

# **A Research on Economic Cooperation between the Core Area of K-C-J**

## **- From the Perspectives of Legal System and Policy -**

[ JEJU FORUM FEZ Round Table ]

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## 5. The Exploring for Institutional Cooperation between KCJ



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# Key Issues in the Contents

1. Introduction  
: **[An Approach for the Cooperation of Network in KCJ Cores] by 2017**
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: **Enhancement of Network and Competitiveness through Collaboration**
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4. The Need for Institutional Cooperation between KCJ  
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: **Pilot Test Zone Construction for the Core Area Network in KCJ**  
-> **Increase liberalization Level, Promoting Trade facilitation, Standardization Cooperation**

# 1. Introduction

- ❖ Sharing the Necessity for the Networking of in KCJ Core Area!

## **Possibility of the Economic Cooperation in KCJ by New Momentum**

- Base : Cooperation due to Geographic Proximity and Cultural Similarity
- Limit : Low Level Economic Cooperation in Comparison to GDP and Population
- Opportunity : Realization of Win-Win Strategy through Strengthening of the Core Area Network in KCJ

# The Core Area Network in KCJ

[Conception] Networking of the Core Area Network in KCJ



## 2. The Flow of KCJ Economic Cooperation

### Enhancement of Competitiveness through the Mutual Understanding for the Core Area Network in KCJ

< C [Tianjin,Dalian,Qingdao] ~ K [IFEZ] ~ J [Hukuoka,Kansai Area]>

- Activation of Trade Between K-C-J
- Expanding the Supply Chain and Providers
- Promotion of Logistics Cooperation with E-Commerce Platform
- Strengthening Competitiveness of Export Capability and Core Area



