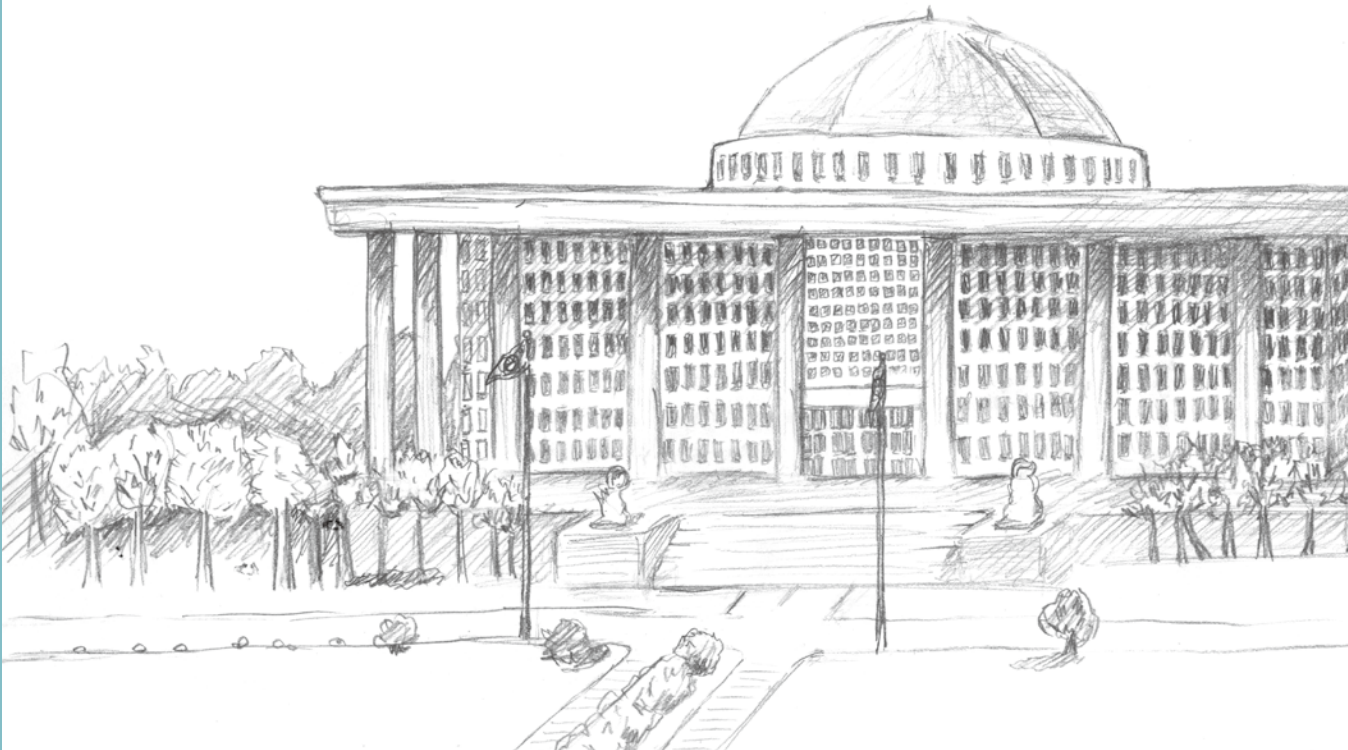
National Finance of Korea at a Glance 2013

NATIONAL ASSEMBLY BUDGET OFFICE

National Finance of Korea at a Glance 2013



This booklet has been produced to support the legislative activities of the Members of the National Assembly according to Article 22-2 of the National Assembly Act and Article 3 of the National Assembly Budget Office Act.

Foreword

The National Assembly of Korea has determined total spending of 342 trillion won by in-depth discussion of the 2013 budget proposal submitted by the administration. The 2013 budget highlighting the stability for people's livelihoods focuses on the several points: child care for all income groups, national scholarships to lessen the burden of tuition fee for college students, and SOC to revitalize the regional economies.

In order to properly allocate the national finance and soundly perform its operation, the National Assembly should exercise its authority and responsibility for financial affairs in all the processes including preparation, examination, decision, and execution of budgets.

The National Assembly Budget Office provides the Members of the National Assembly with financial information and other forms of services for their effective execution of financial authority. 'National Finance of Korea at a Glance 2013' may make people to understand the complicated financial process and terms.

This booklet consists of total fiscal amount, budget allocation by areas, mandatory spending and the details of their deliberation by the National Assembly. In addition, it contains a brief summary of the financial situation, financial structure, and major programs of each standing committee of the National Assembly to enhance understanding of the government's financial programs and assist deliberation on the budget and the settlement of accounts.

Our hope is to see 'National Finance of Korea at a Glance 2013' provide important and useful information to help readers to understand national finance.

March 2013

Chief of the National Assembly Budget Office Cook kyungbok

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I Overview of Finance

1. Total Fiscal Amount

· Total revenue increases to 372.6 trillion won by 29 trillion won (up 8.5% from 2012). (compared to 343.5 trillion won in 2012).

· Total spending increases to 342.0 trillion won by 16.6 trillion won (up 5.1% from 2012). (compared to 325.4 trillion won in 2012).

· Fiscal balance accounts for 4.7 trillion won of the national deficit, which is 0.3% of GDP (an improvement of 0.8% from 2012).

· Sovereign debt amounts to 464.6 trillion won, which is 34.3% of GDP (an increase of 1.0% from 2012).

2013 Total Fiscal Amount

(Unit: trillion won, %)

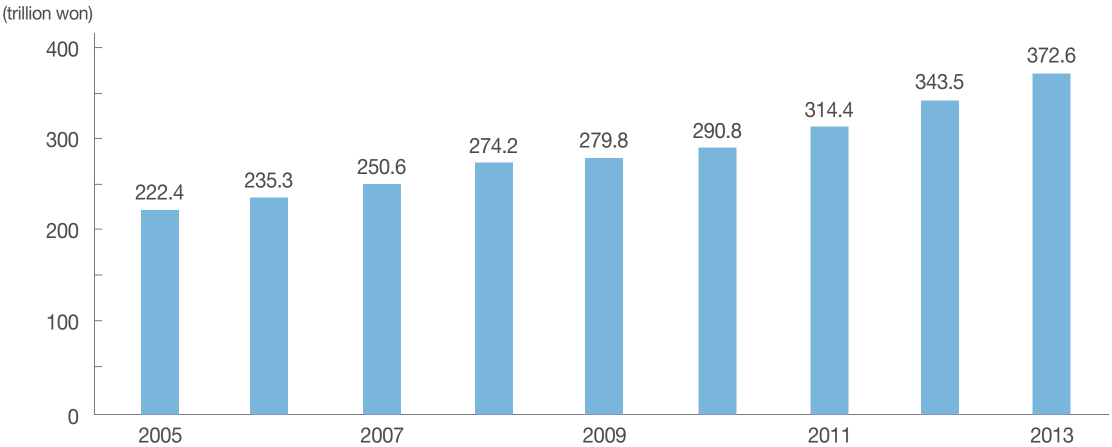
	2012 budget (A)	2013					Change	
		Budget Proposal	Results of deliberation by the National Assembly			Budget (B)	B-A	(B-A)/A
			Increase	Decrease	Net			
Total revenue	343.5	373.1	0.5	1.0	-0.5	372.6	29.0	8.5
Total spending	325.4	342.5	4.4	4.9	-0.5	342.0	16.6	5.1
Consolidated fiscal balance	18.1	30.6	-	-	0.1	30.6	12.5	-
Fiscal balance[1] (% against GDP)	-14.3 (-1.1)	-4.8 (-0.3)	-	-	0.1 (-)	-4.7 (-0.3)	9.6 (0.8)	-
Sovereign debt (% against GDP)	445.9 (33.3)	464.8 (34.3)	-	-	-0.2 (-)	464.6 (34.3)	19.4 (1.0)	4.4

Note: 1. Fiscal balance - social security funds
2. The percentage against GDP for 2013 was calculated on the basis of the nominal GDP at the economic growth rate predicted by the government in Dec. 2012.

2. Total Revenue

· The total revenue increases by an annual average of 6.7% since 2005.

Trend of total revenue (2005~2013)



Total revenue of each category

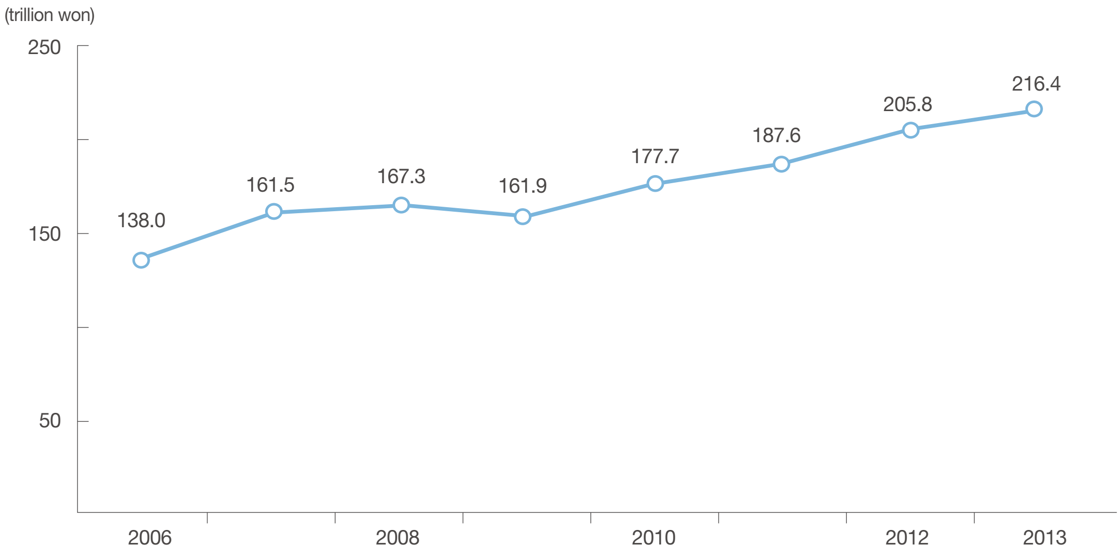
· In 2013, the budget revenue is 253.3 trillion won (an increase of 8.2% from 2012), and the fund revenue is 119.3 trillion won (an increase of 8.9% from 2012).

· The national tax revenue is 216.4 trillion won (an increase of 5.2% from 2012).

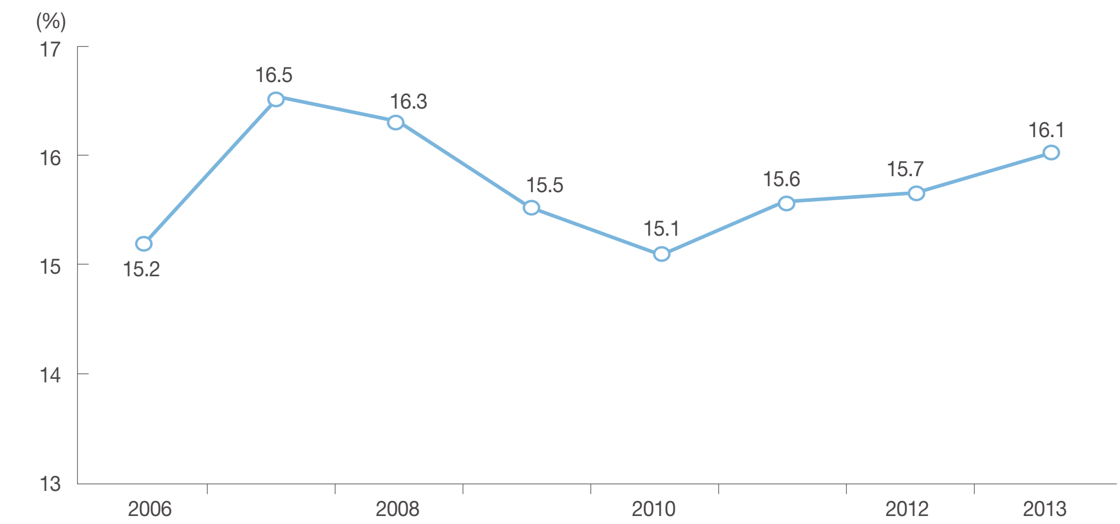
(Unit: trillion won, %)

	2012 (A)	2013 (B)	Change	
			(B-A)	(B-A)/A
Total revenue	343.5	372.6	29.0	8.5
Budget revenue (National tax revenue)	234.0 (205.8)	253.3 (216.4)	19.3 (10.6)	8.2 (5.2)
General accounts	209.3	227.2	17.9	8.6
Special accounts	24.7	26.2	1.5	6.1
Fund revenue (social security contribution)	109.5 (40.5)	119.3 (46.4)	9.8 (5.9)	8.9 (14.6)

Trend of national tax revenue



Trend of percentage of national tax revenue to GDP



Note: The percentage in 2013 was calculated on the basis of the nominal GDP at the economic growth rate predicted by the government in Dec. 2012.

National tax revenue

(Unit: 100 million won, %)

	2008	2009	2010	2011	2012 (A)	2013 (B)	Change	
							B-A	(B-A)/A
Total national tax revenue	1,673,020	1,645,407	1,777,184	1,923,812	2,057,575	2,164,263	106,688	5.2
General accounts	1,607,200	1,579,287	1,709,387	1,849,571	1,972,755	2,088,685	115,930	5.9
- Internal tax	1,337,252	1,337,060	1,406,279	1,570,725	1,661,454	1,790,070	128,616	7.7
· Income tax	363,551	344,233	374,619	422,877	457,699	504,916	47,217	10.3
· Corporate tax	391,545	352,514	372,682	448,728	445,458	480,886	35,428	8.0
· Inheritance tax	27,771	24,303	30,762	33,327	36,879	48,400	11,521	31.2
· Revaluation tax	-	-	-	1	-	-	-	-
· Value-added tax	438,198	469,915	491,212	519,069	568,016	588,768	20,752	3.7
· Individual consumption tax	44,994	36,420	50,658	55,373	60,377	58,728	-1,649	-2.7
· Security transaction tax	27,875	35,339	36,671	42,787	42,480	45,388	2,908	6.8
· Stamp tax	5,729	5,437	5,219	6,239	6,108	6,539	431	7.1
· Carry-over from previous year	37,589	68,899	44,456	42,324	44,437	56,445	12,008	27.0
·Telephone tax	-	-	-	-	-	-	-	-
- Transportation · energy · environment tax	119,093	100,920	139,701	115,460	136,863	130,005	-6,858	-5.0
- Tariff	87,757	91,691	106,663	109,901	116,111	109,888	-6,223	-5.4
- Education tax	41,796	37,543	46,450	42,464	47,696	47,772	76	0.2
- Comprehensive real estate tax	21,299	12,071	10,289	11,019	10,631	10,950	319	3.0
- Defense tax	3	-	-	2	-	-	-	-
Special accounts	65,860	66,120	67,797	74,241	84,820	75,578	-9,242	-10.9
- Liquor tax	28,311	27,708	28,783	25,293	29,481	30,843	1,362	4.6
- Rural Area Development Tax	37,549	38,412	39,014	48,948	55,339	44,735	-10,604	-19.2

Note: The figures represent performance until 2011, and the budgets for 2012 and 2013.
Source: Digital Budget & Accounting System (www.dbrain.go.kr)

Major revisions in the tax laws

<table>
<tr><th></th><th colspan="2">Major items</th><th>2012</th><th>2013</th></tr>
<tr><td rowspan="2">Income tax law</td><td colspan="2">Extending the range of major stockholders</td><td>Securities market
· Stock ownership: 3%
· Market cap: 10 billion won
KOSDAQ
· Stock ownership: 5%
· Market cap: 5 billion won</td><td>Securities market
· Stock ownership: 3%
· Market cap: 5 billion won
KOSDAQ
· Stock ownership: 4%
· Market cap: 4 billion won</td></tr>
<tr><td colspan="2">Taxable Financial Income</td><td>40 million won</td><td>20 million won</td></tr>
<tr><td rowspan="3">Special Tax Treatment Control Act</td><td>Corporate tax</td><td>AMT[1)]</td><td><Tax rate>
·10 billion won or less: 10%
·10~100 billion won: 11%
·100 billion won or more: 14%</td><td><Tax rate>
·10 billion won or less: 10%
·10~100 billion won: 12%
·100 billion won or more: 16%</td></tr>
<tr><td rowspan="2">Income tax</td><td>AMT</td><td>35%</td><td><Tax rate>
·30 million won or less: 35%
·30 million won or more: 45%</td></tr>
<tr><td>Ceiling of special deduction</td><td>No limitation</td><td>25 million won</td></tr>
</table>

Note: Alternative Minimum Tax.

Effect on tax revenue of the revision of tax laws

(Unit: trillion won)

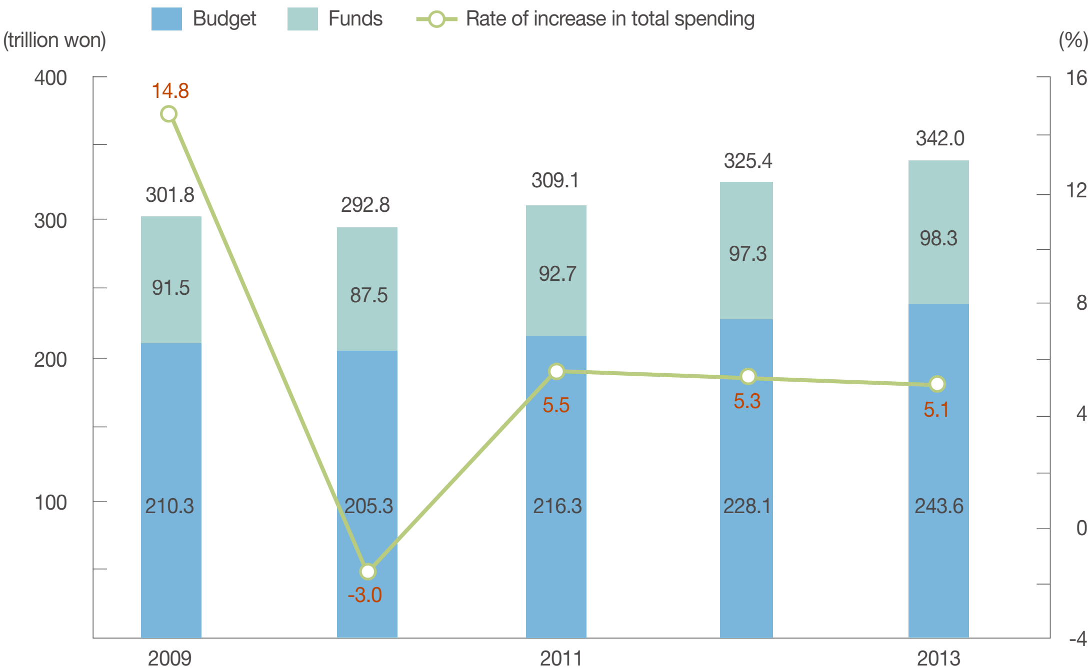
	Proposal (A)	Revision (B)	Difference (B-A)
Total tax revenue effect	+ 1.66	+ 1.95	+ 0.29
Tax revenue effect in 2013	+ 0.40	+ 0.45	+ 0.05

3. Total Spending

Total spending in each account

· Budget: 243.6 trillion won (General Accounts: 194.4 trillion won; Special Accounts: 49.2 trillion won)
· Funds: 98.3 trillion won

Trend of total spending by account



Note: The figures for 2009 represent the final budget including the revised supplementary budget, while those for 2010~2013 are the amount of budget.

Composition of total spending

(Unit: trillion won, %)

	Total spending		Major breakdown
	Amount	Weight	
Transfer to local governments	113.4	33.2	Local government subsidies: 35.5 Financial grants for local education: 41.1 Government subsidies: 36.8
Asset acquisition	58.9	17.2	Loans: 26.8(national housing fund: 13.6 ; SME's start-up and promotion fund: 3.4) Construction: 14.5 Tangible assets including weapons purchase: 10.7
Transfer expenditure to private sector	54.8	16.0	Public pensions: 26.7(national pensions: 12.8; government employee pensions: 10.9; military pensions: 2.7; teachers' pensions: 2.0) Employment insurance: 5.3 Industrial worker's accident compensation insurance: 4.0 Subsidies for private sector: 12.4
Personnel expenses and operation expenses	45.1	13.2	Personnel expenses: 28.5 Operation expenses: 16.6
Contribution ·Compensation	43.3	12.7	Contribution: 29.5(railroad construction: 4.3; national scholarships: 2.8) Compensation: 13.8(support for health insurance: 5.8)
Payment of interest	15.5	4.5	Payment of interest for public capital management fund: 10.6
Others	10.9	3.2	Investment 4.2: (expressways: 1.5; investment in rental housing: 1.1) Reserve fund: 4.0 Overseas transfer expenditure: 1.5 Special operation expenses: 0.9
Total	342.0	100.0	

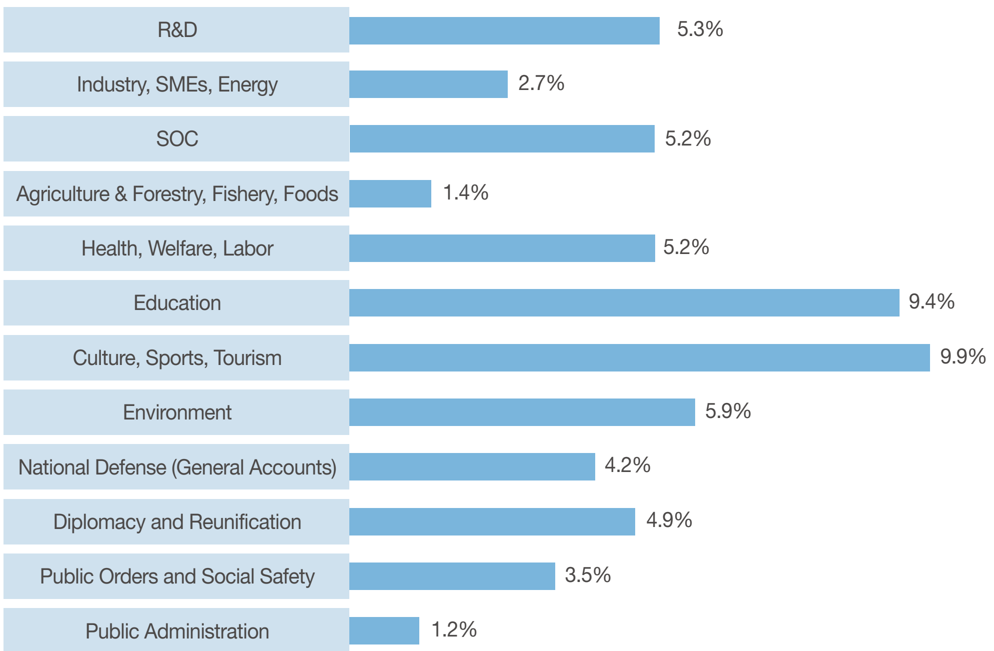
Note: The budget for the payment of the interest of the government bonds for public capital is 17.9 trillion won; however, the 7.3 trillion won budget allocated for the payment of the interest on the foreign exchange stabilization fund is not included in the total spending.

