



Regional Economic Trends in the Third Quarter of 2018

☐ (Mining and manufacturing)

In the third quarter of 2018, the Mining and Manufacturing Production Index for the nation dropped by 1.7% from the third quarter of 2017. The Mining and Manufacturing Production Index showed an increase in Chungnam and Incheon. Whereas, the Mining and Manufacturing Production Index showed a decrease in Gangwon, Daejeon and Seoul.

- The Mining and Manufacturing Production Index recorded a rise in Chungnam (7.3%) and Incheon (6.9%) due to a favourable trend in 'Machinery and Equipment', 'Electronic Components' and 'Pharmaceuticals'. In the meantime, the Mining and Manufacturing Production Index marked a drop in Gangwon (-20.6%), Daejeon (-17.2%) and Seoul (-12.8%) owing to a slowdown in 'Other Non-metallic Mineral Products', 'Tobacco Products' and 'Fabricated Metal Products'.

☐ (Index of Services)

In the third quarter of 2018, the Index of Services for the nation went up by 0.8% from the third quarter of 2017. The Index of Services showed a drop in Gyeongnam, Jeonbuk and Daejeon. Whereas, the Index of Services showed a rise in Incheon, Seoul and Gangwon.

- The Index of Services showed a drop in Gyeongnam (-0.8%) and Jeonbuk (-0.6%) owing to a slowdown in 'Wholesale and Retail Trade'. The Index of Services showed a decrease in Daejeon (-0.4%) owing to a slowdown in 'Professional, Scientific and Technical Activities'. In the meantime, the Index of Services showed a rise in Incheon (2.6%) owing to a favourable trend in 'Transportation and Storage'. The Index of Services showed a rise in Seoul (2.3%) owing to a favourable trend in 'Financial and Insurance Activities'. The Index of Services showed a rise in Gangwon (1.7%) owing to a favourable trend in 'Human Health and Social Work Activities'.

☐ (Retail Sales Index)

The Retail Sales Index for the nation went up by 3.9% from the third quarter of 2017. The Retail Sales Index recorded a drop in Gyeongnam, Jeonbuk and Ulsan. In the meantime, the Retail Sales Index recorded an increase in Jeju, Seoul and Incheon.

- The Retail Sales Index marked a decrease in Gyeongnam (-2.3%) and Jeonbuk (-1.2%) due to a slowdown in 'Specialized Stores'. The Retail Sales Index marked a decrease in Ulsan (-1.2%) due to a slowdown in 'Discount Department Stores'. On the other hand, the Retail Sales Index marked an increase in Jeju (9.6%) and Seoul (5.4%) owing to a favorable trend in 'Duty-free Shops'. The Retail Sales Index marked a rise in Incheon (2.4%) owing to a favorable trend in 'Automobiles and Automotive Fuel'.

☐ (Consumer Price Index)

The Consumer Price Index for the nation went up by 1.6% from the third quarter of 2017. Ulsan (1.2%), Incheon (1.3%) and Gangwon (1.3%) showed a lower increase rate compared to the nation. Whereas, Busan (2.0%), Chungbuk (2.0%) and Daegu (1.9%) showed a higher increase rate compared to the nation.

☐ (Employment)

The employment-population ratio for the nation stood at 61.1%, down 0.3%p from the third quarter of 2017. The employment-population ratio showed an increase in Chungnam (1.8%p) and Incheon (1.4%p). In the meantime, the employment-population ratio showed a decrease in Jeju (-2.9%p), Seoul (-1.1%p) and Ulsan (-1.1%p).

- The unemployment rate for the nation stood at 3.9%, up 0.4%p from the third quarter of 2017. The unemployment rate showed a drop in Jeju (-0.6%p) and Busan (-0.5%p). In the meantime, the unemployment rate showed a rise in Gyeongbuk (2.3%p), Daejeon (1.7%p) and Ulsan (1.3%p).

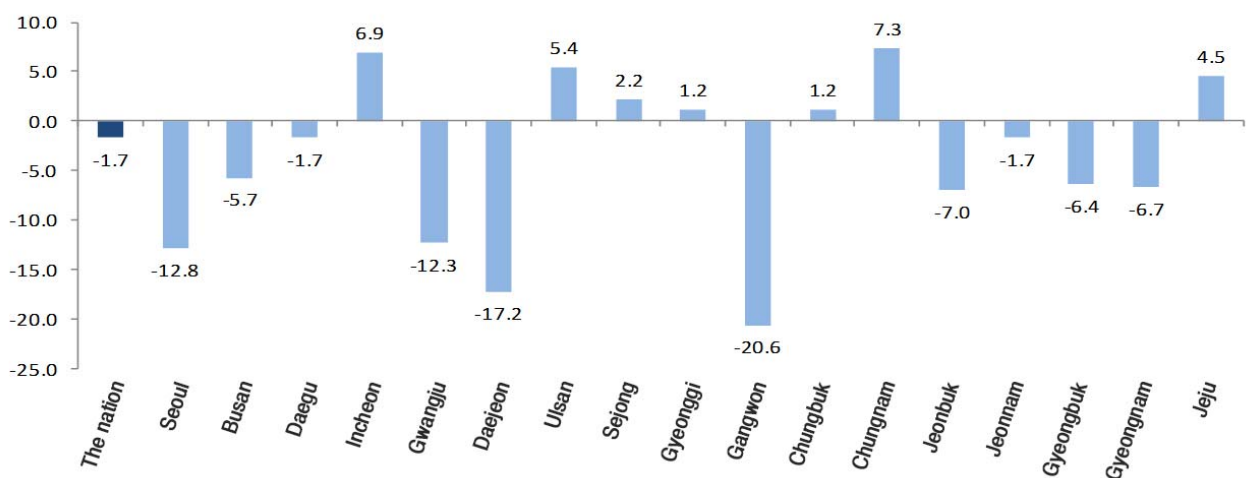
Economic Trends by Sector

☐ (Mining and manufacturing)

