

The Korean New Deal and Global Leading Economy

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Part-A World Economic Trends



Rebounding from a Major Contraction

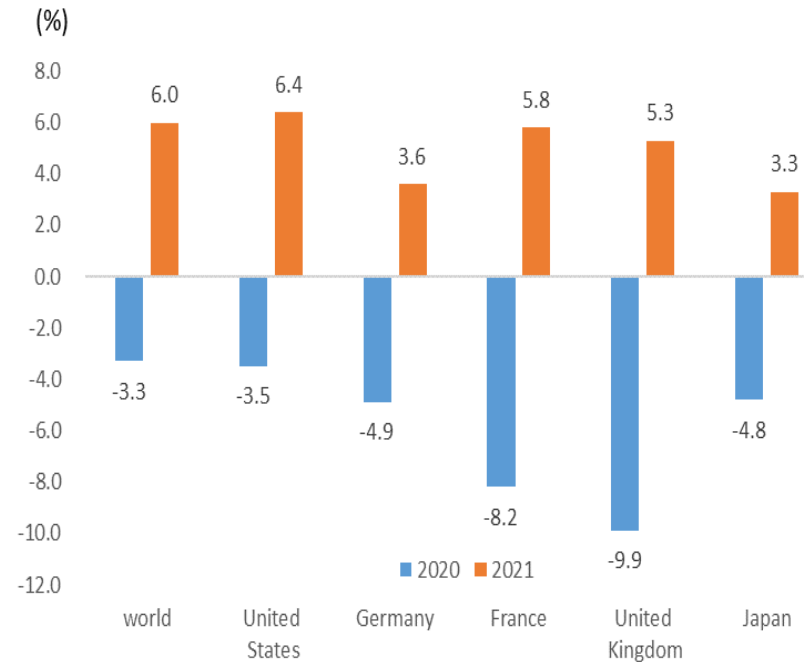


> Resumption of economic activities in 2H 2020, Rolling out Vaccine

Global Activity Indicators



World Economic Outlook



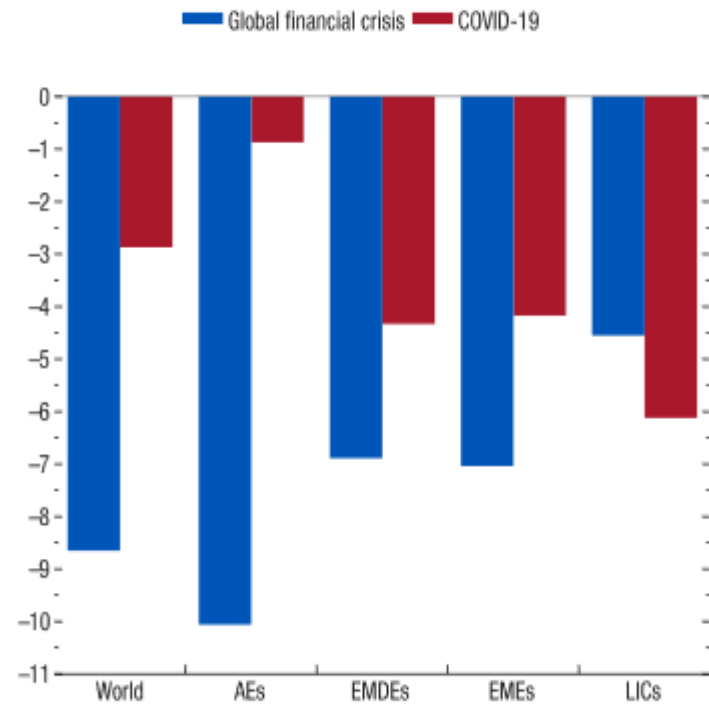
source: IMF(2021.4) World Economic Outlook

Economic Challenges: Recovering Growth Potential

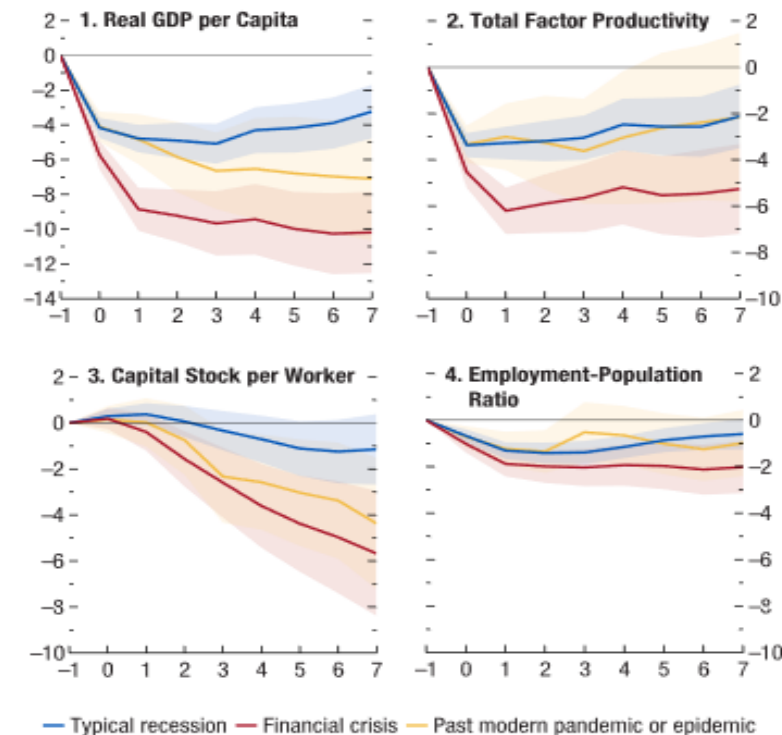


> Economic Scarring → Enhancing Productivity and growth(e.g DT)

