December 2026
Vol.**48** No.**12**

Current Economic Trends

Economic Activity
Financial Markets
Public Finance

Economic News Briefing

EV Industry Site Visit
Fitch Annual Consultation
GVCM Cooperation
2026 IMF Mission

Republic of Korea
Economic Bulletin



K-tourism

Ministry of Finance and Economy

KDI Economic Information and Education Center

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▲ The number of foreign visitors to Korea is on the rise.

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.

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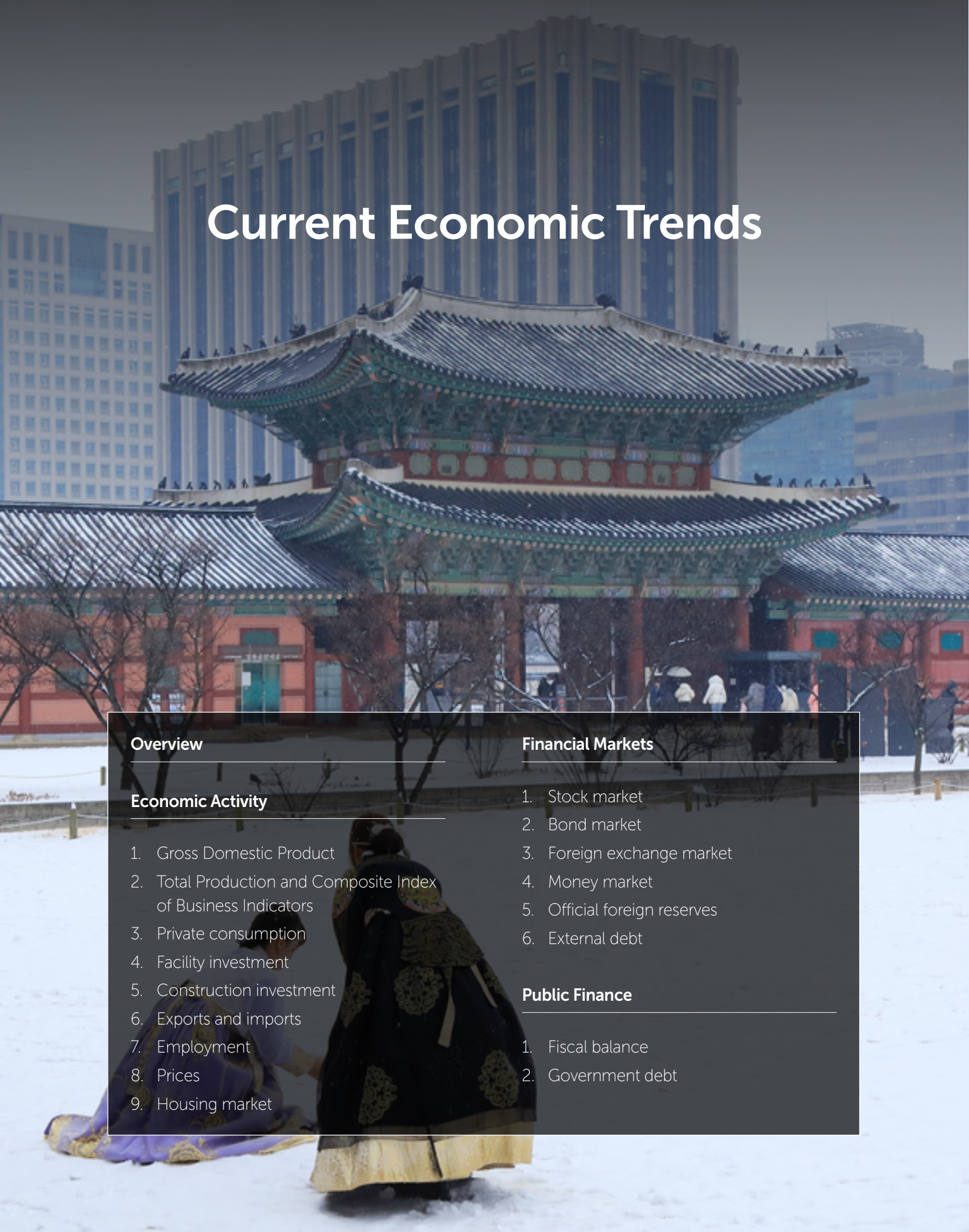
Current Economic Trends



Overview

Economic Activity

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Overview

In September, total industrial production, retail sales, and facility investment increased. In October, employment growth accelerated, while the rise of consumer prices moderated.

In September, output increased in the industrial *(up 9.0% m-o-m and up 1.2% y-o-y)*, construction *(up 5.8% m-o-m and down 1.6% y-o-y)*, and services sector *(up 0.5% m-o-m and up 1.8% y-o-y)* sectors, resulting in an increase in the overall industrial production *(up 3.0% m-o-m and up 1.1% y-o-y)*.

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

In September, retail sales rose *(up 3.6% m-o-m and down 0.4% y-o-y)*, and facility investment climbed *(up 5.3% m-o-m and up 10.1% y-o-y)*.

The consumer sentiment index (CSI) fell by 1.2 points month-on-month to 105.4 in October. The composite business sentiment index (CBSI) went up by 5.1 points month-on-month to 104.2 in October and the CBSI outlook for November rose by 2.2 points to 101.8.

In October, exports grew by 93.7 percent year-on-year, supported by strong exports of semiconductors, computers, and cosmetics. Average daily exports rose by 76.1 percent in October compared to the same month of last year.

In October, the number of employed persons grew by 139,000 year-on-year, with the unemployment rate declining by 0.2 percent points from a year earlier.

The consumer price index (CPI) climbed by 2.8 percent year-on-year (2.9% in September→2.8% in October), with the index excluding food and energy rising by 2.8 percent, the index excluding agricultural products and petroleum products by 2.8 percent, and the CPI for living necessities by 2.6 percent.

In September, stock prices moved down, Korean Treasury Bond yields fell, and the Korean won strengthened against the U.S. dollar.

In October, both housing prices *(up 0.28% m-o-m)* and *Jeonsae* (lump-sum deposits with no monthly payments) prices *(up 0.34% m-o-m)* climbed.

Recently, the Korean economy has continued to show robust growth, supported by a sharp increase in exports, accelerating investment growth, and a gradual improvement in consumption.

However, concerns remain over pressures on people's livelihoods, including inflationary pressures from high oil prices and difficult employment conditions for vulnerable groups and sectors, amid continued uncertainty stemming from the Middle East conflict.

The global economy continues to grow at a moderate pace, but uncertainties persist regarding developments in the Middle East conflict and policy directions related to the AI industry.

The government will accelerate efforts to broaden the foundations for growth through the three mega-projects, seven SEED initiatives, Korea-Green Transformation (K-GX), and the development of the services sector, while strengthening policy efforts to stabilize people's livelihoods and reduce economic polarization to ensure that the benefits of growth are shared across the economy.

Economic Activity

1. Gross Domestic Product (Advance estimate)

In the third quarter of 2026, Korea's real Gross Domestic Product (GDP) amounted to 607.1 trillion won, and real Gross Domestic Income (GDI) was 684.6 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]	Q3[2]
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	607.1
(Seasonally adjusted)	-	-	575.2	574.3	574.6	576.0	575.0	578.7	586.6	586.0	596.7	600.5	606.3
- 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	285.5
- 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	66.4
- 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	58.0
- 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	266.8
- 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	218.6
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	684.6
(Seasonally adjusted)	-	-	562.5	558.8	559.1	563.3	562.5	568.7	573.4	584.3	635.4	659.0	681.6

Source: Bank of Korea.
[1] Preliminary estimate.
[2] Advance estimate.

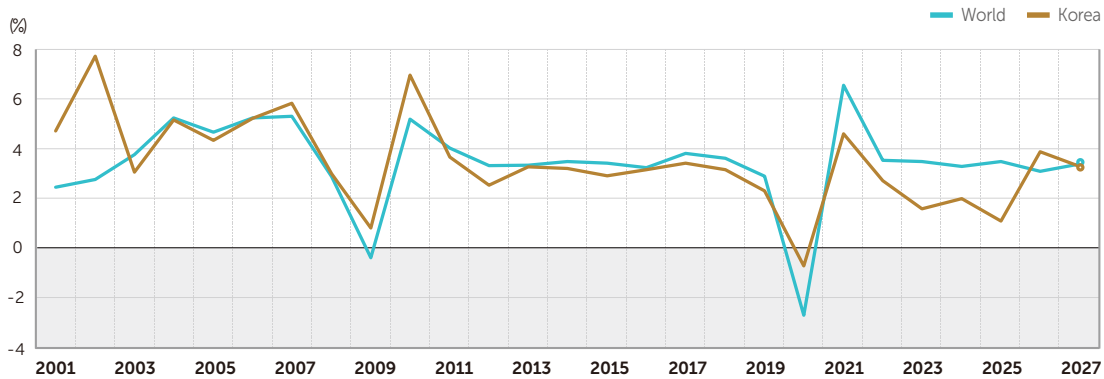
In the third quarter of 2026, real GDP grew 3.4 percent year-on-year, and seasonally adjusted GDP grew 1.0 percent quarter-on-quarter. Real GDI rose 18.8 percent year-on-year, and seasonally adjusted GDI also increased 3.4 percent quarter-on-quarter.

(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]	Q3[2]
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	3.4
(Seasonally adjusted[3])	-	-	1.0	-0.2	0.1	0.2	-0.2	0.6	1.4	-0.1	1.8	0.6	1.0
- 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	1.1
- 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	9.4
- Construction investment	-2.0	-9.7	1.6	-0.2	-4.5	-4.5	-12.7	-11.3	-7.9	-7.2	-1.9	-1.2	-0.7
- 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	8.6
- 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	7.0
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	18.8
(Seasonally adjusted[2])	-	-	2.2	-0.7	0.1	0.7	-0.1	1.1	0.8	1.9	8.7	3.7	3.4

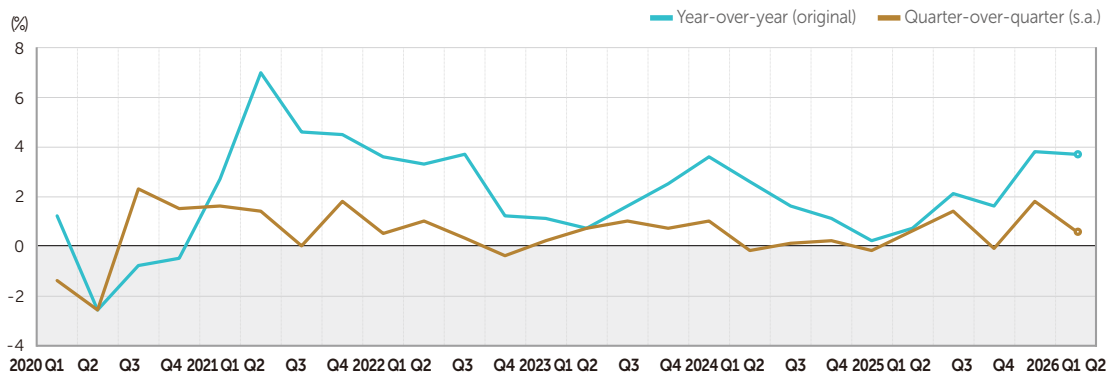
Source: Bank of Korea.
[1] Preliminary estimate.
[2] Advance estimate.
[3] Percentage change from previous period.

GDP growth: World and Korea



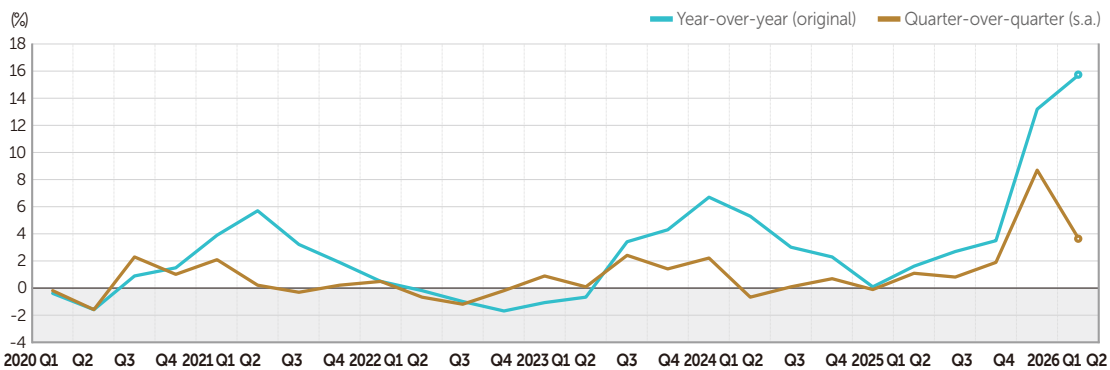
Source: IMF

GDP growth: Korea



Source: Bank of Korea.

GDI growth: Korea



Source: Bank of Korea.

2. Total Production and Composite Index of Business Indicators

In September, the Total Index of Industrial Production rose 3.0 percent. Industrial production *(up 9.0%)*, construction *(up 5.8%)*, and services production *(up 0.5 %)* rose, while public spending *(down 4.4%)* declined. The index climbed 1.1 percent year-on-year.

Coincident composite index

The cyclical indicator of the coincident composite index rose 0.5 points month-on-month to 102.2. More specifically, the value of construction completed, imports, and the industrial production index rose, while the retail sales index and index of services declined.

