

**PRESS
RELEASE****BANK OF KOREA**

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Woong Lee: (82-2) 759-5463 (income) wlee@bok.or.kr**Gross National Income: Second Quarter of 2025**
(Preliminary)**I. Overview**

Real gross domestic product (real GDP, chained volume measure of GDP) increased by 0.7 percent in the second quarter of 2025 compared to the previous quarter, 0.1 percentage point higher than the figure given in the advance estimate.

Real gross national income (real GNI) increased by 1.0 percent in the second quarter of 2025 compared to the previous quarter.

GDP and GNI Growth Rates¹⁾

(at chained 2020 year prices, S.A. series)

(percentage change over previous quarter)

	2023				2024 ^P				2025 ^P	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Real GDP	0.4	0.7	0.8	0.5	1.2	-0.2	0.1	0.1	-0.2	0.7
	(1.3)	(1.2)	(1.5)	(2.2)	(3.4)	(2.2)	(1.4)	(1.1)	(0.0)	(0.6)
Real GNI	0.9	0.2	2.3	1.3	1.7	-0.5	0.3	0.7	0.1	1.0
	(-0.5)	(0.1)	(3.7)	(4.6)	(6.2)	(4.8)	(2.7)	(2.3)	(0.7)	(2.2)

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 increased by 2.5 percent, mainly due to increases in computer, electronic & optical products, and transportation equipment.

Construction declined by 3.6 percent as building construction and civil engineering both decreased.

Services increased by 0.8 percent led by increases in wholesale & retail trade, accommodation & food services, and transportation & storage, despite a decrease in information & communication.

Growth Rates by Type of Economic Activities

(at chained 2020 year prices, S.A. series)

	(percentage change over previous quarter)									
	2023				2024 ^P				2025 ^P	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Gross Domestic Product	0.4	0.7	0.8	0.5	1.2	-0.2	0.1	0.1	-0.2	0.7
Agriculture, forestry & fishing	-2.3	1.5	-1.5	-5.6	4.1	2.0	0.7	-1.8	4.4	-1.2
Manufacturing	1.6	2.5	1.7	1.6	0.9	0.9	0.0	0.1	-0.6	2.5
Electricity, gas & water supply	-7.0	3.7	1.0	2.6	-1.2	0.1	5.4	-5.9	5.2	-5.4
Construction	-0.7	-2.3	1.8	-3.9	5.8	-5.6	-3.0	-4.4	-0.4	-3.6
Services ¹⁾	0.2	0.3	0.6	0.4	0.6	0.1	0.4	0.3	-0.2	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 0.5 percent, as expenditures on goods (e.g., motor vehicles) and services (e.g., health services) both increased.

Government consumption rose by 1.2 percent with increased expenditures on health care benefits.

Construction investment fell by 1.2 percent, led by a decrease in civil engineering.

Facilities investment fell by 2.1 percent, as transportation equipment (e.g., ships) and machinery (e.g., semiconductor manufacturing equipment) both decreased.

Exports increased by 4.5 percent, as exports of semiconductors, petroleum products, and chemical products increased. Imports were up by 4.2 percent, mainly due to an increase in energy items (e.g., crude oil, natural gas).

Growth Rates by Component of Expenditures on GDP

(at chained 2020 year prices, S.A. series)

	(percentage change over previous quarter)									
	2023				2024 ^P				2025 ^P	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Gross Domestic Product	0.4	0.7	0.8	0.5	1.2	-0.2	0.1	0.1	-0.2	0.7
Final consumption expenditure	0.6	-0.5	0.2	0.3	0.6	0.2	0.5	0.3	-0.1	0.7
(Private)	0.6	0.0	0.1	0.3	0.5	0.0	0.4	0.2	-0.1	0.5
(Government)	0.9	-1.9	0.6	0.3	0.9	0.8	0.9	0.4	0.0	1.2
Gross fixed capital formation	-0.9	0.1	-0.2	-1.4	2.2	-1.9	-0.1	-1.4	-1.1	-1.0
(Construction)	-0.2	-0.5	1.5	-3.9	4.5	-3.3	-3.6	-4.1	-3.1	-1.2
(Facilities)	-1.7	0.5	-3.6	2.2	-1.0	0.0	5.4	0.8	-0.4	-2.1
(Intellectual property products)	-1.3	0.7	0.7	-0.5	1.9	-1.3	-0.2	0.9	1.5	0.8
Exports of goods & services	3.6	1.3	2.5	3.4	1.3	1.5	0.0	0.6	-0.6	4.5
(Goods)	3.6	0.6	2.7	3.4	1.3	1.5	-0.1	0.0	-1.5	5.2
(Services)	3.5	4.9	1.2	3.7	1.8	1.7	0.6	3.4	3.7	1.4
Imports of goods & services	4.0	-2.5	0.1	1.9	-0.3	1.6	1.3	0.2	-1.1	4.2
(Goods)	3.3	-4.2	-1.3	1.4	-0.2	1.8	1.7	0.0	-2.4	3.1
(Services)	7.6	5.5	5.9	4.1	-0.8	0.9	-0.3	1.2	3.7	8.0
Gross National Income	0.9	0.2	2.3	1.3	1.7	-0.5	0.3	0.7	0.1	1.0

