

The 27th

ASIA CONSTRUCT CONFERENCE

Country Report

: Economy and Construction in Korea

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1. Executive Summary

As of 2023, South Korea's GDP stood at \$1,859.4, with an economic growth rate of 1.4%, indicating a slowdown in growth. The construction sector experienced a GDP growth rate of 2.1%, which, for the first time since 2018, was lower than the service sector's growth rate of 3.1%. However, it surpassed the manufacturing sector's growth rate of 1.7%, continuing a trend observed since 2021.

Although the Korean economy maintained a modest growth trend until 2018, the recent economic conditions have been suffering from a decline in 2019. Externally, the expansion of the U.S.-China trade dispute and the uncertain outlook for a recovery in semiconductor demand could significantly impact the growth of the Korean economy. With two of Korea's major export partners experiencing economic slowdowns, the unresolved U.S.-China trade dispute poses a serious threat to Korea's economic growth. Semiconductors, which were key drivers of Korea's economic growth between 2017 and 2018, have faced declining global demand since the second half of 2018. Nevertheless, they continue to maintain demand above a certain level and contribute to Korea's economic growth.

Internally, short-term side effects from changes in labor market policies pose downside risks, while the spread of visible results from strengthening social safety net policies represents potential upside risks. Recent labor market policy changes, including increases in the minimum wage and reductions in working hours, have introduced challenges that burden economic growth.

Despite a weaker-than-expected recovery in consumption, the Korean economy is anticipated to continue its modest improvement, driven primarily by exports. Consumer inflation is expected to decelerate, albeit at a moderate pace.

After recording a trade deficit of \$48 billion in 2022, the trade balance returned to a surplus in the first half of 2024. The United States and China remain Korea's main export partners, with Vietnam emerging as a significant third partner.

The construction sector, which contributed 10.1% to GDP in 2016, declined to 2.8% in 2018 but rebounded as demand for residential and non-residential areas increased due to the impact of COVID-19 from late 2019. In 2023, its contribution to GDP growth recovered to 5.4%, largely driven by the government's housing supply policy and efforts to revitalize reconstruction during the pandemic. However, this recovery appears to be temporary, as

the sharp decline in housing demand due to an aging population and low birth rates is expected to make it challenging to sustain this trend in the future.

The current conditions of the Korean construction sector can be summarized as follows:

- 1) The number of construction firms has continuously increased from 68,674 in 2018 to 85,111 in 2024.
- 2) The number of employees in the construction industry fell from 1.6 million in 2018 to 1.49 million in 2024. Notably, the foreign workforce, primarily composed of Chinese workers, increased sharply from 74,000 in 2015 to 113,000 in 2018 and has maintained a level of 115,000 in 2024.
- 3) Labor productivity in the construction sector, measured as added value per employee, rose until 2019 compared to the 2020 baseline. However, it declined to 89.0% in 2021 and 88.7% in 2022, while other manufacturing and service sectors experienced productivity increases.
- 4) Korea exported \$72 billion in construction services in 2010, but global economic conditions caused a decline to \$46 billion in 2015 and \$28 billion in 2016. Recently, construction exports have rebounded, reaching \$30.9 billion in 2022 and \$33.3 billion in 2023.

2. Macro Economic Review and Outlook

2.1. Overview of the Korean Economy and Main Economic Indicator

The domestic economy is expected to continue its gradual improvement, mainly in exports, although the recovery of consumption has weakened more than expected. The rate of increase in consumer prices will show a slowdown as the impact of supply shocks gradually decreases amid weak demand-side pressure, but the pace is expected to be moderate. The current account balance will continue to remain in the black on the back of the semiconductor economy recovery, and the number of employed is expected to slow down gradually, mainly in the service industry. The domestic growth rate this year is expected to be 2.1%, which is expected to meet the November forecast. The growth rate of consumer prices is expected to be 2.6%, in line with the previous forecast.

Private consumption has weakened in the third quarter but is expected to improve thanks to good employment conditions and improved real income for households. Construction

investment has slowed down, mainly in building construction, in the third quarter due to the reduced construction of new construction, and is expected to continue to be sluggish in the future. Facility investment improved thanks to increased investment in the semiconductor and aviation sectors and is expected to recover thanks to the recovery of the IT economy and increased investment in new growth sectors. Goods exports are improving rapidly, mainly in semiconductors and automobiles, and are expected to continue their recovery in the IT sector in the future.

