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Status of policy discussion on AI in Korea

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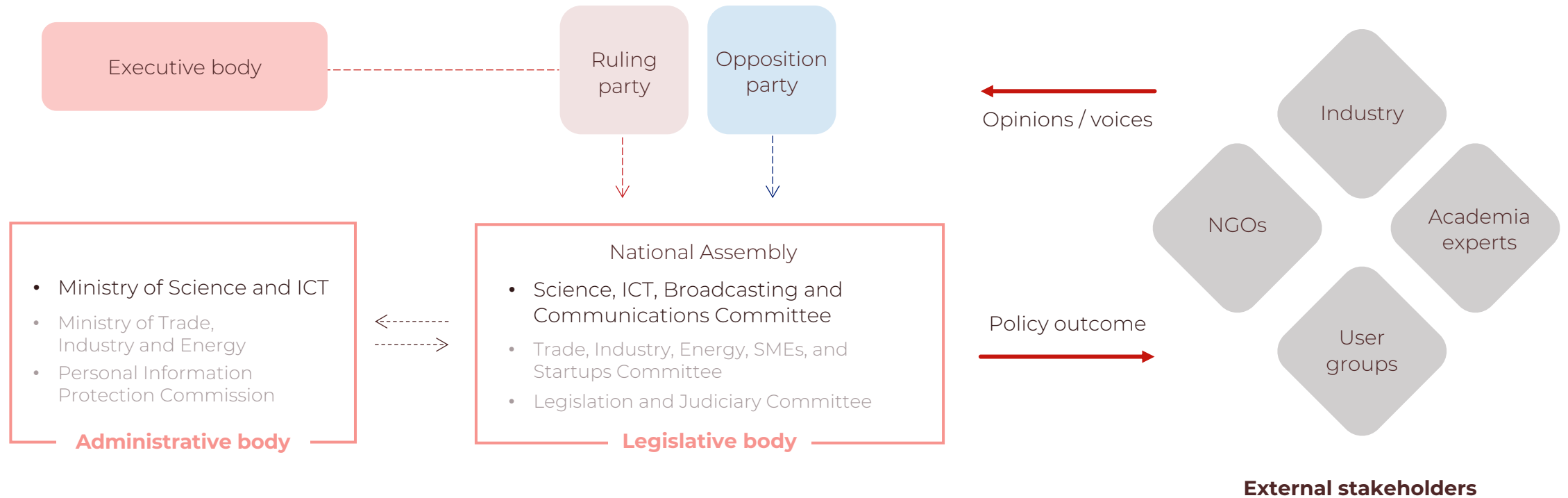
3. About GR Korea

How are AI policies formed?

Map of stakeholders in the AI policy making process

Public sector

Private sector



AI policy under the Yoon Suk-yeol's administration

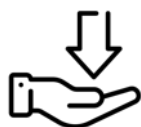
Vision and goals



"Korea, a top powerhouse in AI industry"

Global ranking	Market size	# of companies
6 th → 3rd	2 → 5.1	339 → 1,000
AI competitiveness	Billion USD	AI-expert companies
		('21→'27)

Key AI policy agenda



Create needs for the market

- Implements AI in **public welfare service** (elders, disabilities, small business owners)
- Utilizes AI to raise **local autonomy** (e.g., labor productivity, digital access)



Support growth for the company

- Provides **460 AI training open data sets** in 8 new business sectors
- Hands-on support for **local AI companies to enter global market**



Establish new order for the society

- Declare '**Digital Bill of Rights**' to ensure accessibility of AI's benefits
- Enact **the AI Act**, enhancing AI's growth, ethics, and reliability

Active engagements with global AI-industry leaders

Conversation with Geoffrey Hinton, Former VP and engineering fellow at Google

"...steady government support that is not tied to results...is one of the reasons why Canada has become an AI powerhouse, and we Korea should benchmark their path." (Sep 2022)



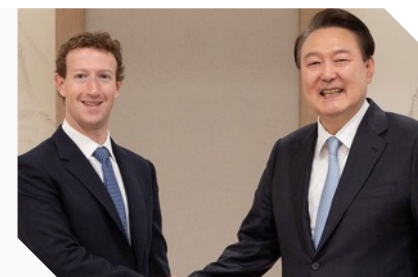
Meeting with Sam Altman, CEO of Open AI

"One country can't do everything to advance AI and needs to focus on certain areas, so what should South Korea focus on?" (Jun 2023)



