

Embargo:

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CURRENT ECONOMIC SITUATION, FEBRUARY 2025

In December 2024, industrial and services production, and facilities and construction investments climbed up while retail sales dropped.

Production increased in the industrial (+4.6% m-o-m, +5.3% y-o-y), services (+1.7% m-o-m, +1.2% y-o-y), and construction (+1.3% m-o-m, -8.3% y-o-y) sectors, leading to growth in the entire industrial production (+2.3% m-o-m, +1.4% y-o-y)

Facilities investment (+9.9% m-o-m, +13.1% y-o-y) and construction investment went up (+1.3% m-o-m, -8.3% y-o-y) while retail sales went down (-0.6% m-o-m, -3.3% y-o-y).

Exports in January 2025 fell by 10.3% year-on-year, due to the reduced number of working days. Average daily exports surged by 7.7% in January compared to the same month of last year.

The consumer sentiment index (CSI) in January rose by 3.0 points month-on-month to 91.2. Although the composite business sentiment index (CBSI) moved down by 1.4 points to 85.9, the CBSI outlook for February moved up by 2.5 points to 85.4.

The cyclical indicator of the coincident composite index for December remained unchanged, while the cyclical indicator of the leading composite index decreased by 0.2 points.

In January, the number of employed persons has shifted to an upward trend, while consumer price growth rose at a faster pace.

The number of employed persons grew by 135,000 compared to the same month last year, and the unemployment rate remained unchanged at 3.7% from a year ago.

The year-on-year consumer price index (CPI) climbed to 2.2% while the CPI excluding the food and energy sectors grew by 1.9%.

In January, stock prices surged, Korean Treasury Bond yields fell and the Korean won strengthened.

In December, housing prices declined (-0.07%, m-o-m), while the growth in *Jeonse*¹ prices rose at a slower pace (+0.01%, m-o-m).

Recently, the Korean economy has faced delayed recovery in domestic demand, such as consumption and construction investment, along with sustained challenges in employment

¹ lump-sum deposits with no monthly payments

particularly in vulnerable sectors. Moreover, economic sentiment has weakened due to escalating domestic and external uncertainties, leading to heightened downward pressure on the economy.

Amid ongoing geopolitical risks, the global economy is facing increased uncertainties in trade, including the potential imposition of tariffs by major countries.

Based on the livelihood and economic response plan for the first quarter, all available means will be mobilized to swiftly prepare and implement improvement measures for each area including employment, public finance, and small businesses. Furthermore, the government will proactively respond to trade environment uncertainties, including supporting domestic companies that may be affected by the imposition of U.S. tariffs and establishing a fund for advanced strategic industries.

Key Statistics

Employment

	2023	2024												2025
	Annual	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan
Number of employed (million)	28.42	27.74	28.04	28.40	28.69	28.91	28.91	28.86	28.80	28.84	28.85	28.82	28.04	27.88
Employment rate (%)	62.6	61.0	61.6	62.4	63.0	63.5	63.5	63.3	63.2	63.3	63.3	63.2	61.4	61.0
(Seasonally adjusted)	62.6	62.8	63.0	62.8	62.9	62.6	62.6	62.6	62.7	62.8	62.7	62.7	62.3	62.9

Consumer Price Index

(%)

	2023				2024												2025
	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan
y-o-y	3.7	3.8	3.3	3.2	2.8	3.1	3.1	2.9	2.7	2.4	2.6	2.0	1.6	1.3	1.5	1.9	2.2
m-o-m	0.5	0.4	-0.5	0.0	0.4	0.5	0.1	0.0	0.1	-0.2	0.3	0.4	0.1	0.0	-0.3	0.4	0.7

Retail Sales

(Percentage change from the previous period, %)

	2022					2023					2024						
	Annual	Q1	Q2	Q3	Q4	Annual	Q1	Q2	Q3	Q4	Annual	Q1	Q2	Q3	Q4 ¹	Nov ¹	Dec ¹
Retail sales	-0.3	-0.9	-0.7	0.8	-1.5	-1.5	0.6	-0.5	-1.9	0.4	-2.2	-0.5	-0.8	-0.6	-0.6	0.0	-0.6
(y-o-y)	-	2.6	-0.2	-0.9	-2.3	-	-0.8	-0.7	-2.7	-1.9	-	-2.1	-2.9	-1.9	-2.1	-2.2	-3.3

1. Preliminary

Facility Investment Index

(Percentage change from the previous period, %)

	2022					2023					2024						
	Annual	Q1	Q2	Q3	Q4	Annual	Q1	Q2	Q3	Q4	Annual	Q1	Q2	Q3	Q4 ¹	Dec ¹	
																Dec ¹	
Facility investment index	2.5	1.8	-2.2	9.8	-1.6	-4.9	-8.6	1.5	-1.9	5.0	4.1	-3.8	-0.2	10.3	0.1	9.9	
(y-o-y)	-	-0.7	-3.6	5.6	9.1	-	-1.9	-1.3	-9.9	-6.0	-	0.3	-1.5	10.7	7.0	13.1	