Midium-Term Output Losses



Midium-Term Output Losses and Channels of Impact

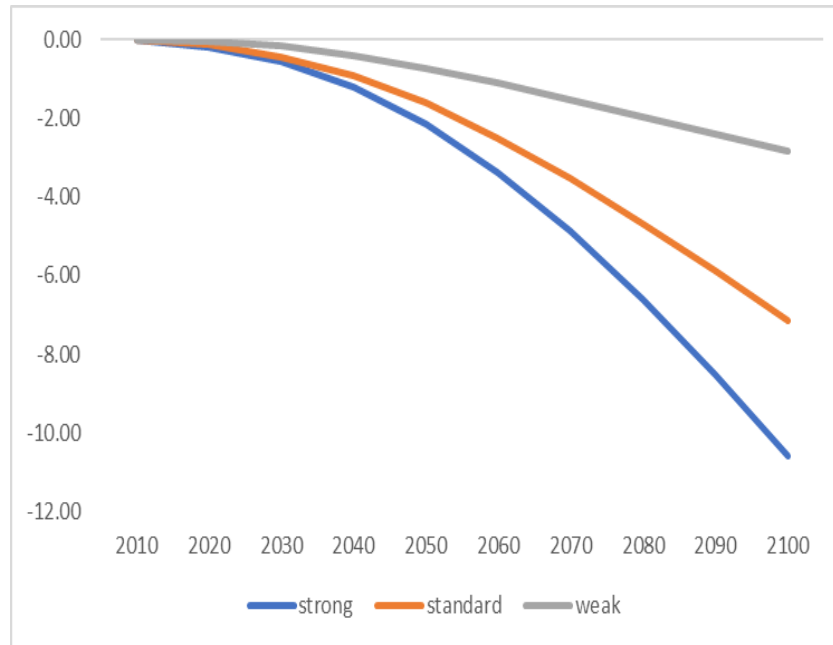


source: IMF(2021.4) World Economic Outlook

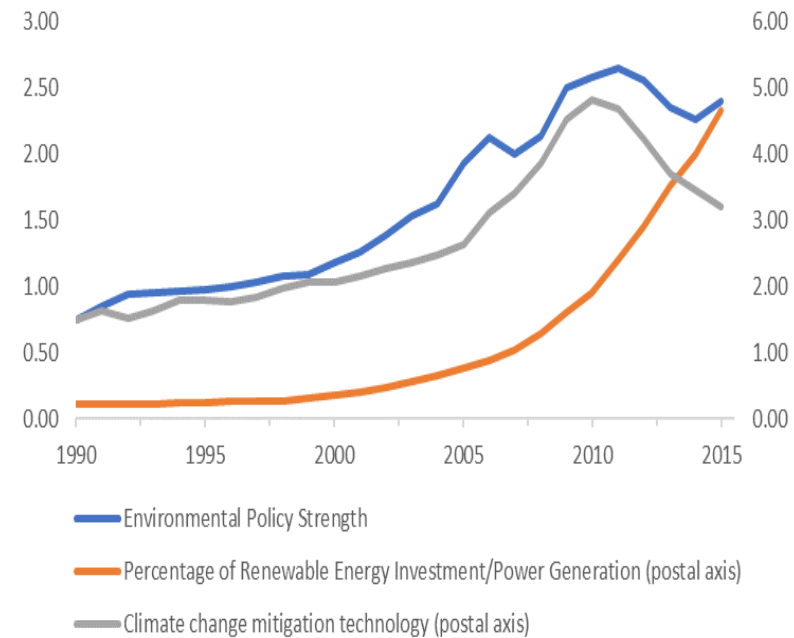
Economic Challenges: Climate Change

> Decarbonization Policies : LT Economic Positivity, ST Economic Burden for Fossil Dependent Countries

