Seoul’s Economic Vision for Sustainable Development

The Seoul Metropolitan Government, Korea
1. Global Status of Seoul in terms of Global City Indexes

- Worldwide Centers of Commerce Index #9 (WCCI 2008)
- Global Urban Competitiveness Index #9 (GUCI 2010)
- Global Cities Index #10 (GCI 2010)
- Global Power City Index #7 (GPCI 2011)

Need to discover and support a new growth engine
2. Present and Future of Seoul’s Economy

- **Slowdown in Economic Growth Rate**
  - 4.4% (2007) ➔ 1.2% (2009)

- **Reduced Proportion of GRDP**
  - 26.3% (2007) ➔ 23.6% (2009)

- **Hiring in Manufacturing**
  - 15.9% (2000) ➔ 6.8% (2009)

- **Service Industry Personnel**
  - 77.1% (2000) ➔ 87.4% (2009)

- **Percentage of Population Aged 65+**
  - 9.4% (2010) ➔ 14.9% (2020)

Need preemptive response to future economic challenges

**Smart Economy City**

※ (Smart Economy )
Coined by Prof. Walter Derzko, Toronto Univ. to explain the trend where functions of existing products converge into intelligently developed products
II. Seoul Economic Vision for 2020

Seoul, the Smart Economy City with Great Vitality

Vision

Goals

- Affluent citizens with US$40,000 GRDP per capita
- 20 million foreign tourists per year & development of knowledge-based industries

Strategies

- Sustainable Economy
- Advanced knowledge-based Economy
- Culture-focused Soft-Power Economy
- Balanced Economy

Tasks

- To foster 8 major new growth engines and 4 major urban manufacturing industries; and to pursue balanced development of all 5 major areas
III. Strategies

8 major new growth engines

- Business service
- IT convergence
- Tourism·mice
- Contents
- Green industry
- Design·fashion
- Bio medical
- Finance

Convergence

Creation of New Market

4 major urban manufacturing sectors

- Jewelry
- Apparel
- Printing
- Machinery

Shift to senior-friendly employment structure

KRW 1 trillion of support for R&D

Fostering of 100,000 global talents

Establishment of New Growth Engine Industry Fund worth KRW 1 trillion
1. Eight Major New Growth Engines

Business Service Industry

Establishment of BS Industry Support System & Network

Commercialization of Business Models & Support for Product/Service R&D

Research & Consulting Support for Start-up Business

Training of BS Specialists

What is the 'business service’ industry?

BS is an industry that drives growth and development by helping other industries with their business management based on expertise.
1. Eight Major New Growth Engines

2. Finance Industry

**Designation of Financial District & Establishment of Infrastructure**

- Seoul aims to become one of top 5 cities in terms of global financial competitiveness through the creation of a world-class financial hub.

- Seoul plans to produce about 10,000 global financial specialists.

**SIFIC (Seoul International Finance Center)**

Scheduled for completion in 2012, the SIFIC will house global financial powerhouses, finance-related service businesses, and the Asian headquarters of global financial giants. It is set to become a hub of the Northeast Asian financial world.
1. Eight Major New Growth Engines

3. Tourism and MICE Industries

- Strategic Development of the MICE industry
  - Expansion of Convention Infra (3 new buildings & 1 extended building)
  - Overseas MICE marketing & establishment of network

- Region-specific Tourism Marketing
  - Adoption of nation-specific marketing methods
  - Enhancement of Seoul brand & brand recognition

- Expansion of Accommodation Facilities
  - Tourist accommodation (78,000 rooms for 20 million tourists)
  - Home-stay facilities (10,000 households for 2 million tourists)

- Improvement of Cruise Entrance & Visa Issuance
  - Entrance by cruise ship (Incheon, Jeju, Busan and Pyeongtaek)
  - Simplification of visa issuance procedures, etc.
### 1. Eight Major New Growth Engines

#### 3. Tourism and MICE Industries

<table>
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<tr>
<th>Themed &amp; Converged Tourism Packages</th>
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<tbody>
<tr>
<td>- Themed tourism (health care, beauty, Hallyu &amp; shopping)</td>
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<td>- Linking Seoul with rural areas</td>
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<th>Online Provision of Tourist Information</th>
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<td>- Provision of more information through mobile devices</td>
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<th>Info Desk Expansion &amp; Facility Improvement</th>
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<td>- Addition of info desks (Apgujeong &amp; Hanyang Fortress Sites)</td>
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<td>- Improved foreign language info on sign boards</td>
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<th>Promotion of Eco-friendly Walking Tourism</th>
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<td>- Development of tourism products that allow tourists to walk through Jongmyo, Jongno, Seun &amp; Mt. Namsan in central Seoul</td>
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*Increasing repeated visits*
1. Eight Major New Growth Engines