In the third quarter of 2018, the Mining and Manufacturing Production Index for the nation fell by 1.7% due to a slowdown in 'Motor Vehicles' and 'Fabricated Metal Products'.

- The Mining and Manufacturing Production Index recorded a rise in Chungnam (7.3%) and Incheon (6.9%) due to a favourable trend in 'Machinery and Equipment', 'Electronic Components' and 'Pharmaceuticals'. In the meantime, the Mining and Manufacturing Production Index marked a drop in Gangwon (-20.6%), Daejeon (-17.2%) and Seoul (-12.8%) owing to a slowdown in 'Other Non-metallic Mineral Products', 'Tobacco Products' and 'Fabricated Metal Products'.

< Year-on-year percent changes in the Mining and Manufacturing Production Index (%) >

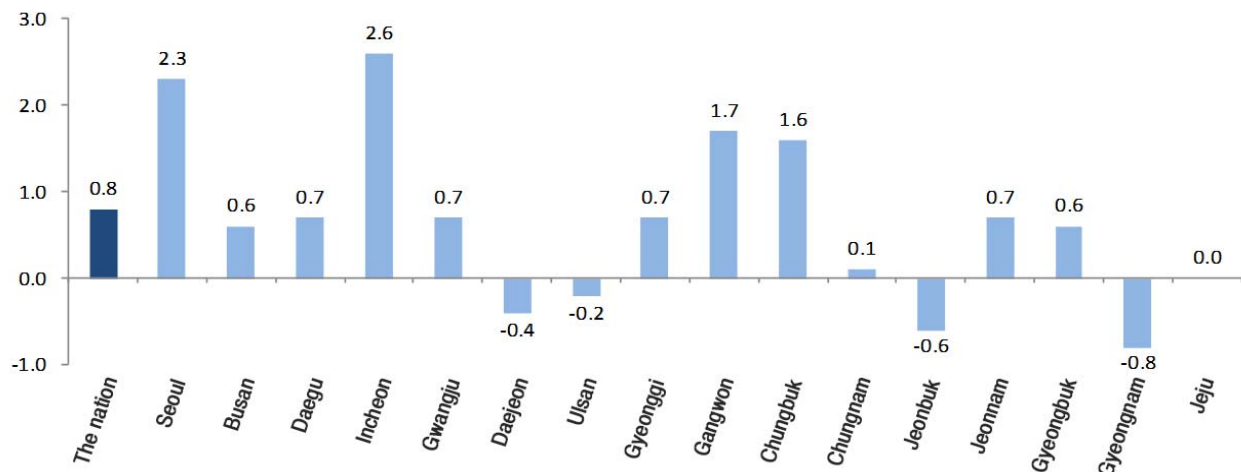


☐ (Index of Services)

In the third quarter of 2018, the Index of Services for the nation went up by 0.8% from the third quarter of 2017.

- The Index of Services showed a drop in Gyeongnam (-0.8%) and Jeonbuk (-0.6%) owing to a slowdown in 'Wholesale and Retail Trade'. The Index of Services showed a decrease in Daejeon (-0.4%) owing to a slowdown in 'Professional, Scientific and Technical Activities'. In the meantime, the Index of Services showed a rise in Incheon (2.6%) owing to a favourable trend in 'Transportation and Storage'. The Index of Services showed a rise in Seoul (2.3%) owing to a favourable trend in 'Financial and Insurance Activities'. The Index of Services showed a rise in Gangwon (1.7%) owing to a favourable trend in 'Human Health and Social Work Activities'.

