



Foreign Press Conference 2020

Q&A session on the Korean New Deal for international journalists

On Tuesday, October 20, 2020, the Foreign Press Conference 2020 hosted by the Ministry of Trade, Industry and Energy and organized by KOTRA and Arirang TV was held at the Korea Press Center in Seoul. This year's conference was participated by journalists from a total of 27 foreign press agencies who joined on-site and online, or who provided their questions before the event. It was broadcast worldwide via the Invest KOREA Week 2020 (IKW 2020) website and YouTube. At the conference, Jungwook Park (Director General for Cross-Border Investment Policy at MOTIE), Sanggoog Lee (Head of the Digital New Deal support team at the Ministry of Science and ICT), James Kim (Chairman of AMCHAM), Jenny Chu (Honorary Ambassador of Foreign Investment Promotion for Korea), Woonsik Ha (President of Johnson Controls Korea), and Edmund Wong (CEO of Jeju Shinhwa World) delivered remarks. Journalists from leading media outlets around the world including the Wall Street Journal (U.S.), Le Figaro (France), Reuters (U.K.), Sangyo Times (Japan), and Shanghai Media Group (China) asked questions regarding Korea's trade policies amid the COVID-19 pandemic, FDI policies and incentives in the post-coronavirus era, and details of Korea's Digital New Deal policy.

■ Presentations

Making Korea a more accessible and attractive investment destination amid COVID-19 - Jungwook Park, Director General for Cross-Border Investment Policy at MOTIE

Jungwook Park, Director General for Cross-Border Investment Policy at MOTIE gave a presentation on the Korean government's FDI policy amid COVID-19. By focusing on the Korean New Deal (Digital and Green New Deal), the government has introduced strong incentives for high-tech industries, including tax incentives, financial incentives, and support for clusters and human resources while expanding online business meetings and online IR for continued investment promotion. The government also promotes collaboration between relevant institutions to resolve any investment hurdles and induce early implementation of investment plans. Going forward, the Korean government will ensure a safe economic environment through effective response to COVID-19 and enhance access to investment through online IR and fast-track entry of businesspeople and investors. Korea strives to be a more competitive and attractive investment destination optimized to changes in the global industrial paradigm.

An opportunity for grand transition amid the crisis: Digital New Deal – Sanggoog Lee, Head of the Digital New Deal support team at the Ministry of Science and ICT

The next speaker was Sanggoog Lee, Head of the Digital New Deal support team at the Ministry of Science and ICT. He focused on introducing the Korean New Deal and the Digital New Deal in particular. The Digital New Deal is Korea's economic development strategy based on "D" (Digital), "N" (Network), and "A" (Artificial Intelligence) consisting of 12 tasks in four main fields of strengthening the

DNA ecosystem, improving the digital transition of education infrastructure, promoting non-contact industries, and digitizing SOC infrastructure. More specifically, the Digital New Deal aims to generate 903,000 jobs by investing KRW 58.2 trillion by 2025. The presentation emphasized the Data Dam, which collects and processes data imported from IoT, sensors, and robots to build the Data Value Chain for business projects across life-cycle and industrial areas. In the field of education, the Korean government plans to establish Wi-Fi networks across all elementary, middle, and high schools and provide tablet computers as part of the Digital New Deal. Korea plans to improve the competitiveness of relevant industries by digitizing the main SOC infrastructure. Mr. Lee finished his presentation by saying that Korea will emerge as the best investment destination for investment, R&D, and the commercialization of digital technologies once the Digital New Deal is implemented in full-scale through public-private partnership.

Presentations of foreign investors, AMCHAM, and Honorary Ambassador of Foreign Investment Promotion for Korea

Following the presentations by government officials, foreign investors, the Chairman of AMCHAM, and Honorary Ambassador of Foreign Investment Promotion for Korea shared their thoughts. First, Woonsik Ha, President of Johnson Controls Korea, stressed that the digital system is crucial for the construction industry and added that his company is working with customers and local partners for building smart buildings.

James Kim, Chairman of AMCHAM, explained that Korea has excellent human resources, a strategic geographic location, and a fast-paced, dynamic economy and that it is no surprise that many global companies have chosen Korea as their investment destination. Smart energy and natural resources will be an exciting area for investment especially thanks to the Korean government's strong leadership under the Green New Deal. Industries like 3M are making parts and materials a new growth engine for Korea. Global companies such as Pfizer, Johnson & Johnson, and Cytiva are making substantial investments in the pharmaceutical and medical device sectors. He said Korea would remain a leading investment destination for companies in the consumer goods sector such as P&G and Amway.

Next, Jenny Chu, Honorary Ambassador of Foreign Investment Promotion for Korea in the U.S., delivered her presentation. Appointed by the Minister of Trade, Industry and Energy, Honorary Ambassadors of Foreign Investment Promotion for Korea are committed to promoting Korea's investment environment in their regions of expertise, discovering potential investors, arranging investors' visits to Korea, and consulting with them. As a financial investment specialist, Chu started her speech by stressing that the pandemic is an unprecedented event. She shared that Groupe Societe Generale, France's second-largest bank, cited in its

reports the highly-skilled workforce thanks to an efficient education system, advanced R&D capabilities, and high-quality infrastructure as Korea's strengths, while mentioning somewhat restrictive and opaque regulatory frameworks, the dominance of big industrial groups, and high labor costs as its weaknesses. Citing analysis from a Bank of America report, she also shared about the investment trends in the post-coronavirus era including de-globalization, digitization, disease prevention technologies and smart cities.

The last speaker was Edmund Wong, CEO of Jeju Shinhwa World, who spoke on "Digital Transformation: New Normal for Korea's Tourism." Jeju Shinhwa World is Korea's largest resort located in Korea's leading tourist destination of Jeju Island, also affected by COVID-19. However, he explained that the digital transformation in the tourism industry accelerated the introduction of non-contact services, which will soon become the standard of service industries.

Q&A Session

In the Q&A session, questions about the presentations were submitted by participants on-site and online. There were also written and pre-recorded questions. Sebastian Falletti from France's leading daily newspaper *Le Figaro* asked how the Korean government is and will be supporting visits of foreign investors and businesspeople amidst COVID-19. Jungwook Park, Director General for Cross-Border Investment Policy at MOTIE, answered that the government allows businesspeople and investors with urgent matters in Korea to request for an exemption so that self-quarantine regulations do not affect their businesses. Alex Irwin-Hunt from fDi Intelligence of the UK asked about the priority areas for investment promotion, and Park answered that Korea is focusing on attracting FDI in high-tech industries, new industries, and the materials, parts and equipment industries.

Various questions were directed at Sanggoog Lee, Head of the Digital New Deal support team at the Ministry of Science and ICT. A journalist from *Cash* in Switzerland asked which industry will benefit the most from the Korean New Deal, and Lee answered that areas related to data and AI are most promising. A journalist from Japan's *NNA* asked whether the Data Dam is a physical structure concept, and Lee explained that the Data Dam, rather than being a physical structure, is a virtual structure where data from various data sources are gathered and processed by AI and other means.

When asked by a journalist from the United Arab Emirates why he thinks Korea is a good investment destination amidst COVID-19, Chairman James Kim of AMCHAM answered that Korea has innovative and outstanding manufacturing technologies and that the Korean government provides full support.

By Hyo Jung Jang

Assistant Manager

Investment Public Relations Team

Korea Trade-Investment Promotion Agency (KOTRA)