

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

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(Preliminary)**I. Overview**

Real gross domestic product (real GDP, chained volume measure of GDP) decreased by 0.2% in the fourth quarter of 2025 compared to the previous quarter, 0.1%p higher than the figure given in the advance estimate.

Real gross national income (real GNI) increased by 1.4% in the fourth quarter of 2025 compared to the previous quarter.

GDP and GNI Growth Rates

(at chained 2020 year prices)

(S.A. series, percentage change over previous quarter)

	2 0 2 4 ^P				2 0 2 5 ^P			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Real GDP	1.2 (3.4)	-0.2 (2.2)	0.1 (1.4)	0.1 (1.1)	-0.2 (0.0)	0.7 (0.6)	1.3 (1.8)	-0.2 (1.6)
Real GNI	1.7 (6.2)	-0.5 (4.8)	0.3 (2.7)	0.7 (2.3)	0.1 (0.7)	1.0 (2.2)	0.8 (2.5)	1.4 (3.2)

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 decreased by 1.5%, mainly due to decreases in transportation equipment and machinery & equipment.

Construction shrank by 4.5%, owing to decreases in building construction and in civil engineering.

Services expanded by 0.6%, led by finance & insurance and by human health & social work, while wholesale & retail trade and accommodation & food services decreased.

Growth Rates by Type of Economic Activity

(at chained 2020 year prices)

(S.A. series, percentage change over previous quarter)

	2 0 2 4 ^P				2 0 2 5 ^P			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Gross Domestic Product	1.2	-0.2	0.1	0.1	-0.2	0.7	1.3	-0.2
Agriculture, forestry & fishing	4.1	2.0	0.7	-1.8	4.4	-1.2	-4.6	4.7
Manufacturing	0.9	0.9	0.0	0.1	-0.6	2.5	1.5	-1.5
Electricity, gas & water supply	-1.2	0.1	5.4	-5.9	5.2	-5.4	5.5	-8.6
Construction	5.8	-5.6	-3.0	-4.4	-0.4	-3.6	0.7	-4.5
Services ¹⁾	0.6	0.1	0.4	0.3	-0.2	0.8	1.4	0.6

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 0.3%, as expenditures on services (e.g., health services) increased while expenditures on goods (e.g., motor vehicles) decreased.

Government consumption grew by 1.3%, with increased expenditures on health care benefits.

Construction investment fell by 3.5%, as building construction and civil engineering both decreased.

Facilities investment decreased by 1.7%, led by a decrease in transportation equipment (e.g., motor vehicles).

Exports decreased by 1.7%, as motor vehicles and machinery & equipment decreased. Imports decreased by 1.5%, as natural gas and motor vehicles decreased.

Growth Rates by Component of Expenditure

(at chained 2020 year prices)

(S.A. series, percentage change over previous quarter)

	2 0 2 4 ^P				2 0 2 5 ^P			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Gross Domestic Product	1.2	-0.2	0.1	0.1	-0.2	0.7	1.3	-0.2
Final consumption expenditure	0.6	0.2	0.5	0.3	-0.1	0.7	1.3	0.6
(Private)	0.5	0.0	0.4	0.2	-0.1	0.5	1.3	0.3
(Government)	0.9	0.8	0.9	0.4	0.0	1.2	1.3	1.3
Gross fixed capital formation	2.2	-1.9	-0.1	-1.4	-1.1	-1.0	1.4	-2.2
(Construction)	4.5	-3.3	-3.6	-4.1	-3.1	-1.2	0.6	-3.5
(Facilities)	-1.0	0.0	5.4	0.8	-0.4	-2.1	2.6	-1.7
(Intellectual property products)	1.9	-1.3	-0.2	0.9	1.5	0.8	1.2	-0.5
Exports of goods & services	1.3	1.5	0.0	0.6	-0.6	4.5	2.1	-1.7
(Goods)	1.3	1.5	-0.1	0.0	-1.5	5.2	1.8	-1.6
(Services)	1.8	1.7	0.6	3.4	3.7	1.4	3.4	-1.9
Imports of goods & services	-0.3	1.6	1.3	0.2	-1.1	4.2	2.0	-1.5
(Goods)	-0.2	1.8	1.7	0.0	-2.4	3.1	2.8	-2.6
(Services)	-0.8	0.9	-0.3	1.2	3.7	8.0	-1.0	2.5
Gross National Income	1.7	-0.5	0.3	0.7	0.1	1.0	0.8	1.4

Year-on-year

Real GDP increased by 1.6% year-on-year in the fourth quarter of 2025.