4. Budget Allocation by Areas

Total spending in 2013 is 342.0 trillion won, showing an increase of 16.6 trillion won (5.1%) from 2012.

· Of the twelve areas, those showing the highest rates of increase of total spending compared to the average rate of increase of total government spending (5.1%) compared to 2012 are culture, sports and tourism (9.9%), education (9.4%), environment (5.9%), R&D (5.3%), health, welfare and labor (5.2%), and SOC (5.2%).

Rate of increase in budget allocation by areas in 2013



Budget allocation by areas in 2013

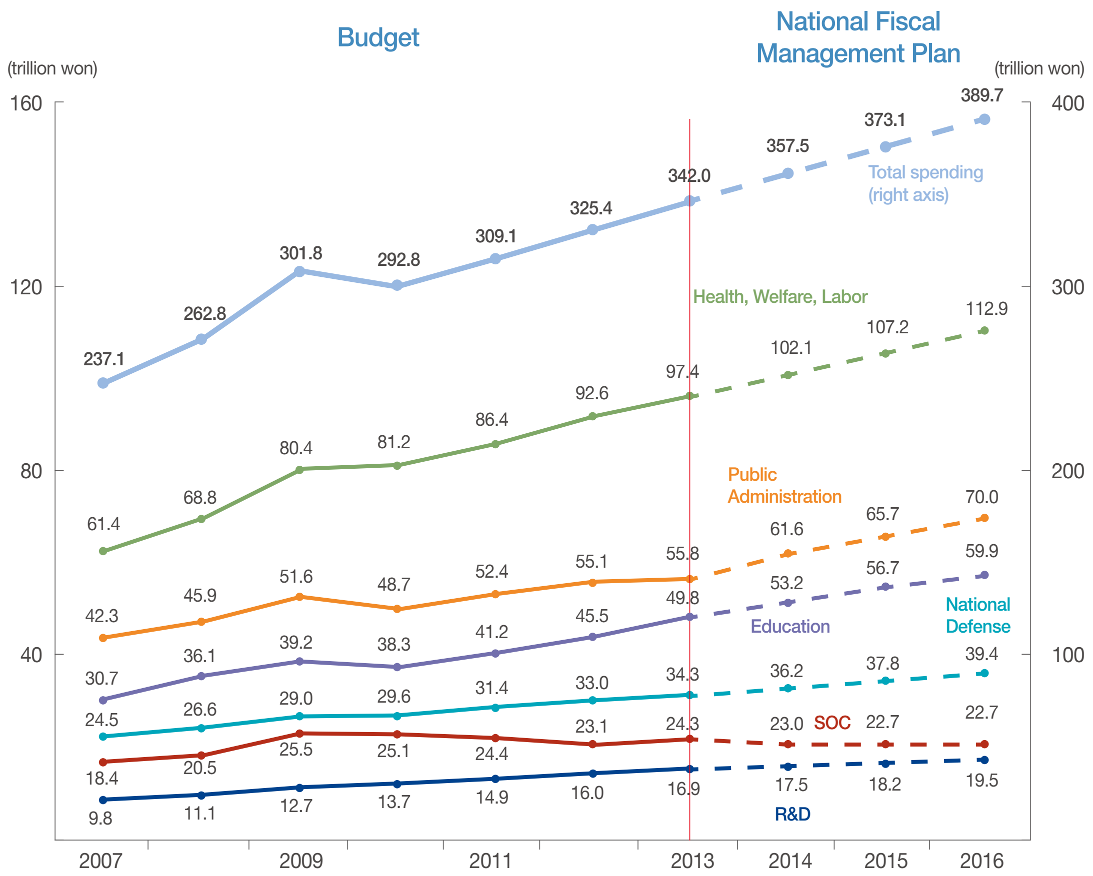
(Unit: trillion won, %)

	2012 (A)	2013 (B)	Change	
			(B-A)	(B-A)/A
1. R&D	16.0	16.9	0.9	5.3
2. Industry, SMEs, Energy	15.1	15.5	0.4	2.7
3. SOC	23.1	24.3	1.2	5.2
4. Agriculture & Forestry, Fishery, Foods	18.1	18.4	0.3	1.4
5. Health, Welfare, Labor	92.6	97.4	4.8	5.2
6. Education	45.5	49.8	4.3	9.4
7. Culture, Sports, Tourism	4.6	5.0	0.5	9.9
8. Environment	6.0	6.3	0.3	5.9
9. National Defense (General Accounts)	33.0	34.3	1.4	4.2
10. Diplomacy and Reunification	3.9	4.1	0.2	4.9
11. Public Orders and Social Safety	14.5	15.0	0.5	3.5
12. Public Administration	55.1	55.8	0.7	1.2
Total Spending	325.4	342.0	16.6	5.1

<Trend of budget allocation by areas>

· 112.9 trillion won is allocated to the area of health, welfare and labor, which takes up the largest portion of the national budget in 2016.

Trend of budget allocation by areas



Note: 1. The figures for 2008 and 2009 represent the final budget including the revised supplementary budget; those for 2007 and 2010~2013 are the actual budget; and those for 2014~2016 are what are included in the national fiscal management plan.
2. The changes in each area and sector in 2008 were reflected in the budget for 2008.

5. Mandatory Spending

Summary of the budget determined for mandatory spending

· During the process of the deliberation of the 2013 budget proposal, the budget for nine programs increases to 0.6 trillion won while that for nine other programs reduces 2.3 trillion won (among the 117 programs of mandatory spending), thereby effecting a reduction of 1.7 trillion won of the budget proposal and bringing the budget for mandatory spending to 158.8 trillion won, or 46.4% of the total spending.

· In the welfare area, the budget proposal for the support of people covered by health insurance (general accounts) and support for medical care assistance are reduced 319.4 billion won and 282.4 billion won respectively, while the budget proposal for the assistance of child care increases to 435.9 billion won, thus reducing total spending in the area by 159.2 billion won.

· Payment of interest is 15.5 trillion won, with a reduction of 1.4 trillion won.

Budget determined for mandatory spending

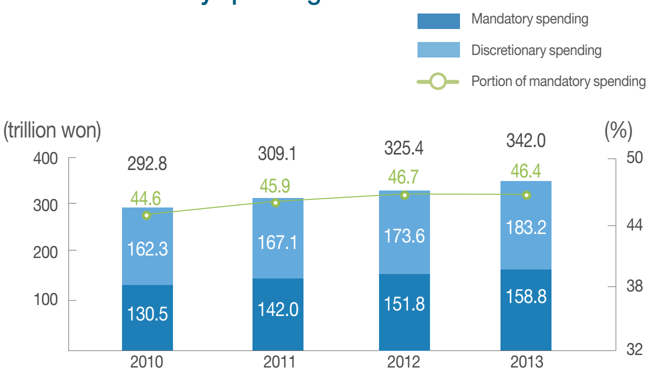
(Unit: trillion won)

		Budget proposal	Adjustment			2013 Budget
			Increase (A)	Decrease(B)	Net(A-B)	
Mandatory spending	Financial grants to local governments	76.6	0.03	0.00	0.03	76.6
	Welfare	62.9	0.47	0.63	-0.16	62.7
	Payment of Interest	16.9	0.00	1.39	-1.39	15.5
	Others	4.1	0.11	0.30	-0.19	3.9
	Sub-total	160.5	0.61	2.32	-1.71	158.8
Discretionary spending		182.0	3.76	2.59	1.17	183.2
Total		342.5	4.37	4.91	-0.54	342.0

Trend of budget for mandatory spending in 2010~2013

· The yearly average rate of increase in mandatory spending in the period 2010-2013 is 6.8%, which is 1.3 times higher than the rate of increase in total spending (5.3%) and 1.7 times higher than the rate of increase in discretionary spending (3.9%) during the same period.

Trend in mandatory spending



Adjustment on mandatory spending

(Unit: trillion won)

Name of mandatory spending program		Budget proposal	Adjustment			2013 Budget
			Increase (A)	Decrease (B)	Net (A-B)	
Transfer to local governments	Financial grants to local government	355,385	-	25	-25	355,360
	Financial grants for local education	410,283	336	-	336	410,619
	Sub-total	765,668	336	25	311	765,979
Welfare	Assistance for members of health insurance (general accounts)	51,279	-	3,194	-3,194	48,085
	Government disbursement for educational employees	7,039	-	195	-195	6,844
	Education benefit	1,361	-	66	-66	1,295
	Support for medical care assistance	45,302	-	2,824	-2,824	42,478
	Operation of programs for care insurance for the aged	5,425	-	13	-13	5,412
	Support for child care	21,623	4,359	-	4,359	25,982
	Compensation	22,804	2	-	2	22,806
	Order of millitary merit benefit	618	30	-	30	648
	War veteran honor benefit	4,341	309	-	309	4,650
	Sub-total	159,792	4,700	6,292	-1,592	158,200
Payment of Interest	Government bonds (general accounts)	120,058	-	13,801	-13,801	106,257
	Borrowings of private sector (general accounts)	800	-	80	-80	720
	SME's start-up & promotion fund bonds	7,139	-	1	-1	7,139
	Sub-total	127,997	-	13,882	-13,882	114,115
Others	UN PKO	105	221	-	221	326
	Compensation to saving encouragement fund for property of agricultural fishing houses	442	11	-	11	454
	Rice income stabilization(fixed)	6,111	873	-	873	6,984
	Rice income stabilization(floating)	3,252	-	3,000	-3,000	252
	Honorable treatment of ex-presidents and their bereaved families	10	7	-	7	17
	Sub-total	9,920	1,112	3,000	-1,888	8,032

Note: Only those items of 2013 mandatory spending adjusted during the deliberation process of the National Assembly are included.

6. Total Spending of Each Standing Committee

· Among the sixteen standing committees, the Public Administration and Security Committee (60.3 trillion won) covers the largest portion (17.6%) of the total spending.

(Unit: 100 million won, %)

	2012 (A)	2013 (B)	Change	
			(B-A)	(B-A)/A
The House Steering Committee	7,066	7,180	114	1.6
Legislation and Judiciary Committee	41,170	43,029	1,859	4.5
National Policy Committee	47,571	53,243	5,672	11.9
Strategy and Finance Committee	211,337	214,193	2,856	1.4
Foreign Affairs, Trade and Unification Committee	32,418	33,757	1,339	4.1
National Defense Committee	344,861	359,508	14,647	4.2
Public Administration and Security Committee	578,853	603,041	24,188	4.2
Education, Science and Technology Committee	534,000	579,904	45,904	8.6
Culture, Sports, Tourism, Broadcasting and Communications Committee	51,092	55,820	4,728	9.3
Food, Agriculture, Forestry and Fisheries Committee	180,757	183,294	2,536	1.4
Knowledge Economy Committee	225,106	232,226	7,120	3.2
Health and Welfare Committee	369,365	413,322	43,957	11.9
Environment and Labor Committee	191,973	202,723	10,750	5.6
Land, Transport and Maritime Affairs Committee	429,689	428,823	-866	-0.2
Intelligence Committee	4,690	4,672	-18	-0.4
Gender Equity and Family Committee	4,127	4,942	815	19.7
Total	3,254,076	3,419,677	165,601	5.1

7. Gender Sensitive Budget

· The gender sensitive budget bill was first submitted in 2009 to the National Assembly reporting the influence of the budget on men and women.

· The size of the gender sensitive budget for 2013 is 12.9 trillion won (275 programs).

(Unit: program, 100 million won, %)

		2012 (A)	2013 (B)	Change	
				(B-A)	(B-A)/A
Departments		34	34	-	-
Budget	Programs	208	224	16	7.7
	Amount	93,694	109,055	15,361	16.4
Fund	Programs	46	51	5	10.9
	Amount	19,026	20,082	1,056	5.6
Total	Programs	254	275	21	8.3
	Amount (% total spending)	112,720 (3.3)	129,137 (3.8)	16,417 (0.5)	14.6 (15.2)

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Ⅱ. Fiscal Balance and Sovereign Debt

1. Fiscal Balance and Sovereign Debt
2. Trend of Fiscal Balance
3. Trend of Sovereign Debt
4. Mid-term Prospects for Fiscal Balance and Sovereign Debt
5. International Comparison of Fiscal Balance
6. Sovereign Debt (New creteria)

Ⅱ Fiscal Balance and Sovereign Debt

1. Fiscal Balance and Sovereign Debt

· The fiscal balance in 2013 is expected to show a deficit of 4.7 trillion won (-0.3% of GDP).

· In the 2013 budget proposal, sovereign debt is 464.6 trillion won (34.3% of GDP), showing an increase of 19.4 trillion won over the 445.2 trillion won of debt estimated for 2012.

· Although the fiscal balance is improved by 0.1 trillion won compared to the 2013 budget proposal and the total amount of sovereign debt reduced by 0.2 trillion won following the deliberation of the National Assembly, the size of the deficit-covering in the general accounts increases by 0.7 trillion won.

Financial balance and sovereign debt

(Unit: trillion won, %, %p)

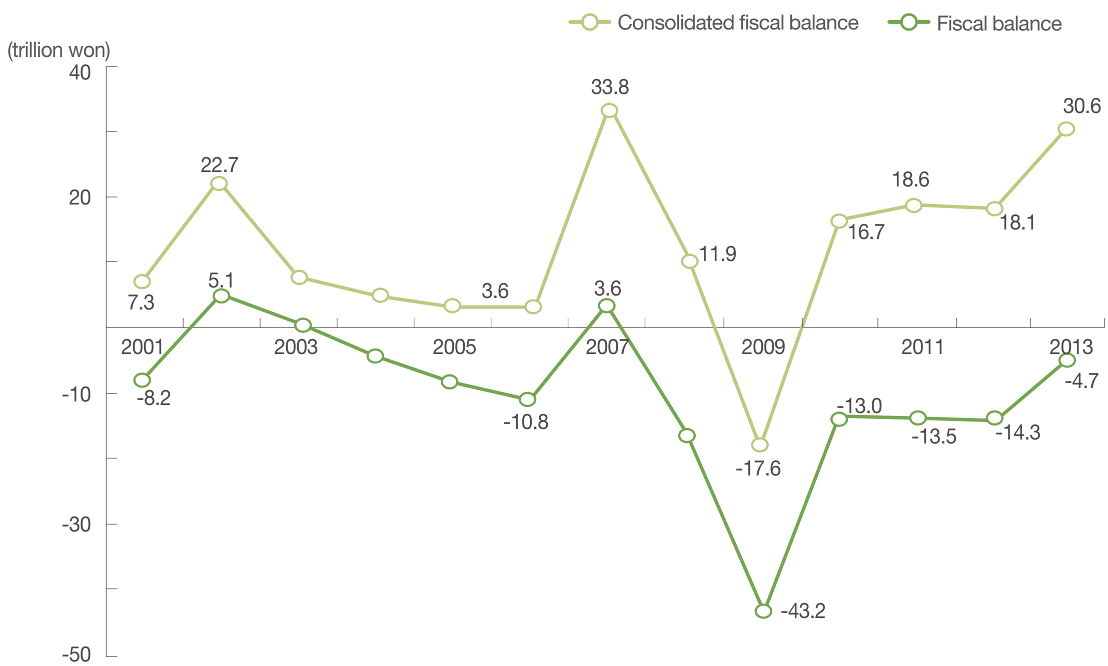
Classification	2011 settlement	2012 estimate (A)	2013			
			Budget proposal (B)	Determination by the National Assembly (C)	Change	
					Difference from budget proposal (C-B)	Compared to 2012 (C-A)
Fiscal balance[1]	-13.5	-14.3	-4.8	-4.7	0.1	9.6
(Against GDP)	(-1.1)	(-1.1)	(-0.3)	(-0.3)	(0.0)	(0.8)
Sovereign debt	420.5	445.2	464.8	464.6	-0.2	19.4
(Against GDP)	(34.0)	(34.8)	(34.3)	(34.3)	(0.0)	(-0.5)
Deficit-covering in general accounts (balance)	135.3	148.6	156.5	157.2	0.7	8.6
(Size of covering in the concerned year)	(16.5)	(13.8)	(7.9)	(8.6)	(0.7)	(-5.2)

Note: 1. Fiscal balance - social security funds
2. The 2012 estimate was made on the basis of the 'Attachment on the national fiscal management plan in 2012~2016'.
3. GDP in 2012-2013 was calculated on the basis of the government's economic forecast as announced in Dec. 2012.
4. The size of the deficit covering in a given year means the size of the deposit received of tax revenue for the public capital management fund in the general accounts. No projection has yet been made for 2012, so the amount of the budget was used.

2. Trend of Fiscal Balance

- The fiscal balance of Korea remained in the red until the early 1980s, but it began to balance out from the late 1980s as a result of the financial retrenchment policy and three favorable conditions, namely, the less expensive Korean won, cheaper oil prices, and low interest rates.
- Entering the 2000s, the fiscal deficit reoccurred with the exception of 2002 (surplus of 5.1 trillion won) and 2007 (surplus of 3.6 trillion won). Notably, there was a large-scale deficit in 2009 due to the global financial crisis.
- The fiscal balance improved a little in 2010 in keeping with the economic recovery. But then worsened slightly in 2011 and 2012. It is forecasted that the goal of achieving the fiscal balance in 2013 as presented in the National Fiscal Management Plan for 2011~2015 is unattainable, though the situation will show an improvement compared to 2012.

Trend of fiscal balance



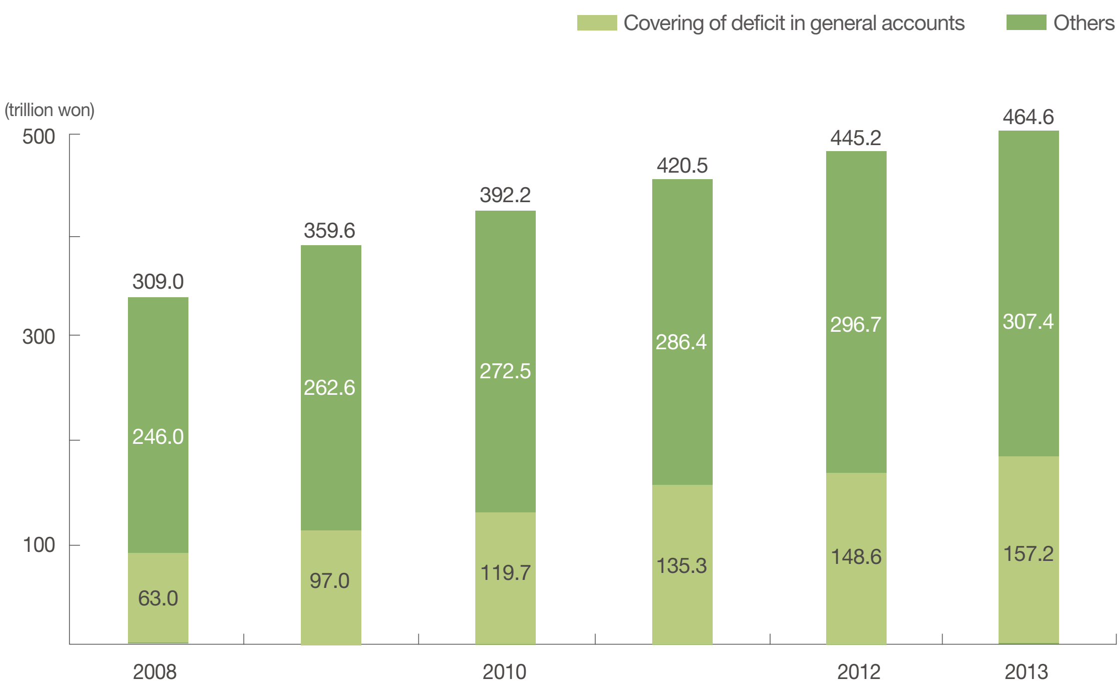
Note: 1. The figures up to 2011 represent the amount after settlement, while those for 2012 and 2013 are taken from the actual budget.
2. Fiscal balance does not include social security funds.

3. Trend of Sovereign Debt

· The sovereign debt of Korea increased rapidly in the process of overcoming the global financial crisis in late 2008. The sovereign debt increased by only 26.3 trillion won for the two years of 2007 and 2008, but increased by 83.2 trillion won over the next two years of 2009 and 2010.