In the future, the growth path is expected to be affected by the ripple effect of the continued monetary tightening at home and abroad and the degree of improvement in the IT economy. The inflation rate continued to slow down due to the fall in international oil prices and low demand pressure. The slow-down rate is expected to be gentle due to the ripple effect of accumulated cost pressure in the future. However, there is a high level of uncertainty concerning trends in international oil prices and agricultural prices, the effects of accumulated cost pressure, and domestic and foreign economic flows.

Table 2.1. | GDP Indicators

	2018	2019	2020	2021	2022	2023
GDP and Components						
GDP at real price (KRW trillion, base year 2020)	2,014.6	2,057.2	2,075.4	2,245.3	2,351.8	2,443.3
GDP at current market price (KRW trillion)	2,007.0	2,040.6	2,058.5	2,222.0	2,323.8	2,401.2
GDP at current market price (USD billion)	1,824.0	1,750.6	1,744.4	1,941.5	1,798.7	1,839.4
GDP growth (%)	3.2	2.3	-0.7	4.6	2.7	1.4
agriculture, forestry, and fishing	-0.8	2.9	-6.7	3.4	0.8	-2.6
manufacturing sector	3.4	0.5	-2.0	6.5	2.5	1.7
services sector	-2.1	-1.7	-0.4	-0.9	0.9	3.1
construction sector	4.2	3.8	-0.4	4.3	3.8	2.1

Source: Statistics Korea, The Bank of Korea

Despite the impact of COVID-19, the Korean economy has achieved steady economic growth except in 2020, and began to escape the COVID-19 aftermath in earnest in 2021. All major GDP industries, including construction and facility investments, have been on the rise except in 2020, but growth has begun to slow down in 2023. Private consumption

remained on the rise in 2022, but changes are taking place every in 2023, falling 2.3% in the first quarter, but slightly increasing 3.8% in the second quarter, declining 4.7% in the third quarter, turning downward again, and recovered with a 5.0% increase in the fourth quarter.

Table 2.2. | Expenditure on GDP

Category	2022					2023				
	Annual	1Q	2Q	3Q	4Q	Annual	1Q	2Q	3Q	4Q
GDP	4.5	3.6	4.2	5.0	5.1	3.1	3.9	3.2	2.9	2.7
	(4.2)	(2.1)	(1.2)	(-0.9)	(1.1)	(2.8)	(2.5)	(1.9)	(-0.8)	(0.0)
Total consumption	4.6	3.5	4.0	5.3	5.3	3.5	4.4	3.5	3.1	3.2
	(4.3)	(1.3)	(0.6)	(0.7)	(0.8)	(3.2)	(1.7)	(1.8)	(0.7)	(-0.1)
Private Consumption	7.7	13.4	10.6	6.5	1.3	-0.9	2.5	0.1	-4.7	-1.2
	(6.7)	(0.3)	(7.7)	(0.0)	(4.0)	(-0.8)	(-2.3)	(3.8)	(-4.7)	(5.0)
Total fixed investment	6.6	7.2	7.4	6.1	5.4	2.7	4.1	2.3	2.7	1.9
	(5.9)	(2.3)	(2.9)	(1.8)	(0.0)	(2.4)	(2.3)	(1.5)	(1.1)	(-1.2)
Facility investment	8.5	10.7	9.6	7.3	6.6	3.4	4.9	2.9	3.8	2.3
	(7.3)	(2.8)	(4.6)	(2.0)	(0.3)	(2.8)	(1.6)	(2.3)	(1.4)	(-1.2)
Construction investment	5.7	4.3	6.7	6.6	4.9	1.2	3.1	0.9	0.4	0.6
	(5.4)	(1.2)	(2.0)	(0.7)	(0.4)	(1.1)	(3.3)	(1.9)	(-1.0)	(-1.3)
Investment in intellectual property products	3.9	4.0	3.8	3.5	4.3	3.4	3.8	3.7	3.3	2.9
	(3.6)	(1.8)	(-0.2)	(2.5)	(-0.4)	(3.1)	(1.6)	(-0.5)	(3.2)	(-0.8)

Source: Statistics Korea, The Bank of Korea

The population began to decline, peaking at 51,829,000 in 2020. Since 2015, the labor force growth rate has been steadily decreasing and the declining rate is accelerating. The main causes are an aging population and a low birth rate. The impact of COVID-19 seems to have recovered on macroeconomic indicators, but the impact remains in the labor market, and the unemployment rate is 5.1% in 2022 and 3.6% in 2023, higher than 2.5% in 2021.

