

SUBSIDIES

NEW AND FULL NOTIFICATION PURSUANT TO ARTICLE XVI:1 OF THE GATT 1994 AND ARTICLE 25 OF THE AGREEMENT ON SUBSIDIES AND COUNTERVAILING MEASURES

REPUBLIC OF KOREA

The following communication, dated and received on 30 June 2021, is being circulated at the request of the delegation of the Republic of Korea.

The following notification is submitted for the purposes of transparency and without prejudice to the legal status and nature, including specificity, or effects of the notified programmes or measures under the ASCM and GATT 1994.

Table of Contents

I. AGRICULTURE	2
A. Foodgrain Management Programme	2
B. Variable Direct Payment for Rice.....	3
C. Support For Marketing And Promotion Of Agricultural And Livestock Products.....	4
D. Support For Livestock Products	5
II. FORESTRY	6
A. Wood Utilization Assistance Programme.....	6
III. FISHERIES	7
A. Support for Management of Fisheries	7
B. Support for Aquaculture Fishery Development	7
C. Support for Vessel Decommissioning	8
D. Support for Management of Overseas Fisheries	9
E. Support for Fisheries Resources Management.....	10
IV. ENERGY INDUSTRY.....	11
A. Coal Industry Support	11
V. MANUFACTURING INDUSTRY	12
A. Tariff Reduction on Aircraft Parts	12
B. Support for Farm Machinery Manufacturing	13
VI. ENVIRONMENT, RESEARCH AND DEVELOPMENT	14
A. Environmental Improvement Loan Programme	14

B. Support for R&D of Environmental Technology Development Projects.....	15
C. Emission Reduction Project for In-use Diesel Vehicles.....	15
D. Natural Gas Bus Supply Project	17
E. Hydrogen Fuel Cell Vehicle Distribution.....	18
F. Loan Programme for Recycling Industry Promotion.....	19
G. Support for Telemetering Systems.....	20
H. Project on the Distribution Of Low NOX Burners	21
I. Development of Core Technology in Industrial Fields.....	22
J. Loan Programme for R&D of information and Communication Technology.....	22

I. AGRICULTURE

A. Foodgrain Management Programme

1. Title of the subsidy programme

Foodgrain Management Programme.

2. Period covered by the notification

2019-2020.

3. Policy objective and/or purpose of the subsidy

To maintain and manage adequate food stocks of basic agro products for food security.

4. Background and authority for the subsidy

Law

- Foodgrain Management Act (Article 4).
- Agro-Fisheries Marketing and Price Stabilization Act (Article 13).

Authority: Ministry of Agriculture, Food and Rural Affairs.

5. Form of the subsidy

Grants and loans.

6. Recipients and terms

Grants

- Recipients: Farms that produce soybeans.
- Content of subsidy: The government purchases a certain volume from the producing farms.

Loans

- Recipients: The enterprises that purchase grains (with the exception of rice).
- Content of subsidy: The government provides the enterprises with loans so that they can purchase grains (except for rice) from grain farms.
- Loan interest and duration: fixed rate (2.5~3.0%) or variable rate, 12 months

7. Amount of the subsidy

(Unit: million KRW)

Item	Type	2019	2020
Grains (except for rice)	Direct subsidy (a)	-	-
	Loan	15,611	9,400
	Benefit of loan* (b)	-	-
	Total(a+b)	-	-
Soybeans	Direct subsidy (a)	73,976	2,822
	Loan	-	-
	Benefit of loan* (b)	-	-
	Total (a+b)	73,976	2,822

* There has been no difference between the loan rate and the market rate since 2016. which makes the benefit of loan for grains zero in 2019 and 2020.

8. Duration of the subsidy

No fixed duration.

9. Trade effects of the subsidy

It is estimated that the support of foodgrain purchase has a minimal effect on trade because of Korea's low self-sufficiency rate.

B. Variable Direct Payment for Rice1. Title of the subsidy programme

Variable Direct Payment for Rice.

2. Period covered by the notification

2019-2020.

3. Policy objective and/or purpose of the subsidy

To stabilize the income of rice producing farmers against the price fall of rice.