· The yearly average rate of increase of debt between 2008 and 2013 is 8.5%. It was led by an increase in the volume of sovereign debt incurred in an effort to cover the deficit in the general accounts, which rose from 63.0 trillion won to 157.2 trillion won at a yearly average growth rate of 20.1%.

Trend of sovereign debt and deficit in general accounts



Note: The figures up to 2011 represent the amount after settlement, while those for 2012 and 2013 are taken from the budget.

4. Mid-term Prospects for the Fiscal Balance and Sovereign Debt

· The government expects that the fiscal balance will be balanced by achieving a financial surplus of 1.0 trillion in 2014 through the National Fiscal Management Plan for 2012~2016, and that the surplus will continue to increase until 2016.

· In addition, the sovereign debt is expected to be less than 30% of GDP in 2015, with an average annual rate of increase of no more than 2.3% between 2012 and 2016.

· However, the forecast was made on the assumption that the annual rate of economic growth will be 7.2% from 2014, and that total revenue will increase annually by 6.3% between 2012 and 2016, while total spending will increase by a somewhat lower average annual rate of 4.6% during the same period. Thus, it is not certain whether such a forecast will be realized given the recent rising trend in welfare expenditure, etc.

Mid-term prospects for fiscal balance and sovereign debt: a comparison between the ministry of strategy & finance and the National Assembly Budget Office

(Unit: trillion won)

		2012	2013	2014	2015	2016
Fiscal balance	Ministry of strategy & finance	-14.3	-4.7	1.0	2.2	8.3
	National Assembly Budget Office	-19.8	-18.5	-20.7	-19.0	-19.3
Sovereign debt	Ministry of strategy & finance	445.2	464.6	470.6	481.2	487.5
	National Assembly Budget Office	450.9	478.6	517.1	554.0	591.8

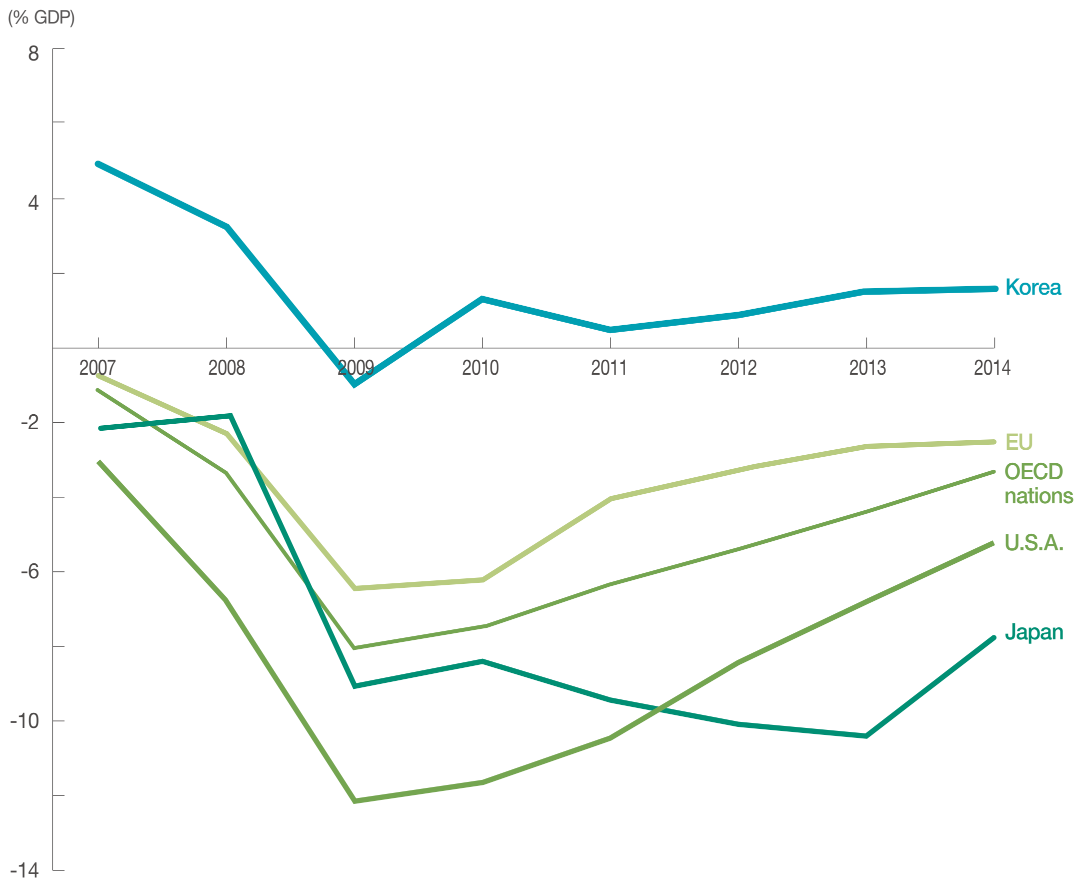
Note: The figures in the National Fiscal Management Plan for 2013 have been changed in accordance with the determined budget.
Source: National Assembly Budget Office, 'Analysis of 2013 and mid-term financial operation', Oct. 2012.

5. International Comparison of Fiscal Balance

· According to OECD statistics, the general government financial balance of Korea in 2013 is expected to post a surplus of 1.6% of GDP, which is relatively better than the performance of Japan (10.1%) and the USA (6.8%) among others.

· It is expected that the average general government financial balance of the OECD nations in 2013 will be about 4.6% of GDP.

General government financial balance of OECD nations



Source: OECD, Economic Outlook No. 92, December 2012.

6. Sovereign Debt (New criteria)

· In 2012, the government changed the method of compiling financial statistics in accordance with international standards such as the IMF 2001 GFS by switching accounting standards from a cash basis to an accrual basis and expanding the scope to non-profit public organizations that perform a government function.

· The size of the general government liabilities of Korea as settled for the fiscal year 2011 according to the new criteria for financial statistics is 468.6 trillion won 37.9% of GDP. The proportion to GDP is relatively less than the US (102.2%), Japan (205.3%), and Germany (86.4%), and the average rate of OECD nations (102.9%).

Comparison of the criteria for statistics related to sovereign debt

		Sovereign debt	Liabilities in the financial statement	General government liabilities
Grounds		National Finance Act (Article 91)	National Accounting Act (Article 14)	International standards
Recognition standard		Cash basis	Accrual basis	Accrual basis
Coverage	Central government	· General accounts · Special accounts (18) · Government-managed funds (40)	· General accounts · Special accounts (18) · Government-managed funds (40) · Public organization-managed funds (24)	· General accounts · Special accounts (18) · Government-managed funds (40) · Public organization-managed funds (24) · Non-profit public organizations (151)
	Local (education) government	· General accounts (244) · Special accounts (2,183) · Funds (2,409) · Education special accounts (16)	Excluded	· General accounts (244) · Special accounts (2,183) · Funds (2,409) · Education special accounts (16) · Non-profit public organizations (83)
2011 settlement		420.5 trillion won	773.6 trillion won	468.6 trillion won

Note: Based on the settlement for the fiscal year 2011.
Source: Press release of the Ministry of Strategy & Finance, 'The results of the calculation of general government debt according to the latest international standards', December 2012.

National Finance of Korea
at a Glance 2013

Ⅲ. Budget and Funds

1. Budget
2. Funds

Ⅲ Budget and Funds

1. Budget

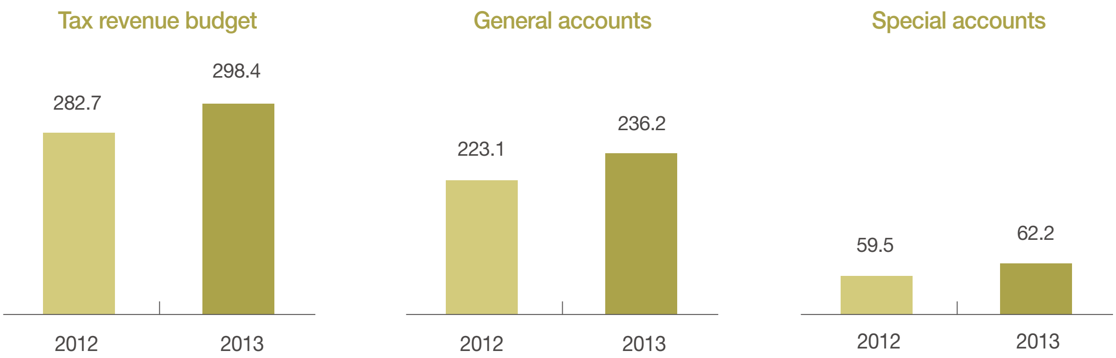
Tax revenue budget

The tax revenue budget for 2013 is 298.4 trillion won in total, representing an increase of 15.7 trillion won (5.6%) from 2012.

· The tax revenue budget in general accounts is 236.2 trillion won; an increase of 13.1 trillion won (5.9%) from 2012.

· The tax revenue budget in special accounts is 62.2 trillion won; an increase of 2.7 trillion won (4.5%) increase from 2012.

Tax revenue budget



Tax revenue budget per account

(Unit: trillion won, %)

	2012 (A)	2013 (B)	Change	
			(B-A)	(B-A)/A
Total budget	282.7	298.4	15.7	5.6
- General accounts	223.1	236.2	13.1	5.9
· National tax	197.3	208.9	11.6	5.9
· Non-tax revenue	25.9	27.3	1.4	5.4
- Special accounts	59.5	62.2	2.7	4.5

Expenditure budget

The expenditure budget for 2013 is 298.4 trillion won in total, representing an increase of 15.7 trillion won (5.6%) from 2012.

· The expenditure budget in general accounts is 236.2 trillion won; an increase of 13.1 trillion won (5.9%) from 2012.

· The expenditure budget in special accounts is 62.2 trillion won; an increase of 2.7 trillion won (4.5%) from 2012.

Expenditure budget

Expenditure budget per account

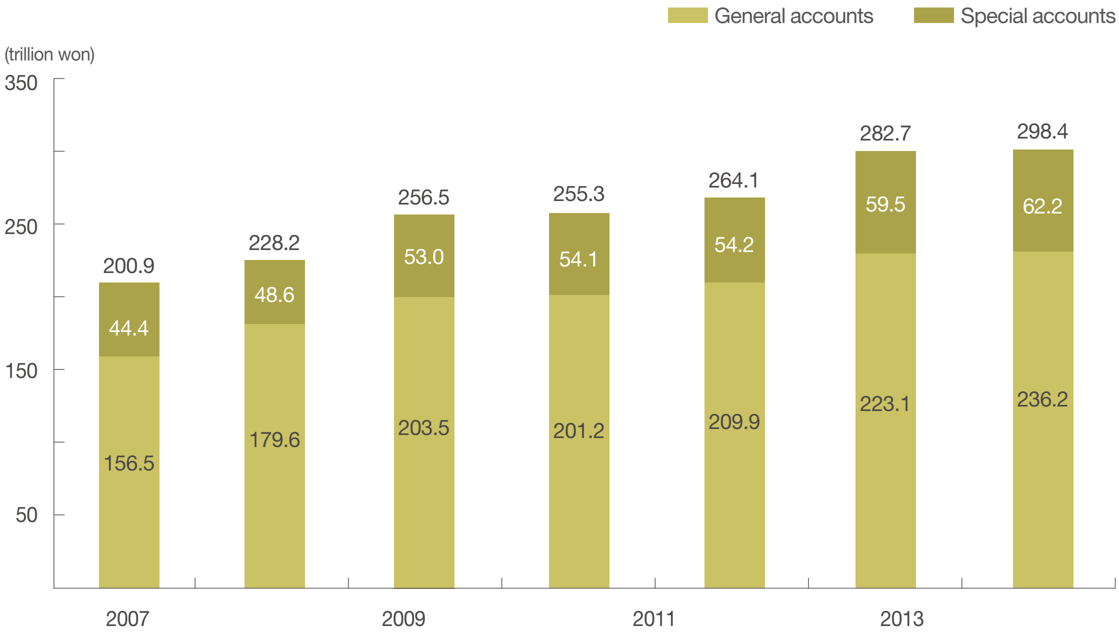
(Unit: trillion won, %)

	2012 (A)	2013 (B)	Change	
			(B-A)	(B-A)/A
Total budget	282.7	298.4	15.7	5.6
- General accounts	223.1	236.2	13.1	5.9
- Special accounts	59.5	62.2	2.7	4.5

Trend of expenditure budget per account

· Since 2007, the general accounts have increased by 7.1% annually, and the special accounts by 5.8% annually.

Trend of expenditure budget per account



Trend of expenditure budget per account

(Unit: 100 million won)

	2007	2008	2009	2010	2011	2012	2013
General accounts	1,565,177	1,795,537	2,035,497	2,012,835	2,099,303	2,231,384	2,362,253
Special accounts	444,342	486,322	529,750	540,509	541,626	595,490	621,804
- Agri. & Fisheries Structure Adjustment	86,715	83,583	87,853	93,305	87,267	136,814	123,079
- Transportation facilities	129,027	139,424	170,800	146,999	144,899	150,101	164,454
- Registration	2,727	2,563	2,238	2,298	2,401	2,494	2,671
- Correction	507	440	450	420	430	420	435
- Energy & Resources Management	38,944	56,178	38,018	45,075	40,847	46,946	61,495
- Environmental Reconstruction	28,967	31,309	41,172	39,651	42,715	43,640	46,538
- Postal insurance	5,941	5,795	5,701	6,152	6,528	7,038	6,896
- Regional development	67,929	78,377	90,769	98,615	98,526	94,085	97,314
- USFK Institution Relocation	5,049	2,629	2,130	6,967	3,869	3,850	4,536
- Multi-functional Administrative City Construction	801	3,267	5,771	6,951	7,859	8,028	8,425
- Defense military Installations Relocation	2,951	3,275	2,218	2,599	8,227	5,317	4,600
- Construction of Innovation City	-	1,113	2,956	11,469	13,664	8,986	5,827
- Construction of Cultural Hub City of Asia	-	917	569	497	719	990	1,363
- Grain Management	12,937	15,307	14,658	13,368	13,890	14,287	14,177
- Agency	10,572	8,923	9,038	8,476	7,164	7,759	8,419
- Government Supply	2,022	2,272	2,947	3,437	3,822	2,547	5,140
- Postal service	30,384	31,854	33,343	34,427	36,721	36,992	37,066
- Postal savings	18,872	19,095	19,119	19,804	22,080	25,197	29,369

Reserve fund

- The budget for the 2013 reserve fund is 3.9 trillion won in total; general reserve fund(1.1 trillion won), special reserve fund (2.8 trillion won)
- The use of the reserve fund for special purposes is subject to greater restriction in 2013 as provided under Article 12 of the general provision.

(Unit: 100 million won, %)

	General accounts (A)	Total reserve fund	General reserve fund		Special reserve fund	
			Amount (B)	Percentage (B/A)	Amount (C)	Percentage (C/A)
2006	1,469,625	25,498	10,498	0.70	15,000	1.02
2007	1,565,177	23,000	11,000	0.70	12,000	0.77
2008	1,795,537	23,000	11,000	0.61	12,000	0.67
2009	2,035,497	39,885	11,000	0.54	28,885	1.42
2010	2,012,834	21,000	11,000	0.55	10,000	0.50
2011	2,099,303	24,000	12,000	0.57	12,000	0.57
2012	2,231,384	24,000	12,000	0.54	12,000	0.54
2013	2,355,587	39,000	11,000	0.47	28,000	1.19

Note: 1. The amount includes the revised supplementary budget.
2. The general reserve fund for 2006 includes 2.5 billion won for a designated purpose.

Sources: National Finance of Korea at a Glance 2012 (2012.05) of the National Assembly Budget Office; The Amendment Bill for 2013 Budget Proposal (2012.12) of the Special Committee on Budget and Accounts; and The Major Contents of 2013 Budget Determined by the National Assembly (2012.12) of the Ministry of Strategy and Finance.

Authorized Carryover Expenses

· Within the budget, certain expenses cannot all be spent within the year due to their specific nature. If such a case is predicted, the residual amount can be carried over the next year by specifying such purpose and obtaining the approval of the National Assembly.

(Unit: 100 million won, million dollars)

Department	Item	2012 (A)	2013 (B)	Change (B-A)
Ministry of National Defense[1)]	Improvement of military facilities (Share of the USFK's defense costs)	323	285	-38
Defense Acquisition Program Administration[2)]	F-X Aircraft	($50) 540	-	Net decrease
	Large attack helicopter	($14) 153	-	Net decrease
	Improvement of performance of Hyunmu (missile)	70	-	Net decrease
	Lightly-armed helicopter	-	49	Net increase
	Anti-jamming GPS system for aircraft	-	10	Net increase
	2nd improvement of performance of Hyunmu (missile)	-	110	Net increase
	Sub-total	($65) 763	(-) 169	(Net decrease) -594
Total		($65) 1,086	(-) 454	(Net decrease) -632

Note: 1) If the project selection, design, or site acquisition by the USFK is delayed, the amount will be carryover.
2) If the introduction of foreign equipment, development of new equipment, or purchase of sites for facility construction is delayed due to changes in circumstances overseas, the amount will be carryover.

Data: 2013 Budget Proposal (Sep. 2012)

Multi-year Expenses

· "Multi-year Expenses" refers to a budget which can be spent over several years within the scope resolved in advance by the National Assembly, and concerns the total expenses and yearly allocations for construction, production and R&D projects which require several years for completion.

· The total expenses relating to multi-year expenses in 2013 is 32.4 trillion won, and the allocation for 2013 is 3.6 trillion won.

(Unit: 100 million won)

	Total amount	Allocation					
		Until 2012	2013	2014	2015	2015	2017
2012 budget	303,048	215,952	32,443	28,048	24,181	4,847	-
2013 budget	324,379	215,952	36,007	31,226	27,895	15,444	6,129

Data: Revision of 2013 budget proposal (Dec. 2012).

Act of treasury to bear liabilities

· In 2013, the amount of Act of treasury to bear liabilities is 2.5 trillion won (general accounts 1.7 trillion won, special accounts 780.9 billion won); an increase of 301.8 billion won from 2012.

(Unit: 100 million won, million dollars)

Account and Department	Item	2012 (A)	2013 (B)	Change (B-A)
Ministry of National Defense	Meals and clothing	2,838	2,766	-72
	Health and welfare improvements for soldiers	($2) 70	48	(-$2) -22
	Logistics support and cooperation	($496) 13,577	($468) 13,553	(-$28) -24
	Sub-total	($498) 16,485	($468) 16,366	(-$30) -118
Korea Coast Guard	Large warships	113	440	327
General accounts sub-total		($498) 16,598	($468) 16,806	(-$30) 209
USFK Instituion Relocation S/A	Relocation of the Pyeongtaek base	-	($249) 2,809	($249) 2,809
Special account for transportation facilities (Ministry of Land, Transport & Maritime Affairs	Construction of ordinary national roads	4,000	4,000	0
	Construction of detours to substitute existing national roads	1,000	1,000	0
	Sub-total	5,000	5,000	0
Special accounts sub-total		5,000	($249) 7,809	($249) 2,809
Total		($498) 21,598	($717) 24,616	($219) 3,018

Data: 2013 Budget Proposal (Sep. 2012).

2. Funds

· The amount of fund expenditure in 2013 is 497.5 trillion won; an increase of 118 trillion won from 2012.

· The number of funds in 2013 is 64 in total, as a result of the expiration of the deadline for the non-performing loan disposal fund.