Output Losses of Climate Change



Clean Innovation, Electricity Generation, and Policies

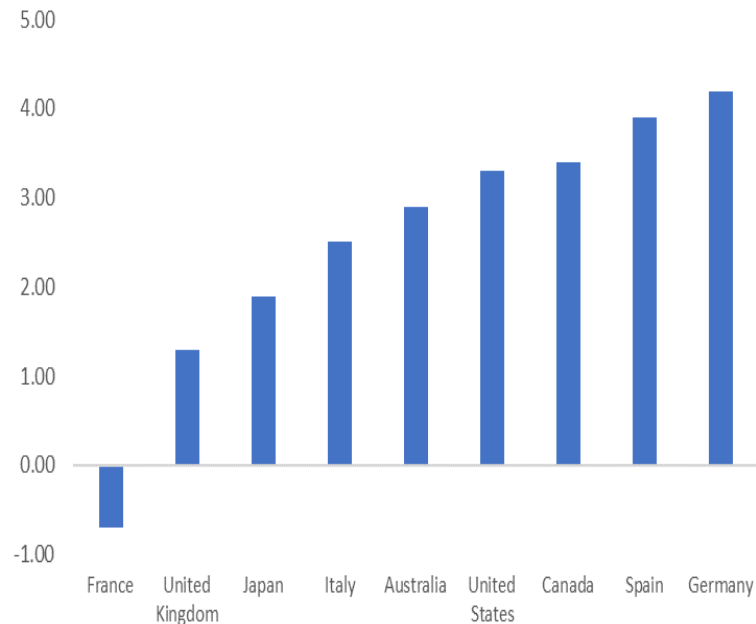


자료: IMF(2020.10) World Economic Outlook

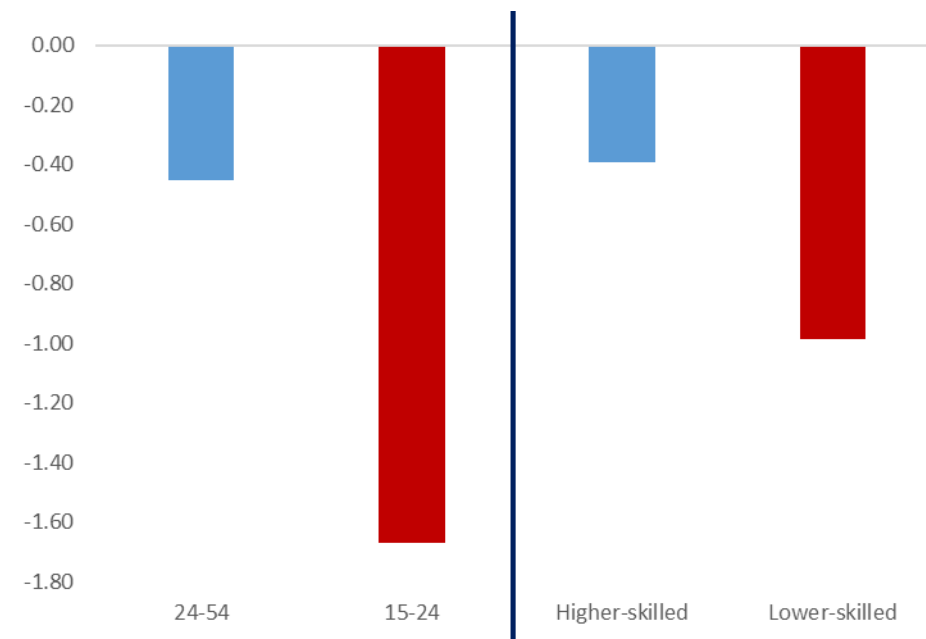
Economic Challenges: Widening Inequality

- > Covid-19 Widening Inequality
- > Low Labor Force Participation Rate for young people and low-skilled workers.

Change in Income Inequality Since 1990



Labor Force Participation Rate by Age & Skill



주: 최근 지니계수-1990년 지니계수(가처분소득 기준)
자료: IMF(2020.10) World Economic Outlook

source: IMF(2021.4) World Economic Outlook

Part-B Challenges facing Korean Economy in the Post Covid-19 Era

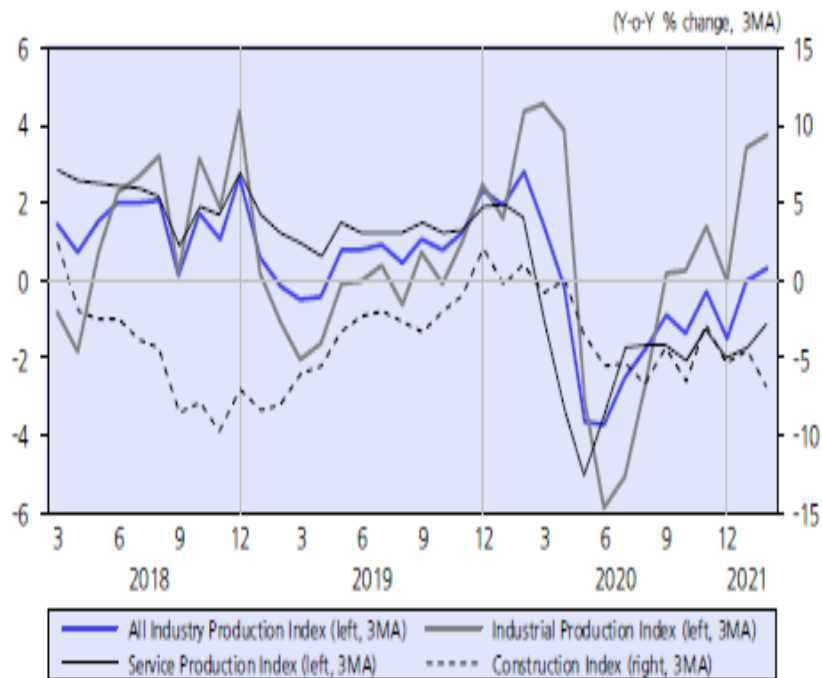


A modest Economic Recovery this year



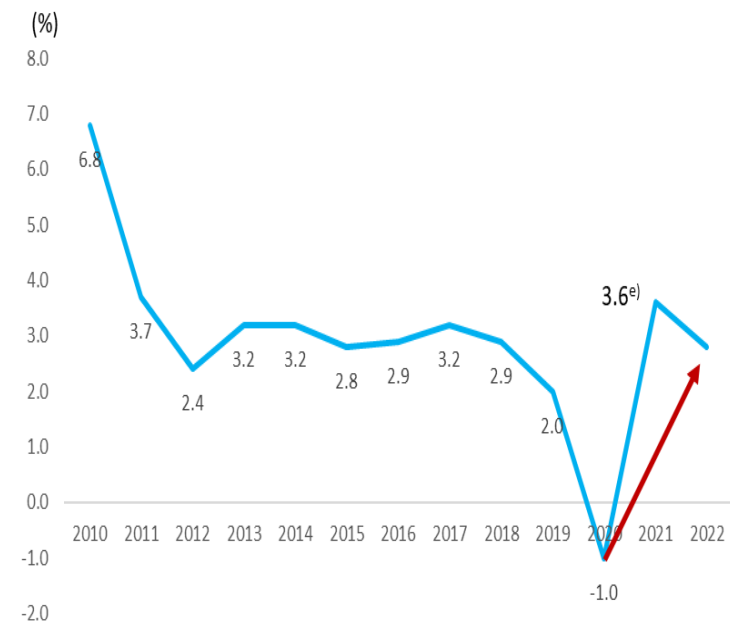
> Improve in Manufacturing Sector driven by Export

