 percent to \$0.4 billion, respectively. Pharmaceutical investment also improved, rising 129.0 percent to \$0.3 billion as investment flowed into biotechnology and pharmaceuticals.

Actual inflows into services edged up 5.6 percent year-on-year to \$8.4 billion. Performance improved in finance and insurance, up 6.9 percent to \$4.0 billion, and real estate, up 46.6 percent to \$0.9 billion. In particular, inflows into information and communications rose sharply by 62.7 percent to \$1.8 billion.

By source country, actual inflows from the United States were broadly unchanged from a year earlier at \$3.0 billion, up 0.7 percent. Actual inflows from the European Union and Japan rose sharply, increasing 93.7 percent to \$4.8 billion and 63.0 percent to \$0.8 billion, respectively, while those from China fell 41.5 percent to \$0.3 billion.

Domestic investment opportunities continue to expand through the three megaprojects in semiconductors, physical AI and AI data centers, as well as regional growth initiatives under the Five Mega-Regions and Three Special Self-Governing Provinces framework. The Ministry of Trade, Industry and Resources (MOTIR) plans to carry out a broad range of IR activities to capitalize on these opportunities and attract foreign investment.

In particular, MOTIR will expand IR activities in Korea and abroad, including the Invest KOREA Summit (IKS), Korea's largest investment promotion event, to sustain foreign investment momentum in promising areas such as semiconductor materials, parts and equipment and data centers. The ministry will also use regional investment promotion caravans to address on-the-ground difficulties faced by foreign-invested companies and strengthen support for not only new investment but also actual inflows and additional investment.

Related Websites



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



Ministry of Trade Industry and Resources
<https://english.motir.go.kr/>



Ministry of Data and Statistics
<https://mods.go.kr/anse/>



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