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Regular Briefing of Central Disaster and Safety Countermeasure Headquarters on COVID-19

- ▲Current support and measures for small businesses,
▲recommendation for extended closure of social welfare facilities,
and measures to strengthen care, etc. -

- The Central Disaster and Safety Countermeasure Headquarters held a meeting presided over by Head Chung Sekyun (Prime Minister) along with the central government and 17 cities and provinces to discuss ▲current support and measures for small businesses, ▲recommendation for extended closure of social welfare facilities, and measures to strengthen care at a video conference room located on the 19th floor of Government Complex Seoul.
- Head Chung directed, at the meeting, each local government to expedite execution of supplementary budget to ride out the COVID-19 outbreak, and supplement such efforts, if required, to make sure the supplementary budget rapidly brings full benefits to all self-employed and small businesses in need.

- He also emphasized it is essential to check if there is any supply shortage in raw materials and components in advance caused by COVID-19. Mentioning that a Korean automotive manufacturer established a factory after it suffered from a shortage in “wire-harness”, a component imported from China due to setback in its production in China,
 - the Prime Minister requested the relevant ministries to put hard efforts to prevent such problem, namely the “second wire-harness problem”, from happening again.
- In the meantime, he directed the central and local governments to tighten discipline among the government officials to prevent them from violating the guidance for government officials, adding the trust in the government is as precious as gold at this critical moment.
- Also, it was directed for the relevant ministries, such as the Ministry of Foreign Affairs, to review necessary measures for overseas Koreans in Iran and other countries, in forms of consular assistance or helping them return to home country, to make them feel proud of being Koreans.

1	Current support and measures for small businesses
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- The government announced measures to assist small businesses* affected by COVID-19 and its aftermath.

* ① Expansion of policy fund for small businesses (policy fund: a type of loan supported by government), ② improving execution system in response to protracted policy fund execution, ③ preparing measures to support reopening and boost domestic consumption

- This measure came as **stronger support measures for small businesses were needed with the prolonged responses against COVID-19** along with the existing financial support, support to pay rent, and alleviating tax burden*, to name a few.

* Refer to [Annex 1].

- First, the government **expands support for policy funds targeting small businesses.**

- With the supplementary budget, the **business stabilization funds for small enterprises*** were **increased to KRW 2.72 trillion** so that **more small businesses can benefit** from this measure.

* To be supported in a form of loan through Small Enterprise and Market Service; Refer to SEMAS website (www.semas.or.kr)

- In addition, special guaranteed loan offered by Regional Credit Guarantee Foundations grew to KRW 3.57 trillion (supplementary budget KRW 2.57 trillion).

- In particular, **KRW 1.1 trillion** out of the support fund for small businesses was **earmarked for Daegu and Gyeongbuk**, in particular. **Financial burden of small enterprises in Daegu and Gyeongbuk is further relieved by providing preferential terms of business stabilization funds***.

* (Loan limit) up to KRW 70 million, (interest reduction) 2.27% → 1.5% (exemption of interest by end of this year)

- The government also **improves a system for prompt policy fund execution to prevent execution from being delayed.**

- To swiftly cope with growing works related to policy fund support, **163 and 411 staff members are additionally arranged in Small**

Enterprise and Market Service, and Regional Credit Guarantee Foundations, respectively.

- The efforts will be made into **rapid examination by shortening time for loan execution**, such as **skipping on-site inspection when examining guarantee**, and **adjusting the authority to make arbitrary decisions to lower level**.
- Also, **supporting policy funds is increasingly consigned to private banks*** while **measures are introduced to bring more convenience to customers in SEMAS centers**** to make sure small business owners receive such benefits without difficulty.

* Through this measure, small business owners do not need to visit Regional Credit Guarantee Foundations. Instead, they can apply for guarantee and proceed with loan execution at designated private banks.

** Introduction of issuing “policy fund confirmation” online (Mar. 6), placing queuing machine in centers

Plus, the government **pushes ahead with various measures to boost domestic consumption.**

- First, the government **provides stronger support for small businesses* affected** by closure or reduction in customers after confirmed COVID-19 patients visited.