Table 2.3. | Key Economic Indicators

	2017	2018	2019	2020	2021	2022	2023
Demographic Indicators							
Population (thousands)	51,422	51,629	51,779	51,829	51,738	51,692	-
Population growth rate (%)	0.3	0.4	0.3	0.1	-0.2	-0.1	-
Labor force (thousands)	27,748	27,895	28,186	28,012	28,310	28,922	29,203
Labor force growth rate (%)	1.2	0.5	1.0	-0.6	1.1	2.1	0.9
Unemployment rate (%)	3.7	3.8	3.8	4.0	3.7	2.9	2.7
CPI Inflation rate (%) (2020=100)	1.9	1.5	0.4	0.5	2.5	5.1	3.6
Financial Indicators							
Interbank interest rate (%)	1.42	1.70	1.66	0.87	0.87	2.49	3.73
Short term interest rate (%)	1.44	1.68	1.69	0.92	0.85	2.49	3.71
Long term interest rate (%)	2.28	2.50	1.70	1.50	2.07	3.37	3.64

Notes: interbank interest rate is KORIBOR (KORea Inter-Bank Offered Rates) for 3 months;
short-term interest yields on 91-days CD; long-term on 10-years Treasury Bonds.

Source: Statistics Korea (Demographics), The Bank of Korea (GDP and financials).

2.2. Trade

2.2.1. Value of Import and Export

The trade balance steadily declined from a surplus of \$70 billion in 2018 to a deficit of 48 billion in 2022. Both commodity exports and commodity imports experienced negative growth during COVID-19, but the trade balance remained in the black. After COVID-19, the trade balance in 2022 and 2023 recorded a deficit due to inflation, high interest rates, and high exchange rates, but the trade balance in the first half of 2024 is back in the black. Goods exports, which recorded negative growth in 2023, have recovered in 2024, but commodity imports are recording negative growth from 2023 to the present.

Table 2.4. | Export and Import

(HoH, USD millions, %)

	2018	2019	2020	2021	2022	2023	2024 (Jan-Jun)
Export (increase rate)	604,860 (5.4)	542,233 (-10.4)	512,498 (-5.5)	644,400 (25.7)	683,585 (6.1)	632,226 (-7.5)	334,782 (9.0)
Import (increase rate)	535,202 (11.9)	503,343 (-6.0)	467,633 (-7.1)	615,093 (31.5)	731,370 (18.9)	642,572 (-12.1)	311,728 (-6.5)
Balance of trade	69,658	38,890	44,865	29,307	-47,785	-10,346	23,054

Source: Korea International Trade Association (KITA)

2.2.2. Major trading countries

The five major exporters in the first half of 2024 were the U.S. (64,300M, 19.2%), China (63,410M, 18.9%), Vietnam (28,021M, 8.4%), Hong Kong (18,430M, 5.5%), and Japan (14,481M, 4.3%). The five major importers were China (68,845M, 22.1%), the U.S. (35,585M, 11.4%), Japan (22,938M, 7.4%), Australia (15,628M, 5.0%), and Taiwan (13,780M, 4.4%).

Korea's trading partners have changed from time to time. Most of the trade was done by the U.S. and Japan during the development period. Since 2000, the main trading partner has changed to China, and the dependence on China for trade has been continuously increasing until now. Korea's main trading partners have been occupied by these three countries.

What has set it apart in recent years could be Vietnam's case. Vietnam has now become the third export and fifth import partner since Samsung Electronics established a mobile phone factory in Vietnam.

Table 2.5. | Top 5 Major Trading Countries of Import and Export (2024-Jun)

(USD millions)

Rank	Export		Import	
	Country	Value	Country	Value
1	United States	64,300 (19.2%)	China	68,845 (22.1%)
2	China	63,410 (18.9%)	United States	35,585 (11.4%)
3	Vietnam	28,021 (8.4%)	Japan	22,938 (7.4%)
4	Hongkong	18,430 (5.5%)	Australia	15,628 (5.0%)
5	Japan	14,481 (4.3%)	Taipei	13,780 (4.4%)

Source: Korea International Trade Association (KITA).

