

Embargo:

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2022 BUDGET

607.7 TRILLION WON PASSED, UP 3.3 TRILLION WON FROM PROPOSAL

The Budget

The National Assembly passed the 2022 budget at a plenary session on December 3. The 607.7 trillion won budget includes a 3.3 trillion won increase from the government proposal of 604.4 trillion won. This spending adjustment made at the National Assembly reflects the need to strengthen the pandemic support for small businesses (up 2.0 trillion won) and boost consumption (up 1.7 trillion won), as well as reinforce the COVID control support (up 1.4 trillion won).

The revenues are also adjusted upwards by 4.7 trillion won from 548.8 trillion won to 553.6 trillion won.

Fiscal Situation with 2022 Budget Approved

(trillion won, %, %p)

	2021		2022		Change		
	Original budget (A)	Supplementary budget	Government proposal (B)	Budget approved (C)	C-B	C-A	C-A (%)
Total revenues	482.6	514.6	548.8	553.6	4.7	39.0 ¹	7.6
Total expenditures	558.0	604.9	604.4	607.7	3.3	49.7	8.9
Consolidated fiscal balance (% to GDP)	-75.4 (-3.7)	-90.3 (-4.4)	-55.6 (-2.6)	-54.1 (-2.5)	1.5 (0.1%p)	21.2 (1.2%p)	-
National debt (% to GDP)	956.0 (47.3)	965.3 (47.3)	1,068.3 (50.2)	1,064.4 (50.0)	-3.9² (-0.2%p)	108.4 (2.7%p)	-

1. From the 2021 supplementary budget

2. Including the 2021 extra tax revenue of 2.5 trillion won

Consolidated fiscal deficit is expected to fall by 1.5 trillion won from the government proposal to 54.1 trillion won, or as a percentage to GDP, to improve from 2.6 percent to 2.5 percent.

National debt is projected to decline by 3.9 trillion won to 1,064.4 trillion won, or 50.0 percent to GDP, a fall from 50.2 percent of the government proposal.

The decrease in deficit and national debt has been made possible due to the revenue increase. The 4.7 trillion won of revenue increase will be used to repay national debt (1.4 trillion won), pay local government grants (2.4 trillion won) and finance the spending increase planned at the National Assembly (0.9 trillion won). Of the total of 6.5 trillion won spending increase, 5.6 trillion won will be financed through spending adjustment and the rest 0.9 trillion won will come from the revenue increase as shown above.