Leading composite index

The cyclical indicator of the leading composite index fell 0.1 point month-on-month to 104.1. Within the leading composite index, construction orders received, producer's shipment index of machinery for domestic demand, and economic sentiment index rose, while the KOSPI, the net barter terms of trade, and the inventory circulation indicator fell.

	2025			2026								
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul[1]	Aug[1]	Sep[1]
Total index of Industrial Production (m-o-m, %)	-2.2	0.7	1.2	-0.8	2.1	0.4	-0.5	-0.4	2.6	0.1	-1.2	3.0
(y-o-y, %)	-3.5	0.7	2.1	4.9	0.1	3.7	2.4	1.9	4.5	3.2	2.3	1.1
Cyclical indicator of coincident composite index	99.5	99.3	99.1	99.1	99.7	100.1	100.3	99.9	100.4	101.2	101.7	102.2
(m-o-m, p)	-0.4	-0.2	-0.2	0.0	0.6	0.4	0.2	-0.4	0.5	0.8	0.5	0.5
Coincident composite index (2020=100)	114.6	114.5	114.5	114.7	115.5	116.2	116.5	116.2	116.9	118.1	118.9	119.5
(m-o-m, %)	-0.3	-0.1	0.0	0.2	0.7	0.6	0.3	-0.3	0.6	1.0	0.7	0.5
Cyclical indicator of leading composite index	99.6	99.8	100.2	100.7	101.2	101.8	102.3	102.9	103.8	104.2	104.2	104.1
(m-o-m, p)	-0.1	0.2	0.4	0.5	0.5	0.6	0.5	0.6	0.9	0.4	0.0	-0.1
Leading composite index (2020=100)	121.5	122.2	123.1	124.2	125.2	126.4	127.5	128.7	130.2	131.3	131.7	132.0
(m-o-m, %)	0.2	0.6	0.7	0.9	0.8	1.0	0.9	0.9	1.2	0.8	0.3	0.2

Source: Industrial activity trends, Statistics Korea.

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

Coincident composite index in Sep 2026 (m-o-m, %)

Value of construction completed	2.3
Imports	2.0
Industrial production index	1.6
Retail sales index	-0.4
Index of Services	-0.2

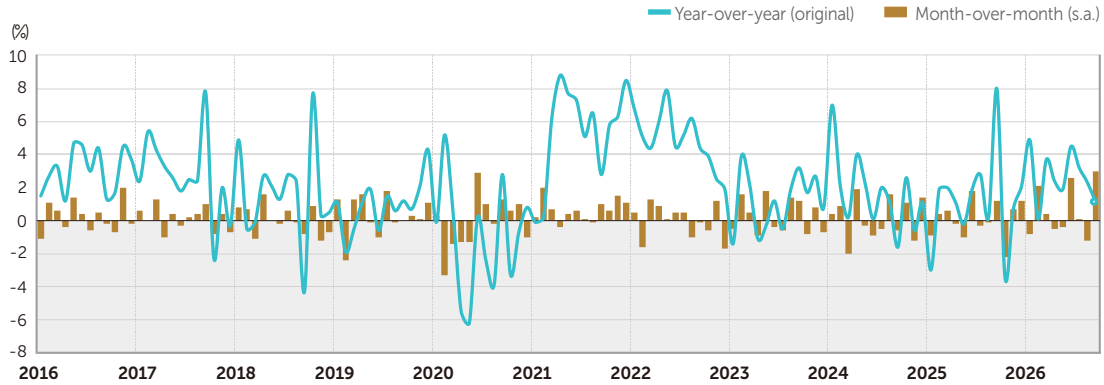
Source: Industrial activity trends, Statistics Korea.

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

Construction orders received	14.7
Producer's Shipment Index, Machinery for Domestic Demand	3.1
Economic Sentiment Index	1.0
KOSPI	-7.3
Net barter terms of trade	-0.7
Inventory circulation indicator (%p)	-0.2

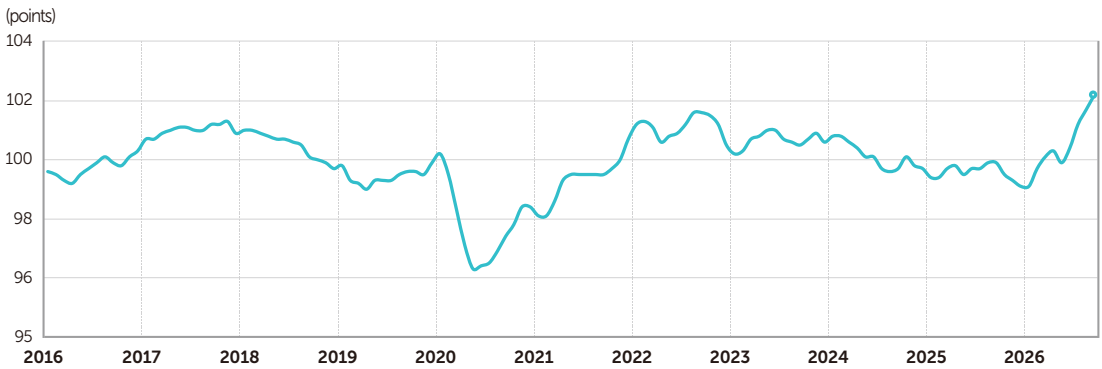
Source: Industrial activity trends, Statistics Korea.

Total index of Industrial Production



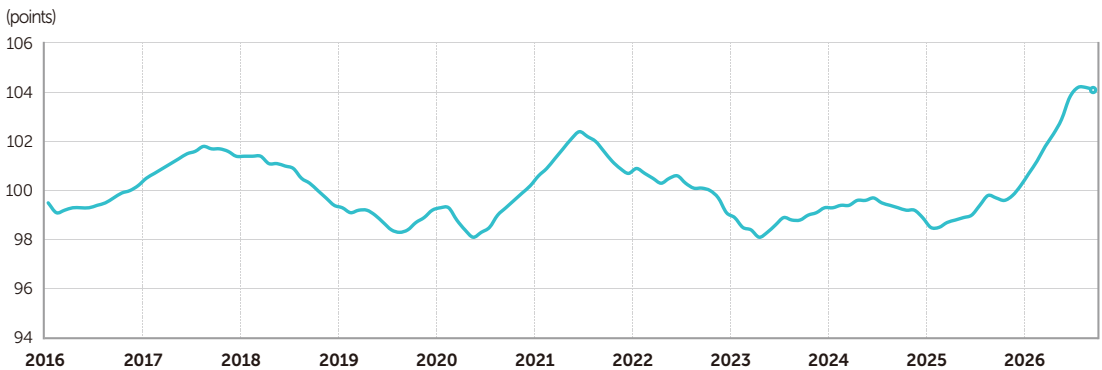
Source: Industrial activity trends, Statistics Korea.

Cyclical indicator of coincident composite index



Source: Industrial activity trends, Statistics Korea.

Cyclical indicator of leading composite index



Source: Industrial activity trends, Statistics Korea.

3. Private consumption

Private consumption *(advance estimate of GDP)* in the third quarter of 2026 decreased by 0.2 percent quarter-on-quarter and rose by 1.1 percent year-on-year.

(Percentage change from previous period)

	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]	Q3[2]
Private consumption	-	-	0.8	0.0	0.3	0.0	0.2	0.7	1.1	0.4	0.6	0.4	-0.2
(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	1.1

Source: National accounts, Bank of Korea.

[1] Preliminary estimate.

[2] Advance estimate.

Retail sales increased 3.6 percent month-on-month in September. Sales of durable goods *(up 4.4%)*, semi-durable goods *(up 0.6%)*, and non-durable goods *(up 4.2%)* all rose. The year-on-year index declined 0.4 percent.

(Percentage change from previous period)

	2024	2025	2024				2025				2026					
	Annual	Annual	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3[1]	Jul	Aug[1]	Sep[1]
Retail sales	-	-	-1.2	-0.7	0.4	-0.6	0.6	-0.6	1.2	0.6	2.4	-1.8	-1.0	-2.5	-1.8	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	2.3	-0.5	-0.9	-0.1	-0.4
- 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	-3.7	-8.6	-4.1	4.4
· 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	-6.4	-11.1	-13.3	18.3
- 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	-2.2	-1.6	0.3	0.6
- 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	0.8	0.0	-1.6	4.2

Source: Statistics Korea.

[1] Preliminary.

The retail sales index outlook for October is expected to be supported by positive factors, including accelerated growth in domestic credit card spending and increased car sales at home, while a decline in the consumer sentiment index is expected to act as a negative factor.

(Percentage change from same period in previous year)

	2026								
	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
Car sales at home	-13.3	8.0	-8.0	-14.2	5.0	-1.8	-28.3	-19.0	2.0
Department store sales	30.3	10.1	14.2	17.1	13.3	6.6	6.0	2.7	-3.1
Large discount store sales	18.7	-6.7	-7.4	-4.1	-9.6	-8.9	-1.3	-2.1	-17.1
Credit card spending at home[1]	3.8	2.7	3.7	6.3	5.0	8.5	2.1	6.6	4.3
Consumer sentiment index[2]	112.1	107.0	99.2	106.1	106.6	106.8	104.5	106.6	105.4
Number of Chinese tourists[3]	40.5	19.8	28.2	15.4	33.6	27.3	33.1	30.0	20.9

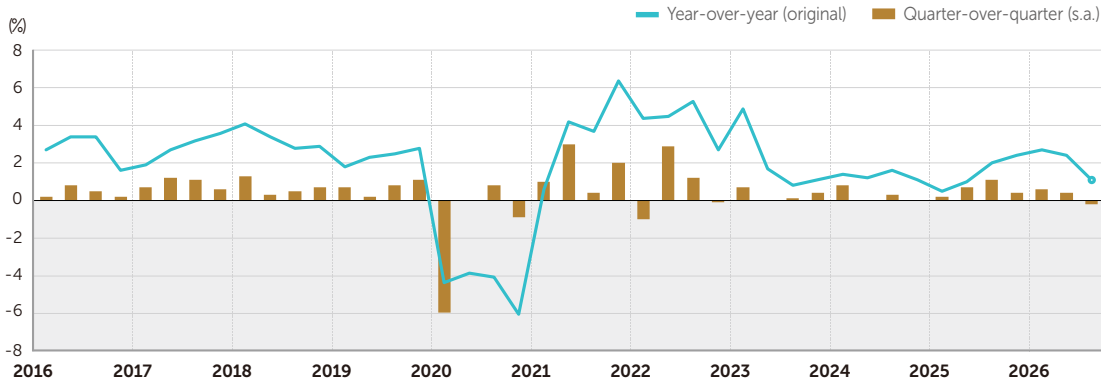
Sources: Korea Automobile Manufacturers Association; The Credit Finance Association; Bank of Korea; Korea Culture & Tourism Institute; data provided by retail industries.

[1] Utility bills are excluded.

[2] Level value.

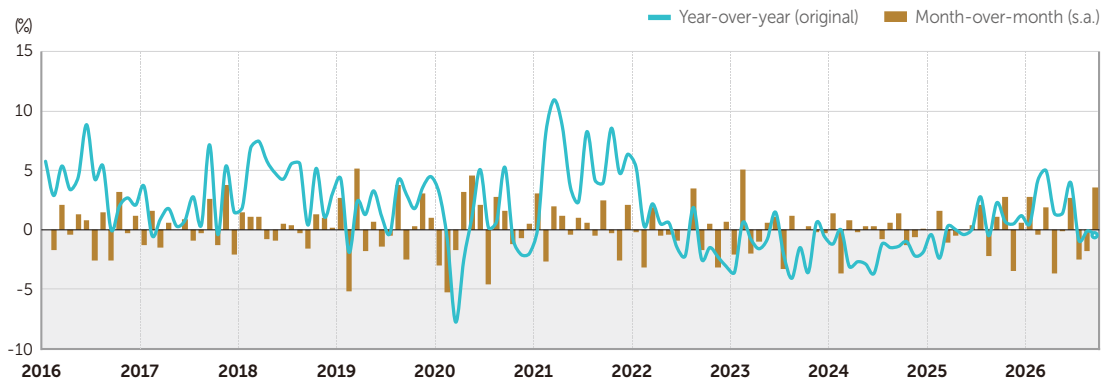
[3] Advance estimate based on total entries, The figure can be different from the statistic released by the Ministry of Culture, Sports and Tourism, which excludes diplomatic and military personnel.

Private consumption



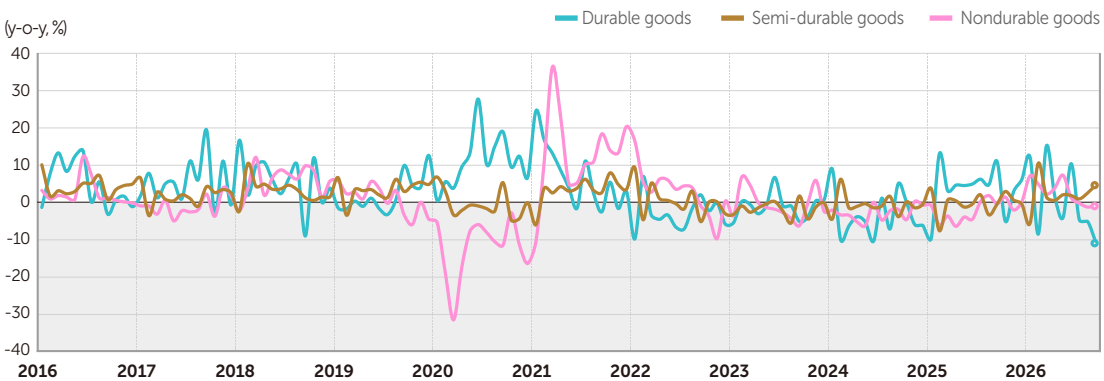
Source: National account, Bank of Korea.

