

**PRESS
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Gross National Income: Fourth Quarter and Annual 2023
(Preliminary)**I. Overview**

Real gross domestic product (real GDP, chained volume measure of GDP) increased by 0.6% in the fourth quarter of 2023 compared to the previous quarter, consistent with the figure given in the advance estimate.

Real gross national income (real GNI) increased by 0.1% in the fourth quarter of 2023 compared to the previous quarter.

GDP and GNI Growth Rates

(at chained 2015 year prices, S.A. series)

(percentage change over previous quarter)

	2 0 2 2 ^P				2 0 2 3 ^P			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Real GDP	0.7	0.8	0.2	-0.3	0.3	0.6	0.6	0.6
	(3.1)	(2.9)	(3.2)	(1.4)	(0.9)	(0.9)	(1.4)	(2.2)
Real GNI	0.4	-0.9	-0.4	0.0	1.9	-0.7	1.6	0.1
	(0.0)	(-1.4)	(-0.6)	(-0.8)	(0.6)	(0.8)	(3.0)	(2.9)

Note: 1) Figures in parentheses are the year-on-year rates of growth of the original series.

II. Real Gross Domestic Product

Quarter-on-quarter

On the production side, manufacturing grew by 1.2%, mainly due to an increase in computer, electronic & optical products.

Construction shrank by 3.8%, owing to a decrease in building construction.

Services expanded by 0.8%, led by transportation & storage and by human health & social work, while finance & insurance services decreased.

Growth Rates by Type of Economic Activity

(at chained 2015 year prices, S.A. series)

	(percentage change over previous quarter)							
	2 0 2 2 ^P				2 0 2 3 ^P			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Gross Domestic Product	0.7	0.8	0.2	-0.3	0.3	0.6	0.6	0.6
Agriculture, forestry & fishing	-1.6	-5.1	2.9	1.3	-6.3	5.4	1.5	-6.7
Manufacturing	2.3	-0.2	-0.6	-3.9	1.3	2.5	1.4	1.2
Electricity, gas & water supply	2.1	-0.2	-0.3	0.1	-3.2	-5.0	-0.5	8.8
Construction	-0.5	-1.4	2.1	2.9	3.0	-3.9	2.3	-3.8
Services ¹⁾	0.4	1.7	0.6	1.1	0.0	0.3	0.3	0.8

Note: 1) Includes wholesale & retail trade; accommodation & food services; transportation & storage; finance & insurance; real estate; information & communication; business activities; public administration, defense & social security; education; human health & social work; and cultural & other services.

On the expenditure side, private consumption increased by 0.2%, as final consumption expenditure of resident households abroad increased, though expenditures on goods decreased.

Government consumption rose by 0.5%, with increased expenditures on goods.

Construction investment decreased by 4.5%, as building construction decreased.

Facilities investment was up by 3.3%, with increased investment in transportation equipment.

Exports expanded by 3.5%, as exports of semiconductors increased. Imports increased by 1.4%, owing to increased imports of petroleum products.

Growth Rates by Component of Expenditure

(at chained 2015 year prices, S.A. series)

(percentage change over previous quarter)

	2 0 2 2 ^P				2 0 2 3 ^P			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Gross Domestic Product	0.7	0.8	0.2	-0.3	0.3	0.6	0.6	0.6
Final consumption expenditure	-0.4	2.3	1.2	0.3	0.6	-0.7	0.3	0.3
(Private)	-0.6	2.9	1.6	-0.5	0.6	-0.1	0.3	0.2
(Government)	0.1	1.0	0.1	2.5	0.4	-2.1	0.2	0.5
Gross fixed capital formation	-2.1	0.0	3.1	0.6	-0.7	-0.1	0.5	-1.4
(Construction)	-2.5	-0.6	-0.1	1.3	1.3	-0.8	2.1	-4.5
(Facilities)	-4.2	1.6	7.0	2.4	-5.0	0.5	-2.2	3.3
(Intellectual property products)	1.1	-0.5	5.0	-2.9	0.9	0.7	0.5	-0.7
Exports of goods & services	3.8	-3.2	0.6	-3.8	4.5	-0.9	3.4	3.5
(Goods)	4.2	-2.6	0.2	-4.2	5.1	-0.9	3.2	2.9
(Services)	1.3	-6.8	3.3	-1.4	1.3	-1.1	4.5	6.6
Imports of goods & services	-1.1	-0.8	5.4	-2.8	4.2	-3.7	2.3	1.4
(Goods)	0.0	-1.8	5.7	-3.9	4.6	-6.5	0.7	1.0
(Services)	-6.0	4.3	4.1	2.5	2.5	10.1	9.0	3.1
Gross National Income	0.4	-0.9	-0.4	0.0	1.9	-0.7	1.6	0.1

Year-on-year

Real GDP increased by 2.2% year-on-year in the fourth quarter of 2023.

