

A Neglected Burden: Ongoing Economic Impact of COVID-19 in South Korea



As a society, South Koreans have largely accepted the reality of living with COVID-19 and the burden of disease this incurs.

However, the true value at stake goes beyond that of lost health, illness or death. COVID-19 continues to impose a substantial economic burden in South Korea through **direct costs to the health system**, and **indirect productivity losses** to working age individuals, families and businesses.

The estimated economic burden of COVID-19 in South Korea is around **KRW 36 trillion per year**

This is equivalent to around **1.6% of South Korea's GDP per year.**

Around KRW 36 trillion per year

Minimum: **around KRW 7 trillion per year** Maximum: **around KRW 122 trillion per year**



Vulnerable Populations¹

Older populations and working age adults with comorbidities contribute an economic burden of at least **KRW 18 trillion (around 0.8% of South Korea's GDP) per year.**

Despite representing just approximately 12% of confirmed cases, **older populations account for around 40% of COVID-19 hospitalizations.**²



Impact on Critical Workers and Industries

Three critical industries contribute disproportionately high indirect economic burdens (e.g., productivity losses).

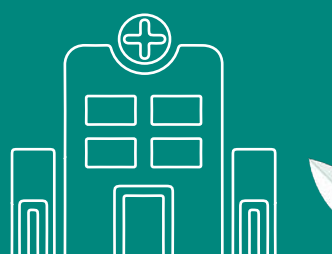


Healthcare

South Korea's health system serves as our first and last line of defense against COVID-19 and other health threats.

At least **KRW 1 trillion** per year may be incurred by healthcare workers infected with COVID-19.

Productivity losses from ensuing workforce shortages result in **poorer quality and safety** of healthcare provision.



Logistics

COVID-19 continues to cause **significant workforce shortages** in the approximately KRW 114 trillion logistics sector.³

This is driving **inflation**, and impeding the ability of businesses to deliver goods and services.



Travel and Tourism

Travel and tourism experienced a steep decline due to COVID-19. Yet as tourists begin to return to South Korea, **COVID-19 related absenteeism** has severely impeded economic recovery.



The direct and indirect economic impacts of COVID-19 in South Korea are substantial.

A better understanding of these burdens may improve how we navigate the course of this and other potential health crises in South Korea.

1. Vulnerable populations: Those over 60 years or those over 18 with a comorbidity.
2. Calculated based on age distribution of inpatients. Specific data related to COVID-19 or similar respiratory illnesses was unavailable. HIRA and NHIS, National Health Insurance Statistical Yearbook. 2020
3. Statistics Korea. Transport Survey. Statistics Korea. (kostat.go.kr).
4. Figures not separately cited in this release have been derived from the report: *A Neglected Burden: The Ongoing Economic Costs of COVID-19 in Australia, Taiwan, South Korea, Singapore, and Hong Kong.* 2023 May 5.