Foreign Investment Ombudsman Honored by Gangwon Province

Dr. Ahn Choong Yong, who has long championed cooperation with local governments to support foreign investors, was appointed an Honorary Governor of Gangwon Province to promote FDI into the region.

Foreign Investment Ombudsman

Dr. Ahn Choong Yong was appointed an Honorary Governor of Gangwon Province in January for his efforts to draw foreign direct investment (FDI) to the region.

This honor is a reflection of Dr. Ahn’s ongoing efforts with the local governments of Korea to build and maintain a cooperative mechanism to identify, receive and settle the grievances of foreign-invested companies.

Most recently, Dr. Ahn gave a special lecture at a celebration of the opening of the East Coast Free Economic Zone (EFEZ). The event, which was held last November and attended by representatives of Gangwon Province and EFEZ, Dr. Ahn presented his long-term vision for attracting FDI to the region by nurturing the tourism, medical device and bio industries and connecting the region’s infrastructure to that of North Korea, the three northeast provinces of China and the Russian Far East. He also suggested that Gangwon Province make special efforts to grow into a tourism hub, with its abundant natural sights and winter sport options, taking full advantage of its unique surroundings and the fact that one of its counties, Pyeongchang, will host the 2018 Winter Olympics.

Indeed, a cooperative relationship between local governments and the Foreign Investment Ombudsman is mandated in Korea’s Foreign Investment Promotion Act. A recent revision of Korea’s tax laws highlights the need for local governments to fully analyze the potential impact of legal amendments on foreign companies. With the resident surcharge having now become a local income tax, the previously imposed resident surcharge linked to corporate tax will no longer be reduced or exempted. Accordingly, foreign companies that have already implemented their investment plan and done business in Korea for less than five years will be subject to the retroactive application of the revision. Local governments must discern what changes like these could mean for their foreign investors. They should also untangle any issues that may arise with the Foreign Investment Ombudsman.

Through supporting new and existing investors in this way, and considering the factor endowments of Korea’s local economies, local governments should establish investment promotion strategies tailored to their own circumstances and regional conditions.

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The OFIO has also held the On-Campus Recruiting Expo for Foreign-Invested Companies two to four times a year since 2011 to address a labor shortage for foreign companies in local areas and to give job seekers opportunities to join multinational companies. This year, the OFIO will hold the On-Campus Recruiting Expo at Sun Moon University in collaboration with South Chungcheong Province this month and at Yeungnam University in April with North Gyeongsang Province. These expos will gradually be expanded to other local governments.

The aim is for close collaboration between the OFIO and local governments to reinforce aftercare services through various channels for foreign-invested companies scattered nationwide.

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