4. Background and authority for the subsidy

Law: (former) Act on Preserving Agricultural Income (Article 4).

Authority: Ministry of Agriculture, Food and Rural Affairs

5. Form of the subsidy

Grants

6. Recipients and terms

Recipients: The farmhouses whose use of agrochemicals and chemical fertilizers meets the standard, among those who produce rice by storing water in the rice fields that were used for rice farming from 1998 to 2000.

Content of the subsidy: Partial support for the difference in amount between the target price and the actual average price during the harvesting season of the year.

7. Amount of the subsidy

(Unit: million KRW)

Type	2019	2020
Lump sum transfer	111,433	-

8. Duration of the subsidy

No fixed period.

9. Trade effects of the subsidy

There had been minimal effect on trade because the program was implemented in order to stabilize the income of domestic rice producing farmhouses. In addition, this program has been abolished in 2020.

C. Support For Marketing And Promotion Of Agricultural And Livestock Products1. Title of the subsidy programme

Support for Marketing and Promotion of Agricultural and Livestock Products.

2. Period covered by the notification

2019-2020.

3. Policy objective and/or purpose of the subsidy

To improve the quality and reduce the logistical costs of agro-livestock products (fruits, flowering plants, Kimchi, vegetables, ginseng and livestock products).

4. Background and authority for the subsidy

Law: Framework Act on Agriculture and Fisheries, Rural Community and Food Industry (Article 59).

Authority: Ministry of Agriculture, Food and Rural Affairs.

5. Form of the subsidy

Grants.

6. Recipients and terms

Recipients: Exporters of fruits, flowering plants, Kimchi, vegetables, ginseng, and livestock products.

Content of the subsidy: Partial support for costs in sorting, packaging, and transporting.

7. Amount of the subsidy

(Unit: million KRW)

Type	2019	2020
Lump sum transfer	34,415	39,044*

* Please note that the data for 2020 are provisional and subject to amendment.

8. Duration of the subsidy

No fixed time period.

9. Trade effects of the subsidy

This program supports the partial cost in compliance with the Article 9.4 of the Agreement on Agriculture and Nairobi Ministerial Decision. The impact of the program on trade is expected to be minimal.

D. Support For Livestock Products1. Title of the subsidy programme

Calf Breeding Stabilization Schedule.

2. Period covered by the notification

2019-2020.

3. Policy objective and/or purpose of the subsidy

To improve the competitiveness and the income of Hanwoo farmhouses through cutting down production costs.

4. Background and authority for the subsidy

Law: Livestock Act (Article 3 and Article 32).

Authority: Ministry of Agriculture, Food and Rural Affairs.

5. Form of the subsidy

Grants.

6. Recipients and terms

Recipients: Cow raising farmers who joined the Calf Breeding Stabilization Schedule.

Contents of the subsidy: Support is provided to compensate for the loss in case the average market price of calf is lower than the standard price of the schedule.

7. Amount of the subsidy

(Unit: million KRW)

Type	2019	2020
Lump sum transfer	315	243

8. Duration of the subsidy

No fixed time period.

9. Trade effects of the subsidy

The impact of the programme on trade is expected to be minimal because the purpose of the programme is to stabilize the income of farmers and the amount of the subsidy accounts only for 0.005% of the total value of beef production.

II. FORESTRY

A. Wood Utilization Assistance Programme

1. Title of the subsidy programme

Wood Utilization Assistance Programme.

2. Period covered by the notification

2019-2020.

3. Policy objectives and/or purpose of the subsidy

To develop the timber industry related to wood use and processing. To improve productivity by replacing aging facilities.

4. Background and authority for the subsidy

Law: Act on the Promotion of Forestry and Mountain Villages (Article 10).

Authority: Korea Forest Service.

5. Form of the subsidy

Loans.

- Source of funding: Special Account for the Structural Improvement of Rural Areas.

6. Recipient and terms

Recipients: Wood manufacturers.

Conditions: Interest rate of 3.0% or variable Interest rate.

