



TOGETHER
for a sustainable future

OCCASION

This publication has been made available to the public on the occasion of the 50th anniversary of the United Nations Industrial Development Organisation.



TOGETHER
for a sustainable future

DISCLAIMER

This document has been produced without formal United Nations editing. The designations employed and the presentation of the material in this document do not imply the expression of any opinion whatsoever on the part of the Secretariat of the United Nations Industrial Development Organization (UNIDO) concerning the legal status of any country, territory, city or area or of its authorities, or concerning the delimitation of its frontiers or boundaries, or its economic system or degree of development. Designations such as “developed”, “industrialized” and “developing” are intended for statistical convenience and do not necessarily express a judgment about the stage reached by a particular country or area in the development process. Mention of firm names or commercial products does not constitute an endorsement by UNIDO.

FAIR USE POLICY

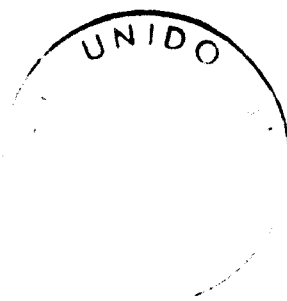
Any part of this publication may be quoted and referenced for educational and research purposes without additional permission from UNIDO. However, those who make use of quoting and referencing this publication are requested to follow the Fair Use Policy of giving due credit to UNIDO.

CONTACT

Please contact publications@unido.org for further information concerning UNIDO publications.

For more information about UNIDO, please visit us at www.unido.org

32103
12



UNITED NATIONS INDUSTRIAL
DEVELOPMENT ORGANIZATION

Distr.
RESTRICTED
UNIDO/IPPD.129
22 November 1973
ENGLISH

05536

REPORT ON EXPLORATORY MISSION TO
THE REPUBLIC OF KOREA

by

K.W. Stang
Interregional Adviser

(8 - 19 January 1973)

1d.73-7702

We regret that some of the pages in the microfiche copy of this report may not be up to the proper legibility standards even though the best possible copy was used for preparing the master fiche

CONTENTS

	<u>Page</u>
<u>DEFINITION</u>	
Economic Planning Board	1
Federation of Korean Industries	5
Ministry of Commerce and Industry (MCI)	7
Medium Industry Bank	9
Korea Chamber of Commerce and Industry	10
The Korea Development Bank	12
Ministry of Finance (MOF)	15
Federal Republic of Germany-Embassy Seoul	16
Ministry of Science and Technology (MOST)	17
Industrial Project Follow-up	18
Fine Instruments Centre	19
Onam Power Company Limited, Seoul	21
German Korean Technical Company Limited, Seoul, Korea	22
Siber, Hegner and Co. Ltd.	22
Economic Planning Board - Office of Investment Promotion	23
Federation of Korean Industries	25
UNDP Resident Representative	26
Personal Conclusions and Comments with respect to the Mission to Korea	26

UNDP Resident Representative, Bangkok

During a stopover in Bangkok on my way to Korea I had a discussion with Mr. ~~Rasm~~-Ericson, UNIDO Regional Industrial Field Adviser on the subjects of this mission in the five countries to be visited, particularly on interlinking questions, and to prepare my mission to Thailand around the middle of February.

Republic of Korea, 8-19 January 1973

Upon arrival in Seoul on 8 January I had the first briefing with Miss Nina Nash, Deputy Resident Representative, Dr. Robert Brown, Deputy Resident Representative and Mr. Pyong Chol Park, Programme Officer, UNDP Seoul. We reviewed the purpose of my mission and the contacts to be established during my stay in Seoul. I obtained the guidance of the UNDP officials on the latest developments in Korea, particularly as far as they may have a bearing on the mission. Preparations have been made in advance at my request from Vienna for meetings with the Economic Planning Board, Office of Investment Promotion, several Ministries, associations of industry and commerce as well as development banks. It was agreed that my prime contact for this mission would be the Economic Planning Board. I offered to keep in close contact with UNDP regarding my further proceedings and inform them about the outcome of my discussions and negotiations. I suggested that a UNDP officer should accompany me whenever they felt that one or the other of my meetings would be of interest to them. It was envisaged that I should meet with the UNDP Resident Representative, Mr. McInnis, preferably towards the end of the mission.

Economic Planning Board

In the initial meeting at the Economic Planning Board participated Mr. Hyong Guk Kim, Director, Office of Investment Promotion, Mr. Ha Ryong Park, Chief, Investment Promotion Division and Mr. Pyong Chol Park, Programme Officer, UNDP. We started in reviewing the activities, both in Korea and in Vienna at UNIDO Headquarters in 1972 under our programme to promote industrial projects in Korea. As expected the officials from EPB expressed mildly their disappointment about the fact that the Korean Investment Promotion Week could not have

been organized as anticipated, particularly since much effort had been devoted to the preparation by all concerned. They obviously appreciated that UNIDO could not be blamed for the failure of the project because the pre-requisites we had established for our assistance in organizing the Korean Investment Promotion Meeting in Seoul had not been fulfilled (sufficient number of good quality projects, submitted behind the time schedule, insufficient interest from investors to attend meeting).

I discussed in more detail the purpose of my mission and we reviewed the Aide-Mémoire on the Programme of Services offered by UNIDO to investment promotion institutions concerning industrial investment promotion and follow-up. Director Kim showed obviously interest in the services offered to the Office of Investment Promotion. Since Korea has by this investment promotion institution an instrument which appears to be well staffed and functioning there will be no necessity for a permanent adviser on investment promotion questions to be delegated by UNIDO to EPB. Mr. Kim immediately responded positively to our offer to send short term investment promotion advisory missions once or twice a year to Korea for consultations with his office. We discussed the features and procedure of such missions, particularly the financial aspects, which appeared to be satisfactory to the EPB officials. Mr. Kim proposed that he will write a letter directly to UNIDO Headquarters Vienna with a copy to UNDP, Seoul, expressing his interest in having the services of such a mission later this year, possibly in late summer or fall.

The possibility of organizing a National Investment Promotion Meeting for Korea in Seoul or elsewhere was briefly touched upon. It was made clear by the officers of EPB that for the time being the Korean Government would prefer not to envisage an investment promotion meeting of a national, multi-sectoral character.

They informed me that in 1972 a Korea Investment Promotion Meeting was organized in Bonn, Germany, sponsored by the Korean Government, represented by the Vice Minister of the Economic Planning Board, Mr. Jae Sul Lee and German Government and private organizations in the FRG. The participants in this meeting were primarily German industrialists, businessmen and financial institutions (I am obtaining some more detailed information on this meeting, both from EPB and the German Ambassador in Seoul). I was told that the meeting was considered to have been successful.

Director Kim, when we discussed UNIDO's sectoral investment promotion meetings in the form of components to technical seminars, immediately expressed an interest in the possibility that the Korean Government may host in the future such a seminar and investment promotion meeting, possibly for the electronics industry (if my information and recollection is correct, plans for a seminar on the electronics industry are already under preparation by TCD).