Retail sales



Source: Industrial activity trends, Statistics Korea.

Retail sales by type



Source: Industrial activity trends, Statistics Korea.

4. Facility investment

Facility investment *(advance estimate of GDP)* in the third quarter of 2026 grew by 4.1 percent quarter-on-quarter and by 9.4 percent year-on-year.

(Percentage change from previous period)

	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]	Q3[2]
Facility investment	-	-	-1.5	-0.2	3.8	0.8	0.2	-1.8	1.3	-1.6	6.6	0.2	4.1
(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	9.4
- 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.
[2] Advance estimate.

In September, the facility investment index increased by 5.3 percent month-on-month, as the machinery and transportation equipment index all rose. The index also rose by 10.1 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	Q3[1]	Jul	Aug[1]	Sep[1]
Facility investment index	-	-	-3.0	0.4	6.0	1.8	-2.2	0.3	0.6	-3.8	13.0	3.4	6.3	7.4	-9.7	5.3
(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	16.4	24.0	15.2	10.1
- 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	11.3	2.9	1.4	4.7
- 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	-5.5	18.2	-33.0	7.4

Source: Statistics Korea.
[1] Preliminary.

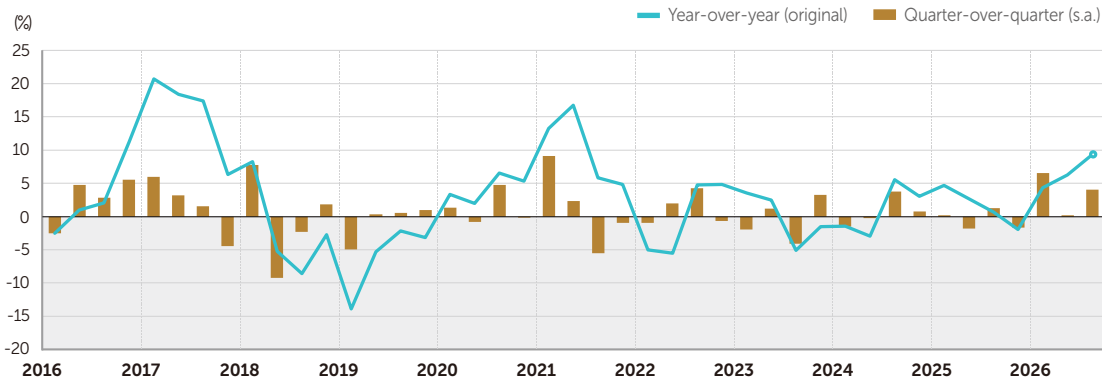
Domestic machinery orders received are expected to support facility investment going forward, while continued uncertainty surrounding the conflict in the Middle East is expected to weigh on future investment.

(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	Q3[1]	Aug[1]	Sep[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	41.2	53.6	28.2
(% change from previous period)	-	-	-15	2.9	22.8	-17.9	11.3	-5.5	-3.5	4.0	0.7	19.1	18.8	32.1	-12.7
- 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	-36.1	-2.3	-68.8
- 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	50.9	60.5	46.7
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	22.5	25.5	19.3
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	74.3	71.2	76.8
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	0.7	-2.7	0.7

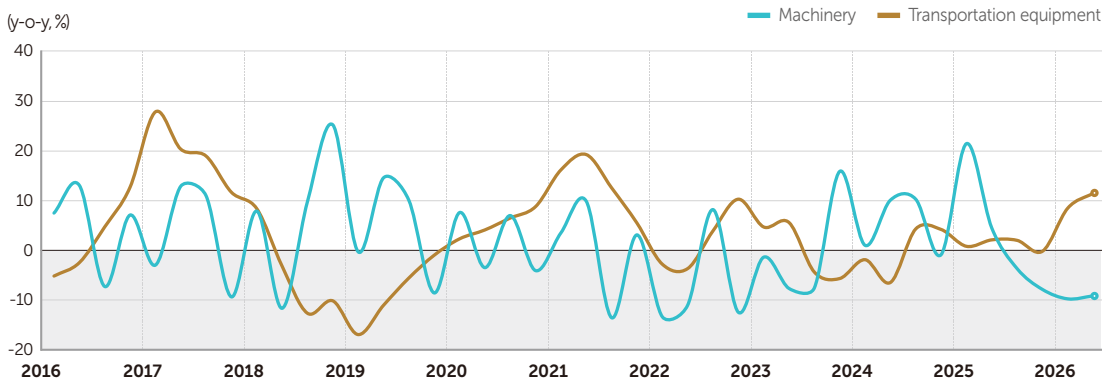
Sources: Statistics Korea; Korea International Trade Association.
[1] Preliminary.
[2] Utilization rate for the period, %.
[3] Production growth rate minus production capacity growth rate in the manufacturing sector, %p.

Facility investment



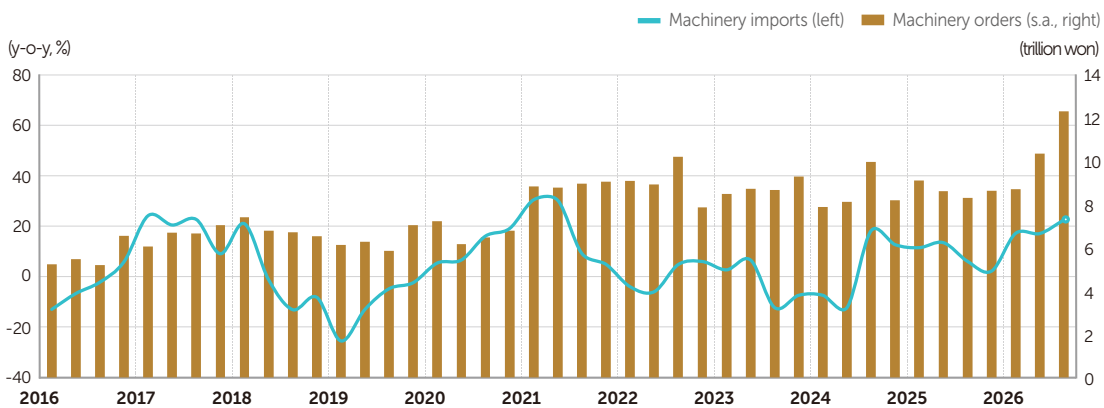
Source: National account, Bank of Korea.

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 *(advance estimate of GDP)* in the third quarter of 2026 grew by 0.7 percent quarter-on-quarter, and declined by 0.7 percent year-on-year.

(Percentage change from previous period)

	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]	Q3[2]
Construction investment	-	-	4.9	-2.3	-3.4	-3.5	-4	-0.7	0.2	-2.6	1.4	-0.1	0.7
(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	-0.7
- 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.
[2] Advance estimate.

In August, construction completed (constant) rose 5.8 percent month-on-month, led by increases both in building construction and civil engineering works. The index declined 1.6 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	Q3[1]	Jul	Aug[1]	Sep[1]
Construction completed (constant)	-	-	4.5	-5.5	-4.6	-4.6	-7.2	-2.6	-0.8	-4.1	0.5	0.1	6.1	-1.3	2.5	5.8
(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	-1.3	-3.7	1.5	-1.6
- 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	-0.7	-9.3	3.6	5.1
- 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	26.3	23.5	0.1	7.4

Source: Statistics Korea.
[1] Preliminary.

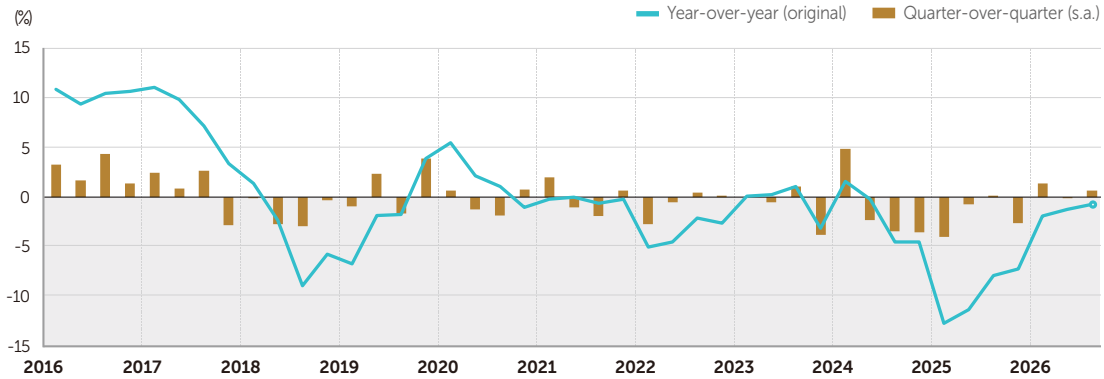
The increase in construction orders received in September is expected to support construction investment going forward, while the decline in building permits is expected to weigh on future investment.

(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	Q3[1]	Aug[1]	Sep[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	3.0	-3.2	49.8
(% change from previous period)	-	-	-0.2	19.5	-10.3	3.9	-6.1	8.6	17.0	-17.6	21.8	19.0	-9.8	28.2	0.0
- 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	3.7	-11.2	41.4
- 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	1.1	21.8	84.5
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	1.2	13.3	-30.0
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	6.2	1.9	1.9

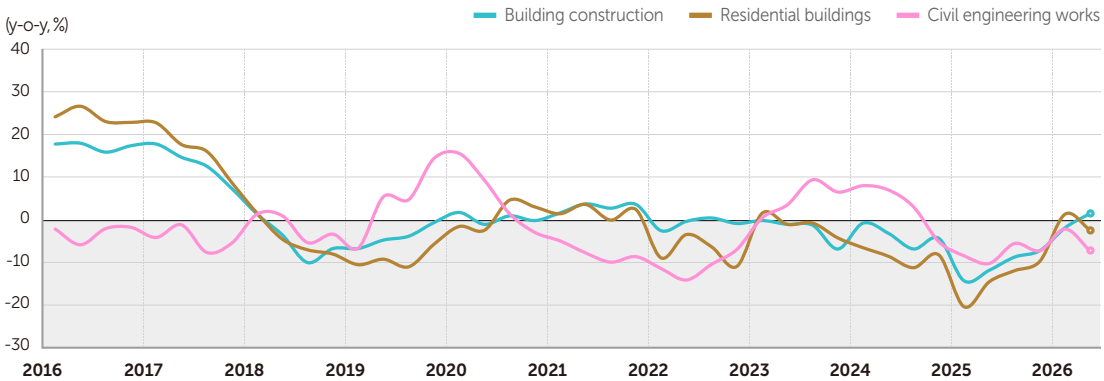
Sources: Statistics Korea; Ministry of Land Infrastructure and Transport; Real Estate 114.
[1] Preliminary.
[2] Gross Floor Area.
[3] Thousand housing units.

Construction investment



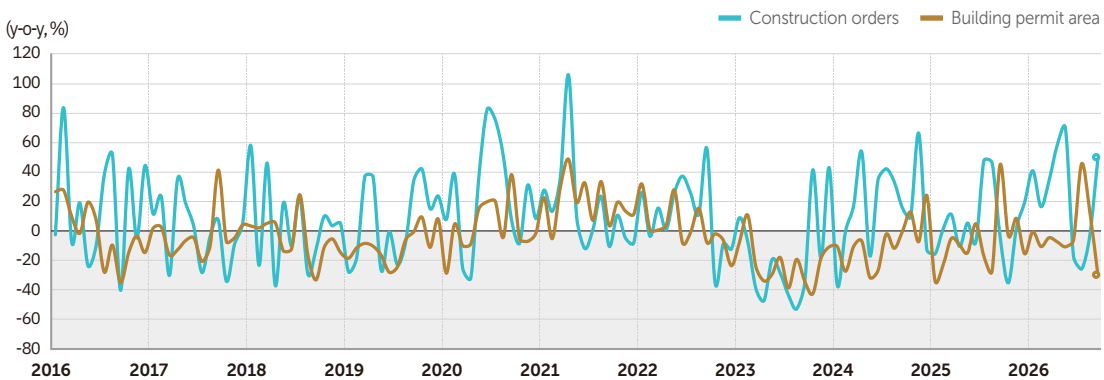
Source: National account, Bank of Korea.

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 93.7 percent year-on-year to US $115.3 billion in October.
Exports of semiconductor, computers, cosmetics, and automobiles increased, while exports of ships decreased. In terms of export markets, exports to the US, China and ASEAN increased while exports to CIS and Latin America declined.
The average daily amount of exports, which factors in the number of working days, rose by 76.1 percent year-on-year to US $5.2 billion.

Imports rose by 3.0 percent year-on-year to US $72.8 billion in October.

The trade balance recorded a surplus of US $42.5 billion in October.

