



KRIHS Policy Brief

KRIHS ISSUE PAPER

Publisher : KRIHS
www.krihs.re.kr

50 Years of Developing Industrial Complexes: Achievements & Tasks

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Summary

1. Over the last five decades, Korea has utilized the industrial complex as a major tool for laying the foundation for national industrialization and advancement of underdeveloped areas.
2. Companies within industrial complexes account for 70 percent of domestic manufacturing output while providing half of jobs. In select regions, such companies are responsible for 80 percent of manufacturing production and more than 70 percent of jobs.
3. Industrial complexes have accounted for 60 percent of the growth in factory land over the past decade, helping companies to secure their locations. The complexes have also contributed to curbing sprawling development by preventing companies from securing locations separately.
4. Along with changes in economic conditions, Korea's policy toward industrial complexes has undergone numerous shifts in fostering industries, development areas, and development agencies. Such policy is expected to undergo more vigorous changes down the road amid new trends such as the Fourth Industrial Revolution.
5. To effectively respond to such changes, the government must explore new approaches for improving the traditional development method of industrial complexes like finding locations, attracting companies to move into complexes, development method, and support system.



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Policy proposals

① To support the setup of new companies and their growth in new industries, the government needs to expand the development of small-scale industrial complexes within urban areas. For this, a new application standard is needed to help secure land by utilizing publicly owned land or a university campus and meeting corporate demands.

② New development of industrial complexes for traditional and core industries should be implemented with a focus on improving the settlement environment around complexes for workers. The development and management system also needs streamlining to ensure ecofriendly complexes.

③ To regenerate and revitalize aged industrial complexes, several methods of project implementation are needed to secure the economic viability of regeneration. A new support system must also be introduced to promote private investment while being compatible with the characteristics of regeneration projects.