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The Value of Global Standards Emphasized Korean Goal: Advanced Trading Nation Status

As the part of a pan-national effort to achieve a US\$20,000 per capita GDP, Korean policy makers have set the building of an advanced trading nation as a national goal.

The consensus of specialists inside and outside of Korea is that the nation now stands at the threshold of achieving advanced nation status. However, to actually cross that threshold will require another economic take-off.

A report adopted at a meeting chaired by President Roh Moo-hyun pinpoints the necessity for Korea to adopt a new paradigm that closely links external openness and domestic reform.

"Externally, the challenge ahead for the Korean economy includes integration with the global economy and deepening of global networking in line with the rapid progress of globalization," the report says. It continues, "The Korean economy also faces pressures such as polarization, aging and growth without employment expansion."

Against this backdrop, the report provides an outline for Korean government policy makers' initiatives to transform Korea into an advanced trading nation: strive to adopt global standards in the key sectors of finance, labor and competition; establish strong global networks based on inward and outward foreign direct investment; foster more competitive services and parts and components sectors and intensify investment in future growth industries like IT; and facilitate the emergence of an open-market-friendly social infrastructure.

To realize the vision, the government is pursuing initiatives in the following directions - adoption of global standards for key domestic systems and practices, acceleration of global networking and expansion of an openness-friendly social environment.

First, the government will improve existing domestic regulations, practices and systems related to finance, competition, labor and foreign exchange to bring them on par with global standards.

The follow-on global-standards steps include speed-up in internationalization of the domestic financial market and fos-

tering the environment for fair competition. Other measures are increasing flexibility of the labor system, improving the foreign worker program and developing a specific roadmap that complements the Northeast Asian hub concept.

Second, the government will make efforts to accelerate the formation of strong global networks to achieve a more efficient production system, to facilitate access to natural resources, and to help avoid trade friction with international trading partners.

At the same time, the government plans to stimulate Korean enterprise investment abroad and to streamline measures that support global supply chain management for domestic enterprises and those located overseas as well as the further development of Korea's multinational companies.

In addition to initiatives targeting major conglomerates, policies are being developed to nurture stable small and medium enterprises, especially those engaged in the parts and components sector.

Furthermore, a global network for skilled foreign manpower is being emphasized in connection with increased foreign direct investment.

Third, the government will foster open market-friendly infrastructure by encouraging the accelerated restructuring of domestic industries and implementing systems that provide support to vulnerable areas like farming.

The social safety net will be strengthened via support for unemployment allowance, medical insurance, etc. Public participation will be expanded in the process of decision-making so as to form a national consensus on the need of adoption for global standards.