Terms of the loan: 10 years (7-year repayment period with a 3-year grace period).

7. Amount of the subsidy

(Unit: million KRW)

	2019	2020
Lump sum transfer (a)	-	-
Loan	1,440	772
Benefit of loan* (b)	23	8
Total (a+b)	23	8

* The subsidy effect is estimated based on the difference between the loan rate and the market rate.

8. Duration of the subsidy

No fixed time period.

9. Trade effects of the subsidy

Most of these products are used to meet domestic demand. Therefore, the effect on trade is presumed to be insignificant.

III. FISHERIES

A. Support for Management of Fisheries

1. Title of the subsidy programme

Support for Management of Fisheries.

2. Period covered by the notification

2019-2020.

3. Policy objectives and /or purpose of the subsidy

To support fishermen including aquaculture farmers suffering from worsened business conditions such as disasters like Typhoons and high-water temperatures, by relieving financial burden and maintaining stable management.

4. Background and authority for the subsidy

Law: Fisheries Act (Article 86).

Authority: Ministry of Oceans and Fisheries.

5. Form of the subsidy

Grants and loans.

6. Recipients and terms

Recipients: Fishermen duly holding a license, permit, or submitted a report under the relevant fisheries legislation.

Terms: Priority given to fishermen and artisanal fishers participating in self-managed fisheries project. Restrictions for eligibility in case of violations of relevant laws.

7. Amount of the subsidy

(Unit: million KRW)

	2019	2020
Lump sum transfer (a)	-	-
Loan	2,296,700	2,337,000
Benefit of loan* (b)	61,991	57,957
Total (a+b)	61,991	57,957

* The benefit of loan is estimated based on the difference between the loan rate and the market rate.

8. Duration of the subsidy

No fixed time period.

9. Trade effects of the subsidy

The impact on trade is difficult to estimate since the programme is not trade-conditioned.

B. Support for Aquaculture Fishery Development

1. Title of the subsidy programme

Support for Aquaculture Fishery Development.

2. Period covered by the notification

2019-2020.

3. Policy objectives and /or purpose of the subsidy

To ensure a stable supply of fishery products through the development of aquaculture fishery in the context of changing circumstances in the production environment for domestic and overseas fisheries.

4. Background and authority for the subsidy

Law: Fisheries Act (Article 86).

Authority: Ministry of Oceans and Fisheries.

5. Form of the subsidy

Grants and loans.

6. Recipients and terms

Recipients: Aquaculture fishermen.

Terms of the grant: 20% to 30% of business expenses.

Terms of the loan: 2 years loan at an annual interest rate of 3%.

7. Amount of the subsidy

(Unit: million KRW)

	2019	2020
Lump sum transfer (a)	16,666	15,442
Loan	2,240	2,240
Benefit of loan* (b)	18	18
Total (a+b)	16,684	15,460

* The benefit of loan is estimated based on the difference between the loan rate and the market rate.

8. Duration of the subsidy

No fixed time period.

9. Trade effects of the subsidy

The impact on trade is difficult to estimate since the programme is not trade-conditioned.

C. Support for Vessel Decommissioning1. Title of the subsidy programme

Support for Vessel Decommissioning.

2. Period covered by the notification

2019-2020.

3. Policy objectives and /or purpose of the subsidy

To reduce coastal and offshore fleet size to the level appropriate for fishery resources in order to protect fish stocks and promote sustainable fisheries.

4. Background and authority for the subsidy

Law: Act on Structural Improvements and Support for Domestic Fisheries (Article 13 and 14).

Authority: Ministry of Oceans and Fisheries.

5. Form of the subsidy

Grants.

6. Recipients and terms

Recipients: Coastal and offshore fishermen.

Terms of the grant: Offshore fishing vessel decommissioning (government support 100%), coastal state fishing vessel decommissioning (government support 80% and provincial support 20%).

7. Amount of the subsidy

(Unit: million KRW)

	2019	2020
Lump sum transfer (a)	32,772	74,650
Loan	-	-
Benefit of loan (b)	-	-
Total (a+b)	32,772	74,650

8. Duration of the subsidy

The subsidy will continue until 2023.