Growth Rates by Type of Economic Activity and Component of Expenditure

(at chained 2015 year prices, original series)

(percentage change over previous year)

	2 0 2 2 ^P					2 0 2 3 ^P				
	Q1	Q2	Q3	Q4	Ann.	Q1	Q2	Q3	Q4	Ann.
Gross Domestic Product	3.1	2.9	3.2	1.4	2.6	0.9	0.9	1.4	2.2	1.4
Agriculture, forestry & fishing	0.2	1.2	-2.5	-2.2	-1.0	-7.0	2.8	1.5	-6.4	-2.4
Manufacturing	3.1	2.7	3.0	-2.6	1.5	-3.3	-0.8	1.3	6.6	1.0
Electricity, gas & water supply	1.5	2.4	1.9	1.7	1.9	-3.3	-8.1	-8.4	-0.5	-5.0
Construction	-1.3	-1.5	1.9	3.2	0.7	6.8	4.1	4.2	-2.4	2.7
Services ¹⁾	4.1	4.4	4.4	3.9	4.2	3.4	2.0	1.7	1.3	2.1
Final consumption expenditure	4.7	4.0	4.4	3.4	4.1	4.4	1.4	0.5	0.4	1.7
(Private)	4.0	4.1	5.2	3.3	4.1	4.6	1.6	0.2	0.9	1.8
(Government)	6.5	3.6	2.2	3.6	4.0	4.0	1.0	1.1	-0.9	1.3
Gross fixed capital formation	-2.9	-2.9	2.1	1.6	-0.5	3.2	3.0	0.4	-1.6	1.1
(Construction)	-3.8	-3.7	-2.0	-1.8	-2.8	1.9	1.7	3.8	-1.9	1.3
(Facilities)	-7.3	-6.7	4.4	6.5	-0.9	5.9	4.7	-4.2	-3.6	0.5
(Intellectual property products)	5.9	4.2	7.5	2.5	5.0	2.4	3.5	-0.9	1.4	1.6
Exports of goods & services	7.4	4.7	5.0	-2.7	3.4	-2.0	0.3	3.1	10.8	3.1
(Goods)	6.7	5.2	5.6	-2.5	3.6	-1.7	0.0	3.1	10.7	3.1
(Services)	11.4	1.4	1.5	-3.6	2.4	-3.8	2.1	3.1	11.6	3.2
Imports of goods & services	4.5	1.6	7.8	0.5	3.5	5.9	2.8	-0.3	4.0	3.1
(Goods)	6.6	2.9	8.5	-0.3	4.3	4.3	-0.7	-5.4	-0.6	-0.6
(Services)	-5.2	-4.6	4.5	4.6	-0.2	14.1	20.5	26.1	26.8	22.1
Gross National Income	0.0	-1.4	-0.6	-0.8	-0.7	0.6	0.8	3.0	2.9	1.8

Note: 1) Includes wholesale & retail trade; accommodation & food services; transportation & storage; finance & insurance; real estate; information & communication; business activities; public administration, defense & social security; education; human health & social work; and, cultural & other services.

III Gross National Income and Gross Savings & Investment Ratios

Nominal GNI increased by 1.5% in the fourth quarter of 2023 compared to the quarter before, falling short of the growth rate of nominal GDP (1.6%), as net factor income from the rest of the world decreased.

Real GNI increased by 0.1% compared to the previous quarter, below the growth rate of real GDP (0.6%), as real trading losses increased and as the real net factor income from the rest of the world decreased.

The **GDP deflator** rose by 3.5% year-on-year.