(US $ billion)

	2024	2025	2025				2026			
	Annual	Annual	Q1	Q2	Q3	Q4	Jul	Aug	Sep	Oct
Exports	683.6	709.3	159.5	175.1	184.9	189.8	99.2	98.4	121.1	115.3
(y-o-y, %)	8.1	3.8	-2.3	2.1	6.5	8.4	63.5	68.9	83.7	93.7
Average daily exports	2.5	2.6	2.5	2.6	2.6	2.9	4.1	4.5	5.6	5.2
Imports	631.8	631.9	152.8	154.4	162.5	162.2	68.5	63.5	71.1	72.8
(y-o-y, %)	-1.6	-0.0	-1.3	-1.8	1.5	1.4	26.4	22.4	26.0	36.0
Average daily imports	2.3	2.4	2.3	2.3	2.3	2.4	2.9	2.9	3.3	3.3
Trade balance	51.8	77.4	6.7	20.7	22.4	27.6	30.7	34.9	50.0	42.5

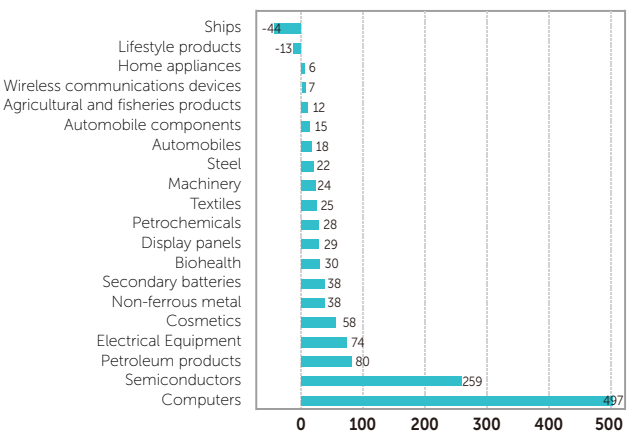
Source: Korea Customs Service.

Export growth and share by region in Oct 2026

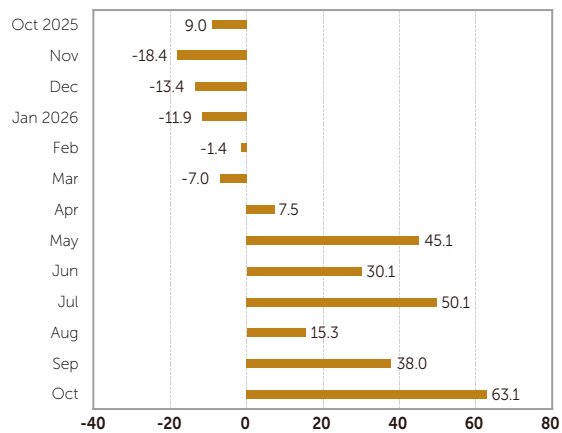
	Growth (y-o-y, %)	Share (%)[1]
US	186	18.7
China	134	21.5
ASEAN countries	128	18.2
India	84	2.4
EU	56	7.8
Japan	44	3.0
Middle East	11	1.2
CIS countries	-32	-
Latin America	-37	3.2

[1] Cumulative total since January 2026.

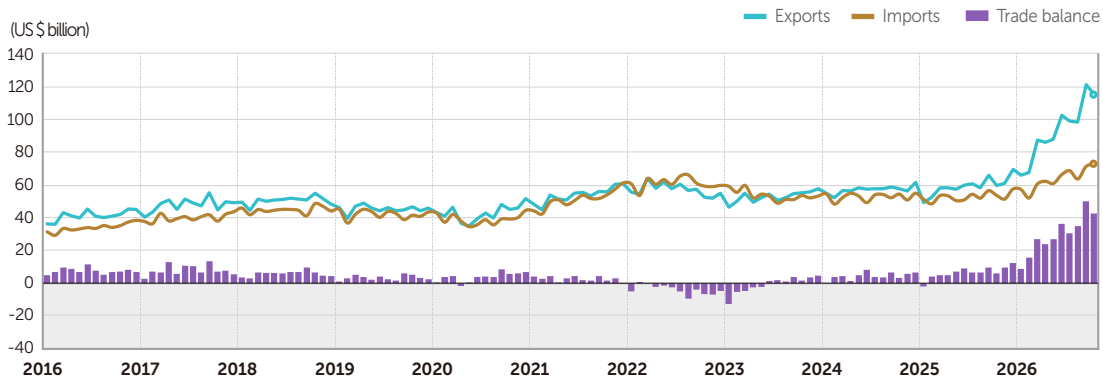
Export growth by item in Oct 2026 (y-o-y, %)



Energy Imports (y-o-y, %)

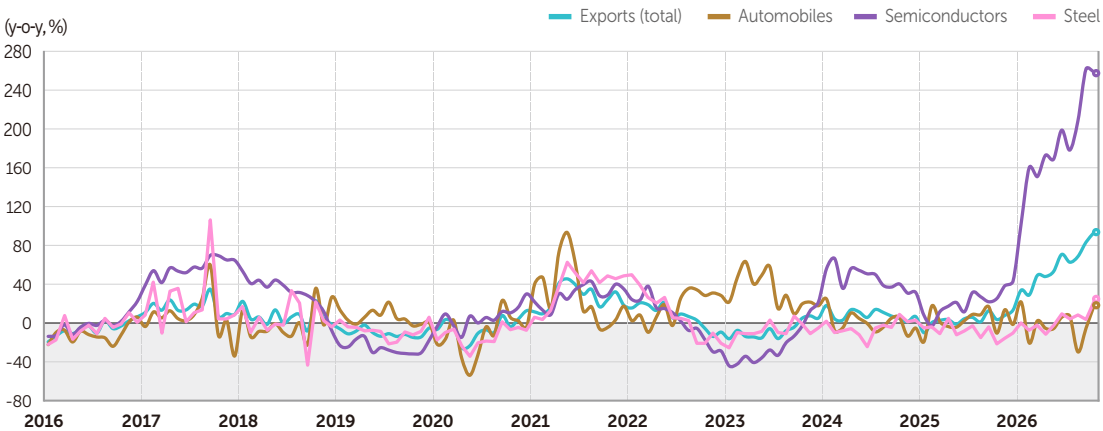


Exports and imports



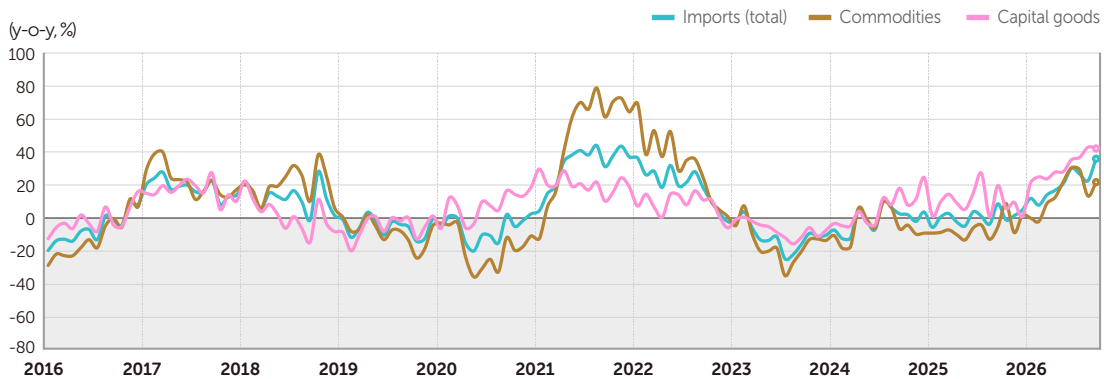
Sources: Korea Customs Service.

Export growth by item



Sources: Korea Customs Service.

Import growth by category



Sources: Korea Customs Service.

7. Employment

In October, the number of employed workers increased by about 139,000 year-on-year to 29,179,000 and the employment rate *(aged 15 and above)* fell 0.1 percent point to 63.3 percent.

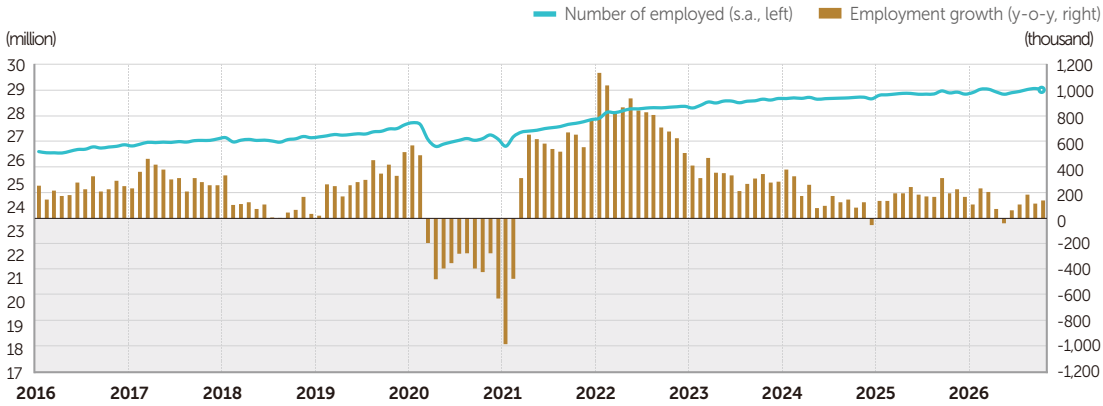
By sector, employment growth continued in the services sector, while the growth trend in the manufacturing sector shifted downward. Moreover, the decline in employment growth in the construction sector narrowed.

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	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
Number of employed (million)	28.42	28.58	28.77	29.04	29.05	28.21	27.99	28.41	28.79	28.96	29.16	29.15	29.14	29.15	29.27	29.18
Employment rate (%)	62.6	62.7	62.9	63.4	63.4	61.5	61.0	61.8	62.7	63.0	63.3	63.4	63.3	63.3	63.5	63.3
(Seasonally adjusted)	-	-	-	62.9	62.9	62.7	62.8	63.0	63.0	62.7	62.5	62.6	62.7	62.9	62.9	62.8
- 15 to 64	69.2	69.5	69.8	70.1	70.2	69.6	69.2	69.2	69.7	70.0	70.2	70.2	70.3	70.4	70.6	70.4
Employment growth (y-o-y, thousand)	327	159	193	193	225	168	108	234	206	74	-40	63	108	184	113	139
- Manufacturing	-43	-6	-73	-51	-41	-63	-23	-16	-42	-55	-140	-97	-68	-38	16	-7
- Construction	-9	-49	-125	-123	-131	-63	-20	-40	-16	-8	-43	-67	-57	-32	-24	-42
- Services	385	239	492	481	516	403	256	374	316	208	248	307	295	345	221	272
· Wholesale & retail	-37	-61	-1	46	11	44	23	22	-18	-52	-36	-44	-5	21	-1	0
· Hotels & restaurants	114	25	-3	22	-22	-22	-16	-27	-2	29	20	10	2	-61	97	-137
· Healthcare & social welfare service	143	83	237	280	281	220	185	288	294	261	212	214	173	186	207	249
- Wage workers	327	214	275	311	294	214	121	205	113	-43	-115	-81	-11	113	117	127
· Permanent workers	478	183	283	286	258	195	192	158	140	62	-7	16	71	180	253	287
· Temporary workers	-61	154	46	79	65	-7	-97	8	-59	-127	-121	-51	-40	-50	-81	-107
· Day laborers	-90	-122	-55	-55	-29	25	26	39	32	22	14	-45	-41	-17	-55	-53
- Nonwage workers	0	-55	-81	-118	-70	-46	-13	29	93	116	75	144	119	71	-5	12
· Self-employed	57	-32	-38	-98	-38	12	45	70	105	140	109	166	150	109	41	57
- Male	24	-29	20	22	22	95	33	20	69	4	-55	37	48	107	138	149
- Female	303	188	174	171	203	73	75	214	137	70	15	26	60	77	-26	-10
- 15 to 29	-98	-144	-178	-163	-177	-112	-175	-146	-147	-194	-255	-197	-191	-143	-147	-196
- 30 to 39	54	90	102	80	76	83	101	86	112	84	62	65	65	91	81	128
- 40 to 49	-54	-81	-50	-38	-9	-33	-3	0	-5	-17	-43	-19	-31	-17	-42	-32
- 50 to 59	59	28	-26	-19	2	-11	45	6	5	11	25	3	33	62	48	42
- 60 and above	366	266	345	334	333	241	141	287	242	189	171	211	231	191	172	196

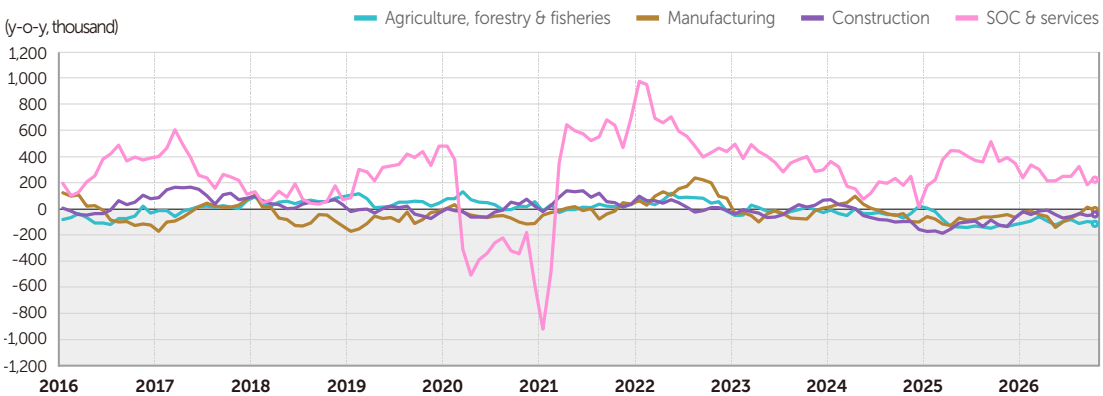
Source: Statistics Korea.

