




PRESS RELEASE	 BANK OF KOREA
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Real Gross Domestic Product: 1st Quarter of 2019
(Advance Estimate)

1. Quarter on quarter

Real gross domestic product (chained volume measure of GDP) decreased by 0.3 percent in the first quarter of 2019 compared to the previous quarter.

Real gross domestic income (GDI) grew by 0.2 percent during the same period due to an improvement of the terms of trade.

On the expenditure side, private consumption expanded by 0.1 percent, due mainly to an increase in consumption of durable goods such as home appliances, despite decreases in services and consumption of semi-durable goods.

Government consumption increased by 0.3 percent, with increased health care benefits.

Construction investment contracted by 0.1 percent, mainly due to declines in residential building construction and civil engineering.

Facilities investment declined by 10.8 percent, due to decreases in machinery and transportation equipment.

Exports contracted by 2.6 percent, led by decreases in exports of electrical & electronic equipment such as LCDs. Imports also decreased by 3.3 percent, owing to a contraction in imports of machinery & equipment along with those of coal & petroleum products.

Growth Rates by Component of Expenditure

(at chained 2010 year prices, S.A. series)

(percentage changes over previous quarter)

	2 0 1 7 ^p				2 0 1 8 ^p				2019 ^p
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Gross Domestic Product	1.0	0.6	1.4	-0.2	1.0	0.6	0.6	1.0	-0.3
Final consumption expenditure	0.5	1.0	1.0	0.9	1.1	0.3	0.7	1.5	0.2
(Private)	0.5	1.0	0.8	1.0	0.7	0.3	0.5	1.0	0.1
(Government)	0.6	1.2	1.9	0.5	2.2	0.3	1.5	3.0	0.3
Gross fixed capital formation	3.6	1.8	0.9	-1.2	2.0	-2.9	-4.6	1.9	-2.8
(Construction)	4.2	0.9	1.1	-2.3	1.8	-2.1	-6.7	1.2	-0.1
(Facilities)	4.5	4.3	0.2	-0.7	3.4	-5.7	-4.4	4.4	-10.8
(Intellectual property products)	0.3	0.5	1.5	1.1	0.3	-0.7	0.9	0.1	1.6
Exports of goods & services	2.1	-2.7	5.6	-5.3	4.4	0.4	3.9	-1.5	-2.6
(Goods)	3.1	-2.4	5.3	-5.6	4.5	0.1	4.7	-2.6	-2.9
(Services)	-4.5	-4.5	7.5	-3.1	3.1	3.2	-2.9	7.5	0.2
Imports of goods & services	4.9	-1.0	3.2	-2.9	4.9	-3.0	-0.7	1.5	-3.3
(Goods)	4.7	-0.7	2.4	-4.5	7.1	-3.6	-0.6	2.0	-4.8
(Services)	6.1	-2.1	6.5	3.3	-2.9	-0.3	-1.2	-0.6	3.1
Gross Domestic Income	2.3	0.0	1.8	-1.3	1.8	-0.9	0.2	-0.1	0.2

On the production side, agriculture, forestry & fishing production expanded by 4.7 percent, due mainly to an increase in agricultural products.

Manufacturing decreased by 2.4 percent, centering around electrical & electronic equipment and chemical products.

Electricity, gas & water supply contracted by 7.3 percent, with decreased sales of electricity.

Construction declined by 0.4 percent, owing to decreases in residential building construction and civil engineering.

Services rose by 0.9 percent, led by growth in information & communication services and finance & insurance services, in spite of a decline in wholesale & retail trade, restaurants & hotels and health & social work services.