3. Overview of the Construction Industry

3.1. Construction Contracts

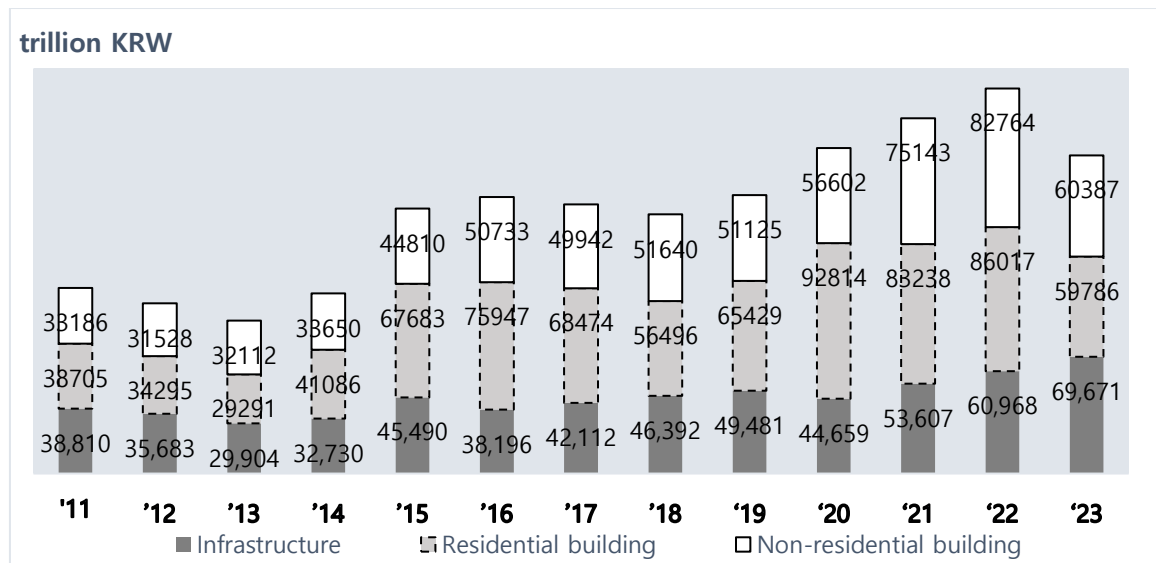
Until 2007, construction had been boosted by housing businesses despite strong government regulations on the property market. The rise in residential building construction across the country and the global financial crisis caused by subprime mortgages have led to a huge oversupply in the housing market and unsold apartments across the country.

In 2009, the ratio of civil engineering contracts increased, but the overall contract ratio decreased by 1.1%, as it was offset by a large drop in private projects. In 2010, only non-residential construction contracts recorded a positive growth of 18.6%. Fortunately, residential construction contracts increased rapidly in 2011. During the 2009-2012 period, the government's investment in the 'Four Rivers Project' led the construction industry, showing a leading position in infrastructure contracts.

Since 2015, civil and residential construction contracts have seen very positive growth, and non-residential construction contracts have also increased. As a result, overall construction contracts in 2015 recorded a positive growth of 47.0 percent, reaching W157.9 trillion (US\$140 billion). In 2016, the total Korean construction continued to grow and recorded 4.4 percent despite infrastructure contracts falling by 16 percent. Overall construction contracts continued, with both residential and non-residential buildings growing by more than 10 percent. However, in 2017, the total contract amount decreased by 2.7 percent compared to 2016 due to a decrease in building construction (residential: -9.44 percent, non-residential: -2.52 percent). In 2018, non-residential construction recorded a 4.4 percent increase, but residential construction saw a significant 18 percent decrease.

Despite a slight decline in non-residential buildings in 2019, overall construction contracts increased due to the growth of residential buildings and infrastructure. In 2020, infrastructure decreased 9.7 percent but residential building growth recorded 41.9 percent, resulting in a total growth rate of 16.9 percent. The total growth rate has maintained positive growth due to non-residential construction growth of 32.8 percent in 2021 and infrastructure of 13.7 percent in 2022. However, in 2023, as residential building construction contracts decreased by 30.5 percent and non-residential buildings decreased by 27.0 percent, the total growth rate decreased by 17.4 percent despite the 14.3 percent growth of infrastructure.