< Year-on-year percent changes in the Index of Services (%) >

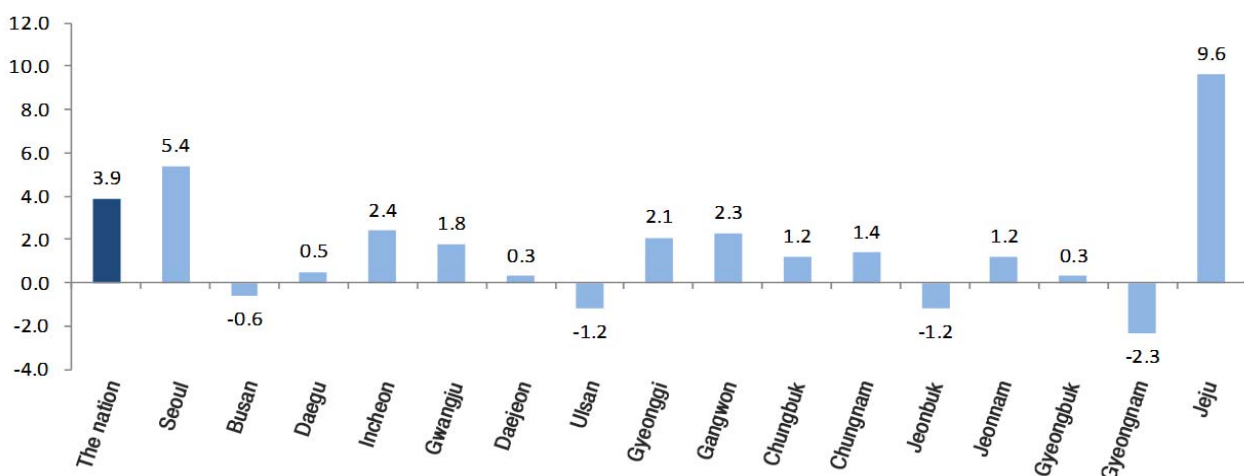


□ (Consumption)

In the third quarter of 2018, the Retail Sales Index for the nation went up by 3.9% from the third quarter of 2017.

- The Retail Sales Index marked a decrease in Gyeongnam (-2.3%) and Jeonbuk (-1.2%) due to a slowdown in 'Specialized Stores'. The Retail Sales Index marked a decrease in Ulsan (-1.2%) due to a slowdown in 'Discount Department Stores'. On the other hand, the Retail Sales Index marked an increase in Jeju (9.6%) and Seoul (5.4%) owing to a favorable trend in 'Duty-free Shops'. The Retail Sales Index marked a rise in Incheon (2.4%) owing to a favorable trend in 'Automobiles and Automotive Fuel'.

< Year-on-year percent changes in the Retail Sales Index (%) >

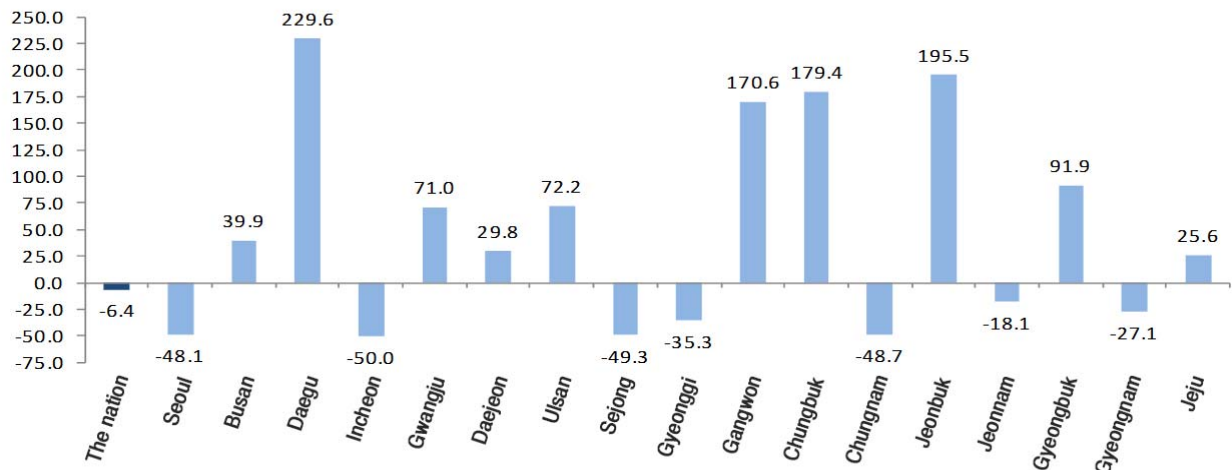


□ (Construction)

In the third quarter of 2018, the construction orders received for the nation dropped by 6.4% from the third quarter of 2017.

- As for construction orders received, Daegu skyrocketed by 229.6% owing to a rise in 'Dwellings'. Jeonbuk skyrocketed by 195.5% owing to a rise in 'Roads and bridges'. In the meantime, Incheon declined by 50.0% owing to a drop in 'Dwellings'. Sejong fell by 49.3% owing to a decrease in 'Roads and bridges'. Chungnam decreased by 48.7% owing to a drop in 'Factories and storage'.

