

## FSC ANNOUNCES 2023 POLICY FUNDS SUPPLY DIRECTION

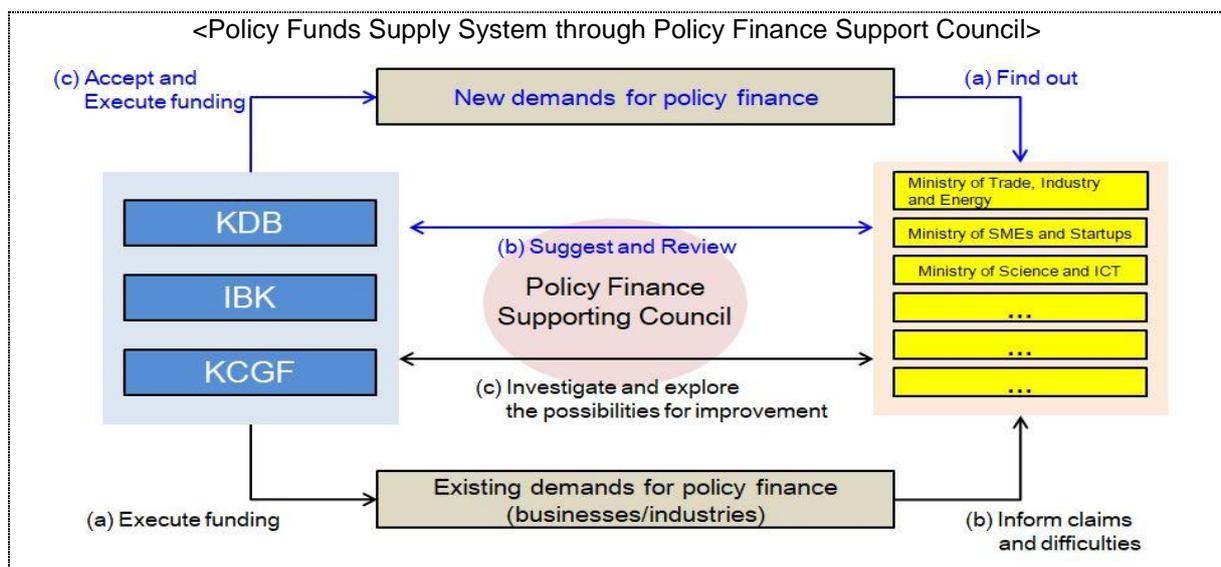
On December 26, the FSC signed an agreement to supply policy funds in 2023 with policy financial institutions<sup>1</sup> and relevant ministries<sup>2</sup>, and announced the fund supply direction of policy financial institutions for the next year. The agreement and funding direction were prepared as reflecting consultation results of the Policy Finance Supporting Council to strengthen co-movement between policy finance and industrial policies.

### KEY DETAILS OF THE AGREEMENT

When implementing funds supply plan in 2023, the policy financial institutions would make efforts to give priority to the items that are listed on each ministry's industrial strategy and negotiated at the Policy Finance Supporting Council.

Each government ministry, having an aim to help policy financial institutions execute funds supply effectively, will work to recommend outstanding companies by sector and facilitate collaborations between relevant industries and policy financial institutions.

Additionally, the policy financial institutions and ministries agreed to have frequent conversations through the Policy Finance Supporting Council meetings, which will be held on a regular basis throughout the coming year on the issues that call for mutual cooperation.



<sup>1</sup> Korea Development Bank, Industrial Bank of Korea, Korea Credit Guarantee Fund

<sup>2</sup> Ministry of Trade, Industry and Energy, Ministry of SMEs and Startups, Ministry of Science and ICT, Ministry of Land, Infrastructure and Transport, Ministry of Health and Welfare, Ministry of Culture, Sports and Tourism, Ministry of Oceans and Fisheries

## **SUMMARY OF REMARKS BY FSC CHAIRMAN**

Regarding the fund supply direction of policy financial institutions for the next year, the authorities will provide funds in major strategic areas as stated below.

- a) Fostering global ‘super-gap’ industries to help Korean companies keep their dominant position in our key industries with global competitiveness (KRW16 trillion)
- b) Boosting new promising industries whose added value will increase following the transformation to low-carbon and digital economy (KRW13 trillion) and upgrading industrial structure to prevent a downturn in traditional leading industries and maintain their competitiveness (KRW17 trillion)
- c) Injecting venture capital into various venture businesses and SMEs at different stages of growth to foster supersized unicorns who have global competitiveness (KRW9 trillion)
- d) Resolving difficulties in corporate management caused by deteriorating domestic and foreign circumstantial conditions including “three-highs” such as inflation, high exchange rates and high interest rates (KRW26 trillion)

For the goal of 2023 economic policy direction, “overcoming crises and making the economy leap forward again,” Chairman Kim requested all related organizations to keep focusing on the reinforcement of the policy finance’s role so that our economy can have competitiveness and generate future growth.

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