



BRIDGING THE PACIFIC

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News From KOREA

C-Korea 2010

Culture Industry Enriching Korean Competitiveness

On the coattails of the knowledge-based society, the culture industry has emerged as a next-generation growth engine for Korea. Against this backdrop, the Ministry of Culture and Tourism has developed the C-Korea 2010 blueprint designed to meet three policy objectives - to turn Korea into a top 5 culture-industry country; to transform Korea into a Northeast Asian tourism hub; and to develop Korea into a top 10 leisure sports-industry nation.

The ministry's blueprint initiatives are based on three C's: content, creativity and culture.

To create and maintain momentum for the culture industry, the initiative first calls for the improvement of the related investment environment and for the reinforcement of copyright protection. At the same time, the plan points to the need to widen the appeal of the Korean cultural wave (hallryu) from Asia to the rest of the world to help promote and increase the value of Korea as a national brand.

In order to spread the word about hallryu around the world, the blueprint envisions Korean Plazas in 15 cities in Asia, Central and South America and Western and Eastern Europe. These tourism and commodity-related pavilions are expected to attract widespread interest in Korea and its culture and to create demand for Korean cultural industry exports.

In the drive to build Korea into a Northeast Asian tourism hub, the plan encompasses the development and expansion of regional tourism attractions and a focus on special tourism sectors in preparation for attracting 10 million tourists annually. Specifically, Gangweon province is designated as a special leisure and tourism district where each city and county will develop unique tourism products and experiences. The policy includes building and upgrading lodging facilities such as tourist-oriented hotels and motels.

The initiatives also highlight the need for overseas marketing of Korea to capitalize on the opportunities provided by the 2008 Beijing Olympics as well as the 2010 Shanghai Expo.

To promote Korea's advance into the ranks of the top 10 leisure sports-industry countries, the ministry's blueprint

Content, Culture, Creativity C-KOREA 2010



Target and Strategy

Vision

C-Korea
"Korea, strong and happy in culture"



Three Major Policy Targets

- Realization of a top five cultural industry country
- Spring to tourism hub of Northeast Asia
- Entry into top ten advanced leisure/sports countries



Strategy

- Creation of market-friendly structure
- 'Blue Ocean' strategy
- Launch of transparent governance system

visualizes intensive cultivation of high-tech sporting goods and equipment that take advantage of the nation's strong competitiveness and global leadership in the IT industry.

The plan also emphasizes pan-national efforts to win the right to host high-profile international events like the 2014 Winter Olympics and the 2010 World Leisure Congress. Likewise, it seeks to promote professional sports, emphasizing the need to attract international sporting events such as a Professional Golf Association (PGA) tournament and World Cup Baseball games.

C-Korea 2010 puts private sector creativity in the driver's seat with the goal of becoming a key supporter of the nation's drive to achieve a US\$30,000 per capita gross national income (GNI). In this respect, it envisions culture industry incubators with a focus on a market-friendly structure, the establishment of a special fund and the encouragement of build-transfer-lease (BTL) projects. It also specifies a strong alliance of enterprises, research institutes, academia

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Key Sectors Remain Strong Korean Trade Outlook Brighter for 2nd Half

Korea's overseas sales of machinery, electronics, semiconductors and automobiles are likely to continue to increase in the second half of 2005, despite the strong won and record-high oil prices. On the other hand, steel exports are expected to record a slower gain due to falling steel prices worldwide, while textiles are expected to lose ground as cheaper Chinese products continue to flood the global market.

These forecasts are based on a trade survey conducted by the Ministry of Commerce, Industry and Energy (MOCIE) on August 3 targeting eight major industries that form the backbone of the nation's exports: textiles, machinery, shipbuilding, semiconductors, electronics, automobiles, steel and petrochemicals.

"These eight industries are very important as they account for 82% of our exports. The trade surplus of US\$56.4 billion posted by these sectors in the first six months of the year was 4.5 times larger than the nation's overall trade surplus, which stood at US\$12.5 billion," said Cho Hwan-Eik, Vice Minister of MOCIE.

During the first six months of 2005, overseas sales of petrochemicals and steel products surged 39.9% and 36.7%, respectively, as high raw material prices boosted export prices. Automobile exports increased 25.1%, fueled by improvements in Korea's brand image in the global arena. Semiconductor shipments rose 13.6%, helped by increased sales to BRIC countries (Brazil, Russia, India, and China.)

Meanwhile, textile exports suffered between January and June 2005 as cheaper Chinese products dominated the global mar-

ket following the elimination of the textile quota on January 1. Electronics exports were also down by 1.9% as profits were affected by a weaker dollar.

Nonetheless, MOCIE forecasts that electronic exports will likely rebound in the latter half of the year, as more new products will be introduced to consumers. Machinery, semiconductors, and automobiles are also expected to record strong performances. Overseas shipments of both semiconductors and automobiles are predicted to top the US\$30-billion level for the first time. Moreover, machinery and petrochemical exports are both likely to exceed the US\$20-billion mark.

Trade Figures and Outlook for Key Industries in 2005

Sector	Trade	First half figures (Year-on-year increase)	Second half outlook (Year-on-year increase)	Annual outlook (Year-on-year increase)
Textiles	Exports	6.958(-6.9%)	7.742(0.4%)	14.700(-3.2%)
	Imports	3.015(1.4%)	3.785(11.8%)	6.800(6.9%)
Machinery	Exports	10.445(24.8%)	10.500(24.0%)	20.945(24.4%)
	Imports	8.563(9.4%)	9.371(11.9%)	17.934(10.7%)
Shipbuilding	Exports	9.306(8.5%)	7.794(10%)	17.100(9.2%)
	Imports	0.850(13.7%)	0.900(7.5%)	1.750(10.5%)
Semiconductors	Exports	14.614(13.6%)	15.886(16.4%)	30.500(15%)
	Imports	11.866(2.2%)	13.134(9.4%)	25.000(5.9%)
Electronics	Exports	33.992(-1.9%)	40.829(15%)	74.821(6.7%)
	Imports	14.814(7.5%)	14.579(0.5%)	29.393(3.9%)
Automobiles	Exports	18.828(25.1%)	19.272(9.9%)	38.100(17.2%)
	Imports	2.171(6.3%)	2.399(12.3%)	4.570(9.3%)
Steel	Exports	8.329(36.7%)	7.800(7.0%)	16.129(20.5%)
	Imports	10.391(41.9%)	7.970(-4.8%)	18.361(17%)
Petrochemicals	Exports	10.373(39.9%)	10.000 (4.1%)	20.373(19.7%)
	Imports	4.773(33.6%)	4.000 (-10%)	8.773(9.5%)
Total	Exports	112.845(12.3%)	119.823(12.2%)	232.668(12.3%)
	Imports	56.443(13.1%)	56.138(3.8%)	112.581(8.3%)

* Note: Figures are in US\$ billion.

* The automobile trade figures include auto parts.

Culture Industry Supports Advance to US\$30,000 Per Capita GNI Era

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and government agencies under a memorandum of understanding. It cites the Daegu industrial complex as the model for focused development of the culture industry and the ability to achieve a synergy effect.

To create new markets and demand for Korean cultural prod-

ucts and tourism, the blueprint emphasizes that Korea target not only the domestic and Northeast Asian markets but also the global market through the development of next-generation leisure concepts.