

FSC CHAIRMAN REVIEWS POLICY RESPONSE TO COVID-19 & DISCUSSES NEXT YEAR'S FINANCIAL POLICY

FSC Chairman Eun Sung-soo held a meeting via teleconference on December 21 to assess the implementation of the COVID-19 financial support programs and discuss the 2021 financial policy direction.

At the meeting, Chairman Eun stated that the effective provision of the COVID-19 financial support packages was made possible due to close cooperation from all financial sectors, which also helped to create the right conditions for an economic rebound. As a result, out of the KRW175 trillion-plus stimulus programs, about 76 percent of the first phase emergency loan program for small merchants was provided within the first two months and some KRW32.5 trillion in special lending support for SMEs and middle market enterprises was provided in excess of the original target amount of KRW29.1 trillion. Since April, the financial authorities, local lenders and other relevant institutions were able to systematically respond to the crisis by holding financial risk assessment meetings thirty-one times.

With regard to the protracted pandemic situation and the next year's financial policy direction, Chairman Eun stressed the importance of strict compliance with virus prevention measures and urged cooperation from all financial sectors. As the COVID-19 pandemic continues to place burdens on small merchants and SMEs, Chairman Eun indicated his intention to focus on the vulnerable sectors.

Chairman Eun also pledged to preemptively manage risks emanating from abundant market liquidities by preventing concentration of liquidities in high risk assets and promoting an orderly deleveraging.

Finally, Chairman Eun called for financial institutions to take a leading role in the country's transition toward a "first mover" economy in the post-pandemic era, highlighting the importance of their active participation in the government's New Deal initiative and carbon neutral goal for 2050.

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For press inquiry, please contact Foreign Media Relations Team at fsc_media@korea.kr.