

**The budget proposal of the Ministry of Environment for the year of 2023 will
focus on people's safety, environmental services and the future**

10:30 AM, Tue, Aug. 30, 2022, Ministry of Environment

I will give a briefing on the Environment Ministry's Budget for the financial year of 2023. The Ministry of Environment drew up a budget focusing on safety, environmental services, and the future environment.

The gross expenditure from the ministry budget and fund for 2023 is expected to be KRW 13.7271 trillion, which is 3.8% higher than the previous year.

The Ministry's budget and funds are KRW 11,846.3 billion and KRW 1,880.8 billion, respectively, a 2.4% and 13.6% increase from the previous year.

The Ministry of Environment drew up a budget focusing on people's safety, strengthening fundamental environmental rights, and supporting national policy tasks of the new government.

First, the budget for 2023 would allow the environment ministry to prioritize protecting people from floods, urban inundation, drinking water accidents, and hazardous chemicals. Second, the ministry will expand the budget to fulfill people's environmental rights, such as clean air, nature, and ecological services, and respond to various demands for environmental services. Third, the ministry will continuously invest to achieve carbon neutrality and shift to a sustainable economy and society.

Let's move on to the next page.

Next, I will tell you the details of the ministry's budget for 2023 by category.

First is the budget for protecting people from disasters, drinking water accidents, and hazardous chemicals. The ministry will prioritize our budget for forecasting, monitoring, and preventing urban inundation and floods not to repeat the loss of lives and property damage caused by torrential rain in early August.

We will expedite the establishment of a flood forecasting system using artificial intelligence (AI) by developing AI flood forecasting, a digital twin for dams and rivers, and satellites for disaster management.

To prevent flood damage around Gwanghwamun and Gangnam Station, we plan to build two more deep underground rainwater tunnels and extensively increase the sewer pipes and sewage treatment plant budget to better cope with urban flooding.

The ministry newly allocates the budget for a flood prevention facility in Dorimcheon Stream in Seoul to prevent fluvial flooding.

The ministry will take stronger measures to resolve people's fear factors of drinking water, such as larvae discovered in tap water or algal blooms in water intake stations.

To completely prevent the occurrence of living creatures in tap water, we will install microfiltration systems in 150 water purification plants managed by 46 local governments. We will continue to try to prevent the spread of algal blooms by improving public water intake and pumping stations.

We plan to increase the budget to manage the prolonged African swine fever virus regularly. The ministry also plans to build the Wildlife Quarantine Center to prevent the entry of wildlife diseases.

Please proceed to the next page.

The ministry will expand the scope of projects to improve the safety management of chemical substances and products and lift the burden of small and medium-sized chemical companies to register and approve chemicals and biocides.

We will continue to assist in improving the SMEs' handling facilities of chemical substances, conducting safety diagnoses, and forming regional emergency response systems to prevent workplace chemical incidents.

Second is the budget for fulfilling the citizens' fundamental environmental rights, such as clean air, nature, and ecological services, and responding to the demands of various environmental services.

We prepared a budget for 290,000 zero-emission vehicles and 62,000 additional charging stations to reach the supply goal of zero-emission vehicles in five years to manage the concentration of ultrafine particles better to make the county's level of particle pollution the middle of OECD countries.

We will extend its vehicle scrappage subsidy program, which is currently applied only to Grade 5 diesel vehicles, to Grade 4 diesel vehicles.

The revised 'Enforcement Rules of the Clean Air Conservation Act' makes installing a reduction device for gas engine heat pumps (GHP) mandatory. Accordingly, the ministry will support 15,625 GHPs to install reduction devices from next year.

Please proceed to page 5.

The ministry will increase our budget for waste management and recycling infrastructure.

Next year, we plan to build twenty new waste management facilities, including

reclamation and incineration plants, for twenty local governments. We will also install reusable cup return machines in public places and private stores as part of our efforts to launch the disposable cup deposit system at the end of this year.

Next, I will talk about the budget for nature and the ecosystem.

The ministry will continue to restore and expand green spaces, such as restoring ecologically damaged land and urban ecological axis.

In accordance with the agreement to end bear bile farming, we plan to build two sanctuaries for captive bears.

