

Embargo:

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CURRENT ECONOMIC SITUATION, MAY 2026

In March 2026, industrial production, facilities investment, and retail sales increased, while construction investment decreased.

Overall industrial production rose (+0.3% m-o-m, +3.5% y-o-y), as gains in mining and manufacturing (+0.3%, +3.6%) and services (+1.4%, +5.1%) outweighed a decline in construction (-7.3%, -5.4%).

Facilities investment moved up (+1.5% m-o-m, +9.2% y-o-y) and retail sales increased (+1.8%, +5.0%).

Exports in April 2026 climbed by 48.0% year-on-year, supported by expanded exports of semiconductor, computers, and ships. Average daily exports rose by 48.0% in April compared to the same month of last year.

The consumer sentiment index (CSI) in April went down by 7.8 points month-on-month to 99.2. The composite business sentiment index (CBSI) grew by 0.8 points to 94.9 and the CBSI outlook for May increased by 0.8 points to 93.9.

The cyclical indicator of the coincident composite index for March went up by 0.5 points and the cyclical indicator of the leading composite index increased by 0.7 points.

In April, the increase in the number of employed persons slowed, while consumer prices accelerated on a month-on-month basis.

The number of employed persons grew by 74,000 from a year earlier, while the unemployment rate remained unchanged at 2.9%.

The year-on-year consumer price index (CPI) climbed by 2.6% (2.2% in March → 2.6% in April), while the index excluding food and energy rose by 2.2%, the index excluding agricultural products and petroleum products rose by 2.2%, and the CPI for living necessities increased by 2.9%.

In April, stock prices rose, Korean Treasury Bond yields increased, and the Korean won strengthened.

In March, both housing prices (+0.15%, m-o-m) and *Jeonse*¹ prices (+0.28%, m-o-m) continued to climb.

¹ lump-sum deposits with no monthly payments

Recently, the Korean economy has maintained its recovery momentum, with growth expanding significantly in the first quarter; however, downside risks to the economy persist due to the conflict in the Middle East.

Exports, led by semiconductors, have remained strong, and domestic demand, including consumption, had continued to improve. However, the Middle East conflict has weighed on consumer sentiment, raising concerns about higher inflation driven by rising global oil prices and increasing burdens on households.

The global economy has maintained a moderate growth trend; however, the conflict in the Middle East has heightened volatility in international financial markets and energy prices, raising concerns over supply chain disruptions, mounting inflationary pressures, and a slowdown in growth.

To minimize the impact of the Middle East conflict, the government will maintain an emergency economic response framework, while swiftly implementing the supplementary budget – including support payments for damages caused by high oil prices – and making every effort to stabilize livelihoods through supply-demand management of key items and price stabilization measures.

Key Statistics

Employment

	2025										2026			
	Annual	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Number of employed (million)	28.77	28.89	29.16	29.09	29.03	28.97	29.15	29.04	29.05	28.21	27.99	28.41	28.79	28.96
Employment rate (%)	62.9	63.2	63.8	63.6	63.4	63.3	63.7	63.4	63.4	61.5	61.0	61.8	62.7	63.0
(Seasonally adjusted)	62.9	62.9	62.9	62.8	62.8	62.8	63.1	62.9	62.9	62.7	62.8	63.0	63.0	62.7

Consumer Price Index

(%)

	2024	2025												2026			
	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
y-o-y	1.9	2.2	2.0	2.1	2.1	1.9	2.2	2.1	1.7	2.1	2.4	2.4	2.3	2.0	2.0	2.2	2.6
m-o-m	0.4	0.7	0.3	0.2	0.1	-0.1	0.0	0.2	-0.1	0.5	0.3	-0.2	0.3	0.4	0.3	0.3	0.5

Retail Sales

(Percentage change from the previous period, %)

	2024					2025					2026				
	Annual	Q1	Q2	Q3	Q4	Annual	Q1	Q2	Q3	Q4	Q1 ¹	Jan	Feb ¹	Mar ¹	
Retail sales	-1.9	-1.2	-0.7	0.4	-0.6	0.3	0.6	-0.6	1.2	0.6	2.4	2.8	-0.3	1.8	
(y-o-y)	-	-1.5	-3.0	-1.4	-1.8	-	-0.8	-0.1	1.6	0.9	3.3	0.5	4.3	5.0	

1. Preliminary

Facility Investment Index

(Percentage change from the previous period, %)

