

10<sup>th</sup> May 2022 - 17<sup>th</sup> August 2022

# 100 Days of President Yoon Suk-yeol

Since his inauguration on 10 May, Yoon Suk-yeol has spent his first 100 days pursuing an expansive agenda that includes promoting public-private cooperation and improving a wide range of regulations. GR Korea's First 100 Days tracks the 20<sup>th</sup> president's efforts to reshape policies focusing on the country's key issues.



**5.10**  
Inauguration



**5.23**  
IPEF meeting



**5.31**  
Support for  
2030 World Expo



**6.16**  
New economic policy  
announcement



**7.4**  
Meeting with  
Japanese delegate



**6.27**  
NATO summit



**6.21**  
Launch of space  
rocket 'Nuri'



**6.16**  
New presidential  
office in Yongsan



**7.7**  
New fiscal  
strategy  
announcement



**7.19**  
Meeting with  
Janet Yellen



**7.21 - 8.11**  
Ministerial briefings



**7.22**  
Policy agenda  
workshop



**8.16**  
Meeting with  
Bill Gates



**8.15**  
77<sup>th</sup> Liberation  
Day speech



**8.12**  
Luncheon talks  
with UN chief



**7.27**  
Launch of National  
Unity Committee

**8.17**  
100 Days



# Cabinet of the Yoon administration

**Prime Minister**  
**Han Duck-soo**

Served as prime minister for several former presidents



**Minister of Agriculture, Food and Rural Affairs**

**Chung Hwang-keun**

- Agricultural industry policy expert
- Former MAFRA official



**Minister of Trade, Industry and Energy**

**Lee Chang-yang**

- Economics and policy-making expert
- Former MOTIE official



**Minister of Gender Equality and Family**

**Kim Hyun-sook**

- Tax and pension expert
- Experience in pension policy reform



**Minister of Environment**

**Han Wha-jin**

- Air pollution and climate change expert
- Former honorary researcher of the Korea Environment Institute



**Minister of Employment and Labor**

**Lee Jung-sik**

- Veteran labour activist
- Former secretary-general of Federation of Korean Trade Unions



**Minister of SMEs and Startups**

**Lee Young**

- Former Chair of NA Public Administration and Security Committee



**Minister of Land, Infrastructure and Transport**

**Won Hee-ryong**

- Former planning committee chief of presidential transition committee



**Minister of Oceans and Fisheries**

**Cho Seung-hwan**

- Extensive expertise in maritime field
- Former chief of KIMST



**Minister of Science and ICT**

**Lee Jong-ho**

- Former head of Inter-University Semiconductor Research Center of Seoul National University



**Minister of Economy and Finance**

**Choo Kyung-ho**

- Former presidential secretary for Economic and Financial Affairs
- Former vice finance minister



**Minister of Unification**

**Kwon Yung-se**

- Veteran lawmaker
- Former ambassador to China



**Minister of Justice**

**Han Dong-hoon**

- Former prosecutor
- Expertise in special criminal investigations



**Minister of Foreign Affairs**

**Park Jin**

- Former chair of NA foreign affairs committee
- Former diplomat



**Minister of Interior and Safety**

**Lee Sang-min**

- Former Judge
- Former vice-chief of Anti-Corruption and Civil Rights Commission



**Minister of Education**

**Vacant**



**Minister of National Defense**

**Lee Jong-sup**

- Retired army lieutenant general
- Former JCS vice chair with expertise in S. Korea-US alliance