Year-on-year

Real GDP increased by 0.6 percent year-on-year in the second quarter of 2025.

Growth Rates by Type of Economic Activities and Component of Expenditures on GDP

(at chained 2020 year prices, original series)

(percentage change over previous year)

	2023					2024 ^P					2025 ^P	
	Q1	Q2	Q3	Q4	Ann.	Q1	Q2	Q3	Q4	Ann.	Q1	Q2
Gross Domestic Product	1.3	1.2	1.5	2.2	1.6	3.4	2.2	1.4	1.1	2.0	0.0	0.6
Agriculture, forestry & fishing	-1.6	3.2	1.2	-8.0	-1.8	-1.9	-1.6	0.7	4.0	0.6	4.9	1.9
Manufacturing	-3.1	0.3	1.4	7.0	1.5	6.7	5.4	3.5	2.0	4.3	0.4	2.1
Electricity, gas & water supply	-5.5	-4.5	-0.5	0.5	-2.6	5.8	1.9	8.0	-2.1	3.3	4.4	-1.7
Construction	2.9	0.3	0.4	-4.6	-0.6	1.7	-1.9	-6.5	-6.9	-3.8	-12.5	-10.9
Services ¹⁾	4.3	2.4	2.6	1.5	2.7	2.0	1.6	1.4	1.5	1.6	0.7	1.3
Final consumption expenditure	4.9	1.7	1.0	0.6	2.0	0.8	1.3	1.8	1.6	1.4	1.0	1.4
(Private)	5.0	1.7	0.7	0.8	2.0	1.1	0.7	1.3	1.1	1.1	0.6	0.9
(Government)	4.4	1.6	1.8	-0.1	1.9	-0.1	2.7	3.0	3.1	2.1	2.3	2.6
Gross fixed capital formation	1.7	1.3	-1.3	-2.3	-0.2	0.6	-1.2	-1.1	-1.2	-0.8	-3.8	-4.1
(Construction)	0.1	0.3	1.1	-3.1	-0.5	1.6	-1.2	-6.2	-6.4	-3.3	-13.3	-11.4
(Facilities)	4.3	3.0	-5.1	-2.6	-0.2	-2.2	-2.5	6.6	5.3	1.7	5.8	3.4
(Intellectual property products)	1.4	1.1	-1.4	-0.4	0.2	2.9	0.7	0.0	1.3	1.2	0.9	3.0
Exports of goods & services	-1.5	0.6	3.5	11.1	3.4	8.9	9.0	6.4	3.5	6.8	1.5	4.5
(Goods)	-2.9	-1.7	2.6	10.5	2.1	8.3	9.1	6.1	2.7	6.4	-0.1	3.5
(Services)	6.1	13.5	8.2	14.0	10.5	12.0	8.6	8.1	7.6	9.0	9.6	9.3
Imports of goods & services	6.8	2.5	-0.7	3.5	3.0	-0.7	3.3	4.6	2.9	2.5	2.1	4.5
(Goods)	4.2	-1.4	-5.5	-1.0	-0.9	-4.3	1.6	4.8	3.4	1.3	1.1	2.2
(Services)	20.0	22.2	23.2	24.9	22.7	15.5	10.3	4.0	0.9	7.3	5.6	12.9
Gross National Income	-0.5	0.1	3.7	4.6	2.0	6.2	4.8	2.7	2.3	3.9	0.7	2.2

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. Nominal Gross Domestic Product and GDP Deflator

Nominal gross domestic product (nominal GDP) increased by 2.0% in the second quarter of 2025 compared to the previous quarter.