	2024					2025					2026				
	Annual	Q1	Q2	Q3	Q4	Annual	Q1	Q2	Q3	Q4	Q1 ¹	Jan	Feb ¹	Mar ¹	
Facility investment index	3.0	-3.0	0.4	6.0	1.8	1.2	-2.2	0.3	0.6	-3.8	12.6	5.0	14.6	1.5	
(y-o-y)	-	-1.5	-3.4	11.4	5.6	-	5.4	5.5	1.2	-6.2	9.5	13.6	6.2	9.2	

1. Preliminary

Construction Completed

(Percentage change from the previous period, %)

	2024					2025					2026			
	Annual	Q1	Q2	Q3	Q4	Annual	Q1	Q2	Q3	Q4	Q1 ¹	Jan	Feb ¹	Mar ¹
Construction Completed (Constant)	-4.6	4.5	-5.5	-4.6	-4.6	-16.5	-7.2	-2.6	-0.8	-4.1	1.2	-7.8	13.0	-7.3
(y-o-y)	-	4.1	-3.1	-9.9	-9.5	-	-21.1	-17.3	-11.9	-15.1	-5.6	-7.0	-4.3	-5.4

1. Preliminary

Exports and Imports

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

	2024			2025					2026			
	Annual	Q3	Q4	Annual	Q1	Q2	Q3	Q4	Jan	Feb	Mar	Apr
Exports	683.61	173.65	175.15	709.33	159.53	175.13	184.89	189.78	65.83	67.41	86.63	85.89
(y-o-y, %)	8.1	10.5	4.2	3.8	-2.3	2.1	6.5	8.4	33.9	28.9	49.2	48.0
Average daily exports	2.53	2.53	2.56	2.64	2.49	2.63	2.59	2.85	2.80	3.55	3.77	3.58
Imports	631.77	160.00	159.92	631.90	152.84	154.40	162.49	162.16	57.11	51.95	60.39	62.11
(y-o-y, %)	-1.6	6.2	0.9	-0.0	-1.3	-1.8	1.5	1.4	11.6	7.5	13.2	16.7
Average daily imports	2.34	2.34	2.33	2.35	2.39	2.32	2.27	2.44	2.43	2.73	2.63	2.59

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

(Percentage change from the previous period, %)

		2024					2025					2026		
		Annual	Q1	Q2	Q3	Q4	Annual	Q1	Q2	Q3	Q4	Q1 ¹	Mar ¹	
Total Production ²	m-o-m, q-o-q	-	-0.6	1.7	-0.1	1.9	-	0.7	0.0	1.5	-3.4	2.7	0.3	
	y-o-y	4.1	5.1	5.0	2.4	3.8	2.8	2.9	2.1	7.8	-2.0	2.6	3.6	
Manufacturing	Production	m-o-m, q-o-q	-	-0.8	1.8	-0.8	2.1	-	0.1	-0.2	1.4	-3.3	-2.8	6.1
		y-o-y	4.3	5.6	5.1	2.2	4.1	3.0	2.8	2.3	8.1	-1.9	2.9	4.0
	Shipments (m-o-m, q-o-q)	-	-2.8	1.8	-1.0	0.2	-	-0.3	1.2	0.4	-2.0	2.3	1.0	
	Inventory ³ (m-o-m, q-o-q)	-	-2.1	-0.5	0.1	-0.5	-	-3.0	0.0	0.8	0.4	-0.4	-4.3	
	Production capacity (y-o-y)	0.8	1.1	1.0	0.6	1.0	2.3	2.0	1.0	2.9	1.8	0.8	0.8	
Average operation ratio ⁴		72.6	72.4	73.3	72.1	72.5	72.6	72.9	72.5	73.1	71.4	73.3	74.8	

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)

Service Output

(Percentage change from the previous period, %)

	2024					2025					2026			
	Annual	Q1	Q2	Q3	Q4	Annual	Q1	Q2	Q3	Q4	Q1 ¹	Jan	Feb ¹	Mar ¹
Service output	1.1	0.3	0.0	-0.2	1.1	2.0	0.3	0.4	0.7	1.2	1.2	-0.2	0.3	1.4

1. Preliminary

Composite Indices of Coincident and Leading Indicators

(Points)

	2025									2026		
	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb ¹	Mar ¹	
Cyclical indicator of coincident composite index	99.4	99.6	99.6	99.8	99.8	99.4	99.2	99.0	99.0	99.6	100.1	
m-o-m (points)	-0.3	0.2	0.0	0.2	0.0	-0.4	-0.2	-0.2	0.0	0.6	0.5	
Cyclical indicator of leading composite index	99.8	100.0	100.5	100.9	100.9	100.9	101.1	101.6	102.2	102.8	103.5	
m-o-m (points)	0.1	0.2	0.5	0.4	0.0	0.0	0.2	0.5	0.6	0.6	0.7	

1. Preliminary