# Geographic Proximity and Cooperation Networking

[Conception] The Conception of Pilot Area for Cooperation Networking



### **3. The status of KCJ – Legal/Policy Features**

**Understanding the institutional basis for regional cooperation  
between Korea, China and Japan**

**China (Tianjin, Dalian, Qingdao)/ Korea(IFEZ) /Japan (Fukuoka, Kyoto]**

**=> Special Economic Zone(SEZ)**

#### **China**

**:Special Economic Zone (21C Ocean Silk Road), Free Trade Zone (Qingdao X), State-Level New Area**

#### **Japan**

**:National Strategy Special Zone**

#### **Korea**

**:Economic Free Zone, Korea-China FTA Local Economic Cooperation Model City**



### 3. The status of KCJ - Korea(IFEZ)

#### Incheon Free Economic Zone(IFEZ)

##### ➤ Scale and location features

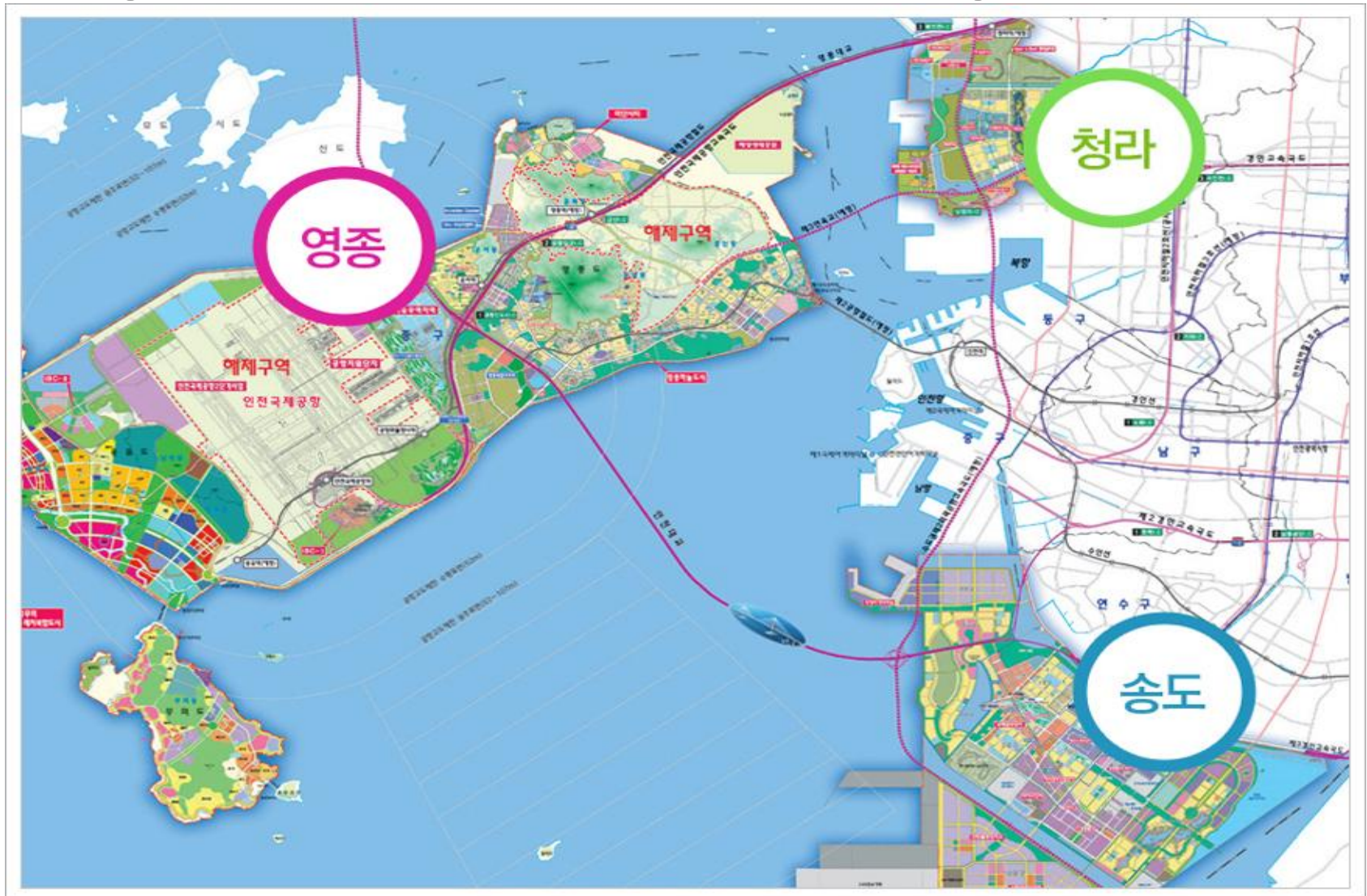
-The Incheon Free Economic Zone includes 33 districts and is the largest of the SEZs in Korea, along with industrial facilities in free-trade zones based on Incheon International Airport and Incheon Port.

##### ➤ Legal Status

- Free economic zones in accordance with national law [Special Act on Designation and Management of Free Economic Zones]
- Korea-China FTA Local Economic Cooperation Model City (Korea IFEZ - China Weihai City)

### 3. The status of KCJ - Korea(IFEZ)

[Fiugre] Incheon Free Economic Zone (IFEZ) Designation Status



### 3. The status of KCJ - Korea(IFEZ)

#### InCheon Free Economic Zone(IFEZ)'s Strategy

##### ➤ Songdo Int'l City

- Hi Tech Service : BT, R&D, Culture/Travel, MICE

##### ➤ Yeongjong Area

- Travel leisure Complex : Aero-Logistics, Travel Complex(Marine), Aero Industry Cluster

##### ➤ Chengla Area

- Business Complex : Int'l Business(Fiance), Robot, Manufacturing Parts Industry, Travel/Shopping

