Press Release

Ministry of Planning and Budget

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IMF Sharply Cuts Korea's Government Debt Outlook

The International Monetary Fund (IMF) has significantly lowered its outlook for Korea's general government debt. In its October 2026 *Fiscal Monitor*, published on October 14, the IMF projected Korea's general government gross debt at 47.3 percent of GDP in 2026, down 7.1 percentage points from its April 2026 projection. The projection for 2031 was also revised downward by 13.4 percentage points from the spring outlook.

Meanwhile, international organizations such as the OECD, as well as credit rating agencies including Fitch Ratings and Moody's, have continued to give positive assessments of Korea's public finances. The improved outlook underscores a virtuous cycle between fiscal policy and economic expansion, where proactive fiscal management supports economic growth, then the growth expands the revenue base, and the broader revenue base ultimately strengthens fiscal sustainability.

IMF Projections for Korea's General Government Debt

According to the October 2026 *Fiscal Monitor*, Korea's general government gross debt ratio for 2026 (47.3 % of GDP) is about 38 percent of the G7 average (123.9 %) and 44 percent of the advanced economy average (107.8 %).[1] The IMF also projected that the increase in Korea's debt ratio over the projection period would be smaller than the advanced economy average, at 2.4 percentage points through 2031 compared with 7.4 percentage points for advanced economies as a whole.

IMF Fiscal Monitor (October 2026) Dataset - Advanced Economies: General Government Gross Debt

(% of GDP, %p)	2026 (A)	2027	2028	2029	2030	2031 (B)	Change (B–A)
Average	107.8	108.5	110.0	111.7	113.5	115.2	+7.4
Euro Area	88.0	88.5	88.9	89.4	89.9	90.4	+2.4
G7	123.9	125.1	127.3	129.6	132.1	134.6	+10.7
G20 Advanced	118.5	119.3	121.4	123.6	125.9	128.2	+9.7
Korea	**47.3**	**46.2**	**47.0**	**48.2**	**49.2**	**49.7**	**+2.4**

[1] As of 2026, Korea ranks 23rd among the 38 advanced economies included in the IMF statistical table, ranked from highest to lowest debt ratio.

This 2026 debt ratio is 7.1 percentage points lower than the IMF's April 2026 projection (54.4 % for 2026). The IMF also expects Korea's debt ratio to be stably managed below 50 percent throughout the projection period through 2031.

Korea's General Government Gross Debt: IMF Fiscal Monitor April 2026 vs. October 2026

(% of GDP, %p)	2025	2026	2027	2028	2029	2030	2031
April 2026 (A)	52.3	54.4	56.6	58.5	60.1	61.7	63.1
October 2026 (B)	52.4	47.3	46.2	47.0	48.2	49.2	49.7
Difference (B–A)	**+0.1**	**−7.1**	**−10.4**	**−11.5**	**−11.9**	**−12.5**	**−13.4**

Going forward, the government will continue to support a rebound in potential growth through bold investment while ensuring fiscal sustainability, thereby reinforcing a virtuous cycle between fiscal policy and economic growth—where investment in the future leads to stronger growth and a broader revenue base.