

Supply Plan of New Industrial Locations Responding to Structural Low growth and 4th Industrial Revolution

Hoje Kang Research Fellow

Korea Research Institute for Human Settlements

Summary

1. Korea has been facing big transition under the structural and continuous low growth and 4th Industrial Revolution.

- Economic depression extended over a long period of time and new normal is globally widespread.
- Korea is under slow economy with the lack of effective demand and agingness, low manufacturing operation ratio, conflicts with China and it is expected to decrease planned location supply.
- The 4th Industrial Revolution is increasing new industrial demand which brings big cycle in relevant industries such as semiconductors.

2. Companies are located in metropolitan areas to improve their competitiveness and profits while industrial complexes are concentrated in local small towns in rural areas. (94% increase for 10 years)

3. The sales profits and business index of companies in metropolitan areas are higher than that of companies in industrial complex, which emphasizes improving planned location supply for business competitiveness.

Policy Implications.

Policy Implications
1) To clearly define the purpose of developing industrial location by regional development and business competitiveness and make a different service on increase transparency by establishing measures to check financial flow in housing market
2) To improve business competitiveness
3) guarantee middle payment for end users and reinforce transfer tax rate
4) To resolve uncertainty of housing quality and build foundation for gradual post sales
5) To improve resident stability and lower cost of housing for the homeless population by increasing public rental houses
6) To watch over temporal and regional boom in order to manage volatility of housing market