9. Trade effects of the subsidy

None.

D. Support for Management of Overseas Fisheries1. Title of the subsidy programme

Support for Management of Overseas Fisheries.

2. Period covered by the notification

2019-2020.

3. Policy objectives and /or purpose of the subsidy

To promote business stabilization by supporting the process of business management such as income, social welfare, and insurance costs of sailors etc.

To ensure stable supply of fishery products by promoting business stabilization.

4. Background and authority for the subsidy

Law: Distant Water Fisheries Development Act (Article 26).

Authority: Ministry of Oceans and Fisheries.

5. Form of the subsidy

Grants.

6. Recipients and terms

Recipients: Eligible distant water fishermen under the Distant water Fisheries Development Act.

Terms: Restrictions for eligibility by operators who have been punished with suspension of fishing above a certain level for violation of compliance with the rules under the Distant Water Fisheries Development Act, including the conservation and management measures by coastal states and regional fisheries management organizations (RFMOs).

7. Amount of the subsidy

(Unit: million KRW)

	2019	2020
Lump sum transfer (a)	1,384	875
Loan	-	-
Benefit of loan (b)	-	-
Total (a+b)	1,384	875

8. Duration of the subsidy

No fixed time period.

9. Trade effects of the subsidy

The impact on trade is difficult to estimate since the programme is not trade-conditioned.

E. Support for Fisheries Resources Management

1. Title of the subsidy programme

Support for Fisheries Resources Management.

2. Period covered by the notification

2019-2020.

3. Policy objectives and /or purpose of the subsidy

To ensure sustainable use and conservation of fishery resources and furthermore to foster scientific/technical knowledge in resource management including self-management of fisheries. It includes sea reforestation projects, developing marine ranch, marine forests and artificial reef as well as implementation of resource management and restoration measures such as TAC and self-management in fisheries.

4. Background and authority for the subsidy

Law: Fishery Resources Management Act, Fisheries Act.

Authority: Ministry of Oceans and Fisheries.

5. Form of the subsidy

Grants and Loans.

6. Recipients and terms

Recipients: National and private institutes including National Institute of Fisheries Science (NIFS), fishermen and fishing communities involved in fisheries management (TAC, self-management in fisheries, etc.)

7. Amount of the subsidy

(Unit: million KRW)

	2019	2020
Lump sum transfer (a)	115,803	104,923
Loan	8,274	8,274
Benefit of loan * (b)	-	-
Total (a+b)*	115,803	104,923

* The benefit of loan is under process of estimation and is to be updated.

8. Duration of the subsidy

No fixed time period.

9. Trade effects of the subsidy

The impact on trade is difficult to estimate since the programme is not trade-conditioned.

IV. ENERGY INDUSTRY**A. Coal Industry Support**1. Title of the subsidy programme

Coal Industry Support in the Special Accounting for Energy and Resource.

2. Period covered by the notification

2019-2020.

3. Policy objectives and /or purpose of the subsidy

- To stabilize the price of coal and briquettes in order to protect the livelihoods of ordinary people and ensure a stable supply and demand of coal.
- To compensate for the difference between the production cost and sale price of coal and briquettes following the notification of a sale price ceiling.

4. Background and authority for the subsidy

Law:

- Price Stabilization Act (Article 2)
- Coal Industry Act (Article 29).

Authority: Ministry of Trade, Industry & Energy.

5. Form of the subsidy

Grants.

6. Recipients and terms

The subsidy is provided to coal mine operators, briquette manufacturers, and coal miners in the form of worker's compensation insurance, support for briquette manufacturing costs and educational expenses.

7. Amount of the subsidy

(Unit: million KRW)

	2019	2020
Lump sum transfer (a)	99.588	91.321
Loan	-	-
Benefit of loan* (b)	-	-
Total (a+b)	99.588	91.321

8. Duration of the subsidy

No fixed time period.

9. Trade effects of the subsidy

None.

V. MANUFACTURING INDUSTRY**A. Tariff Reduction on Aircraft Parts**1. Title of the subsidy programme

Tariff Reduction on Aircraft Parts.