< Year-on-year percent changes in the construction orders received (%) >

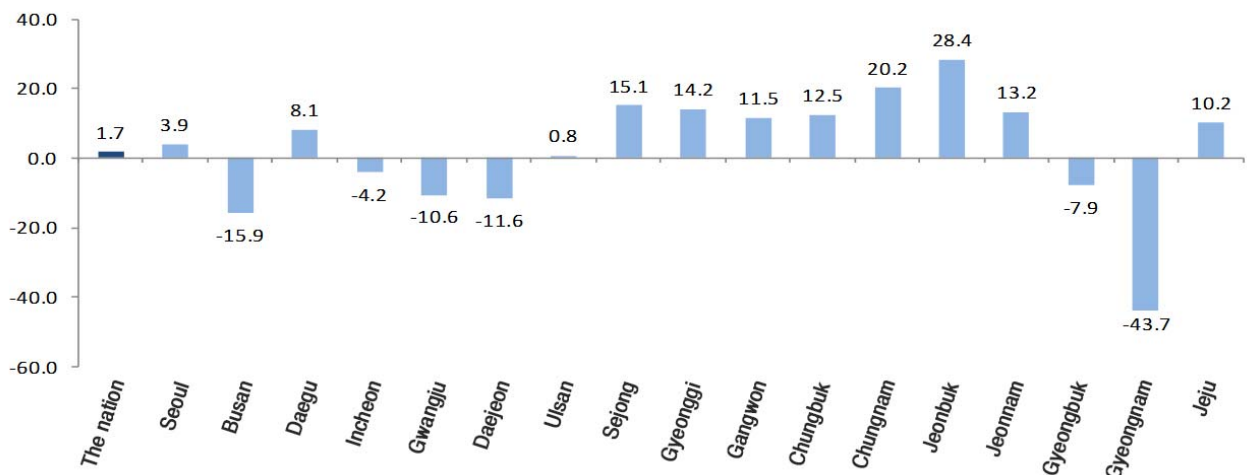


□ (Exports)

The exports for the nation recorded 153.6 billion dollars, which rose by 1.7% due to a favorable trend 'Semiconductor' and 'Refined petroleum products'.

- Exports recorded a decrease in Gyeongnam (-43.7%) and Busan (-15.9%) due to a slowdown in 'Vessels' and 'Motor vehicles'. In the meantime, exports recorded an increase in Jeonbuk (28.4%) and Chungnam (20.2%) owing to a favorable trend in 'Chemical products' and 'Semiconductor'.

< Year-on-year percent changes in exports (%) >

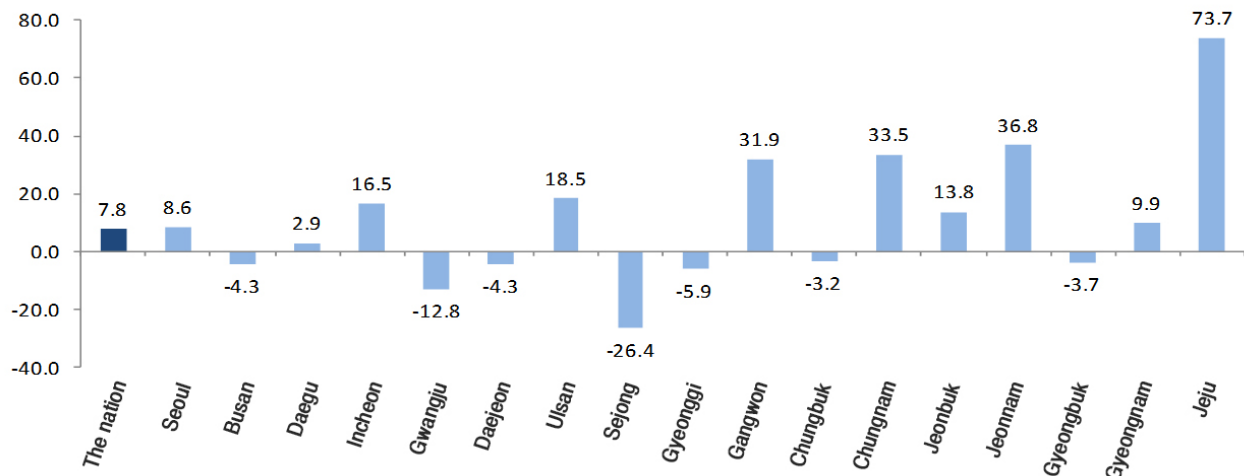


□ (Imports)

The imports of the nation recorded 130.3 billion dollars, which rose by 7.8% due to a favorable trend in 'Crude Oil', 'Gas' and 'Naphtha'.

- As for imports, Sejong and Gwangju fell by 26.4% and 12.8%, respectively, due to a drop in 'Electronic components'. Jeju and Jeonnam grew by 73.7% and 36.8%, respectively, due to a rise in 'Aircraft' and 'Crude oil'.

< Year-on-year percent changes in imports (%) >



□ (Price)

The Consumer Price Index of the nation went up by 1.6% from the third quarter of 2017 owing to a rise in 'Transport' and 'Food and beverages'.

- Ulsan (1.2%), Incheon (1.3%) and Gangwon (1.3%) showed a lower increase rate compared to the nation. Whereas, Busan (2.0%), Chungbuk (2.0%) and Daegu (1.9%) showed a higher increase rate compared to the nation.