Production Indices by Industry



source: KDI(2021.4) Economy Trends

Korea Economic Outlook

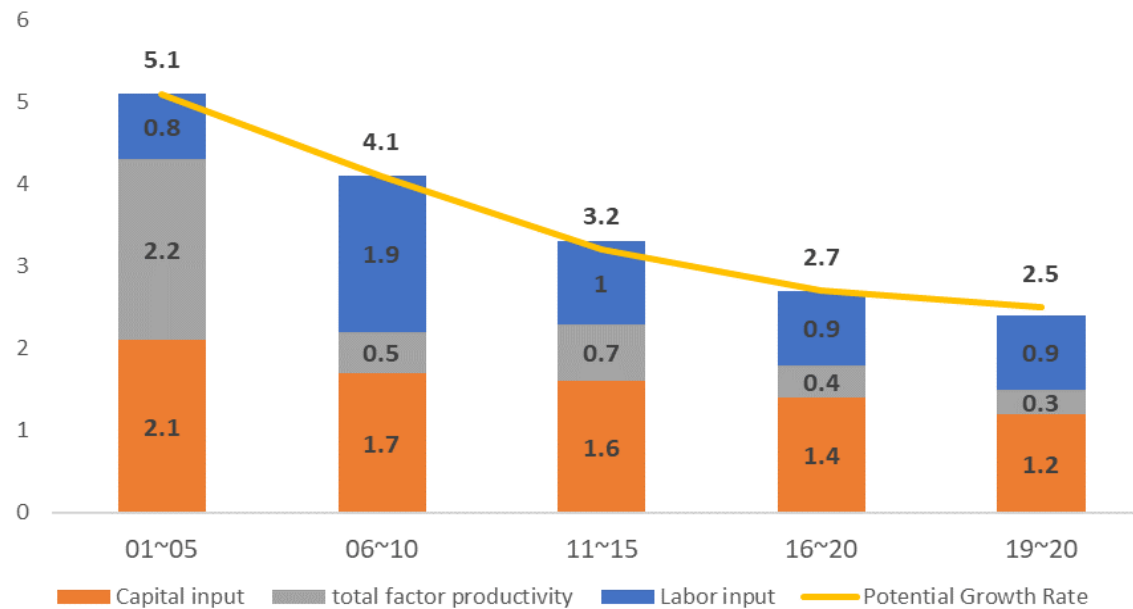


source: IMF(2021.4) World Economic Outlook

K. E Post Covid-19: Growth Potential

- > Economic maturity → Reduced Investment Opportunities
- > Covid-19 → Imbalances in Labor Market

Contributions by Factors for Growth Potential



source: The Bank Of Korea (2019.8)

K. E Post Covid-19: Industry Transformation

- > I. T Centering on Digital and Green Industry
- > Accelerating D/T, AR/VR/MX Tech → New Digital Industry

Top 10 companies with market Capitalization

2010		2020	
Samsung Electronics	139.8	Samsung Electronics	359.4
POSCO	42.5	SK Hynix	63.0
Hyundai Motor Company	38.2	Samsung Biologics	49.8
Korea Shipbuilding & Marine Engineering	33.7	LG Chemicals	49.6
Hyundai Mobis	27.7	NAVER	46.5
LG Chemicals	25.9	Celtrion	37.3
Shinhan Landowner	25.1	Hyundai Motor Company	37.1
KB Financial Group	23.2	Samsung SDI	36.7
Samsung Life Insurance	20.5	Kakao	31.4
Kia Motors	20.1	LG Household and Health	23.9

note : trillion won
source: Korea Exchange

ZEPETTO BLACKPINK Avatar



source: NAVER Z



> International discussions on Reducing Carbon Emissions

Carbon emissions reduction targets in major countries

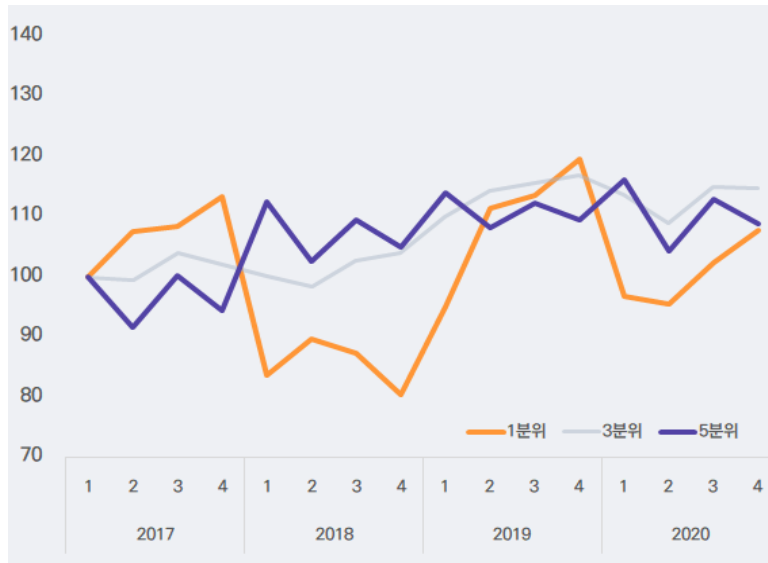
country	Reduction goal	Target Year
EU	55 ¹⁾	2030
United Kingdom	78 ¹⁾	2035
United States	50-52 ²⁾	2030
Canada	40-45 ²⁾	2030
Japan	46 ³⁾	2030
China	65 ²⁾	2030