### 3. The status of KCJ – China : SEZ by Type

	Area	PFTZ	Finance Innovation	Servece Trade Innovation	Cross-Border E-Commerce	State-Level New Area
1	Shanghai	○		○	○	○ (Fudong)
2	Tianjin	○		○	○	○(Binhai)
3	Fujian	○	○(Quanzhou)		○(Fuzhou)	○(Fuzhou)
4	Guangdong	○	○(Zhujiang Delta)	○(Shenzhen, Guangzhou)	○(Sehnzhen, Guangzhou)	○(Guangzhou Nansha)
5	Zehjiang	○	○(Wenzhou)	○(Hangzhou)	○(Hangzhou, Ningbo)	○(Zhoushan Qundao)
6	Sichuan	○ Dron Log.		○(Chengdu)	○(Chengdu)	○(Tianfu)
7	Liaoning	○			○(Dalian)	○(Dalian jinfu)
8	Henan	○			○(Zhengzhou)	
9	Hubei	○		○(Wuhan)		
10	Chongqing	○		○(Liangjiang NA)	○(Chongqing)	○(Chongqing Liangjiang)
11	Shanxi	○ Dron Log.				○(Xixian)
12	Shandong		○(Qingdao)	○(Weihai)	○(Qingdao)	○(Qingdao Xihaian)
13	Yunnan		○(Yanbian)			○(Tianzhong)
14	Jiangsu			○(Suzhou) ○(Jiangbei NA)	○(Suzhou)	○(NanNing Jiangbei)
15	Heilongjiang			○(Haerbin)		○(Haerbin)
16	Guizhou	Bigdata Cluster		○(Guian NA)		○(Guizhou Guian)
17	Hebei					○(Xiongan)
18	Hunan					○(Shangjiang)
19	Gansu					○(Lanzhou)
20	Jilin					○(ChangChun)
21	Jiangxi					○(Zhanjiang)
22	Anhui				○(Hepei)	

### 3. The status of KCJ- China [PFTZ](Tianjin,Dalian)



- 上海



- 上海  
( 4倍 )
- 天津
- 福建
- 广东



- 辽宁
- 浙江
- 河南
- 湖北
- 重庆
- 四川
- 陕西

11 Pilot Free Trade Zones(PFTZ)

### 3. The status of KCJ – China (S-L New Area)

#### China: Tianjin, Dalian, Qingdao => “State-level New Area”

- Status of Establishment: As of 2017, there are 19 State-Level New Area
- Establishment goal: The state-level new town will strengthen the function of public service including the function to convert the economic development power of China, the stability of the people's life, the ecological environment, and promote the regional economic development.
- 天津滨海新区, 大连金普新区, 青岛西海岸新区 : FTZ

Name	Location	Local character	Innovation model	Industry / Technology Development Strategy
Binhai (滨海新区, 2006)	Tianjin	Northern window opening	Comprehensive Reform zone, led by service to boost regional economic sphere	Modern manufacturing, R & D base, local modern service center
Xihaian (西海岸新区, 2014)	Qingdao	Marine economy upgrade version	Innovation Demonstration District between military and civil sector, Marine economic international cooperation line tool, Land and sea integrated power generation testing zone	Ocean Technology Innovation Zone, Modern Ocean Industry System
Jinfu (金普新区, 2014)	Dalian	Strategic Highlights of Open Cooperation in Northeast Asia, Growth Area to Promote Northeast Asia	Traditional industrial base development method conversion line tool, system innovation self-innovation demonstration area, new urbanization,	Traditional industry upgrade, strategic emerging industry



# China Service Trade Innovation Development Demonstration City –Tianjin

中国服务贸易创新发展试点城市 2016.2.22.