2. Period covered by the notification

2019-2020.

3. Policy objective and/or purpose of the subsidy

To reduce production costs by encouraging the importation of aircraft parts not domestically produced.

4. Background and authority for the subsidy

Laws: Customs Act (Article 89).

Authority: Ministry of Strategy and Finance.

5. Form of the subsidy

Tariff reduction.

6. Recipients and terms

Those designated as aircraft manufacturers or repairers in accordance with the Promotion Act for the Development of Aircrafts and Space Industries.

7. Amount of the subsidy

(Unit: million KRW)

	2019	2020
Lump sum transfer (a)	111,172	53,045
Loan	-	-
Benefit of loan (b)	-	-
Total (a+b)	111,172	53,045

8. Duration of the subsidy

For businesses (reduction rate applied)

- Products listed in the Annex to the Agreement on Trade in Civil Aircraft: 100% (1 May 2019-2021) → 80% (2022) → 60% (2023) → 40% (2024) → 20% (2025) → abolition(after 2026).
- Other aircraft parts: 90% (1 May 2019~) → 80% (2020) → 70% (2021) → 60% (2022) → 50% (2023) → 40% (2024) → 20% (2025).

For SMEs: 100%

9. Trade effects of the subsidy

As the tariff reduction is aimed at promoting importation of aircraft parts there is no effect on trade.

B. Support for Farm Machinery Manufacturing

1. Title of the subsidy programme

Support for Farm Machinery Manufacturing.

2. Period covered by the notification

2019-2020.

3. Policy objective and/or purpose of the subsidy

To assist off-season manufacturing of farm machinery and to help machinery manufacturers meet the high demand for farm machinery in the farming seasons.

To promote the manufacturing and supply of high-quality agricultural machinery made in Korea, by providing financial resources for establishing production facilities of machinery required for automatization and modernization of agricultural facilities and machinery.

4. Background and authority for the subsidy

Law: Farm Mechanization Promotion Law (Article 4).

Authority: Ministry of Agriculture, Food and Rural Affairs.

5. Form of the subsidy

Loans.

6. Recipients and terms

Recipients: Farm machinery manufacturers and developers of new-tech machinery.

Content of the Subsidy: To provide financial assistance for producing agricultural machinery and for establishing and constructing agricultural machinery production facilities.

7. Amount of the subsidy

(Unit: million KRW)

Type	2019	2020
Direct subsidy (a)	-	-
Loan	166,208	183,523
Benefit of loan* (b)	1,429	862
Total (a+b)	1,429	862

8. Duration of the subsidy

No fixed time period.

9. Trade effects of the subsidy

Its effect on trade is expected to be almost non-existent since the amount of the subsidy accounts only for 0.1% of the total value of farm machinery production.

VI. ENVIRONMENT, RESEARCH AND DEVELOPMENT**A. Environmental Improvement Loan Programme**1. Title of the subsidy programme

Environmental Improvement Loan Programme.

2. Period covered by the notification

2019-2020.

3. Policy objectives and /or purpose of the subsidy

To grant private loans at lower interest rates to small and medium businesses for investment in environmental improvements such as installing pollution prevention facilities with an aim to promote environmental protection.

4. Background and authority for the subsidy

Laws: Framework Act on Environmental Policy (Article 56).

Chemical control Act (Article 4)

Korea Environmental Industry & Technology Institute ACT (Article 6)..

Authority: Ministry of Environment, Korea Environmental Industry & Technology Institute

5. Form of the subsidy

Loans.

6. Recipients and terms

Recipients: small and medium business that install and operate pollution prevention devices and facilities.

Terms of the loan: 4-year equal repayment period with a 3-year grace period.

7. Amount of the subsidy

(Unit: million KRW)

	2019	2020
Lump sum transfer (a)	-	-
Loan	62,000	49,633
Benefit of loan* (b)	1,234	993
Total (a+b)	1,234	993

* The benefit of loan is estimated based on the difference between the loan rate and the market rate.

8. Duration of the subsidy

No fixed time period.