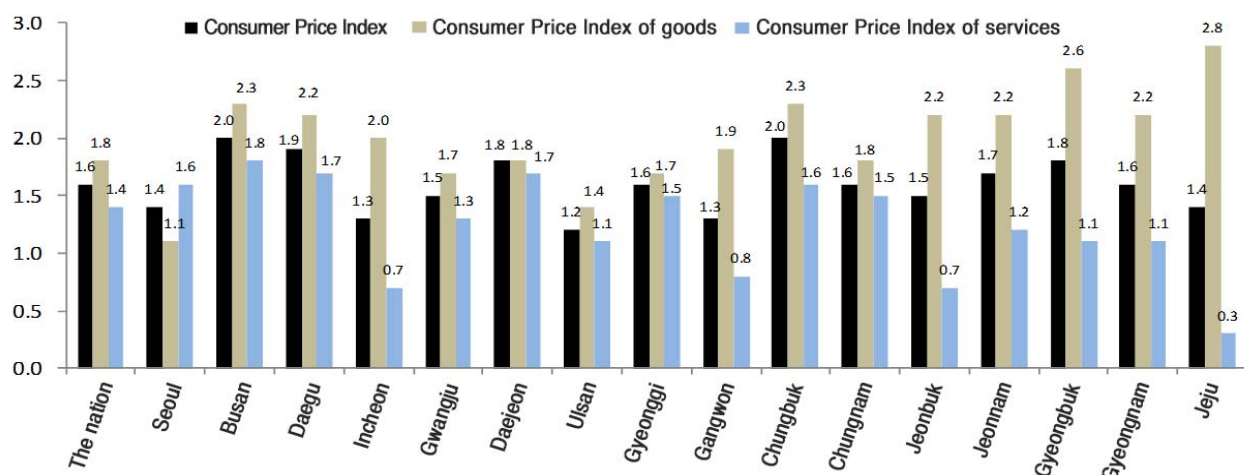
- (Consumer Price Index of goods)

As for the Consumer Price Index of goods, Seoul (1.1%) and Ulsan (1.4%) showed a lower increase rate compared to the nation. Whereas, Jeju (2.8%) and Gyeongbuk (2.6%) showed a higher increase rate compared to the nation.

- (Consumer Price Index of services)

As for the Consumer Price Index of services, Jeju (0.3%), Incheon (0.7%) and Jeonbuk (0.7%) showed a lower increase rate compared to the nation. Whereas, Busan (1.8%), Daegu (1.7%) and Daejeon (1.7%) showed a higher increase rate compared to the nation.

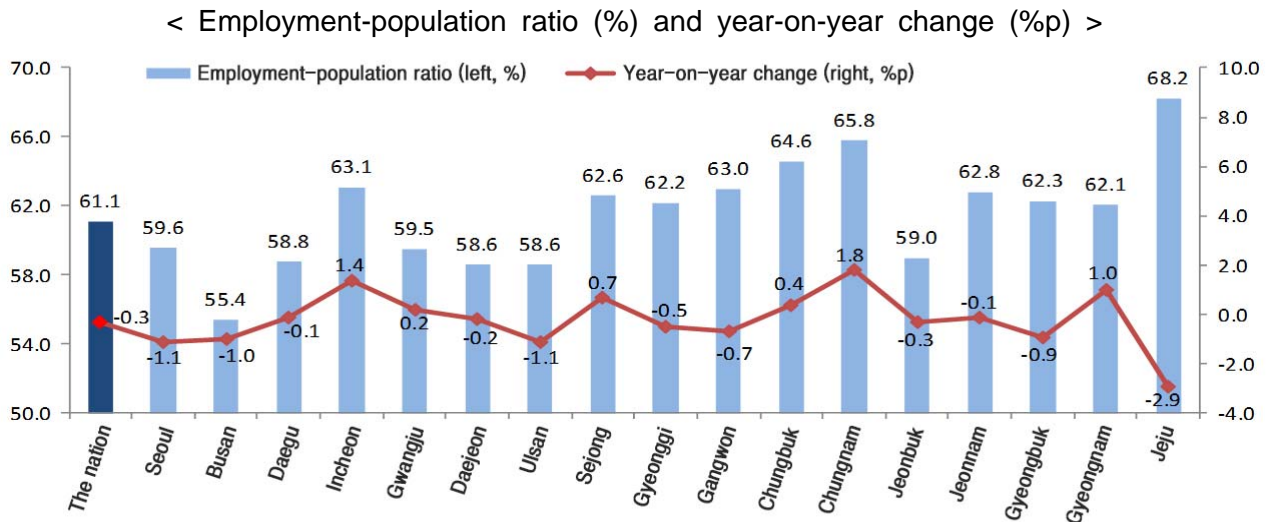
< Year-on-year percent changes in the Consumer Price Index (%) >



□ (Employment-population ratio)

The employment-population ratio for the nation stood at 61.1%, down 0.3%p from the third quarter of 2017.

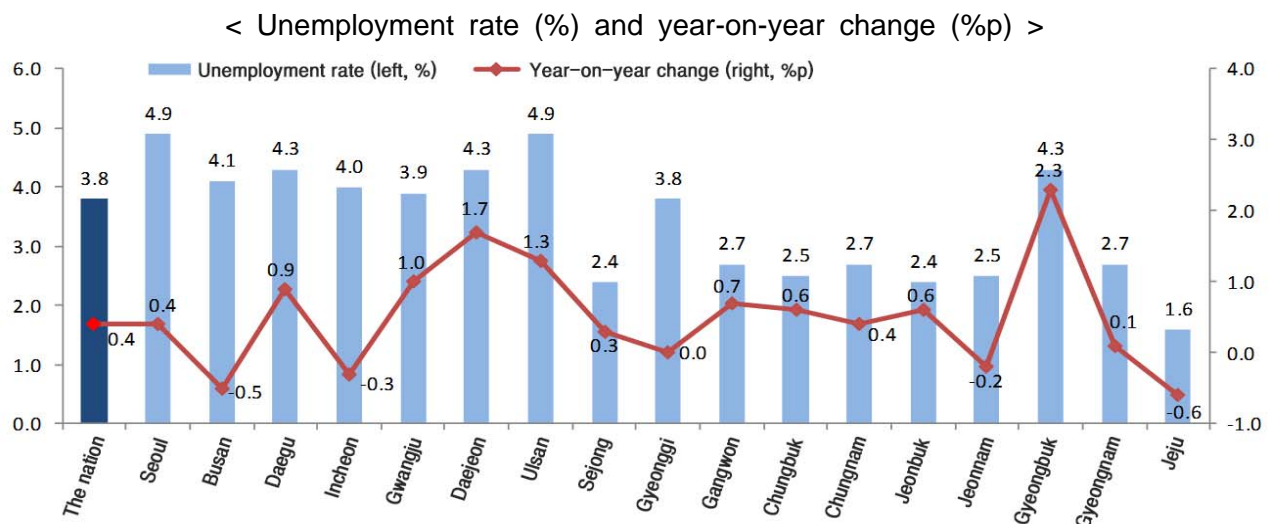
- The employment-population ratio showed an increase in Chungnam (1.8%p) and Incheon (1.4%p). In the meantime, the employment-population ratio showed a decrease in Jeju (-2.9%p), Seoul (-1.1%p) and Ulsan (-1.1%p).