Growth Rates of National Income and GDP Deflator

(S.A. series)

(trillion won, %)

	2 0 2 2 ^P				2 0 2 3 ^P			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Nominal								
Gross National Income ¹⁾	541.8 (0.8) <5.9>	551.1 (1.7) <4.2>	549.2 (-0.3) <4.5>	551.4 (0.4) <2.7>	566.6 (2.7) <4.5>	565.7 (-0.2) <2.5>	568.7 (0.5) <3.6>	577.5 (1.5) <4.8>
Net factor income from the rest of the world	6.2	7.1	8.6	9.8	19.3	13.7	4.8	4.5
Gross Domestic Product ¹⁾	535.5 (0.6) <5.6>	544.0 (1.6) <5.3>	540.6 (-0.6) <3.3>	541.6 (0.2) <1.8>	547.2 (1.0) <2.3>	551.9 (0.9) <1.3>	563.9 (2.2) <4.3>	572.9 (1.6) <5.8>
Real								
Gross National Income ¹⁾	474.2 (0.4) <0.0>	470.1 (-0.9) <-1.4>	468.1 (-0.4) <-0.6>	468.0 (0.0) <-0.8>	476.9 (1.9) <0.6>	473.6 (-0.7) <0.8>	481.1 (1.6) <3.0>	481.4 (0.1) <2.9>
Net factor income from the rest of the world	4.7	5.1	8.9	8.1	14.9	10.3	5.7	3.5
Gross Domestic Product ¹⁾	489.3 (0.7) <3.1>	492.9 (0.8) <2.9>	494.1 (0.2) <3.2>	492.6 (-0.3) <1.4>	494.2 (0.3) <0.9>	497.2 (0.6) <0.9>	500.3 (0.6) <1.4>	503.4 (0.6) <2.2>
GDP Deflator²⁾	2.5	2.3	0.1	0.4	1.4	0.5	2.8	3.5

Notes: 1) Figures in parentheses are the percentage changes over the previous quarters, while those in angle brackets are the percentage changes over the previous year.

2) Percentage changes over the previous year, original series.

The **gross savings ratio** (gross savings/gross national disposable income) stood at 33.4%, 0.5%p higher than in the previous quarter.

The **gross domestic investment ratio** (gross capital formation/gross national disposable income) was 31.0%, 0.3%p lower than in the previous quarter.

Gross Savings & Investment Ratios

(at current prices, S.A. series)

(trillion won, %)

	2 0 2 2 ^P				2 0 2 3 ^P			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Gross national disposable income (A)	541.3 (0.9)	549.9 (1.6)	548.7 (-0.2)	551.5 (0.5)	565.6 (2.6)	564.6 (-0.2)	567.0 (0.4)	576.2 (1.6)
Final consumption expenditure (B)	346.7 (0.7)	359.8 (3.8)	367.2 (2.1)	371.5 (1.2)	376.9 (1.5)	375.5 (-0.4)	380.5 (1.3)	383.9 (0.9)
Gross capital formation (C)	165.8 (-6.1)	177.3 (6.9)	188.9 (6.6)	185.3 (-1.9)	181.5 (-2.1)	181.9 (0.2)	177.3 (-2.6)	178.5 (0.7)
(Gross fixed capital formation, D)	167.6 (-0.7)	170.0 (1.5)	177.9 (4.6)	179.9 (1.1)	179.2 (-0.4)	178.9 (-0.2)	182.3 (1.9)	179.4 (-1.6)
Gross savings (E=A-B)	194.7 (1.0)	190.2 (-2.3)	181.6 (-4.5)	179.9 (-0.9)	188.7 (4.9)	189.1 (0.2)	186.5 (-1.4)	192.3 (3.1)
Gross savings ratio (E/A)	36.0	34.6	33.1	32.6	33.4	33.5	32.9	33.4
Gross domestic investment ratio (C/A)	30.6	32.2	34.4	33.6	32.1	32.2	31.3	31.0
(Gross domestic fixed investment ratio, D/A)	31.0	30.9	32.4	32.6	31.7	31.7	32.2	31.1

Note: 1) Figures in parentheses are the percentage changes over the previous quarters.

IV. Annual 2023

Real GDP increased by 1.4% in 2023.

On the expenditure side, construction and facilities investment turned positive, while the growth of private consumption, government consumption, exports, and imports slowed.

On the production side, while the growth of manufacturing and services slowed, the growth of construction expanded.

Real GNI increased by 1.8%, as real net factor income from the rest of the world increased.