天  
津

上  
海

海  
南

深  
圳

杭  
州

武  
汉

广  
州

成  
都

苏  
州

威  
海

哈尔滨新区

江北新区

两江新区

贵安新区

西咸新区

### 3. The status of KCJ- China(Tianjin, Dalian, Qingdao)

#### Finance Innovation Pilot Zone / Pilot Free Trade Zone

	Finance Innovation	PFTZ
Status	<p>特殊经济区(SEZ)</p> <p>Appointed by Prime Minister (2012/2013/2014)</p> <p>5zone(ZJ,GD,FJ/YN/<b>Qingdao</b>)</p>	<p>特殊經濟區(SEZ),</p> <p>Appointed by Prime Minister (2013/2015/2016)</p> <p><b>11zone : Tianjin, Liaoning(Dalian),...</b></p>
Purpose	Financial reform through revitalization of private economy	Promoting economic development through continuous reform and opening
Character	<ul style="list-style-type: none"> <li>• Activation of private economy</li> <li>• Expansion of financial business to foreign countries</li> <li>• Creation innovation of financial companies</li> <li>• Strengthening financial supervision and management</li> <li>• Expanding exchanges with neighboring countries (regions)</li> </ul>	<ul style="list-style-type: none"> <li>• Liberalization of financial transactions</li> <li>• Enhancement of financing convenience</li> <li>• Market interest and interest rate</li> <li>• Simplify foreign exchange management procedures</li> <li>• Allow entry of financial companies</li> <li>• Establish risk prevention system</li> </ul>
Pilot Test	Deliberation	Broad

杭州市

(2015. 3. 7.)

2016.1.12.

重庆市

天津市

深圳市

宁波市

成都市

郑州市

合肥市

广州市

大连市

青岛市

上海市

### 3. The status of KCJ-China(Marine Special Zone :Qingdao)

	Area	PFTZ	Marine SEZ	Finance Innovation	Service Trade Innovation	Cross-border E-Commerce	Statre-Level New Area
1	Shanghai	○			○	○	○ (Fudong)
2	Tianjin	○			○	○	○ (Binhai)
3	Fujian	○	○ (21C Marine SilkRoad/ Haixia Xian)	○ (Quanzhou)		○ (Fuzhou)	○ (Fuzhou)
4	Guang dong	○	△ (Zhujiang Delta)	○ (Zhujiang Delta)	○ (Shenzhen, Guangzhou)	○ (Shenzhen, Guangzhou)	○ (Guangzhou Nansha)
5	Zhejiang	○	○ (21C Marine Silkroad/ Zhoushan Qundao)	○ (Wenzhou)	○ (Hangzhou)	○ (Hangzhou, Ningbo)	○ (Zhoushan Qundao)
6	Liaoning	○				○ (Dalian)	○ (Dalian Jinfu)
7	Shandong		△ (Shandong Peninsula)	○ (Qingdao)	○ (Weihai)	○ (Qingdao)	○ (Qingdao Xihai)
8	Jiangsu				○ (Suzhou/ Jiangbei NA)	○ (Suzhou)	○ (Nanning Jiangbei)
9	Hainan	☆ ESZ	○ (Hainan Int'l Travel Island)		○ (Hainan)		

### 3.The status of KCJ – China(Tianjin, Dalian, Qingdao)

#### Development Strategies and Characteristics of Chinese Base Area (Tianjin / Dalian / Qingdao)

##### ➤ Tianjin

- Free Trade Zone, Service Trade Innovation Development City, International Electronic Commerce, National Supply
- "Specialized Business Incubation" -> Linked to Beijing-Tianjin-Hubei
- Customs / logistics / quarantine / finance / trade settlement etc.

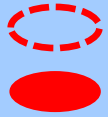
##### ➤ Dalian

- Free Trade Testing Zone, International Electronic Commerce, National Supply Zone
- Focus on logistics / transportation, automobiles (import / parts), new energy, new materials, advanced equipment

##### ➤ Qingdao

- Special zone of maritime trade (Shandong companion economic zone), financial reform general examination area, international electronic commerce,
- Efforts to establish the Northeast Asia International Trade Center, financial development as a comprehensive testing center for asset management and financial reform, and free trade port oriented
- Establishment of international ship registration system, various taxation and negative list management system for convenience of transshipment