**Minister of Culture and Tourism**

**Park Bo-gyoon**

- Veteran journalist
- Extensive writing experience for political desk



**Minister of Health and Welfare**

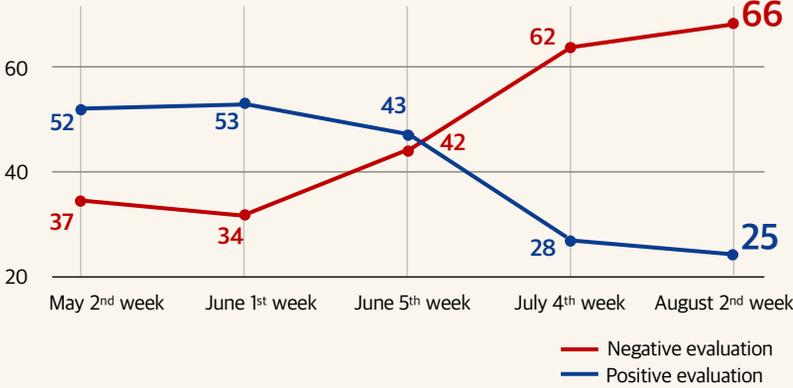
**Vacant**



# Politics

Yoon's election as president made the People Power Party the ruling party, but the party remains a minority in the National Assembly. As a result, political affairs have been marked by contention and difficulties in passing legislation on divisive issues are expected to intensify.

## ● Yoon's approval ratings



### Yoon's approval ratings

- Yoon's approval ratings fell to the 20% range, recording 25% in the 2<sup>nd</sup> week of August.

### Analysis of Yoon's approval ratings

- Yoon saw plummeting approval ratings after controversy over personnel appointments, and continued miscommunication between the Presidential Office and the ministries.
- The aggravating economic crisis also exacerbated the unprecedented low approval rate.

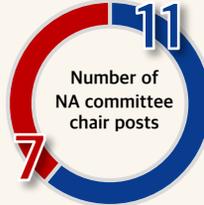
## ● Local elections in June 2022



PPP 12 5 DP

- The People Power Party won a landslide win in the local elections.
- Local elections were held during the Yoon's administration's honeymoon period.
- The win strengthened President Yoon's mandate.

## ● National Assembly Committee Reshuffle



— People Power Party  
— Democratic Party

- The Science, ICT, Broadcasting and Communications Committee and Public Administration and Security committee were key issues during negotiations.
- The ruling and opposition parties decided to alternate their terms; leading for one year each.



# Diplomacy

President Yoon Suk-yeol places great importance on economic diplomacy and is making efforts to carry out customised "sales diplomacy". Yoon is eager to improve relations between Korea and Japan. Furthermore, the president is pursuing an approach of "strategic clarity" to balance the power dynamics of U.S. and China.

## ● Strengthening the Korea - United States alliance



- President Biden visited Korea from May 20-22.
- The visit highlighted economic diplomacy as a national priority; placing a new focus on collaboration in the field of technology.
- The visit also reaffirmed the U.S.' commitment to its nuclear stance and emphasised trilateral cooperation between South Korea, the United States and Japan.

## ● 2022 NATO Summit



- Even though South Korea is not a member of NATO, President Yoon attended the summit.
- South Korea has raised its diplomatic profile and exchanged views on shared values with NATO members.
- Yoon's attendance also has important implications for solidarity in response to Russia's potential threats amid the war situation between Russia and Ukraine.

## ● IPEF (Indo-Pacific Economic Framework)



- The IPEF was launched on May 23, comprising 13 countries including Korea: this constitutes gigantic economic cooperation accounting for 40% of the world's GDP.
- The IPEF's priorities are supply chains, decarbonization and infrastructure, anti-corruption, the digital economy, etc.

# Economy & Finance

Due to the soaring inflation rate, the Bank of Korea has taken a number of unforeseen measures. The Yoon administration has pursued tax cuts in various sectors and plans to pursue financial and regulatory innovation to encourage corporate activities.

## Base rate adjustment

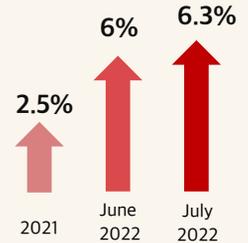
### Historical benchmark rate hike



- First ever interest rate 'big step' hike by 50-basis points
- First ever three-month consecutive increase

### Consumer price index

- Highest monthly consumer price index in 24 years (June, 6%)
- Monthly rates expected to continue to rise
- Yearly inflation rate could record 5%



## Government tax reform

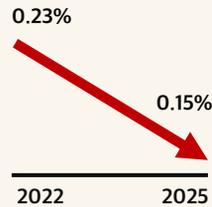
### Reduction of corporate tax rate



25%  
↓  
22%

- The Ministry of Economy and Finance is seeking to lower the maximum statutory corporate tax rate through a 2022 tax reform proposal
- If passed, the new taxation framework will be implemented from 2023