Growth Rates by Type of Economic Activity and Component of Expenditure

(at chained 2015 year prices, original series)

(percentage change over previous year)

	2018	2019	2020	2021	2022 ^P	2023 ^P
Gross Domestic Product	2.9	2.2	-0.7	4.3	2.6	1.4
Agriculture, forestry & fishing	0.2	3.9	-5.8	5.2	-1.0	-2.4
Manufacturing	3.3	1.1	-1.1	7.1	1.5	1.0
Electricity, gas & water supply	-1.7	4.3	4.1	2.7	1.9	-5.0
Construction	-2.8	-2.6	-1.3	-1.9	0.7	2.7
Services ¹⁾	3.8	3.4	-0.8	3.8	4.2	2.1
Final consumption expenditure	3.7	3.2	-2.2	4.1	4.1	1.7
(Private)	3.2	2.1	-4.8	3.6	4.1	1.8
(Government)	5.3	6.4	5.1	5.5	4.0	1.3
Gross fixed capital formation	-2.2	-2.1	3.5	3.2	-0.5	1.1
(Construction)	-4.6	-1.7	1.5	-1.6	-2.8	1.3
(Facilities)	-2.3	-6.6	7.2	9.3	-0.9	0.5
(Intellectual property products)	4.4	3.1	3.4	6.1	5.0	1.6
Exports of goods & services	4.0	0.2	-1.7	11.1	3.4	3.1
(Goods)	3.3	-1.1	-0.2	10.7	3.6	3.1
(Services)	9.4	9.7	-11.1	13.9	2.4	3.2
Imports of goods & services	1.7	-1.9	-3.1	10.1	3.5	3.1
(Goods)	2.0	-2.5	0.3	12.6	4.3	-0.6
(Services)	0.5	0.5	-16.3	-0.6	-0.2	22.1
Gross National Income	1.6	0.4	0.1	3.5	-0.7	1.8

Note: 1) Includes wholesale & retail trade; accommodation & food services; transportation & storage; finance & insurance; real estate; information & communication; business activities; public administration, defense & social security; education; human health & social work; and, cultural & other services.

※ Further statistics may be found at the Bank of Korea's Economic Statistics System website (<https://ecos.bok.or.kr>).

National Income Statistics

1. Scope of measurement

The national income statistics estimate total economic activity in Korea (e.g., the production and expenditures of all economic agents, including households, enterprises, and the government).

Production boundary: Goods are counted as output even when they are not meant for sale (e.g., when they are for self-consumption), whereas in the case of services, non-paid domestic work and personal services (e.g., for self-consumption) are excluded from the production boundary.

Illegal economic activities, such as smuggling, gambling, and prostitution, are likewise currently not included in national income, even though they should be captured as production activities for a comprehensive measurement of production and expenditures.

2. Methods of measurement

Estimation under the output approach (production-side national income) is carried out as follows.

Nominal value-added is derived by first estimating the values of output and intermediate input and then subtracting the value of intermediate input from that of output. If the value of the intermediate input cannot be determined separately, it is calculated using the value-added ratio obtained from the Bank of Korea's quarterly and annual financial statement analysis reports.

Statistics under the expenditure approach (expenditure-side national income) are estimated directly using a variety of raw data on the amounts of money spent on final products.

The two sets of national income statistics, one estimated via the output approach and the other via expenditures, should therefore be identical. Due to differences in the data used and the methods of estimation, however, statistical discrepancies occur, which are identified on the expenditures side.

3. Dissemination

The Bank of Korea officially announces five types of sequential national income statistics. They are “advance” and “preliminary” quarterly estimates, and “Gross National Income (preliminary),” “National Accounts (preliminary),” and “National Accounts (final)” annual estimates.

The “advance” quarterly estimates are released within 28 days of the quarter’s end, and give the first look at Korea’s real GDP, including the rates and amounts of growth by type of economic activity and by component of expenditure. The “preliminary” quarterly estimates provide more detailed analyses (e.g., of GDP valued at current prices by type of economic activity and by component of expenditure, and of GNI and savings and investment ratios), within 70 days of the end of the quarter.

Various consolidated accounts, sectoral accounts and supporting tables are published in the “Gross National Income (preliminary),” “National Accounts (preliminary),” and “National Accounts (final)” annual estimates. “Gross National Income (preliminary)” is released at around three months after the relevant year has ended. “National Accounts (preliminary)” and “National Accounts (final)” are released at around six months after the relevant year has ended and six months after the following year has ended, respectively.

4. Notes on statistical use

Due to the non-additive characteristics of real GDP statistics estimated through the chain-weighted method, the total value (e.g., GDP) and those of its components (e.g., the values added by economic activity) do not match except in the reference year and in the year following.

National Income Statistics and National Accounts are derived statistics estimated using various raw data, such as monthly industrial statistics, corporate financial statements, balance of payments, and government finance statistics, which may differ from the raw data in some respects.