### 3. The Status of KCJ – Japan:National Strategy Special Zone



## 2014년 1차 국가전략특구

**2015년 2차 국가전략특구  
(지방창생특구)**





### 3.The status of KCJ – Japan (Fukuoka, Kyoto)

関西圏  
(大阪府、兵庫県、京都府)  
**Kansai Area**

広島県・今治市  
*Hiroshima/Imabari*

福岡市・北九州市  
*Fukuoka/kitakyusyu*

# Employment Reform for Start-Ups



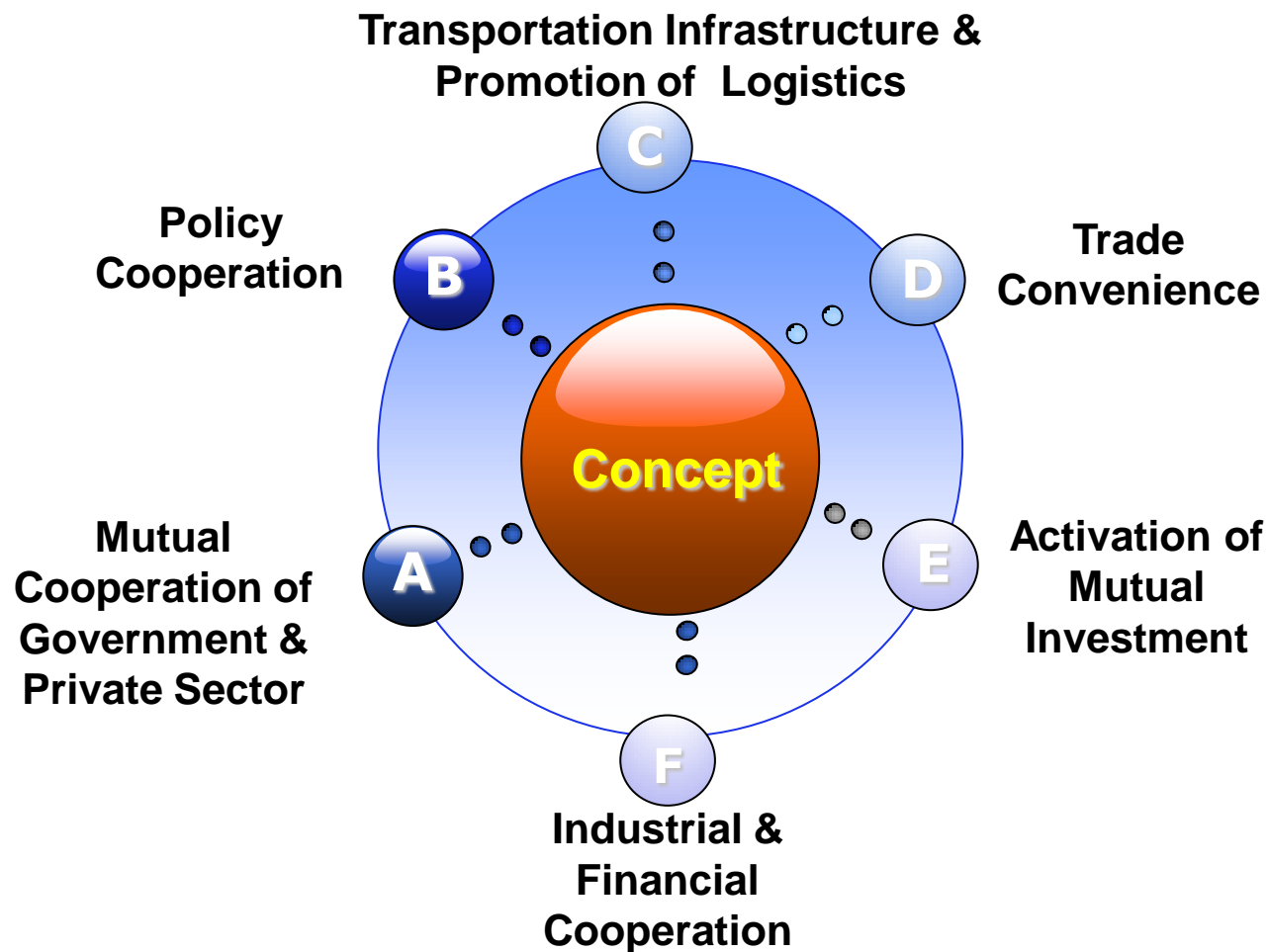
### 3.The status of KCJ – Japan (Fukuoka, Kyoto)