Number of employed workers and employment growth



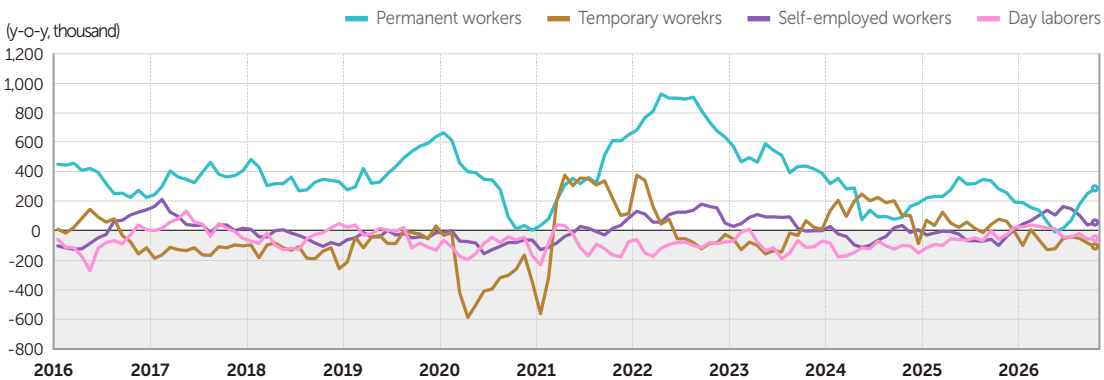
Source: Employment trends, Statistics Korea.

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 October, the number of unemployed workers decreased by about 56,000 year-on-year to 602,000 and the unemployment rate remained declined by 0.2 percent points to 2.0 percent.

	2023	2024	2025	2025			2026									
	Annual	Annual	Annual	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
Number of unemployed (thousand)	787	823	830	658	661	1,217	1,211	993	884	853	873	834	776	558	600	602
Unemployment growth (y-o-y, thousand)	-46	36	7	-20	5	103	128	54	-35	-2	25	10	50	-4	-34	-56
- Male	-14	18	13	4	29	47	36	44	-31	-28	5	-26	20	-8	-55	-39
- Female	-32	18	-6	-24	-24	55	49	10	-4	26	30	36	31	5	21	-17
Unemployment rate (%)	2.7	2.8	2.8	2.2	2.2	4.1	4.1	3.4	3.0	2.9	2.9	2.8	2.6	2.0	2.0	2.0
(Seasonally adjusted)	-	-	-	2.6	2.7	4.0	3.0	2.9	2.7	2.8	2.8	2.7	2.8	2.7	2.6	2.5
- 15 to 29	5.9	5.9	6.1	5.3	5.5	6.2	6.8	7.7	7.6	7.1	7.2	7.0	6.8	5.4	5.4	5.2
- 30 to 39	2.6	2.7	2.7	2.7	2.9	3.0	3.0	3.6	3.3	3.3	3.2	3.4	3.2	2.4	2.3	2.3
- 40 to 49	1.9	1.9	2.0	1.7	1.8	1.9	1.8	1.9	1.8	1.9	2.1	1.9	1.8	1.5	1.6	1.6
- 50 to 59	1.7	1.8	1.8	1.5	1.4	1.6	1.7	1.9	2.0	1.8	1.8	1.6	1.5	1.1	1.1	1.2
- 60 and above	2.6	2.9	2.8	1.4	1.2	8.4	8.3	3.7	2.3	2.2	2.3	2.0	1.8	1.2	1.3	1.5

Source: Statistics Korea.

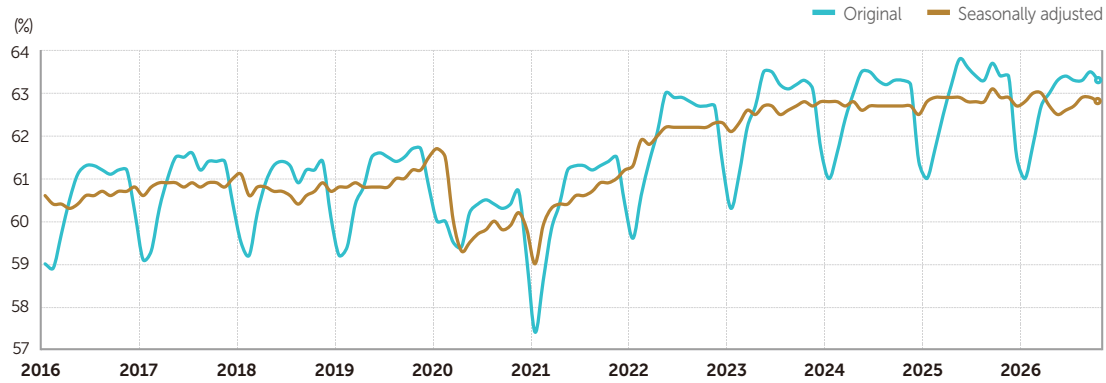
In October, the economically inactive population increased by 179,000 year-on-year to 16,299,000 and the labor force participation rate fell by 0.2 percent points to 64.6 percent.

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

	2023	2024	2025	2025			2026									
	Annual	Annual	Annual	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
Economically inactive population (million)	16.2	16.2	16.2	16.1	16.1	16.5	16.7	16.5	16.3	16.2	16.0	16.0	16.1	16.3	16.2	16.3
Labor force participation rate (%)	64.3	64.5	64.7	64.8	64.8	64.7	63.6	64.0	64.6	64.9	65.2	65.2	65.0	64.6	64.8	64.6
(Seasonally adjusted)	-	-	-	64.5	64.6	65.0	64.7	64.9	64.8	64.5	64.3	64.4	64.6	64.6	64.6	64.4
Growth in economically inactive population (y-o-y, thousand)	-134	-32	-8	38	-10	-49	4	-39	69	174	264	181	99	77	179	179
- Childcare	-140	-113	-64	-63	-65	-90	-95	-98	-83	-79	-88	-73	-76	-42	-15	-28
- Housework	-1	45	7	14	-44	-8	-14	-6	28	64	126	89	50	50	99	62
- Retraining	11	-54	1	17	36	-16	34	42	66	96	124	117	134	80	73	131
- Old age	-31	47	-28	-41	-16	-11	26	24	58	59	68	56	60	69	52	68
- Rest	74	117	88	135	124	124	110	27	31	63	47	5	-62	-89	-25	-69
- Job seeking	-88	-48	5	-38	-13	-37	-28	-27	-51	-43	-41	-26	-3	5	7	21

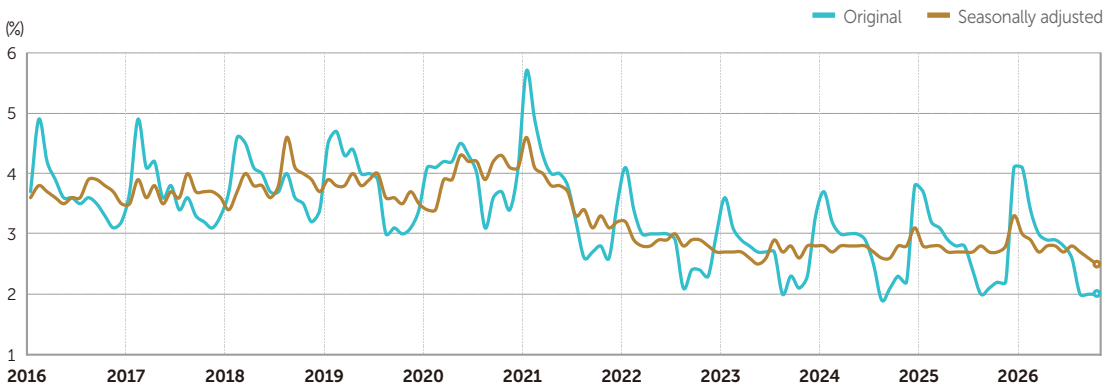
Source: Statistics Korea.

Employment rate



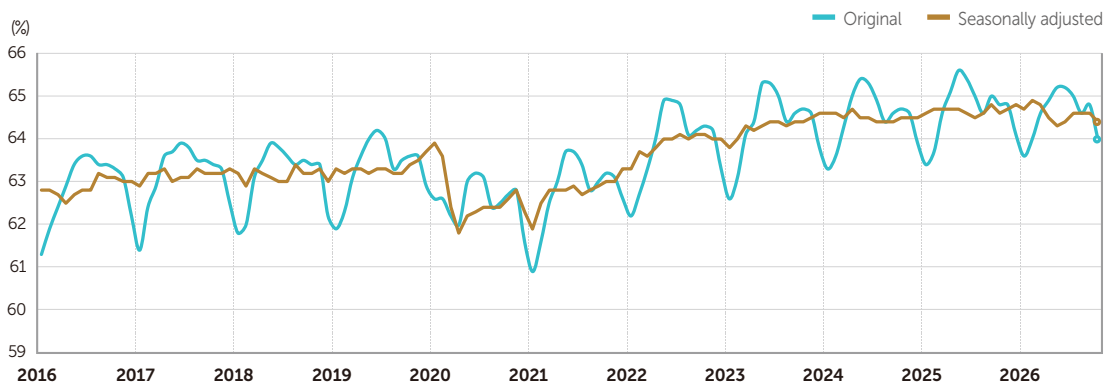
Source: Employment trends, Statistics Korea.

Unemployment rate



Source: Employment trends, Statistics Korea.

Labor force participation



Source: Employment trends, Statistics Korea.

8. Prices

In October, the Consumer Price Index (CPI) grew 2.8 percent from a year ago, and grew 0.2 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 also rose 2.8 percent.

The price index for basic necessities rose 2.6 percent year-on-year. The fresh food price index fell 6.2 percent.

(Percentage change from same period in previous year)

	2025						2026									
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
CPI (y-o-y)	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	2.8
(m-o-m)	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	0.2
Excluding food and energy	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	2.8
Excluding crops and oil products	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	2.8
Basic necessities	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	2.6
Fresh food	-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	-6.2

Source: Statistics Korea.

In October, the price of agricultural goods, fishery and livestock continued to fall from a month earlier amid increased production of agricultural products. The growth of prices for petroleum products accelerated, driven by higher LPG prices. 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
Sep 2026	-0.3	-4.2	14.8	0.4	1.3	1.5	3.5
Oct 2026	-1.7	4.4	14.9	0.4	1.4	1.7	3.3
Contribution (%p)	-0.1	1.5	0.6	0.0	0.1	0.2	1.1

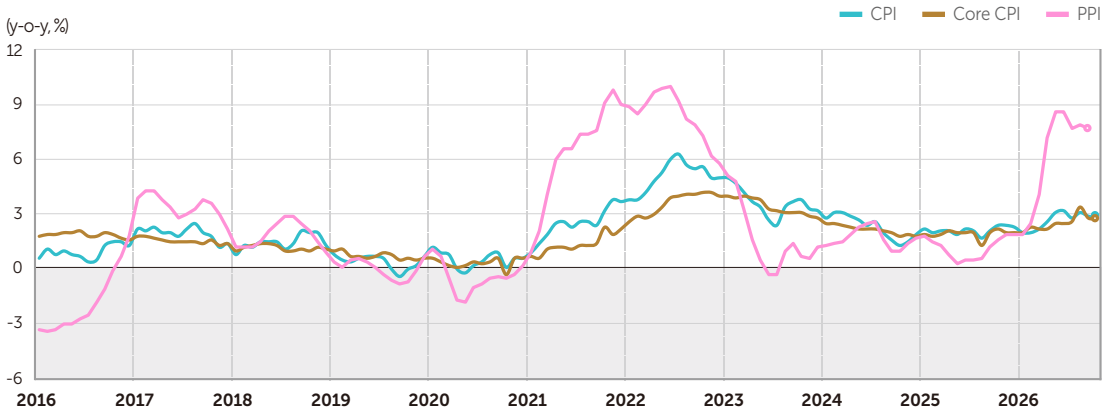
Source: Statistics Korea.

(Won/liter, period average)

	2024	2025	2024				2025				2026				
	Annual	Annual	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Sep	Oct
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	1,868	1,858	1,857
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	1,853	1,844	1,843

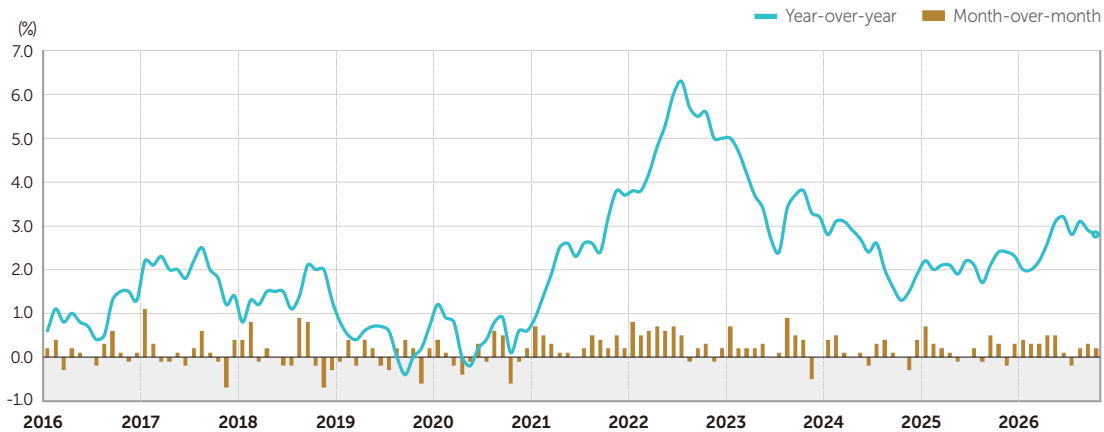
Source: Korea National Oil Corporation.