Meeting with Mark Zuckerberg, CEO of Meta

"...memory industry that is essential for AI is globally led by Korean companies. Korea is ready to actively support what you (global big techs) have imagined and designed." (Feb 2024)



AI policy by the Ministry of Science and ICT (MSIT)

Vision and goals



*“2024 is the **year to coexist with AI**”*

MSIT's relevance to AI policy

- Main body responsible for setting nation's science & technology policies - **including AI policy**
- Oversees developing workforce to enhance AI technology, attracting both international and domestic experts
- Seeks to create regulatory environment for an AI-thriving society

Key AI-related agenda in the MSIT's 2024 Work Plan

Best R&D hub	<ul style="list-style-type: none"> • Allow foreign institutes to participate in government R&D • Abolish pass/fail evaluation on innovative R&D projects
Proactive R&D	<ul style="list-style-type: none"> • Invest R&D for AI breakthroughs • Establish AI research basecamps – Korea and the USA
AI/Digital transition	<ul style="list-style-type: none"> • Support early market entry with regulation exemption • Co-host the AI Safety Summit with the UK (May '24) • Implement AI in the essential public services (e.g., education)
AI/Digital for the people	<ul style="list-style-type: none"> • Rejuvenate localized industry by converging with AI technology • Secure digital access of the disadvantaged • Prevent “digital disaster” in advance

International cooperation for AI advancement

Global



R&D to foreign institutes

- Increased global R&D budget from **400m USD (2023)** to **1.3 b USD (2024)**
- Amended the presidential decree in Feb 2024 to allow participation of **foreign institutes coupling with domestic institutes** to participate in Korean government 's R&D projects

USA



Global AI Frontier Lab in the USA

- Secured **7m USD (2024)** for encouraging active scholar exchange between Korea and the USA
- Will establish **AI research basecamp to conduct challenging research** – known as “Global AI Frontier Lab” **by 2024** (Location within the USA TBD)

UK



AI Safety Summit with the UK

- Will cohost **the 2nd AI Safety Summit in May 2024** with the UK and discuss detailed actions for the Bletchley Declaration, **the acknowledgment of AI risks**
- Will invite **28 countries** and **numerous top global AI companies**

AI policy by the National Assembly

The AI Act

While there is bipartisan agreement on the alarming rate at which AI is impacting the industrial landscape and our daily lives, necessitating legislative action, two differing stances are at odds: one advocates for advancing the industry through AI, while the other seeks to mitigate the social risks caused by AI. **In Feb 2023, a bipartisan compromise passed** the NA Science, ICT, Broadcasting and Communications Subcommittee.

Advancing industry

- Promote industry-led regulation
- Lay the foundation to create a trust-based AI society

Protecting society

- Promote ethical principles for the development, provision, and use of AI

Key contents of the AI Act



Obligates the MSIT to establish a Basic Plan for AI and operate the AI Committee under Prime Minister's supervision



Offers support to innovative AI businesses



Provides a legal framework for establishing ethical AI guidelines



Classifies AI related to human life and safety as high-risk, requiring to notify such risks to users

AI advancement vs legislation

The disparity between the rapid growth of AI and the pace of legislative development has once again resulted in a year-long delay in passing the AI Act; the NA was divided over **whether to pass or amend a compromise that failed to adequately address the swift advancement in generative AI technology in late 2023.**

3.4
months

Average time
to double AI
performance



vs

19
months

Average time
to enact in
the 20th NA

“Pass first, then amend”

“To assist the industry in a timely manner, the government at least needs the Framework Act. Amendment can follow as AI transforms.”

“Amend first, then pass”

“It is difficult to revert its direction once the Act is announced. Thus, a careful and comprehensive approach is required.”

