

# Korea's June Local Elections: regional dynamics and the stakes for industry

May 2026



Source: Yonhap News

The June 3 local elections arrive one year into the Lee Jae-myung administration, the first nationwide vote since Yoon Suk-yeol's impeachment. Early projections pointed toward a historic DP sweep of up to 15 of 17 metropolitan positions.

That picture has since complicated: the PPP is closing the gap as conservative voters consolidate, while controversy over the withdrawal of criminal charges against President Lee, rising real estate prices, and remarks by DP leader Jeong Cheong-rae have narrowed the DP's room to maneuver. With the polling blackout beginning May 27, the next data point will be the result itself.

This edition covers the key races and the sectoral policy stakes that follow from them.

## Overview

Seoul is the most watched race of the 2026 local elections and the clearest test of whether Korea's post-martial law political realignment is holding. The DP's Jung Won-oh, a former district mayor and President Lee Jae-myung's publicly signaled preferred candidate, holds a structural advantage with Lee's approval above 60% and the DP leading in party support across the capital. Incumbent PPP mayor Oh Se-hoon, seeking a historic fifth term, is running deliberately distanced from PPP party leadership. His pitch is that Seoul under DP control would remove the last institutional check on the ruling party.

## Seoul's next economy: What each candidate is proposing to build

Seoul functions as Korea's command center for finance, technology, and high-value services, and beyond the real estate and housing issues that have consistently drawn voter attention in Seoul elections, both candidates have increasingly focused on how the city should position itself as Korea's leading hub for AI and next-generation industries.

Jung's platform is built around three geographic anchors. In Guro-Gasan, Seoul's oldest national industrial complex with roughly 13,000 companies in robotics, manufacturing, and logistics, he proposes a Physical AI special demonstration zone connecting existing industrial infrastructure to Yangjae's AI research base, with Seoul City as first commercial customer for firms developing inspection robots, autonomous shuttles, and urban safety systems. In Yongsan, where a major international business district is under development with occupancy from 2030, he proposes a UN AI Hub for global AI governance, standards, and ethics, backed by existing letters of intent with UN agencies. Across 20 commercial districts, he proposes replicating the Seongsu-dong model, drawing on his experience overseeing that transformation as Seongdong-gu mayor, by assigning dedicated district managers and building branded commercial ecosystems. On housing, Jung commits to cutting the redevelopment timeline from 15 years to 10 and providing rental support of approximately \$134 per month for 200,000 young Seoulites.

## Can Seoul become the global capital of AI governance?



Source: Asia Business Daily

## Seoul's Next Economy: What Each Candidate Is Building

Oh's centerpiece is the approximately \$2.7 billion Next Economy Seoul Fund, structured as a public-private vehicle with Seoul City contributing approximately \$134 million and the remainder from private capital and FDI. The fund would organize the city into five specialized industry zones spanning biotech in the northeast, K-content in the northwest, finance and culture downtown, Physical AI linking Yangjae and Suseo in the southeast, and advanced manufacturing in the southwest. He also proposes providing 500,000 young Seoulites with generative AI subscriptions including ChatGPT, Claude, and Gemini.

Both candidates are proposing aggressive industrial transformation. The distinction is in who leads: Jung's model uses city government as anchor customer and co-investor in district-level regeneration, while Oh's relies on private capital attraction and FDI flowing into sector-specific zones. For foreign firms, the practical question is whether Seoul's next growth cycle opens through public procurement relationships or through inbound investment into designated clusters.

## Remaking Korea's capital as an AI and biotech hub



Source: KBC

### Electoral landscape

- **Current polling (May 16–17):** Jung 43%, Oh 35%
- **Trend:** Gap has narrowed from 10–14 points in early April to 3–8 points by mid-May, with some surveys within the margin of error.
- **Key variables:** Turnout among younger voters; whether PPP conservatives skeptical of party leadership show up for Oh regardless.

**Oh Se-hoon**  
(People Power Party)



**Jung Won-oh**  
(Democratic Party)



- Incumbent mayor, 4-term, seeking historic 5th term. Former lawyer and assemblyman. Running distanced from PPP leadership.
- **Key pledges:** Institutional check on DP dominance. Private-sector led housing supply (310,000 units by 2031). Next Economy Seoul Fund (\$2.7B) organizing city into five industry zones. AI subscriptions for 500,000 youth.

