



## TRADE POLICY AND SUSTAINABLE DEVELOPMENT MEETING

Geneva, 6 – 8 October 2015

### **ACTION PLAN FOR THE NEW TRADE POLICY ROADMAP**

Session-3

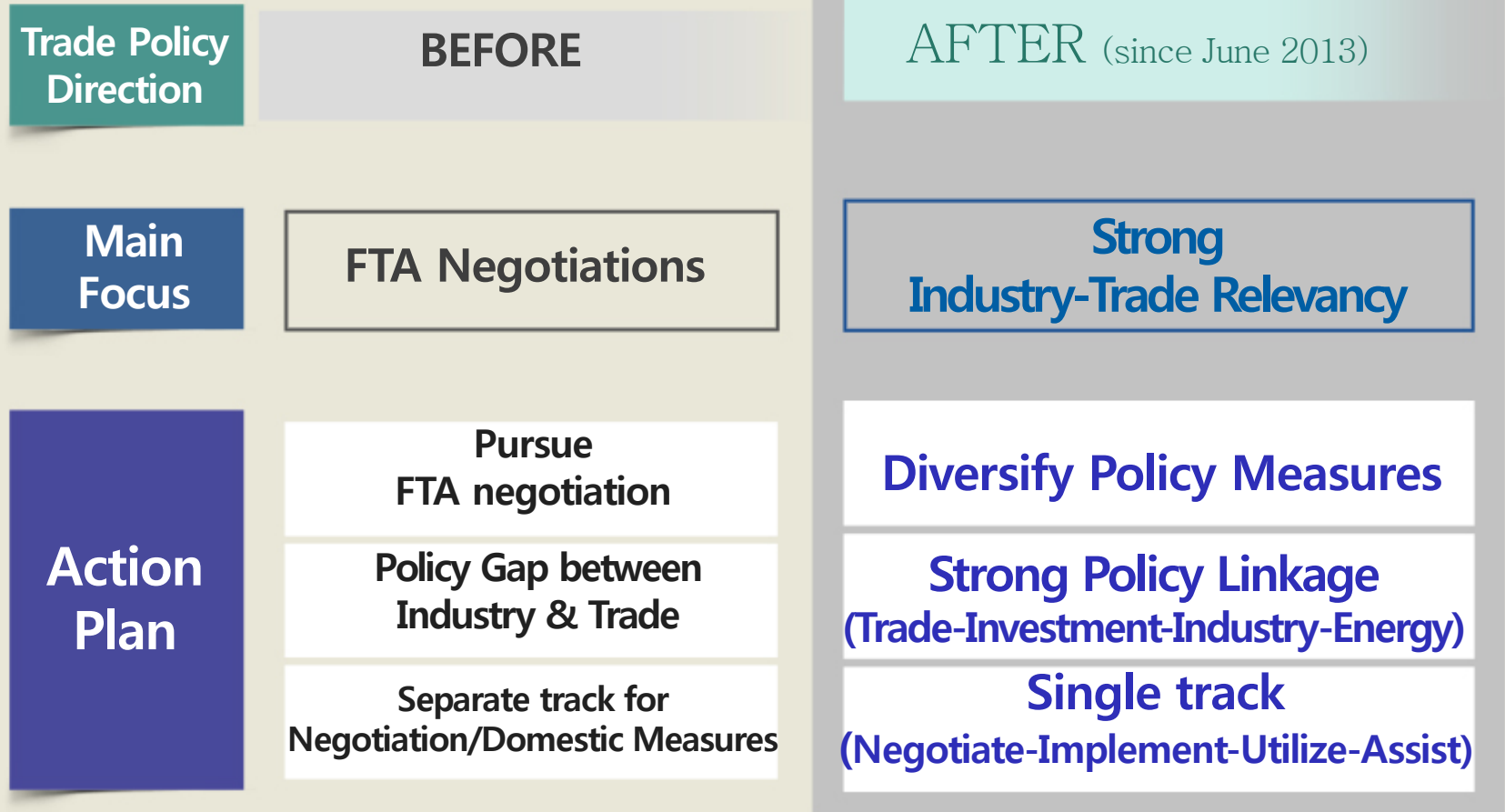
**Mr. Dongwook CHUN**

Director for Dispute Settlement  
Ministry of Trade, Industry and Energy  
Republic of Korea