### Reduction of capital gains tax on disposal of shares



- The government has proposed tax cuts for capital gains from domestically traded stock shares in KOSPI, KOSDAQ markets
- The purpose of the reduction is to halve the financial burden on investors

### Expansion of petrol tax cuts



~50%

- The National Assembly passed a bill that would allow the scope of petrol tax cuts to be up to 50%, from the previous 30%
- The government will be able to counteract further increases in international oil prices

### Extension of cryptocurrency tax grace period

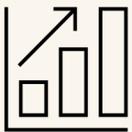


Exemption until 2025

- Adoption of framework to levy tax on cryptocurrency postponed to 2025
- Government seeks to categorically regulate cryptocurrency as securities and non-securities

## Public sector management reform

### Public sector performance evaluation reform



- Targeted to improve fiscal soundness and performance of public sector entities
- New management framework seeks to increase profitability and efficiency of public sector

### Relaxation of budget standards for pre-feasibility studies

**KRW 50B**  
(~ USD 38M)



**KRW 100B**  
(~ USD 77M)

- Increased minimum threshold of project budget required to undergo preliminary feasibility studies
- Seeks to promote public sector SOC and R&D projects

## Regulatory innovation

### Streamlining of corporate regulations



- Revisit regulations that stunt business growth
- Relax excessive technical regulations that limit corporate activities
- Prioritise economic growth over precautionary governance over industries



#### 1) Stakeholder dialogue for regulatory reforms



Establishment of public-private task force to review key corporate regulations

#### 2) Soften penalties against corporations



Rationalise moral standards and legal liability that may unnecessarily limit corporate activities

# Science and Technology

The Ministry of Science and ICT (MSIT) unveiled five key strategies, including the discovery of new technologies and enhancing national digital capability, to achieve technological and digital innovation. Meanwhile, the Ministry of Trade, Industry and Energy (MOTIE) is pursuing a major industrial shift through a growth-oriented strategy and private investment.

## ● Semiconductors

Expanding cash grants for foreign-invested semiconductor firms



Increase in maximum rates of cash support for investment.



Increase in share of government expenditure to support foreign-invested semiconductor firms.

## ● Platform Services

Launch of Digital Platform Self-regulatory Organization Task Force



Introduce self-regulatory policy for platform businesses, support business growth, and resolve public concerns surrounding business.



Draft amendments to the *Telecommunications Business Act* by the end of this year.

## ● Crypto

The Yoon administration plans to support the virtual assets market, implementing a framework act for digital assets.

### President Yoon's pledges for virtual assets



Allow ICOs following the introduction of IEOs.



Establish agency with oversight over virtual assets.



Increase tax exemptions for coin investments up to KRW 50 million.



Enact the *Framework Act on Digital Assets* to support the expansion of the virtual assets market.

### Action plan

#### Introduce Preliminary Certification Information Security Management System

MSIT has revised regulations surrounding the ISMS certification to allow virtual asset services providers to obtain a "preliminary certification".

#### Kick-off Meeting on financial regulatory reforms

The Financial Services Commission held a kick-off meeting on financial regulatory reforms in July and decided to promote domestic ICOs.

## ● Next-Gen Technologies

Developing new quantum, cutting-edge bio, and 6G technologies



MSIT's pilot demonstration of '5G Mobile Communications Convergence Project'.

Briefing session hosted by MSIT on the establishment of a 50-qubit quantum computer and project kick-off for quantum internet development.



## ● Cloud & Cyber security

Deregulating certification system and introducing new security systems



Improve regulations on the CSAP certification to expand the use of private cloud in public sector.



Promote introduction of new cyber security models such as Zero Trust against rising cybersecurity threats.

# Environment and Energy

The government held its 30<sup>th</sup> Cabinet meeting and laid out new energy policy goals and plans. The accomplishment of carbon-neutral government projects and the expansion of nuclear power were determined as key goals in response to the global push for carbon neutrality and rising global energy supply chain uncertainties. Most representative is the goal of making energy policy “feasible” and “reasonable”, including a rethink of renewable energy supply goals.

