Ombudsman’s Office

Sharing Korea’s Investment Aftercare Knowhow

A Brazilian government delegation visited Korea for an in-depth discussion on Korea’s Foreign Investment Ombudsman system.

Aftercare services for foreign investors are key to creating a virtuous cycle of foreign direct investment via the inducement of reinvestment through not only improving the investment climate, but also resolving grievances raised by foreign-invested companies. Moreover, grievance settlement at an early stage can prevent investor-state disputes. In this light, Korea’s Foreign Investment Ombudsman system has been benchmarked by countries around the world as an internationally exemplary case.

In 2013 alone, delegations from nine countries and the World Bank visited Korea to study the Ombudsman system. With many developing countries showing a strong interest in the system, the World Bank Group is creating educational materials to spread information about the system, and the Office of the Foreign Investment Ombudsman has provided manuals and answers.

One of the interested countries is Brazil. The Brazilian government plans to benchmark and establish an institution similar to Korea’s Foreign Investment Ombudsman system. To this end, a Brazilian government delegation visited our office on September 11 for an in-depth, four-hour meeting. Four officials from Brazil’s Ministry of Development, Industry and Foreign Trade, headed by Deputy Vice Minister Pedro Wendler, and two investment officers from the Brazilian Trade and Investment Promotion Agency (APEX-Brazil), which promotes Brazilian products and services abroad and attracts foreign investment, attended. From the KOTRA side, meeting participants were Kim Yong Rae, Head of the Foreign Investor Support Office, Kim You Jung, Director General of the Investment Aftercare Division, two Home Doctors and Dr. Ahn Choong Yong, the former Foreign Investment Ombudsman and current Chairman of the Korean Commission for Corporate Partnership, who joined the meeting due to the fact that the appointment process for the next Ombudsman is underway.

In his opening remarks, Wendler said Brazil admires Korea’s economic development history and that Korea’s industrial policy served as an inspiration when Brazil was making its industrial policies. He expressed the Brazilian government’s hope to benchmark Korea’s Ombudsman system to provide better services for foreign investors in Brazil. He also briefly introduced Brazil’s foreign trade board, CAMEX, under which Brazil’s Foreign Investment Ombudsman system will be established. CAMEX is headed by the Minister of Development, Industry and Foreign Trade and composed of six other ministers including those of Civil Affairs, Finance, Agriculture and Rural Development. CAMEX formulates, adopts, coordinates and implements trade policies in goods and services as well as sets guidelines for trade agreement negotiations.

During their visit to KOTRA, the Brazilian delegation asked questions about the Ombudsman system’s institutional framework (organizational structure, size and function), the department’s hands-on work, relations with local governments, qualifications for the Ombudsman and Home Doctors and difficulties in the grievance resolution process. Dr. Ahn emphasized that both the Ombudsman and Home Doctors should become a reliable dialogue partner for foreign-invested companies needing to discuss confidential issues. He also noted the need to precisely analyze the characteristics of grievances and build a consensus with relevant government agencies when troubleshooting by explaining the gravity of the issue and the benefits that grievance resolution may bring.

The Brazilian delegation expressed their satisfaction with the meeting and said it will help develop Brazil’s own Ombudsman system and reinforce bilateral relations. We aim to continue sharing our achievements and experiences with other countries and strengthen global cooperation.

By the Office of the Foreign Investment Ombudsman
shlee@kotra.or.kr