9. Trade effects of the subsidy

None.

B. Support for R&D of Environmental Technology Development Projects1. Title of the subsidy programme

Support for R&D of Environmental Technology Development Projects.

2. Period covered by the notification

2019-2020.

3. Policy objectives and /or purpose of the subsidy

For sustainable development of environmental conservation and the national economy.

4. Background and authority for the subsidy

Laws: Environmental Technology and Industry Support Act (Article 5).

Authority: Ministry of Environment.

5. Form of the subsidy

Grants.

6. Recipients and terms

- Recipients: Government-invested research institutions, universities, and private enterprises
- Conditions of application: 100% support to Non-profit organization, 50~75% support to participation business.

7. Amount of the subsidy

(Unit: million KRW)

	2019	2020
Lump sum transfer (a)	215,085	252,781
Loan	-	-
Benefit of loan (b)	-	-
Total (a+b)	215,085	252,781

8. Duration of the subsidy

No fixed time period.

9. Trade effects of the subsidy

The effect on trade is minimal because the programme is focused on support for R&D of fundamental technology in order to improve the environment.

C. Emission Reduction Project for In-use Diesel Vehicles1. Title of the subsidy programme

Emission Reduction Project for In-use Diesel Vehicles.

2. Period covered by the notification

2019-2020.

3. Policy objectives and /or purpose of the subsidy

To improve air quality across the nation.

4. Background and authority for the subsidy

Laws:

- Special Act on the Improvement clean Air in the Management Area(Paragraph 5 of Article 26), Clean Air Conservation Act (Paragraph 3 of Article 58)

Authority: Ministry of Environment.

5. Form of the subsidy

Grants.

- Source of funding: Special Account for Environmental Improvement.

6. Recipients and terms

Recipients:

- Diesel vehicles that fail the emission test on designated diesel vehicles* under Paragraph 1 of Article 25 of the Special Act on the Improvement clean Air in the Management Area.
- Diesel vehicles other than designated diesel vehicles* that fail the emission test on in-use automobiles under Article 57 of the Clean Air Conservation Act.
- Diesel vehicles with expired exhaust gas guarantee period that fail the emission test on manufactured vehicles.

* Designated diesel vehicles: diesel vehicles designated by the Special Act on the Improvement clean Air in the Management Area

Terms:

- To support part of the costs (90%) of installing emission reduction devices and retrofitting with "cleaner" engines, and to compensate the remaining value (100%) of the vehicles for early scrapping.
- 50% each from central government and local government expenditures.

7. Amount of the subsidy

(Unit: million KRW)

	2019	2020
Lump sum transfer (a)	649,548	555,209
Loan	-	-
Benefit of loan (b)	-	-
Total (a+b)	649,548	555,209

8. Duration of the subsidy

No fixed time period.

9. Trade effects of the subsidy

This subsidy provides the total cost for a diesel vehicle owner who installs emission reduction devices, retrofits with "cleaner" engines or early scrapping. Therefore, it does not differentiate between a domestic and an imported device, which means that it does not result in a discriminatory trade barrier.

D. Natural Gas Bus Supply Project1. Title of the subsidy programme

Subsidy for Natural Gas Vehicle Procurement and Fuel Expenses.

2. Period covered by the notification

2019-2020.

3. Policy objectives and /or purpose of the subsidy

To replace frequently-operated and high-exhaust diesel engine buses and garbage trucks with low-emission and cleaner vehicles in order to expedite the amelioration of air quality in metropolitan areas.

4. Background and authority for the subsidy

Laws: Clean Air Conservation Act (Article 58).

Authority: Ministry of Environment.

5. Form of the subsidy

Grants.

6. Recipients and terms

Recipients:

- In accordance with the Clean Air Conservation Act, grants for natural gas vehicle procurement are provided to persons who purchase natural gas vehicles.
- In accordance with the Clean Air Conservation Act, grants for fuel expenses are provided to persons who intend to supply natural gas for vehicles that use natural gas as fuel.

Terms: Subsidized by local government (50%, matching fund).

