

Embargo:

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2021 SUPPLEMENTARY BUDGET

EXTRA BUDGET OF 14.9 TRILLION WON PASSED

The 2021 supplementary budget, worth 14.9 trillion won, was passed at the National Assembly on March 25, out of the government proposal of 15.0 trillion won. The budget will be spent mostly on COVID-19 reliefs, including small business support, and job retention and creation programs, as well as disease control measures. Key features of the budget passed are as follows.

1. Total expenditures and consolidated fiscal account

(trillion won, %)

	2020		2021				
	Original	Supplementary	Original (A)	Supplementary		Change	
				Proposal (B)	Passed (C)	C-B	C-A
Total Revenues (y-o-y, %)	481.8 (1.2)	470.7 (-1.1)	482.6 (0.2)	483.4 (0.3)	483.0 (0.3)	-0.4	0.4
Total Expenditures (y-o-y, %)	512.3 (9.1)	554.7 (18.1)	558.0 (8.9)	573.0 (11.9)	572.9 (11.8)	-0.1	14.9
Consolidated Fiscal Balance ¹ (% to GDP)	-30.5 (-1.5)	-84.0 (-4.4)	-75.4 (-3.7)	-89.6 (-4.5)	-89.9 (-4.5)	-0.3 (-0.0%p)	-14.5 (-0.8%p)
Government Debt (% to GDP)	805.2 (39.8)	846.9 (43.9)	956.0 (47.3)	965.9 (48.2)	965.9 (48.2)	-	9.9 (0.9%p)

2. Adjustments made at the National Assembly (0.04 trillion won cut)

- A total of 1.4 trillion won has been added to COVID-19 reliefs: Support for virus-hit small business (1.1 trillion won), assistance for farmers and fishermen (0.2 trillion), emergency reliefs for tourism and the leisure industry (0.05 trillion won), and virus-exposed or -hit worker support (0.1 trillion won), such as disease prevention for essential workers, tour bus driver subsidies and special allowance for medical personnel of 40,000 won per day
- A total of 1.44 trillion won has been cut from small business loan programs for those with higher credit scores (0.8 trillion won), the 2021 KTB interest expenses (0.36 trillion won, thanks to low interest rates), and some of the public sector job creation programs considered less critical (0.28 trillion won).

(trillion won)

Budgets	Government proposal	Passed at the National Assembly
Total	15.0	14.9
Emergency support for small businesses	6.9	7.3
Emergency unemployment reliefs	1.0	1.1
Emergency job retention and creation	2.8	2.5
Disease control	4.1	4.2
KTB interest expenses and others	0.2	-0.2

The government will work for the delivery of emergency reliefs to start in March, and have 70 percent of small businesses and 88 percent of workers receive them by early April.

¹ The 2021 consolidated fiscal account without funds is expected to be a deficit of 126.4 trillion won due to the extra budget, up 13.9 trillion won from the original budget