주: 1) 1990 level, 2) 2005 level, 3) 2013 level
자료: Financial Times(2021.4.19)

K. E Post Covid-19: Inequality

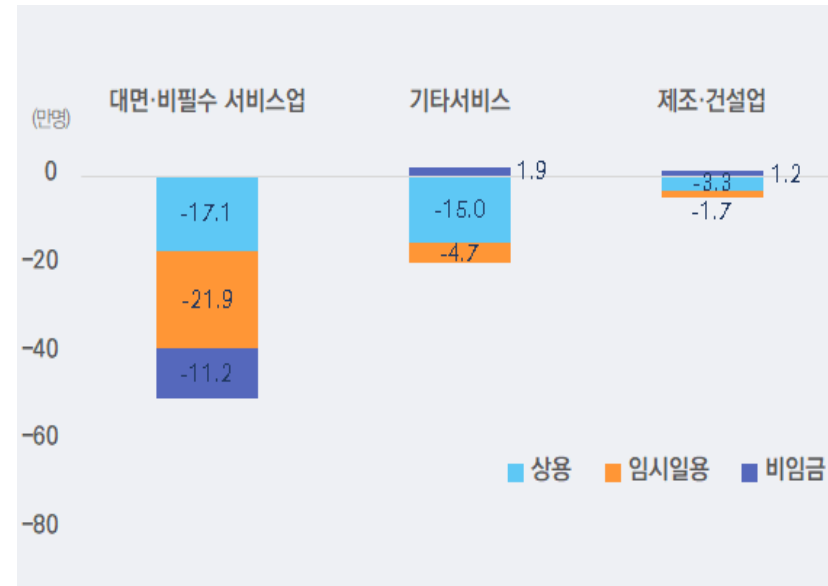
> Low-income households market income declines significantly.

분위별 소득 추이



주: 시장가격 기준
자료: 통계청, 가계동향 조사

2020년중 취업자 수



자료: 통계청 「경제활동인구조사」 를 이용하여 KDI 계산

Part-C Korean New Deal



10 Tasks in Three Areas

> Three Pillar : Digital N.D, Green N.D & Social Safety Net

The infographic features a night cityscape background with glowing blue lines connecting various elements. At the top, the '대한민국 대전환 한국판뉴딜' logo is displayed with the tagline '우리나라의 경제와 사회를 새롭게(New) 변화시키겠다는 약속(Deal)입니다.' Below this are three large circular pillars: 1. '한국판뉴딜 디지털뉴딜' (Digital New Deal) in a light blue circle, describing digital transformation for economic growth. 2. '한국판뉴딜 그린뉴딜' (Green New Deal) in a light green circle, focusing on renewable energy and a low-carbon future. 3. '한국판뉴딜 안전망강화' (Social Safety Net Strengthening) in a light orange circle, aimed at protecting vulnerable groups and ensuring social stability. Each pillar has a '자세히보기' (View Details) button. Below the pillars is a section titled '10대 대표과제' (10 Key Tasks), represented by ten icons and their corresponding labels: 데이터댐 (Data Dam), 지능형(시)정부 (Smart City Government), 스마트 의료 인프라 (Smart Medical Infrastructure), 그린 스마트 스퀘어 (Green Smart Square), 디지털 트윈 (Digital Twin), 국민안전 SOC 디지털화 (National Safety SOC Digitalization), 스마트 그린 산업단지 (Smart Green Industrial Complex), 그린 리모델링 (Green Renovation), 그린 에너지 (Green Energy), and 친환경 미래 모빌리티 (Eco-friendly Future Mobility). A '스크롤' (Scroll) arrow is located at the bottom center.

자료: 한국판 뉴딜 포털 (<http://www.knewdeal.go.kr/>)

Investing 160 trillion won by 2025.

Details In Korean New Deal

	Category	Budget (trillion won)	Job creation (10,000 units)
Digital New Deal	D-N-A(Data, Network, AI) Strengthening the ecosystem	38.5	56.7
	Digital Transformation of Training Infrastructure	1.3	0.9
	Fostering untact industries	2.5	13.4
	Social overhead capital (soc) digital	15.8	19.3
Green New Deal	Green conversion of urban, spatial, and living infrastructure	30.1	38.7
	Low carbon/distributed energy diffusion	35.8	20.9
	Building a Green Industry Innovation Ecosystem	7.6	6.3
Strengthen the Safety Net	Employment and social safety net	24.0	15.9

note: Budget to be injected by 2025

source: Korean version of the New Deal Portal (<http://www.knewdeal.go.kr/>)

10 Signature Projects

10 Signature Projects

Top 10 Challenges	major content	Business expenses (trillion won)		Job creation (10,000 units)	
		By 2022	By 2025	2022	2025
DataDam	Spread of convergence of 5G-AI in all industries	8.5	18.1	20.7	38.9
Intelligent Government	Provide customized public services	2.5	9.7	2.3	9.1
Smart Healthcare Infrastructure	Digital-based healthcare infrastructure	0.1	0.2	0.1	0.2
Green Smart School	Creating a Digital Education Environment	5.3	15.3	4.2	0.2
Digital Twin	Establishment of foundations for new industries such as autonomous vehicles, drones, etc.	0.5	1.8	0.5	12.4
National Safety SOC Digitization	Digitizing Core Infrastructure	8.2	14.8	7.3	1.6
Smart Green Industrial Complex	Smart and eco-friendly industrial complexes	2.1	4.0	1.7	14.3
Green remodeling	Enhancing Energy Performance in Public Buildings	3.1	5.4	7.8	3.3
Green Energy	Expansion of supply of solar energy, wind power, etc.	4.5	11.3	1.6	12.4
Green Future Mobility	Supply of electric and hydrogen vehicles and eco-friendly conversion of old vehicles;	8.6	20.3	5.2	3.8

source: Korean New Deal Portal(<http://www.knewdeal.go.kr/>)