7. Amount of the subsidy

(Unit: million KRW)

	2019	2020
Lump sum transfer (a)	17,346	10,840
Loan		
Benefit of loan (b)		
Total (a+b)	17,346	10,840

8. Duration of the subsidy

No fixed time period.

9. Trade effects of the subsidy

The effect of the subsidy on trade is minimal since it is intended to support purchasers of natural gas buses and garbage trucks, without differentiation between domestic and imported vehicles, as well as natural gas suppliers to those vehicles, for the improvement of air quality in metropolitan areas.

E. Hydrogen Fuel Cell Vehicle Distribution1. Title of the subsidy programme

Hydrogen Fuel Cell Vehicle Distribution.

2. Period covered by the notification

2019-2020.

3. Policy objectives and /or purpose of the subsidy

To tackle air pollution.

4. Background and authority for the subsidy

Laws: Clean Air Conservation Act (Article 58).

Authority: Ministry of Environment.

5. Form of the subsidy

Grants.

6. Recipients and terms

Recipients:

- Persons who purchase hydrogen fuel cell vehicles or hydrogen bus.
- Local authorities or private enterprises who install hydrogen refill stations.

7. Amount of the subsidy

(Unit: million KRW)

	2019	2020
Lump sum transfer (a)	226,408	317,550
Loan		
Benefit of loan (b)		
Total (a+b)	226,408	317,550

8. Duration of the subsidy

No fixed time period.

9. Trade effects of the subsidy

None.

F. Loan Programme for Recycling Industry Promotion**1. Title of the subsidy programme**

Loan Programme for Recycling Industry Promotion.

2. Period covered by the notification

2019-2020.

3. Policy objectives and /or purpose of the subsidy

To provide small and middle recycling businesses with long-term and low interest rate loans for recycling facility installation and stable business operation with an aim to foster the recycling industry and promote resource recovery from wastes.

4. Background and authority for the subsidy

Laws: Act on the Promotion of Saving and Recycling of Resources (Article 31).

Authority: Ministry of Environment.

5. Form of the subsidy

Loans.

6. Recipients and terms

Recipients:

Recycling business operators specified in Article 31 of the Act on the Promotion of Saving and Recycling of Resources:

- a business to install recycling facilities;
- a resource recycling business conducted by the operators of designated recycling businesses and designated by-product discharging businesses;
- a business to build a recycling complex;
- a recycling business conducted by those who have obtained permission for intermediate waste disposal business or general waste disposal business; and
- a business of research and technical development to facilitate recycling of resources.

7. Amount of the subsidy

(Unit: million KRW)

	2019	2020
Lump sum transfer (a)		
Loan	128,365	163,365
Benefit of loan* (b)	2,644	3,006
Total (a+b)	2,644	3,006

* The benefit of loan is estimated based on the difference between the loan rate and the market rate.

8. Duration of the subsidy

No fixed time period.

9. Trade effects of the subsidy

None.

G. Support for Telemetering Systems1. Title of the subsidy programme

Subsidy for the Costs of Installation and Management of Telemetering Systems.

2. Period covered by the notification

2019-2020.

3. Policy objectives and /or purpose of the subsidy

To support the costs of the installation and management of metering systems installed and managed for the purpose of improving air quality through constant metering of air pollutants emitted from business sites.

4. Background and authority for the subsidy

Laws: Clean Air Conservation Act (Article 81).

Authority: Ministry of Environment.

5. Form of the subsidy

Grants.

6. Recipients and terms

Recipients: SMEs under Article 3 of the Enforcement Decree of the Framework Act on Small and Medium Enterprises that have installed metering devices in accordance with the regulations of Article 32 of the Enforcement decree of Clean Air Conservation Act and Article 17 of the Enforcement decree of Special Act on Improvement of Atmospheric Environment in Atmospheric Management areas, and whose business sites transmit the metered results to a Clean SYS control centre.

Terms: Support for the costs of installation and management of Telemetering systems (40%~60% from the central government and 20~40% from the local government).

