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IMF RELEASES APRIL 2026 FISCAL MONITOR: KEY FINDINGS

The International Monetary Fund releases the Fiscal Monitor—which compares, analyzes, and forecasts the public finances of governments around the world—twice a year, in April and October. On Wednesday, April 15, 2026, the Fund released its first edition for the year, which includes the following key findings:

[Highlights of the April 2026 Fiscal Monitor]

Global Fiscal Environment and Outlook

The economic impacts of the war in the Middle East and rising borrowing costs may structurally worsen government finances around the world, the IMF says.

Global gross government debt will reach 100 percent of GDP by 2029, a level higher than the Fund's outlook from one year ago, which forecasted 98.9 percent for the same period.

** Global public debt (% of GDP): ('25) 93.9 ('26) 95.3 ('27) 97.3 ('28) 98.8 ('29) 100.1*

Risk Factors

The Fund suggests five critical risk factors that could worsen public finances in the near future: 1) spending pressures arising from the Middle East conflict; 2) inefficient resource allocation due to trade protectionism; 3) structural shifts* in the treasury market; 4) AI-related financial market risks**; and 5) demographic changes.

** Some economies have been issuing higher volumes of shorter-term treasury bonds than in the past, which accelerates maturities and leads to higher yields at a faster pace.*

*** If the productivity increase from artificial intelligence fails to deliver as expected, a decrease in investment might have a negative impact on financial conditions, resulting in an increase in borrowing costs for governments.*

Policy Recommendations

Regarding recent energy price hike, the IMF recommends well-targeted, narrowly focused, and temporary support for the most vulnerable.

The Fund also suggests setting specific and clear sequencing medium-term frameworks to ensure fiscal sustainability, and rationalizing current spending while preserving space for growth-enhancing public investment.

In implementing such measures, the Fund emphasized that it is essential to build social consensus on durable fiscal and structural reforms by providing transparent assessments of fiscal plans.

[Korean Government’s Policies aligned with IMF Recommendations]

In response to the rise in energy prices and inflation caused by the war in the Middle East, the Korean government has implemented policies aligned with the IMF’s recommendations. These include high oil price subsidies and energy vouchers targeted at the most vulnerable households and industries.

Moving forward, the government plans to regularly review inefficiencies in legacy expenditures and mandatory structural spending. Savings from these efforts will be allocated to growth-enhancing investment for the future—such as the “AI Transformation”—to establish a virtuous cycle between fiscal policy and economic growth.

Meanwhile, to actively support the “Citizen’s Fiscal Treasure Chest” through transparent and responsible fiscal management, the Korean government has been providing fiscal information via the Open Fiscal Data website (www.openfiscaldata.go.kr). As of February this year, the site offers more detailed* spending information on budget programs and an accelerated release schedule** for the next fiscal year’s government budget proposal.

** Content: Budget size by projects → Budget size, impact, evaluations at the sub-project level*

*** Timeline: End of January (within 30 days of the fiscal year start) → Early October (within 30 days of budget submission to the National Assembly)*

The Korean government will continue its efforts to advance fiscal policy design and management to bolster Korea’s economic growth potential while preserving long-term fiscal sustainability.

[Fiscal Monitor Outlook on Korea’s Government Debt]

The IMF projects that Korea’s general government debt(D2) will reach 61.7 percent of GDP by 2030 and 63.1 percent by 2031.

** National Debt (D1) : Cash basis / Central & local government debt*

** General Government Debt (D2) : Accrual basis / Central & local government debt + Non-profit public institutions debt*

This represents an improved forecast compared to the October 2025 Fiscal Monitor, featuring downward revisions of 2.3 to 2.6 percentage points for the 2026-2030 period. These adjustments reflect the positive outcomes* of the government’s performance-based and strategic fiscal management efforts.

* *Nominal Growth Outlook for Korea (IMF WEO Oct 2025 → Apr 2026 Issue, %)*
 2025: 2.1 → 4.2 | 2026: 2.1 → 4.7

IMF Fiscal Monitor: Korea’s General Government Debt (D2) Outlook Comparison (% of GDP, %p)

	'26	'27	'28	'29	'30	'31
Oct. 2025 (A)	56.7	58.9	60.9	62.7	64.3	-
Apr. 2026 (B)	54.4	56.6	58.5	60.1	61.7	63.1
<i>(B-A, %p)</i>	-2.3	-2.3	-2.4	-2.6	-2.6	-