



# BRIDGING THE PACIFIC

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News From KOREA

## Relocation of 176 Public Agencies Target: Balanced Development and Northeast Asia Hub

On June 24, the Korean government announced a plan to move 176 of 346 state-owned, state-funded agencies and public corporations away from the capital into the provinces in order to kill two birds with one stone: promoting balanced development and supporting the program to make the Seoul metropolitan area a Northeast Asian economic hub.

The percentage of the national population concentrated in the Seoul area has grown to 42.7% compared with 32.6% in Tokyo, 18.7% in Paris and 12.5% in London as of the end of 2000. This degree of overcrowding has created inefficiencies for further development in both the metropolitan area as well as in the rest of the country.

Under the revised concept, the largest-ever relocation program in the history of Korea differs from the previous formula that was designed mainly to curb economic and social concentration in the Seoul metropolitan area. Instead, the sweeping national development scenario focuses on creating a foundation for local area growth with the relocation of the high-caliber manpower and know-how that are vital for stimulating local economies.

### *Blooming of Glocalization on the Peninsula*

The relocation plan is being carried out through specific region-by-region development scenarios in this age of blooming glocalization (globalization plus localization).

Daegu is being promoted as a 'Backbone City' for industrial clusters in Yeungnam (Gyeongsang provinces) and concurrently as an 'Education Innovation City' that will produce high-end manpower. Gwangju's potential will be developed through the electricity industry with the relocation of Korea Electric Power Corp. (KEPCO), Korea Plant Service & Engineering (KPS) and Korea Power Exchange (KPX) to the Gwangju area.

The rationale behind the relocation of ocean-fishery-related public organizations to Busan is that the city has a well-developed fisheries industry and has the potential to become a regional ocean-logistics center. Also taken into consideration in the move of specific agencies to Busan is the fact that financial institutions, Korea Exchange (KRX), etc., are already in place and that the city's

### Region-Specific Development Scenario

City/Province	Prospects for Development
Busan	Northeast Asia logistics business center Secondary financial hub Concentrated growth of film/video industries
Daegu	Backbone city for Daegu-Gyeongsangbuk-do An education innovation city producing high-caliber manpower
Gwangju	A center for energy industry clusters
Ulsan	Diversification of key existing industries Develop new future growth engine industries Advanced country-type industrial welfare city
Gangwon-do	Mecca for health and life science industries Northeast Asian clean-environment tourist destination
Chungcheongbuk-do	Development of bio and future information industries Educational infrastructure for innovative manpower
Jeollabuk-do	Advance base for the Yellow Sea-rim economic block Center for high-tech farming and bio industry clusters
Jeollanam-do	Harmonized development of high-tech traditional industries Advanced farming with development of agricultural base
Gyeongsangbuk-do	Logistics foothold with an advanced infrastructure Future-type farming city with cutting-edge technologies
Gyeongsangnam-do	Construction technologies and related service industries Development of knowledge-intensive high-tech industries
Jeju-do	Free international city Reinforce regional economic foundation

film industry, solidified through 'Busan Film Festival,' needs further boosting.

The relocation of Korea National Oil Corp. (KNOC) to the environs of Ulsan will upgrade its existing industrial structure for oil refining and high energy-consuming industries.

Ohchang Venturenet (science industry park) has already been established in Chungcheongbuk-do and with the Korea Information Strategy Development Institute (KISDI) and other agencies also scheduled to move in, it is very possible that this province will be a base for major growth of information and communication industries.

Jeollanam-do will be the new home of the Knowledge Information Service Center (KISC) of the Ministry of Information and Communication (MIC) to enable the advancement of the province's industrial structure in connection with Gwangju's electricity industry cluster and the video-cultural industry. Korea Agricultural & Rural Infrastructure Corp. (KARICO) will most likely be relocated to the province since it is also a farming area.

Korea Highway Corp. (KHC) and Korea Transportation Safety Authority (KOTSA) will be relocated to Gyeongsangbuk-do as key highways pass through this province.