(Unit: 100 million, %)

Department	Fund name	2012 (A)	2013 (B)	Change	
				B-A	(B-A)/A
Ministry of Education, Science & Technology	Korea Teachers' Pension Fund	92,912	103,179	10,267	11.1
	Science & Technology Promotion Fund	1,399	2,869	1,470	105.1
	Private School Promotion Fund	4,002	4,222	220	5.5
	Atomic Energy R&D Fund	2,095	2,373	278	13.3
Ministry of Patriots and Veterans Affairs	Merit Reward Fund	5,894	6,112	218	3.7
	Governmental Fund for Patriotic & Independence Fighters	619	474	-145	-23.4
Ministry of National Defense	Military Pension Fund	27,077	28,139	1,062	3.9
	Military Welfare Fund	7,877	9,122	1,245	15.8
Ministry of Justice	Crime Victim Protection Fund	633	684	51	8.1
Ministry of Land, Transport & Maritime Affairs	National Housing Fund	372,300	417,180	44,880	12.1
Financial Services Commission	Public Fund Repayment Fund	22,916	169,041	146,125	637.7
	Finance & Corporate Restructuring Fund	9,752	7,712	-2,040	-20.9
	Korea Technology Credit Guarantee Fund	23,091	22,394	-697	-3.0
	Ther Credit guarantee fund for Agriculture Forestry and fishery	14,652	19,744	5,092	34.8
	Saving Encouragement Fund for Property of Agricultural Fishing Houses	1,088	1,016	-72	-6.6
	Non-performing Loan Disposal Fund	23,339	-	Net decrease	Net decrease
	Credit Guarantee Fund	59,930	60,312	382	0.6
	Korea DIF Bond Redemption Fund	105,415	129,538	24,123	22.9
	Housing Finance Credit Guarantee Fund	20,689	27,683	6,994	33.8
Ministry of Strategy & Finance	Public Capital Management Fund	1,131,366	1,466,088	334,722	29.6
	Lottery Fund	36,934	41,423	4,489	12.2
	Foreign Exchange Stabilization Fund	361,652	804,857	443,205	122.6
	Korea Infra-structure Credit Guarantee Fund	2,239	2,486	247	11.0
	Economic Development Cooperation Fund	6,813	7,551	738	10.8
	Government Properties Management Fund	9,686	11,321	1,635	16.9
Ministry of Employment & Labor	Employment Insurance Fund	84,471	95,411	10,940	13.0
	Industrial Worker's Accident Compensation Insurance and Prevention Fund	100,281	103,717	3,436	3.4
	Labor Welfare Promotion Fund	4,447	3,920	-527	-11.9
	Wage Claim Guarantee Fund	6,495	8,325	1,830	28.2
	The Fund for Employment Promotion and Vocational Rehabilitation for the Disabled	3,981	4,724	743	18.7

(Unit: 100 million won, %)

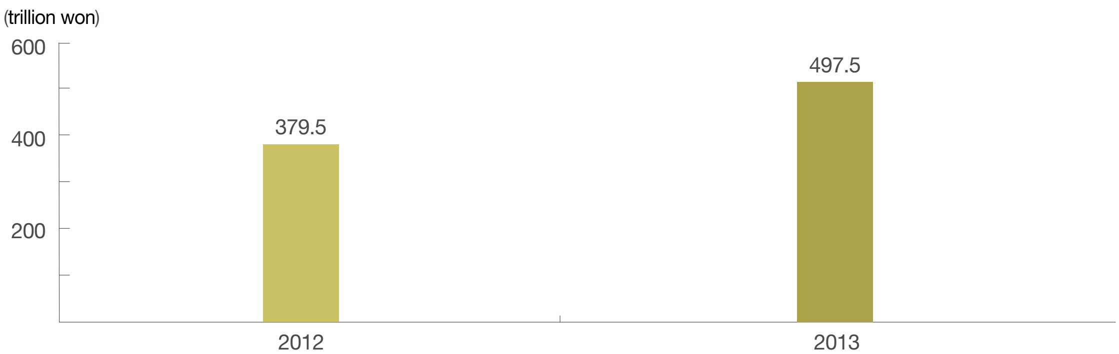
Department of jurisdiction	Fund name	2012 (A)	2013 (B)	Change	
				B-A	(B-A)/A
Ministry for Food, Agriculture, Forestry & Fisheries	Food Grain Stock Consolidating Fund	4,383	12,055	7,672	175.0
	Fund for Agri-Fishery Matketing Price Stabilization	26,157	30,902	4,745	18.1
	Reinsurance fund for agriculture and fisheries	2,629	705	-1,924	-73.2
	Farmland Management Fund	16,645	19,174	2,529	15.2
	Fisheries Development Fund	6,790	7,456	666	9.8
	Rice Income Stabilization Fund	2,185	867	-1,318	-60.3
	FTA Support Fund	6,270	6,964	694	11.1
	Livestock Development Fund	7,370	10,172	2,802	38.0
Ministry of Culture, Sports & Tourism	Tourism Promotion and Development Fund	7,150	7,775	625	8.7
	National Sports Promotion Fund	9,482	9,799	317	3.3
	The Korea Culture & Arts Promotion Fund	2,669	4,451	1,782	66.8
	Korea Press Fund	561	581	20	3.6
	Film Development Fund	2,877	3,530	653	22.7
	Local Press Development Fund	253	164	-89	-35.2
Cultural Heritage administration	Cultural Heritage Protection Fund	1,302	1,327	25	1.9
Korea Communications Commission	Broadcasting & Communications Development Fund	8,259	11,726	3,467	42.0
Ministry of Health & Welfare	National Pension Fund	792,307	907,638	115,331	14.6
	National Health Promotion Fund	20,213	20,748	535	2.6
	Substitute Payment Fund for Emergency Medical Cost	2,380	2,209	-171	-7.2
Minister of Gender Equality & Family	Women's Development Fund	1,099	1,325	226	20.6
	Youth Supporting Fund	835	890	55	6.6
Ministry of Foreign Affairs & Trade	International Foundation Fund	1,002	861	-141	-14.1
Small & Medium Business Administration	Small & Medium Enterprise's Start-up and Promotion Fund	73,402	79,600	6,198	8.4
Ministry of Knowledge Economy	Korea Trade Insurance Fund	25,272	28,019	2,747	10.9
	Radioactive Waste Management Fund	9,163	11,361	2,198	24.0
	Electric Power Industry Fund	21,974	25,677	3,703	16.9
	Information Technology Promotion Fund	11,298	12,539	1,241	11.0
	The fund for Use Rationalization of Specified Substances	155	148	-7	-4.5
Ministry of Unification	Inter-Korean Cooperation Fund	16,138	18,251	2,113	13.1
Ministry of Public Administration & Security	Government Employees Pension Fund	162,007	167,769	5,762	3.6
Ministration of Environment	Fund for Management of Kum River	974	1,062	88	9.0
	Fund for Management of Nakdong River	2,071	2,202	131	6.3
	Fund for Management of Yeongsan and Seomjin River	773	832	59	7.6
	Fund for Management of Han River	4,346	4,570	224	5.2
	Asbestos Health Damage Relief Fund	145	320	175	120.7

The size of fund operation in 2013 is 497.5 trillion won.

· The total revenue is composed of 130.9 trillion won of the self-generated revenues, 132.3 trillion won of the inter-government revenues, 101.5 trillion won in borrowings, and 132.8 trillion won of surplus asset collection.

· The total expenditure consists of 92.0 trillion won for project cost & operation cost , 233.4 trillion won for inter-government expenditures and the payment of principal and interest on loans, and a surplus fund of 172.1 trillion won for surplus asset management.

Size of fund operation



Fund Revenue & Expenditures

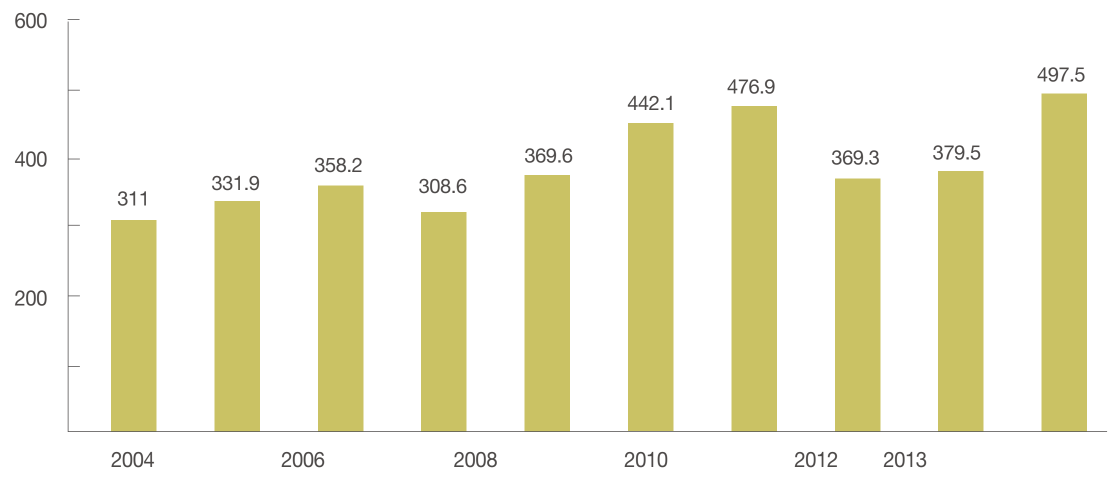
(Unit: trillion won, %)

		2012 (A)	2013 (B)	Change	
				B-A	(B-A)/A
Size of fund operation		379.5	497.5	118.0	31.1
Revenue	Self-Generated Revenues	125.0	130.9	5.9	4.7
	Inter-government Revenues	60.2	132.3	72.1	119.8
	Borrowings	98.6	101.5	2.9	2.9
	Surplus Asset Collection	95.6	132.8	37.2	38.9
Expenditures	Project Cost & Operation Cost	89.6	92.0	2.4	2.7
	Inter-government Expenditures	158.8	233.4	74.6	47.0
	Surplus Asset Management	131.0	172.1	41.1	31.4

Trend of fund operation

· The size of fund operation in 2013 is 497.5 trillion won, representing an increase of 31.1% from the 379.5 trillion won in 2012. This figure is 2.1 times of the general accounts (236.2 trillion won).

Trend of fund operation



Trend in types of spending

(Unit: trillion won)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Size of fund operation	311	331.9	358.2	308.6	369.6	442.1	476.9	369.3	379.5	497.5
Project Cost & Operation Cost	87.4	89.9	93.9	86.9	89.6	98.0	94.8	88.0	89.6	92.0
Surplus Asset Management	115.7	123.4	116.9	111.1	146.6	149.1	145.5	129.2	131.0	172.1
Inter-government Expenditures	107.9	118.6	147.4	110.6	133.4	195.0	236.6	152.1	158.8	233.4

Note: 1. The figures up to 2005 represent the results of performance.
2. The figures for 2006~2013 represent the amounts deliberated and resolved by the National Assembly.

National Finance of Korea at a Glance 2013

National Finance of Korea
at a Glance 2013

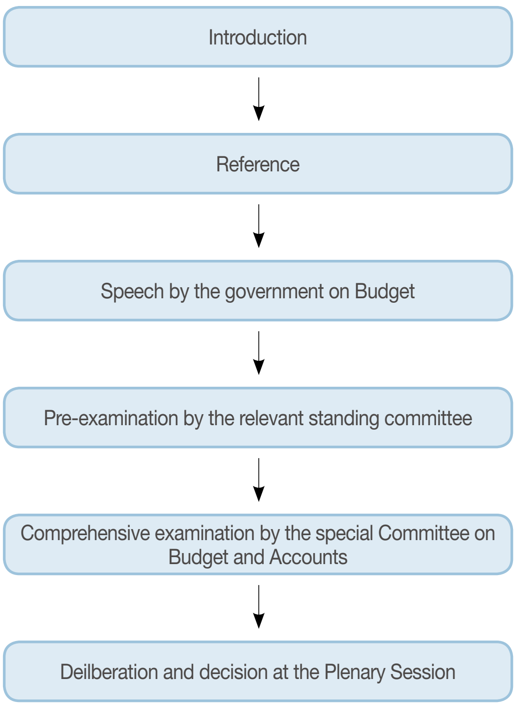
Ⅳ. Deliberation of the Budget Proposal in the National Assembly

Ⅳ Deliberation of the Budget Proposal in the National Assembly

1. Right to Deliberate and Settle Budget Bills

· The government budget refers to the preliminary financial plan on the government's revenue and expenditures for each fiscal year. A budget bill is drawn up based on tax revenues, and its huge scope and various functions have significant implications on the nation's economy. The National Assembly's deliberations and decisions on the budget bill entail a process aimed to reflect public opinion and to improve the efficiency and quality of fiscal operations through effective oversight.

Budget Bill Deliberation Process



2. Overview of the Deliberation of the Budget Proposal in the National Assembly

· The total revenue for 2013 as deliberated and determined by the National Assembly is 372.6 trillion won (500 billion won less than the amount proposed by the Administration), and the total spending is 342.0 trillion won (500 billion won less than the amount proposed by the Administration).

Details of the deliberation of the budget proposal in the National Assembly

(Unit: trillion won, %)

	2012			2013				
	Budget Proposal (A)	Budget		Budget Proposal (C)	Budget			
		Amount (B)	Net (B-A)		Amount (D)	Net (D-C)	Change	
							D-B	(D-B)/B
Total revenue	344.1	343.5	-0.6	373.1	372.6	-0.5	29.0	8.5
(national tax)	(205.9)	(205.8)	-0.1	(216.4)	(216.4)	0.0	10.6	5.2
Total spending	326.1	325.4	-0.7	342.5	342.0	-0.5	16.6	5.1
- budget	227.0	228.1	1.1	242.4	243.6	1.2	15.5	6.8
- funds	99.1	97.3	-1.8	100.1	98.3	-1.7	1.0	1.0

3. Pre-examination by Standing Committees

· The Budget bill and fund operation plan for 2013 was submitted to each standing committee of jurisdiction on September 28, 2012.

· The pre-examinations were duly conducted by the standing committees, with the Strategy and Finance Committee completed on Dec. 28, 2012.

4. Comprehensive Examination by the Special Committee on Budget and Accounts

- The Special Committee on Budget and Accounts held a 'public hearing on the 2013 budget bill and fund operation plan' on October 30, 2012.
- The Budget bill and fund operation plan for 2013 was introduced for deliberation on October 31, 2012.
- The revised bill was resolved on December 31 after three sessions of general policy questions (Oct. 31~Nov. 2), four sessions of deliberation in each department (Nov. 5~8),
- The tax revenue and expenditure budget bill was increased by 154.3 billion in total.

Budget bill adjustment

(Unit: 100 million won)

Revenue		Expenditure	
<Reduction>	△13,314	<Reduction>	△40,315
National Tax Revenue	△5,407	General Public Administration	△8,466
· Income Tax	△3,508	National Defense	△4,665
· Corporate Tax	△440	Environment	△1,660
· Value Added Tax	△1,125	Welfare	△7,050
· Individual Consumption Tax	△90	Agriculture, Forestry and Fisheries	△4,419
· Securities Transaction Tax	△50	Industry, SMEs & Energy	△3,499
· Stamp Tax	△45	SOC	△1,895
· Tariff	△122	Others	△6,287
· Education Tax	△27		
Non-tax revenue	△7,907		
· Price for sale of other financial securities	△4,431		
· Legal burden (special account for environment)	△2,760		
· Price for sale of land (military facilities)	△250		
· Others	△446		
<Increase>	14,857	<Increase>	41,858
National Tax Revenue	5,907	National Defense	1,378
· Income tax	2,474	Education	8,674
· Corporate Tax	1,348	Environment	1,720
· Individual Consumption Tax	1,305	Welfare	10,222
· Education Tax	390	Agriculture, Forestry and Fisheries	4,632
· Special Tax for Rural Development	390	Industry, SME's & Energy	2,736
		SOC	5,574
Non-tax revenue	8,950	Others	4,699
· Fund deposit received	6,600		
· Collection of other private loan capital	2,329		
· Others	21		
< Total >	1,543	<Total >	1,543

· The budget proposal for the fund operation plan was reduced by 1 trillion 949.1 billion won in total.

Fund operation plan adjustment

(Unit: 100 million won)

Fund	Proposal	Change	Budget
· Criminal Victims Protection Fund	730	-46	684
· Technology Credit Guarantee Fund	22,902	-508	22,394
· Fund for raising lump-sum saving of farming and fishing households	994	22	1,016
· Credit Guarantee Fund	60,532	-220	60,312
· Housing Finance Credit Guarantee Fund	27,283	400	27,683
· Public Capital Management Fund	1,477,538	-11,450	1,466,088
· Lottery Fund	41,454	-31	41,423
· Foreign exchange equalization fund	804,845	12	804,857
· Tourism Promotion Development Fund	7,782	-7	7,775
· Culture & Art Promotion Fund	4,446	5	4,451
· Film Development Fund	3,630	-100	3,530
· Broadcasting and Communication Development Fund	11,730	-4	11,726
· Farm Price Safety Fund	30,906	-4	30,902
· Reinsurance fund for agriculture and fisheries	2,730	-2,025	705
· Farmland Management Fund	19,198	-24	19,174
· Rice Subsidy Fund (to preserve rice farmers' income)	4,433	-3,566	867
· Grain Bonds Settlement Fund	12,094	-39	12,055
· Support fund for the implementation of FTA	7,480	-516	6,964
·Livestock Development Fund	10,665	-493	10,172
· Trade Insurance Fund	28,519	-500	28,019
· Radioactive Waste Management Fund	11,373	-11	11,361
· Electricity Industrial Infrastructure Fund	25,694	-16	25,677
· ICT Promotion Fund	12,543	-4	12,539
· Small and Medium Enterprise Establishment and Promotion Fund	79,511	89	79,600
· Industrial Accident Compensation Insurance and Prevention Fund	103,745	-28	103,717
· Wage Claim Guarantee Fund	8,326	-1	8,325
· National Housing Fund	417,630	-450	417,180
· Women's Development Fund	1,310	15	1,325
· Youth Fostering Fund	879	11	890
Sub-total	3,240,900	-19,491	3,221,408
Total (64 funds)	4,994,775	-19,491	4,975,283

· In the comprehensive examination of the Special Committee on Budget and Accounts, the total revenue was reduced by 485.8 billion won, and the total spending was decreased by 538.3 billion won.

Results of the deliberation of the 2013 budget proposal by the National Assembly

(Unit: million won)

	Total revenue			Total spending		
	Increase	Decrease	Net increase	Increase	Decrease	Net increase
House Steering Committee	-	-	-	3,367	6,104	-2,737
Legislation and Judiciary Committee	-	-	-	8,572	1,868	6,704
National Policy Committee	159	-	159	81,984	9,568	72,416
Strategy and Finance Committee	250,000	243,638	6,362	430,612	2,188,834	-1,758,222
Foreign Affairs, Trade and Unification Committee	-	-	-	19,055	23,939	-4,884
National Defense Committee	-	30,893	-30,893	137,774	431,810	-294,036
Public Administration and Security Committee	-	-	-	58,383	9,680	48,703
Education, Science and Technology Committee	500	-	500	909,364	205,840	703,524
Culture, Sports, Tourism, Broadcasting and Communications Committee	-	-	-	253,586	23,058	230,528
Food, Agriculture, Forestry and Fisheries Committee	39,000	14,707	24,293	548,527	508,982	39,545
Knowledge Economy Committee	-	-	-	211,732	405,080	-193,348
Health and Welfare Committee	-	-	-	874,509	641,767	232,742
Environment and Labor Committee	-	276,040	-276,040	245,391	192,538	52,853
Land, Transport and Maritime Affairs Committee	232,900	443,100	-210,200	575,121	256,155	318,966
Intelligence Committee	-	-	-	-	5,100	-5,100
Gender Equity and Family Committee	-	-	-	14,030	-	14,030
Total	522,559	1,008,378	-485,819	4,372,007	4,910,323	-538,316

5. Revision by the National Assembly of Total Spending in Each Area

· A glance at the scope of the National Assembly's revision of the 2013 expenditure in each area reveals that the amount of expenditure for eight areas including that of 'health, welfare, and labor' was increased over and above the proposal of the Administration, while expenditure for another four areas including ‘industry, SMEs, and energy’ was less than that proposed by the Administration.

· The area whose budget is subject to the greatest increase is ‘education’ (with an increase of 0.7 trillion won), while the area whose budget is subject to the greatest decrease is ‘general administration (with a decrease of 1.5 trillion won.)

Revision of expenditure in each area by the National Assembly

(Unit: trillion won)

	Proposal of administration	Determined budget	Change
Health, welfare, labor	97.1	97.4	0.3
Education	49.1	49.8	0.7
Culture, sports, tourism	4.8	5.0	0.2
Environment	6.3	6.3	0.0
R&D	16.9	16.9	0.0
Industry, SMEs, energy	15.7	15.5	-0.2
SOC	23.9	24.3	0.4
Agriculture, forestry and fisheries, foods	18.3	18.4	0.0
National defense (general accounts)	34.6	34.3	-0.3
Diplomacy and unification	4.1	4.1	-0.0
Public order and safety	15.0	15.0	0.0
General public administration	57.3	55.8	-1.5
Total	342.5	342.0	-0.5

Note: A reserve fund of 1.7 trillion won has been set aside for the 2013 subsidy of local finances (support for exemption from acquisition tax in 2011 and 2012, and support for child care expenses for 2012 and 2013).

6. Attached Opinions

· In determining the '2013 budget bill and fund operation plan', the National Assembly attached 33 opinions to be completed by administrative agencies.

Attached opinions

(Unit: case)

	2009		2010	2011	2012	2013
	Budget	Supplementary budget				
Institutional improvement	41	9	4	-	16	23
Report to the National Assembly	7	3	1	-	1	2
Setting conditions for execution	3	4	11	11	8	8
Defer execution	5	1	1	1	2	0
Total	56	17	17	12	27	33

Note: 1. Institutional improvement: a proposal presenting the direction of policy or urging the preparation of ways to improve systems.
2. Report to the National Assembly: a proposal to the effect that it should be obligatory to report matters pertaining to the institutional improvement or execution of programs to the National Assembly.
3. Setting conditions for execution: a proposal which clearly presents the period of budget support, object of support, etc.
4. Defer execution: a proposal which allows execution of the budget only if the standards set by the attached opinion are satisfied.

Data: National Assembly Budget Office

Number of attached opinions adopted by each standing committee

Committee	Number	Committee	Number	Committee	Number
House Steering Committee	2	Public Administration and Security Committee	19	Health and Welfare Committee	27
Legislation and Judiciary Committee	12	Education, Science and Technology Committee	25	Land, Transport and Maritime Affairs Committee	1
National Policy Committee	24	Culture, Sports, Tourism, Broadcasting and Communications Committee	27	Gender Equity and Family Committee	4
Foreign Affairs, Trade and Unification Committee	7	Food, Agriculture, Forestry and Fisheries Committee	5		
National Defense Committee	10	Knowledge Economy Committee	9		
172 opinions					

National Finance of Korea at a Glance 2013

National Finance of Korea
at a Glance 2013

V. Finance and Major Programs of Each Standing Committee

1. The House Steering Committee
2. Legislation and Judiciary Committee
3. National Policy Committee
4. Strategy and Finance Committee
5. Foreign Affairs, Trade and Unification Committee
6. National Defense Committee
7. Public Administration and Security Committee
8. Education, Science and Technology Committee
9. Culture, Sports, Tourism, Broadcasting and Communications Committee
10. Food, Agriculture, Forestry and Fisheries Committee
11. Knowledge Economy Committee
12. Health and Welfare Committee
13. Environment and Labor Committee
14. Land, Transport and Maritime Affairs Committee
15. Intelligence Committee
16. Gender Equity and Family Committee

V Finance and Major Programs of Each Standing Committee

1. The House Steering Committee

a. Overview

· Total spending of the House Steering Committee in 2013 is 717.9 billion won, representing an increase of 1.6% from 2012, accounting for 0.2% of the total spending.