□ (Unemployment rate)

The unemployment rate for the nation stood at 3.8%, up 0.4%p from the third quarter of 2017.

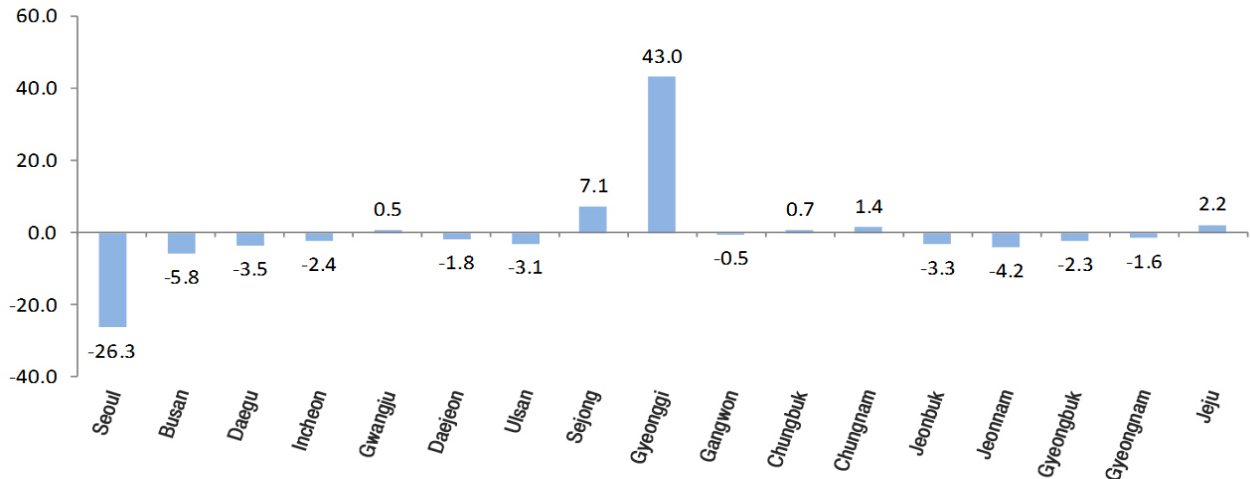
- As for the unemployment rate, Jeju and Busan fell by 0.6%p and 0.5%p, respectively. In the meantime, Gyeongbuk, Daejeon and Ulsan rose by 2.3%p, 1.7%p and 1.3%p, respectively.



□ (Internal migration)

6 regions including Gyeonggi (42,981 persons), Sejong (7,121 persons) and Jeju (2,170 persons) recorded a plus net migration. On the other hand, 11 regions including Seoul (-26,330 persons), Busan (-5,774 persons) and Jeonnam (-4,216 persons) recorded a minus net migration.

< Net migration (thousand persons) >



< Major Economic Indicators by Quarter ① >

[Year-on-year, %]