# **Action Plan for The New Trade Policy Roadmap**

**Dongwook Chun**

# 1. Overview



**Lead to Job Creation and SME Export Competitiveness**

## 2. Expand and Better Utilize FTA Network

The linchpin of regional economic integration efforts



## 2. Expand and Better Utilize FTA Network

### 1 Korea-China FTA

- Modality Deal Outcome('13.9)  
: Liberalization of 90% tariff lines and 85% import value
- Signing ('15.6.1)

### 2 TPP(Expressed interest on '13.11.29)

- Monitor negotiation trends and participating conditions
- Final decision on participation will be made upon in-depth analysis and stakeholders' comments

### 3 RCEP

- Take lead by fully utilizing KC/CJK FTA
- AKFTA upgrade and bilateral FTAs with Indonesia and Vietnam

### 4 Win-Win FTAs with EMEs

- Pursue mutually beneficial FTAs meeting Emerging Economies (EMEs) demands on development and cooperation

### 5 Australia•Canada•New Zealand

#### KAFTA

- Effective ('14.12.12.)

#### Korea-Canada FTA

- Effective ('15.1.1.)

#### Korea•New Zealand FTA

- Signing ('15.3.23.)

### 3. Boost Trade Partnership

#### Pursue Cooperation Initiatives under Regional Circumstances

- **(China)** Expand presence through strategies based on the market's economic reform, enhanced consumption level and growing domestic market
- **(SE Asia)** Infrastructure cooperation to ensure solid foundation for growth
- **(Middle East)** Partnership in the power plant, nuclear plant, and renewable energy
- **(Central Asia)** Cooperation on industry and energy infrastructure needs
- **(Europe)** SME policy coordination and Innovation for creative economic cooperation by pursuing technical cooperation and increase investment
- **(Americas)** Public service sectors and future energy, defense and medicine

## 4. Support Overseas Expansion and Employment

### Support Overseas Business Challenges

- **Intensify marketing through EXPOs and trade missions**
  - \* China, North America, Europe
- **Tailored information on foreign markets, FTA utilization and NTBs**
  - TRADENAVI(<http://www.tradenavi.or.kr>), FTA Call Center(1380),  
Foreign Certification Acquisition-related call center(1381)
  - Establish Korean chamber of commerce(KOCHAM) (10 cities in 2014)
- **NTB Council for information gathering and response mechanisms**
  - Publish 2nd Trade Barrier Report in December 2014
- **Monitor import restriction trends and develop response methods**

## 5. Foreign Investment Promotion

Promote Foreign Investment : 2014 Aim to Draw \$17 billion

- PR to be focused on perks unique to Korea: FTA with China, NE Asia Oil Hub  
➔ Attract regional HQs R&D center, resort complex of multinational companies
- Regain strong investment from Japanese/Chinese capital
  - \* (Japan) High-end parts and materials industry (China) Resorts, F&B companies, etc.
- Revise Act on Free Economic Zone  
➔ relax eligibility conditions, introduce public bidding for complex resorts
- Performance-based incentive system including tax incentive and leasing fees
- Continue to promote re-shoring("UTurn company") and high value-added
  - \* Currently 56 UTurn companies, incl. Iksan Jewelry(Joint R&D center) and Busan shoes(clustered complex, employee training etc.)



## 5. Foreign Investment Promotion

### Continue IR Promotion to Attract Global HQs and R&D Centers

- **Develop recognition criteria and incentive system** (to be completed by year-end)
  - \* (Tentative) income tax incentives include 17% treatment(flat) and 50% reduction for R&D Centers
- **Scale up IR promotion and seek opportunities in prospective projects**
  - \* in areas where global HQ/R&D centers are clustered(Singapore, China etc.)

### Attract High Value-Added Investment (esp. Parts and Materials)

- **(Advanced Technology) Growth drivers to value chain enhancement\***
  - \* Industries such as aviation, pharmaceutical, energy, engineering and IT services
- **(Parts & Materials) Select and target prospective investors based on adverse trade analysis, organize joint public-private seminar with interested Korean companies**
  - \* Seek to attract investment from Japan(2014), Germany and U.S.(2015)

# Thank you



산업통상자원부

MINISTRY OF  
TRADE, INDUSTRY & ENERGY