· By agencies:
- National Assembly(521.9 billion won, 3.1%)
- The Office of the President(161.9 billion won, 3.6%)
- The National Human Rights Commission of Korea(24.1 billion won, 4.3%)
- The Office of the Minister of Special Affairs(10.1 billion won, 6.3%).

Budget of the House Steering Committee

(Unit: 100 million won, %)

	2012 (A)	2013 (B)	Change	
			B-A	(B-A)/A
National Assembly	5,060	5,219	159	3.1
Office of the President	1,680	1,619	-61	-3.6
National Human Rights Commission of Korea	231	241	10	4.3
Office of Minister of Special Affairs	95	101	6	6.3
Total (% total spending)	7,066 (0.2)	7,179 (0.2)	113	1.6

2. Legislation and Judiciary Committee

a. Overview

· Total spending of the Legislation and Judiciary Committee in 2013 is 4.3 trillion won, representing an increase of 4.6% from 2012, accounting for 1.3% of the total spending.

· By agencies:
- Ministry of Justice(2.7 trillion won, 4.5%)
- Ministry of Government Legislation(27.7 billion won, 8.2%)
- Board of Audit and Inspection(106.5 billion won, 2.8%)
- Constitutional Court(35.4 billion won, 3.2%)
- Supreme Court(1.4 trillion won, 4.6%).

Budget of the Legislation and Judiciary Committee

(Unit: 100 million won, %)

	2012 (A)	2013 (B)	Change	
			B-A	(B-A)/A
Ministry of Justice	25,870	27,044	1,174	4.5
Ministry of Government Legislation	256	277	21	8.2
The Board of Audit and Inspection	1,036	1,065	29	2.8
Constitutional Court	343	354	11	3.2
Supreme Court	13,666	14,289	623	4.6
Total (% total spending)	41,171 (1.3)	43,029 (1.3)	1,858	4.6

3. National Policy Committee

a. Overview

· Total spending of the National Policy Committee in 2013 is 5.3 trillion won, representing an increase of 11.9% from 2012, accounting for 1.6% of the total spending.

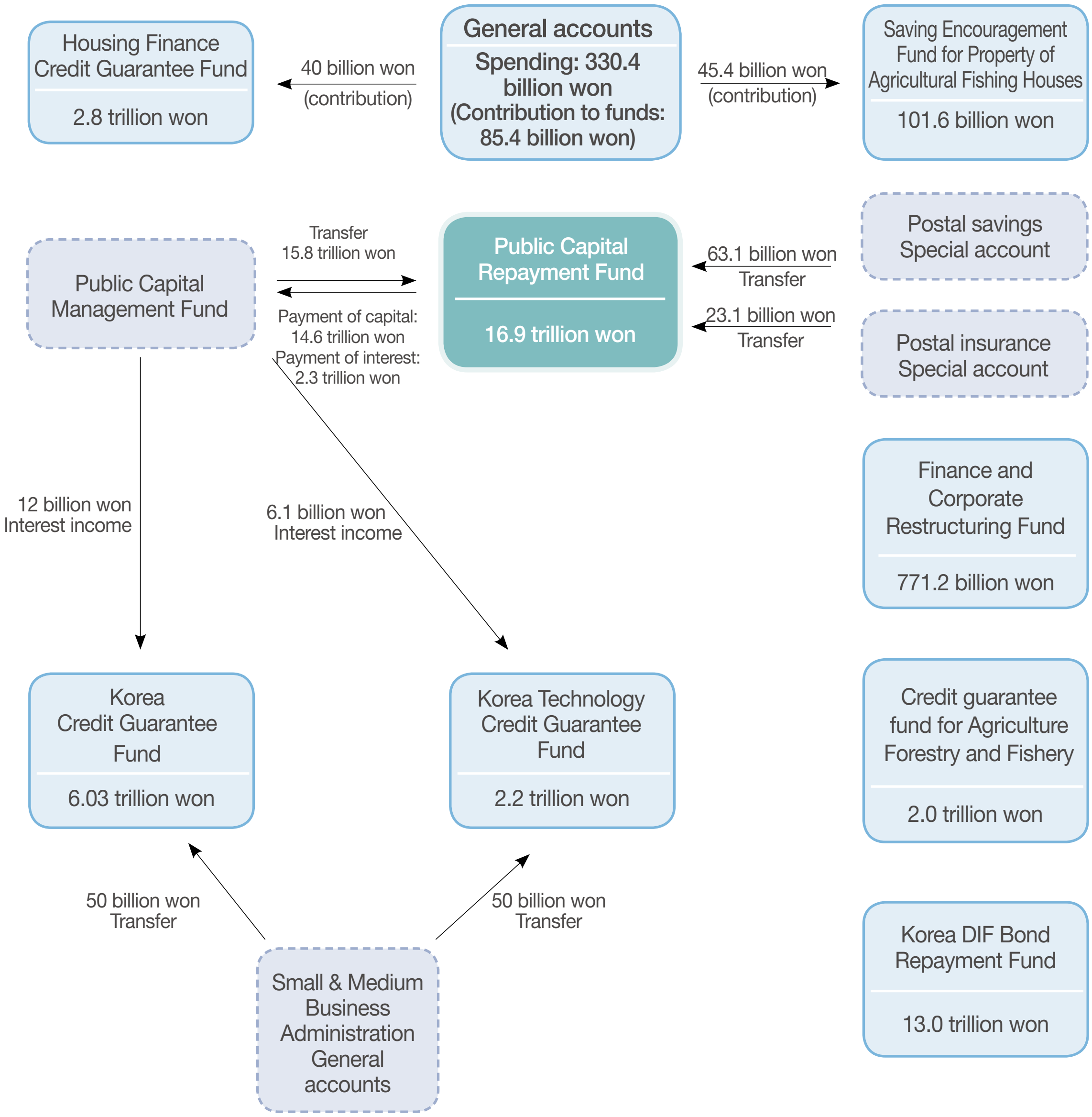
· By agencies:
- Prime Minister's Office(543.2 billion won, 8.8%)
- Fair Trade Commission(93.3 billion won, 10.3%)
- Financial Services Commission(333.5 billion won, 286.1%)
- Anti-Corruption and Civil Rights Commission(68.7 billion won, 4.7%)
- Ministry of Patriots & Veterans Affairs(4.3 trillion won, 6.6%).

Budget of the National Policy Committee

(Unit: 100 million won, %)

	2012 (A)	2013 (B)	Change	
			B-A	(B-A)/A
Prime Minister's Office	4,991	5,432	441	8.8
Fair Trade Commission	846	933	87	10.3
Financial Services Commission	864	3,335	2,471	286.1
Anti-Corruption and Civil Rights Commission	656	687	31	4.7
Ministry of Patriots & Veterans Affairs	40,214	42,856	2,642	6.6
Total (% total spending)	47,571 (1.5)	53,243 (1.6)	5,672	11.9

Financial structure of the Financial Services Commission



Note: The accounts and funds under the jurisdiction of departments other than the Financial Services Commission are marked with dotted lines.

b. Major Programs

Public credit guarantee (Financial Services Commission)

Summary

· For individuals and companies that lack security solvency, the government operates a public credit guarantee system.

· To ensure stable operation of the fund, the Ceiling of Guarantee needs to be managed stably within the legal limit.

Status of 5 credit guarantee funds

(Unit: 100 million won, %)

	Legal Ceiling of Guarantee	Ceiling of Guarantee (2012)	Guarantee balance (2012)	Subrogation (2012)	Contribution (2013 budget)
Korea Credit Guarantee Fund	20	7.1	454,494	3.4	500
Korea Technology Credit Guarantee Fund	20	8.2	181,595	3.8	500
The Credit guarantee fund for Agriculturad Forestry and Fishery	20	3.8	86,895	1.4	-
Housing Finance Credit Guarantee Fund	40	12.2	387,476	0.7	400
Korea Infrastructure Credit Guarantee Fund	20	13.6	77,471	-	180

Note: 1. The Ceiling of Guarantee is a tentative figure (as of the end of 2012).
2. The Housing Finance Credit Guarantee Fund represents the credit guarantee accounts, and does not include the pension guarantee accounts.
3. All the above funds with the exception of the Korea Infrastructure Credit Guarantee Fund are under the jurisdiction of the Financial Services Commission.

Public capital management (Financial Services Commission)

Summary

· Public capital refers to the fund used to adjust the financial structure to overcome the Asia economic crisis in 1997 (public capital I), and to the restructuring fund established to resolve the instability of the financial market, etc. due to the global financial crisis in 2008 (public capital II).

· KDIC and KAMCO provide the bonds issued with the guarantee of the government and public capital, and pay them back with the capital collected afterwards.

Status of operation of public capital Ⅰ (Nov. 1997~Nov. 2012)

· A total of 168.7 trillion won was granted, and 104.9 trillion won was collected (collection rate: 62.2%).

· Support by organizations: Deposit Insurance Corporation: 110.9; Asset Management Corporation: 38.5; The Government: 18.4; BOK: 0.9.

Status of operation of public capital Ⅱ (June, 2009~Nov. 2012)

· A total of 6.2 trillion won was granted, and 3.6 trillion won was collected (collection rate: 58.9%).

· Support by areas: Banks: 1.2 trillion won; Non-monetary institutions: 4.4 trillion won; Shipping companies: 0.5 trillion won; Construction companies: 52.7 billion won.

War veterans honor benefit and Order of millitary merit benefit (Ministry of Patriots and Veterans Affairs)

· Among the major programs of the Ministry of Patriots and Veterans Affairs, the war veterans honor benefit (2002~) is 465 billion won, an increase of 108.8 billion won (30.5%) from 2012, and the medal of honor benefit (2001~) is 64.8 billion won, an increase of 6.4 billion won (11.0%) from 2012.

(Unit: million won, %)

	2012 (A)	2013 (B)	Change		Remarks
			B-A	(B-A)/A	
War Veterans Honor Benefit	356,239	465,014	108,775	30.5	- Increased to a monthly sum of 150,000 won in 2013 (from 120,000 won in 2012). - The administration proposed to increase it by 20,000 won, but the increase was finally set at 30,000 won.
Order of Military Merit	58,406	64,826	6,420	11.0	- Increased to a monthly sum of 210,000~230,000 won in 2013 (from 180,000 won in 2012). - The administration proposed to increase it by 20,000 won, but the increase was finally set at 30,000~50,000 won.

4. Strategy and Finance Committee

a. Overview

· Total spending of the Strategy and Finance Committee in 2013 is 21.4 trillion won, representing an increase of 1.4% from 2012, accounting for 6.3% of the total spending.

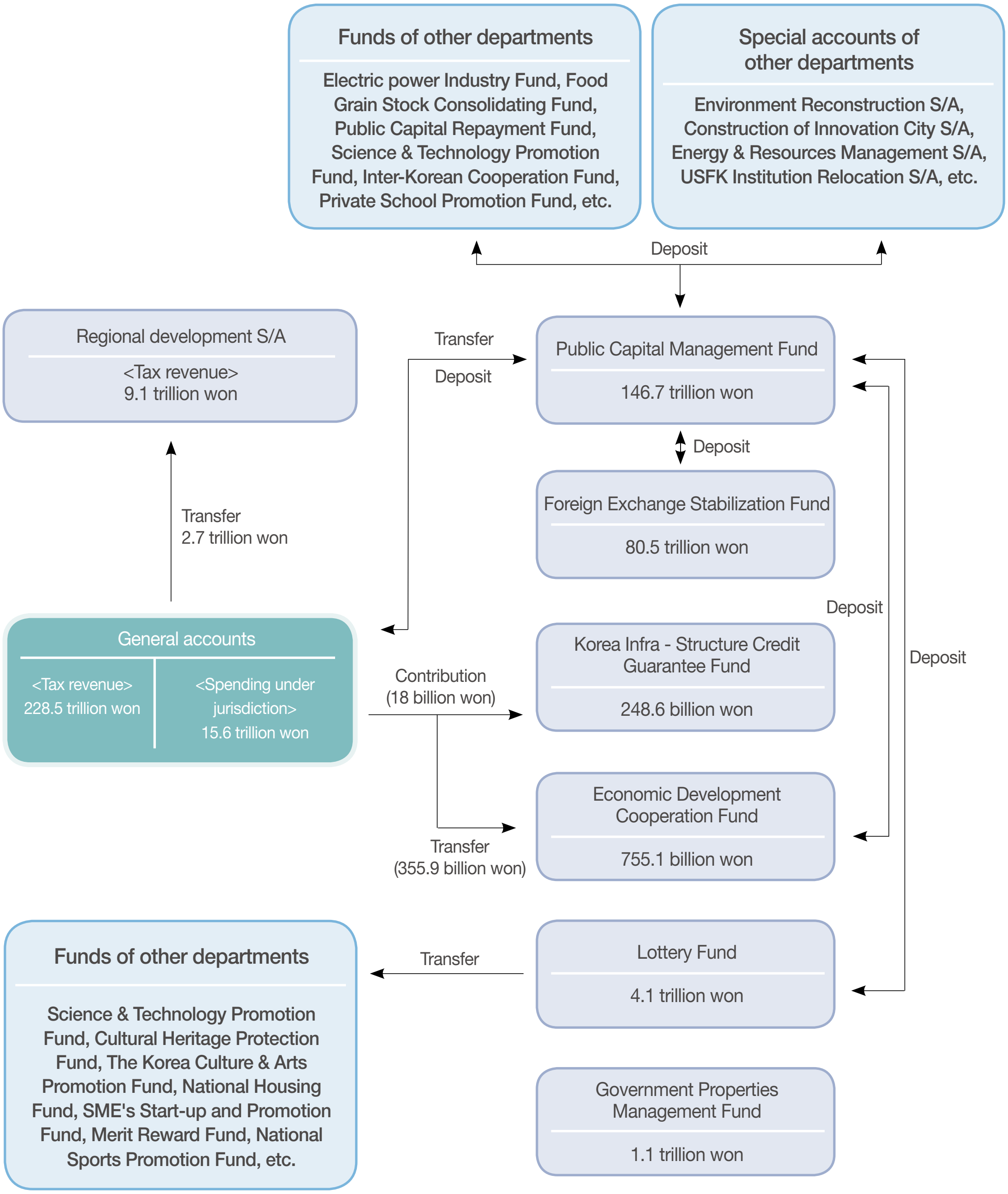
· By agencies:
- Ministry of Strategy & Finance has been allocated(19.1 trillion won, 0.9%)
- National Tax Service(1.5 trillion won, 5.7%)
- Customs Service(445.3 billion won, 5.0%)
- Public Procurement Service(132.6 billion won, 3.4%)
- National Statistical Office(237.9 billion won, 1.0%).

Budget of the Strategy and Finance Committee

(Unit: 100 million won, %)

	2012 (A)	2013 (B)	Change	
			B-A	(B-A)/A
Ministry of Strategy & Finance	189,583	191,370	1,787	0.9
National Tax Service	13,876	14,665	789	5.7
Customs Service	4,240	4,453	213	5.0
Public Procurement Service	1,282	1,326	44	3.4
National Statistical Office	2,356	2,379	23	1.0
Total (% total spending)	211,337 (6.5)	214,193 (6.3)	2,856	1.4

Financial structure of the Ministry of Strategy & Finance



B. Major Programs

Volume of issuance of treasury bonds[1] (Ministry of Strategy & Finance)

Summary

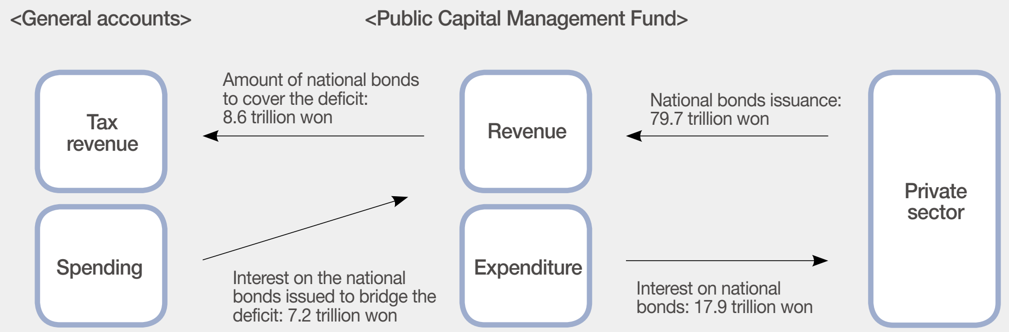
· The Public Capital Management Fund (hereinafter the Public Capital Fund) issues national bonds to procure financial funds.

· Treasury Bonds consist of 3, 5, 10, 20, 30 years(maturity period). In addition, the Ministry of Strategy & Finace issues inflation-linked bond.

Bonds Issuance

· The amount of national bonds issued by the Public Capital Management Fund in 2013 is 79.7 trillion won, i.e. a decrease of 0.1 trillion won from 2012 and 0.2 trillion won less than the budget proposal.

· The amount of new national bonds issued to bridge the deficit in the general accounts in 2013 is 8.6 trillion won, i.e. a decrease of 5.3 trillion won from 2012 and 0.7 trillion won more than the budget proposal.



Lottery Fund Support Program (Ministry of Strategy & Finance)

Summary

· Profit from the sale of lottery tickets (excluding prize payout and other cost) is transferred to the Lottery Fund , the fund is used for social welfare programs.

1) National bonds are bonds issued by the state to cover the deficits in tax revenue for the fiscal balance of the nation and to balance the budget. National bonds are divided into 3 types: treasury bonds (public capital fund), national housing bonds (national housing fund), and foreign exchange stabilization bonds in foreign currency (foreign exchange equalization fund).

· The lottery fund support program is allocated to the legal program (35% of profits) and the public program (65% of profits) according to Article 23 of the Act on Lottery Tickets and the Lottery Fund.

Performance

· Profits from the sale of lottery tickets (trillion won): 2.5(2009) → 2.6(2010) → 3.0(2011) → 2.9(2012) → 3.3(2013)

· 2013 legal program: 523.2 billion won is allocated to ten organizations according to the percentage specified in the enforcement ordinance.[2)]

· Public programs in 2013: 937.1 billion won
(Support for National Housing Fund: 538.1 billion won; Support for Sunshine Loan: 120 billion won; Support for Women's Development Fund: 121.5 billion won, etc.)

Percentage of legal allocation of profits from lottery

(Unit: 100 million won, %)

	Local governments	Jeju Province	Science & Technology Promotion Fund	Korea Sports Promotion Foundation	Korea Veterans Health Service	Small & Medium Business Corporation	Korea Forest Service	Korea Workers' compensation & Welfare Service	Community Chest of Korea	Cultural Heritage Protection Fund	Total
Percentage	6.0435	6.04355	4.404	3.63	2.25	2.2245	2.046	1.8585	1.5	5	35
Allocated amount	930	804	733	506	296	387	330	300	249	697	5,232

Earned Income Tax Credit (National Tax Service)

Summary

· Earned Income Tax Credit (EITC) is a policy whose aim is to connect the traditional welfare system, which depends upon the financial support of the government, with working. Korea adopted the system in 2009.

Qualifications

· In 2013, the criteria for receiving EITC has been expanded to include earned-income workers and all individual business households except high-income professionals and those with more than a certain level of income.

· Regarding family qualifications, it is necessary to have a spouse and children, but those over 60 years of age can apply for it even without a spouse or children.

2) However, according to the revision of the Lottery Act in 2011, the principle of competition has been introduced to the legal allocation program to allow the making of adjustments to within 20% of the rate of allocation. In the public interest program, too, the results of performance evaluation and the deliberation of the fund program are being reflected in budget compilation.

2013 criteria for the payment of EITC

(Unit: 10,000 won)

	Households with no child		Households with one child		Households with two children		Households with three children	
	Criteria	Maximum payment	Criteria	Maximum payment	Criteria	Maximum payment	Criteria	Maximum payment
Income	1,300	70	1,700	140	2,100	170	2,500	200
Housing requirement	No member of the family owns any house (1 house under 60 million won in standard market price is allowed).							
Eligibility for benefit	Employees and all individual business households except high-income and those with more than a certain level of income.							

5. Foreign Affairs, Trade and Unification Committee

a. Overview

· Total spending of the Foreign Affairs, Trade and Unification Committee in 2013 is 3 .4 trillion won (an increase of 4.1% from 2012), accounting for 1.0% of the total spending.

· By agencies:
- Ministry of Foreign Affairs & Trade(2.0 trillion won, 1.6%)
- Ministry of Unification(1.3 trillion won, 8.2%)
- National Unification Advisory Council(25 billion won, 8.7%).

Budget of the Foreign Affairs, Trade and Unification Committee

(Unit: 100 million won, %)

	2012 (A)	2013 (B)	Change	
			B-A	(B-A)/A
Ministry of Foreign Affairs & Trade	19,943	20,253	310	1.6
Ministry of Unification	12,245	13,254	1,009	8.2
National Unification Advisory Council	230	250	20	8.7
Total (% total spending)	32,418 (1.0)	33,757 (1.0)	1,339	4.1

b. Major Programs

The Inter-Korean Cooperation Fund (Ministry of Unification)

Summary

· The Inter-Korean Cooperation Fund was established on the Act on the Inter-Korean Cooperation Fund. According to Article 8 of the Act, the budget is used for personnel exchange, cooperative projects in cultural and sports areas, and cooperation in the economic area between North and South Korea. The budget determined for 2013 is 1.8 trillion won, representing an increase of 211.3 billion won (13.1%) from 2012.

Progress

· There are fifteen major programs included in the 2013 Inter-Korean Cooperation Fund. Of these, the support in authorities level program, which supports the provision of foods, fertilizers, and so on to North Korea, accounts for 56.7% of the total Inter-Korean Cooperation Fund.