Growth Rates by Type of Economic Activity and Component of Expenditure

(at chained 2020 year prices)

(original series, percentage change over previous year)

	2 0 2 4 ^P					2 0 2 5 ^P				
	Q1	Q2	Q3	Q4	Ann.	Q1	Q2	Q3	Q4	Ann.
Gross Domestic Product	3.4	2.2	1.4	1.1	2.0	0.0	0.6	1.8	1.6	1.0
Agriculture, forestry & fishing	-1.9	-1.6	0.7	4.0	0.6	4.9	1.9	-3.2	2.9	1.4
Manufacturing	6.7	5.4	3.5	2.0	4.3	0.4	2.1	3.6	1.9	2.0
Electricity, gas & water supply	5.8	1.9	8.0	-2.1	3.3	4.4	-1.7	-0.6	-4.3	-0.5
Construction	1.7	-1.9	-6.5	-6.9	-3.8	-12.5	-10.9	-7.5	-7.7	-9.5
Services ¹⁾	2.0	1.6	1.4	1.5	1.6	0.7	1.3	2.3	2.7	1.7
Final consumption expenditure	0.8	1.3	1.8	1.6	1.4	1.0	1.4	2.2	2.5	1.8
(Private)	1.1	0.7	1.3	1.1	1.1	0.6	0.9	1.9	1.9	1.3
(Government)	-0.1	2.7	3.0	3.1	2.1	2.3	2.6	3.0	4.0	3.0
Gross fixed capital formation	0.6	-1.2	-1.1	-1.2	-0.8	-3.8	-4.1	-2.1	-3.0	-3.2
(Construction)	1.6	-1.2	-6.2	-6.4	-3.3	-13.3	-11.4	-7.5	-7.0	-9.8
(Facilities)	-2.2	-2.5	6.6	5.3	1.7	5.8	3.4	1.0	-1.7	2.0
(Intellectual property products)	2.9	0.7	0.0	1.3	1.2	0.9	3.0	4.5	3.0	2.9
Exports of goods & services	8.9	9.0	6.4	3.5	6.8	1.5	4.5	6.6	4.3	4.2
(Goods)	8.3	9.1	6.1	2.7	6.4	-0.1	3.5	5.5	3.8	3.2
(Services)	12.0	8.6	8.1	7.6	9.0	9.6	9.3	12.5	6.6	9.4
Imports of goods & services	-0.7	3.3	4.6	2.9	2.5	2.1	4.5	5.4	3.4	3.8
(Goods)	-4.3	1.6	4.8	3.4	1.3	1.1	2.2	3.5	0.7	1.9
(Services)	15.5	10.3	4.0	0.9	7.3	5.6	12.9	12.4	13.6	11.2
Gross National Income	6.2	4.8	2.7	2.3	3.9	0.7	2.2	2.5	3.2	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 3.9% in the fourth quarter of 2025 compared to the previous quarter.

On the income side, compensation of employees increased by 2.2%, driven mainly by higher wages in manufacturing.

The gross operating surplus increased by 6.5%, mainly due to increases in the manufacturing and finance & insurance sectors.

The GDP deflator rose by 4.4% year-on-year.

Growth Rates by Components of Value Added and GDP Deflator

	(S.A. series, percentage change over previous quarter)							
	2 0 2 4 ^P				2 0 2 5 ^P			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Nominal Gross Domestic Product	2.7	0.7	-0.5	2.4	-0.4	2.0	0.7	3.9
Compensation of employees	1.0	1.7	1.4	0.8	-0.1	0.8	1.0	2.2
Gross operating surplus	3.1	0.3	-2.2	5.0	-2.3	4.0	0.8	6.5
Taxes on production and imports less subsidies	10.1	-2.0	-2.5	-2.5	8.1	-1.7	-1.9	0.5
GDP Deflator¹⁾	4.0	4.6	3.6	4.1	2.4	2.8	2.7	4.4

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

IV. Gross National Income and Gross Savings & Investment Ratios

Nominal GNI increased by 4.0% in the fourth quarter of 2025 compared to the quarter before, increasing more than the nominal GDP (3.9%), as net factor income from the rest of the world increased.

Real GNI increased by 1.4% compared to the previous quarter, exceeding the growth rate of real GDP (-0.2%) as real trading losses decreased with improved terms of trade, though real net factor income from the rest of the world decreased.

Real personal gross disposable income (real PGDI) decreased by 0.3% compared to the previous quarter.

National Income and PGDI

	(S.A. series, trillion won, %)							
	2 0 2 4 ^P				2 0 2 5 ^P			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Nominal								
Gross National Income ¹⁾	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>	672.4 (-0.3) <4.6>	699.6 (4.0) <5.8>
Net factor income from the rest of the world	8.1	10.8	7.7	10.4	13.9	14.1	8.0	9.0
Gross Domestic Product ¹⁾	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>	664.4 (0.7) <4.6>	690.6 (3.9) <6.0>
PGDI ¹⁾²⁾	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>	380.6 (3.5) <7.4>	381.8 (0.3) <3.4>
Real								
Gross National Income ¹⁾	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>	581.9 (0.8) <2.5>	590.0 (1.4) <3.2>
Net factor income from the rest of the world	7.9	7.4	8.1	8.9	13.0	10.2	8.6	7.6
Gross Domestic Product ¹⁾	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>	583.6 (1.3) <1.8>	582.7 (-0.2) <1.6>
PGDI ¹⁾²⁾	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>	330.4 (3.1) <5.7>	329.4 (-0.3) <1.4>

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 35.9%, 1.5%p higher than in the previous quarter.

