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The Deliberation Committee for Regulation-Free Special Zones held its 17th meeting

The Committee deliberated on matters such as the designation of global innovation special zones and regulation-free special zones for 2024.

The Deliberation Committee for Regulation-Free Special Zones will confirm the final designation on April 30.

Sejong, April 16, 2024 – The Ministry of SMEs and Startups (MSS, Minister OH Youngju) held a meeting of the Deliberation Committee for Regulation-Free Special Zones (Chairman: Minister of SMEs and Startups, hereinafter referred to as the Deliberation Committee) on Tuesday, April 16, at the Government Complex Seoul Annex.

The Deliberation Committee is a meeting body that conducts preliminary deliberations on the agenda of the Regulation-free Special Zone Committee (Chairman: Prime Minister) in accordance with Article 79 of the Act on Special Cases Concerning the Regulation of Regulation-free Special Zones and Special Economic Zones for Specialized Regional Development. During this meeting, the Committee deliberated on the proposed designation of new Global Innovation Special Zones and Regulation-free Special Zones, as well as major changes to existing special zones and reforms to the special zone system.

<Proposal for Designation of Global Innovation Special Zone>

Although the Regulation-free Special Zone system has improved, there is still a disparity between the pace of global industrial development and the progress made by the Korean system. Additionally, there is a growing need for companies to expand globally.

In response, MSS announced the introduction of the Global Innovation Special Zone at the Ministerial Meeting on International Economic Affairs in May 2023, followed by its designation of new special zones in 2024. Fourteen local governments applied for a total of 15 special

zone projects, and four plans developed by local governments were put on the agenda for deliberation.

< Highlights of the Designation of Global Innovation Special Zone by Region >

- ① (Next-generation Marine Mobility in Busan) Creation of a next-generation marine mobility cluster for commercialization and overseas expansion of eco-friendly ships and parts
- ② (AI Healthcare in Gangwon) Developing and testing a decentralized clinical and remote multidisciplinary system to establish a platform that efficiently tests the safety of healthcare devices and pharmaceuticals
- ③ (Advanced Regenerative Biotech in Chungcheongbuk-do) Establishing a public-led clinical research network for advanced regenerative medical and demonstrating the entire cycle from basic research to clinical application with the participation of hospitals, research institutes, and government agencies
- ④ (New Energy Industry in Jeollanam-do) Developing related products through technical demonstration of direct current power distribution network (low and medium voltage) that Korean companies can preoccupy the global market and establishing technical standards

< Proposal for the Designation of Regulation-free Special Zone >

A total of fourteen local governments applied for 21 projects for the Regulation-free Special Zone. Five special zone plans with innovation and business viability were put on the agenda for deliberation.

< Highlights of the Proposal for the Designation of Regulation-free Special Zone>

- ① (Food made from Cultured Cells in Gyeongsangbuk-do) Establishing a cell bank and related standards to support high-purity cell extraction (such as for biopsy, raw meat from same-day slaughter, etc.) and mass culture, which are essential for food made from cultured cells

- ② (Inno Dental in Daegu) Building a network consisting of dental hospitals, public research institutes, and companies for ethical and practical recycling of discarded teeth and eventually expanding into a new dental industry cluster
- ③ (Fishery by-products in Gyeongsangnam-do) Separating and disposing of tuna by-products in a structured manner (automated process) → Commercializing high-value-added products (with the participation of companies and universities) → Discovering aquatic product startups and supporting their commercialization
- ④ (Hydrogen Mobility in Gyeongsangnam-do) Beginning with hydrogen bicycles developed and exported overseas by Korean companies, creating a cluster of hydrogen fuel cells and equipment for close-to-life mobility in Gyeongsangnam-do
- ⑤ (Green Ammonia in Chungcheongnam-do) Creating an eco-friendly hydrogen ecosystem that sources ammonia from the sea and supplies hydrogen inland with fuel cells using green ammonia

In addition, various ideas were discussed on how to improve the Regulation-free Special Zone system, which is now in its fifth year, and how to reform the system of the Regulation-free Special Zone to maximize its performance.

The deliberations will be finalized during the April 30 meeting of the Regulation-free Special Zone Committee, and the final decision will be announced in May.

Minister OH Youngju, who presided over the meeting, stated, "The Global Innovation Special Zone will promote the development of new products in cutting-edge fields and create a Korean innovation cluster that meets global standards, including overseas demonstration and certification." She added, "Regulation-free Special Zones will also help establish a foundation for fostering local strategic businesses. We are committed to fostering local innovative industries and building a free business environment for companies with the Special Zone."