



Abstract

Strategies to Intensify the Foreign Investment Activity in Gyeonggi-Do

Following the COVID-19 pandemic, Gyeonggi-do province needs to develop a long-term plan to attract more foreign direct investment and promote the return of domestic companies with overseas branches in order to become a hub for global high-tech firms and establish a stable global ecosystem.

Therefore, this study aims to systematically develop a policy for attracting investment specific to Gyeonggi-do by comprehensively analyzing the post-Covid-19-driven transformation in the value chain and the trend toward de-globalization and reshoring as well as the conditions and outlook of the local investment environment and system.

Gyeonggi-do's vision from the perspective of attracting investment is set to "Gyeonggi-do, the hub of investment activities in Korea". In addition, the goal of attracting investment in Gyeonggi-do is set to "innovate the industry and create a high-quality investment in Gyeonggi-do".

- Promote the advancement of business activity and the entry of new industries as a strategy for revolution-driven growth in connection with the 4 strategies and tasks
- Promote a mutually beneficial, win-win business model and cooperation for regional development(Creating Shared Value, expand CSV).
- Promote pro-active administration and pro-investment conditions under a strategy of a "fair economy".

- Pursue diversification of investment channels and future incentives as a strategy of “sustained growth”.

Four policy suggestions are made for institutional improvement to promote foreign direct investment in Gyeonggi-do.

- First, independent incentive systems(employment subsidies) for foreign high-tech companies have been prepared.

- Second, meet the demand of global high-tech and domestic companies to retrench by easing the new designation requirements of complex-type foreign investment zones.

- Third, for auctions of factories inside foreign investment zones, there are no restrictions on bidder qualifications, so any outside company can participate and put in a winning bid. As this presents a challenge for administrative agencies, only foreign-owned companies will be permitted to submit auction bids inside foreign-investment zones.

- Fourth, only foreign-owned or domestic companies will be permitted to subscribe to purchase unleased land of over 10 to 20 years inside the foreign investment zone. And foreign investment zones will be prohibited from changing or modifying the zone usage by minimizing the availability of long-term unleased land inside the foreign-investment zone.

Keyword

Gyeonggi-Do, foreign-invested company, foreign direct investment, complex-type foreign investment zone