Prices



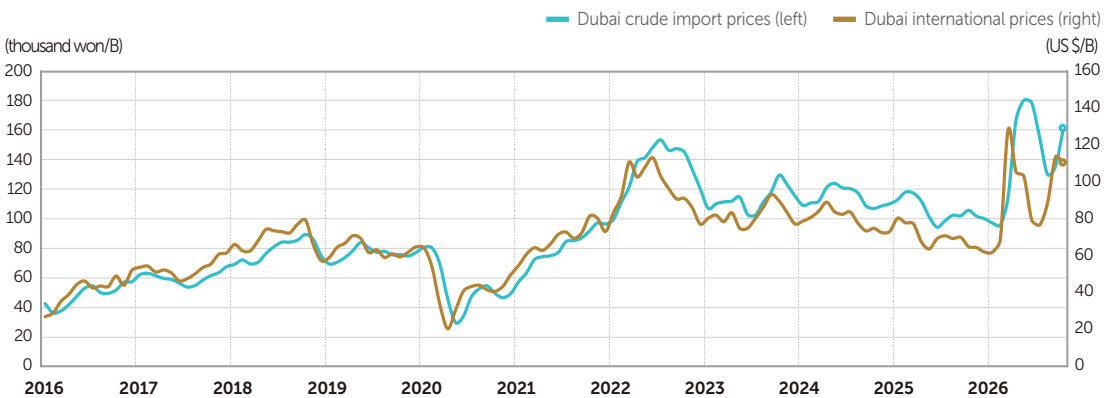
Sources: Consumer price trends, Statistics Korea; Bank of Korea.

Consumer price inflation



Source: Consumer price trends, Statistics Korea.

Dubai crude prices and import prices



Source: Korea National Oil Corporation.

WTI and Brent crude prices rose month-on-month in October, driven by the continued tensions in the Middle East, while the prices of Dubai crude declined as exports from the Middle East recovered.

International grain prices declined from the previous month amid an increase in production.

Non-ferrous metal prices decreased month-on-month owing to lower prices of aluminium and nickel amid improved supply conditions.

(Period average)

	2024	2025	2024				2025				2026				
	Annual	Annual	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Sep	Oct
Dubai crude[1]	79.6	81.2	85.3	78.5	73.6	69.4	76.9	67.0	70.1	63.8	86.3	96.1	93.0	113.7	110.7
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	85.7	95.7	96.9
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	91.3	102.0	108.3
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	3,270	3,407	3,645

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 Oct 2026 (m-o-m, %)

Corn	-10.5
Wheat	-9.9
Soybeans	-3.5

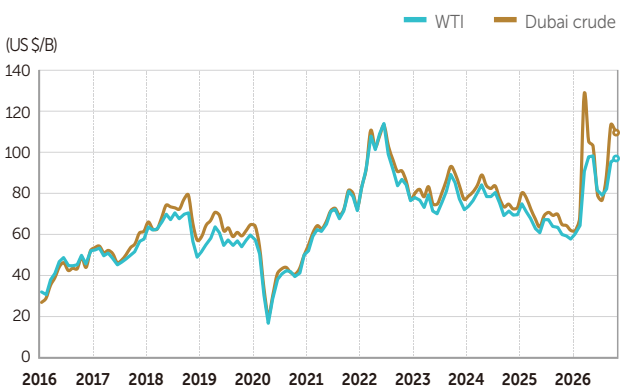
Note: Monthly average prices.

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

Copper	0.3
Aluminium	-6.6
Nickel	-5.1

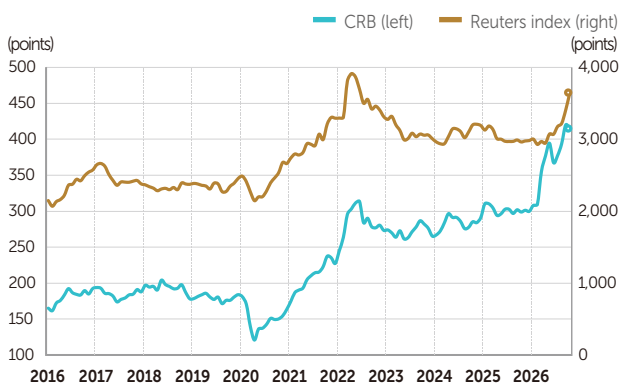
Note: Monthly average prices.

International oil prices



Source: Korea National Oil Corporation.

International commodity prices



Source: Korea PDS

9. Housing market

Nationally, housing sales prices rose 0.28 percent month-on-month in October.
Within the Seoul metropolitan area, housing sales prices rose 0.57 percent, increasing 0.65 percent in Seoul and 0.66 percent in Gyeonggi Province, while remaing unchanged in Incheon.
In the areas excluding the Seoul metropolitan, housing sales prices rose 0.01 percent. Housing prices increased 0.01 in the five metropolitan cities and rose 0.31 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	Oct	Cumulative total	Aug	Sep	Oct
Nationwide	9.9	-4.7	-3.6	0.1	1.0	0.29	2.65	0.32	0.30	0.28
Seoul metropolitan area	12.8	-6.5	-3.6	1.4	2.9	0.60	5.29	0.63	0.60	0.57
- Seoul	6.5	-4.8	-2.0	3.2	7.1	1.19	8.27	0.97	0.84	0.65
· Southern Seoul	6.8	-4.1	-1.5	3.6	9.2	1.42	6.91	0.71	0.50	0.29
· Northern Seoul	6.1	-5.4	-2.4	2.8	4.9	0.94	9.77	1.25	1.21	1.04
Areas excluding the Seoul metropolitan area	7.4	-3.0	-3.5	-1.1	-0.7	0.00	0.23	0.03	0.02	0.01

Source: Korea Real Estate Board.

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

Busan	Daegu	Gwangju	Daejeon	Ulsan	Sejong
-0.03	0.01	0.03	0.09	0.09	0.04

Nationally, housing rental prices increased 0.34 percent in October 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	Oct	Cumulative total	Aug	Sep	Oct
Nationwide	6.5	-5.6	-5.1	1.3	0.9	0.18	3.27	0.35	0.34	0.34
Seoul metropolitan area	7.7	-8.0	-5.7	3.1	1.8	0.30	5.54	0.63	0.60	0.59
- Seoul	4.9	-6.5	-5.3	3.3	3.0	0.44	7.42	0.83	0.74	0.68
· Southern Seoul	5.1	-6.9	-5.8	2.9	3.9	0.58	6.45	0.67	0.56	0.56
· Northern Seoul	4.7	-6.2	-4.7	3.6	2.1	0.29	8.49	1.00	0.93	0.81
Areas excluding the Seoul metropolitan area	5.5	-3.3	-4.4	-0.4	0.1	0.07	1.18	0.09	0.09	0.10

Source: Korea Real Estate Board.

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

Seocho	Songpa	Gangbuk	Nowon	Yeongtong
-0.35	0.61	0.80	1.46	1.58

Source: Korea Real Estate Board.

There were 48,997 housing sales transactions in September, an increase of 1.3 percent month-on-month *(48,359 in August 2026)* and a decrease of 22.7 percent year-on-year *(63,365 in September 2025)*.

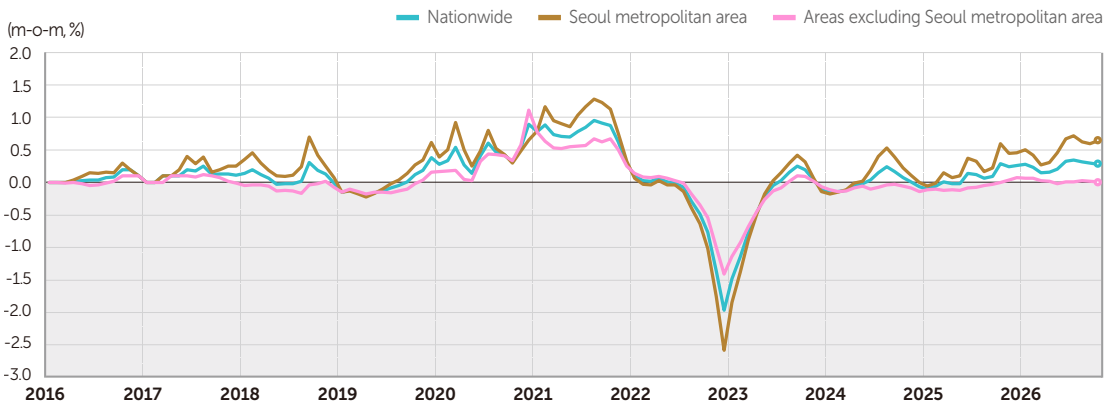
Housing sales transactions

(Thousand)

	2022	2023	2024	2025	2025				2026								
	Annual[1]	Annual[1]	Annual[1]	Annual[1]	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Nationwide	42	46	54	61	63	70	61	63	61	58	72	70	66	69	63	48	49

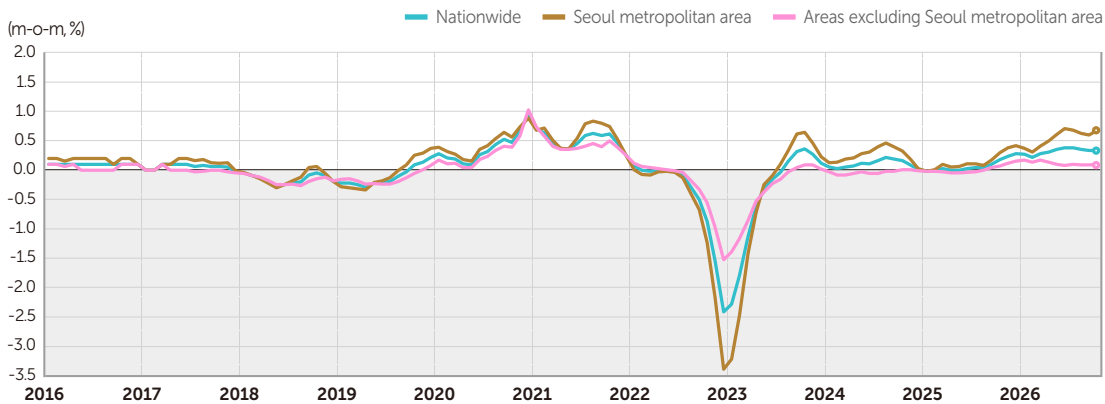
Source: Ministry of Land, Infrastructure and Transport.
[1] Monthly average.

Housing sales prices



Source: Korea Real Estate Board

Housing rental prices



Source: Korea Real Estate Board

Financial Markets

1. Stock market

In October, stock prices fell slightly from the previous month in response to the Middle East conflict and shifting expecations about the AI industry.

	KOSPI			KOSDAQ		
	Sep 2026	Oct 2026	Change	Sep 2026	Oct 2026	Change
Stock price index (points)	6,838.0	5,730.7	-1,107.3 (-16.19%)	855.9	724.4	-131.5 (-15.36%)
Market capitalization (trillion won)	5,638.3	4,730.2	-908.1 (-16.11%)	481.9	410.4	-71.5 (-14.84%)
Daily trade (trillion won)	21.4	20.4	-1.0 (-4.67%)	7.1	6.8	-0.3 (-4.23%)
Foreign stock ownership (%, %p)	39.6	39.0	-0.6 (-1.52%)	11.7	11.3	-0.4 (-3.42%)

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

2. Bond market

The government issued 16.4 trillion won worth of treasury bonds in October.

(End-period, trillion won)

	2022	2023	2024	2025	2025			2026									
	Annual	Annual	Annual	Annual	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
Treasury bonds issuance[1]	168.6	165.7	157.7	226.2	17.7	15.6	5.4	17.9	22.4	21.2	22.6	22.9	17.1	17.0	21.2	17.4	16.4

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

In October, government bond yields fell month-on-month, driven by a reduction in the issuance of government bonds and declining interest rates in major economies.

