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## 2017 GOVERNMENT FINANCIAL STATEMENT

### CONSOLIDATED FISCAL ACCOUNT POSTS A 16.2 TRILLION WON SURPLUS IN 2017

#### Fiscal balance

The consolidated fiscal account posted a surplus of 24.0 trillion won, an increase of 7.1 trillion won (0.4 percent points to GDP) compared with the previous year. Excluding social security funds<sup>1</sup>, the fiscal account registered a deficit of 18.5 trillion won, a decrease of 4.2 trillion won (0.3 percentage points to GDP) compared with the previous year.

#### 2017 Fiscal Account

(trillion won)

	2016 Settlement (A)	2017		Change	
		Budget plan (B)	Settlement (C)	From 2016 (C-A)	From budget (C-B)
Total revenues (a)	401.8	423.1	430.6	28.8	7.5
Total expenditures (b)	384.9	410.1	406.6	21.6	-3.5
Consolidated fiscal account (c, a-b)	16.9	13.0	24.0	7.1	11.0
% to GDP*	1.0	0.8	1.4	0.4%p	0.6%p
Social security funds (d)	39.6	41.9	42.5	2.9	0.6
% to GDP*	2.4	2.5	2.5	0.1%p	-0.0%p
Consolidated fiscal account excluding social security funds (c-d)	-22.7	-28.9	-18.0	4.2	10.4
% to GDP*	-1.4	-1.7	-1.1	0.3%p	0.6%p

\* According to 2017 budget plan: supplementary budget of 1,688.5 trillion won and settlement of 1,713.5 trillion won

#### Government debt

Central government debt was 627.4 trillion won in 2017 (36.6 percent to GDP, and an increase of 35.4 trillion won compared with 2016 and 6.1 trillion won less compared with the outlook). Total government debt including local governments was 660.7 trillion won (*preliminary*, 38.6 percent to GDP). Central government debt increased as the government issued bonds to cut general account deficits (18.3 trillion won) and ensure FX market stability (12.0 trillion won).

<sup>1</sup> National Pension Fund, Private School Teachers' Pension Fund, Industrial Accident Compensation Insurance Fund, Unemployment Benefit Insurance Fund

## 2017 Government Debt

(trillion won)

	2016 Debt (A)	2017		Change	
		Outlook (B)	Debt (C)	From previous year (C-A)	From outlook (C-B)
Central government (a)	591.9	633.5	627.4	35.4	-6.1
% to GDP*	36.1	37.5	36.6	0.5%p	-0.9%p
Government bonds	587.5	629.6	623.3	35.8	-6.2
- Treasury bonds	516.9	552.6	546.7	29.8	-5.9
- FX stabilization bonds	6.7	7.8	7.2	0.5	-0.6
- Housing bonds	64.0	69.1	69.4	5.4	0.3
Borrowings	3.9	3.7	3.8	-0.1	0.1
Debt to fund project earmarks	0.5	0.2	0.2	-0.3	-0.0
Local government <sup>1</sup> (b)	35.0	35.7	33.4	-1.6	-2.4
Total <sup>1</sup> (a+b, preliminary D1 <sup>2</sup> )	626.9	669.2	660.7	33.8	-8.5
% to GDP*	38.3	39.6	38.6	0.3%p	-1.1%p

\* According to 2017 budget plan: supplementary budget of 1,688.5 trillion won and settlement of 1,713.5 trillion won

1. Preliminary

2. Loans and securities

### Accrual Basis Accounting<sup>2</sup>

Total national assets based on accrual basis accounting amounted to 2,063.2 trillion won, while liabilities amounted to 1,555.8 trillion won. Net assets were 507.4 trillion won, down 26.3 trillion won from 2016.

Total assets increased 96.4 trillion won compared with 2016. Total liabilities increased 122.7 trillion won due to bonds payable (31.8 trillion won) and pension fund liabilities (93.2 trillion won). The increase in pension fund liabilities (88.7 percent of the total increase, 82.6 trillion won) is largely due to the low interest rates, which reduced the fund's discounted value.

### 2017 Assets and Liabilities according to Accrual Basis Accounting

(trillion won)

		2016	2017	Change
Assets (C)	Liquid assets (A)	878.6	957.1	78.5
	Real estate (B)	1,088.2	1,106.1	17.9
	Total (C, A+B)	1,966.8	2,063.2	96.4
Liabilities (F)	Government bonds, savings for new house purchase and others (D)	680.5	710.0	29.5
	Pension fund liabilities* (E)	752.6	845.8	93.2
	- Civil servant pension fund liabilities	600.5	675.3	74.8
	- Military pension fund liabilities	152.1	170.5	18.4
Total (F, D+E)		1,433.1	1,555.8	122.7
Net assets (G, C-F)		533.7	507.4	-26.3

\* Future liabilities calculated at present value

<sup>2</sup> 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