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Creating Our Own Neighborhood Commercial Districts

MSS has designated thirteen new Development Centers for Neighborhood Commercial Districts to collaborate with private experts, local merchants, and residents in planning sustainable commercial areas.

Sejong, April 15, 2024 – The Ministry of SMEs and Startups (MSS) has designated thirteen new Development Centers for Neighborhood Commercial Districts. These centers aim to bring together private experts, such as commercial district planners and local creators, with local governments, merchants, and residents to plan and execute strategies for the sustainable development of commercial districts. Commercial planners are professional corporations identifying potential commercial districts and planning, establishing, and executing development strategies. Local creators are entrepreneurs who create new business value through creativity and innovation based on the region's natural environment and cultural assets.

In December 2023, MSS announced the 'Comprehensive Plan for Mutual Growth and Vitalization of Regional Commercial Districts (2023-2025)' at the 4th Presidential Committee for Decentralization and Balanced Development under the vision of rebuilding local commercial districts by creating sustainable and innovative commercial areas led by the private sector. MSS presented a new policy paradigm, including a shift from government-led to private-led support strategies for commercial entities and the coexistence and mutual development of commercial districts with local communities.

The 'Development Centers for Neighborhood Commercial Districts' is a government policy that aligns with the new commercial policy paradigm. It aims to encourage private experts to develop innovative ideas and business models and to promote collaboration among local stakeholders, such as local governments, merchants, and residents, in addressing regional issues and devising commercial development strategies.

The thirteen selected candidate commercial districts will receive financial support of up to

KRW 150 million each to conduct research, planning, and other necessary activities to develop sustainable commercial districts. These activities include establishing networks, exploring local resources, and formulating commercial strategies aimed at improving the neighborhoods.

Additionally, the plan is to provide preferential support for strategic tasks established through Development Centers for Neighborhood Commercial Districts by connecting them to commercial vitalizing projects (up to KRW 10 billion over 3+2 years).

One of the chosen regions, Changwon in Gyeongsangnam-do, has decided to team up with a private commercial planner named Develofun to identify local creators and initiate new local brands by utilizing regional resources for commercial branding. Their objective is to revive the deteriorating downtown area, Soridan-gil, by generating employment opportunities for young people and women.

Daejeon is planning to create new opportunities for people to explore and rediscover the Dong-gu district. This area is known for its modern cultural zones, such as the Street for Oriental Medicine and Print Street. The goal is to promote Dong-gu as a leading tourist destination by partnering with a local creator, J!Us Corporation. Together, they will develop Daejeon's food tourism trends and showcase Dong-gu as a representative tourist commercial area.

Gijang-gun in Busan plans to enhance the utilization of local resources such as Gijang seaweed and Gijang chives in collaboration with the local creator, Local by Local, which is based in Busan. They aim to transform Gijang's historical and cultural assets into a new tourist commercial area and intend to pursue ongoing collaboration with relevant local businesses in Gijang-gun.

In addition, Namwon in Jeollabuk-do plans to create commercial districts that connect people and culture by linking cultural festivals and tourist attractions. It also plans to establish a symbiotic and coexisting community between landlords and tenants for the sustainability of the commercial district. On the other hand, Taebaek in Gangwon-do aims to foster a core commercial district based on local creators, focusing on the historical value of Taebaek's Hwangji Pond and Myeoneuri Park to attract visitors.

Minister OH Youngju emphasized, "It is crucial to discover the value of regions and creatively plan local commercial districts by incorporating new social trends to solve the crisis of regional extinction." She added, "We expect the private commercial planners with innovative capabilities and local stakeholders will further boost local commercial districts through the 'Development Centers for Neighborhood Commercial Districts'."