· The budget for the support in authorities level program in 2013 is 625.6 billion won, representing an increase of 80.8 billion won (14.8%) from 2012. The reasons for the increase are the rise in the international prices of grains and raw materials and exchange rates, although the quantity of support is the same as 2012.

6. National Defense Committee

a. Overview

· Total spending of the National Defense Committee in 2013 is 36.0 trillion won(an increase of 4.2% from 2012), accounting for 10.5% of the total spending.

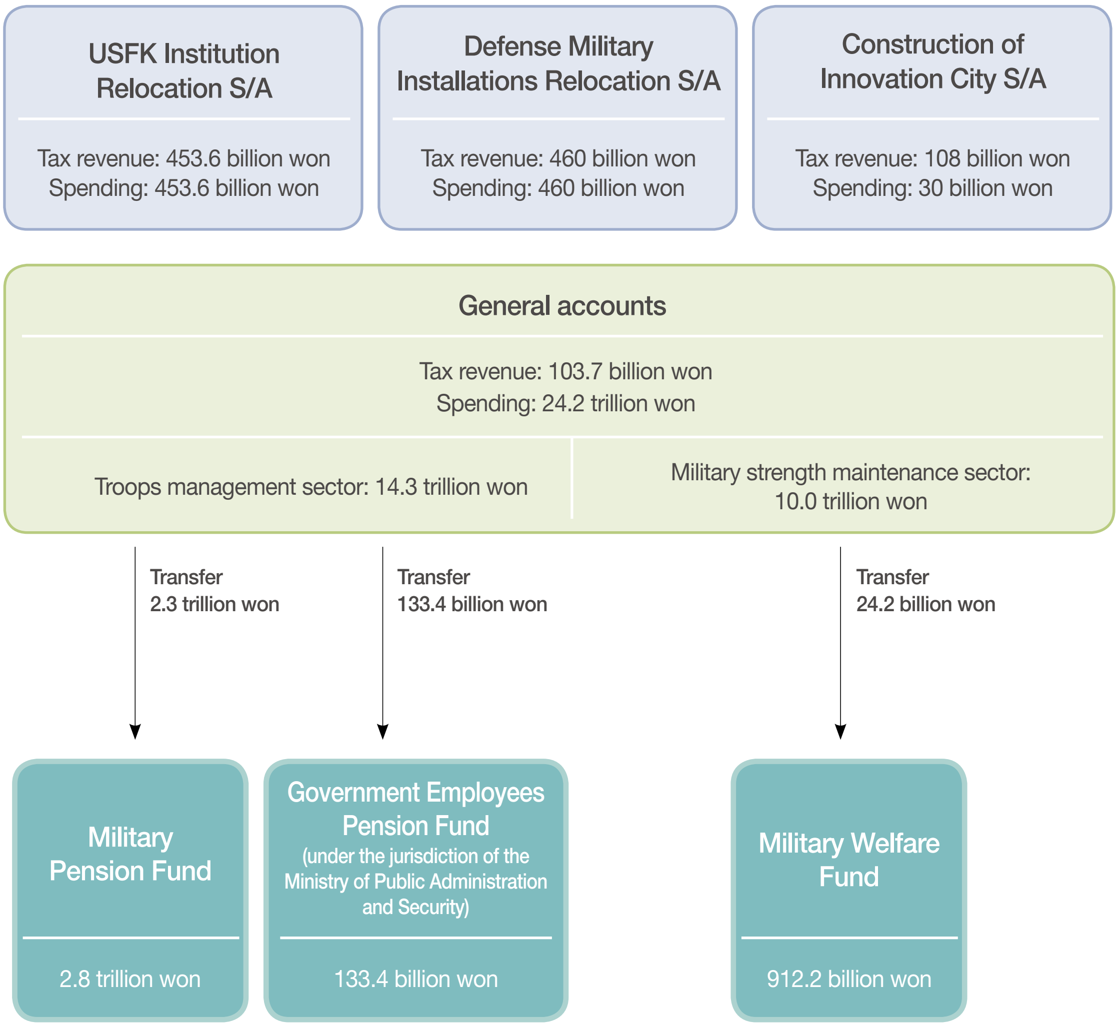
· By agencies:
- Ministry of National Defense(25.7 trillion won, 5.1%)
- Defense Acquisition Program Administration(10.1 trillion won, 2.2%)
- Military Manpower Administration(180.7 billion won, 2.8%).

Budget of the National Defense Committee

(Unit: 100 million won, %)

	2012 (A)	2013 (B)	Change	
			B-A	(B-A)/A
Ministry of National Defense	244,109	256,584	12,475	5.1
Defense Acquisition Program Administration	98,894	101,117	2,223	2.2
Military Manpower Administration	1,858	1,807	-51	-2.8
Total (% total spending)	344,861 (10.6)	359,508 (10.5)	14,647	4.2

Financial structure of the Ministry of National Defense



b. Major Programs

Personnel expenses for soldiers (Ministry of National Defense)

Summary

· The budget consists of salaries and special duty benefits of soldiers. The budget for 2013 is 618.4 billion won, an increase of 88.1 billion won (16.6%) from 2012.

Progress

· For 2013, the proposal of the Administration increased the salaries for the rank and file by 15%, but it was determined in the process of the deliberation by the National Assembly to increase salaries by 20% from 2012.

· Salary for a corporal (won): 97,500(2012) → 112,100(2013 budget proposal) → 117,000(2013 budget)

F-X (Defense Acquisition Program Administration)

Summary

· The program aims to secure high-performance fighter planes to seize the initiative in the event of war and in preparation for the asymmetric power of North Korea. 8.3 trillion won will be put in by 2021.

· To ensure earnest implementation of the program, it was decided to allocate 337.8 billion won, 283.5 billion won increase from 2012.

Progress

· The proposal of the administration compiled 467.8 billion won for 2013, but it was determined in the process of the deliberation by the National Assembly to reduce the amount due to a delay in the decision on type of plane.

Naval base in Jeju (Defense Acquisition Program Administration)

Summary

· The program is implemented to establish a harbor for both military and civil purposes, i.e. surveillance of the southern waters and promotion of the tourism industry in Jeju.

· The 2013 budget is 201 billion won, 196.1 billion increase from 2012, which is needed for the construction of the harbor, etc.

Progress

· The 2013 budget of 201 billion won compiled for the Jeju naval base program was passed as the original bill. However, a proposal was submitted requesting the execution of the budget only after examining the possibility of permitting cruise ships to enter the port.

7. Public Administration and Security Committee

a. Overview

· Total spending of the National Defense Committee in 2013 is 60.3 trillion won(an increase of 4.2% from 2012), accounting for 17.6% of the total spending.

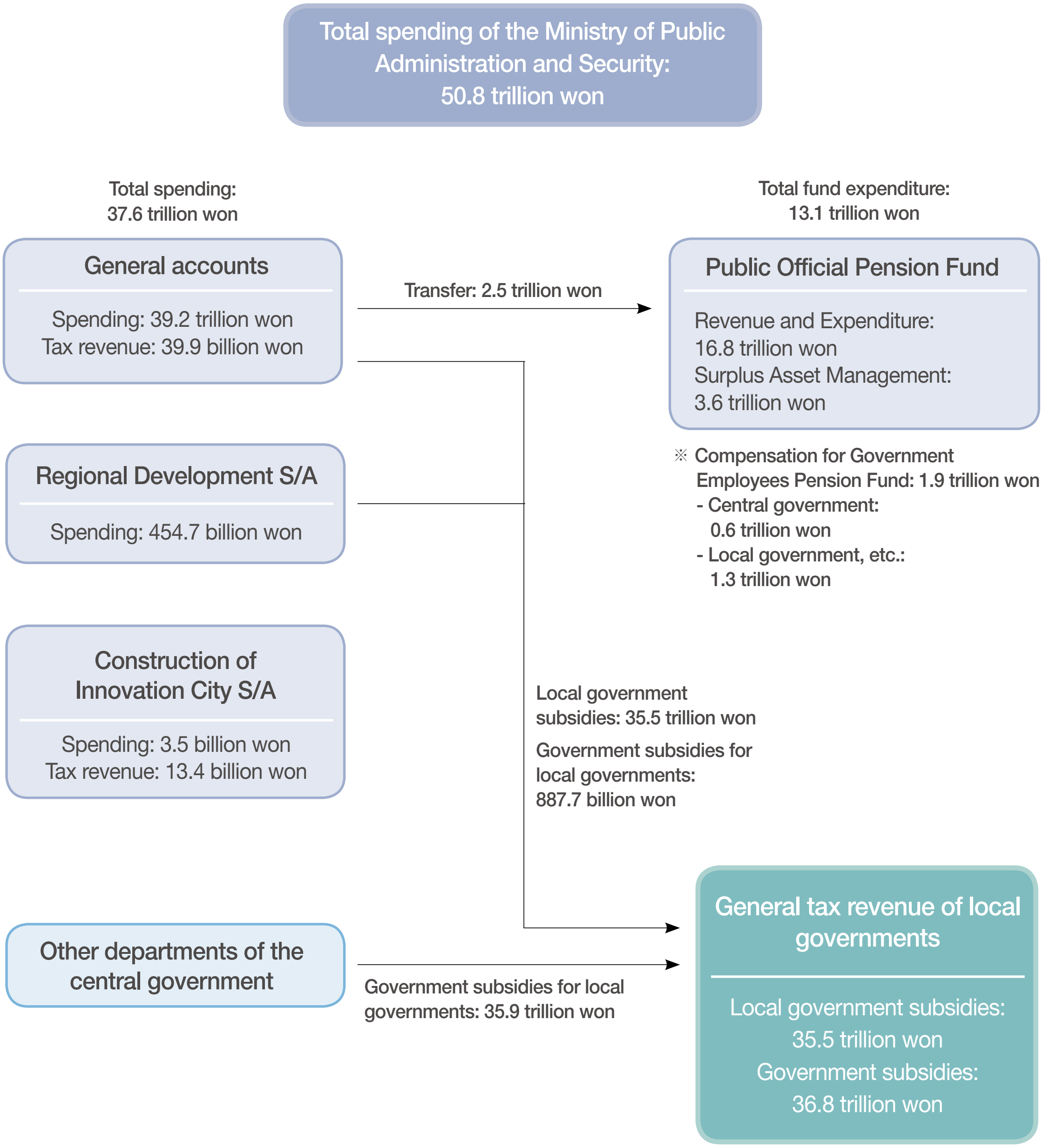
· By agencies:
- Ministry of Ministry of Public Administration and Security(50.8 trillion won, 5.4%)
- National Police Agency (8.3 trillion won, 3.3%)
- National Emergency Management Agency(886.5 billion won, 0.7%)
- National Election Commission(351.4 billion won, -56.7%)

Budget under the jurisdiction of the Public Administration and Security Committee

(Unit: 100 million won, %)

	2012 (A)	2013 (B)	Change	
			B-A	(B-A)/A
Ministry of Public Administration and Security	481,848	507,906	26,058	5.4
National Police Agency	80,077	82,757	2,680	3.3
National Emergency Management Agency	8,807	8,865	58	0.7
National Election Commission	8,122	3,514	-4,608	-56.7
Total (% total spending)	578,853 (17.8)	603,042 (17.6)	24,188	4.2

Financial structure of the Ministry of Public Administration and Security



b. Major Programs

Financial grants to local governments (Ministry of Public Administration and Security

Summary

· Financial grants to local governments are used to guarantee the financial resources of local governments and balance their finances. Their financial resources are equal to 19.24% of internal tax plus the total amount of the Comprehensive Real Estate Holding Tax. The budget for 2013 increases to 35.5 trillion won by 2.5 trillion won(7.6%) from 2012.

Progress

· Fixed rate grant tax (ordinary, decentralization, special grant tax) 34.4 trillion won (an increase of 7.6%), real estate grant tax 1.1 trillion won (an increase of 3.0%)

· For 2013, the proposal of the Administration compiled 35.5 trillion won, but it was determined in the process of the deliberation by the National Assembly to reduce it by 2.5 billion won by reducing the tax revenue budget of internal tax.

Community Jobs (Ministry of Public Administration and Security)

Summary

· The community jobs program aims to offer jobs to the low-income group and socially vulnerable groups in order to stabilize their livelihoods. The budget for 2013 is 53.7 billion won, an increase of 807 million won (1.5%) from 2012.

Progress

· For 2013, the proposal of the Administration compiled 42.3 billion won, but it was determined in the process of the deliberation by the National Assembly to increase it by 11.4 billion won by increasing the number of beneficiaries from 15,000 to 20,000.

Children's Safety Program (National Police Agency)

Summary

· Retired policemen, etc. are selected as the guardians of children's safety and assigned to elementary schools to protect children.

· The budget for 2013 is 21.9 billion won. The program used to be executed by the Ministry of Health & Welfare, but the National Police Agency assume responsibility for this duty from 2013.

Content

· Children's Safety guardians are assigned to each elementary school.

Maintaining areas vulnerable to disaster

Summary

· The program aims to maintain areas that are vulnerable to disaster and which have been damaged by a typhoon or heavy rainfall, or are expected to be damaged. The budget for 2013 is 379.7 billion won, an increase of 16.1 billion won (3.8%) from 2012.

Content

· The program, which is a capital subsidy for local governments, consists in maintaining districts vulnerable to disaster (rate of government subsidy: 60%), maintaining districts with a high density of ordinary people (rate of government subsidy: 50%), and maintaining districts extending across steep slopes with a high risk of collapse (rate of government subsidy: 50%).

· In 2013, 217 districts vulnerable to disaster, 109 districts with a high density of ordinary people, and 47 districts extending across steep slopes with a high risk of collapse will be maintained.

8. Education, Science and Technology Committee

a. Overview

· Total spending of the Education, Science and Technology Committee in 2013 is 58.0 trillion won, an increase of 8.6% from 2012, accounting for 17.0% of the total spending.

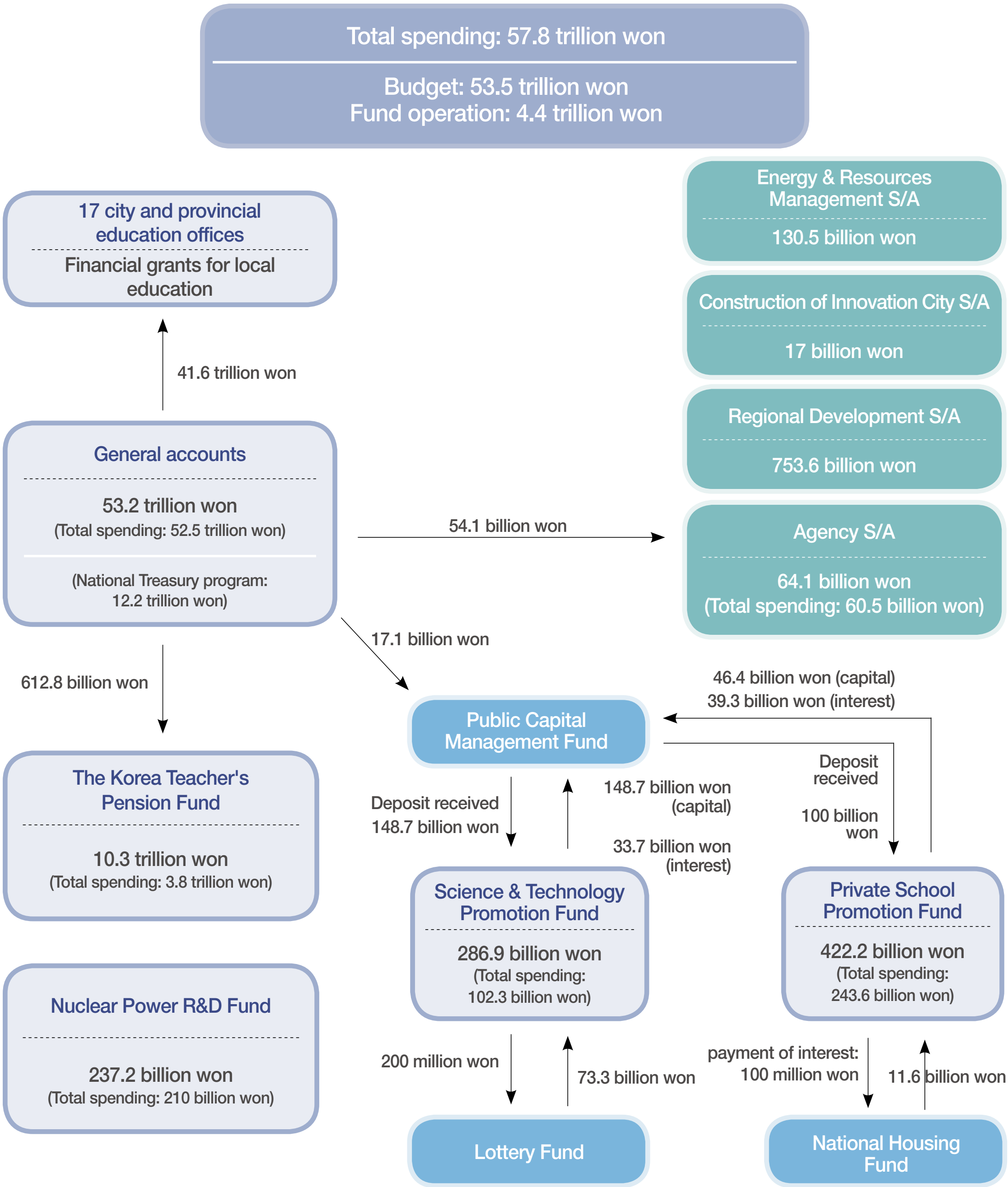
· By agencies:
- Ministry of Education, Science & Technology(57.8 trillion won, 8.6%)
- National Science & Technology Commission(61.8 billion won, 4.7%)
- Nuclear Safety & Security Commission(91.8 billion won, 18.8%).

Budget of the Education, Science and Technology Committee

(Unit: 100 million won, %)

	2012 (A)	2013 (B)	Change	
			B-A	(B-A)/A
Ministry of Education, Science & Technology	532,637	578,368	45,731	8.6
National Science & Technology Commission	590	618	28	4.7
Nuclear Safety & Security Commission	773	918	145	18.8
Total (% total spending)	534,000 (16.4)	579,904 (17.0)	45,904	8.6

Financial structure of the Ministry of Education, Science & Technology



b. Major Programs

Financial grants for local education

Summary

· The grant is given to local governments (educational institutions and educational administrative agencies) to enhance the quality of elementary and secondary education and support the balanced development of education.

· The budget for 2013 is 41.1 trillion won, representing an increase of 2.6 trillion won(6.8%) from 2012.

Content

· According to the Local Education Subsidy Act, 20.27% of the total internal tax and the total amount of education tax are compiled obligatorily to be granted to 17 city and provincial education offices. The money is used as the financial resources of the special accounts of cities and provinces to be spent on elementary and secondary education.

· The financial grants for local education are divided into ordinary grants (the total amount of education tax and 96% of internal tax) and special grants (4% of internal tax, national projects·regional pending educational demand·countermeasures for disaster).
: Grants from internal tax: 36.3 trillion won; grants from education tax: 4.8 trillion won.

· The starting age for 'Nuri' support has been lowered from 5 to 3~4 years of age to expand the scope of support.
: The support for educational expenses has been increased from a monthly sum of 200,000 won to 220,000 won. At the same time, the beneficiaries of support for the educational expenses of 3~4-year-old children have been expanded to all income groups, where before only families from the bottom 70% were eligible, the same as for 5-year-old children.

National Scholarship Program

Summary

· The support program is implemented by the government to lessen the burden of tuition fees on university students.

· The budget for 2013 is 2.8 trillion won, an increase of 1.0 trillion won(58.6%) from 2012, as a result of the expansion of the number of beneficiaries, the increase in the rate of support, and so forth.

Content

· The number of beneficiaries and the amount of support have been expanded from 2012 under a plan to provide differentiated levels of support for beneficiaries of the national basic livelihood and income ranks 1 to 8.

Rate and scope of payment of type Ⅰ of state scholarship, 2013

(Unit: 10,000 won)

	Beneficiaries of national basic livelihood	Rank 1	Rank 2	Rank 3	Rank 4	Rank 5	Rank 6	Rank 7	Rank 8
2012	450	225	135	90	No support				
	(100%)	(50%)	(30%)	(20%)					
2013	450	450	270	180	135	112.5	90	67.5	67.5
	(100%)	(100%)	(60%)	(40%)	(30%)	(25%)	(20%)	(15%)	(15%)

※Actual tuition to be paid = tuition - (state scholarship type Ⅰ + state scholarship type Ⅱ + university and outside scholarship)

9. Culture, Sports, Tourism, Broadcasting and Communications Committee

a. Overview

· Total spending of the Culture, Sports, Tourism, Broadcasting and Communications Committee in 2013 is 5.6 trillion won, an increase of 9.3% from 2012, accounting for 1.6% of the total spending.