Industry-specific policies: AI and healthcare

Government policies: Utilization of AI in the medical sector

“Leaping into a global central state for **bio and digital health**”

No. 25 National Policy Task of the Yoon administration

Ministry of Health and Welfare

2024 Budget for Bio and Digital Health R&D

696.7 ^(13%) → **788.4** Billion KRW
2023 2024

Strategies for Creating New Bio-Health Markets (2023)

- Introduce **AI medical devices** in the medical field
- Expand **R&D** in emerging technologies including AI
- Develop AI medical devices for **screening and surgeries**
- Employ AI technologies and platforms in **drug development**

Ministry of Trade, Industry and Energy

Policy Directions for Digital Health Industry (2024)

- Support **commercialization** of digital health products utilizing AI
- Establish **bio-big data** and plan industrial utilization of data
- Train and educate field-oriented bio-IT convergence **experts**
- Support **private investment** and **export** of digital healthcare sector

Legislations



Act to promote digital healthcare and medical data utilization (2022)

- Define the scope and procedures for **processing medical data**
- Foster the industry through **regulatory sandboxes**
- Pending in NA Health and Welfare Committee



Act on digital healthcare and medical data utilization (2023)

- Obligate regular reviews for **safe use of medical data**
- Ensure the **right to request the transfer of medical data**
- Pending in NA Health and Welfare Committee



Act to foster and support digital healthcare industry (2022)

- Establish **Digital Healthcare Industry Committee** under MOTIE
- Provide **tax incentives** for outstanding digital healthcare corporations
- Pending in NA Trade, Industry, Energy, MSEs and Startups Committee

External stakeholders



Digital healthcare industry

Welcomes legislations and support for digital healthcare



Medical industry

Questions the safety of digital healthcare services



NGO

Expresses concerns on privacy rights of medical information



Academia

Flags potential issues with legal responsibilities

Industry-specific policies : AI and autonomous vehicles

Government policies: Use of AI for autonomous vehicles

“Commencement of the **mobility era** and **future strategization** of the land, infrastructure, and transport industries”

No. 28 of the National Policy Task of the Yoon administration

Ministry of Land, Infrastructure and Transport

2024 Budget for Future Mobility investment

47.4 ^(33%) → 63.1 Billion KRW
2023 2024

Mobility Innovation Roadmap (2022)

- Commercialize **L4* vehicles** ('25 public transportation, '27 cars)
- Establish **road infrastructure** for autonomous mobility such as maps
- Reform regulations** to provide new standards for autonomous vehicles
- Support autonomous technology start-ups and **expand R&D**

Ministry of Trade, Industry and Energy

Global Strategy for Automotive Industry (2022)

- Develop **core components** for autonomous driving
- Provide **regulatory reform** by legislative revisions

MOTIE's 2024 Work Plan

- Secure new technologies including future cars (hydrogen, electric, AI)

Legislations

L4

Revision to the Act on the Promotion of and Support for Commercialization of Autonomous Vehicles (Approved Dec 2023)

- Provide new **approval systems** and **performance standards** for L4, expansion from current focus on L3 vehicles
- Stipulate **responsibilities** of L4 drivers and manufacturers
- Specify regulations for **safety management**



Revision to the Act on the Promotion of and Support for Commercialization of Autonomous Vehicles

- Provide measures to **utilize video data** of autonomous vehicles without anonymization
- Establish regulations to ensure the **safety of data collection**
- Pending in NA Land Infrastructure and Transport Committee