#### Strategies and Characteristics of the Japanese Base Area (Kansai Area, Fukuoka City)

- Kansai(Kyoto, Osaka, etc.): Innovation bases such as medical care
  - Utilization of approved drugs / medical devices in the US in Japan
  - Accepting advanced medical services using iPS
  - Prevention of labor disputes and activation of entrepreneurship
- Fukuoka City: Employment reform for start-ups
  - Road Law Exemption for MICE Activation
  - Prevention of labor disputes and activation of entrepreneurship

## 4. Necessity of Institutional Cooperation between K-C-J

- ❖ Cooperation with the institutional basis of the Korea-China-Japan economic cooperation base and future development strategy
- ❖ Desperate future policy design and use of collaborative inter-Korea-China-Japan economic cooperation zones based regional position

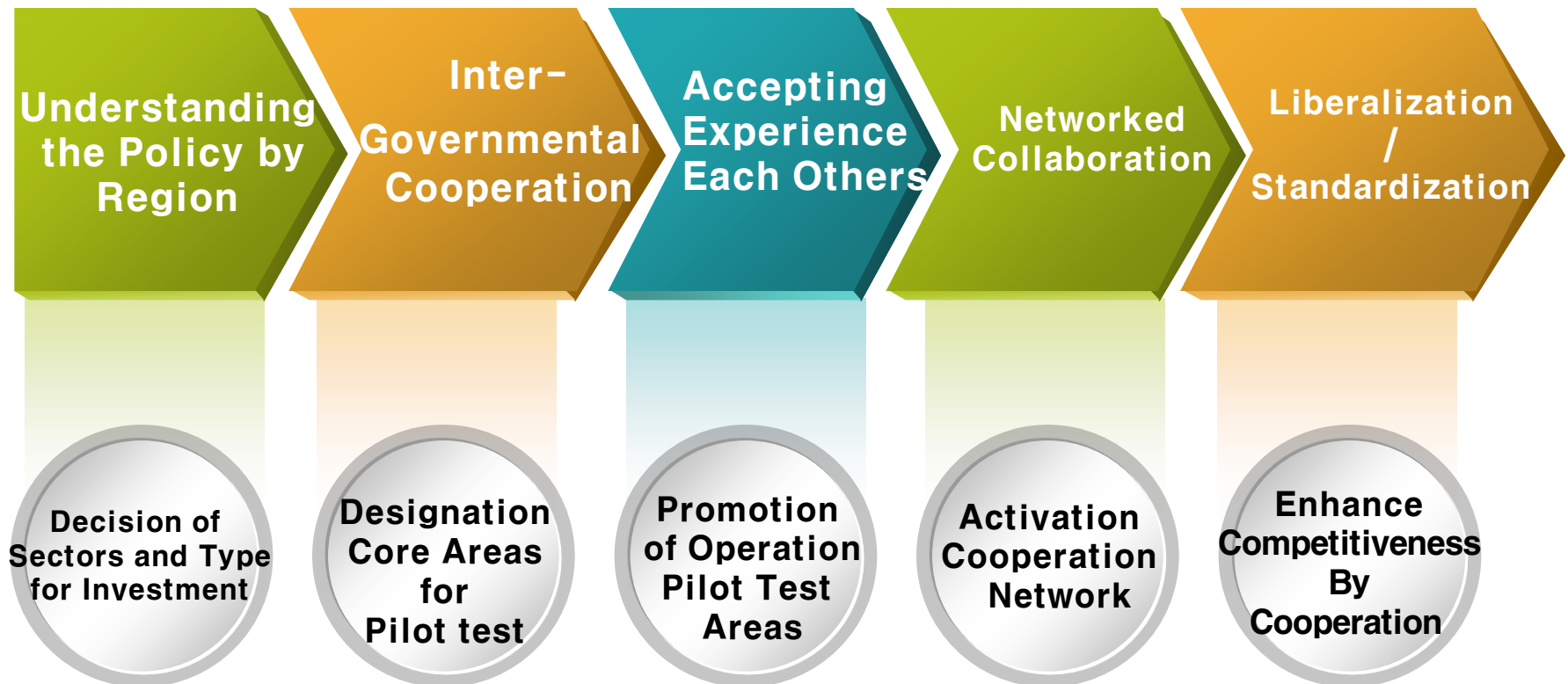


## 4.Necessity of Institutional Cooperation between K-C-J

### ❖ Characteristics of Korea-China-Japan Economic Cooperation Base Area and Necessity of Institutional Cooperation

- ✓ It is easy to trade between Korea, China, and Japan and can lead growth in each country->Ensure institutional status to enable free trade and encourage economic growth in surrounding areas(Domestic legal special status, infrastructure such as port / airport, strategic development area => policy support)
- ✓ the premise for trade/ investment is based regional institutional cooperation between the three countries -> Expanding trade supply chain through cooperation between 3 trilateral trade (goods, services) / investment for revitalization of investment(Transportation / logistics, simplified customs clearance, standardization, mutual investment, financial support, industrial policy => cooperation)