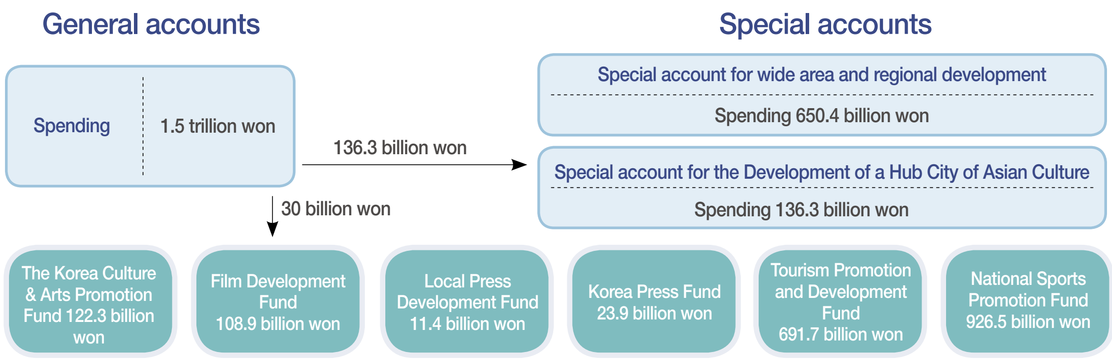
· By agencies:
- Ministry of Culture, Sports & Tourism(4.2 trillion won, 12.2%)
- Korea Communications Commission(824.9 billion won, -0.9%)
- Cultural Heritage Administration(584.8 billion won, 4.9%).

Budget of the Culture, Sports, Tourism, Broadcasting and Communications Committee

(Unit: 100 million won, %)

	2012 (A)	2013 (B)	Change	
			B-A	(B-A)/A
Ministry of Culture, Sports & Tourism	37,194	41,723	4,529	12.2
Korea Communications Commission	8,321	8,249	-72	-0.9
Cultural Heritage Administration	5,577	5,848	271	4.9
Total (% total spending)	51,092 (1.6)	55,819 (1.6)	4,727	9.3

Financial structure of the Ministry of Culture, Sports & Tourism



b. Major Programs

Regional Tourism Resources Development Program (Ministry of Culture, Sports & Tourism)

Summary

· A program in which two or more cities and provinces jointly develop the tourism resources distributed throughout the jurisdiction of each local government

· The 2013 budget is 182.9 billion won, an increase of 44.9 billion won (32.6%) from 2012, as a result of the new tourism development project in the central interior region and the formation of the Korean Peninsula Ecology & Peace Belt, which begins in 2013.

Content

· In 2013, the Ministry of Culture, Sports & Tourism concentrates on developing seven regional tourism zones covering three major cultural spheres, the west coast region, Mt. Jiri region, south coast region, east coast region, central interior region, and the Korean peninsula ecology and peace belt.

· Each local government is tasked with discovering and developing projects that correspond to the specific characteristics of the region, for instance, an eco-town or ecology experience complex or pottery village, while the central government will support the development of tourist resources in those regions and the creation of tourism routes that link the tourist resources.

· The government supports 50% of the working expenses based on 'Enforcement Ordinance of the Management of Subsidies'.

International Sports Support Program (Ministry of Culture, Sports & Tourism)

Summary

· The international sports support program aims to support the successful hosting of international games held in Korea, international sports exchange, and the globalization of Taekwondo using the financial resources of the National Sports Promotion Fund.

· The budget for 2013 is 393.7 billion won, representing an increase of 107.1 billion won (37.4%) from 2012.

Content

· In 2013, the program supports international sports games such as the 2014 Incheon Asian Games, 2015 Gwangju Summer Universiad, and 2018 Pyeongchang Winter Olympics; push ahead with the establishment of a Taekwondo park; and promote sports development in developing countries as ODA projects.

· In 2013, the largest portions of the program are spent on the construction of infrastructure for international athletic meetings, including 61.5 billion won for the new main stadium of the Incheon Asian Games and 100 billion won for the stadium and avenue for the 2018 Pyeongchang Winter Olympics.

· The program also supports the globalization of Taekwondo, primarily by subsidizing the operational costs of the Taekwondo Promotion Foundation, establishing Taekwondo Park, and implementing various projects for the globalization of Taekwondo.

10. Food, Agriculture, Forestry and Fisheries Committee

a. Overview

· Total spending of the Food, Agriculture, Forestry and Fisheries Committee in 2013 is 18 .3 trillion won, an increase of 1.4% from 2012, accounting for 5.4% of the total spending.

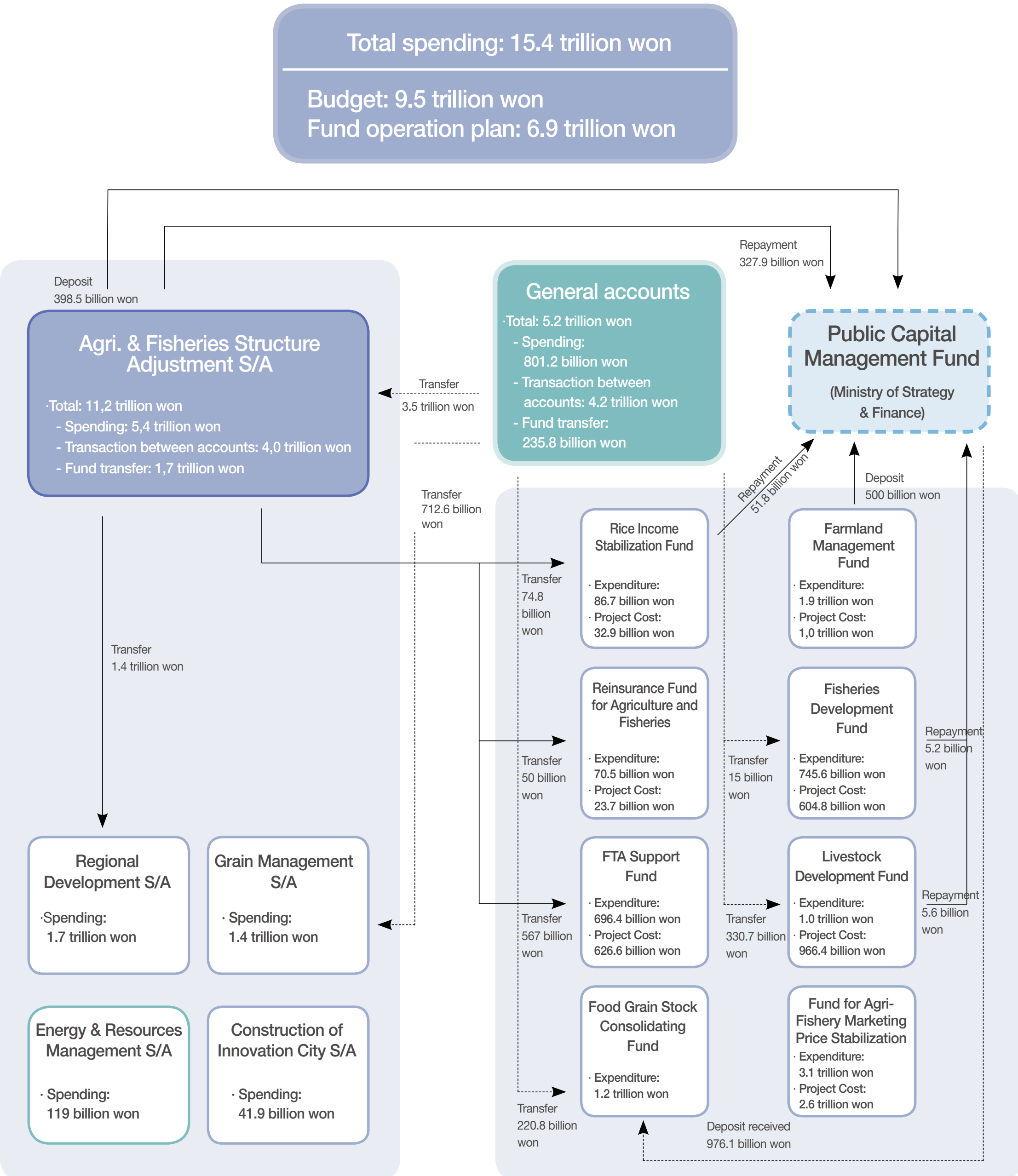
· By agencies:
- Ministry for Food, Agriculture, Forestry & Fisheries(15.4 trillion won, 0.02%)
- Rural Development Administration(1.1 trillion won, 22.5%)
- Korea Forestry Service(1.8 trillion won, 3.0%)

Budget of the Food, Agriculture, Forestry and Fisheries Committee

(Unit: 100 million won, %)

	2012 (A)	2013 (B)	Change	
			B-A	(B-A)/A
Ministry for Food, Agriculture, Forestry & Fisheries	154,083	154,118	35	0.02
Rural Development Administration	8,724	10,687	1,963	22.5
Korea Forestry Service	17,951	18,488	537	3.0
Total (% total spending)	180,758 (5.6)	183,293 (5.4)	2,535	1.4

Financial structure of the Ministry for Food, Agriculture, Forestry & Fisheries



b. Major Programs

FTA supplementary support program(Ministry for Food, Agriculture, Forestry & Fisheries)

Summary

· The programs are composed of 89 projects in 3 areas including compensation for direct damages, strengthening of competitiveness of each item, and improvement of fundamentals to cope with market opening.

· The 2013 budget is 3.1 trillion won, an increase of 562.2 billion won (22.3%) from 2012, as a result of the expansion of beneficiaries and volume.

Content

· Support to compensate damages, support closure of businesses, etc. in order to stabilize the income of farming households, etc. (98 billion won).

· Provision of subsidies, loans, and secondary compensation for the modernization of livestock production facilities, horticulture, orchards, cultivation, etc. in order to strengthen competitiveness (860.9 billion won).

· Execution of the Golden Seed project (to expand growth engines, 16 billion won) and the global K-Food project(to expand exports of agricultural products, 15.4 billion won) among others in order to improve the fundamentals of agriculture.

Rice income stabilization program (Ministry for Food, Agriculture, Forestry & Fisheries)

Summary

· Support for rice, upland-field crop, marine products, etc.

· The budget for the program in 2013 is 723.6 billion won (fixed 698.4 billion won, floating 25.2 billion won); the budget for the support for upland-field crops is 70 billion won; and the budget for the support for marine products is 2.9 billion won.

Content

· The unit price of the fixed amount of rice income increased from 700,000 won/ha to 800,000 won/ha.

· The number of items to be covered by the support for upland-field crops expanded from 19 to 26 items.

· The support for marine products for disadvantaged regions expanded beneficiary regions.

11. Knowledge Economy Committee

a. Overview

· Total spending of the Knowledge Economy Committee in 2013 is 23.2 trillion won(an increase of 3.2% 2012), accounting for 6.8% of the total spending.

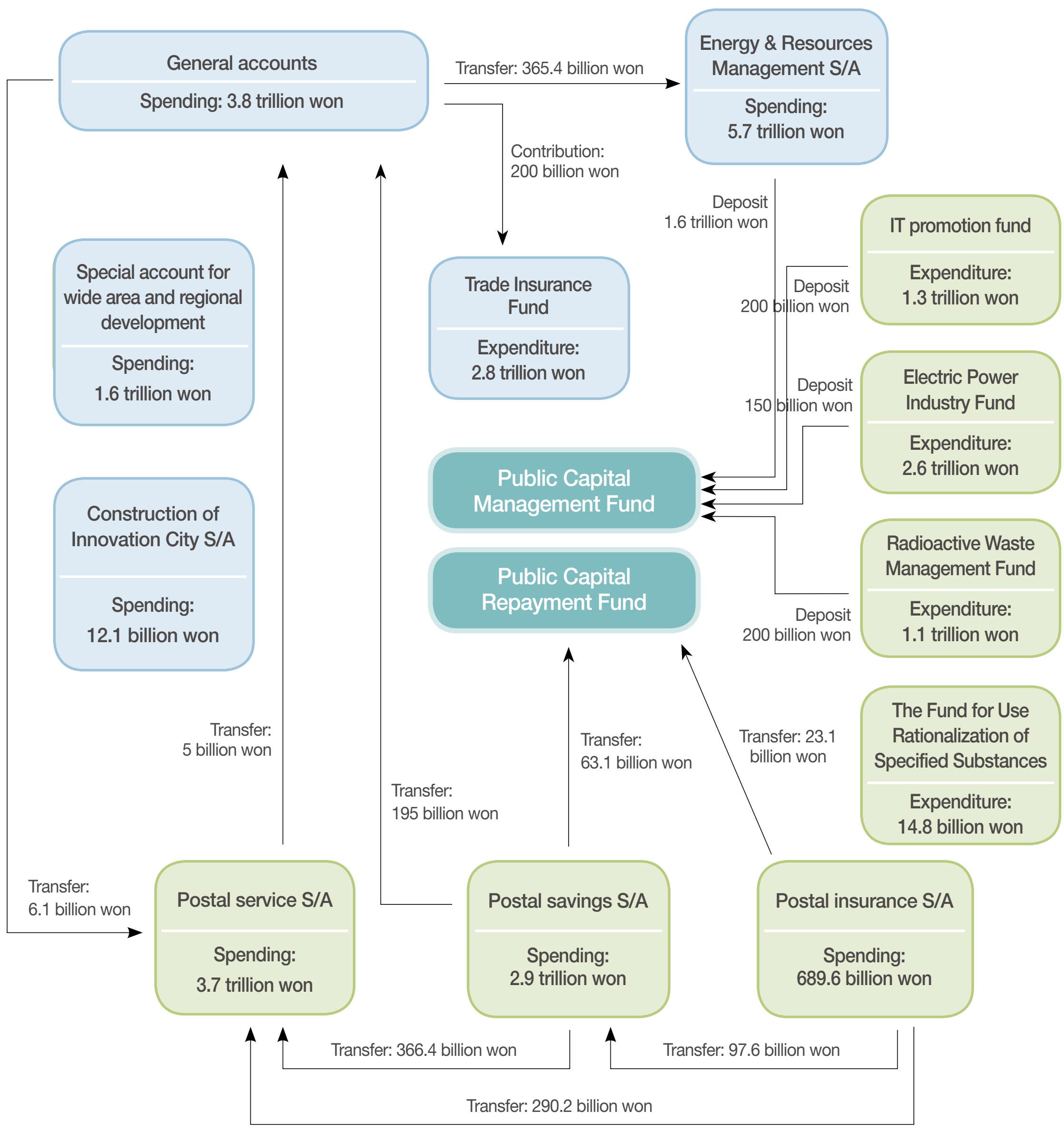
· By agencies:
- Ministry of Knowledge Economy(16.3 trillion won, 1.8%)
- Small & Medium Business Administration(6.6 trillion won, 6.6%)
- Intellectual Property Office(361.7 billion won, 5.2%).

Budget of the Knowledge Economy Committee

(Unit: 100 million won, %)

	2012 (A)	2013 (B)	Change	
			B-A	(B-A)/A
Ministry of Knowledge Economy	160,121	162,977	2,856	1.8
Small & Medium Business Administration	61,547	65,632	4,085	6.6
Intellectual Property Office	3,438	3,617	179	5.2
Total (% total spending)	225,106 (6.9)	232,226 (6.8)	7,120	3.2

Financial structure of the Ministry of Knowledge Economy



Note: total amount

b. Major Programs

Overseas resources investment (Ministry of Knowledge Economy)

Summary

· A total of 790 billion won has been allocated for investment in public enterprises under the jurisdiction of the Ministry of Knowledge Economy for overseas resources development in 2013, including 320 billion won for investment in the Korea National Oil Corporation, 270 billion won for the Korea Mineral Resources Corporation, and 200 billion won for the Korea Gas Corporation.

Content

· The Korea National Oil Corporation will focus on investing in and exploring the mining area in the UAE and acquiring shares of shale gas companies in North America during 2013, while the Korea Gas Corporation will invest in developing shale gas in Canada and constructing LNG plants.

Granting loans for business incubation (SMBA)

Summary

· The amount allocated to the program is 1.3 trillion won, representing an increase of 20 billion won (1.6%) from 2012 (1.2 trillion won).

· The amount accounts for 37.3% loans for SME's start-up and promotion fund in 2013.

Content

· Loans will be offered to businesses that have been operating for less than 5 years since their establishment; to entities or persons who are planning to establish a business; to entities or persons who are preparing to establish a business again after a business failure; and to young persons who have been running a business for less than 3 years since its establishment and to young persons who are planning to establish a business.

· The maximum permitted amount of a single loan is 3 billion won per year (working capital: 500 million won), for a maximum period of 8 years.

Support for enterpreneurs (SMBA)

Summary

· The budget for SMBA's program to support enterpreneurs in 2013 is 127.1 billion won, an increase of 28.4 billion won (28.9%) from 2012.

Content

· Discovering enterpreneurs through the Youth Business Foundation Academy, universities and research institutes which lead in business foundation, etc.

· Supporting education, and offering offices and funding to selected enterpreneurs.

12. Health and Welfare Committee

a. Overview

· Total spending of the Health and Welfare Committee in 2013 is 41.3 trillion won, an increase of 11.9% from 2012, accounting for 12.1% of the total spending.

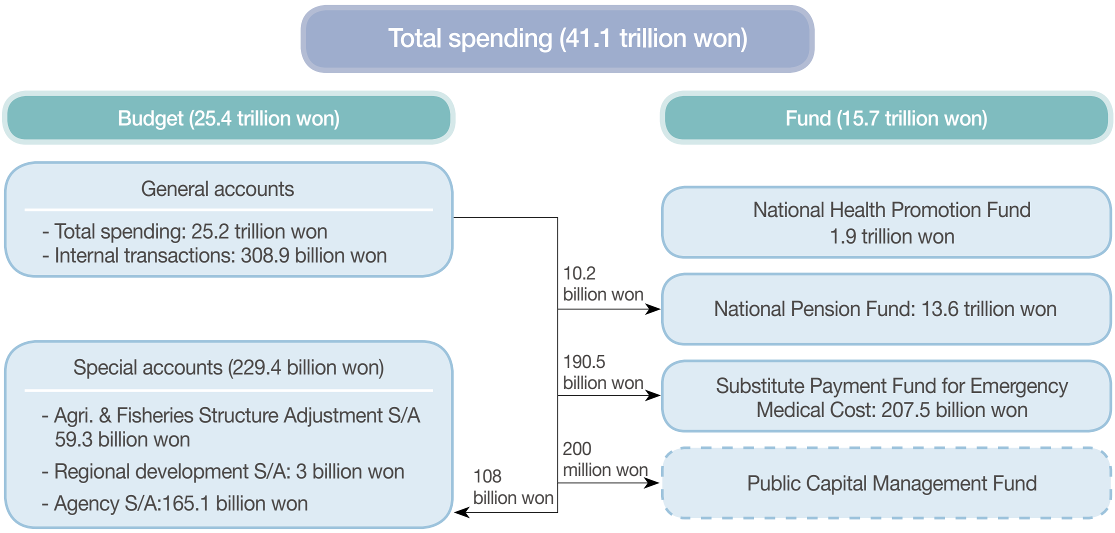
· By agencies:
- Ministry of Health and Welfare(41.1 trillion won, 11.9%)
- Korea Food and Drug Administration(264.9 billion won, 8.7%).

Budget of the Health and Welfare Committee

(Unit: 100 million won, %)

	2012 (A)	2013 (B)	Change	
			B-A	(B-A)/A
Ministry of Health and Welfare	366,928	410,673	43,745	11.9
Korea Food and Drug Administration	2,437	2,649	212	8.7
Total (% total spending)	369,365 (11.4)	413,322 (12.1)	43,957	11.9

Financial structure of the Ministry of Health and Welfare



Note: Intergovernment transaction and surplus asset management in funds are excluded.

b. Major Programs

National Livelihood Security Benefit (Ministry of Health & Welfare)

Summary

· The program pays livelihood, residence, education, child delivery, and funeral expenses for those who are eligible for the National Basic Livelihood Security Benefit.

· The budget for 2013 has been set at 3 trillion and 310.8 billion won, an increase of 278.8 billion won (9.2%) from 2012, due to the increase in the minimum cost of living (3.4%) and the rationalization of the estimation of the unit price of support.

Content

· An average monthly sum of 345,000 won per household is supported for 1.43 million people who are eligible for the National Basic Livelihood Security Benefit.

Medical benefit (Ministry of Health & Welfare)

Summary

· Support is provided for the medical expenses of persons who are entitled to medical benefits including those who are eligible for the National Basic Livelihood Security allowance and people of national merit.

· The budget for 2013 is 4 trillion and 247.8 billion won, representing an increase of 6.7% from 2012 (3 trillion and 981.2 billion won).

Content

· 1.56 million people are entitled to medical benefits.

Support for child care expenses (Ministry of Health & Welfare)

Summary

· Support is provided for the child care costs for children aged 0~5 years who are attending daycare centers.

· The budget for 2013 is 2 trillion and 598.2 billion won, an increase of 206.9 billion won (8.7%) from 2012, due to the increase in the number of supported children, etc.

Content

· The full amount is supported for all income groups.

Support for home nurturing costs (Ministry of Health & Welfare)

Summary

· Home care allowance is paid for children aged 0~5 years who do not attend daycare centers.

· The budget for 2013 has been set at 881 billion won, an increase of 778.4 billion won (758.7%) from 2012, due to the expansion of the children to be supported, etc.

Content

· The benefit will be paid to all income groups.

Basic Old Age Pension (Ministry of Health & Welfare)

Summary

· The basic old age pension is paid to senior citizens in families in the bottom 70% income group.

· The budget for 2013 is 3.2 trillion won, an increase of 243.2 billion (8.2%) from 2012, due to the expansion of the number of people who are eligible for support, etc.

Content

· 4.05 million people will be paid a monthly sum of 97,000 won.

Payment of National Pension Benefits (Ministry of Health & Welfare)

Summary

· Pension benefits will be paid to the beneficiaries through the National Pension Fund.

· The budget for 2013 is 12.8 trillion won, an increase of 988.4 billion (8.3%) from 2012, due to the increase in the number of beneficiaries, etc.

Content

· The number of beneficiaries is 3.49 million (Senior citizens: 2.8 million; disabled persons: 80,000; bereaved persons: 530,000; lump sum refund recipients: 80,000)

Support for those who are covered by health insurance (Ministry of Health & Welfare)

Summary

· The financing of health insurance is supported by the National Treasury.

