



# BRIDGING THE PACIFIC

Issue XLVI-June 2005

News From KOREA

## Upgrading Korea-U.S. Industrial Ties Moving Toward a Broader Bilateral Relationship

Korea and the U.S. are taking another step forward in their traditionally trade-oriented relationship, as full-dress discussions have begun on cooperation in next-generation high-tech sectors.

According to the Ministry of Commerce, Industry and Energy (MOCIE), a Korean investor relations team led by MOCIE Minister Lee Hee-Beom held a series of meetings with U.S. government officials, Congressional and business leaders on May 19 on the topic of higher-level industrial cooperation and bilateral projects in the energy sector including those related to climate change and the environment.

Lee and U.S. Acting Deputy Secretary of Commerce David A. Sampson shared the view that the two countries should expand areas of industrial and technology cooperation, branching out from the previous focus on trade. To support their agreement, a Korea-U.S. e-Commerce Policy Consultative Meeting will be initiated at the government level and the U.S. will lead cooperation in intelligent management system (IMS), a joint R&D project among OECD countries. Furthermore, the two senior officials agreed to promote bilateral R&D projects among related organizations in each country.

### *Explaining the Blueprint: Korea as Asia's High-Tech Base*

Highlighting Korea's need for high-tech cooperation, Minister Lee explained the nation's basic vision during the investor-relations road show. He said that the Korean government focuses on the development of an Asian high-tech base to lead the region in innovation. He then invited U.S. investors to take an active part in the process.

Lee also noted that world-class information-technology is a key element in the nation's foreign investment infrastructure.

With respect to new cooperation in the energy sector, Minister Lee met with U.S. Energy Secretary Samuel Bodman and reached an agreement on bilateral cooperation in new and renewable energy, specifically in joint research and development of projects aimed at building a "hydrogen econ-



▲ Minister Lee, center, woos U.S. investors

omy." The two officials also agreed to cooperate on advancing the Korean Standard Nuclear Power Plant (OPR 1000), jointly develop fourth-generation nuclear power (GEN IV), and form a technical advisory group for treatment and disposal of nuclear waste.

Minister Lee emphasized the need for a Korea-U.S. free trade agreement (FTA) to facilitate a higher level of bilateral economic cooperation and exchanges.

In meetings with congressmen including E. Clay Shaw, Jr., Chairman of the Ways and Means Subcommittee on Trade, Lee pointed out the need for a more business-friendly visa system between Korea and the United States, which drew a positive response from Congressional officials.

### *Labor, Management and AmCham in Chorus*

The delegation for Korean investor relations road show consisted of representatives of government, labor, business and the American Chamber of Commerce in Korea, which emphasized the role of each party in advancing the bilateral partnership.

During a roundtable with potential investors, Yu Jae-Sup, first vice president of the Federation of Korean Trade Unions (FKTU), emphasized that his participation in the investment

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## Hong Kong + Singapore Jeju Island to Become 'Special Autonomous Province'

Korea plans to nurture Jeju-do, a resort island located off the southernmost tip of the Korean Peninsula, into what the Korean government calls an 'Autonomous Paradise' with unprecedented self-governing rights in all administrative fields - legislation, fiscal administration, organization, personnel management, etc.

On May 20, the Presidential Committee on Innovation & Decentralization announced the "Basic Conceptual Plan for Jeju Special Autonomous Province," outlining the development of the island into a free international city and also an ideal decentralized government model.

With stronger economic, social and cultural characteristics and independence than any other province in the country, the plan aims to develop the island into an "Exemplary Province of Decentralization" and also a "Free International City - Both in Name and Reality" to rival Hong Kong and Singapore by granting differentiated legal status and rights to the province.

The Presidential Committee is studying the idea of regional decentralization by providing Jeju-do with higher-level self-governing rights unlike those granted to other provinces. For this, the committee suggests enacting a special law for Jeju Special Autonomous Province and reinforcing autonomous legislation rights either eliminating or revising related restrictive laws and ordinances.

Through deregulation and global standards, the plan aims to establish an 'Ideal Free Market Economy Model' that would ensure the free movement of people, goods and capital and guarantee the freedom of corporate activities to the maximum extent.

To this end, all restrictions would be converted into a "Negative System" and global standards sought for legislative, customs and cultural systems, along with an expansion of the scope of tax exemptions, no-visa entry and establishment of the foundation for use of English as the official language, targeting a truly free



▲ Jeju-do is being rebuilt from "Pleasure Island" to "Treasure Island," fashioned after Singapore and Hong Kong

international 'No Visa, Duty Free, Zero Regulation, English Using City' like Hong Kong or Singapore, giving it the nickname "Hongapore Project."

In addition, the plan envisions nurturing Jeju-do into an "Environment-Friendly Northeast Asian Hub City" with '3+1 core industries' matching the characteristics of the island - tourism, education and medical industries plus state-of-the-art industries like IT, BT, ET, etc.

For this, the plan calls for building the foundation for international conferences and a sports industry, while developing the island into a world-class tourist destination, including the creation of comprehensive full-experience-type tourism and resort areas; transforming the island into a Mecca of international education by granting maximum rights required to form a global educational environment; and nurturing an advanced medical industry by establishing silver towns and inducing world-renowned specialized hospitals through legal and systematic support.

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road show represented the commitment of labor side to the pan-national drive to increase industrial competitiveness. He explained that Korea's labor movement has changed its previous militant tactics relying more on dialogue and conforming to the reinforced legal framework that treats labor as an equal industrial partner.

Ha Dong-Man, Deputy Secretary General of the Federation of

Korean Industries, highlighted the mutual advantages that stem from Korea-U.S. enterprise cooperation. And the former chairman of the American Chamber of Commerce in Korea, Jeffrey Jones, described new trends in the Korean management environment and offered advice on foreign direct investment, drawing on his long-term experience as an attorney and business leader in Korea.