Collaboration Between Ministries



Actions for Korean New Deal

Date	Main content
2021.04.07	The 11 th Korean version of the New Deal ministers' meeting
2021.03.31	The 10 th Korean version of the New Deal ministers' meeting
2021.01.13	The 9 th Korean version of the New Deal ministers' meeting
2021.01.06	The 8 th Korean version of the New Deal ministers' meeting
2020.12.23	The 7 th Korean version of the New Deal ministers' meeting
2020.11.26	The 6 th Korean version of the New Deal ministers' meeting
2020.11.19	The 5 th Korean version of the New Deal ministers' meeting
2020.09.28	The 4 th Korean version of the New Deal ministers' meeting
2020.09.17	The 3 rd Korean version of the New Deal ministers' meeting
2020.08.20	A plan to strengthen the role of public institutions to support the Korean version of the New Deal
2020.08.20	The 2 ^{ed} Korean version of the New Deal ministers' meeting
2020.07.23	The 1 st Korean version of the New Deal ministers' meeting
2020.07.23	A plan to boost private investment such as the Korean version of the New Deal project
2020.05.07	The Korean version of the New Deal

source: KDI Economic Policy Time Series Service

New Deal for Regional Balanced Growth

> Korean New Deal → Revitalization of the local economy and Regional balanced Growth

Regional New Deal

① 한국판 뉴딜 지역사업

한국판 뉴딜 중 지역관련
디지털·그린 뉴딜사업

- 스마트 시티(국가시범도시) 구축 지원
- 철도 안전시설·지하 공동구 스마트화
- 지능형 재해관리시스템 구축

- 그린스마트 스퀘어
- 첨단 도로교통체계 구축
- 공공건축물 그린 리모델링

② 지자체 주도형 뉴딜사업

지자체가 지역 특성을 살려
스스로 발굴·추진하는 사업

한국판 뉴딜의 충실한 구현

경기 디지털 공공배달 플랫폼 구축
그린 전력자립 10만가구 프로젝트

지역 여건 반영, 특색있는 사업 발굴

강원 디지털 중화항체 면역치료제 개발 센터
그린 수소 융·복합 클러스터 조성

전남 디지털 광양항 자동화 컨테이너 터미널 구축
그린 신안 해상풍력단지 조성

③ 공공기관 선도형 뉴딜사업

지역 소재 공공기관이 보유자원을 활용하여
지역 특색에 맞춰 발굴·추진하는 사업

뉴딜 선도사업(예시)

- 인천항 스마트 물류센터 건립(인천항만공사)
- 화성시 자율주행 특화 산업단지 조성(교통안전공단)
- 비대면·VR 기반 통합 헬스케어 플랫폼 개발(국립암센터)

혁신도시 뉴딜 거점화(예시)

- 남부권 스마트 물류 거점 도시 육성(경북, 도로공사)
- 에너지 밸리 조성(광주·전남, 한국전력)
- K-스마트 교육 시범도시 구축(충북, 정보통신산업진흥원)

source: Korean New Deal Portal(<http://www.knewdeal.go.kr/>)

Part-D Future of the Korean Economy



K New Deal : K.E Leapfrogging on Digital Capacity

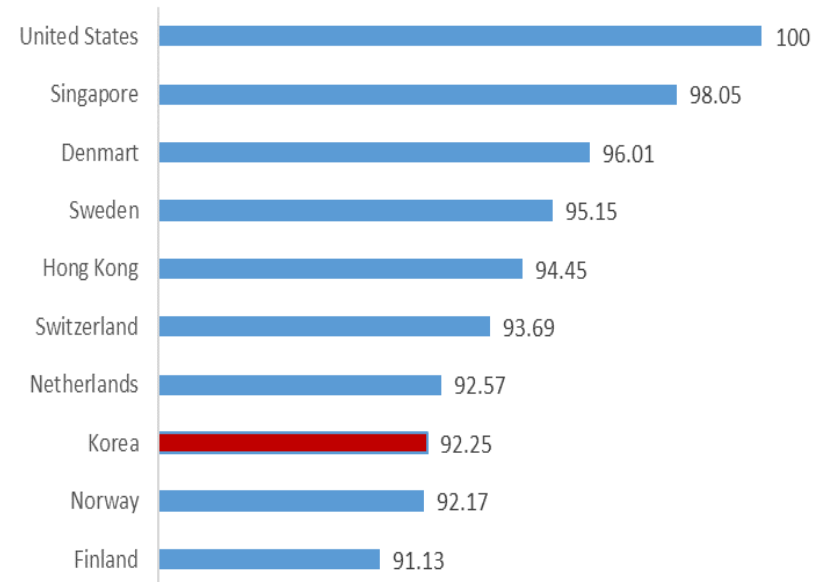
- > Digital (data) is a Core Competitive Factor
- > Industry needs to respond actively to DT

