Ombudsman’s Office

Starting the Day with Foreign Investor-Govt. Dialogue

The Minister of Trade, Industry & Energy hosted a breakfast meeting with foreign-invested companies to introduce government policies and address grievances.

Government policies on foreign direct investment (FDI) need to be established based on companies’ opinions and should be explained to policy users. Building a consensus between the government and foreign-invested companies through communication is key to creating successful FDI policies.

On February 23, Yoon Sang-jick, Minister of Trade, Industry & Energy, hosted a breakfast meeting with foreign-invested companies at the InterContinental Seoul, COEX. A total of 30 participants included foreign investors, representatives of chambers of commerce in Korea and officials from the Ministry of Environment and National Tax Service. As the Foreign Investment Ombudsman has not yet been appointed, Han Kiwon, the Head of Invest Korea, moderated the meeting.

The Director General of the Ministry of Trade, Industry & Energy (MOTIE) shared about the government’s FDI policy direction for 2015 and changes in Korea’s FDI environment. He explained that FDI inflows to Korea in 2014 hit a record high of USD 19 billion and that Korea ranked fifth for its favorable business environment in the World Bank’s Doing Business 2015 Report, both of which send a positive signal to foreign investors. He also touched on Korea’s free trade agreement (FTA) platform, which includes the Korea-China FTA and through which foreign investors can expand globally by taking advantage of the Korean market as a hub.

Speakers also said the government will improve regulations that may hinder investment to address grievances raised by foreign-invested companies and create a global business environment in which Korea serves as a business hub. To this end, a set of policies will be implemented to achieve proactive regulatory improvement, including a revision of the Foreign Investment Promotion Act, establish an incentive system reflecting the level of a company’s economic contribution, host regular meetings with key foreign-invested companies, enhance the Ombudsman’s grievance-resolution activities and more.

While speaking highly of improvements to Korea’s investment climate, representatives of the foreign business community in Korea called for transparency and policy consistency, to prevent difficulties in business activities. Frequently raised issues included excessive tax audits that impede business, a request to improve the visa policy for small foreign-invested companies and a reasonable improvement of a CO₂ emissions regulation that businesses can comply with. At the meeting, government officials provided answers and explained policies related to the issues raised.

“New investment opportunities are unfolding in Korea with the signing of multiple FTAs and it is time to appreciate the value of Korea as a hub of the global stage, not as a domestic demand-oriented market,” underscored Minister Yoon in his closing remarks, requesting active investments in Korea.

As a follow-up to the meeting, the Office of the Foreign Investment Ombudsman will endeavor to offer platforms for dialogue not only to resolve the grievances of foreign companies, but also to help build mutual trust between multinational companies and policymakers and enhance understanding of the Korean government’s policies by holding the Foreign Investment Advisory Council meeting and the CEO Forum for Foreign-Invested Companies later this year.

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