## 5. Direction of Institutional Cooperation between K-C-J



## 5. Direction of Institutional Cooperation between K-C-J

	China			Korea			Japan	
area	Tianjin	DaLian	Qingdao	Incheon(IFEZ)			Kansai	Fukuoka
				Song-do	Yeongjong	Cheongla		
Institutional status	PFTZ	PFTZ		Economic freedom area/ Korea-China FTA Local Economic Cooperation Model			National strategy Special Area	National strategy Special Area
			Maritime SEZ					
	Services Trade innovation		Services Trade innovation					
	International E commerce	International E commerce	International E commerce					
			Finance					
	S-L NA	S-L NA	S-L NA					
Development strategy	Entrepreneurial innovation	Logistics / transportation, automobiles, New energy, new materials, Advanced facilities	Northeast Asian trade finance (Assets), marine industry	Advanced knowledge : BT, R & D, MICE, Culture, Tourism	Tourism and leisure : Aviation, logistics, marine leisure	International Finance, Robots, Parts, Shopping	Medical innovation	Business Employment Reform
Cooperation direction	Service Industry/E-Commerce/ Entrepreneurial Innovation	Logistics / Parts / Equipment / Electronic Commerce	Marine leisure / Finance/ Tourism/e-commerec	Advanced knowledge Field establishment / R & D	Aviation / Logistics / Marine	Finance / Robots / Parts / Logistics	Medical treatment	Entrepreneu rial innovation
				E-commerce				
Inter Government Cooperation	Transportation / logistics, trade facilitation, standardization, mutual investment, finance, industrial policy, start-up support, R & D center, service trade activation, e-commerce platform construction							



## 5. Institutional Cooperation & the K-C-J FTA

### KCJ FTA Economic Cooperation Method

- **Modelity: Pilot Test?**
- **Scope : Service, Investment, SPS/TBT...**
- **System: Committee, Dispute Settlement Institute**

