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Korea's \$11 Billion Economic Plan

Korean Government has released details of a \$11 billion economic package to stimulate the economy.

The Government plans to spend 10 trillion won on social programs, 1 trillion won on state run firms and 3 trillion won in tax breaks.

This stimulus is expected to save the 2009 economic growth rate by a percentage point.

It is estimated the 2009 growth rate will be 4%, with 200,000 jobs created.

Economic stimulus package

Financial industry stabilization	<ul style="list-style-type: none">• Increased currency swaps with China, Japan• Foreign exchange stabilization bond limit raised from 15 trillion to 20.6 trillion won• Foreign currency deposits guaranteed up to 50 million won
Public expenditures	<ul style="list-style-type: none">• Infrastructure investment of 4.6 trillion won• Aid for SMEs, farmers, fishermen of 3.4 trillion won• Aid for low-income families of 1 trillion won• Unemployment measures worth 300 billion won• Financial aid to local governments of 1.1 trillion won• Investment of 1 trillion won in state-run firms• Carry out 60 percent of next year's major project spending in the first half of 2009
Tax cut	<ul style="list-style-type: none">• Expand temporary investment tax credit for a year until end of 2009



Alberta Korea Office

Korea Market Intelligence

SME and general living stabilization

- KDB, IBK, Korea Exlmbank to be given 1.3 trillion won in capital
- Kibo Technology Fund, Korea Credit Guarantee Fund increase guarantee to 48 trillion won
- Increase scholarship and student loans from 32,000 to 180,000 students
- An additional 94,000 people will be given unemployment checks, raising the total to 1.1 million

Source: The Alberta Korea Office, and Ministry of Strategy and Finance

For more on the latest developments in the Korean marketplace, please [contact the Alberta Korea Office](#).