We will also renovate all the old restrooms, parking lots, camping sites, and information centers within national parks to fit the public level.

The ministry will put its continuous efforts into providing environmental health services for vulnerable areas and groups.

The ministry will conduct health impact assessments and support for environmental purification in areas with a high probability of environmental diseases due to the sprawling development and coal-fired power plants. We will also continue our medical care assistance for vulnerable groups.

To improve 'water welfare,' the ministry plans to build four new wide-area waterworks to address the imbalance in water supply and establish a stable water supply system. We will provide extensive support for the stable supply of potable water to remote island areas vulnerable to drought.

Moreover, the ministry plans to alleviate the social inequality of vulnerable groups caused by climate change and the consequent adaptation efforts with financial

investment.

Our plans for 2023 include supporting around 3,000 vulnerable social groups in small towns by building rest areas to use during heat and cold waves and renovating their roofs and windows.

Please proceed to the next page.

The third is the budget to achieve carbon neutrality and shift to a sustainable economy and social framework.

Above all, the ministry will expand the budget for financial support and policy loans to stimulate the transition to green industry and a low-carbon economy.

The ministry will expand the scope of support for the GHG reduction facility to companies as a part of its measures to boost efforts toward carbon neutrality of companies engaged in either the GHG emissions trading scheme or GHG target management scheme.

Next, we will also reinforce our support to encourage the participation of citizens and local governments in the national initiatives toward carbon neutrality.

We plan to expand the carbon point system and build the Carbon Neutrality Experience Center to raise the public's carbon neutrality awareness and motivate them to live carbon-neutral life.

Furthermore, we plan to build a Carbon Neutrality Support Center and support to transform it into a carbon-neutral city to encourage cooperation from local governments.

Let's move on to the next page.

The ministry will allocate its budget to lay the foundation for carbon capture and storage, clean energy, and a circular economy.

Our budget for national parks and wetland protection areas will contribute to increasing their carbon absorption. Our plan also includes building pyrolysis facilities, hydrogen production facilities using biogas, and a recycling cluster.

Lastly, the ministry will forge ahead with research and development to support the future economy and social framework.

We will increase our budget for localizing core environmental technologies, including the production of ultrapure water. We will also expand the budget for technologies for a circular economy, such as recycling spent batteries, spent solar panels, and converting plastic waste into fuel.

Please see the next page.

The ministry will submit the budget and fund proposal for 2023 to the National Assembly on September 2 for parliamentary deliberation. The budget proposal is expected to be approved on December 2.

The next-year budget of the Ministry of Environment focuses on playing its role in safeguarding the people and providing quality environmental services. The Ministry of Environment allocates its budget for adequate support for the transition to future economic and social structures, such as the transition toward carbon neutrality.

We will faithfully engage in the National Assembly's deliberation for the budget proposal and exert our utmost effort for the people to experience a better environment.

It concludes my briefing for today.

[Q&A]

<Q>

If you see page 2, it says that the ministry will use the total cost of KRW 600 billion to construct two deep underground tunnels around the Gwanghwamun and Gangnam Station. Below that, it says KRW 5.4 billion (new). What is the Ministry's plan for using the KRW 600 billion budget?

<A>

We will use the budget for the basic design before commencing the project. After completing the basic design, we will carry out the actual project yearly.

<Q>

The budget reduction seems to be the heftiest in the water sector. The ministry has numerous new projects in the water sector, like flooding prevention and green algae reduction. I am curious as to which project budgets were cut.

<A>

I assume you are referring to our entire budget for water. We added the budget associated with the people's safety against larvae in tap water and green algae in rivers to supply clean tap water. We cut some parts of our budget for other projects. Can you elaborate a little more on your question?

<A>

Hi, My name is Lee Chae-eun, and I am the Planning and Budget Division Director. I believe you are talking about page 10. It says that this year's budget is reduced by KRW

77.8 billion, and this is because some projects are expected to end this year.

As you may already be aware, the national smart waterworks construction project, which began in 2020, will end this year, which is why the next year's budget seems smaller as a whole.

I want to emphasize once again that we allocated most of our budget to ensure public safety and expand environmental services. Thank you.

<A>

Thank you.