Director Kim designated as counterpart officer to me for the duration of my mission to Korea Mr. Dong Bai Kim, who is well known to UNIDO. participated as one of the Korean Government representatives in the Singapore Investment Promotion Meeting and was prior to his assignment at the Office of Investment Promotion Officer in Charge of UNDP and UNIDO relations at the Ministry of Commerce and Industry.

It was envisaged that I meet during my mission with Vice Minister Lee, who will be informed about the outcome of my mission by Director Kim. Hopefully Vice Minister Lee will confirm Korea's interest in UNIDO's continued and improved investment promotional assistance to industrial projects in this country not only to UNIDO but also to UNDP.

It should be mentioned that Director Kim was looking forward with great interest to attend our seminar on joint ventures in Kuala Lumpur where he will represent his country.

In the afternoon I had a long discussion with Mr. Dong Bai Kim with whom I planned in detail my programme of visits and contacts. He will contribute to the necessary arrangements and, if possible, accompany me to the different Ministries and organizations as well as banks. Mr. Kim, in co-operation with the Federation of Korean Industries, will examine with me which projects out of the 33 submitted so far by Korea for promotion by UNIDO are still interested in being included in our portfolio promotion. We will select those projects which are considered by the Government with priority and which are backed by comprehensive feasibility studies. I suggested that UNIDO would be prepared to have feasibility studies made for priority projects under SIS requests. (see also under Ministry of Commerce and Industry below).

The following informal question which is not part of my mission was brought to my attention by officials from EPB.

The Korean Government is of the opinion that experts under UNIDO's technical assistance programmes from Korea would be quite useful.

Apparently the Government is interested in having Korean experts of high education, experience and reputation act as UNIDO experts. In the past apparently no or few Koreans have been recruited by our organization.

In the same context it was mentioned to me that the Government has been somewhat disappointed and dissatisfied with the services of some experts from other developing countries. Korea feels that it has achieved a relatively high standard of technological advance. The Korean Government would prefer to have experts for tasks in Korea from typical advanced countries, Europe, United States, Canada and Australia.

Another question that was raised by officers both of the Economic Planning Board and the Federation of Korean Industries, which is not part or subject of my mission and, therefore, should be considered as an informal mentioning which I stressed.

Korea is interested to increase the number of Korean staff members in UNIDO and also to arrange short-term training at UNIDO Secretariat, particularly within the framework of the Industrial Policies and Programming Division and the Technical Co-operation Division for junior officials who are to be promoted in gaining experience overseas in an international organization of our type. These junior officers are designed to hold in the future responsible positions in the Government. It appears that their training of three to six months will be of benefit to the Government, to UNIDO and themselves. I suggested that this question could be taken up through the proper channels and intimated that UNIDO certainly would give the question interested and favourable consideration if the different pre-requisites will be met. It may be suggested that in addition to the Korean initiative with respect to this employment and/or training question UNIDO may wish to take action to promote the matter (I stress again that this is not part of my mission and was discussed with me purely on a personal, informative basis).

With respect to the advisory and training programme of the IFIP Section, Mr. Kim Dong Bay informed me that four years ago a seminar was held in Bangkok to train officers from Asian development banks from various countries on the same subjects as our new programme. Several Korean development bank officers attended.

At the request of Director Kim, Office of Investment Promotion, Economic Planning Board, who is attending the Joint Venture Seminar in Kuala Lumpur I gave him a personal letter of introduction to Mr. C. Newman.

Mr. Park, Division Chief, LPB asked me whether we have a list of companies in industrialized countries which are prepared to contribute advanced technological assistance to Korean industrial companies. I responded that to my opinion this would be part of sub-contracting and joint venture arrangements. If we have such lists from advanced countries containing the names of organizations interested in extending sub-contracting orders and entering into joint ventures with Asian, particularly Korean companies, a copy should be sent to Mr. Park.

Federation of Korean Industries

First informative meeting with the following officers of the Federation:

Mr. Sang Woon Lee, Director, Division of International Co-operation and Secretary General, UNIDO-Korea Association

Mr. Syung Jun Kim, International Relations Officer, Division of International Co-operation

Mr. Hyun Koo Jung, International Relational Officer, Division of International Co-operation

Since the FKI had been instrumental during my mission at the end of 1971 to Korea and subsequently in the preparation of the Korean Investment Promotion Programme, as far as project identification and preparation of project data forms, as well as organizational procedures for an eventual Korean Investment Promotion Week are concerned, we had a detailed discussion on the development during the past year of our joint promotional efforts. Director Lee, as expected, expressed his regret about the failure in organizing the KIPW in Seoul. He showed a full understanding for the reasons which I outlined to the officers of the Federation in some more detail and no complaint was made.

We discussed the projects which had been submitted, so far, and I also asked the Federation to assist in compiling information on the present situation of the 33 projects, particularly which ones are still interested in an active promotion by UNIDO from our Vienna Headquarters under our investment promotion portfolio programme and which ones would be eliminated from the list. The FKI officers intimated a certain concern about approaching the project sponsors now after almost one year had elapsed since the initial information had been obtained from them on their projects and submitted to UNIDO, without any tangible results that could have been communicated to the proponents. They showed reluctance to approach the project sponsors again to obtain additional, more detailed information at this time. The reason for this was explained to me both

by FKI and EPB and it was apparently quite difficult to obtain detailed information from the Korean private proponents because of their reluctance to disclose details on their project planning, without knowing to whom UNIDO would communicate the information. Obviously we cannot expect to obtain from Korea such detailed information on projects from the private sector industry as outlined in our new project questionnaire, copies of which I handed to EPB, FKI and other organizations.

With FKI I also discussed the possibility, that UNIDO will be requested to supply experts for preparing feasibility studies on selected and important industrial projects to be promoted under our portfolio programme or in another way. This question was also one point of a second discussion with the officers of FKI in the presence of Mr. Dong Bai Kim, EPB.

On 16 January I visited Mr. Ip Sam Kim, Executive Vice President. Discussion on many subjects in an extremely friendly atmosphere. We briefly reviewed the activities, both in Korea and at UNIDO Secretariat, for the eventual preparation of Korean Investment Promotion Meeting in Seoul and the reasons which made it impossible to conduct the KIPW in 1972, as originally envisaged. Mr. Kim was already well informed by Mr. Lee about the purpose of my mission. He expressly stated Korea's interest in the continuation of UNIDO's active promotional activities concerning investment in the rapidly expanding Korean industries. Mr. Kim gave me a summarized review about the developments, particularly in the economic sector during the past year. He intimated that at the end of 1971 until early in spring 1972 there was a decline in the economic expansion and growth. I learned from other sources that these shortcomings which were partly influenced by political influence have been straightened out. The Korean overall situation is again promising and encouraging. (I am reporting separately about the economic situation in the country as of the beginning of 1973 and the outlook for the entire year).

After the meeting with Mr. Ip Sam Kim continuation of the discussions with Mr. Sang Woon Lee, Director of the Division for International Co-operation.