The **household net saving ratio** stood at 8.8%, 0.1%p lower than in the previous quarter.

The **gross domestic investment ratio** (gross capital formation/gross national disposable income) was 28.5%, 0.1%p lower than in the previous quarter.

Savings & Investment Ratios

(at current prices)

	(S.A. series, trillion won, %)							
	2 0 2 4 ^P				2 0 2 5 ^P			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Gross national disposable income (A)	640.2 (2.4)	647.5 (1.1)	641.9 (-0.9)	659.1 (2.7)	659.9 (0.1)	672.3 (1.9)	671.6 (-0.1)	696.6 (3.7)
Households and NPISHs	357.1 (2.6)	356.4 (-0.2)	355.5 (-0.2)	366.6 (3.1)	361.0 (-1.5)	367.7 (1.8)	380.6 (3.5)	381.8 (0.3)
Final consumption expenditure (B)	417.3 (1.1)	419.7 (0.6)	423.5 (0.9)	426.2 (0.6)	429.3 (0.7)	433.1 (0.9)	440.4 (1.7)	446.2 (1.3)
Private	307.4 (0.9)	308.5 (0.4)	311.1 (0.8)	312.6 (0.5)	314.6 (0.6)	316.8 (0.7)	322.3 (1.7)	325.3 (0.9)
Gross savings (C=A-B)	222.9 (4.7)	227.8 (2.2)	218.4 (-4.1)	232.9 (6.6)	230.6 (-1.0)	239.3 (3.8)	231.2 (-3.4)	250.4 (8.3)
Households and NPISHs ²⁾	53.0	51.6	47.1	56.5	48.0	52.8	58.8	58.9
Gross savings ratio (C/A)	34.8	35.2	34.0	35.3	34.9	35.6	34.4	35.9
Households net saving ratio ³⁾⁴⁾	8.3	8.0	6.6	8.8	6.9	8.8	8.9	8.8
Gross capital formation (D)	189.6 (1.1)	192.7 (1.6)	188.4 (-2.2)	195.6 (3.8)	190.5 (-2.6)	193.6 (1.7)	192.4 (-0.6)	198.6 (3.2)
Gross fixed capital formation (E)	193.4 (2.4)	191.3 (-1.1)	192.4 (0.6)	190.6 (-0.9)	188.6 (-1.1)	186.5 (-1.1)	190.5 (2.2)	188.1 (-1.3)
Gross domestic investment ratio (D/A)	29.6	29.8	29.4	29.7	28.9	28.8	28.6	28.5
Gross domestic fixed investment ratio (E/A)	30.2	29.5	30.0	28.9	28.6	27.7	28.4	27.0

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).

V. Annual 2025

Real GDP increased by 1.0% in 2025.

On the production side, while services continued to expand, construction declined sharply and the increase in manufacturing moderated.

On the expenditure side, while the growth of private consumption, government consumption, and facilities investment expanded, construction investment declined sharply and the growth of export slowed.

Real GNI increased by 2.2%, owing to increased real net factor income from the rest of the world and decreased real trading losses as the terms of trade improved.

Growth Rates by Type of Economic Activity and Component of Expenditure

(at chained 2020 year prices)

(original series, percentage change over previous year)

	2020	2021	2022	2023	2024 ^P	2025 ^P
Gross Domestic Product	-0.7	4.6	2.7	1.6	2.0	1.0
Agriculture, forestry & fishing	-6.7	3.4	0.8	-1.8	0.6	1.4
Manufacturing	-2.0	6.5	2.5	1.5	4.3	2.0
Electricity, gas & water supply	5.7	1.7	3.5	-2.6	3.3	-0.5
Construction	-0.4	-0.9	0.9	-0.6	-3.8	-9.5
Services ¹⁾	-0.4	4.3	3.8	2.7	1.6	1.7
Final consumption expenditure	-2.2	4.2	4.2	2.0	1.4	1.8
(Private)	-4.6	3.7	4.2	2.0	1.1	1.3
(Government)	5.2	5.6	4.0	1.9	2.1	3.0
Gross fixed capital formation	2.8	4.3	-0.2	-0.2	-0.8	-3.2
(Construction)	1.7	-0.2	-3.5	-0.5	-3.3	-9.8
(Facilities)	4.3	10.2	-0.3	-0.2	1.7	2.0
(Intellectual property products)	3.0	6.5	7.8	0.2	1.2	2.9
Exports of goods & services	-1.7	10.8	3.9	3.4	6.8	4.2
(Goods)	0.1	10.9	3.9	2.1	6.4	3.2
(Services)	-12.3	10.4	3.8	10.5	9.0	9.4
Imports of goods & services	-3.3	10.2	4.2	3.0	2.5	3.8
(Goods)	0.2	12.5	4.7	-0.9	1.3	1.9
(Services)	-16.6	0.3	1.5	22.7	7.3	11.2
Gross National Income	0.1	3.8	-0.5	2.0	3.9	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.

※ 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 (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 (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 (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 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.