

Embargo:

Release Date: April 12, 2024

Contact Information: Kim, Gwi Beom (044-215-2750/ Economic Analysis Division)

CURRENT ECONOMIC SITUATION, APRIL 2024

In February, industrial and services production and facilities investment saw an increase while retail sales and construction investment dropped.

Despite a decline in construction production (-1.9% m-o-m and +0.5% y-o-y), the entire production climbed up (+1.3% m-o-m and +2.0% y-o-y) due to a surge in both industrial production (+3.1% m-o-m and +4.8% y-o-y) and services production (+0.7% m-o-m and +1.2% y-o-y).

Retail sales (-3.1% m-o-m and +0.9% y-o-y) and construction investment down (-1.9% m-o-m and +0.5% y-o-y) while facilities investment increased (+10.3% m-o-m and -0.3% y-o-y).

In March, exports moved up by 3.1% from a year ago, thanks to the expanded exports of semiconductors and ships. Average daily exports increased by 9.9% in March compared to the same month of last year.

The consumer sentiment index (CSI) in March fell by 1.2 points month-on-month to 100.7. While the business survey index (BSI) for the entire sector grew by 1 points month-on-month to 69, the BSI outlook for April dropped by 1 points month-on-month to 71.

The cyclical indicator of the coincident composite index (+0.2 points) and the cyclical indicator of the leading composite index (+0.1 points) for February all went up.

In March, job growth improved while consumer price growth remained unchanged.

The economy added 173 thousand jobs year-on-year and the unemployment rate grew by 0.1%p from a year ago to 3.0%.

The consumer price index (CPI) growth remained unchanged at 3.1% m-o-m while the CPI excluding the food and energy sectors increased by 2.4% with the index excluding the agricultural and petroleum sectors up by 2.4%. The CPI for basic necessities moved up by 3.8%.

In March, Korean Treasury Bond yields declined owing to the ongoing expectation for the interest rate cut by the US Fed and stock prices rose on the back of a rebound in semiconductors. The Korean Won weakened due to the US's strong economic index.

In February, housing prices continued to decline (-0.14 % m-o-m) and *Jeonse*¹ prices rose (+0.03% m-o-m).

Recently, inflation slowdown has been moderated in the Korean economy, while the recovery momentum continues mainly driven by manufacturing production and exports, and job

¹ lump-sum deposits with no monthly payments

growth remains strong. However, pace of recovery differs across economic sectors, with weakened commodity consumption and sluggish leading indicators in construction.

Internationally, alongside the anticipations for the global manufacturing industry's growth including the IT sector, prospects for a soft landing of the global economy continue. At the same time, uncertainties linger due to geopolitical risks such as the Russia-Ukraine war and the escalation of conflicts in the Middle East resulting in the volatility in commodity prices.

Along with a concerted effort to achieve the firm anchoring of price stability, the government will focus on restoring a balanced recovery by expanding economic recovery momentum into vulnerable areas in people's lives and domestic demand. In addition, strengthened endeavors will be made to meticulously manage potential risks and enhance dynamism in the Korean economy, with the pursuit of innovation, fairness, and social mobility.

Key Statistics

Employment

	2022	2023								2024		
	Annual	Annual	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Number of employed (million)	28.09	28.42	28.81	28.69	28.68	28.70	28.76	28.70	28.09	27.74	28.04	28.40
Employment rate (%)	62.1	62.6	63.5	63.2	63.1	63.2	63.3	63.1	61.7	61.0	61.6	62.4
(Seasonally adjusted)	62.1	62.6	62.7	62.5	62.6	62.7	62.7	62.5	62.4	62.8	63.0	62.8

Consumer Price Index

	2023												2024		
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
y-o-y	5.0	4.7	4.2	3.7	3.4	2.7	2.4	3.4	3.7	3.8	3.3	3.2	2.8	3.1	3.1
m-o-m	0.7	0.2	0.2	0.2	0.3	0.0	0.1	0.9	0.5	0.4	-0.5	0.0	0.4	0.5	0.1

Retail Sales

(Percentage change from the previous period, %)

	2021					2022					2023					2024	
	Annual	Q1	Q2	Q3	Q4	Annual	Q1	Q2	Q3	Q4	Annual	Q1	Q2	Q3	Q4 ¹	Jan ¹	Feb ¹
Retail sales	5.8	2.1	2.4	1.2	0.2	-0.3	-0.9	-0.7	0.8	-1.5	-1.5	0.6	-0.5	-1.9	0.4	1.0	-3.1
(y-o-y)	-	6.3	5.0	5.4	6.6	-	2.6	-0.2	-0.9	-2.3	-	-0.8	-0.7	-2.7	-1.9	-3.3	0.9

1. Preliminary

Facility Investment Index

(Percentage change from the previous period, %)

	2021					2022					2023					2024	
	Annual	Q1	Q2	Q3	Q4	Annual	Q1	Q2	Q3	Q4	Annual	Q1	Q2	Q3	Q4 ¹	Jan ¹	Feb ¹
Facility investment index	9.6	7.5	0.6	-0.9	-1.6	3.3	1.8	-1.5	9.6	-1.5	-5.4	-8.0	1.0	-3.1	3.1	-5.9	10.3
(y-o-y)	-	12.4	13.2	6.2	6.2	-	-1.3	-2.4	7.5	9.6	-	-1.0	-0.9	-10.7	-8.5	3.8	-0.3