- 3 -

Ministry of Commerce and Industry (MCI)

On 11 January 1973 I visited, accompanied by Mr. Dong Bai Kim, the MIC, which is instrumental in creating jointly with EPB industrialization plans and individual new industrial investment opportunities. MCI is the sponsor of the two projects that have been submitted to us in August 1972, KOR32-72 Pottery (two porcelain dinnerware plants, five ceramic tile plants, one sanitary ware plant), with a total investment of US\$25 million and the project KOR-31-72 Chemical Pulp, total investment US\$25 million. The main purpose of my visit was to brief the officers of the Ministry on the revised form of our investment promotion schemes, to discuss the above mentioned two projects in more detail and to obtain more information on them, as well as to encourage the Ministry as an important source of new and attractive projects in Korea to make use of UNIDO's investment promotional assistance to a larger extent in the future.

We were received by Mr. Kim Suck Sool, Chief of Investment Promotion Section, Mr. Eun Yong Song, Officer in Charge of Section for Utilization of Natural Resources, as well as Mr. Song, Chief of Inorganic Chemicals Section.

Both projects still have the same status as they had at the time when they were submitted to us. No progress has been made so far, in their implementation. For both projects MCI would highly appreciate UNIDO's active promotional assistance. The information that was given to us in August 1972 in project data sheets was somewhat scanty and I asked for more information. Fortunately there are feasibility studies available on both industries. I am sending a summary to Vienna of a feasibility study for a chemical pulp plant, prepared in May 1972 by MCI. A more detailed report is available at the Ministry for review and discussion with potentially interested investors. Furthermore I am sending to Vienna a report on the Korean Pottery Industry, also prepared in 1972 by MCI. Both reports will undoubtedly be of value in soliciting the interest of potential investors. I asked MCI to submit to UNIDO Headquarters, IFIP Section, my care, five more copies of each report. More copies will be available upon our request.

Some additional information concerning the chemical pulp project: the project still has no local sponsor but MCI is confident that a local sponsor will be found; they are actively interesting industrialists and organisations in Korea. It appears that the interests of Korean sponsors could be ascertained at the same time when potential investors indicate

a serious interest. (The same is true for the pottery project). In addition to the financing requirement already indicated to us - total about US\$25 million, but flexible, the main foreign investment component to be contributed by a foreign partner will be to find a solution for the continuous supply of raw material - timber. Present sources of timber supply for paper production in Korea are Indonesia and Canada. The pulp to be manufactured under the project should serve as the basis for an extensive domestic Korean production of newsprint and kraftpaper. It will be the first chemical pulp plant in the ROK. A few contacts have been established in the past with foreign companies to implement the project and several discussions took place without any tangible results, so far. The Ministry has no particular preference as to the geographic region from which their partner should come. We may consider European, particularly Scandinavian companies, as well as Canadian or Australian organizations. MIC leaves it to UNIDO's discretion whom to approach. This question should be carefully discussed with ITD, most likely Mr. Watson and his expert associates. (The feasibility study should be handed soonest to that section). As a final remark the Ministry has plans in the pipeline for a pulp plant using rice straw as raw material basis. This project is at an early stage and, of course, in a completely different technological line.

Pottery project: this was discussed with Mr. Eun Yong Song. Originally, eight different plants have been planned. In the meantime the number has been increased to 15; Mr. Song intimated that there exists a potential for even more factories. Korea's natural resources for pottery and ceramics are rich and of highest quality (Korean pottery has a world-wide reputation over more than two thousand years). The skill in manufacturing pottery of the finest quality has long-standing tradition. MCI is much interested in having UNIDO's assistance in the promotion of the project and the plants to be established thereunder. Additional copies of the aforementioned study are available upon our request. This project, too, should be discussed with ITD in detail and the study could be passed on to ITD for examination and review now. UNIDO may feel free to establish contact with any companies or organizations we know in this line of industry and attract their interest.

Mr. Song mentioned that a German expert delegation of pottery industrialists is expected to come to Korea in the near future. I shall review and check with the German Ambassador, whom I am going to meet next Monday, the composition and particular purpose of this delegation and report further. It is obvious that the project is interesting and could be

attractive to industries in advanced countries which may consider relocation of their manufacturing facilities to Korea. The market potential in Korea itself is interesting, but particularly the export market in the Asian area can be covered from the Korean production of these products and even the market in the entire Asian-Pacific area.

Medium Industry Bank

The Medium Industry Bank is well known in United Nations Organizations. It has been established about 10 years ago. The bank is owned by the Government - 98%. Its clients are primarily the small and medium sized Korean companies. About one year ago the Medium Industry Bank has established its own Foreign Investment Promotion Centre (FIPC). The function of the Foreign Investment Promotion Centre is described in a note which I sent to Vienna separately.

On 11 February I visited Mr. Jung Shur Park, Manager, Foreign Loan Department, Mr. Tack-Soon Chung, Deputy Manager, Foreign Loan Department and Sung Goo Kang, Chief Loan Officer, Foreign Loan Department, who, in personal union, is the Director of the Foreign Investment Promotion Centre.

Lively and interesting discussion on UNIDO's investment promotional activities, in particular our new programme of services of co-operation with development institutions. The bank is, of course, closely co-operating with the respective Ministries, particularly the Ministry of Commerce and Industry as well as EPB in the field of industrial investment promotion. The MIB would much appreciate a close co-operation with us in the future. (Since I met Mr. Sung Goo Kang, Director of the Foreign Investment Promotion Centre in the office of EPB, our eventual active co-operation with the bank would have the backing by the EPB).

It appears to be of particular interest to us that the bank is maintaining a list of Korean companies, both clients of MIB but also other firms, which are interested in a co-operation with industrial companies in advanced countries for joint venture, technical collaboration, licensing or others, to which I added the suggestion of sub-contracting. (To show what kind of information on each company is available in the bank a blank form "Application for Registration" is in our records.

The Foreign Investment Promotion Centre of MIB has close contact with a number of companies in advanced countries. A few names were mentioned to me as examples. They feel very close to the Austrian plastics company, Engel and they asked me to contact Engel upon my return to Vienna.

(I know that Engel is also a contact of various sections of UNIDO).

Since I did not know whether the bank had been informed about our scheme for exchange of information among development banks, because nobody in the bank apparently had any knowledge of it, I gave the officers a condensed outline on the Scheme which apparently found their serious interest. It is my impression that, due to its function, the bank would qualify to participate in our programme. Mr. Sung Goo Kang asked for some detailed information. I have therefore requested by cable from the Industrial Financing and Investment Promotion Section, Vienna, to send the bank, attention Mr. Kang, information on the Scheme and, if this appears to be desirable, a letter of invitation to participate in the Scheme. Mr. Kang has already indicated a strong interest on behalf of his bank to participate in our Scheme and promised to inform President Wuchang Chung about it. (Upon my return to Vienna only I was informed that MIB is the only Korean participant in the Scheme, so far). President Wuchang Chung was not in Seoul when I called on the bank. Perhaps I will have an opportunity to meet him next week because I will have to make another call to discuss with the Chief of the Training Section our advisory and training programme in development financing operations. (UNIDO document ID/WG.134/3 of 5 September 1972). I also had a brief discussion with Mr. Hans Georg Schaltz, ILO, UNDP Project Manager of the bank, Extension Services Department.

