

PROVISION OF POLICY FINANCE SUPPORT WORTH KRW212 TRILLION PLANNED FOR 2024

- Total amount of policy finance support up 3.4 percent (or KRW7 trillion) in 2024 compared to the previous year.
 - Policy finance support for the five key strategic sectors up 11.5 percent (or KRW11 trillion) for a total of KRW102 trillion-plus.
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The Financial Services Commission held a meeting with the related government ministries and policy financial institutions on December 19 and decided on a plan for providing policy finance support for 2024. The consultative body on policy finance support was launched last year with aims to more effectively supply policy funds in line with the industrial strategies and policies prioritized by government ministries. Through the operation of the consultative body, the government was able to successfully implement and quickly provide KRW91 trillion in policy funding support to the five key strategic sectors in 2023 as planned.

In 2024, the authorities decided to increase the total amount of financing support made available through policy financial institutions to KRW212 trillion (up 3.4 percent from 2023). For policy funds earmarked for the five major strategic sectors—for nurturing super gap growth for domestic industries, supporting business reorganization and industrial restructuring, promoting domestic startups and venture businesses to grow into global unicorns and so on—the authorities decided to supply 11.5 percent more than the amount provided this year, or KRW102 trillion-plus.

More specifically, for the “global super gap” sectors, which include the semiconductor, secondary battery and display industries, a total of KRW17.6 trillion in policy finance support will be provided in 2024, up 12.8 percent from the previous year. For cultivating domestic startups and venture businesses into global unicorns, a total of KRW12.6 trillion in policy finance support will be supplied, up 39.5 percent from 2023. To help businesses better cope with the continuation of high interest rates, high inflation and high USD-to-KRW exchange rates, a total of KRW28.7 trillion in policy finance support will be provided in 2024, an increase of 8.9 percent from this year.

At the meeting, FSC Vice Chairman Kim Soyoung said that the provision of policy finance support in 2024 will be implemented with a focus on alleviating difficulties for businesses amid challenging economic conditions, while helping to boost competitiveness of key strategic industries. To this end, the FSC will closely coordinate with the relevant ministries and policy financial institutions and prepare additional financing support plans if needed.

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