

Confederation of International Contractors' Associations (CICA)

Strategic Watch: COVID-19 Overview by country and region (situation at January 20, 2021)

Based on FIEC's COVID-19 Construction Observatory, FIIC's, CIAN's and MEDEFI's and IFAWPCA's data

For more information go to the CICA Website: <http://www.cica.net/cica-covid-19-overview/> and Dropbox: <https://www.dropbox.com/home/Observatory%20COVID-19>

Korea

Country/Region	General measures	Measures for construction
KOREA		
Lockdown	<p>Webinar by the French Chamber of Commerce in Korea on how Korea managed the COVID-19 pandemic so far on April 9, 2020 at 10am. (Paris time).</p>	<p>Webinar by the French Chamber of Commerce in Korea on Korea's tracking strategy (including data privacy) in response to the Covid-19 crisis. The MOLIT (Ministry of Land, Infrastructure and Transportation) participated in this response through a "Smart Management System" previously developed in the framework of their Smart City program.</p>
Economic outlook	<p>Effective measures to contain the spread of Covid-19 infections have limited the estimated fall in GDP to just over 1% in 2020, the smallest decline in the OECD. Activity is picking up on the back of a rebound consumption, bolstered by large government transfers to households and a recovery in exports. GDP is projected to grow about 3 % per annum in 2021 and 2022, but the recovery remains vulnerable to a further spread of the virus in Korea or abroad until an effective vaccine is deployed (cf. OECD) (December 2020).</p> <p>Economic support measures The National Tax Service announced an extension of the deadline to report and pay corporate tax for companies suffering from new coronavirus infection and an early VAT refund. The Bank of Korea (BOK) also carried out a reduction of the interest rate from 1.25 to 0.75% and provided 16,7 billion dollars as a response to Covid-19.</p>	<p>The government's extensive tracing and testing method has played a role in limiting the spread of the virus, but while the industry performed better than expected, the total value of construction orders received declined by 11.8% during the first four months of the year (cf. Construction Europe) (14 July).</p>

	In general, the government has introduced massive policy support, totaling about 15% of GDP so far , including extra budget easing, liquidity provisions and credit guarantees, to mitigate the Covid-19 impact (cf. OECD) (December 2020).	
Recovery	It is estimated that the sizeable digital and green investments of the New Deal will buttress the recovery . This Korean New Deal would constitute an opportunity to boost productivity, inclusiveness and green growth. Besides, the recently signed Regional Comprehensive Economic Partnership Agreement should also support exports (cf. OECD) (December 2020).	

Other Overviews

- Download the report from the International Federation of Asian and Western Pacific Contractors' Associations (IFAWPCA): [IFAWPCA COVID-19 Pandemic | Construction Industry Country Reports \(April 2020\)](#)