Figure 3.1. | The Value of Construction Contracts (2011-2022)



Source: Construction Association of Korea (CAK).

Table 3.1. | The Value and Growth Rate of Construction Contracts

(QoQ, %)

Year	Residential building	Non-residential building	Infrastructure	Total
2009	-12.5	-25.4	31.2	-1.1
2010	-19.1	18.6	-23.6	-13.0
2011	22.4	9.8	-6.2	7.2
2012	-11.4	-5.0	-8.1	-8.3
2013	-14.6	1.8	-16.2	-10.0
2014	40.3	4.7	9.5	17.7
2015	64.7	33.2	39.0	47.0
2016	12.2	13.2	-16.0	4.4
2017	-9.4	-2.5	10.4	-2.7
2018	-17.9	4.4	10.0	-3.7
2019	15.8	-1.0	6.7	7.4
2020	41.9	10.7	-9.7	16.9
2021	-10.3	32.8	20.0	9.2
2022	3.3	10.1	13.7	8.4
2023	-30.5	-27.0	14.3	-17.4

Source: Construction Association of Korea (CAK).

Table 3.2. | Completion of Construction Contracts

(KRW billion, current price)

Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Total										
Residential building	39,498	43,919	52,743	62,914	75,899	73,345	67,544	67,171	74,142	80,816
Non-residential building	47,890	50,393	50,919	54,573	59,438	61,035	63,589	62,947	68,437	82,237
Infrastructure	52,388	43,909	46,487	48,180	48,068	45,727	46,870	47,885	48,415	52,493
Total	139,777	138,223	150,150	165,668	183,406	180,108	178,004	178,003	190,994	215,546
Private Project										
Residential building	6,409	5,901	5,427	4,906	5,619	5,463	6,306	6,917	6,594	6,550
Non-residential building	11,338	12,360	11,100	10,156	10,371	10,146	11,101	11,063	11,840	12,985
Infrastructure	32,014	28,049	28,272	26,249	25,543	24,640	25,583	24,922	24,626	25,149
Sub-Total	49,766	46,315	44,802	41,316	41,538	40,255	42,995	42,902	43,060	44,685
Public Project										
Residential building	33,088	38,018	47,316	58,007	70,279	67,881	61,237	60,254	67,548	74,265
Non-residential building	36,549	38,030	39,816	44,413	49,063	50,885	52,485	51,884	56,597	69,252
Infrastructure	20,374	15,859	18,214	21,931	22,525	21,086	21,286	22,963	23,789	27,344
Sub-Total	90,011	91,908	105,347	124,352	141,868	139,853	135,009	135,101	147,934	170,861

Source: Construction Association of Korea (CAK).

3.2. Construction Companies

3.2.1. The number of contractors by type

The number of construction businesses showed ups and downs from 2008 to 2015 but has been increasing since 2015. It increased to 69k in 2018 as construction investment expanded. The general construction industry gradually declined until 2013 and then has been increasing during 2013-23, bringing the total number of general construction workers to 19k in 2023. The number of specialty construction workers increased until 2010, and it had shrunken during 2011-2013 and then increased again from 2014. In particular, the number of specialty construction workers increased from 47k in 2020 to 56k in 2021, marking the largest growth. It steadily increased after decreasing in 2022, and the total number of specialty construction workers at present is 55k. The global financial crisis and the impact of COVID-19 could not dampen the Korean construction industry. Korean construction companies are characterized by continuous growth despite low growth and a decrease in construction investment in the 2010s. With the close of business of related associations due to the abolition of the facility maintenance business (2024.1.1), data on facility contracts have not been compiled from 2023.

Table 3.3. | The number of Construction Companies

Year	General contractors	Specialty contractors	Equipment contractors	Facility contractors	Total
2016	11,579	38,652	7,360	5,533	63,124
2017	12,028	40,063	7,602	5,962	65,655
2018	12,651	41,787	7,887	6,349	68,674
2019	13,050	44,198	8,311	6,764	72,323
2020	13,566	47,497	8,797	7,322	77,182
2021	14,264	56,724	9,287	7,234	87,509
2022	18,887	52,433	9,796	7,092	88,208
2023	19,516	54,517	10,107	-	84,140
2024.4	19,436	55,432	10,243	-	85,111

Source: Construction Association of Korea (CAK).