Top 10 U.S. Market Capitalization Companies

Rank	Corporation	market capitalization (\$1 billion)	Industries
1	Apple	2,104.0	Communication device
2	Microsoft	1,769.0	ICT Services
3	Amazon	1,591.0	Wholesale and retail
4	Google	1,409.0	ICT Services
5	Facebook	752.7	ICT Services
6	Tesla	712.2	Car
7	Buckshire Hathaway	583.6	finance
8	Visa	483.8	finance
9	JPMorgan Chase	467.4	finance
10	Johnson & Johnson	427.4	Pharmaceutical Bio

주: 2021.2.24.일 기준
자료: Bloomberg

Digital Competitiveness International Comparison



자료: IMD(2020), World Digital Competitiveness

K New Deal : Net Zero a Key Trade Strategy

> Member of RE100 Climate Group assessed that RE100 conditions in Korea are insufficient

RE100 Enterprise Renewable Energy Utilization

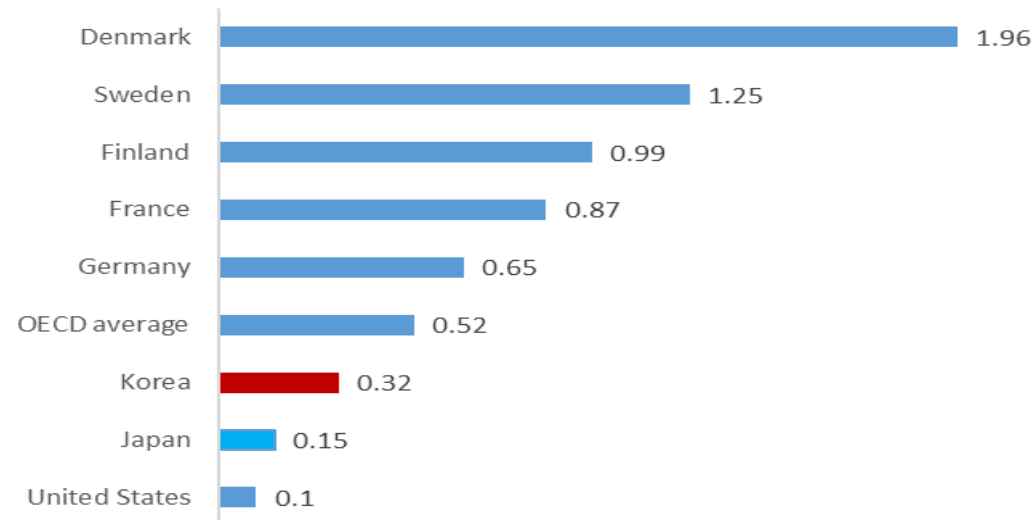
	Renewable Energy Utilization Ratio	Number of RE100 member companies using local strategies open to the public
United States	62%	100
United Kingdom	91%	92
China	19%	83
Germany	65%	81
Japan	14%	78
Spain	104%	69
France	63%	74
Mexico	29%	56
India	39%	74
Canada	46%	57
Switzerland	101%	57
Korea	14%	51

source: RE100 Climate Group(2020.12)

K New Deal : Social Integration Mechanism to Strengthen Safety Nets.

> Strengthening the job and safety net for vulnerable groups: Improving social integration

International comparison of active labor market policies¹⁾



주: 1) Percentage of public sector spending to GDP
자료: OECD, "<https://www.oecd.org/employment/activation.htm>"

K New Deal : Gathering Innovation Capabilities

> collaboration between governments, businesses, universities, and research institutes

K-New Deal Index

Index	Number of Stocks
KRX BBIG K-New Deal Index	12 (3 items for each theme)
KRX Secondary Battery	10
KRX Bio	10
KRX Internet	10
KRX Games	10

source: Korea Exchange

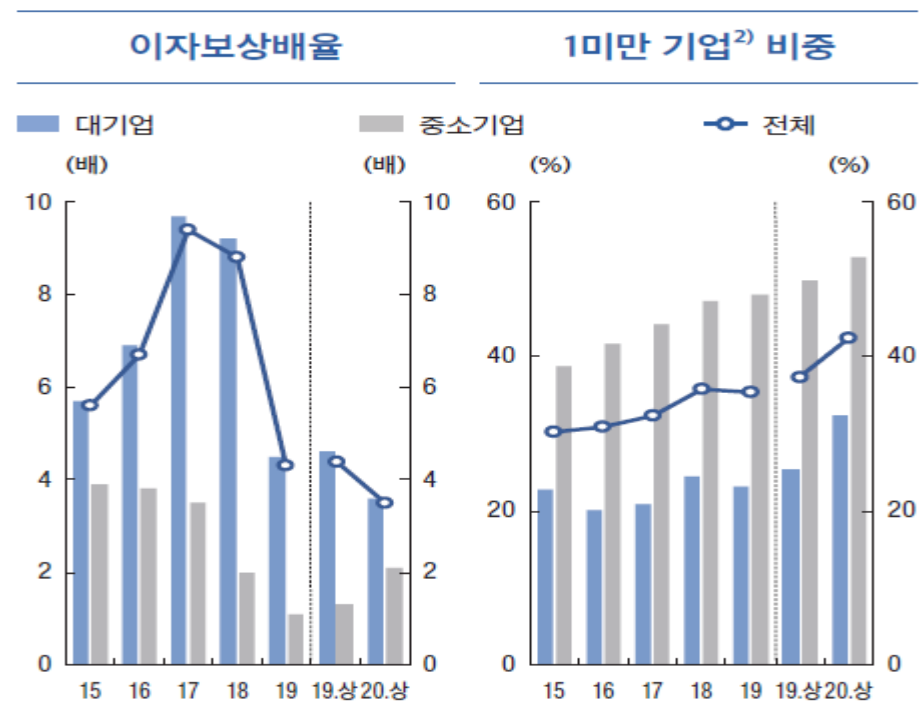
Green Venture Applicants¹⁾

Index	Number of businesses	(%)
Renewable energy	31	10.7
Carbon Reduction	19	6.6
Advanced Water Resources	28	9.7
Green IT	67	23.1
green vehicle ship transport machine	28	9.7
state-of-the-art green residential city	9	3.1
New material	19	6.6
Clean Production	6	2.1
Eco-friendly agricultural and fishery food and systems	14	4.8
Environmental protection and preservation	69	23.8