Korea Chamber of Commerce and Industry

On 10 January 1973 I visited, introduced and accompanied by Mr. Dong Bai Kim, EPB, the Chamber and had an initial discussion with Mr. Doo-Soon Kang, Director, International Department and Mr. Myong Chan Park, Director, Investment Promotion Centre. Much to my regret I did not visit during my mission to Korea in November-December 1971 the Chamber because nobody in Korea suggested such a call. The Chamber has, according to the officers, around 700,000 members; the membership is obligatory to all business organisations in the ROK.

First of all Mr. Park told me that they initiated a contact with UNIDO early in 1969. A few letters were exchanged between the Chamber and from both sides was undoubtedly a serious intention and willingness for an active co-operation which could have been fruitful. However, nothing further has happened since between the Chamber and UNIDO. The officers told me that they have never received any informative material

mentioned in the letter of 3 April 1969. (Copy of the correspondence exchanged in 1969 is available for our information). Mr. Park would appreciate to receive from UNIDO Secretariat three copies of our latest informative brochure on our activities. I wonder whether this mustard-yellow booklet is our latest up-to-date informative brochure of a general type?) I also suggest to put the Chamber on our mailing list for the UNIDO Newsletter because the officers expressed a sincere interest to be kept advised about UNIDO's activities. To my mind, the UNIDO Newsletter and its contents could stimulate their understanding of our work and promote a closer co-operation which appears desirable. The Newsletter should be sent to the attention of Mr. Joo-Soon Kang, Director, International Department.

Repeat visit on 11 January 1973, primarily for the purpose to meet with the Vice President, Mr. Kim, who will represent the Chamber, jointly with two other officers at the CAGCI Meeting in Manila which I may attend.

Repeat visit on 15 January to Mr. Chong-Dai Kim, Executive Vice President, as well as to Mr. Park, Director of the Investment Promotion Centre. Mr. Kim was a Korean Minister of Finance under the Government preceding the present one.

Lively and interesting discussion on industrial investment promotion and inter-related questions. I explained to Mr. Kim, who had been already briefed by Director Park, in a nutshell our revised scheme of investment promotion activities.

Similar as Director Park and Mr. Kang a few days ago, Mr. Kim showed a lively interest in UNIDO's activities. He invited me to meet with him again on 17 January to deepen our personal acquaintance and to intensify our discussion.

Mr. Kim has obviously excellent world-wide relations, both in Asia and in industrialized countries. He intimated that he will travel next week to Europe, particularly to discuss questions of Korean industrial investment promotion with the Government and associations of industry as well as financial institutions in Spain. As I noted from remarks from other Korean sources and from other Asian countries, Mr. Kim is highly respected as one of the promoters of economic co-operation in the Asian-Pacific area. The contact with him should be considered as very important for UNIDO's operations and services in Asian countries, of course primarily with Korea.

The Korea Development Bank

Since the banking and financial part of my mission includes discussions of the new advisory and training programme in project appraisal, financial analysis and banking techniques for officers of industrial development finance institutions as well as following up the contacts with development finance institutions, which are already participants in our programme for the exchange of information on development loan projects between development banks, which are not yet participating in the scheme, and last not least, to discuss industrial investment promotion questions with banks and financial institutions I called first on the Korea Development Bank.

The Korea Development Bank is the principal government owned and sponsored development bank in Korea. The three other banks specifically concerned with industrial development financing activities are the Medium Industry Bank (see separate part of this report), the Korea Industrial Finance Corporation, a new, short-term investment and loan banking institutions, majority owned by the Korean Government with some foreign banks and financial institutions as minority stockholders, and the Korea Development Finance Corporation.

This part of my mission, the advisory and training programme, I discussed with Mr. Yang Moon Jeon, Chief, Training Section of the bank. In a first, informative meeting I handed to Mr. Jeon the document of 5 September 1972 on the advisory and training programme and discussed with him as a kind of interpretation its contents as well as the draft letter to the Resident Representative and the SIS project data sheet concerning the programme.

The Economic Planning Board had already intimated to me that KDB had its own, obviously well developed training section, headed by Mr. Jeon. He explained to me the functions and work of his section. During the course of our joint reflection about the programme as such and its technical aspects and impacts Mr. Jeon's interest appeared to grow. I suggested under consideration of the special situation in Korean industrial development banking that officials of the three other abovementioned development banks may participate in the advisory and training programme, co-ordinated by KDB. Mr. Jeon seemed to appreciate the proposal.

During the course of the discussion I understood that the development banks and financial institutions in Seoul are under the supervision of the MOF, Ministry of Finance - similar as in many other developing countries.

KDB, as a technical procedure for requesting this service from UNIDO would have to route its request through the Ministry of Finance in Seoul, from where it will be communicated to UNIDO. The thought occurred that it may be desirable, if I visited the officer of MCF in charge of the development banks in Korea to also inform him of this new UNIDO programme (I have also briefed the UNDP officials in Seoul about it). This thought was agreed to by Mr. Jeon. (As separate part of this report).

Mr. Jeon promised to advise his General Management on the advisory and training programme and to arrange for me a second meeting with senior executives of the bank to discuss further aspects of this matter. If Korea and particularly KDB and the other three development financing institutions will request UNIDO's services we may envisage a first mission to this country in fall 1973.

Mr. Jeon told me that his bank had introduced in 1968 for the first time Guest Observer Courses for bank and financial officers of development banks in Asian countries. These Guest Observer Courses could also be called Asian Regional Seminars for training of banking officials. Seminars have been held in the fall of the consecutive years, a total of five courses, so far, all in Seoul. Participating countries in the 1972 Guest Observer Course were Japan, Taiwan, Thailand and South Vietnam. In the previous seminars other Asian countries have participated at the invitation of KDB which hosts these seminars. Only part of them is devoted to lectures; the major portion includes in-bank training and visits to industrial and cultural sites in the ROK. Mr. Jeon will provide me with literature and reports on these seminars which I shall pass on to the IFIP Section in Vienna. The duration of each seminar is three weeks.

I mentioned my thought that perhaps the next seminar in fall 1973 could be co-ordinated with the UNIDO advisory and training mission with a view to have the participants from the Asian countries participate in the training programme of the UNIDO mission. Mr. Jeon accepted this idea with the promise to reflect about it and discuss it with his senior management.

