



**Embargo:**

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## **GOV'T PROPOSES 26.2 TRN SUPPLEMENTARY BUDGET TO MITIGATE MIDDLE EAST CRISIS IMPACT**

- o Preparation expedited to ensure timely response within the critical window**
- o Funding leveraged through surplus tax revenues with no additional bonds issued, minimizing impact on treasury and forex markets**
- o Investment Priorities :**
  - ① Easing high oil price burden on citizens including fuel cost subsidies
  - ② Supporting livelihood stability for low-income earners, small business owners, and youth
  - ③ Assisting companies and industries directly impacted by the crisis

On Tuesday, March 31, the Government deliberated and approved the FY2026 supplementary budget bill during a Cabinet meeting to mitigate the economic impact of the Middle East crisis. The proposal allocates funding to projects designed to minimize the impact on livelihoods, businesses, and industries resulting from the ongoing conflict in the Middle East.

The supplementary budget totals 26.2 trillion won, including 10.1 trillion won to ease the high oil price burden on citizens, 2.8 trillion won for livelihood stability, 2.6 trillion won to minimize industrial damage and secure supply chains, 9.7 trillion won to bolster local finances, and 1.0 trillion won for government bond repayment. Beyond immediate relief for citizens and industries, the budget also funds energy and new industry transition projects to turn the current crisis into an opportunity.

Funding for the extra budget was secured without new debt issuance, leveraging 25.2 trillion won in windfall tax revenue from the stock market and semiconductor industry boom, alongside 1.0 trillion won in internal reserves. By utilizing a portion of these funds for national debt repayment, the Government aims to minimize the impact on the treasury and foreign exchange markets. The Government plans to submit the approved supplementary budget bill today (March 31) to the National Assembly.