External stakeholders



Taxi industry

Voices concerns on being replaced by autonomous vehicles



General public

Has mixed views on the safety of autonomous vehicles



Autonomous vehicle industry

Welcomes legislations for autonomous vehicles

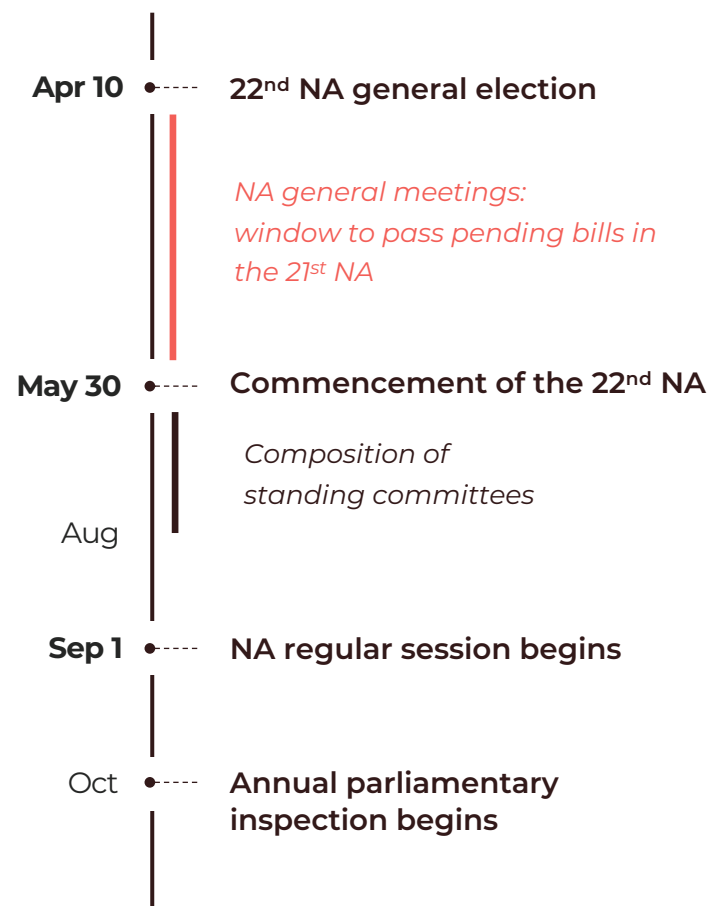


Academia

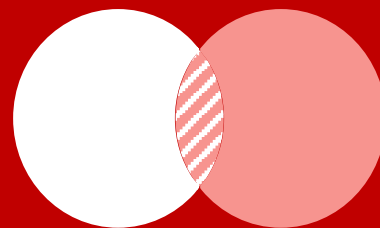
Calls for legislation efforts to promote L4 vehicles

Outlook and implication

Upcoming key political milestones

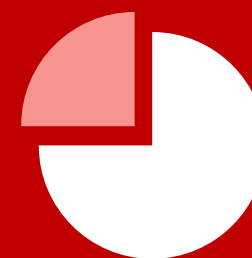


Considerations for AI companies



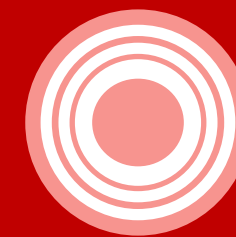
*Identify linkage
between your products
and AI policy priorities*

- **Analyze the relevant policy** landscape with seasoned experts
- Detect **potential areas where your expertise and products can contribute** to the **government's initiatives**



*Leverage milestones to
initiate collaboration
with stakeholders*

- Engage in upcoming milestones of **global cooperation opportunities** (e.g., summits)
- Cultivate **trusted partnership** through ongoing collaboration



*Speak up proactively
while regulations are
still forming*

- Discover **key decision makers** in the NA and government ministries in establishing AI policies
- Share your insights based on **international cases** and your expertise in this emerging field

GR Korea at a glance

GR Korea is a leading **government relations and public affairs consultancy** in Korea.

Our team of exceptional policy and industry specialists helps clients navigate the complexities of politics and work with stakeholders from all sides of the political spectrum to drive change and deliver societal impact.

GR Korea is a proud part of The GR Company, the largest dedicated government relations and public affairs consultancy in Korea and Japan, with offices in Seoul, Tokyo, Osaka, Taipei, Washington D.C. and London.

“ What is government relations? ”

Government relations refers to the **planning and implementation** of **proactive engagement** with public policy stakeholders for the purpose of creating an environment **conductive to policy changes**.

“ What can be achieved through effective government relations? ”

Shape positive business environment

Track emerging issues, anticipating change

Create market opportunities

Mitigate crises and risks

Contribute to industry and policy discussions

Safeguard corporate reputation

Our services

The GR Company offers a full range of government relations, public affairs and related services, including issue mapping, stakeholder mapping, policy monitoring, discreet intelligence gathering, and stakeholder outreach and engagement.

Stakeholder and issue mapping

Understand the issue at stake, stakeholder dynamics and the implications of political milestones

Strategy development

Identification of engagement targets and practical routes to achieving key objectives

Data-driven messages and narratives crafting

Development of persuasive fact-based narrative that resonates with targeted audience

Timely monitoring and intelligence

Discreet intelligence gathering and monitoring of relevant political, regulatory and policy developments

Outreach and advocacy support

Implementation of strategic outreach programs to engage with core stakeholder groups

Public affairs campaigns

Assistance in coordinating agenda-specific advocacy events and campaigns

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