By arrangement made through Mr. Jeon I called upon Mr. Eung Suh Park, Managing Director of KDB who is responsible for personnel and training questions. I outlined again to Mr. Park our new programme. Mr. Jeon had already prepared an Aide-Mémoire based upon my earlier discussion with him as well as on the bank's own training programme and on the technicalities of the co-operation with UNIDO in connexion with this programme. Mr. Park assured me of their sincere interest in this programme which they will have

further to consider and to plan. It may be envisaged to hold the training courses and to delegate the advisory mission if possible, in fall of 1972 for the first time to Korea so that the programme could start immediately after the Foreign Guest Observer Course to be conducted probably in October.

Lengthy discussion on the participation in the programme of employees from MIB (Medium Industry Bank) and KDFC (Korea Development Finance Corporation) which is envisaged. We will hear from the bank and it may be well if IFIP will follow up my visit on 18 January 1973 to Mr. Park and Mr. Jeon by letter.

I also met briefly with Mr. Jn-Yung Chung, Vice Manager of the Personnel Department of the bank. Discussion with Mr. Wan Soo Han, Director, Foreign Loan Department of KDB, Mr. Chang, Vice-Director and Mr. Bong-Won Lee, Section Chief and Economist, Research Department on our scheme for the exchange of information between development banks as well as on investment promotion questions.

Mr. Chang pointed out that much to their regret they did not receive the invitation to attend the Ottawa meeting and after they heard about it it was too late to attend. Apparently there was a delay or error in mailing the information on the meeting. The gentlemen appreciated my introduction of the exchange of information scheme and expressed their sincere interest in participating. It is suggested that IFIP Section will send soonest to the attention of the President, KDB, all pertinent information on the scheme with reference to my discussion with Messrs. Han, Chang and Lee on 18 January 1973.

Mr. Lee reported about his bank's activities in the financing of industrial new ventures under development aspects. The bank maintains a comprehensive list of Korean companies which could provide sub-contracting facilities and which are interested in expanding under joint venture agreement with companies and financial organizations from advanced countries.

We envisaged a much more close co-operation in the future and a frequent exchange of information on investment promotion projects in Korea as far as UNIDO is concerned, information to KDB on the interest of industrialists, investors and financial institutions in Korean activities.

KDB is really expecting and desiring a closer co-operation in all of the above mentioned lines. UNIDO should seriously consider ways and means to promote and strengthen the co-operation. The goodwill, more or less

advanced facilities and experience, an interesting partner in the form of KDB is available here.

During our discussions it occurred to me that at least the advisory and training programme and the scheme for the exchange of information have to be co-ordinated by the bank with the Ministry of Finance (MOF). Therefore, I decided to pay the Ministry a visit to brief them on the subject and to prepare the way for any eventual request from KDB, via MOF, UNDP, Seoul to UNIDO.

Ministry of Finance (MOF)

Reference is made to the report on my visit to the Korea Development Bank. During the discussion with officials of the bank it occurred to me that the banks mentioned in the report, primarily involved in the financing including equity participation in industrial development projects in Korea, are under the supervision of the Ministry of Finance. The request for UNIDO assistance in different lines of our spectrum of services offered to Korea must be routed by the development bank to the MOF. Therefore, I took the initiative to visit MOF on 16 January at the introduction and with the clearance of EPB. Accompanied by Mr. Dong Bay Kim of EPB I called on Mr. Choy, Deputy Director of the Finance Division, Finance Bureau, which is responsible for the Ministry's relations to Korea's development banks. I introduced to Mr. Choy our advisory and training programme in development finance operations for officers of industrial development finance institutions. We discussed the programme in some detail. Mr. Choy explained to me that the request for UNIDO's assistance under this and similar banking and financial assistance programmes should come from the Korea Development Bank and/or others of the four development financial institutions in Korea to MOF. MOF will process the request, add its recommendation and pass it on to the Ministry of Science and Technology, which is co-ordinating all SIS requests from Korea coming from different organisations. MOST will route the project data forms to UNDP Seoul, which passes it on to UNIDO, Vienna. As a matter of information I left with the Ministry our Aide-Mémoire and a copy of the draft SIS request project data form. Mr. Choy assured me that they would have no objections to add their recommendation to and support fully requests from the banks for UNIDO services under this programme, particularly since obviously no local cost to speak of is involved.

The question was posed to me whether in addition to employees and

officials from the development banks government officials concerned with banking and financial questions could participate in the lectures to be held under the programme and other arrangements made for the training part of the scheme. I responded that I thought this possibility would be gladly taken into consideration by UNIDO if requested by the Government and if the participants, due to their background and tasks, are eligible for participation.

Federal Republic of Germany - Embassy Seoul

On 16 January 1973 I visited the German Ambassador, Dr. Wilfried Sarrazin and Mr. Herbert Kamps, Commercial Attache, to follow up on the close personal contact and exchange of views and to attract the interest of German organisations in investment in Korean development projects with the promotional assistance of UNIDO.

In response to my question Ambassador Sarrazin gave the German view on last year's Korea Investment Promotion Meeting in Germany (see my report under EPB). About 60 German industrialists, bankers and government officials have participated in the meeting. The German Embassy will send me some information prior to my departure from Seoul for UNIDO's information. More detailed reports are available from Ministerialrat Winter, Ministry of Economy and Finance, Bonn, Chief of Section for Asia. (Mr. Winter was prior to his present assignment UNDP Resident Representative in China). According to the Ambassador and the Commercial Attache no tangible results have become known up to now from this investment promotion meeting.

We discussed the activities in Korea of the more important German companies. There are already established factories for the production of electro-technical products and chemical pharmaceutical products of the two or three chemical concerns which are the largest in Germany. The names are known to me. Apparently there had been some disappointment on the side of one concern in requesting Government approval for setting up a factory for pharmaceutical products. The company had reported to the Embassy and other official German organizations including the Government and the German Development Co-operation, Köln, investment promotion approval in Korea was still too bureaucratically handled. This may have been one of few cases. In general, the investment promotion procedure in Korea is considered to be flexible and rapid as compared with other developing countries. When discussing the different lines of industry, which are of particular interest in Korea, also to German investors, the textile industry was mentioned.

I used the opportunity to discuss the project that was submitted to our section in December 1972 by representatives of the German Pfaff Sewing Machine Company. Mr. Kamps put me in contact with the Korean representative of Pfaff whom I shall visit on 17 January to discuss possibilities of Pfaff assisting in new Korean clothing and apparel projects. (Pfaff is one of the largest sewing machine manufacturers in the world and prepared to contribute, besides supplying machines to new companies or for the expansion and modernization of existing firms, advanced technological know-how and supplier's credit. They may be prepared to take token equity participation in Korean companies - similar as in many other developing countries).

Subject of the discussion was also Germany's technical and financial assistance to Korean shipbuilding and ship repair projects. In this connexion I met with Mr. Wolfgang Rochreke, Director of Kreditanstalt für Wiederaufbau (Reconstruction Finance Corporation), Frankfurt, who is here with several other experts of the bank to study a shipyard project in Pusan which is still at its initial stage of planning. I suggested the possibility of co-ordinating this project with UNIDO project KCR-04-72, Ship Repair. I suggested a contact with Admiral Lee, President of Korea Line and later made arrangements through FKI to get the interested parties in touch.