· The budget for 2013 is 5.8 trillion won (7.8% increase from 2012): 4.8 trillion won will be supported by general accounts, and 1.2 trillion won by the National Health Promotion Fund.

Content

· 20% of the expected revenue from insurance premiums (General accounts: 14%; National Health Promotion Fund: 6%).

Vaccination by the government (Ministry of Health & Welfare)

Summary

· Support is provided for the cost of medicines and essential vaccinations.

· The budget for 2013 has been set at 105.2 billion, an increase of 43.7% from 2012 (73.2 billion won), due to the expansion of the various essential vaccinations for infants and the introduction of pneumococcal bacterium inoculation for the elderly.

Content

· Children aged 12 and under (12 types), high risk groups (3 types), and the elderly aged 65 and over (1 type).

13. Environment and Labor Committee

a. Overview

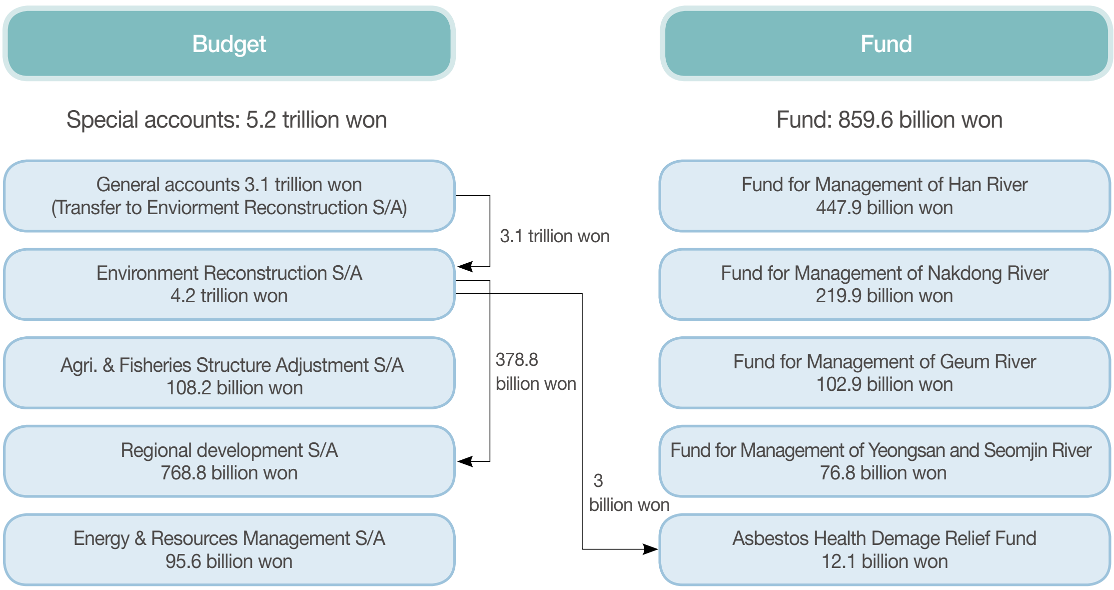
· Total spending of the Environment and Labor Committee in 2013 is 20.3 trillion won, an increase of 5.6% from 2012, accounting for 5.9% of the total spending.

Budget of the Environment and Labor Committee

(Unit: 100 million won, %)

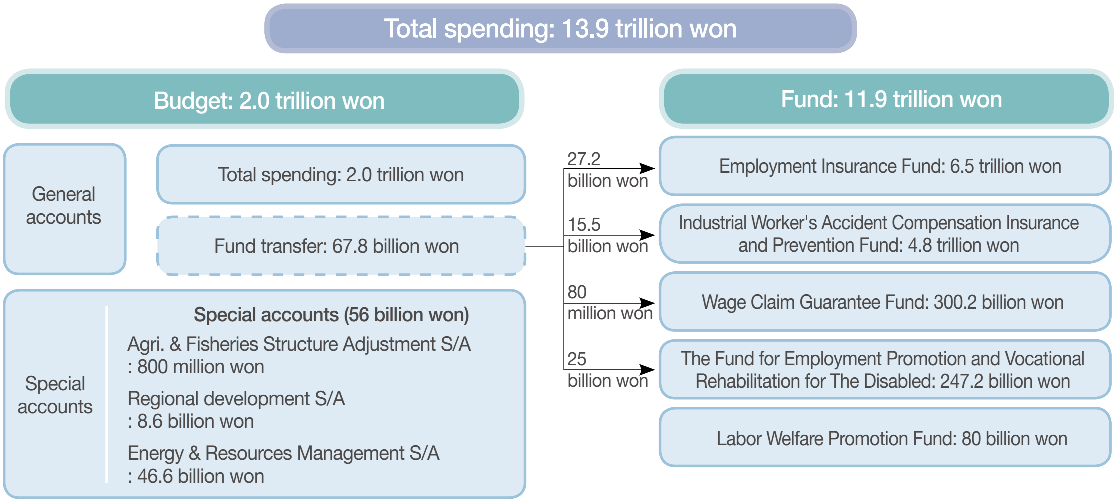
	2012 (A)	2013 (B)	Change	
			B-A	(B-A)/A
Ministry of Environment	57,749	60,802	3,053	5.3
Ministry of Employment & Labor	131,132	138,732	7,600	5.8
Korea Meteorological Administration	3,092	3,188	96	3.1
Total (% total spending)	191,973 (5.9)	202,722 (5.9)	10,749	5.6

Financial structure of the Ministry of Environment



Note: Based on total spending.
Data: Digital budget accounting system of the Ministry of Strategy & Finance.

Financial structure of the Ministry of Employment & Labor



Note: Based on total spending / Data: Digital budget accounting system of the Ministry of Strategy & Finance.

b. Major Programs

Sewer Irrigation Clearance Business (Ministry of Environment)

Summary

· Part of the cost of maintaining sewerage pipes to improve the quality of water of streams is supported.

· The budget for 2013 has been set at 1 trillion and 43.8 billion won (i.e. an increase of 203.4 billion won [24.2%] from 2012) in consideration of the progress of construction works and the expected execution ratio.

Content

· This program will be implemented as financial projects, private capital projects, payment of lease charge for BTL projects, etc.

· The rate of the subsidy of the central government for local governments is 10~70%.

Social Insurance Support (Ministry of Employment & Labor)

Summary

· The social insurance premiums of low-wage workers and business owners are supported in order to reduce social insurance blind spots and strengthen the social safety net.

· The budget for 2013 has been set at 538.4 billion won, an increase of 273 billion won (102.9%) from 2012, due to the rise in the level of support provided, etc.

Content

· 50% of the employment insurance and national pension premiums of low-wage workers (who receive a monthly salary of less than 1.3 million won at a workplace with fewer than 10 employees) and business owners are supported.

Employment Support

Summary

· The employment program is composed of 203 projects under the jurisdiction of 23 departments.
· The budget for 2013 is 10 trillion and 976.6 billion won, i.e. an increase of 1 trillion and 70 billion won (10.8%) from 2012.

Content

· The program is classified into jobs, vocational training, employment services (job arrangement, etc.), employment subsidies, support for business foundation, maintenance and support of unemployment income.
· Program supported 601,000people.

Support by direct jobs (Ministry of Employment & Labor)

[Youth internships with SMEs]

Summary

· Unemployed youth will receive opportunities for internships with SMEs.
· The budget for 2013 is 249.8 billion won, i.e. an increase of 32 billion (14.7%) from 2012, due to the increasing of beneficiaries.

Content

· Small & medium enterprises which hire young people (youth aged 15~29 years) as interns are paid 50% of the agreed wages (maximum of 800,000 won) for up to 6 months, and are paid a monthly sum of 650,000 won for 6 months if they hire the interns as reguler workers.

[Support for employment using previous career of older people]

Summary

· Unemployed middle-aged people are given opportunities to participate in internships at companies for the purpose of supporting employment.
· This is a new program to be implemented from 2013, with a budget (general accounts and employment insurance fund) of 24.1 billion won.

Content

· The owners of small & medium enterprises with more than 5 workers, and which hire unemployed people over 40 years of age, are paid 50% of the agreed wages (maximum of 800,000 won) for the internship period (4 months), as well as a monthly sum of 650,000 won per worker for 6 months if they eventually hire the interns as regular workers.

Job-seeking benefits (Ministry of Employment & Labor)

Summary

· Those who are coverd by employment insurance are supported to compensate their income when job-seeking during a period of unemployment.

· The budget for 2013 is 3.5 trillion won, i.e. an increase of 245.1 billion won (7.4%) from 2012.

Content

· If the insured unit period during the 18 months immediately preceding the date of quitting the job is more than 180 days, 50% of the average wage received prior to unemployment is paid for a maximum of 240 days (daily ceiling: 40,000 won; lowest: 90% of the minimum wage).

· Beneficiaries: 1.14 million; average daily job-seeking benefit: 35,776 won; average number of days paid: 86.5. (2013)

14. Land, Transport and Maritime Affairs Committee

a. Overview

· Total spending of the Land, Transport and Maritime Affairs Committee in 2013 is 42.9 trillion won, a decrease of 0.2% from 2012, accounting for 12.5% of the total spending.

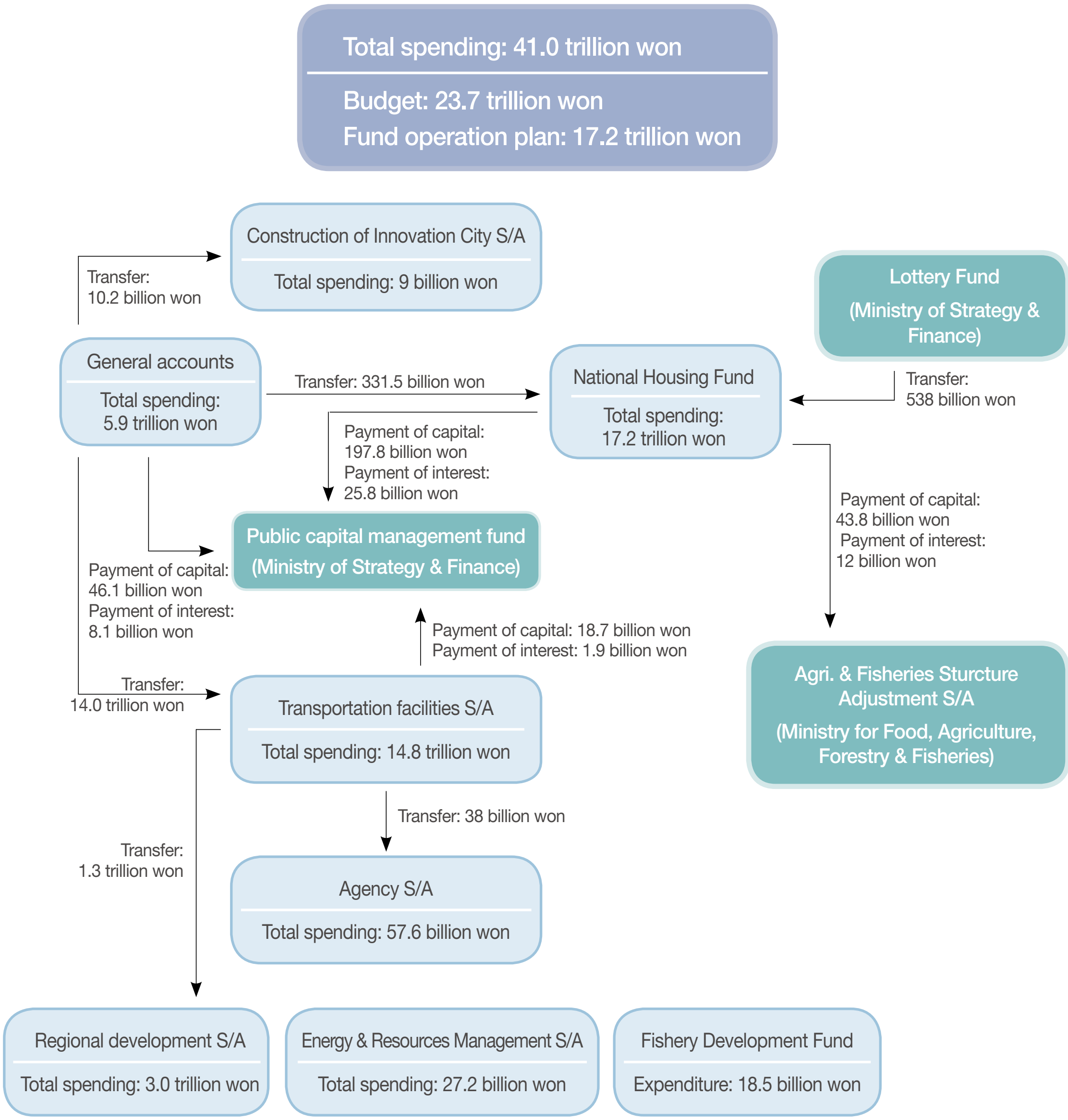
· By agencies:
- Ministry of Land, Transport and Maritime Affairs(41.0 trillion won, -4.0%)
- Korea Coast Guard(1.1 trillion won, 3.4%)
- Multifunctional Administrative City Construction Agency(841.3 billion won, 4.9%).

Budget of the Land, Transport and Maritime Affairs Committee

(Unit: 100 million won, %)

	2012 (A)	2013 (B)	Change	
			B-A	(B-A)/A
Ministry of Land, Transport and Maritime Affairs	411,187	409,574	-1,613	-4.0
Korea Coast Guard	10,484	10,836	352	3.4
Multifunctional Administrative City Construction Agency	8,019	8,413	394	4.9
Total (% total spending)	429,690 (13.2)	428,823 (12.5)	-867	-0.2

Financial structure of the Land, Transport and Maritime Affairs Committee



Note: The fund operation plan for the projects carried out with the financial resources of the Fishery Development Fund is excluded from the total spending as the latter fund is executed by the Ministry for Food, Agriculture, Forestry & Fisheries.
Source: Prepared by the National Assembly Budget Office on the basis of the data provided by the Ministry of Land, Transport and Maritime Affairs.

b. Major Programs

SOC(Ministry of Land, Transport and Maritime Affairs)

Summary

· A budget of 24.3 trillion won (an increase of 5.2% from 2012) has been compiled to revitalize the regional economy and expand the national infrastructure.

Content

· The national transportation network infrastructure is expanded, and investment in thirty leading projects is increased.

· Support for city railroad lines and crowded roads will be expanded to enhance the convenience of movement of the residents of large cities.

· Investment in the reinforcement of harbor competitiveness will be increased, and compensation for the reduction of the number of taxi to resolve the surfeit of taxi will be supported (new 5 billion won).

Residental welfare program (Ministry of Land, Transport & Maritime Affairs)

Green Home Project

· A budget of 85 billion (an increase of 11.1% from 2012) has been compiled to improve the residential environment for low-income earners and poor people.

· Support will be provided to LH Corporation and local governments to improve the facilities of 280,000 houses in 36 complexes of public rental houses more than 50 years old.

Bogeumjari Housing Project

· A budget of 7 trillion and 89.9 billion won has been compiled for the supply of houses to stabilize the residence of poor people who do not own any house.

· Support is provided to business operators such as LH Corporation and local governments to facilitate the supply of permanent rental housing, national rental housing, public rental housing, and the houses for sale to people in the bottom 1~5 income groups.

House purchasing and key money (loan) program

· A budget of 7 trillion and 650 billion won (house purchasing fund) is compiled to stabilize housing for poor people and alleviate anxiety about residences caused by the rise in the amount of key money. To expand opportunities for the purchase of houses by poor people who do not own any house, loans are offered at an interest rate of 5.2%.

· (Key money) Loans for key money are granted to stabilize the residence of people in the low-income group and workers and poor people who do not own any house.

15. Intelligence Committee

a. Overview

· Total spending of the Intelligence Committee in 2013 is 467.2 billion won, a decrease of 0.4% from 2012, accounting for 0.1% of the total spending.

Budget of the Intelligence Committee

(Unit: 100 million won, %)

	2012 (A)	2013 (B)	Change	
			B-A	(B-A)/A
National Intelligence Service (% total spending)	4,690 (0.1)	4,672 (0.1)	-18	-0.4

16. Gender Equity and Family Committee

a. Overview

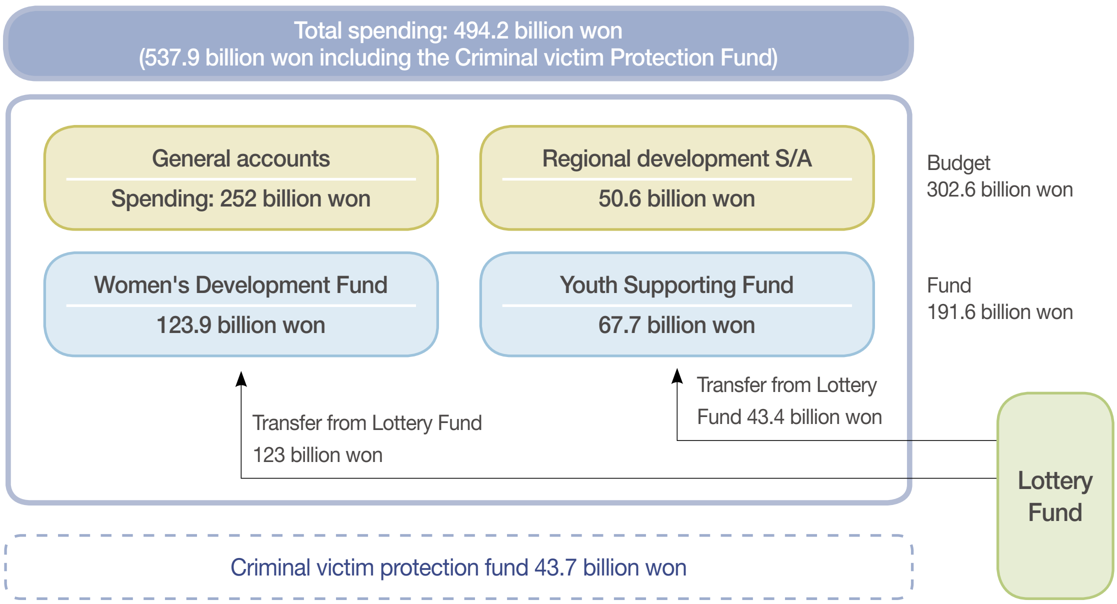
· Total spending of the Gender Equity and Family Committee in 2013 is 494.2 billion won, an increase of 19.7% from 2012, accounting for 0.1% of the total spending.

Budget of the Gender Equity and Family Committee

(Unit: 100 million won, %)

	2012 (A)	2013 (B)	Change	
			B-A	(B-A)/A
Ministry of Gender Equity & Family (% total spending)	4,127 (0.1)	4,942 (0.1)	815	19.7

Financial structure of the Ministry of Gender Equity & Family



Note: 1. The Criminal Victim Protection Fund program, which is implemented by the Ministry of Gender Equity & Family, is not included in the finances of the Ministry of Gender Equity & Family, and thus is marked with dotted lines.

b. Major Programs

Support for child care (Ministry of Gender Equity & Family)

Summary

· To alleviate the low birthrate, support is to be provided to reconcile the needs of work and family by complementing the blind spots of facility-centered support for child care, protect children safely, and alleviate the burden of raising children at home.

· The budget for 2013 has been set at 66.6 billion won, an increase of 23.1 billion won (53.3%) from 2012, due to the increase (by 2,000) in the number of babysitters.

Content

· Divided into all-day care (for children aged under 12 months) and part-time care (for children up to the age of 12) of children

· All-day care for infant
  - 4 types for lower-income families with children
    Type A: Government subsidy of 700,000 won per month; the parents pay 300,000 won per month.
    Type B: Government subsidy of 600,000 won per month; the parents pay 400,000 won per month.
    Type C: Government subsidy of 500,000 won per month; the parents pay 500,000 won per month.
    Type D: Government subsidy of 400,000 won per month; the parents pay 600,000 won per month.

· Part-time care
  - 3 types for average income nationwide
    Type A: Government subsidy of 4,000 won per hour; the parents pay 1,000 won per hour.
    Type B: Government subsidy of 2,000 won per hour; the parents pay 3,000 won per hour.
    Type C: Government subsidy of 1,000 won per hour; the parents pay 4,000 won per hour.

Employment Support to severed career woman (Ministry of Gender Equity & Family)

Summary

· Comprehensive support is provided to women whose career is severed or disrupted due to the demands of child care and housework via the New Careers for Women Centers.

· The budget for 2013 has been set at 34.6 billion won, an increase of 6.3 billion won (22.4%) from 2012, due to the establishment of twenty more New Career Centers.

Content

· Designation and operation of New Career Centers (120 centers)
  - Provision of visiting employment service.
  - Operation of new career internships.
  - Provision of vocational education and training for women whose career has been severed.

· Designation and operation of wide area new career support headquarters. (10 HQs)
  - Employment support service for areas without new career centers.

· Discover potential employers and accompany the jobseekers to interviews, etc.

· Industrial complex-type new career support headquarters (5 HQs)

· Support for online education and employment.

· Investigation of the realities of women with a severed career.

Multicultural Family Settlement and Child Care Support (Ministry of Gender Equity & Family)

Summary

· The Multicultural Family Support Center provides a comprehensive range of services encompassing Korean language education, family education, and fostering self-help groups, with the aim of helping multicultural families adjust to Korean society and achieve social and economic independence as quickly as possible.

· The budget for 2013 has been set at 58.4 billion won, an increase of 6.6 billion won (12.7%) from 2012, due to the increase in the support for the linguistic development of children in multicultural families.

Content

· Operation of community centers
· Visiting education service for multicultural families
· Support of linguistic development of the children in multicultural families
· Interpretation & translation service for immigrants by marriage

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