

Embargo:

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2ND SUPPLEMENTARY BUDGET OF 2021

EXTRA BUDGET OF 34.9 TRILLION WON PASSED, UP FROM PROPOSAL

The 2021's second supplementary budget, worth 34.9 trillion won, was passed at the National Assembly on July 24, up 1.9 trillion won from the original proposal of 33 trillion won. Both upward and downward adjustments have been made at the National Assembly, 2.6 trillion won added to pandemic-related spending and 0.7 trillion cut from consumption boosting budgets amid the virus resurging. The 2 trillion won worth of debt repayment plan remains intact. Key features of the budget passed are as follows.

1. Total expenditures and consolidated fiscal account

(trillion won, %)

	2020		2021					
	Original	Extra	Original	1 st Extra (A)	2 nd Extra		Change	
					Proposal (B)	Passed (C)	C-A	C-B
Total Revenues (y-o-y, %)	481.8 (1.2)	470.7 (-1.1)	482.6 (0.2)	483.0 (0.3)	514.6 (6.8)	514.6 (6.8)	31.6	-
- Tax Revenues (y-o-y, %)	292.0 (-0.9)	279.7 (-5.1)	282.7 (-3.2)	282.7 (-3.2)	314.3 (7.6)	314.3 (7.6)	31.5	-
Total Expenditures (y-o-y, %)	512.3 (9.1)	554.7 (18.1)	558.0 (8.9)	572.9 (11.8)	604.7 (18.0)	604.9 (18.1)	32.0 (0.1)	0.2 (0.1)
Consolidated Fiscal Balance ¹ (% to GDP)	-30.5 (-1.5)	-84.0 (-4.4)	-75.4 (-3.7)	-89.9 (-4.5)	-90.1 (-4.4)	-90.3 (-4.4)	-0.4 (0.1%p)	-0.2 (-0.0%p)
Government Debt (% to GDP)	805.2 (39.8)	846.9 (43.9)	956.0 (47.3)	965.9 (48.2)	963.9 (47.2)	963.9 (47.2)	-2.0 (-1.0%p)	- (-0.0%p)
Net Debt Growth	82.0	123.7	109.1	118.9	116.9	116.9	-2.0	-

2. Adjustments made at the National Assembly (1.9 trillion won expansion)

- A total of 2.6 trillion won was added to pandemic-hit small business support (+1.4 trillion won), direct corona relief payments (+0.5 trillion won), quarantine and disease prevention efforts (+0.5 trillion won) and pandemic-hit low-income household support (+0.2 trillion won)

- A total of 0.7 trillion won was cut due to resurgent virus, such as from job creation programs (-0.3 trillion won), consumption-boosting coupons (-8.9 billion won) and cashback reward programs (0.4 trillion won)

(trillion won)

Budgets	Proposal	Passed
Total	33.0	34.9
Pandemic relief packages, including small business support and direct payments	13.4	14.9
Vaccine purchases and disease prevention efforts	4.4	4.9
Employment support and low income household aid	2.6	2.5
Local economy boosting programs and subsidies to local governments	12.6	12.6