This visit, similar as other discussions with embassies of important industrialized countries in Korea and countries I am going to visit during the course of my mission, proved to be extremely valuable in obtaining unbiased information on the experience of investors from advanced countries in the particular developing countries. I have made these calls a habit, time permitting.

Ministry of Science and Technology (MOST)

In co-ordination with Mr. McInnes, UNDP Resident Representative, I called on Mr. Chi Hoon Chang, Officer in Charge of the relations of the Government concerning all UNDP and UNIDO matters. Mr. Chang is the officer routing all SIS requests and other UN matters to UNDP and UNIDO. Mr. Park, Programme Officer of UNDP accompanied me. I also met Mr. Chi, Assistant Chief of the Department for International Co-operation and United Nations Relations of MOST.

The purpose of my visit was to brief the officers on the different aspects of my mission. We discussed them in some detail. The meeting was helpful to smoothen in the future requests for UNIDO services from

Korean organizations with whom I had been in contact concerning this substantive part of my mission spectrum.

Follow up on the 33 projects presented by Korea with my assistance in their identification during 1972 to be promoted under the UNIDO Industrial Investment Promotion Programme for Korea

With the Federation of Korean Industries, Mr. Lee, I reviewed the 33 Projects. Mr. Lee and his associates advised me that the following out of the 33 are still interested in UNIDO's continued efforts to establish contacts with potentially interested investors:

Project KOR-1, 2, 3, 4, 5, 6, 7, as well as the ones concerning wire ropes, hand tools, electric household appliances, radial tyres, ship repairs.

As to project No. 2, FKI mentioned that Mr. Lee himself has established contacts in Canada with an important company during a mission of FKI to Canada. The negotiations are going on. As far as the ship repair project is concerned, a contact with Admiral Lee, President of Korea Lines was envisaged, but due to a tight schedule of appointments on both sides could not be realized. (see my remarks under German Embassy).

Regarding the Electronics Projects see my report on Fine Instruments Centre.

Report about follow up of Projects from Korea presented at previous Asian Regional Investment Promotion Meetings

As we know Korea has not presented any projects at the Manila Meeting in 1970. In 1971 in Singapore only one project, backed by a Project Information Sheet was presented and discussed, namely a nylon stretching plant. My consultations with EPB and FKI revealed that this project had been cancelled by the Government because it was economically considered not to be feasible. There is already an over-production in East Asia of nylon stretching yarn and the market competition is serious. So we can forget about this project.

Fine Instruments Centre, Seoul

Visit to the FIC on 17 January 1973. Extensive discussion with General Chun Hwa Lee, President, and five officers of the organisation's management, including Mr. Ryder, UNDP/UNIDO Project Manager and Mr. Kang J. Duk, UNDP expert.

A film was shown on the activities of the FIC and the development of the electronics industry in Korea which gave an impressive picture of the important activities of FIC in Korea in its line of industry and the highly developed technology in electronics, as compared with many other developing countries.

Fine Instruments Centre

I outlined to the participants from FIC what UNIDO is prepared to do particularly to promote FIC's projects. Discussion of the very favourable situation of Korea among other countries in the Far East because of its continued low niveau of wages, which is of great importance for the highly labour intensive electronic components industry.

It was suggested that UNIDO should consider ways and means to attract in addition to European investors companies from Australia to participate in joint venture manufacturing of electronic products in Korea. I am mentioning this for future consideration and discussions upon my return to Vienna.

Apparently, prior to my visit to FIC, information has been exchanged between EPB, FKI and FIC concerning our sectoral industrial technological seminars, combined with investment promotion components, respectively meetings. This question was taken up with great interest by General Lee and his associates and I gave some review on the technicalities and the success, as far as it can be judged at this time, of our 1972 arrangements on a sectoral industrial basis. Since Korea's electronics industry is already important and, under an ambitious programme, will rapidly grow, namely to 25% of the entire exports of US\$10 billion in 1980, as outlined in my review on the economic forecasts, there is a considerable potential for electric and electronic companies from advanced countries in an industrial production activity in Korea in the future. It is the concern of FIC to assist in reaching this aim, set by the Government at the beginning of 1973.

General Lee expressed the opinion that Korea might well consider to host a seminar with investment promotion components in the electronics industry in Seoul, preferably already in fall of 1973. It was discussed, of course, that such a seminar and investment promotion meeting would require sufficient time for its preparation. I stressed that the discussion of such arrangements is not part of my mission and, therefore, the information exchanged and the views should be considered as strictly informal.

General Lee thought that the Fourth Korean Electronic Show, to be conducted in autumn 1973, would be an excellent opportunity for holding such an electronics seminar and meeting because many high-level executives from electronic and electro-technical companies from industrialised countries have attended the first three electronics shows and are expected to attend the Fourth Korean Electronics Show. If a UNIDO arrangement could be co-ordinated with this international Korean meeting on electronics it would be of advantage, because it would be attended by investors which, otherwise, would have to be invited by UNIDO. I emphasized that I did not know whether our Industrial Technology Division had already advanced plans for such an electronics seminar, possibly hosted by the Government of another country for 1973 or 1974 and that it would depend on this whether we could envisage a seminar and investment promotion meeting on electronics in Seoul, hosted by the Korea Government.

I repeat that since this is not a substantive part of my mission I discussed it under strictly exploratory views, exchange of information with the purpose to report it to UNIDO Secretariat. We discussed the 13 projects, which had been submitted by FIC for UNIDO's promotion under our Korea Investment Promotion Programme. I particularly posed the question which had been open during the entire last year, whether the 13 projects should be strictly separate from each other, i.e. 13 different manufacturing plants should be set up or whether, which was my suggestion, several of the projects could be combined in one manufacturing unit. It occurred that the Korean attitude is flexible. If a large industrial company from an advanced country with a diversified electro-technical production programme would be interested in setting up a plant under joint venture arrangements for several products out of the 13, FIC and the Government would certainly consider such possibilities. They are absolutely open to discussions under various aspects with foreign firms. There are already a few Korean electronic companies, which have foreign contribution for their expansion programmes. One or two American and Japanese important concerns have set up their own, 100% owned manufacturing subsidiaries.

I emphasized that for any project submitted to UNIDO for promotion a local sponsor must be found by the Korean promoter, in this case, FIC.

The General and his associates including the UNIDO/UNDP Advisers pointed out that, compared with one year ago, in the electronic sector the economic situation has significantly improved, which may be a stimulus to attract foreign investment in this sector in the ROK. The Government

- 1 -

supports the electronic industry to a large extent (see my report, economic review and outlook).

It was agreed that FIC would be in a position to send UNIDO several more projects of this sector of industry as well as from the Fine Instruments sector, in which they are active. It was emphasized that the project information should be much more detailed and preferably backed by feasibility studies as compared with the 13 projects that had been submitted in 1972. I was advised that detailed feasibility studies are available at FIC and will be prepared for future projects. The material will be sent to us.