- Former Seongdong-gu mayor, 3 terms
- **Key pledges:** Present a referendum on Oh's decade in office. Cutting the public-led housing redevelopment timeline from 15 to 10 years. Rental support program (\$134 USD/month) for young Seoulites. AI G2 Seoul platform anchored in Guro-Gasan Physical AI zone, Yongsan UN AI Hub, and Seongsu commercial model replication across 20 districts

**PPP**  
국민의힘

35 %

Latest polling (May 16-17)

43 %

**DP** 민주당

Source: MBC/Korea Research

# Gyeonggi province

## Gyeonggi's semiconductor dominance raises the stakes of the Governor's race







Source: Yonhap

### Overview

Gyeonggi Province, home to roughly 14 million residents and encircling Seoul, is South Korea's political and economic heartland. The governorship ranks among the most powerful local offices and serves as a traditional springboard for national ambition. The race pits the DP's Choo Mi-ae against the PPP's Yang Hyang-ja: whichever wins will become South Korea's first female governor of a metropolitan government. The DP confirmed Choo as its Gyeonggi governor candidate on April 7 after a competitive five-way primary, while the PPP struggled to attract heavyweight candidates before confirming Yang on May 2. Polls show the DP leading in the race, consistent with Gyeonggi's historical tendency to align with the ruling presidential party.

### Industry implications: Semiconductors and beyond

Both candidates have centered the race on semiconductors, reflecting Gyeonggi's role as Korea's leading high-tech manufacturing base anchored by Samsung Electronics and SK Hynix. Unlike Seoul's multi-sector contest, Gyeonggi's race turns on one question: who can best drive Korea's next phase of chip industry expansion. Choo's signature pledge is a "K-Semiconductor Cluster" spanning eight cities, built around a full-stack ecosystem from chip design to back-end processes, backed by DP alignment with the Lee administration. Yang, meanwhile, draws on her background as a former Samsung executive to advocate a more industry-led and geographically distributed growth across all 31 municipalities, while targeting per capita GRDP of KRW 100 million.

 <p><b>Yang Hyang-ja</b> (People Power Party)</p> <ul style="list-style-type: none"> <li>Former Samsung Electronics executive; entered politics in 2016, elected to the NA in 2020, later aligned with the PPP; currently serves on the PPP Supreme Council</li> <li><b>Key pledges:</b> Semiconductor investment across all 31 municipalities; raise per capita GRDP to 100 million won; expand Gyeonggi's eligibility for national semiconductor support</li> </ul>	 <p><b>Choo Mi-ae</b> (Democratic Party)</p> <ul style="list-style-type: none"> <li>Former judge; six-term lawmaker; and Party leader (2016–2018); led the party through President Park Geun-hye's impeachment, former Justice Minister under the Moon Jae-in administration</li> <li><b>Key pledges:</b> Unified DP control as a policy advantage; accelerate the "K-Semiconductor Cluster" through coordination between presidency, legislature, and governorship</li> </ul>	
 <p><b>33.8%</b></p>	<p><b>Latest polling (May 14-15)</b></p>	<p><b>47.9%</b></p> 

# Busan

## Overview

Busan, South Korea's second-largest city and a longstanding conservative stronghold, is also one of the most competitive battlegrounds of the 2026 local elections. The mayoral race between incumbent PPP Mayor Park Heong-joon and DP challenger Jeon Jae-soo has tightened significantly. The DP held a double-digit lead in early April; by mid-May that gap had narrowed to 9 points in the most recent live telephone survey with some polls placing the candidates within the margin of error. For the PPP, Busan is the last stronghold: a loss here would hollow out the party's claim to a viable regional base and accelerate its national decline.

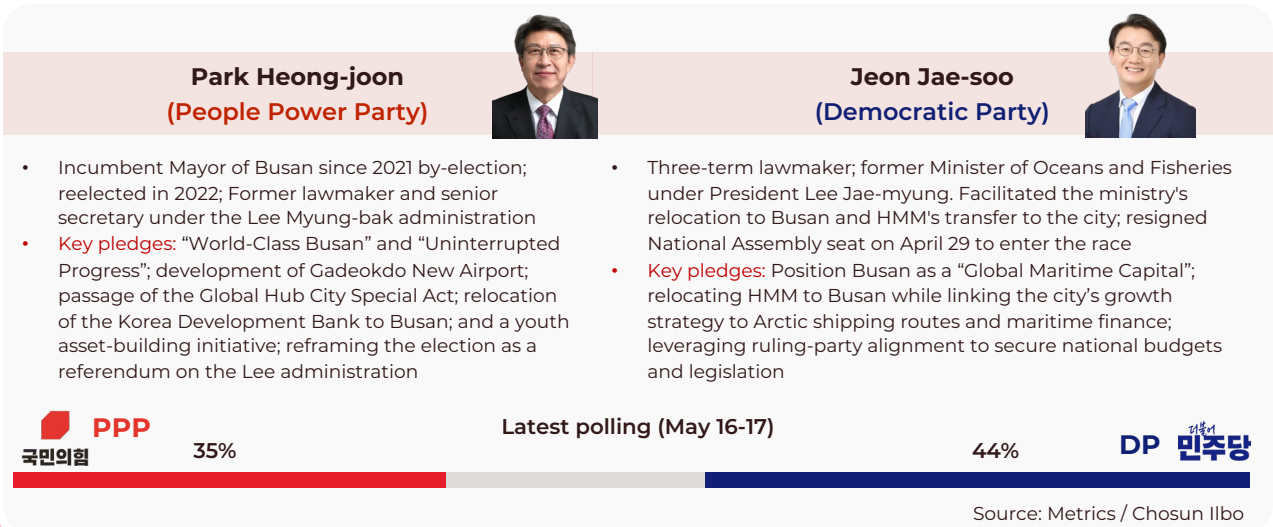
## Can Busan's next mayor turn South Korea's largest and busiest port into a global maritime hub?