note: 1) 290 companies applied, 41 companies selected
 자료: Ministry of SMEs and Startups (2020.8.19 and 9.29)

> Reallocation of resources into highly productive industries.

Interest Compensation Ratio¹⁾



Note: 1) Operating Profit/Interest Cost 2) Including Operating Loss
 Source: KIS-Value, Bank of Korea

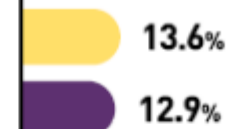
K New Deal : Strengthen social inclusion

> Strengthening social inclusion, such as digital literacy support for vulnerable groups

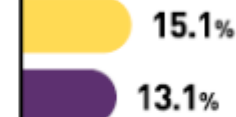
Home Learning Difficulties


N=9,611
(중복응답가능)
초등학생

나 혼자 사용할 수 있는 컴퓨터나
노트북이 없어서 어려웠다



집에서 인터넷을 통해 온라인 수업에
접속하기 어려웠다

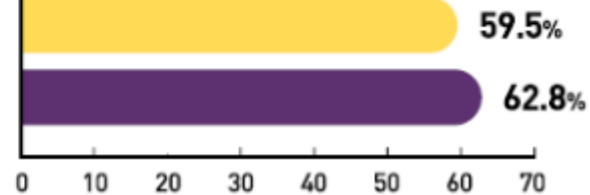


온라인 수업을 하면서 컴퓨터나
인터넷이 잘 안 될 때 도움을 줄 수 있는
사람이 없어서 어려웠다




N=12,683
(중복응답가능)
중학생

수업 내용이나 과제에 대한 질문이 있을 때
친구나 선생님과 소통하기가 어려웠다

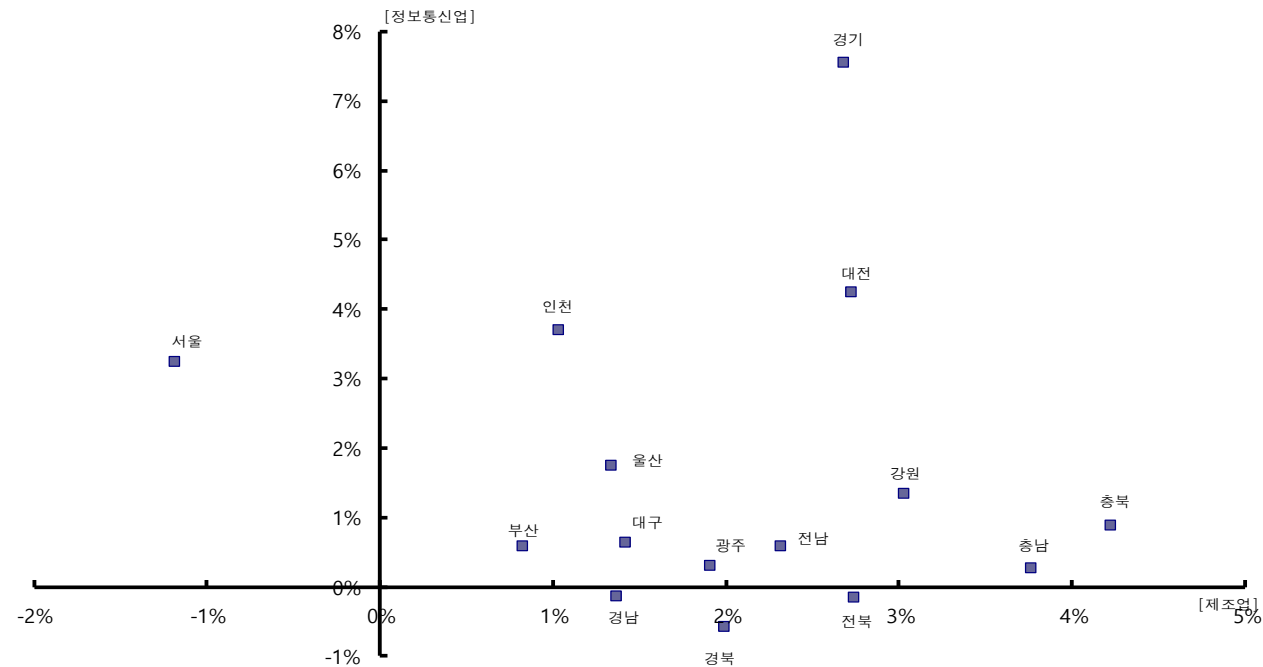


Note: 1) 2020 Elementary and Middle School Student Digital Literacy Survey Results
Source: Korea Education and Research Information Services Press release (2020.3.8)

K New Deal : Revitalize the local economy

- > The gap between innovation and Profitability from the Seoul metropolitan area.
- > K New Deal : ↑ Regional Innovation Capacity & dynamism

Employments in Manufacturing and ICT Industry By Region (2006~18)



Source: Statistics Korea

Thank you

