

S.Korean economic indicators weaken amid slowing inflation: finance ministry

SEOUL, May 8 (Xinhua) -- South Korean economy continued to see employment improve, but economic indicators weakened amid slowing consumer price inflation, the finance ministry said Tuesday.

"Our economy saw employment maintain its recovery trend, and consumer price growth slowed somewhat. But, economic indicators showed weaker picture recently," the Ministry of Strategy and Finance said in a so-called Green Book, a monthly report assessing the nation's economic conditions.

The Asia's No.4 economy created more than 400,000 jobs in March, and the consumer prices stayed in the 2 percent range for two straight months in April due to stable prices of petroleum and agricultural products, according to the report.

However, output in the mining and manufacturing sectors shrank 3.1 percent in March from a month earlier due to underperformance in the semiconductor and machinery sectors, and production in the service industry declined 1 percent over the same period.

Retail sales contracted 2.7 percent on-month in March due to reduction in sales of semi-durables and non-durables, with facility investment and construction investment retreating 7 percent and 1.8 percent respectively.

Exports, which account for more than half of the South Korean economy, reduced 4.7 percent on-year in April due to high base effect, but trade balance logged a surplus of more than 2 billion dollars, the ministry said.

The ministry cautioned that there were external uncertainties growing as risks from Europe's debt crisis deepened following the downgrade of sovereign credit rating for Spain, saying that uncertainties over global oil prices remained.

The ministry promised that it will continue its policy response to achieve active economic recovery along with stable inflation, while closely monitoring changes in economic conditions at home and abroad.