1. Preliminary

MINISTRY OF ECONOMY AND FINANCE

www.moef.go.kr

Construction Completed

(Percentage change from the previous period, %)

	2021					2022					2023					2024	
	Annual	Q1	Q2	Q3	Q4	Annual	Q1	Q2	Q3	Q4	Annual	Q1	Q2	Q3	Q4 ¹	Jan ¹	Feb ¹
Construction Completed (Constant)	-6.7	-4.9	-1.8	-0.1	2.3	2.8	-1.5	1.5	1.5	4.3	7.4	2.8	1.1	1.1	-2.5	13.8	-1.9
(y-o-y)	-	-8.8	-7.2	-8.1	-3.1	2.7	-1.7	1.9	3.6	6.7	-	11.5	8.7	10.1	0.6	18.2	0.5

1. Preliminary

Exports and Imports

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

	2021	2022					2023						2024		
	Annual	Annual	Q1	Q2	Q3	Q4	Annual	Q1	Mar	Q2	Q3	Q4	Jan	Feb	Mar
Exports	644.40	683.58	173.40	177.11	174.02	159.05	632.23	151.22	54.88	155.78	157.10	168.12	54.70	52.41	56.56
(y-o-y, %)	25.7	6.1	18.4	13.0	5.8	-10.0	-7.5	-12.8	-14.0	-12.0	-9.7	5.7	18.0	4.8	3.1
Average daily exports	2.36	2.51	2.67	2.59	2.52	2.27	2.34	2.24	2.16	2.33	2.29	2.49	2.28	2.56	2.51
Imports	615.09	731.37	177.90	183.53	192.30	177.64	642.59	174.04	59.64	159.25	150.72	158.56	54.37	48.11	52.28
(y-o-y, %)	31.5	18.9	30.2	23.0	22.6	3.1	-12.1	-2.2	-6.5	-13.2	-21.6	-10.7	-7.9	-13.1	-12.3
Average daily imports	2.25	2.68	2.74	2.68	2.79	2.54	2.38	2.58	2.48	2.38	2.20	2.35	2.26	2.35	2.32

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

(Percentage change from the previous period, %)

		(Percentage change from the previous period, %)													
		2022					2023						2024		
		Annual	Q1	Q2	Q3	Q4	Annual	Q1	Q2	Q3	Q4	Dec	Jan ¹	Feb ¹	
Total Production ²		m-o-m, q-o-q	-	2.5	-2.2	-3.6	-4.8	-	0.4	2.6	1.3	2.2	-0.4	-1.5	3.1
		y-o-y	1.0	6.2	5.6	-0.6	-6.6	-2.6	-8.3	-6.1	-0.4	4.8	6.3	12.9	4.8
Manufacturing	Production	m-o-m, q-o-q	-	2.3	-2.2	-3.7	-4.9	-	0.3	3.0	1.3	2.2	-0.5	-1.5	3.4
		y-o-y	0.9	6.5	5.6	-0.6	-6.9	-2.6	-8.7	-6.2	-0.2	5.1	6.8	13.7	5.1
	Shipments (m-o-m, q-o-q)		0.3	0.4	-2.1	0.2	-3.4	-0.5	0.1	2.6	-0.8	2.0	2.6	-5.8	2.6
	Inventory ³ (m-o-m, q-o-q)		4.1	-2.3	5.8	-1.5	2.1	-2.1	3.4	-0.8	2.4	-6.6	-5.1	0.9	1.4
	Production capacity (y-o-y)		-0.5	-0.8	0.0	-0.2	-0.9	0.1	-0.9	-0.8	0.0	2.1	3.3	1.5	1.4
	Average operation ratio ⁴		74.5	78.3	75.9	73.7	70.0	71.9	70.6	72.0	72.3	72.5	72.0	72.1	74.6

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)

MINISTRY OF ECONOMY AND FINANCE

www.moef.go.kr

Service Output

(Percentage change from the previous period, %)

	2021					2022					2023					2024	
	Annual	Q1	Q2	Q3	Q4	Annual	Q1	Q2	Q3	Q4	Annual	Q1	Q2	Q3	Q4 ¹	Jan ¹	Feb ¹
Service output	5.0	1.2	2.5	0.1	2.7	7.0	0.6	3.3	1.6	0.3	3.1	1.0	0.0	1.0	0.3	-0.2	0.7

1. Preliminary

Composite Indices of Coincident and Leading Indicators

(Points)

	2023									2024	
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan ¹	Feb ¹
Cyclical indicator of coincident composite index	100.4	100.4	100.3	100.0	99.8	99.6	99.8	99.7	99.6	99.7	99.9
m-o-m (points)	0.2	0.0	-0.1	-0.3	-0.2	-0.2	0.2	-0.1	-0.1	0.1	0.2
Cyclical indicator of leading composite index	98.6	98.8	99.1	99.5	99.5	99.6	99.9	100.1	100.3	100.3	100.4
m-o-m (points)	-0.2	0.2	0.3	0.4	0.0	0.1	0.3	0.2	0.2	0.0	0.1

1. Preliminary