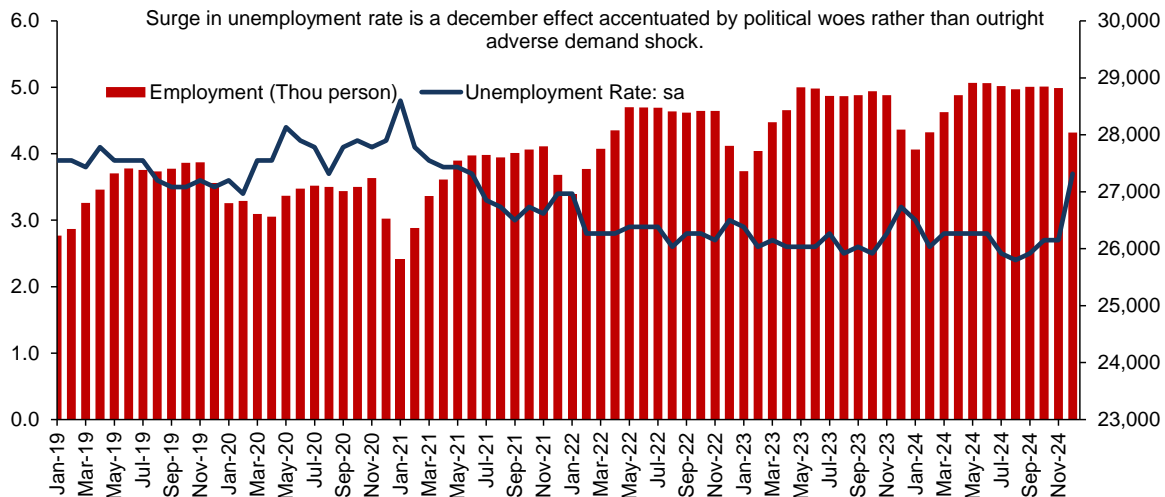
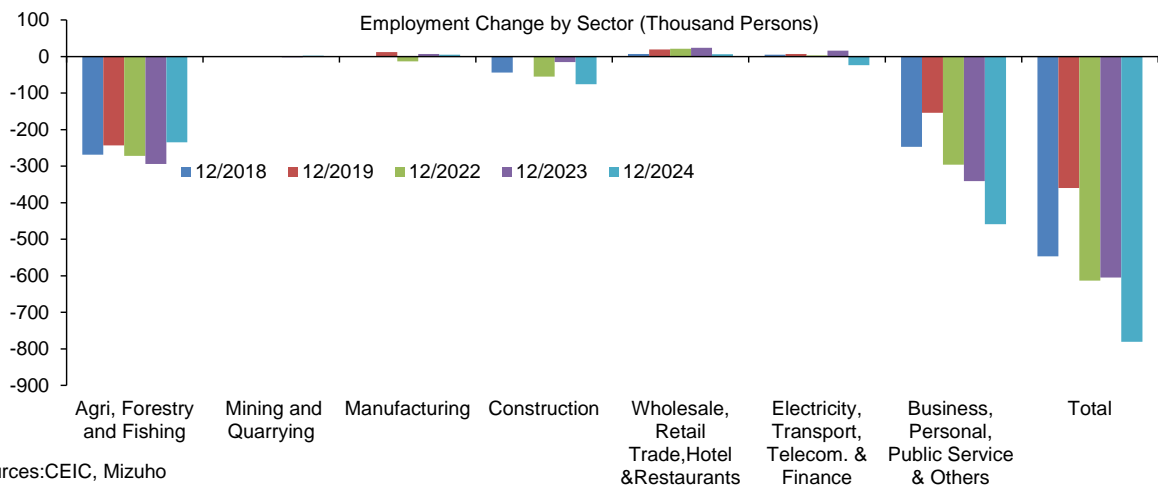


Korea Jobs: Softer, Not Capitulation



Source: CEIC; Mizuho



Sources: CEIC, Mizuho

- Surge in Korea's **unemployment (on a seasonally adjusted basis)** from **2.7% in November** to **3.7%** is **not a clear sign of outright capitulation** in the jobs markets but it is likely accentuated by **lower public service demand** from the martial law debacle and the passing of a learner than earlier projected budget for 2025.
- Admittedly, the seasonal factors in the series face statistical issues as the December uptick in unemployment rate in recent years is distinctly observable above. Furthermore, a shift in the December employment survey timing also led to a lower employment figures as in coincided with the end of job support programs.
- Aside from lower public service demand, underlying details reveal various domestic issues hampering employment. **Healthcare sector** saw larger job losses likely stemming from the medical strike in 2024.
- **Transportation** sector also saw lower employment which may have stem from the Jeju Air crash. Larger job losses were seen in the **construction sector** as builders continue to face financial troubles and bankruptcies.
- Meanwhile, financial services and insurance sector as well as the manufacturing sector saw higher employment.
- On balance, a higher unemployment rate coupled with lower labour force participation still indicates **softer labour demand** but not representative of an adverse demand shock. Looking ahead, the **unemployment rate will come down from this higher print** though it may not fully revert back to the lows in 2024.

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