Metropolitan cities and provinces	Production								Consumption <Retail Sales Index ³⁾ >				Construction <Construction orders received>			
	<Mining and Manufacturing Production Index ¹⁾ >				<Index of Services ²⁾ >											
	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
	2017	2018	2018	2018 ^p	2017	2018	2018	2018 ^p	2017	2018	2018	2018 ^p	2017	2018	2018	2018 ^p
The nation	-3.8	-2.2	0.7	-1.7	0.9	2.6	2.3	0.8	2.1	5.0	4.7	3.9	-15.0	3.6	-15.7	-6.4
Seoul	0.2	0.4	1.0	-12.8	3.1	4.0	4.5	2.3	2.5	5.9	7.2	5.4	-42.8	-11.5	14.1	-48.1
Busan	-9.6	-7.3	-2.8	-5.7	0.1	1.3	2.2	0.6	-0.9	2.1	2.1	-0.6	0.0	124.6	-38.5	39.9
Daegu	-4.5	-1.6	0.3	-1.7	-0.6	0.6	0.9	0.7	1.1	-0.2	-0.1	0.5	47.3	-25.8	-9.2	229.6
Incheon	5.0	12.6	10.4	6.9	0.7	1.5	2.6	2.6	1.1	4.6	3.1	2.4	-47.4	-20.3	-21.7	-50.0
Gwangju	-11.9	-10.7	-3.1	-12.3	1.0	2.3	1.6	0.7	0.7	1.7	-0.5	1.8	154.3	-8.5	-76.7	71.0
Daejeon	-7.3	-5.6	-14.3	-17.2	0.9	1.3	0.8	-0.4	0.2	1.4	-0.5	0.3	-53.8	-48.7	-57.8	29.8
Ulsan	-6.3	0.1	-1.0	5.4	-1.6	0.3	0.7	-0.2	-1.2	2.2	-1.5	-1.2	-45.1	3.4	83.2	72.2
Sejong	-6.6	5.6	7.3	2.2	-	-	-	-	-	-	-	-	125.3	115.7	-55.5	-49.3
Gyeonggi	1.1	4.5	8.8	1.2	1.2	1.7	2.6	0.7	-0.3	3.9	2.7	2.1	-9.6	-11.4	-13.9	-35.3
Gangwon	3.6	3.9	-21.9	-20.6	0.9	3.8	1.1	1.7	2.8	5.1	1.8	2.3	-35.4	706.4	-23.6	170.6
Chungbuk	-8.6	-2.4	6.2	1.2	1.0	0.8	1.0	1.6	1.5	3.3	-0.5	1.2	67.7	-32.0	-48.5	179.4
Chungnam	8.8	12.1	7.0	7.3	0.0	0.8	2.2	0.1	3.0	2.7	1.3	1.4	17.4	-42.5	62.3	-48.7
Jeonbuk	-7.5	-2.5	-2.0	-7.0	0.1	0.2	0.4	-0.6	-1.2	1.0	0.3	-1.2	39.3	129.0	-13.6	195.5
Jeonnam	-3.5	-3.8	-3.7	-1.7	-0.3	0.9	1.2	0.7	-0.3	3.0	2.3	1.2	55.8	53.2	-7.0	-18.1
Gyeongbuk	-2.4	-2.7	0.2	-6.4	0.9	0.5	0.9	0.6	1.3	0.3	-0.3	0.3	-4.4	-13.8	-10.4	91.9
Gyeongnam	-10.1	-9.2	-8.6	-6.7	-0.7	0.6	0.7	-0.8	-2.5	0.6	-0.5	-2.3	-60.3	-54.4	-58.4	-27.1
Jeju	5.8	6.9	5.4	4.5	4.3	5.5	3.0	0.0	2.9	6.6	17.8	9.6	-36.2	4.1	-5.5	25.6

1) Including Mining, Manufacturing, Electricity and Gas

2) Including Wholesale and retail trade, Transportation, Accommodation and food service activities, Information and communications, Financial and insurance activities, Real estate activities and renting and leasing, Professional, scientific and technical activities, Business facilities management and business support services, Education, Human health and social work activities, Arts, sports and recreation related services, Membership organizations, repair and other personal services and Sewerage, waste management, materials recovery and remediation activities

3) Including 'Department stores', 'Large-scale retail stores', 'Supermarkets and convenience stores', 'Automobiles and automotive fuel' and 'Specialized stores'

< Major Economic Indicators by Quarter ② >

[Year-on-year, %]

Metropolitan cities and provinces	Exports				Imports				Consumer Price Index							
									Total				Goods			
	4Q 2017	1Q 2018	2Q 2018	3Q 2018	4Q 2017	1Q 2018	2Q 2018	3Q 2018	4Q 2017	1Q 2018	2Q 2018	3Q 2018	4Q 2017	1Q 2018	2Q 2018	3Q 2018
The nation	8.4	9.9	3.4	1.7	11.6	13.6	12.8	7.8	1.5	1.3	1.5	1.6	1.0	0.8	1.4	1.8
Seoul	17.0	17.1	20.4	3.9	11.4	12.8	14.4	8.6	1.4	1.3	1.5	1.4	0.7	0.7	1.1	1.1
Busan	0.8	6.0	1.5	-15.9	7.6	8.9	4.3	-4.3	1.5	1.6	2.0	2.0	0.9	1.1	1.8	2.3
Daegu	7.0	15.8	18.9	8.1	6.8	10.6	6.7	2.9	1.5	1.3	1.8	1.9	0.9	0.8	1.8	2.2
Incheon	7.8	4.7	10.7	-4.2	7.6	11.2	16.0	16.5	1.5	1.4	1.4	1.3	0.8	0.9	1.6	2.0
Gwangju	-5.7	-3.2	0.5	-10.6	25.9	14.2	7.8	-12.8	1.5	1.0	1.4	1.5	1.0	0.4	1.2	1.7
Daejeon	-0.3	-16.5	21.3	-11.6	-9.1	-3.6	-5.5	-4.3	1.3	1.3	1.7	1.8	1.0	0.6	1.4	1.8
Ulsan	-14.6	-4.0	-1.8	0.8	5.8	13.9	17.7	18.5	1.1	0.9	1.3	1.2	0.5	0.5	1.0	1.4
Sejong	-7.3	-2.8	34.6	15.1	-17.3	-2.2	-7.8	-26.4	-	-	-	-	-	-	-	-
Gyeonggi	16.8	17.3	19.7	14.2	12.5	16.6	1.3	-5.9	1.6	1.3	1.5	1.6	1.2	0.6	1.2	1.7
Gangwon	4.9	18.3	27.4	11.5	28.6	23.8	52.9	31.9	1.5	1.2	1.2	1.3	1.1	1.0	1.5	1.9
Chungbuk	23.3	22.4	23.2	12.5	16.0	9.8	7.3	-3.2	1.7	1.4	1.8	2.0	1.6	1.3	1.9	2.3
Chungnam	18.0	23.9	17.5	20.2	27.3	20.0	30.7	33.5	1.6	1.3	1.6	1.6	1.4	1.2	1.6	1.8
Jeonbuk	8.0	29.4	26.8	28.4	15.2	20.6	22.3	13.8	1.6	1.3	1.3	1.5	1.3	1.2	1.8	2.2
Jeonnam	6.8	12.5	27.4	13.2	17.8	9.4	36.6	36.8	1.8	1.2	1.5	1.7	1.4	1.0	1.6	2.2
Gyeongbuk	8.2	-5.8	-9.3	-7.9	8.3	3.6	5.5	-3.7	1.4	1.1	1.4	1.8	1.1	1.2	1.8	2.6
Gyeongnam	2.3	-2.1	-53.7	-43.7	-3.8	16.2	15.2	9.9	1.2	1.0	1.4	1.6	0.9	0.7	1.7	2.2
Jeju	26.8	29.8	32.0	10.2	27.1	22.0	79.4	73.7	1.9	1.6	1.6	1.4	1.4	1.6	2.7	2.8