Growth Rates by Type of Economic Activity

(at chained 2010 year prices, S.A. series)

(percentage changes over previous quarter)

	2017 ^P				2018 ^P				2019 ^P
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Gross Domestic Product	1.0	0.6	1.4	-0.2	1.0	0.6	0.6	1.0	-0.3
Agriculture, forestry & fishing	3.9	-0.3	-1.8	0.2	6.0	-2.8	-5.5	6.1	4.7
Manufacturing	1.7	0.1	2.7	-1.7	1.6	0.6	2.3	0.9	-2.4
Electricity, gas & water supply	0.3	3.4	1.7	0.4	-7.0	9.4	-0.4	3.6	-7.3
Construction	4.8	-1.6	1.0	-1.6	2.1	-3.1	-5.7	1.0	-0.4
Services ¹⁾	0.4	0.7	1.0	0.3	1.1	0.5	0.5	0.6	0.9

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

2. Year on year

Real gross domestic product (chained volume measure of GDP) increased by 1.8 percent year on year in the first quarter of 2019.

Growth Rates by Type of Economic Activity and Component of Expenditure

(at chained 2010 year prices, original series)

(percentage changes over previous year)

	2 0 1 7 ^P					2 0 1 8 ^P					2019 ^P
	1/4	2/4	3/4	4/4	Annual	1/4	2/4	3/4	4/4	Annual	1/4
Gross Domestic Product	2.9	2.8	3.8	2.8	3.1	2.8	2.8	2.0	3.1	2.7	1.8
Agriculture, forestry & fishing	-1.9	0.5	0.4	1.5	0.3	4.1	1.2	-2.4	3.2	1.5	2.3
Manufacturing	4.8	3.6	6.4	2.7	4.4	2.7	3.2	2.8	5.5	3.6	1.4
Electricity, gas & water supply	-0.1	3.8	2.9	6.0	3.1	-1.7	3.9	1.9	5.0	2.2	3.9
Construction	12.4	8.3	7.1	2.7	7.1	0.2	-1.6	-8.1	-5.8	-4.2	-7.9
Services ¹⁾	1.7	1.8	2.5	2.4	2.1	3.2	3.0	2.4	2.7	2.8	2.6
Final consumption expenditure	2.2	2.5	3.0	3.5	2.8	4.0	3.3	3.0	3.6	3.5	2.7
(Private)	2.1	2.4	2.6	3.4	2.6	3.5	2.8	2.5	2.5	2.8	1.9
(Government)	2.4	2.8	4.3	4.1	3.4	5.8	4.8	4.6	7.1	5.6	5.2
Gross fixed capital formation	11.0	10.0	9.2	5.0	8.6	3.7	-1.3	-6.6	-3.8	-2.2	-8.4
(Construction)	11.3	8.5	8.0	3.8	7.6	1.8	-1.5	-8.9	-5.9	-4.0	-7.4
(Facilities)	16.1	17.9	16.3	8.6	14.6	7.3	-3.0	-7.4	-2.7	-1.6	-16.1
(Intellectual property products)	3.2	2.2	2.9	3.5	3.0	3.5	2.2	1.6	0.6	1.9	1.8
Exports of goods & services	3.7	0.3	4.4	-0.6	1.9	1.6	4.8	3.1	7.2	4.2	0.2
(Goods)	6.8	2.4	6.1	0.1	3.8	1.5	4.1	3.4	6.7	4.0	-0.9
(Services)	-15.2	-14.6	-7.5	-5.2	-10.7	2.5	10.6	0.2	11.0	6.0	8.0
Imports of goods & services	10.1	6.6	7.4	4.1	7.0	4.2	2.0	-1.8	2.5	1.7	-5.4
(Goods)	11.4	8.7	8.4	1.6	7.4	4.0	0.9	-2.0	4.7	1.9	-7.0
(Services)	5.6	-1.1	3.8	14.0	5.6	4.7	6.6	-1.1	-5.0	1.0	0.9
Gross Domestic Income	2.4	2.9	5.2	2.8	3.3	2.3	1.5	-0.2	0.9	1.1	-0.6

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

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

National Income Statistics

1. Scope of measurement

The national income statistics estimate total economic activity in Korea, *i.e.* 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 (*i.e.* 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 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 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 expenditure side.

3. Dissemination

The Bank of Korea officially announces four types of sequential national income statistics. They are “advance” and “preliminary” quarterly estimates, and “preliminary” and “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 “preliminary” and the “final” annual estimates, which are released, respectively, at around three months after the relevant year has ended and six months after the following year has ended.

4. Notes on statistical use

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