

# Key Policy Tasks Under President Yoon Suk-yeol

## Transition team unveils 110 key tasks to pursue under Yoon

On May 3, the transition team under the government of incoming President Yoon Suk-yeol unveiled 110 key policy tasks to pursue, including a "revolutionary" reinforcement of capabilities to respond to North Korea's nuclear and missile threats and scrapping the nuclear phase-out policy.

The tasks are aimed at realizing six broader goals that the incoming government plans to seek under the administrative vision of "A Republic of Korea that leaps anew, a people's nation of co-prosperity," the transition team said.

The six goals are to establish an upright country where common sense is restored; a dynamic economy led by the people and backed by the government; a society where everyone is happy, in warm company; a bold future created through freedom and creativity; a global leading nation that contributes to freedom, peace and prosperity; and an era of regions that makes it good to live anywhere in the Republic of Korea.

The 110 tasks that will help realize the goals range from helping small businesses fully recover from the damage of the COVID-19 pandemic to expanding the housing supply and scrapping the nuclear phase-out policy.

The tasks for foreign policy and security include pursuing North Korea's "complete and verifiable" denuclearization, normalizing inter-Korean relations, strengthening the South Korea-U.S. military alliance, and a "revolutionary" reinforcement of the country's capability to

respond to North Korea's nuclear and missile threats.

Economic security is an overarching theme, with tasks such as securing an "overwhelming lead" in the semiconductor, artificial intelligence, battery and other future strategic industries.

By doing so, the incoming administration expects to increase semiconductor exports by over 30 percent from USD 128 billion last year to USD 170 billion by 2027, the final year of its term; maintain its biggest share of the global battery market; and become one of the world's top three robot producers.

Scrapping the nuclear phase-out policy will entail pursuing Yoon's campaign pledges to resume construction of the Shin-Hanul No. 3 and No. 4 nuclear reactors and actively seek contracts to export 10 nuclear reactors by 2030.

Among other tasks are scrapping the justice minister's right to direct specific investigations by the prosecution, revitalizing the economy through regulatory reform, and increasing the salaries of conscripted soldiers.

Excluded from the tasks were Yoon's campaign promises to abolish the Ministry of Gender Equality and Family and deploy additional units of the U.S. THAAD antimissile system in the country.

The four principles to guide the actions of public officials in executing the tasks are national interest, pragmatism, fairness and common sense.

The transition team said it expects the incoming government will need KRW 209 trillion won (USD 165 billion) more than this year's government budget to implement the tasks.

It also said it created an image of the 110 tasks, converted it into a non-fungible token (NFT) and gave it to Yoon in the hopes he will make his promises to the people "non-fungible" over the next five years.

### New Korean gov't to relax regulations, tax rules for private sector-led growth

The incoming South Korean government under Yoon Suk-yeol will significantly relax regulations and offer businesses generous tax benefits to promote the private sector-led growth and reform trade policies to cope with growing threats from weaponized economic activities by bigger economies.

The new head of state will preside over newly created regulatory and industry innovation strategy meetings to facilitate the growth of more innovative businesses in the country.

This is part of the Yoon administration's efforts to drive Asia's fourth largest economy's growth through the private sector. To facilitate business activities, the new government will form a regulatory innovation promotion group consisting officials from the private and public sectors and academia to examine various regulations and suggest measures to improve them.

It will also expand and reform the current regulatory sandbox system to make it easier to create an innovative ecosystem for new industries. It will also promote citizens and businesses to actively suggest regulatory improvement through a newly created government system.

The Yoon government will also seek to adopt a negative regulatory system that ensures all things acceptable except those specifically banned by the government. This is considered better than the country's current positive

regulatory system in promoting creative innovations in business.

Tax relation is another perk for private businesses. The new government will expand tax support to spur businesses to invest and hire in Korea and reshoring. It plans to slash taxes on reserve income dividends to encourage businesses to spend reserve income on investment.

It will also give businesses in digital and low-carbon industries tax benefits for their research and development (R&D). Korean companies moving their manufacturing sites from overseas back home will enjoy income tax and corporate tax reduction.

The president will also lower barriers for business succession tax deduction system and special system on family business succession gift tax for smooth transfer of innovative technologies and capital between generations.

Policy finance under the new government will focus on future core technologies and sectors that need large-scale funding such as carbon neutrality. The government will also roll up its sleeves to boost R&D on advanced industries such as chips and batteries, vaccines, displays, and hydrogen energy and offer tax benefits. M&As will become easier under the incoming government that will introduce a fast-track review system for M&As.

At a time when big economies tend to weaponize their resources and trade to influence rivals, the new government will set up a new security committee under Prime Minister consisting experts and related ministry officials to maximize national interest in strategic technology and supply sectors highly competitive among major economies. The Yoon government plans to establish a response system integrated with expertise of diverse sectors and enhance national security system, said an unnamed official from the transition committee.