< Major Economic Indicators by Quarter ③ >

[Year-on-year, %, thousand persons]

Metropolitan cities and provinces	Consumer Price Index Services				Employment-population ratio				Unemployment rate				Net migration			
	4Q 2017	1Q 2018	2Q 2018	3Q 2018	4Q 2017	1Q 2018	2Q 2018	3Q 2018	4Q 2017	1Q 2018	2Q 2018	3Q 2018	4Q 2017	1Q 2018	2Q 2018	3Q 2018
The nation	1.9	1.6	1.6	1.4	61.0	59.6	61.2	61.1	3.2	4.3	3.9	3.8	-	-	-	-
Seoul	1.8	1.6	1.8	1.6	60.2	59.5	59.9	59.6	4.2	5.1	5.0	4.9	-40.1	-22.4	-29.9	-26.3
Busan	2.0	1.9	2.1	1.8	56.2	55.2	55.8	55.4	4.1	5.0	4.3	4.1	-12.0	-6.4	-7.4	-5.8
Daegu	2.1	1.7	1.8	1.7	58.3	56.7	58.6	58.8	3.9	4.9	5.0	4.3	-3.5	-2.9	-3.0	-3.5
Incheon	2.1	1.8	1.2	0.7	62.1	62.1	63.3	63.1	3.9	4.8	4.5	4.0	-0.1	1.5	0.8	-2.4
Gwangju	2.0	1.6	1.6	1.3	59.4	58.9	59.6	59.5	2.4	4.2	3.9	3.9	-3.5	-2.1	-2.0	0.5
Daejeon	1.6	1.8	1.9	1.7	59.1	58.7	58.7	58.6	3.3	4.2	4.4	4.3	-5.3	-5.2	-3.5	-1.8
Ulsan	1.6	1.2	1.5	1.1	60.2	59.4	59.2	58.6	2.9	3.8	5.0	4.9	-1.3	-3.7	-3.4	-3.1
Sejong	-	-	-	-	60.7	59.7	62.4	62.6	2.8	2.6	2.3	2.4	8.1	10.5	8.5	7.1
Gyeonggi	2.0	1.7	1.8	1.5	62.5	61.3	62.5	62.2	3.1	4.0	3.7	3.8	37.1	44.6	40.2	43.0
Gangwon	2.0	1.4	1.0	0.8	61.0	56.1	62.6	63.0	2.7	4.4	2.5	2.7	3.2	-3.0	-0.7	-0.5
Chungbuk	1.9	1.5	1.7	1.6	63.1	60.3	64.8	64.6	1.7	2.7	2.6	2.5	1.3	0.7	1.0	0.7
Chungnam	1.7	1.4	1.7	1.5	63.2	59.9	64.4	65.8	2.9	4.1	2.7	2.7	3.9	3.1	2.7	1.4
Jeonbuk	2.0	1.3	0.9	0.7	58.5	56.3	59.0	59.0	1.9	3.1	3.0	2.4	-0.1	-5.2	-2.6	-3.3
Jeonnam	2.2	1.3	1.3	1.2	63.0	60.4	63.0	62.8	2.3	4.2	2.9	2.5	2.4	-4.3	-1.4	-4.2
Gyeongbuk	1.6	1.1	1.0	1.1	62.4	59.5	62.3	62.3	2.3	4.8	4.0	4.3	1.4	-6.0	-1.7	-2.3
Gyeongnam	1.6	1.3	1.2	1.1	61.1	59.8	62.0	62.1	2.6	3.4	3.1	2.7	5.0	-2.3	-0.4	-1.6
Jeju	2.4	1.6	0.7	0.3	70.9	68.2	68.5	68.2	1.7	2.5	1.4	1.6	3.5	3.2	2.8	2.2