## Expanding nuclear energy

Resume construction of Shin-Hanul No. 3 and No. 4 nuclear reactors



Expand nuclear energy ratio to a minimum of 30% by 2030

Include nuclear power in the K-taxonomy



Include nuclear power in the K-taxonomy to attract more green investment

Domestic strategy

Rebuild nuclear power industry by launching “Nuclear Energy Export Strategy Task Force”



Expand range of exports through special package orders for the Czech Republic and Poland, etc.

International strategy

## Circular Economy

Establish circular economy by improving recycling rates

The Yoon administration aims to promote the circular economy by fostering resource recycling businesses.



Upgrade life cycle of plastics



Increase supply and demand of waste plastics

- MOTIE plans to support all areas of the circular economy including recycling, eco-friendly design, and product services.
- In addition, MOTIE intends to support not only the domestic market but also overseas market development.

Expand use of pyrolysis-derived oil

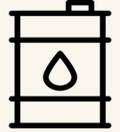
The Ministry of Environment has announced support for the use of pyrolysis oil produced from plastic waste.



Classify



Pyrolysis



- Clarify classification of pyrolysis-derived oil.
- Re-classify pyrolysis oil production plants as recycling facilities.
- Include pyrolysis-derived oil produced from plastic waste in recycled petrochemical products.

## New and Renewable Energy



Double biogas and hydropower production, utilising environmental facilities.

Rationalise spacing regulations for renewable energy facilities through standardisation.

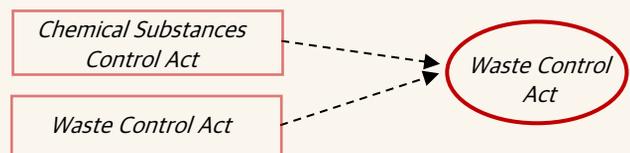


Apply fixed-price contract system to wind energy.

## Chemical Substances Control Act

Resolve overlapping application of laws

When disposing of waste with toxic chemicals, only the *Waste Control Act* will be applied.



However, if a waste disposal company manufactures and supplies harmful chemicals through the process of recycling waste, or if it needs to respond to chemical accidents, the “*Chemical Substances Control Act*” will continue to be applied.

# Labour

The Yoon administration aims to conduct major reforms of labour regulations. In line with Yoon’s pro-business stance, the government wishes to pursue deregulation to encourage free corporate activity and labour market changes including fewer limits on working hours.

## ● *Serious Accidents Punishment Act*



SAPA imposes criminal liability on individuals and entities responsible for “serious accidents”.

### Controversies



Ambiguous provisions causing confusion



Ineffective in preventing industrial accidents



### Reform plans



Amend ambiguous provisions

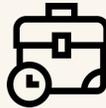


Reduce excessive punishments for CEOs

## ● Labour market reform

The government seeks a paradigm shift away from strengthening punishment toward occupational safety and health policies.

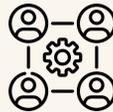
### Working hours



- Reform of 52-hour work week system.
- Expand grace period for flexible working hour system.
- Relax working hour regulations for start-ups and specialists.
- Consider increasing maximum overtime working hours.



### Reform plans



Launch taskforce to consider labour union and enterprise federations’ perspectives and continue to pursue reforms

# Health

The post of Minister of Health and Welfare has been vacant for around 70 days. Despite this vacancy, the MOHW announced its “Bio-health Innovation Plan” to further develop the bio-health and digital health sectors. The Yoon administration continues to place importance on pandemic preparation, and the MFDS recently approved Korea’s first domestically developed COVID-19 vaccine. Below are key goals under the “Bio-health Innovation plan”:

## ● Bio-health



Increase K-bio and vaccine fund from 500 billion to 1 trillion KRW



Expand partnerships and encourage cooperation with international organisations

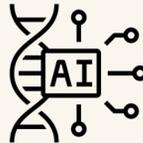


Increase investment in the private sector



Actively foster foreign investment

## ● Digital health



Regulatory reform for AI & innovative digital medical devices



Clarify rules for use of health care data



Establish nationally-integrated bio big data to create precision healthcare infrastructure



Support development of new digital medical devices