Grievance Resolution – Across Borders

The Foreign Investment Ombudsman met with the parent companies of foreign-invested companies in Korea to discuss grievances and government support.

As the Foreign Investment Ombudsman, one of the ways I help resolve the grievances of foreign-invested companies in Korea is by visiting not only their domestic offices, but their parent companies. In late June, I took my first such grievance resolution business trip to the United States and visited five companies in two cities.

My office, the Office of the Foreign Investment Ombudsman (OFIO), organizes these visits twice a year. The aim is for me to listen to the grievances of foreign investors and their parent companies, tell them the latest about Korea’s investment climate and government policies and encourage more investment by strengthening the network among the overseas offices of the Korea Trade-Investment Promotion Agency, of which the OFIO is a part, foreign-invested companies in Korea, their parent companies and myself.

Following these visits, I take the suggestions and grievances I’ve received, communicate about the matters addressed with relevant government agencies and actively try to reflect them in our resolution process.

I started with two venture capitals in San Francisco that have invested in Korea. Both said they’d like to see a more streamlined process for investment and fund transactions in Korea. I explained that Korea’s support policies for the financial sector are somewhat insufficient, as the country’s industrial policies had thus far focused mainly on the manufacturing sector. I assured them that I would strive to bring about improvements to Korea’s tax system and create a more predictable investment environment for the benefit of foreign venture capitals. I also told the companies I would encourage venture capitalists to participate as part of the discussion panel in Foreign Investment Week, Korea’s largest and annual foreign investment attraction event, as well as in other useful forums hosted by the OFIO, as this would give them an opportunity to exchange valuable insights and ideas.

I then visited a manufacturing company in San Francisco that plans to build a production plant in Korea to keep up with market growth in Asia. I briefed the business leaders I met on Korea’s recently concluded free trade agreements (FTA), how we have these trade pacts with many large economic blocs and how the Korea-China FTA in particular will offer the company great export-related advantages. I also introduced what incentives the Korean government can give exporters that build production facilities in Korea.

My last San Francisco stop was a bio-diagnosis machine manufacturer. Founded by a Korean, the company wanted to learn what requirements they’d have to meet to be considered a “U-turn company” returning to Korea from overseas. I gave them the information they needed, plus incentive-related details.

In New York, I devoted my attention to a company in the healthcare business that has invested in Korea and plans to build a manufacturing plant here as well. It raised issues related to tough market entry due to the Korean government’s price policies for medical devices. I assured them that I would deliver their message to the Ministry of Health and Welfare and help bring about the best possible results.

Through speaking with foreign investors literally coast-to-coast about various issues, my one consistent message was that the Korean government is here to provide support, and that strong relations with my office could help create a virtuous cycle of investment and reinvestment.

By Dr. Jeffrey I. Kim
Foreign Investment Ombudsman
jeffkim@kotra.or.kr