

Embargo:

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THE EMPLOYMENT INDICATORS FOR DECEMBER 2024 SHOWED A TEMPORARY SLOWDOWN DUE TO REDUCED CONSUMER SENTIMENT AND THE END OF DIRECT JOB PROGRAMS

In December 2024, the employment rate for those aged 15 and above reached 61.4% (the second highest for December on record), down by 0.3%p compared to the previous year. The employment rate for those aged 15-64 stood at 69.4% (the highest for December on record), an increase of 0.2%p from the previous year. The labor force participation rate was 63.9% (the highest for December on record), up 0.1%p from the previous year, while the unemployment rate rose to 3.8%, an increase of 0.5 %p year-on-year.

* Employment Indicators for December (2023→2024, %): <Employment rate> 61.7 → **61.4**
<Labor force participation rate> 63.8 → **63.9**
<Unemployment rate> 3.3 → **3.8**

The number of employed persons fell by 52,000 compared to the previous year. By industry, the service industry (350,000 → 177,000) and the agriculture, forestry and fisheries industry (-35,000 → 25,000) saw increases, while there were declines in the construction (-96,000 → -157,000) and manufacturing (-95,000 → -97,000) sectors. By age group, employment rate rose for those in their 30s (80.5%, +0.9%p) and 40s (79.3%, +0.3%p), but decreased for the youth (44.7%, -1.3%p), those in their 50s (77.2%, -0.2%p), and those aged 60 and above (45.9%, +0.4%p).

* Growth in the number of employed persons, 2024 (year-on-year, ten thousand): (Q1) +29.4 (Q2) +14.6 (Q3) +14.6
(Oct) +8.3 (Nov) +12.3 (Dec) -5.2

The employment indicators for December 2024 showed a temporary slowdown due to factors such as the weakening of consumer sentiment caused by political uncertainty and the end of year-end direct job programs. However, with the expansion (1.178 million in 2024 → 1.239 million in 2025) and resumption of direct job programs starting from January 2025, the temporary employment stagnation seen in December 2024 is expected to largely ease.

On an annual basis for 2024, the pace of employment growth was adjusted due to base effects, as employment during 2022-2023 significantly exceeded its long-term trend. As a result, the increase in the number of employed people was reduced to 159,000, compared to 327,000 in 2023. However, both the employment rate for those aged 15 and above (62.7%, +0.1%p) and the employment rate for those aged 15-64 (69.5%, +0.3%p) reached record highs.

In 2025, 120,000 jobs are expected to be created. While the increase in employment will be smaller compared to 2024 due to a larger decrease in the working-age population, the employment rate is expected to continue rising to 62.8%. However, amid the escalating domestic and external

uncertainties, the base effect from the strong employment growth of over 300,000 in January-February of the previous year may limit the employment growth during the same period in 2025.

The government plans to strengthen efforts to create private-sector jobs for the prompt improvement of the employment situation, while also putting more detailed efforts into achieving employment stability for vulnerable groups. In the first half of the year, the government plans to actively support domestic recovery and job creation by swiftly executing more than 70% of livelihood- and economic- related projects, along with injecting around 18 trillion won to stimulate the economy. Not only that, the government will promptly implement direct job programs and closely review and improve employment support measures for vulnerable groups, including youth, through a pan-government task force.