

S. Korea's consumption, facility investment remains sluggish

SEOUL, Dec. 7 (Xinhua) -- South Korean economy saw its exports and industrial output improved, but the economy's consumption and facility investment remained somewhat sluggish amid lingering uncertainties, the finance ministry said Friday.

"Our economy saw stable consumer prices and employment recently. Export and production in the manufacturing and mining sectors were enhanced, but consumption and facility investment showed somewhat sluggishness," the Ministry of Strategy and Finance said in a so-called Green Book, the monthly report assessing the nation's economic conditions.

The ministry noted that domestic uncertainties remained due to delayed recovery in consumer and business sentiments, saying that unstable factors such as the U.S. fiscal cliff issue lasted in the global economy.

The assessment came after the Bank of Korea (BOK) revised down the country's third-quarter GDP growth. Real GDP increased 0.1 percent in the third quarter from three months before, down from a preliminary estimate of a 0.2 percent expansion unveiled around a month earlier.

The Organization of Economic Cooperation and Development (OECD) lowered its 2013 global growth outlook to 3.4 percent from an earlier estimate of 4.2 percent. The Paris-based organization slashed its 2013 growth outlook for South Korea to 3.1 percent from a prior forecast of 4 percent.

Employment in the country increased 396,000 in October from a year earlier, with the employment and jobless rates improved. Consumer price inflation declined to 1.6 percent in November from 2.1 percent in the previous month thanks to falling oil prices and stable weather conditions.

Output in the manufacturing and mining sectors grew 0.6 percent in October from a month before, but retail sales contracted 0.8 percent over the same period due to flagging consumer confidence amid concerns over the global economic growth.

Facility investment declined 2.9 percent in October from the previous month, with construction investment falling 1.5 percent over the cited period.

Exports, which account for around half of the South Korean economy, increased 3.9 percent in November from a year earlier, expanding from a 1.1 percent gain for October, but leading economic indicators declined by 0.5 point in October compared with the prior month.

The ministry said that it will continue its policy response to boost economic vitality, while closely monitoring economic conditions at home and abroad.