### KCJ base cities

- **Korea: IFEZ(송,영,청)**
- **China: T,D,Q**
- **Japan: KS Area, HK**

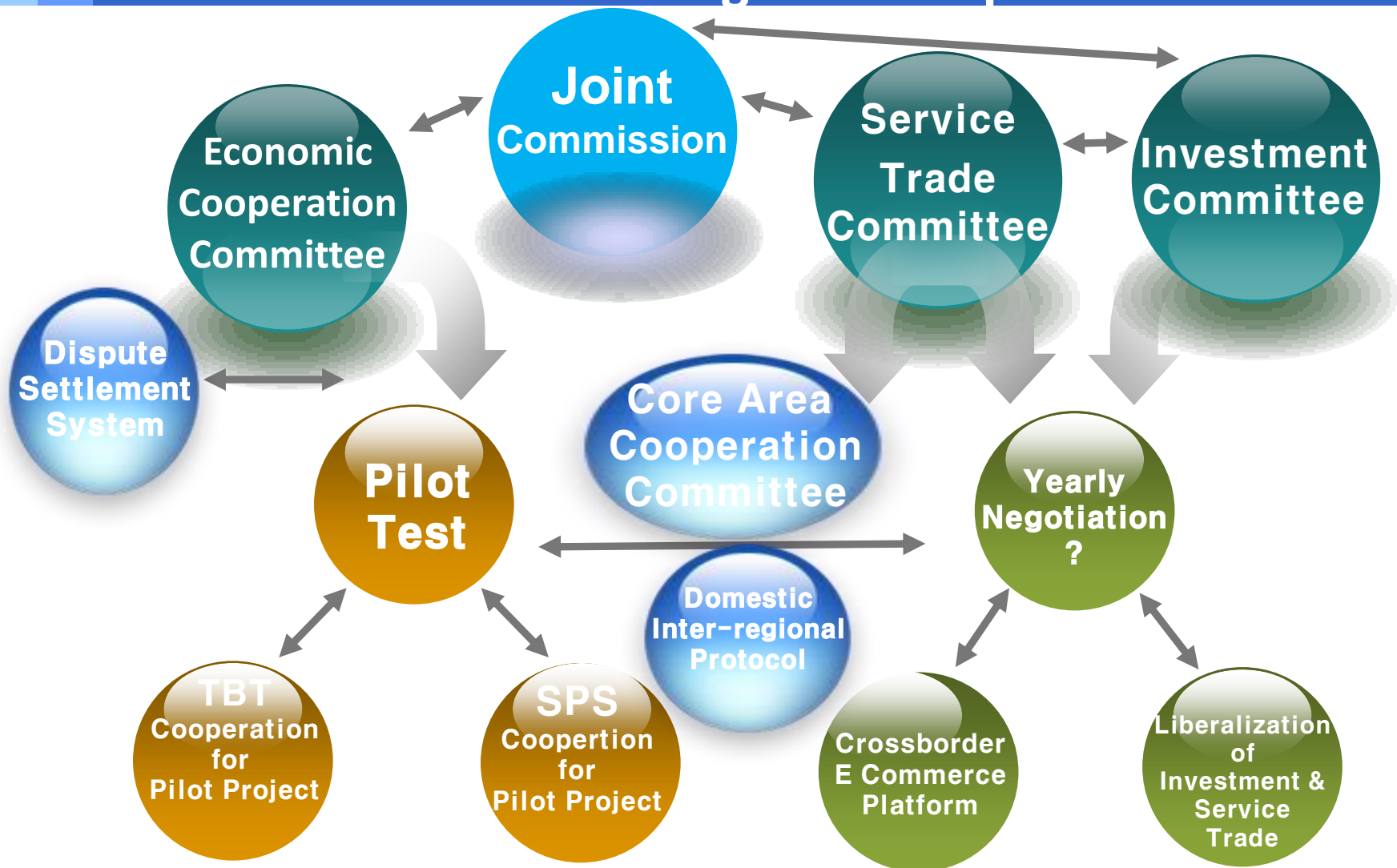
### KCJ FTA

- **Commission**
- **Liberalization**
- **Pilot Test Project**

### SEZ

- **PFTZ /E-commerce/ Marine**
- **IFEZ**
- **NSSA**

# Possibility of establishment of [Korea-China-Japan FTA Core Area Inter- regional Cooperation Committee]



# Thank You !