Mr. Ryder knew of UNIDO's collection of industrial technological films. General Lee offered to send one copy of the film, which was shown to me, to us in Vienna for inclusion in our collection. In my opinion the film could be very attractive and a tool in promoting the interest if UNIDO offered it to associations of the electro-technical industry in advanced countries as well as to large or medium-sized companies manufacturing electro-technical products in advanced countries to stimulate their understanding of the potential in Korea and their interest in activities in this country.

Finally, it occurred to the participants in the meeting that under consideration of the importance of the electronics industry in Korea UNIDO should consider to adapt under its investment promotion portfolio programme a special programme to promote projects of the Electronics Industry in Korea. This programme would be highly welcome to FIC and is considered also among government circles as very important. We should give this matter at UNIDO Headquarters our preferred attention and should discuss it carefully with ITD and TCD to find the most effective way for this assistance which has been requested from us.

Onam Power Company Limited, Seoul

At the occasion of a dinner invitation given by the Vice Chairman of the Korea Chamber of Industry and Commerce for Mr. McInnis, UNDP Resident Representative and myself, I made the acquaintance of Mr. Pom-Sik Oh, President of the Onam Power Company Limited. The organization is one of the important electric power concerns in Korea. I had an interesting discussion on questions of mutual interest, particularly infrastructural developments in Korea. Mr. Oh has in personal union a leading function on the supervisory board of the chamber.

German Korean Technical Company Limited, Seoul, Korea

On 19 January 1973 I called on Mr. Young Il Hahn, Managing Director and Ole M. Wasmuth, Representative Director. The organisation represents the interest of the German company Coutinho, Caro and Co, Hamburg, which has been a close contact of UNIDO for many years and participated in all of our regional investment promotion meetings. I have visited their Hamburg Head Office before and know the company for many years. During the course of our latest contact in October 1972 CCC had suggested that I get in touch with Mr. Wasmuth to discuss possibilities of UNIDO's co-operation with CCC in connexion with investments in Korea. Mutual information on the situation in the ROK in different lines of industry and commerce, in which CCC is presently interested. Among other things Mr. Wasmuth told me, that they have examined with MCI for quite some time the pulp and paper project which is mentioned under the part of this report referring to my discussions with the Ministry. So far, there have been no tangible results as far as CCC is concerned. However, according to Mr. Wasmuth, the project appears to be attractive and feasible. Furthermore, exchange of views on the activities of German and other international industrial companies which are considering investments in Korea, as well as of the political developments, both nationally and internationally, which may have a certain bearing on the further growth of Korea's industrial development.

Siber, Hegner and Co. Ltd.,

(Pfaff Sewing Machine Company, Kaiserlautern, Germany)

On 19 January 1973 I called on Mr. E. Fris, General Manager of the subject company, which, among others, is representing the interests of the German Pfaff Sewing Machine Company of Kaiserlautern. (I was introduced to Mr. Fris by Mr. Kamps, Commercial Attaché of the German Embassy).

The purpose of my visit was primarily to review with Mr. Fris the request for information on investment possibilities and the economic situation, submitted to us in December 1972 by the Manager of the Austrian subsidiary of Pfaff.

Mr. Fris appeared to be very well informed about the textile industry in Korea, its past and future development, and in particular the requirements for industrial sewing machines and equipment for new factories including replacement of old equipment. In addition he is taking care of the leather industry, since Pfaff is also manufacturing sewing machines for leather goods,

shoes, handbags and wallets as well as other products.

We agreed that upon my return to Vienna, I will discuss with the Pfaff organization the contents and thoughts of our conversation. Mr. Fris himself will compile some more information and submit it directly to Pfaff's head office in Germany. Of particular interest are joint venture operations, possibly in Korea, of Pfaff to produce or assemble here sewing machines for industrial use (see also my separate note on the discussions with Pfaff in Europe).

Siber, Hegner and Co. is originally a Swiss company. It has offices in Hong Kong, Singapore, Manila and other Asian countries such as Indonesia. I may get in touch with them during my mission to these countries, at the suggestion of Mr. Fris.

Economic Plannign Board - Office of Investment Promotion

During the absence of Director Kim in Kuala Lumpur at the UNIDO Joint Venture Meeting I had on 18 January 1973 a final conference with Mr. Park, Division Chief and Mr. Dong Bai Kim. I summarized my activities during the past ten days of my mission.

Mr. Park commented:

EPB will gladly consider to avail themselves of the services of a UNIDO short-term investment promotion advisory mission, as suggested under our new scheme of co-operation. EPB will be glad to have the expert at their office for consultations and provide him, if necessary, and as far as possible, with assistance by acting as his counterpart. Eventually they will arrange visits for the mission to Korean Industrial Estates, free trade zones and factories.

Director Kim said, that upon his return an official letter will be written to UNIDO to invite officially our further assistance to the Office of Investment Promotion with respect to our services offered. UNDP, certainly, will receive a copy. (I used the opportunity to mention that it would be helpful for the continuation of UNIDO's assistance, particularly the financing of our services to Korea, if a letter will be written by an appropriate Government official to UNDP, preferably New York, requesting UNIDO's further assistance.

The officials outlined the obvious difficulties in obtaining from Korean project proponents such detailed information on their projects as requested in our Project Questionnaire. The reason is primarily their concern

about confidential treatment of their projects. (I mentioned this point in another part of my mission report. Upon my return to Vienna this should be subject of a review and I shall be glad to make certain suggestions as to the improvement, to the benefit of both the developing countries and UNIDO's work in soliciting the interest of investors). As examples Mr. Park mentioned the two bicycle factory projects from Korea. The project proposals are strictly separate and, of course, competitors. UNIDO protects both projects.

Discussion of activities which may be useful in the future: UNIDO should send from time to time to developing countries lists of companies in advanced countries wishing to invest in developing countries, entering into joint venture arrangements, extend licences and advanced methods of technology as well as sub-contracting. Korea would be prepared to do the same by sending UNIDO lists of Korean companies wishing contacts with manufacturers and investors in industrialized countries. In both cases short indication of the production line, brief indicators of the company's size, importance and other relevant information should be and will be made available. Japan has already established such a system with Korea which, as I was told, works quite efficiently.

The officials from EPB suggested that UNIDO may select such sectors of industry in advanced countries, particularly in Europe, preferably labour-intensive products which wish to relocate their production to Korea, and of course other developing countries, give sub-contracting orders or enter into joint venture operations. EPB may not know about all possibilities in advanced countries, which are becoming of particular interest from time to time and asks UNIDO to keep the country's interest in mind in obtaining knowledge on sectors of industry which may become interesting from time to time.

The EPB officials suggested that UNIDO keeps in close contact with the Korean Investment Promotion Centres to be established this year in London, Paris, Bonn and Hamburg. I certainly offered our full assistance to the new offices and suggested that UNIDO should be informed about the opening of each individual office and that the names of the officers in charge will be submitted to us. In this connexion I was advised that Kotra is also to a certain extent active in investment promotional questions. We should also keep in contact with the Kotra offices in advanced countries (I should visit upon my return to Vienna Kotra there).