3.3. Construction Employees and Labors

3.3.1. The number of construction employees by job type

The number of construction employees remained at 1.6 million until 2017 but has fallen to 1.49 million as of 2024. The number of employees remains almost constant, as opposed to fluctuations in contracts and companies. The total number of construction employees in 2024 stood at 1,492,000, maintaining the previous year's level.

By sector, as of the first half of 2024, the number of general construction employees was 460,000, and Specialty construction employees were about 1.02 million. The number of Specialty construction employees is twice that of general construction employees.

Table 3.4. | The number of Construction Employees by Job Type

(Unit: thousands)

	2021.1/2	2021.2/2	2022.1/2	2022.2/2	2023.1/2	2023.2/2	2024.1/2
Total	1,361	1,414	1,466	1,493	1,472	1,491	1,492
General contractor	426	444	460	473	464	461	468
Specialty contractor	934	970	1,006	1,019	1,008	1,029	1,024

Source: Statistics Korea (KOSIS; Korean Statistical Information Service).

3.3.2. The number of foreign construction employees

According to Statistics Korea's 2023 Foreign Employment Survey, the number of foreigners employed in the Korean labor market is approaching 1 million. The figure has increased every year since it was first recorded in 2012, except in 2013.

Above all, foreign employees belong to small businesses that are in low-wage jobs. The increase in foreigners affects working conditions, such as wages, in the unskilled job market. The number of foreign construction employees hit 113k in 2018 and, like domestic construction employees, has been on the rise except in 2013 and during COVID-19.

Table 3.5. | The number of foreign employees

(Unit: thousands)

Industry \ Year	2017	2018	2019	2020	2021	2022	2023
Total foreign workers	868	919	895	877	887	877	957
Manufacturing (%)	395 (45.5)	416 (45.3)	411 (45.9)	389 (44.4)	381 (43.0)	383 (43.7)	424 (44.3)
Construction (%)	93 (10.7)	113 (12.3)	98 (10.9)	88 (10.0)	105 (11.8)	105 (12.0)	115 (12.0)

Source: Statistics Korea (KOSIS; Korean Statistical Information Service).

3.4. Productivity

3.4.1. The value-added per employee

Compare the value-added index per employee to the base year of 2020. Value-added per construction employee fell to 100 in 2020 from 104.1 in 2019 before recovering to 104.1 in 2021.

Labor productivity in the construction sector, estimated at added value per employee, also increased until 2019 compared to 2020 (basic year), while it remained down to 89.0% in 2021 and 88.7% in 2022. Other manufacturing sectors have been steadily increasing, and services sectors have been increasing except in 2020. Low labor productivity in the construction sector may be due to the industry's labor-intensive nature.

Table 3.6. | The Value-Added per Employee

(The base year is 2020)

Industry	2016	2017	2018	2019	2020	2021	2022	2023
Total (Except Primaries)	102.4	105.0	105.3	104.1	100.0	104.1	106.6	110.0
Manufacturing	94.4	97.6	98.9	99.1	100.0	104.5	107.0	106.6
Service	103.8	105.1	105.8	104.6	100.0	104.9	108.5	113.4
Construction	116.9	130.8	124.5	119.5	100.0	89.0	88.7	96.8

Source: Korea Productivity Center.

3.5. Wages

The construction industry, like other industries, has seen a slight increase in salaries and wages since 2011. After raising the minimum wage in 2019, construction wages have seen a sharp increase during COVID-19. For example, wages for technicians gradually increased by KRW 155k in 2019 from KRW 96k in 2011 but drastically increased to KRW 214k in 2024. Currently, the average daily wage is KRW 208k for supervisors, KRW 214k for technicians, and KRW 165k for regular workers.