Source: Chosun

## Industry implications: from Port City to Global Hub

Busan's ambition to become a global maritime hub alongside Singapore, Dubai, and Hong Kong is central to both campaigns, though the candidates offer different delivery models. Park emphasizes continuity, arguing that sustained leadership is needed to complete projects such as Gadeokdo New Airport, the Global Hub City Special Act, and the relocation of the Korea Development Bank. Jeon argues that large-scale development requires closer alignment with the central government, promoting initiatives including HMM's relocation, Arctic shipping routes, and a 50 trillion won regional investment corporation. For international firms in shipping, logistics, and maritime finance, the election will shape the direction of Busan's next phase of development.



Source: Metrics / Chosun Ilbo

# Daegu

## Political turmoil and economic stagnation puts the PPP's grip on its own heartland at risk





Source: TBC News

### Overview

Daegu is historically the safest conservative city in Korea and has never elected a non-conservative party mayor. But this cycle, the PPP's nomination process was protracted, with several high-profile figures withdrawing before Choo Kyung-ho emerged as the candidate. Choo faces criminal charges for allegedly obstructing the National Assembly vote to lift Yoon Suk-yeol's December 3 emergency decree and is currently on trial without detention. The DP's Kim Bu-kyum, a former Prime Minister running his fifth Daegu campaign, leads in most recent polling within or near the margin of error.

### Daegu's Industrial Crossroads

Daegu was once Korea's manufacturing heartland, known as Textile City, and remains a hub for machinery, auto parts, and optics. However, Daegu's GRDP trails every other major Korean metropolitan city and youth outmigration is severe. Both candidates treat the TK New Airport relocation and industrial transformation as the central tasks of the next term but differ on approach: Kim on ecosystem-building anchored in AI and robotics with the K2 military base converted into a Digital Transformation Valley, Choo on attracting a second national semiconductor industrial complex targeting Samsung and SK Hynix as anchor tenants. Both support reclassifying the airport as a nationally-funded project but disagree on the financing structure.

<p><b>Choo Kyung-ho</b> (People Power Party)</p> 	<p><b>Kim Bu-kyum</b> (Democratic Party)</p> 
<ul style="list-style-type: none"> <li>• Three-term lawmaker from Dalseong, former Deputy Prime Minister for Economy and Finance under Yoon Suk-yeol. Currently on trial for allegedly obstructing the National Assembly vote to lift the December 3 emergency decree.</li> <li>• <b>Key pledges:</b> "Protect the conservative heartland." Attract a second national semiconductor industrial complex with Samsung and SK Hynix as anchor targets. Reclassify TK Airport as a nationally-funded state project. Large-scale external investment attraction and FDI incentives.</li> </ul>	<ul style="list-style-type: none"> <li>• Former Prime Minister, running his fifth Daegu campaign. Early frontrunner through the pre-campaign period.</li> <li>• <b>Key pledges:</b> Industrial transformation anchored in AI, robotics, and medical industries with a \$668M startup fund targeting GRDP doubling by 2035. K2 military base converted into a Digital Transformation Valley once the airport relocates. Separate defense industry cluster at the Gunwi airport site. Campaign framed around disciplining the PPP as a precondition for party renewal.</li> </ul>
<p><b>PPP</b> 국민의힘</p> <p>37%</p>	<p>Latest polling (May 16-17)</p> <p>43%</p> <p><b>DP</b> 민주당</p>

Source: MBC/Korea Research

# Jeonnam-Gwangju

## Overview

The Jeonnam-Gwangju Integrated Special City merges Gwangju Metropolitan City and South Jeolla Province under special legislation enacted March 5, 2026, making this June 3 race the inaugural contest for the position. The merger creates one of the most powerful local executive positions outside Seoul, encompassing a civil service of approximately 36,000 and 394 statutory privileges. The race is structurally the DP's to lose. The party has never failed to win either jurisdiction, leaving PPP candidate Lee Jeong-hyeon's self-declared 30% benchmark as the only meaningful variable in the race.