As far as our further activities in soliciting the interest for industrial projects in Korea are concerned, it was suggested and requested that UNIDO should immediately communicate any reaction from investors received by us on any particular projects to EPB. This would help EPB and FKI considerably to convince project proponents of the usefulness of Korea's co-operation with UNIDO on industrial investment promotion matters. In other words, it was emphasized, and with good reasons, that there must be an exchange of communication as quickly as possible on each individual project and on its progress. (We should consider this carefully in connexion with the technical activities of our investment portfolio programme). Another point that was raised is Korea's concern about the possibility that neighbouring Asian countries may receive knowledge on projects which are in an early planning stage and considered very confidential yet we must observe as far as possible that no such information will leak out.

The intention of UNIDO to establish UNIDO Investment Promotion Centres in important capitals in advanced countries is supported by the Korean Government which recognises the usefulness of such institutions to developing countries.

UNIDO is requested to use the Economic Planning Board, Office of Investment Promotion as its sole and exclusive contact and channel in Korea for Industrial Investment Promotion Projects. If necessary and appropriate copies of correspondence exchanged can be sent to Ministries, associations, federations, other organizations and private companies.

Finally, it should be noted that the discussions and the exchange of information and views were made in an atmosphere of mutual confidence, goodwill for co-operation and aiming at tangible results.

Federation of Korean Industries

During a final meeting with Mr. Lee and several other officers of the Federation we reviewed the discussions I had during my mission in Korea and the results, as far as they can be determined at this time.

Agreement was reached that we shall continue to promote the projects submitted in connexion with the UNIDO Investment Promotion Programme for Korea. FKI will be instrumental to submit through the Office of Investment Promotion, EPB, additional new projects, and endeavour to obtain more detailed information on them, as compared with the previous projects. (see my previous remarks as to obvious difficulties in Korea to collect detailed information, as usually required and requested by UNIDO). It should be mentioned at the end

that all meetings and discussions with the officers from FKI, on top Mr. Ip Sam Kim, has been conducted in an extremely friendly and co-operative tenor and atm sphere.

UNDP Resident Representative

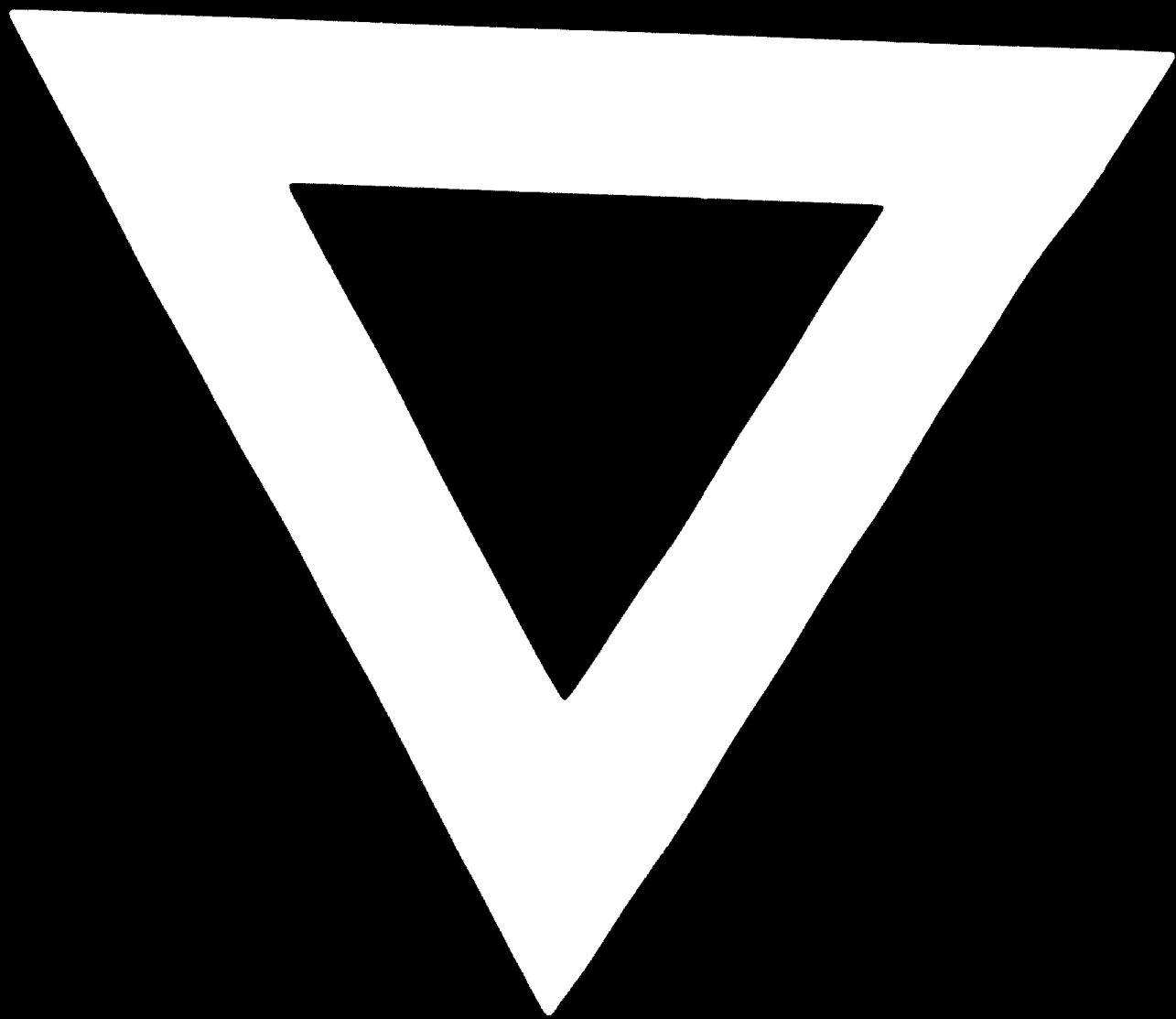
On 17 and 18 January 1973 I met with Mr. McInnis. We discussed in detail the accomplishment of the mission. Mr. McInnis is personally much interested in industrial investment promotion questions. He briefed me on many questions related to Korea's situation in the recent past and at present as well as his views on the outlook which is, in general and principle, quite positive. He could not foresee any difficulties as far as the principle and the procedure of UNIDO's continued and even hopefully increasing assistance to Korea is concerned. We may figure with his full support.

Personal Conclusions and Comments with respect to the Mission to Korea

Most of my personal observations and comments are contained in the foregoing part of this mission report.

At this time, on the last day of the mission I should like to propose, that the many suggestions, impressions, thoughts, and requests for assistance from UNIDO to the investment promotion of the industry in Korea should be discussed in detail upon my return to Vienna with the various substantive divisions and sections concerned and interested in the implementation and further streamlining of our activities, to make our Korea investment promotion programme more effective.





76.05 .20