Table 3.7. | Wages in the Construction Industry

	2016	2017	2018	2019	2020	2021	2022	2023	2024
Supervisor	124,304	132,631	145,013	159,003	174,074	182,544	191,344	204,626	208,713
Skilled worker	120,716	127,391	141,507	155,599	167,926	181,293	192,375	208,527	214,222
Normal worker	99,882	106,846	118,130	130,264	138,989	144,481	153,671	161,858	165,545

Source: Construction Association of Korea (CAK)

3.6. Import and Export of Construction Services

3.6.1. Annual export of construction services

There has been a sharp decline in overseas construction orders since 2010. The sharp increase in exports of construction work in 2010 was attributed to the United Arab Emirates (UAE) signing nuclear power plant contracts with Korean builders at the end of 2009 and counting it to 2010. Meanwhile, exports in 2011 showed a slight decline due to the global recession triggered in Europe.

Construction exports totaled \$32 billion in 2018, up 11% from \$29 billion a year earlier. Although they have increased slightly since 2016, they are still only 45% of exports of \$32 billion in 2010.

Among the construction sector, plant construction exports recorded \$20 billion in 2017, accounting for the largest share of total exports with 57.2%. Plant construction exports

showed the largest decline in 2015 and 2016, nearly 50%. Plant construction's share of total orders is also decreasing.

Concerned about this situation, the industry is seeking ways to promote construction exports, including the financing package project. The Korean government is conducting construction projects in connection with regional development projects.

Table 3.8. | Annual Export of Construction Services

(USD millions)

Year	Total Export	Contract by Construction Type					
		Civil	Architecture	Plant	Electric	Telecom	Engineering
2012	64,881	8,795	14,323	39,549	1,322	74	818
2013	65,212	18,123	5,446	39,650	761	238	993
2014	66,010	5,664	4,927	51,721	1,402	189	2,107
2015	46,144	8,493	7,110	26,490	855	184	3,011
2016	28,192	6,444	5,330	13,245	1,477	4	1,692
2017	29,006	5,139	2,409	19,913	730	- 20	836
2018	32,113	7,159	5,382	18,377	358	21	816
2019	22,319	4,539	4,913	10,870	711	78	1,209
2020	35,129	9,838	5,029	18,636	683	89	855
2021	30,580	6,216	4,096	16,041	3,089	29	1,109
2022	30,981	5,851	8,659	13,100	1,296	103	1,972
2023	33,313	1,896	12,149	15,784	1,799	18	1,666
2024 (As of June 30)	15,584	477	3,409	10,169	402	39	1,086

Source: International Construction Association of Korea (ICAK).

3.6.2. Top 5 countries for construction export

Korea's top five construction exports usually include the Middle East Asian countries. In the first half of 2024, construction services worth \$8,153 million were traded to Saudi Arabia, the largest importer of construction. It was also noteworthy that Middle East Asian countries Qatar and the United Arab Emirates (UAE) took the third and fifth spots. And it was also notable that the U.S., which came in second, ranked third or higher for the third consecutive year.

Construction services exported to Middle East Asian countries are mainly plant construction, and services exported to North American countries are residential or plant construction contracts.

If the number of construction projects linked to regional development increases, the export destination countries are expected to become more diverse in East Asia and Europe.

Table 3.9. | Top Five Countries for Construction Export

(USD millions)

Rank		1	2	3	4	5
Year						
2017	Country	Iran	India	Oman	Malaysia	Bangladesh
	Value	5,238	2,916	2,030	1,707	1,654
2018	Country	United Arab Emirates	Vietnam	Russia	Singapore	Saudi Arabia
	Value	5,337	4,404	3,141	2,584	2,405
2019	Country	Indonesia	Saudi Arabia	China	Vietnam	Poland
	Value	3,744	3,020	2,365	1,650	1,535
2020	Country	Iraq	Mexico	Panama	Vietnam	Algeria
	Value	4,471	3,710	2,849	2,747	2,474
2021	Country	Saudi Arabia	United Arab Emirates	Australia	Qatar	Singapore
	Value	5,693	2,878	2,412	2,233	1,972
2022	Country	Indonesia	Saudi Arabia	United States	Egypt	Qatar
	Value	3,669	3,482	3,463	2,776	1,650
2023	Country	United States	Saudi Arabia	Taipei	Kazakhstan	Nigeria
	Value	9,983	9,491	1,513	1,012	887
2024 (As of June 30)	Country	Saudi Arabia	United States	Qatar	Philippines	United Arab Emirates
	Value	8,153	2,248	1,239	499	399

Source: International Construction Association of Korea (ICAK).

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