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2014 GOVERNMENT FINANCIAL STATEMENT

GOVERNMENT POSTS A CUMULATIVE 7.2 TRILLION WON SURPLUS IN 2014

Cash Basis Accounting

The government ran a 7.2 trillion won cumulative budget surplus in fiscal year 2014. The general and special accounts revenues amounted to 298.7 trillion won, while expenditures amounted to 291.5 trillion won.

2014 Government Financial Statement

(trillion won)

			2013	2014	Change
Revenues and expenditures	General and special accounts	- Total revenues (A)	292.9	298.7	5.8
		- Total expenditures (B)	286.4	291.5	5.1
		- Carry over from last year (C)	7.2	8.0	0.8
		- Surplus (A-B-C)	-0.8	-0.8 ¹	-
	Funds ²	Revenues and expenditures	520.3	537.2	16.9

1. Surplus of 0.1 trillion won (general account) and deficit of 0.9 trillion won (special account)
2. Total of 64 funds

The consolidated fiscal account posted a surplus of 8.5 trillion won (0.6 percent to GDP), and excluding social security funds,* the fiscal account registered a deficit of 29.5 trillion won (2.0 percent to GDP).

* National Pension Fund, Korea Teachers' Pension Fund, Industrial Accident Compensation Insurance Fund, Unemployment Benefit Insurance Fund

Central government debt was 503.0 trillion won (33.9 percent to GDP) in 2014, and total government debt including local governments (27.4 trillion won, *preliminary*) was 530.5 trillion won (35.7 percent to GDP).

2014 Fiscal Account and National Debt

(trillion won)

	2013	2014	Change
Total revenues (A)	351.9	356.4	4.6
Total expenditures (B)	337.7	347.9	10.3
Consolidated fiscal account (C, A-B)	14.2	8.5	-5.7
% to GDP	1.0	0.6	-0.4%p
Social security funds (D)	35.3	38.0	2.7
% to GDP	2.5	2.6	0.1%p

Consolidated fiscal account excluding social security funds (C-D) % to GDP	-21.1 -1.5	-29.5 -2.0	-8.4 -0.5%p
National Debt % to GDP	464.0 32.5	503.0 33.9	39.0 1.4%p

Accrual Basis Accounting¹

2014 Assets and Liabilities according to Accrual Basis Accounting

(trillion won)

		2013	2014	Change
Assets (A)		1,666.3	1,754.5	88.2
Liabilities (D)	Government bonds, housing fund liabilities (B)	521.6	567.6	46.0
	Pension fund liabilities (C)	596.3	643.6	47.3
	- Civil servant pension fund liabilities	484.4	523.8	39.4
	- Military pension fund liabilities	111.9	119.8	7.9
	Total (D, B+C)	1,117.9	1,211.2	93.3
Net assets (E, A-D)		548.4	543.3	-5.1

Total national assets based on accrual basis accounting amounted to 1,754.5 trillion won, while liabilities amounted to 1,211.2 won (including 643.6 trillion won of pension fund liabilities), and net assets were 543.3 trillion won.

Total liabilities increased due to an increase in government bonds and pension fund liabilities. Pension fund liabilities rose due to the number of current employees and pension beneficiaries increasing and pay increases accelerating: the number of employees increased from 1,254,000 persons to 1,263,000, pension beneficiaries increased from 450,000 to 482,000, and pay increases accelerated from 1.7 percent to 3.8 percent.

Pension liabilities based on the accrual basis accounting is an estimate of the present value of employees' pension which assumes that the employee continues to work. Pension liabilities based on the accrual basis accounting take into account increases in pay, number of recipients and inflation.

¹ Revenues and expenses are recognized at the time in which the transaction occurs rather than when payment is made. The system was introduced in the government accounting in 2011