산업통상자원부
MINISTRY OF TRADE, INDUSTRY & ENERGY
MOTIE

2016
Directions for FDI

2016.2.18

Contents

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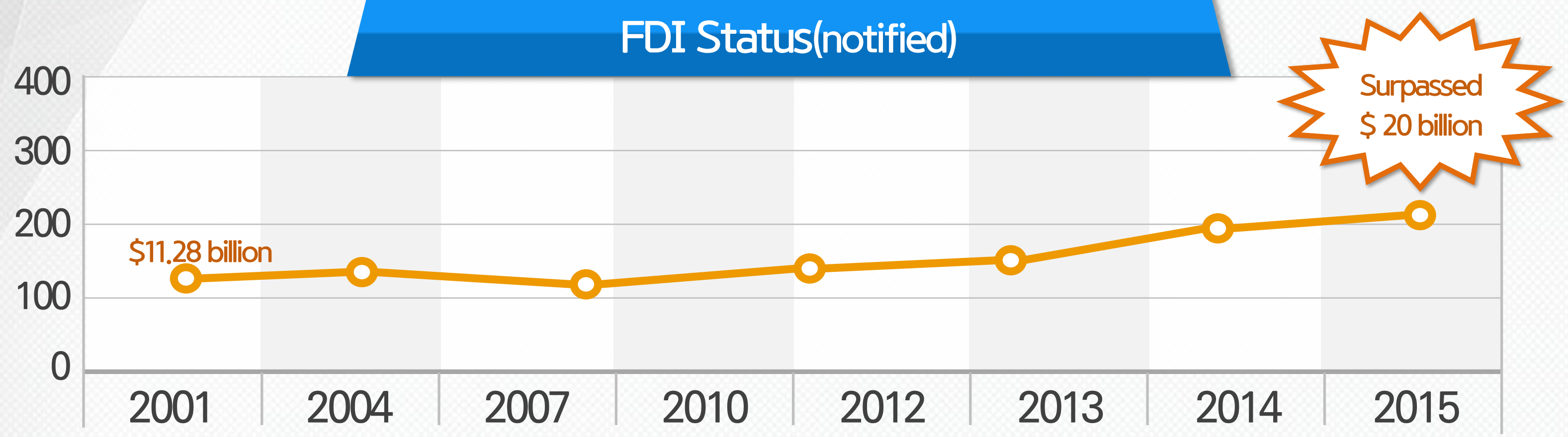
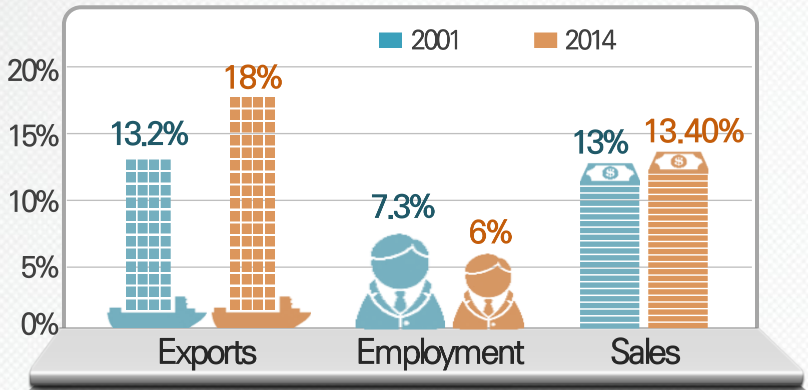
1 Foreign investment is a trustworthy companion of the Korean economy

FDI Status(notified)



Contribution to domestic economy



Expanded high value-added investment

Investment cases

- Asia regional headquarters for energy solution business("S" co.)
- Electronic materials R&D Center ("B", "S" co.)
- Production Factory for advanced materials("T" co.)

2 Korea is an attractive investment destination worth more than $20 billion.

Big Market with $1.4 trillion worth GDP

Mexico

- $1.29 trillion, 2.7% growth

Spain

- $1.38 trillion, 2.5% growth

More appealing to investors

Industry structure advancement

- Advance main industries
- Convergence/new industries
- Nurture High-added value service industries

Expansionary fiscal policy

- 2016 1st quarter : 21 trillion won of expanded fiscal & policy finance

Uncertainty elimination

- improve Flexibility of labor market
- Advancement of financial market

FTA network to integrate the global market

China

4 trillion Consumer market

India

7% GDP growth

Vietnam

16% annual growth Import of Consumer products

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1 One-Stop grievance resolution system will be established.

Half-yearly	Minister meetings	CEO Meeting (Deputy minister for Trade & Investment) Chamber of Commerce Meeting (Deputy Minister for Trade)	Monthly
Labor, Environment, Tax, Site Searching	Briefings of relevant ministries	Separate cooperative bodies of relevant ministries	Key Grievances

Continuous Grievance resolution

- Foreign investment Ombudsman
- Invest Korea
- KOTRA Administrative Support Center

Ⅱ. Directions for 2016 foreign investment policies

2 Regulations hindering investment will be reformed.

Easing regulations for new industries

A “negative method” for new industries investment

Preliminary Entry barriers

Lack of system

Elimination of Gray Zone and “Fast Track” for entry of convergence products

Reforming foreign investment regulations

Individual type Foreign investment zone

- Designation to include knowledge-based services

For non-profit organizations

- New investment requirements for non-profit organizations (science technology, academics, arts and etc.)

Limited investment business

- Review for limited business for foreign investment (29)

Ⅱ. Directions for 2016 foreign investment policies

3 support will be provided to enhance industrial competitiveness.

Facilitate private investment in new industries

R&D

- 11.5 trillion won investment on “new growth engine” R&D ('16~'17)

Manpower

- Nurture talent association with prime projects
- Better training through engineering majors

- 80 trillion won policy finance for new industries in 2016
- New industry R&D Tax Break (75 areas)

Finance

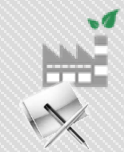
- Early entry into new markets by public initiatives project
- 'Micro Factory' to make prototypes for buyers

Market entry

Foreign investment support

Tax Support
Renew the list of high technology industry

- Key industry advancement, with the focus on new energy sector



Rent Support
Expansion of support

- Expand rent support from manufacturing to include new industries

R&D support
Expansion of technological projects

- Joint development projects btw foreign companies and Korea's research centers

* 4.6 billion ('15) ➡ 7 billion ('16)

THANK YOU!

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