4. Design and Fashion Industry

- Fostering DDP-centered design & fashion industry

- DDP-centered design infra convergence & connection
- Tourism promotion + leisure space for citizens

- Developing into a global design hub
  - Total design infra hub (exhibitions, conventions & information experiences)

- Mapo
  - Design employment center

- Gangnam
  - Design trend center

- DMC
  - Design start-up center

- Guro
  - Design SME center
1. Eight Major New Growth Engines

4. Design and Fashion Industry

- Business Marketing Support
  - Design Companies
- Fostering Fashion Creators
- Nurturing Fashion Power Elites
- Nurturing High-end Designer Brands
  - To start from 4 major fashion cities
  - To provide support for 30 designers per year to work abroad by 2020

World Top 5+
Global Brands

- Fashion BIZ Support
  - Support to ensure convenience in purchasing fashion items
  - To ensure convenience for overseas buyers
- Designer Brands
  - Nurturing High-end Designer Brands

1. Eight Major New Growth Engines

5. Green Industry

Creation of Green Demand

- Promote the use of new and renewable energy
- Replace city lights with LED lights
- Green public transportation
- Increase energy efficiency of buildings

KRW110 bn investment in GT R&D

Green Industry Fund (KRW 40 bn)

25,000 Specialists

World’s Best Green Technology
1. Eight Major New Growth Engines

6 Contents Industry

Development of Global Star Contents: 10 contents by 2020

- Fostering contents specialists
- Discovering contents planning/story incubation
- Support for Commercialization funds, tech. & equipment
- Marketing Support Linking distributors to publishers

Creation of Culture Contents Cluster (DMC)

- Game Contents Center
- Seoul Culture Contents Center
- 3D Tech. Equip. Support Center
- Visual Culture Complex

Global Star Contents

Hub of Culture Contents Industry
1. Eight Major New Growth Engines

7. IT Convergence Industry

Global Hub of Information Security Industry

- Incubator center
- Security System
- Test-Bed
- Export Support Center

<Establishment of Smart Security & Business Cluster>

Security Industry: creating high added value

IT Convergence Industry

IT Convergence Center & Cluster

Convergence R&D Support

- Apparel
- Health care
- Energy
- Robotics
- Environment

Creation of IT–Complex

IT

IT Convergence: developing new industries & creating jobs

Disclosure of public DB (potential added value)
1. Eight Major New growth Engines

8 Biomedical Industry

- Creation of Biomedical Integration Complex
- Magok Bio Integration Complex
- Dongdaemun Oriental Medicine Promotion Zone

※ Cooperation network with advanced bio clusters in Massachusetts & Maryland of the U.S.A.

- Creation of Biomedical Fund Worth KRW 200 billion

Foundations for Biomedical Development
1. Eight Major New Growth Engines

8 Biomedical Industry

Seoul-type Smart Medical Network

- Municipal hospitals: 13
- Dist. health centers: 25
- Community centers: 424

Connected via Smart Medical Service Network

③ Prescription, treatment, health info. & health mgmt

Checking health status

Individual health DB

Health machine
(body signal measuring device)

Community center

Remote diagnosis

Health center

Remote diagnosis & checkup info control / monitoring

Municipal hospital

<Remote medical network>

Improvement of health care & development of related industries
2. Four Major Urban Type Manufacturing Sectors

Countering deindustrialization: leading change and growth

Tackling job insecurity in service sector

Creating high added value via convergence w/new tech. & industries

Printing
Northeast Zone
IT conv. & Biomedical
Digitalization
New materials

Apparel
Jongno
Design & Fashion
High added value

Jewelry
Southwest Zone
IT conv. & Green Growth

Machinery
Digitalization
New materials
High added value
Mechatronics
IV. Balanced Development of Five Areas

- Design and fashion, printing & publishing, jewelry, tourism and MICE, beauty industry
- IT convergence, biomedical, apparel, green industry
- Business service, design and fashion, tourism and MICE
- Contents, design and fashion, tourism and MICE
- IT convergence, biomedical, finance, green industry, machinery

Stronger function of core clusters & area-specific industry specialization
V. Future Plans and Prospects

- To drive future growth by discovering and supporting 8 new growth engine industries.
  - To revitalize the regional economy and contribute to job creation
- To stabilize hiring by strengthening competitiveness of 4 urban manufacturing industries
- To achieve a balanced development of 5 areas via area-specific specialization strategies

Economic Effects of 2020 Smart Economy City of Seoul

**Total Investment**

KRW 6 trillion 236.6 billion

**Economic Effects**

- Production inducement: KRW 12 trillion 569.6 billion
- Added value creation: KRW 5 trillion 458.5 billion
- Job creation: 105,271 jobs
Thank you!