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

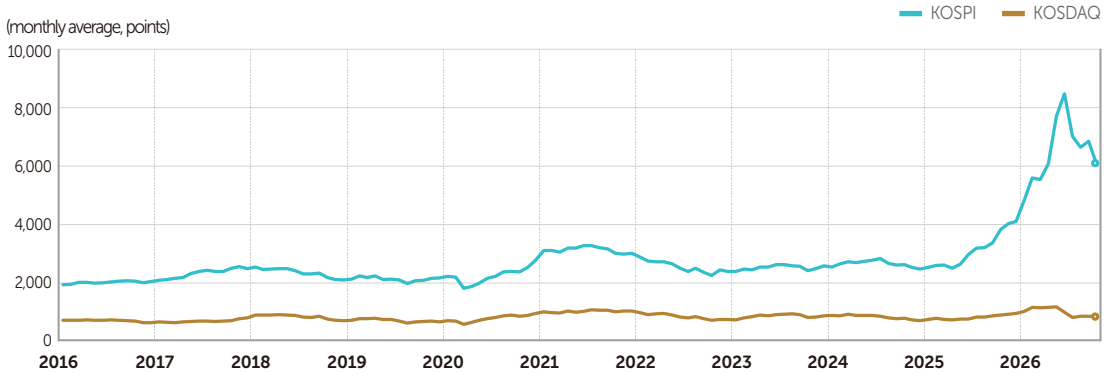
3 yrs	5 yrs	10 yrs	20 yrs	30 yrs
-29	-33	-40	-31	-41

(Percent per annum)

	2020	2021	2022	2023	2024	2025	2026				
	Dec	Dec	Dec	Dec	Dec	Dec	Jul	Aug	Sep	Oct	Change[1]
Call rate (1 day)	0.61	1.44	3.38	3.91	3.33	2.63	2.82	3.06	3.11	3.05	-6
CD (91 days)	0.66	1.29	3.98	3.83	3.39	2.81	2.95	3.12	3.22	3.32	10
Treasury bonds (3 yrs)	0.98	1.80	3.72	3.15	2.60	2.95	3.76	3.84	4.01	3.72	-29
Treasury bonds (5 yrs)	1.34	2.01	3.74	3.16	2.76	3.24	4.02	4.05	4.20	3.87	-33
Corporate bonds (3 yrs)	2.21	2.42	5.23	3.90	3.28	3.48	4.48	4.52	4.70	4.41	-29

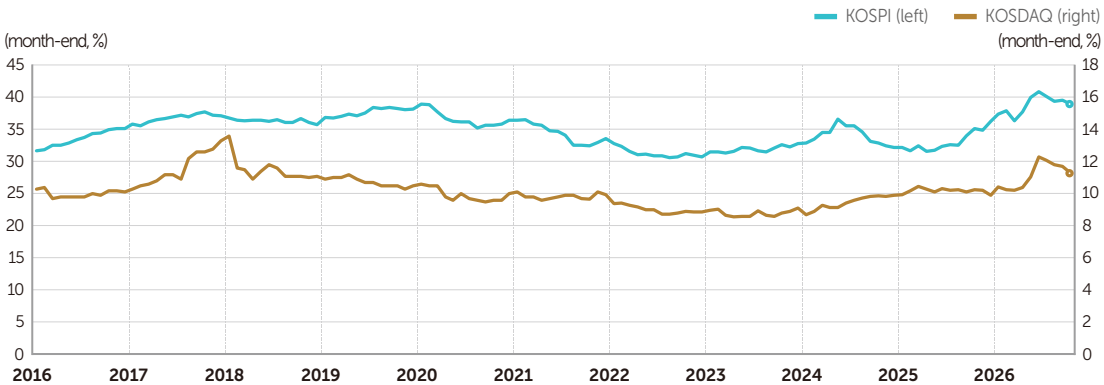
Source: Bank of Korea.
Note: Figures are closing rate.
[1] Change from the previous month as of end-Oct 2026, basis point.

Stock prices



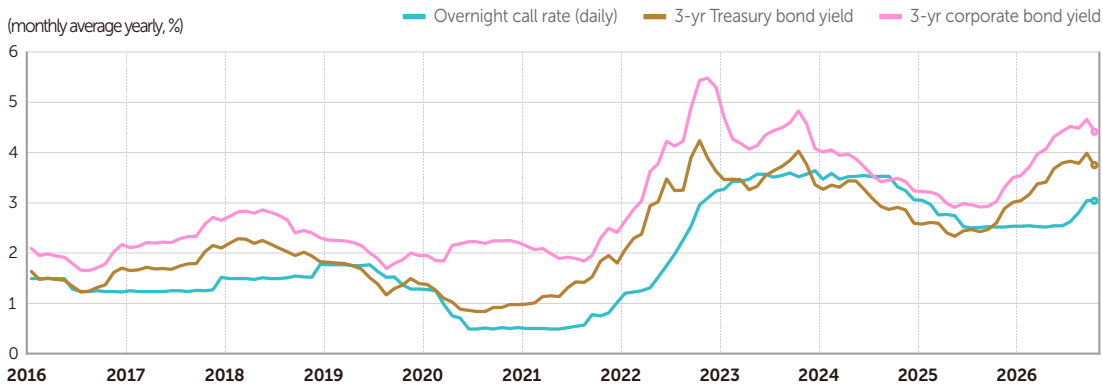
Source: Korea Exchange

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 October compared to the previous month.

	2019	2020	2021	2022	2023	2024	2025	2026		
	Dec	Dec	Dec	Dec	Dec	Dec	Dec	Sep	Oct	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	1,352.8	1,334.3	1.4
100 Yen-Won	1,059.8	1,051.2	1,032.5	945.6	912.3	934.3	917.6	863.2	846.4	2.0
Yuan-Won	165.6	167.0	186.6	181.6	181.2	202.6	206.0	201.9	200.5	0.7

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- Oct 2026, %.

4. Money market

In September, M2 (monthly average) rose 5.5 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	Jul	Aug	Sep[1]	Sep[2]
M1[3]	9.5	4.7	3.9	20.9	21.5	4.2	-10.6	2.9	5.2	6.4	4.1	3.4	1,351.9
M2	6.8	5.7	6.2	11.1	11.4	9.8	3.8	3.3	4.5	5.8	5.6	5.5	4,257.8
Lf[4]	7.4	6.4	7.8	8.4	8.6	8.3	3.5	6.4	6.9	7.5	7.2	6.8	6,380.5

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).

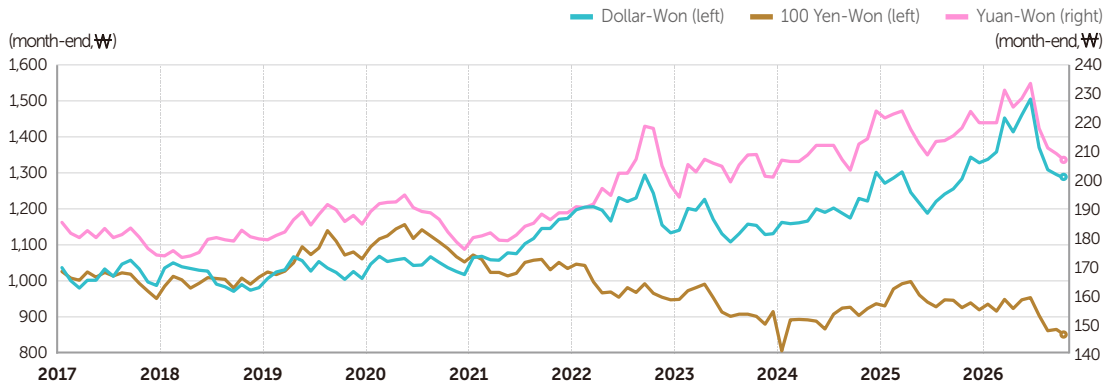
In October, total deposits increased for banks, and Asset Management Companies (AMC) recorded a positive increase in total deposits.

(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	Jul	Aug	Sep	Oct	Oct[1]
Bank deposits	79.5	91.6	106.3	188.4	198.5	110.4	76.4	111.7	100.2	-30.0	0.1	29.1	30.4	2,652.1
AMC deposits	27.9	53.8	98.6	42.2	93.9	45.4	93.7	117.2	241.0	-42.8	23.5	-11.1	11.2	1,549.5

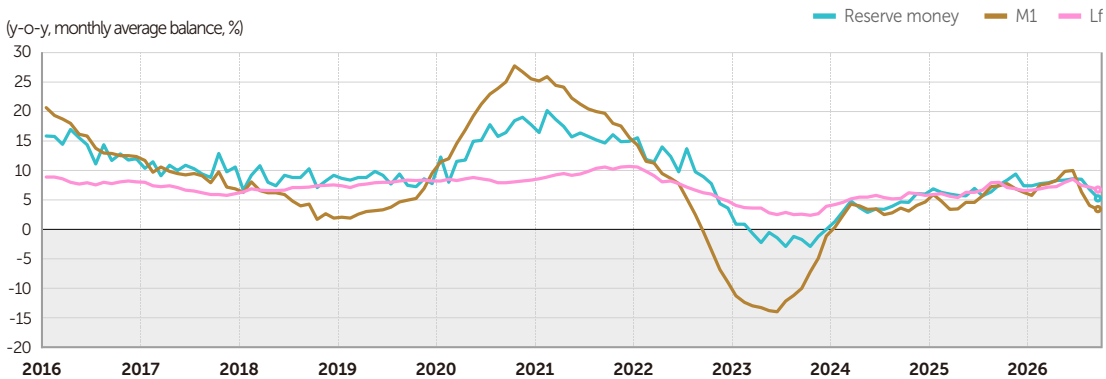
Source: Bank of Korea.
[1]Balance at end- Oct 2026.

Foreign exchange rates



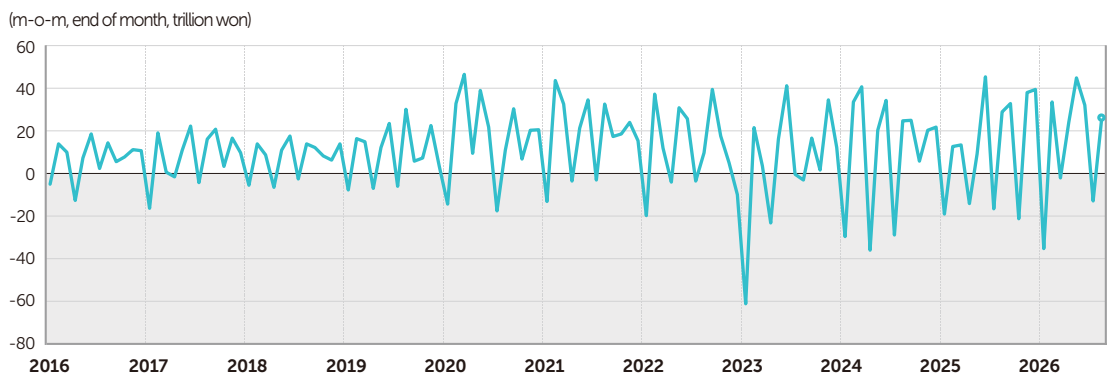
Source: Bank of Korea.

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 $443.2 billion as of the end of October.

(US $ billion)

	2022	2023	2024	2025	2026		
					Sep	Oct	Change (m-o-m)
Official foreign reserves	423.2	420.2	415.6	428.1	440.6	443.2 (100.0%)	2.6
- Securities[1]	369.7	373.7	366.7	371.1	386.0	382.4 (86.3%)	-3.6
- Deposits	29.4	22.0	25.2	31.9	30.0	36.3 (8.2%)	6.3
- SDRs	14.8	15.1	14.7	15.9	15.5	15.4 (3.5%)	-0.1
- IMF position[2]	4.5	4.6	4.2	4.4	4.3	4.3 (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 $830.6 billion as of the end of the third quarter of 2026, up US $17.7 billion quarter-on-quarter. Short-term debt was US $189.0 billion *(down US$ 9.5 billion q-o-q)*, and long-term debt was US $641.5 billion *(up US$ 27.2 billion q-o-q)*. Net external assets increased by US $49.0 billion to US $416.8 billion.

(End-period, US $billion)

	2025[1]				2026[1]			Change (q-o-q)
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	
External assets (in debt instruments, A)	1,057.0	1,099.6	1,127.8	1,143.2	1,139.9	1,180.6	1,247.3	66.7
Total debt (B)	687.9	739.6	741.8	770.2	774.4	812.8	830.6	17.7
- Short-term	149.8	168.0	162.8	179.4	183.6	198.5	189.0	-9.5
- Long-term	538.1	571.6	579.0	590.8	590.8	614.3	641.5	27.2
Short-term/Total debt (%)	21.8	22.7	21.9	23.3	23.7	24.4	22.8	-1.7%
Short-term/Reserve assets (%)	36.6	40.9	38.6	41.9	43.3	46.5	42.9	-3.5%
Net external assets (A-B)	369.1	360.0	386.1	373.1	365.5	367.8	416.8	49.0

Source: Ministry of Finance and Economy, Bank of Korea.
[1] Preliminary.

Public Finance

1. Fiscal balance

The consolidated fiscal balance recorded a surplus of 20.4 trillion won in September, a increase of of 83.9 trillion won year-on-year. The managed fiscal balance recorded a deficit of 32.0 trillion won, an increase of 70.5 trillion won year-on-year.

(Trillion won, percent)

	2025					2026[1]			Change
	Supplementary budget (a)	Settlement (b)	Sep (Cumulative, c)	(c)/(a)	(c)/(b)	Supplementary budget (d)	Sep (Cumulative, e)	(e)/(d)	(e)-(c)
A. Total revenue	642.4	637.4	480.7	74.8	75.4	700.6	605.4	86.4	124.6
B. Total spending	703.3	684.1	544.2	77.4	79.6	753.1	584.9	77.7	40.7
C. Consolidated fiscal balance (A-B)	-60.8	-46.7	-63.5	-	-	-52.5	20.4	-	83.9
D. Net social security fund[2]	50.8	57.5	39.0	-	-	55.1	52.4	-	13.5
E. Managed fiscal balance (C-D)	-111.6	-104.2	-102.4	-	-	-107.6	-32.0	-	70.5

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	20251	2026[1]
Consolidated fiscal balance	16.9	24.0	31.2	-12.0	-71.2	-30.5	-64.6	-36.8	-43.5	-46.7	20.4
Managed fiscal balance	-22.7	-18.5	-10.6	-54.4	-112.0	-90.6	-117.0	-87.0	-104.8	-104.2	-32.0

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

[1] Preliminary.

