

**Embargo:**

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## EMERGENCY MINISTERIAL MEETING ON ECONOMIC AFFAIRS

### GOVERNMENT WORKS TO STABILIZE PEOPLE'S LIVELIHOOD AHEAD OF LUNAR NEW YEAR HOLIDAY AND EXPEDITE BUDGET EXECUTION

Deputy Prime Minister Kyungho CHOO presided over the Emergency Ministerial Meeting on Economic Affairs<sup>1</sup> on January 4 to discuss measures to stabilize people's livelihood ahead of Lunar New Year holiday, plans to expedite the 2023 budget execution and increase the efficiency of major public institutions' investment in 2023.

The following is a summary of DPM CHOO's opening remarks.

The government will save no effort to address the imminent crisis by building a 'one team' mindset as the global economic downturn is expected to be in full swing this year.

#### *Measures to stabilize people's livelihood ahead of Lunar New Year holiday*

Although prices are projected to maintain a downward stabilization trend throughout the year, high prices are expected to linger due to persistent upward pressure on prices for the time being.

In response, the government will strengthen policy support to lessen people's financial burden ahead of the holiday, focusing on stabilizing prices and people's livelihoods.

- Provide about 208,000 tons of the top 16 items that are in high demand for Lunar New Year holiday such as apples, pears and pork to make their prices below those of last year and inject 30 billion won to help lower the prices of agricultural, livestock and fisheries products
- Push up the discount rate of electricity bills charged for low-income households despite a recent increase in electricity bills and make an additional increase in the energy voucher amount to 152,000 won from the previous 145,000 won during this winter period (Oct. 2022 – Apr. 2023)
- Enhance convenience during the 4-day Lunar New Year holiday with several measures such as waiving expressway tolls during the holiday
- Work to early execute plans for expanding welfare benefits for the vulnerable and offering financial support for low-income households

As the Korean economy is projected to fall in the first half of this year and rise in the second half, the government will spur the effort to promptly expedite the budget execution and early execute major public institutions' investment plan.

<sup>1</sup> The meeting was joined by ministers and vice ministers from related ministries including Ministry of Education, Ministry of Science and ICT, Ministry of the Interior and Safety, Ministry of Culture, Sports and Tourism, Ministry of Trade, Industry and Energy, Ministry of Health and Welfare, Ministry of Employment and Labor, Ministry of Gender Equality and Family, Ministry of Land, Infrastructure and Transport, Ministry of SMEs and Startups, Office for Government Policy Coordination, Fair Trade Commission, and Financial Services Commission.

*Plans to expedite the 2023 budget execution*

- Work hard to rapidly implement over 65 percent of the budget allocated for the central government within the first half of the year, which is the largest ever, in line with goals of implementing 60.5 percent and 65 percent of the budget allocated for the local governments and local education agencies, respectively
- Pay special heed to budget spending on major projects designed to improve employment and stabilize people's livelihood and prices
- Overhaul the subsidy management system to ensure that state subsidies are efficiently managed without being undermined by fraudulent claims as the amount of state subsidies has recently surged to 100 trillion won a year

*Plans to increase the efficiency of major public institutions' investment in 2023*

Under the government's supervision, major public institutions will make their investment in a rapid and efficient manner, while strengthening their fiscal soundness.

- Work to spend the largest-ever 55 percent of the budget worth 63.3 trillion won that is allocated for 27 major public institutions' investment within the first half of the year
- Encourage public institutions to focus on investing in projects related to sectors that would directly contribute to improving people's living conditions, such as housing, energy, transportation and logistics
- Raise the amount standard for public institutions' projects that require preliminary feasibility studies to 200 billion won from the previous 100 billion won to give more autonomy to public institutions