1. Preliminary

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Construction Completed

(Percentage change from the previous period, %)

	2022					2023					2024						
	Annual	Q1	Q2	Q3	Q4	Annual	Q1	Q2	Q3	Q4	Annual	Q1	Q2	Q3	Q4¹		
																Dec¹	
Construction Completed (Constant)	2.8	-1.5	1.5	1.5	4.3	7.3	2.8	1.1	1.1	-2.5	-4.9	4.9	-6.2	-5.0	-5.2	1.3	
(y-o-y)	-	-1.7	1.9	3.6	6.7	-	11.5	8.7	10.1	0.6	-	4.1	-3.0	-9.6	-10.1	-8.3	

1. Preliminary

Exports and Imports

(US\$ billion, y-o-y, %)

	2023					2024						2025
	Annual	Q1	Q2	Q3	Q4	Annual	Q1		Q2	Q3	Q4	Jan
								Jan				
Exports	632.23	151.22	155.78	157.10	168.12	683.69	163.34	54.73	171.51	173.66	175.18	49.12
(y-o-y, %)	-7.5	-12.8	-12.0	-9.7	5.7	8.1	8.0	18.1	10.1	10.5	4.2	-10.3
Average daily exports	2.34	2.24	2.33	2.29	2.49	2.53	2.44	2.28	2.58	2.54	2.56	2.46
Imports	642.59	174.04	159.25	150.72	158.56	632.10	155.10	54.47	156.97	160.02	159.93	51.00
(y-o-y, %)	-12.1	-2.2	-13.2	-21.6	-10.7	-1.6	-10.9	-7.7	-1.4	6.2	0.9	-6.4
Average daily imports	2.38	2.58	2.38	2.20	2.35	2.34	2.31	2.27	2.36	2.34	2.33	2.55

Industrial Production (Mining, Manufacturing, Electricity and Gas Production)

(Percentage change from the previous period, %)

		2022	2023					2024							
		Annual	Annual	Q1	Q2	Q3	Q4	Annual ¹	Q1	Q2	Q3	Q4 ¹	Nov ¹	Dec ¹	
Total Production ²		m-o-m, q-o-q	-	-	0.4	2.6	1.3	2.2	-	-0.3	1.1	-1.0	2.3	-0.3	4.6
		y-o-y	1.0	-2.6	-8.3	-6.1	-0.4	4.8	4.1	5.9	4.8	2.4	3.7	0.1	5.3
Manufacturing	Production	m-o-m, q-o-q	-	-	0.3	3.0	1.3	2.2	-	-0.5	1.5	-1.3	2.6	-0.2	4.4
		y-o-y	0.9	-2.6	-8.7	-6.2	-0.2	5.1	4.4	6.2	5.0	2.3	4.1	0.4	5.5
	Shipments (m-o-m, q-o-q)		0.3	-0.5	0.1	2.6	-0.8	2.0	0.5	-3.0	1.5	-1.1	0.7	-0.2	8.2
	Inventory ³ (m-o-m, q-o-q)		4.1	-2.1	3.4	-0.8	2.4	-6.6	-2.0	1.0	-2.4	1.9	-2.1	-0.4	-3.6
	Production capacity (y-o-y)		-0.5	0.1	-0.9	-0.8	0.0	2.1	0.9	1.6	1.1	0.4	0.8	0.8	0.7
	Average operation ratio ⁴		74.5	71.9	70.6	72.0	72.3	72.5	72.9	72.7	73.5	72.9	72.3	71.6	73.5

1. Preliminary

2. Mining, Manufacturing, Electricity and Gas Production

3. End-point (month, quarter, and year)

4. Average operation ratio for the month (or quarter)

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Service Output

(Percentage change from the previous period, %)

	2022					2023					2024						
	Annual	Q1	Q2	Q3	Q4	Annual	Q1	Q2	Q3	Q4	Annual ¹	Q1	Q2	Q3	Q4 ¹	Nov ¹	Dec ¹
Service output	7.0	0.6	3.3	1.6	0.3	3.1	1.0	0.0	1.0	0.3	1.4	0.8	-0.3	0.2	0.4	-0.2	1.7

1. Preliminary

Composite Indices of Coincident and Leading Indicators

(Points)

	2024											
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct ¹	Nov ¹	Dec ¹
Cyclical indicator of coincident composite index	99.9	100.1	99.8	99.7	99.1	99.0	98.3	98.2	98.1	98.1	97.6	97.6
m-o-m (points)	0.1	0.2	-0.3	-0.1	-0.6	-0.1	-0.7	-0.1	-0.1	0.0	-0.5	0.0
Cyclical indicator of leading composite index	100.2	100.4	100.2	100.5	100.5	100.7	100.7	100.6	100.7	100.6	100.8	100.6
m-o-m (points)	0.0	0.2	-0.2	0.3	0.0	0.2	0.0	-0.1	0.1	-0.1	0.2	-0.2

1. Preliminary