7. Amount of the subsidy

(Unit: million KRW)

	2019	2020
Lump sum transfer (a)	19,528	11,587
Loan		
Benefit of loan (b)		
Total (a+b)	19,528	11,587

8. Duration of the subsidy

No fixed time period.

9. Trade effects of the subsidy

None.

H. Project on the Distribution of Low NOX Burners

1. Title of the subsidy programme

Project for the Support for Low NOX Burner Installation.

2. Period covered by the notification

2019-2020.

3. Policy objectives and /or purpose of the subsidy

To support the installation of low NOX burners at small and medium business sites with an aim to improve air quality in areas of high concern in metropolitan and rural areas.

4. Background and authority for the subsidy

Laws:

- Clean Air Conservation Act (Paragraph 3 of Article 26).
- Act on the Budgeting and Management of Subsidies.
- Notifications No. 2009-13 (Subsidy project to support low NOX burner installation, delegated affairs*) and No. 2009-26 (Subsidy project under the Ministry of Environment, delegated affairs*) of the Ministry of Environment.

Authority: Ministry of Environment.

5. Form of the subsidy

Grants.

- Source of funding: Special Account for Environmental Improvement.

6. Recipients and terms

Recipients: SMEs under Article 3 of the Enforcement Decree of the Framework Act on Small and Medium Enterprises, non-profit corporations, commercial buildings and apartment houses (with the exception of public facilities) replacing regular burners with low NOX burners on regular boilers, water chillers/heaters and drying facilities (limited to indirect heating facilities).

Terms: Fixed support according to volume (local governments provide additional support equal to 40% of the central government's support).

* From 2015, new and replaced boilers that burn gas or light oils (e.g. diesel, kerosene) with a capacity over 2 tons were excluded.

7. Amount of the subsidy

(Unit: million KRW)

	2019	2020
Lump sum transfer (a)	8,246	6,095
Loan		
Benefit of loan (b)		
Total (a+b)	8,246	6,095

8. Duration of the subsidy

No fixed time period.

*Included in "Project on the Distribution of prevention facility in small company" after 01.01.2021.

9. Trade effects of the subsidy

None

I. Development of Core Technology in Industrial Fields1. Title of the subsidy programme

Development of Core Technology in Industrial Fields.

2. Period covered by the notification

2019-2020.

3. Policy objectives and /or purpose of the subsidy

To support the development of bottleneck technologies that occur due to rapid changes in the industrial environment, and to discover and validate promising core technologies for the upcoming future.

4. Background and authority for the subsidy

Law: Industrial Technology Innovation Promotion Act

Authority: Ministry of Trade, Industry, and Energy..

5. Form of the subsidy

Government Contribution.

6. Recipients and terms

Recipients: Small and medium-sized businesses, universities, and research institutes

Terms: Subsidize for 1~2years, 500 million KRW per year.

7. Amount of the subsidy

(Unit: million KRW)

	2019	2020
Lump sum transfer (a)	9,917	-
Loan		
Benefit of loan (b)		
Total (a+b)	9,917	-

8. Duration of the subsidy

Until 2019.

9. Trade effects of the subsidy

None

J. Loan Programme for R&D of information and Communication Technology1. Title of the subsidy programme

Loan Programme for R&D of Information and Communication Technology.

2. Period covered by the notification

2019-2020.

3. Policy objectives and /or purpose of the subsidy

To alleviate excessive risks and burdens that companies face when developing technologies by providing loans for large-scale R&D projects in the field of information and communications.

4. Background and authority for the subsidy

Law: Information and Communications Technology Industry Promotion Act.

Authority: Ministry of Science and ICT.

5. Form of the subsidy

Financing (Loans).

6. Recipients and terms

Recipients: Small and medium sized companies (private)

Terms: Interest rate to be adjusted according to market interest rate.

7. Amount of the subsidy

(Unit: million KRW)

	2019	2020
Lump sum transfer (a)		
Loan	32,000	21,589
Benefit of loan* (b)		
Total (a+b)		

* The subsidy effect is estimated based on the difference between the loan rate and the market rate.

8. Duration of the subsidy

No fixed time period.

9. Trade effects of the subsidy

None.