2. Government debt

The total amount of central government debt in August was 1,369.4 trillion won, down 2.7 trillion won from a month earlier. Korean Treasuries totaled 1,368.0 trillion won, which is comprised of bonds at 1,262.4 trillion won, national housing bonds at 72.5 trillion won, and foreign exchange stabilization bonds at 33.0 trillion won.

(Trillion won)

	2020	2021	2022	2023	2024	2025	2026[1]	
	Annual	Annual	Annual	Annual	Annual	Annual	Aug	Sep
Central gov't debt	819.2	939.1	1,033.4	1,092.5	1,141.2	1,268.1	1,372.1	1,369.4
(% 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	1,370.5	1,368.0
· Bonds	726.8	843.7	937.5	998.0	1,047.9	1,161.3	1,263.5	1,262.4
· National housing bonds	78.9	82.2	82.2	81.6	79.1	75.6	72.8	72.5
· Foreign exchange stabilization bonds	9.5	11.2	11.8	11.5	12.8	29.5	34.2	33.0
- Loans	3.3	2.0	1.9	1.2	1.2	1.5	1.5	1.4
- 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



- Deputy Prime Minister Lee Conducts Site Visit and Holds Industry Meeting to Strengthen EV Competitiveness
- Deputy Prime Minister Lee Hyoung Il Meets with Fitch Ratings Delegation for Annual Consultation
- Nine Countries, Led by Korea, Lay the Groundwork for Cooperation on the Global Verified Carbon Market (GVCM)
- IMF Staff Completes 2026 Article IV Mission to the Republic of Korea

Deputy Prime Minister Lee Conducts Site Visit and Holds Industry Meeting to Strengthen EV Competitiveness



On November 2, Deputy Prime Minister and Minister of Finance and Economy Lee Hyoung Il visited the Hyundai Motor and Kia R&D Center in Hwaseong, Gyeonggi Province, and held a meeting with industry representatives to discuss ways to strengthen the competitiveness of the electric vehicle (EV) industry.

The visit and meeting were organized to review the current state of the EV industry and autonomous driving technology development, as well as to gather industry feedback on challenges facing businesses and areas where government support is needed.

During the visit, Deputy Prime Minister Lee inspected autonomous driving test vehicles scheduled to be deployed in Gwangju Autonomous Driving Demonstration City starting in November 2026 and reviewed progress in vehicle production and technology development. He also received briefings on plans by Hyundai Motor and other Korean companies to develop next-generation EVs and autonomous vehicles.

At the subsequent meeting, Deputy Prime Minister Lee stated, "EVs represent the next key battleground for boosting Korea's potential growth rate." He noted that Korean companies must achieve technological capabilities on par with those of global leaders within the next two to three years to remain competitive, making rapid adaptation and technological innovation more critical than ever.

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Representatives from the EV, autonomous vehicle, and automotive parts industries emphasized the need for swift government support to help Korean companies survive intensifying global competition and requested the introduction of production tax credits for EVs. They also called for expanded support to help automotive parts suppliers transition to future mobility technologies, the establishment of a legal framework for introducing a battery leasing system, and an increase in specialized personnel at the agency responsible for autonomous vehicles.

In response, Deputy Prime Minister Lee reaffirmed the government's commitment to making every effort alongside businesses. He stated that the government would carefully review the industry's proposals in consultation with relevant ministries and take prompt steps to address them. Regarding production tax credits for EVs, the government would actively participate in discussions at the National Assembly and engage in substantive deliberations. In addition, the government would formulate and announce measures to strengthen the competitiveness of the EV industry in November, reflecting industry feedback raised at the meeting. These measures would include initiatives to enhance autonomous driving technologies and expand R&D in core components and technologies.

Deputy Prime Minister Lee Hyoung Il Meets with Fitch Ratings Delegation for Annual Consultation



On November 5, Deputy Prime Minister and Minister of Finance and Economy Lee Hyoung Il met with a delegation from Fitch Ratings as part of its annual consultations to discuss recent developments in the Korean economy and key policy directions.

Deputy Prime Minister Lee explained that Korea's economy is likely to grow in the mid-3 percent range this year, as the boom in artificial intelligence (AI) and semiconductors drives exports and investment. He also said he expected Korea's potential growth rate to reverse its downward trend and rebound. Emphasizing the importance of translating the current economic boom into sustainable growth, he outlined the government's three key policy priorities.

First, the government is moving forward as planned with three mega-projects in semiconductors, physical AI and AI data centers to raise the country's potential growth rate, along with seven SEED projects aimed at fostering future growth engines. In particular, the government plans to actively support the spread of productivity gains from the AI and semiconductor boom to other industries and the broader domestic economy, thereby further strengthening the foundations for Korea's economic growth.

Second, as growth disparities across industries and regions persist despite the boom in certain sectors, including semiconductors, the government is also focusing its policy efforts on reducing economic polarization and ensuring that the benefits of growth are more widely shared. The government is discussing fundamental solutions with various research institutions while pursuing three major projects in housing, employment and inclusive finance in the short term. Through these efforts, including job creation for young people and strengthening the foundations for regional growth, the government aims to ensure that the benefits of economic growth are widely shared among the Korean people and across the broader economy.

Finally, the government intends to make effective use of increased tax revenues generated by the AI and semiconductor boom to invest in future growth and strengthen fiscal soundness. In particular, it plans to invest in growth engines through initiatives such as the Future Fund, while setting aside a substantial portion of the temporary increase in tax revenue to prepare for potential external shocks. It also aims to enhance medium- to long-term fiscal sustainability, including by keeping the government debt-to-GDP ratio below 50 percent by 2030 through performance-oriented fiscal management and expenditure restructuring.

The Fitch delegation expressed strong interest in whether Korea's recent economic momentum could be structurally sustainable beyond a temporary upswing in the semiconductor cycle. In response, Deputy Prime Minister Lee stressed that, despite structural challenges such as population decline and aging, Korea could achieve economy-wide productivity gains and raise its potential growth rate by actively fostering new growth engines through large-scale capital investment and promoting the adoption of AI across regions and small and medium-sized enterprises (SMEs).

[1] The government initiatives aimed at fostering advanced technologies as future growth engines. They cover small modular reactors (SMRs), fusion energy, renewable energy, quantum technology, space and aviation, advanced biotechnology and advanced supply chains.

Nine Countries, Led by Korea, Lay the Groundwork for Cooperation on the Global Verified Carbon Market (GVCM)



On November 14, the Ministry of Finance and Economy held a signing ceremony for the Joint Statement of Intent on the Global Verified Carbon Market (GVCM) in Antalya, Türkiye, on the occasion of the 31st Conference of the Parties to the United Nations Framework Convention on Climate Change (COP31). Nine countries, including Korea, participated in the signing ceremony.

The signing marks a significant step in translating MOFE's initiative for a new plurilateral carbon market cooperation framework into concrete action and laying the groundwork for international cooperation toward establishing a credible international carbon market.

Signing of the Joint Statement of Intent on the GVCM

Following the announcement of the Detailed Implementation Plan for the GVCM at the 274th Ministerial Meeting on International Economic Affairs, MOFE secured expressions of interest in joining the GVCM from nine countries, including Korea. The nine countries are Korea, the Dominican Republic, Morocco, Burkina Faso, Sri Lanka, Singapore, Uganda, Côte d'Ivoire, and Paraguay. All nine countries signed the Joint Statement of Intent on the GVCM.

The GVCM will provide common standards and infrastructure for issuing carbon credits that can be used by multiple countries. Under this framework, companies will be able to undertake greenhouse gas reduction projects in developing countries, generate carbon credits, and trade them in international carbon markets. In particular, the use of common standards and procedures across participating countries is expected to reduce the burden on companies in implementing projects while facilitating carbon credit trading and expanding private investment.

The GVCM will also adopt a member-driven model in which participating countries are directly involved in decision-making. Its governance structure has been designed to enable participating countries to take part in determining the issuing body's operational direction and making key decisions through its board and other governing bodies.

In his opening remarks delivered via video, Deputy Prime Minister Lee Hyoung Il stated, "It will be developed jointly to reflect the diverse experiences and development needs of participating countries." He also highlighted the significance of the GVCM as "the first plurilateral model with more than three participating countries."

In 2027, MOFE plans to work with the signatory countries to develop the governance structure, operational framework, and detailed arrangements needed to advance preparations for and the operation of the GVCM.

Signing of a Trilateral MOU among MOFE, GGGI, and ICVCM

MOFE also signed a trilateral Memorandum of Understanding (MOU) with the Global Green Growth Institute (GGGI) and the Integrity Council for the Voluntary Carbon Market (ICVCM) to enhance the credibility and quality of the GVCM. The MOU is significant in that it establishes a framework for cooperation with an international organization and a specialized institution to ensure the integrity of carbon credits, a major priority in promoting international carbon markets.

GGGI is an international organization that supports developing countries in addressing climate change and pursuing green growth, drawing on its extensive experience and networks in cooperating with various countries. ICVCM is an independent international private-sector body dedicated to strengthening the integrity of the voluntary carbon market. It has established the Core Carbon Principles (CCPs), which provide a framework for assessing the quality of carbon credits.

Under the MOU, the three organizations agreed to pursue cooperation to improve the quality of the GVCM, including sharing knowledge related to the CCPs and providing education and training for GVCM participating countries.

The cooperation is expected to enhance the credibility and operational capacity of the GVCM by combining GGGI's experience in supporting emissions reduction projects in developing countries with ICVCM's expertise in carbon credit quality.

Deputy Minister for International Affairs Moon Ji Sung stated, "We have been considering how to balance two objectives: promoting greenhouse gas reduction projects and ensuring the integrity of carbon markets." He added, "We hope that this MOU will help improve the quality of the GVCM by enabling us to draw on ICVCM's expertise and experience."

MOFE plans to complete the establishment of the GVCM credit-issuing body in 2027 and continue efforts to encourage the participation of more countries, international organizations, and private-sector institutions.

IMF Staff Completes 2026 Article IV Mission to the Republic of Korea



An International Monetary Fund (IMF) team, led by Ms. Corinne Deléchat, Mission Chief for the Republic of Korea, visited the country from November 3 to 17, 2026, to hold discussions for the 2026 Article IV Consultation. At the conclusion of the discussions, Ms. Deléchat issued the following statement:

"The global AI upcycle is providing an exceptional boost to the Korean economy through record-high semiconductor exports, driving strong corporate earnings and fiscal revenue. So far, gains have been largely concentrated in the technology sector, and will only gradually spill over to the broader economy. Sustaining recent gains from the AI upcycle would require addressing longstanding structural headwinds, including rapid population aging, widening regional disparities and uneven productivity growth across firms and workers.

"Real GDP growth is projected to accelerate to 3.9 percent in 2026 from 1.1 percent last year, driven by surging technology exports, rebounding investment and resilient consumption. Growth is projected to remain high at 3.3 percent in 2027, as income gains in the technology sector spill over to consumption, and investments to accelerate Korea's AI transformation start materializing. These investments are projected to lift potential growth over the medium term. While the authorities' response helped mitigate the inflationary impact of higher energy prices, inflation is projected to reach 2.7 percent in 2026 and 2.3 percent in 2027 owing to strengthening domestic demand. Uncertainty around the outlook is high, and risks to activity are tilted to the downside.

"With the economy operating above potential and inflation above target, macroeconomic policies in the near-term should remain carefully calibrated to contain demand pressures while mitigating concentration risks amid heightened uncertainty. Further monetary tightening is appropriate to prevent inflationary pressures from becoming entrenched. At the same time, a somewhat more contractionary fiscal stance would also help contain aggregate demand pressures, while providing targeted support to vulnerable households and firms. In this context, the creation of the Future Response Fund as a fiscal stabilization vehicle is welcome and should contribute to strengthening the countercyclicality of fiscal policy. Against a backdrop of heightened financial market volatility, the authorities' proactive measures to contain housing market pressures, enhance investor protection, and address pockets of financial sector vulnerabilities have helped preserve financial stability. Exchange rate flexibility should remain the primary mechanism for absorbing external shocks, and foreign exchange interventions limited to preventing disorderly market conditions.

"Structural reforms should focus on making growth more resilient and inclusive by helping unlock household consumption, enhance investment opportunities and mitigate exposure to external shocks. Policies to raise labor force participation, address wage gaps across different categories of workers and expand social protection would help lift household income and consumption. Targeted efforts to support broader AI adoption and diffusion, including through regional growth clusters and productivity-enhancing public investment outside the Seoul region, would help support more balanced development and open new productive investment opportunities. Diversifying Korea's sources of external demand and continuing the transition toward more renewable energy would strengthen economic resilience to external shocks. The focus of the authorities' economic growth strategy on addressing some of these longstanding challenges, including through balanced regional development, is welcome.

"The IMF team exchanged views on recent economic developments and the outlook with officials in the government, the Bank of Korea, other public institutions, and private sector representatives. The team would like to thank the authorities and other interlocutors for the productive discussions. The IMF's Executive Board is tentatively scheduled to discuss the Staff Report in January 2027."

Related Websites

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

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

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

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

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

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

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https://www.moel.go.kr/english

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

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

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https://www.knoc.co.kr/ENG/main.jsp#



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