

Embargo:

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IN FEBRUARY, KEY INDICATORS SUCH AS TOTAL INDUSTRIAL PRODUCTION, RETAIL SALES, AND FACILITIES INVESTMENT REBOUNDED

In February 2025, total industrial production rebounded (+0.6% m-o-m, +1.2% y-o-y) after a month driven by increases in mining and manufacturing production (+1.0% m-o-m, +7.0% y-o-y) as well as services output. (+0.5% m-o-m, +0.8% y-o-y).

Retail sales rebounded (+1.5% m-o-m) after a month on the back of rising durable goods sales following the early payment of electric vehicle subsidies; however, it declined compared to the same period last year (-2.3%). Facilities investment saw a significant increase (+18.7% m-o-m, +7.7% y-o-y) as machinery investment, including semiconductor equipment, grew, along with a rise in investment in transportation equipment such as automobiles. Construction output rebounded (+1.5% m-o-m) with a sharp increase in civil engineering work; however it continued to drop compared to the same period last year (-21.0%).

(%)

		2023				2024				2025	
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Jan	Feb
Entire industry	<m-o-m>	0.1	0.9	1.2	0.4	0.4	0.0	-0.4	0.4	-3.0	0.6
	<y-o-y>	1.6	-0.1	1.5	1.7	2.9	2.2	0.5	0.6	-3.7	1.2
Mining and manufacturing	<m-o-m>	0.6	2.8	1.4	1.8	-0.8	1.8	-0.5	1.5	-2.8	1.0
	<y-o-y>	-8.2	-6.0	-0.5	4.8	5.3	5.2	2.4	3.5	-4.7	7.0
Services	<m-o-m>	0.7	0.5	1.0	0.3	0.3	0.0	-0.3	0.7	-0.9	0.5
	<y-o-y>	6.3	2.8	2.6	2.0	2.1	1.6	0.2	0.6	-0.9	0.8

(%)

		2023				2024				2025	
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Jan	Feb
Retail sales	<m-o-m>	-0.7	0.4	-1.3	0.8	-2.2	-0.3	0.7	-0.4	-0.7	1.5
	<y-o-y>	-1.4	-0.4	-2.6	-1.2	-1.6	-3.1	-1.5	-2.0	0.0	-2.3
Facilities investment	<m-o-m>	-9.0	1.5	-3.8	3.5	-1.5	-1.4	10.2	-1.8	-15.7	18.7
	<y-o-y>	-1.5	-0.9	-10.5	-5.8	-1.4	-3.3	11.5	5.3	-5.1	7.7
Construction Investment	<m-o-m>	3.4	-0.4	1.9	-4.2	7.7	-8.2	-3.8	-5.1	-4.6	1.5
	<y-o-y>	12.0	9.5	10.8	0.8	4.0	-3.1	-9.1	-9.7	-27.4	-21.0

In February 2025, key industrial activity indicators recovered overall due to the base effect from the previous month's decline, an increase in working days, and the early payment of EV subsidies. However, amid high monthly volatility, the continued slump in the construction sector and risks such as U.S. tariff impositions pose significant downside risks to the economy.

The government plans to mobilize all available resources to support economic recovery and respond to external risks by implementing a 10 trillion KRW essential supplementary budget focused on three key areas: disaster and crisis response, trade and AI competitiveness enhancement, and livelihood support.