On the income side, compensation of employees increased by 0.8%, driven by the increase in the number of employees in the human health & social work sector.

The gross operating surplus increased by 4.0%, led by the transportation equipment manufacturing and wholesale & retail trade sectors.

The GDP deflator rose by 2.8% year-on-year.

Growth Rates by Components of Value Added and GDP Deflator

(S.A. series)

	(percentage change over previous quarter)										
	2 0 2 3				2 0 2 4 ^P				2 0 2 5 ^P		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	
Nominal Gross Domestic Product	1.2	1.3	1.4	1.9	2.7	0.7	-0.5	2.4	-0.4	2.0	
Compensation of employees	2.3	1.3	1.2	1.3	1.0	1.7	1.4	0.8	-0.1	0.8	
Gross operating surplus	0.7	1.8	2.5	2.8	3.1	0.3	-2.2	5.0	-2.3	4.0	
Taxes on production and imports less subsidies	-2.5	-1.4	-2.8	1.2	10.1	-2.0	-2.5	-2.5	8.1	-1.7	
GDP Deflator¹⁾	1.0	1.1	2.5	3.5	4.0	4.6	3.6	4.1	2.4	2.8	

Notes: 1) Percentage changes over the previous year, original series.

IV. Gross National Income and Gross Saving & Investment Ratios

Nominal GNI increased by 2.0 percent in the second quarter of 2025 compared to the previous quarter, the same as the increase in nominal GDP (2.0%), as nominal net factor income from the rest of the world remained at the previous quarter's level.

Real GNI increased by 1.0% compared to the previous quarter, exceeding the growth rate of real GDP (0.7%), as real trading losses decreased with improved terms of trade, offsetting a decrease in real net factor income from the rest of the world.

Real personal gross disposable income (real PGDI) increased by 1.7% compared to the previous quarter.

National Income and PGDI

(S.A. series)

	2 0 2 3				2 0 2 4 ^P				2 0 2 5 ^P	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Nominal										
Gross National Income ¹⁾	598.1 (1.4) <2.9>	606.2 (1.4) <2.3>	612.2 (1.0) <4.0>	626.9 (2.4) <6.2>	641.6 (2.3) <7.3>	649.0 (1.1) <7.1>	642.8 (-1.0) <5.1>	660.4 (2.7) <5.3>	661.2 (0.1) <3.2>	674.2 (2.0) <4.0>
Net factor income from the rest of the world	8.8	9.3	6.8	9.8	8.1	10.8	7.7	10.4	13.9	14.1
Gross Domestic Product ¹⁾	589.3 (1.2) <2.3>	596.9 (1.3) <2.3>	605.4 (1.4) <4.0>	617.1 (1.9) <5.8>	633.5 (2.7) <7.5>	638.2 (0.7) <7.0>	635.1 (-0.5) <5.0>	650.0 (2.4) <5.2>	647.2 (-0.4) <2.4>	660.0 (2.0) <3.4>
PGDI ¹⁾²⁾	329.6 (2.8) <2.9>	340.8 (3.4) <1.8>	342.9 (0.6) <10.2>	348.0 (1.5) <7.9>	357.1 (2.6) <8.3>	356.4 (-0.2) <4.5>	355.5 (-0.2) <3.8>	366.6 (3.1) <5.1>	361.0 (-1.5) <1.0>	367.7 (1.8) <2.8>
Real										
Gross National Income ¹⁾	537.9 (0.9) <-0.5>	538.8 (0.2) <0.1>	551.3 (2.3) <3.7>	558.6 (1.3) <4.6>	568.3 (1.7) <6.2>	565.5 (-0.5) <4.8>	567.4 (0.3) <2.7>	571.4 (0.7) <2.3>	572.0 (0.1) <0.7>	577.5 (1.0) <2.2>
Net factor income from the rest of the world	8.4	6.8	7.1	8.8	7.9	7.4	8.1	8.9	13.0	10.2
Gross Domestic Product ¹⁾	556.1 (0.4) <1.3>	559.9 (0.7) <1.2>	564.2 (0.8) <1.5>	567.0 (0.5) <2.2>	573.7 (1.2) <3.4>	572.4 (-0.2) <2.2>	572.9 (0.1) <1.4>	573.3 (0.1) <1.1>	572.1 (-0.2) <0.0>	575.9 (0.7) <0.6>
PGDI ¹⁾²⁾	300.9 (2.3) <-1.5>	308.3 (2.5) <-1.7>	308.0 (-0.1) <7.0>	310.9 (1.0) <5.0>	317.6 (2.1) <5.8>	315.8 (-0.6) <2.2>	313.6 (-0.7) <2.0>	322.5 (2.8) <3.4>	315.4 (-2.2) <-0.7>	320.6 (1.7) <1.2>

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) Includes non-profit institutions serving households (NPISHs).

