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CONTACT: Spokesperson's Office

PHONE NUMBER: +82-44-204-7104

EMAIL: [rachelmchun@korea.kr](mailto:rachelmchun@korea.kr)**Government Hosts Policy Debate Forum on Revitalizing Small Business Owners and Self-Employed Individuals, Energizing Local Commercial Districts**

SEJONG – On December 2, 2024, the government held the Government Policy Debate Forum under the theme “Revitalizing Small Business Owners and Self-Employed Individuals, Energizing Local Commercial Districts” at the Art Center Goma in Gongju, Chungcheongnam-do. The forum brought together over 50 small business owners, commercial district planners, academics, and experts nationwide to discuss support measures and hear from those on the ground.

In his opening remarks, the President emphasized that small businesses are the backbone of the economy. He highlighted that the government has prioritized the “Recovery of Small Business Owners and Self-Employed Individuals” as the nation’s top policy agenda. The President noted that, shortly after taking office, the government provided more than KRW 30 trillion in support for small business owners affected by COVID-19. Additionally, the government disbursed a total of KRW 36 trillion in tailored support in two rounds in July and October of 2024.

The President specifically stressed that small business owners and self-employed individuals need to regain vitality to overcome economic polarization. He announced that the 2025 budget for small businesses and self-employed individuals has been set at a historic KRW 5.9 trillion. Furthermore, he pledged that the government would implement proactive measures to boost domestic demand and consumption, thereby empowering small business owners and self-employed individuals.

The President also discussed the government's commitment to collaborating with the private sector to alleviate burdens, particularly delivery fees, which have been a significant challenge for small businesses. He announced plans to reduce delivery fees by more than 30% over three years, primarily for small shops, and to eliminate delivery fees at traditional markets

starting in early 2025. Regarding mobile gift certificates, he revealed that the government intends to lower the current commission rate of 5%-14% and shorten the settlement period within 2024 through a cooperative council.

The President outlined further measures to address the four major forms of damage impacting small businesses, both online and offline. For “no-show” behavior, he announced plans to improve consumer dispute resolution standards by categorizing reservation deposits based on the type of business. Concerning “malicious reviews and comments,” he stated that consultation centers will be established in 90 locations nationwide to handle these issues on online platforms. If reviews or comments are deemed malicious, actions will be taken to delete or hide them.

Additionally, the President confirmed that businesses notifying customers of the prohibition of single-use items within their premises would be exempt from fines, even if customers use single-use items during takeout. Regarding illegal online advertising agencies, he disclosed plans to create standard contracts and a dispute resolution system to prevent damages for small business owners without the need for court involvement.

The President also stressed the importance of revitalizing local commercial districts. He cited successful examples like the Jemincheon area in Gongju and the Sungsimdang area in Daejeon, which have been revitalized through innovative efforts from the private sector. The government plans to nurture 1,000 commercial district planners by 2027, who will be trained to creatively develop commercial areas. Additionally, the government will establish a KRW 500 billion local commercial district development fund and offer commercial district development financing by 2027.

Moreover, the President announced plans to establish 10 creative spaces by 2027, similar to France’s “Tiers-Lieux” (“Third Places”), where local entrepreneurs, residents, and merchants can utilize local resources for creative activities. These spaces will be linked to revitalization towns, forming new types of commercial districts connected to residential areas and daily life. In regions facing population decline, the government will simplify the criteria for designating commercial districts, ensuring equitable access to policy benefits even in areas with few shops.

During the forum’s discussion, participants, including small business owners, traditional market merchants, academics, experts, and government representatives, exchanged views on three main topics: “Recovery of Economic Warmth through Robust Support for Small Businesses,” “Strengthening Compensation Measures for the Four Major Damages Facing Small Business Owners,” and “Enhancing Regional Vitality through Private Sector-Led Revitalization of Commercial Districts.” Small business owners shared their operational challenges and damage situations, while representatives from eight government ministries

provided explanations of support measures and engaged in active discussions.

The forum was held in Gongju, where local small business owners and private sector planners have been working to revitalize the area, adding significance to the event. The government plans to develop further support measures in response to the challenges and issues raised by small business owners during the discussions.