

Embargo:

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2022 SUPPLEMENTARY BUDGET PROPOSAL

SUPPLEMENTARY BUDGET WORTH 14 TRILLION WON DRAWN UP FOR MICRO BUSINESSES AND PROLONGED QUARANTINE

The government has drawn up a 14 trillion won worth of supplementary budget to support struggling micro-entrepreneurs and prolonged quarantine measures.

In November and December last year the government announced a total of 19.2 trillion won including 12.7 trillion won financial aid to support small business owners, and 6.5 trillion won to support for extended quarantine measures further burdening micro-entrepreneurs.

With the need to strengthen support for small businesses, the government has drawn up a supplementary budget of 14 trillion won based on a 2021 revenue surplus of about 10 trillion won, driven by rapid recovery in overall economy including trade, capital gains, consumption and employment etc.

1. Source of Finance

The government plans to finance the 2022 supplementary budget by issuing Korea Treasury Bonds worth 11.3 trillion won and making use of a surplus of 2.7 trillion won of Public Capital Management Fund for the 14 trillion won worth of supplementary budget.

2. 2022 Supplementary Budget

	2021 Budget		2022 Budget		(trillion won, %) Change	
	Original (A)	Extra	Original (B)	Extra (C)	(C-B)	(C-A)
Total Revenue (y-o-y, %)	482.6 (0.2)	514.6 (6.8)	553.6 (7.6) ¹	553.6 (7.6)¹	-	39.0 ¹
Total Expenditure (y-o-y, %)	558.0 (8.9)	604.9 (18.1)	607.7 (8.9)	621.7 (11.4)	14.0 -	63.7
Consolidated Fiscal Balance (% to GDP)	-75.4 (-3.7)	-90.3 (-4.4)	-54.1 (-2.5)	-68.1 (-3.2)	-14.0 (-0.7%p)	7.3 (0.5%p)
Government Debt (% to GDP)	956.0 (47.3)	965.3 (47.3)	1,064.4 (50.0)	1,075.7 (50.1)	11.3 (0.1%p)	119.7 (2.8%p)

1. Compared to the 2nd supplementary budget of 2021

3. 2022 Supplementary Budget Spending Proposal

(trillion won)

Supplementary budget proposal		
1. Financial aid for small business owners	(11.5)	<ul style="list-style-type: none"> - 2nd relief payment for micro-entrepreneurs, which is the record high and includes aid for rents and labor costs (9.6 trillion won¹) - Compensate loss for small businesses, which will be proportional to the level of business damage caused by strict quarantine measures (1.9 trillion won)
2. Quarantine reinforcement against Omicron variant	(1.5)	<ul style="list-style-type: none"> - Expansion of the number of hospital wards for critically-ill patients to preemptively respond to the spread of Omicron variant (0.4 trillion won²) - Additional purchase of Covid-19 pills and injection treatments (0.6 trillion won³) - Increase of financial support for Covid-19 patients who receive treatment at home and for paid-leave expenses (0.5 trillion won)
3. Expansion of reserve funds	(1.0)	<ul style="list-style-type: none"> - Increase of a reserve funds for rapid and timely responses to possible abrupt events due to the fast-spreading Omicron variant
Total	14.0	

1. Support 3.2 million small businesses for adopting stricter quarantine measure with 3 million won each.

2. The hospital wards for critically-ill patients will expand from the current number of 14,000 to up to 25,000.

3. The government will purchase extra pills and injection treatments for additional 400,000 patients and 100,000 patients respectively.

The 2022 supplementary budget proposal will be submitted to the National Assembly on January 24 after proceeding through the cabinet meeting held on January 21.