The **gross savings ratio** (gross savings/gross national disposable income) stood at 35.6%, 0.7%p higher than in the previous quarter.

The **households net saving ratio** stood at 8.8%, 1.9%p higher than in the previous quarter.

The **gross domestic investment ratio** (gross capital formation/gross national disposable income) was 28.8%, 0.1%p lower than in the previous quarter.

Savings & Investment Ratios

(at current prices, S.A. series)

	(trillion won, %)									
	2 0 2 3				2 0 2 4 ^P				2 0 2 5 ^P	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Gross national disposable income (A)	597.1 (1.2)	605.1 (1.3)	610.6 (0.9)	625.5 (2.4)	640.2 (2.4)	647.5 (1.1)	641.9 (-0.9)	659.1 (2.7)	659.9 (0.1)	672.3 (1.9)
Households and NPISHs	329.6 (2.8)	340.8 (3.4)	342.9 (0.6)	348.0 (1.5)	357.1 (2.6)	356.4 (-0.2)	355.5 (-0.2)	366.6 (3.1)	361.0 (-1.5)	367.7 (1.8)
Final consumption expenditure (B)	404.1 (1.2)	405.7 (0.4)	408.9 (0.8)	412.6 (0.9)	417.3 (1.1)	419.7 (0.6)	423.5 (0.9)	426.2 (0.6)	429.3 (0.7)	433.1 (0.9)
Private	297.0 (1.2)	299.6 (0.9)	302.0 (0.8)	304.6 (0.8)	307.4 (0.9)	308.5 (0.4)	311.1 (0.8)	312.6 (0.5)	314.6 (0.6)	316.8 (0.7)
Gross savings (C=A-B)	193.0 (1.4)	199.4 (3.3)	201.7 (1.2)	212.9 (5.5)	222.9 (4.7)	227.8 (2.2)	218.4 (-4.1)	232.9 (6.6)	230.6 (-1.0)	239.3 (3.8)
Households and NPISHs ²⁾	36.0	44.3	43.7	46.5	53.0	51.6	47.1	56.5	48.0	52.8
Gross savings ratio (C/A)	32.3	33.0	33.0	34.0	34.8	35.2	34.0	35.3	34.9	35.6
Households net saving ratio ³⁾⁴⁾	4.6	6.8	6.3	6.9	8.3	8.0	6.6	8.8	6.9	8.8
Gross capital formation (D)	197.9 (-0.1)	195.5 (-1.2)	187.2 (-4.3)	187.5 (0.1)	189.6 (1.1)	192.7 (1.6)	188.4 (-2.2)	195.6 (3.8)	190.5 (-2.6)	193.6 (1.7)
Gross fixed capital formation (E)	187.8 (-1.3)	189.3 (0.8)	191.4 (1.1)	188.9 (-1.3)	193.4 (2.4)	191.3 (-1.1)	192.4 (0.6)	190.6 (-0.9)	188.6 (-1.1)	186.5 (-1.1)
Gross domestic investment ratio (D/A)	33.1	32.3	30.7	30.0	29.6	29.8	29.4	29.7	28.9	28.8
Gross domestic fixed investment ratio (E/A)	31.5	31.3	31.3	30.2	30.2	29.5	30.0	28.9	28.6	27.7

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

2) Gross household savings = gross household disposable income – private final consumption expenditure + adjustment for the change in net equity of households in pension funds.

3) Includes non-profit institutions serving households (NPISHs)

4) Household net savings ratio = household net savings / (household net adjusted disposable income + adjustment for the change in net equity of households in pension funds).

※ Further statistics may be found at 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.

Statistics under the income approach (income-side national income) are estimated using a variety of raw data on the distribution of nominal value-added generated by production. Operating surplus, in contrast, is calculated by subtracting compensation of employees and other components from the nominal value-added calculated under the production-side approach.

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

3. Dissemination

The Bank of Korea officially announces five types of sequential national income statistics: “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 around three months after the relevant year has ended. “National Accounts (preliminary)” and “National Accounts (final)” are released 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 following year.

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.