## The DP's safest race, and its most consequential industrial mandate



Source: News1

## Industry implications: 20 trillion won and the architecture of the south's next economy

The Honam region has long been economically peripheral relative to its political weight: manufacturing capacity is limited, youth outmigration is persistent, and the region's share of advanced industry investment has remained thin despite major logistics infrastructure at Gwangyang Port. The inaugural mayoralty represents the first opportunity to address this at unified scale. Both candidates target AI, semiconductors, RE100 energy, and defense manufacturing, but differ on mechanism. Min proposes deploying a 20 trillion won package as direct equity investment rather than subsidies, organized by zone across the region. Lee argues that breaking DP political monopoly is itself the fastest mechanism for unlocking investment and administrative responsiveness.

**Lee Jeong-hyeon**  
(People Power Party)



- Three-term lawmaker and former Saenuri Party leader; the only conservative party politician to have won district-level National Assembly seats in the Honam region (Suncheon, 19th and 20th assemblies). Stepped down as PPP nomination committee chair to enter the race.
- **Key pledges:** Campaign target is 30% — framed as breaking 38 years of single-party dominance rather than winning outright. Industry priorities: offshore wind, RE100, AI, secondary batteries, semiconductor back-end processing, and maritime logistics anchored by Gwangyang Port

**Min Hyung-bae**  
(Democratic Party)



- Two-term lawmaker (Gwangju Gwangsan-eul); Blue House official under Roh Moo-hyun and Moon Jae-in; former Gwangsan District mayor. Confirmed April 14 in a runoff primary that defeated incumbent Mayor Kang Ki-jeong and Governor Kim Yeong-rok.
- **Key pledges:** 20 trillion won incentive package (8:1:1): 80% to AI, semiconductors, RE100, and defense as direct equity investment; 10% youth housing and talent; 10% healthcare. Global semiconductor plant within one year: over 10 trillion won investment, approximately 10,000 jobs



Latest polling (May 16-17)

73%

DP  
민주당

Source: Gallup Korea / News1



**A sweep gives Lee a mandate. Anything less gives the PPP a lifeline**

**Outlook**

The current landscape shows the DP leading in most regions, while the PPP is narrowing the gap in its traditional strongholds. A clean DP sweep would give the Lee administration significant governing momentum heading into its second year, accelerating the legislative agenda and reinforcing the party's dominance in the second-half National Assembly session where committee assignments will be negotiated.

Should the PPP hold the Yeongnam region while keeping Seoul competitive, PPP leader Jang Dong-hyeok's leadership would remain in place. But ongoing internal tensions would limit the party's effectiveness as a governing check, while a weakened Jeong Cheong-rae inside the DP would reduce predictability in the National Assembly.

The sectoral stakes follow directly. A DP sweep would accelerate the legislative timetable on the Semiconductor Special Act, the Busan Global Hub City legislation, and the Jeonnam-Gwangju industrial investment framework. A more contested result would not reverse those priorities but would slow execution and leave more of the policy agenda dependent on presidential decree rather than legislative consensus.

# CONTACT

 [contact.kr@grcompany.com](mailto:contact.kr@grcompany.com)

**GR Korea – Seoul**

9F, ONE CENTINEL  
70 Yeoui-daero,  
Yeongdeungpo-gu Seoul 07325  
T +82-2-556-4205  
[grkorea.com](http://grkorea.com)

**GR Japan – Tokyo**

Juzen Bldg.101, 2-9-6 Nagatacho  
Chiyoda-ku, Tokyo 100-0014  
T +81-3-6205-4205  
F +81-3-6205-4206  
[grjapan.com](http://grjapan.com)

**GR Taiwan – Taipei**

7F, No. 152, Sec. 1  
Zhongxiao E. Road,  
Zhongzheng Dist.,  
Taipei City 100024, Taiwan  
T +886-2-23515011  
[grtaiwan.com](http://grtaiwan.com)

**The GR Company - Washington D.C.**

1300 I Street, NW, Suite 411 E  
Washington D.C., 20005  
T +1-202-725-6273  
[grcompany.com](http://grcompany.com)

**The GR Company – London**

25 Wilton Road, Victoria,  
London, SW1V 1LW, UK  
T +44-77-3066-6918  
[grcompany.com](http://grcompany.com)

**The GR Company – Singapore**

Gateway West, Lv. 35  
150 Beach Road, Singapore 189720  
T +65-6727-4640  
[grcompany.com](http://grcompany.com)