

S.Korea's industrial output growth plunges in March

SEOUL, April 30 (Xinhua) -- South Korea's industrial output growth plunged last month due to weak demand at home and abroad caused by high oil prices and economic slowdown in China, a government report showed Monday.

Output in the mining, manufacturing and electricity and gas sectors expanded 0.3 percent in March from a year earlier, sharply down from a 14.3 percent on-year growth tallied in February, according to Statistics Korea. From a month before, the production contracted 3.1 percent, down from a 0.6 percent on-month expansion for February.

The statistical agency attributed the sharp contraction to weak demand for auto & video equipment and machinery that shrank 14.9 percent and 4 percent on-year in March respectively. Production in parts and automobiles grew 7.2 percent and 8.3 percent each over the same period, limiting the production's further decline.

Meanwhile, market watchers said the contraction mainly arose from weak demand at home and abroad. "The March production grew merely 0.3 percent in March due to temporary slowdown in demand at home and abroad. The slowdown was attributed to high oil prices and weakening economic momentum in China," said An Ki-tae, an economist at Woori Investment & Securities in Seoul.

Production in the manufacturing sector, which makes up the bulk of all industrial output, grew 0.3 percent on-year in March, down from a 15 percent on-year expansion for February, according to the statistical agency.

Shipment in the manufacturers declined 0.1 percent on-year in March due to a contraction in audio & video equipment and electrical equipment, while inventory surged 15.5 percent amid a growth in chips and parts.

Local manufacturers operated at an average capacity of 78.2 percent last month, down 2.9 percentage points from the previous month. The factory utilization stood at 81.3 percent a year earlier.

Production in the service industry grew 1.4 percent on-year in March as upswings in health, social welfare, finance and insurance offset

downswings in transportation, real estate and rental service sectors, according to the report.

Retail sales were unchanged in March from a year earlier due to outperformance in non-durables and semi-durables that was offset by underperformance in durables such as automobiles.

Facility investment logged a growth of 1 percent in March from a year earlier due to outperformance in general machinery and other devices.

The value of construction completed at constant price sank 7.9 percent on-year in March, with the figure for construction orders received at current price contracted 3.5 percent over the same period.

The leading index of economic indicators, which gauges business activities around six months ahead, was unchanged at 99.8 in March from the previous month, but the coincident index, measuring current economic conditions, was down 0.4 points in March from a month before.