* (Support details) Support for material costs, PR/marketing, service fees, labor costs, utility bills, maintenance fees

- **Promotional events** plan to be organized **regionally to restore weakened consumer confidence and make up for damage of SMEs and small businesses** suffering from sales reduction.

- Promotional events will consist of **special sales exhibition** of products of **SMEs, and small businesses**, such as brand K and long-lasting small business, and a **variety of contents** including **food and attractions**.

- **Joint marketing campaigns*** will be **carried out targeting traditional markets and shops to expedite recovery in domestic consumption**.

* Giveaways, discounts, cultural performances, events, entering online markets, infection prevention activities, etc.

2

Recommendation for extended closure of social welfare facilities, and measures to strengthen care

- **The Ministry of Health and Welfare (Minister Park Neunghoo) decided to recommend closure of social welfare facilities to be extended two more weeks* until April 5 (Sun).**

* The facilities were already closed two times from February 28 to March 22.

- **This measure was taken in consideration of characteristics of facilities to prevent COVID-19 from spreading to communities, and prevent infection of the vulnerable.**

※ (Ministry of Education) Further delaying the new school semester of kindergartens and schools (Mar. 23 → Apr. 6)

(Ministry of Health and Welfare) Decided to further extend closure of daycare centers (Mar. 22 → Apr. 5)

- **The recommended targets subject to the recent extended closure are 15 facilities already closed upon the government recommendation.**

< Social welfare facilities recommended for closure extension >

- ▶ Children: Community child center, community child care center * **Order made to further extend closure of daycare centers (Mar. 17)**
- ▶ Senior citizens: Senior welfare center, senior center, dementia care center, senior day/night care center (newly added)
- ▶ Persons with disabilities: Welfare center for the disabled, day care center for the disabled, vocational rehabilitation facilities for the disabled
- ▶ Employment: Elderly employment, employment for the disabled, self-support program
 - ※ Types of employment which requires working together
- ▶ Others: Psychiatric rehabilitation facilities, social welfare centers, integrated support centers among homeless facilities

- Although the new cases with COVID-19 are stably slowing down throughout the nation, **the community infection is spreading in the capital area. This recent recommendation on extended closure**
 - is a **measure taken to stop infection from spreading to the communities** through “**social distancing**”, such as **refraining from visit to group facilities and facilities frequented by the public**, and organizing religious or group gatherings.
 - **Recommending further closure extension of social welfare facilities** was decided **based on the judgment that “social distancing” should be sustained and the government’s strong determination of infection control clearly delivered.**
- The Ministry of Health and Welfare will request **staff members in such facilities to work as usual** even during the closure and **prepare to ensure those who wish to visit will use facilities without difficulty when they reopen.**

- For **children, the elderly, and persons with disabilities who need care** while facilities are closed, it is planned to **provide caring services in forms of delivering meals, checking on them, and supporting their activities.**
 - Also, **utmost efforts will be put to prevent the infectious disease by bolstering disinfection and infection control in facilities, checking temperature of and monitoring workers and visitors (if visitors want).**
 - The Ministry of Health and Welfare plans to **actively run social safety net to assist those in need while such facilities are shut down, such as flexible operation of emergency aid and support, implementation of temporary assistance programs for low-income families, and provision of pay in advance for those participating in the government employment programs.**
- ※ Supplementary budget drawn up: emergency aid and support KRW 200 billion, temporary assistance program budget for recipients and secondary poor groups KRW 1 trillion 24.2 billion

3 Current status of supply and demand of masks

※ Refer to a separate briefing for this information. In case of any query, contact to the following information:

Affiliation	Division	Contact Information
Ministry of Economy and Finance	Economic Policy Division	044-215-2710, 2712
	Price Policy Division	044-215-2770, 2771
Ministry of Trade, Industry and Energy	Bio-Convergence Industry Division	044-203-4390, 4391
Public Procurement	Procurement Planning	042-724-7210, 7265

Service	Division	
Ministry of Food and Drug Safety	Customer Risk Prevention Policy Division	043-719-1711, 1722

※ All Koreans **faced with issues** regarding exorbitant prices of or hoarding masks and hand sanitizers **are strongly advised** to actively **report** to the authorities through the reporting center (02-2640-5057/5080/5087), customer call center (1372), and MFDS website (www.mfds.go.kr).