

## President Trump Visits South Korea

President Trump's visit to South Korea during Nov 7~8 included a stopover at Camp Humphreys, Summit Meeting with President Moon, and speech at the National Assembly. Four main issues discussed in the Summit included: 1) rotational deployment of US strategic assets; 2) end limits to payloads on South Korean missiles; 3) reinforcing ISR assets; and 4) nuclear-powered submarine.<sup>1</sup>

## Trump's Speech at the National Assembly

The South Korean public praised President Trump's speech at the National Assembly, which touched on the history of the South Korean economic development and the US-ROK alliance. The dominant view in South Korea was that the Summit ended successfully. However, a number of observers questions whether the Summit produced any changes in the regional dynamic or South Korea's foreign policy.

## President Moon's Visit to Southeast Asia

President Moon Jae-in visited Southeast Asia to attend the APEC and EAS meetings during Nov 8~14. In Indonesia, he emphasized the values of "human centrality" and "inclusive growth." He also signed the Joint Vision Statement for Co-Prosperity and Peace that elevated the ROK-Indonesian relations to one of strategic partnership. In APEC, Presidents Moon and Xi reaffirmed the ROK-PRC Agreement on THAAD. In addition, President Moon gathered international support and cooperation for a peaceful resolution to the North Korean issue.<sup>2</sup>

President Moon received a positive feedback on his visit to Southeast Asia. However, observers expressed mixed views about his meeting with President Xi. The Liberty Korea Party pointed out that South Korea has succumbed to China's demands in return for President Moon's visit to China next month.<sup>3</sup> The People's Party mentioned President Moon's failure to convince China to play a greater role in pressuring Pyongyang. The Together Democratic Party welcomed the meeting between the two leaders. Despite criticism from opposition parties, President Moon's support increased further from the previous week.

## IMF 2017 Article IV Consultation for Korea

## concludes on Nov 14: calls for "flexicurity"

The International Monetary Fund (IMF) announced that the South Korean economy was performing well. Strong global demand for South Korean exports and sound monetary environment contributed to the favorable assessment. However, high youth unemployment (10%), large household debt, and worsening inequality remained as strong risk factors.<sup>4</sup> The current administration has tried to offset these risks by making layoffs and termination administratively more difficult. But too much emphasis on job security may cause long-term labor market rigidity.<sup>5</sup>

## Korean Fair Trade Commission (KFTC) Regulation on Online Travel Agencies (OTA)

On Nov 14, the KFTC declared that it would seek amendments to terms of service for online travel agencies (OTA) including Agoda, Booking.com, Hotels.com, and Expedia. The KFTC asserted that there should be a "considerable period" between the reservation and cancellation date. The KFTC stated that there was excess liability passed onto the consumer, one that may conflict with Korean contract practice.<sup>6</sup>

Hotels.com and Expedia have begun to negotiate their strict non-refundable policy as well as retroactive price guarantees in situations of price change amongst other stipulations. The KFTC has also been pushing to increase the responsibilities of the OTA in situations of technical or website errors, unexpected changes in price or availability of rooms, and so forth. The terms of that have been negotiated thus far are expected to come into effect by December 1, to which the KFTC commented that they expected greater consumer protection as a result.<sup>7</sup>

1 "靑이 꼽은 트럼프 방한 성과는 '위대한 동맹'... 비용은 과제", *동아일보*, 2017년 11월 8일.

2 "문 대통령 동남아 순방 결산...한중관계 정상화 등 성과", *경향신문*, 2017년 11월 15일.

3 "여야, 한중정상회담 엇갈린 평가..."북핵공조합의" vs "無 대북압박", *중앙일보*, 2017년 11월 12일.

4 "IMF Staff Concludes 2017 Article IV Visit to Korea" Press Release No. 17/438, International Monetary Fund,

2017년 11월 14일.

5 “한국 성장 전망 3.0 ... 3.2% 올린 IMF, 더딘 노동 개혁 경고” *중앙일보*, 2017년 11월 15일.

6 “4개월전 취소 했는데 환불 거부' 부킹닷컴 약관 시정권고” *연합뉴스*, 2017년 11월 14일.

7 “호텔 예약사이트 4곳 취소 환불 시정권고” *중앙*

*일보*, 2017년 11월 15일.

8 “공공기관 지역인재 의무채용, 논란 끝 입법예고” *한겨레*, 2017년 11월 7일.

9 “공공기관 지방이전에 따른 혁신도시 건설 및 지원에 관한 특별법 시행령 일부개정령(안) 입법예고”

Pre-announcement of legislation, Korea Ministry of Government Legislation, 2017 November 08

### Legislative Bills in South Korea

Name	Motion	Status and Date	Purpose	Likelihood to Pass
Amendments to the North Korean Refugees Protection and Settlement Support Act	2017 March 21	Under Examination (as of Nov 16)	Providing assistance to North Koreans who escape to South Korea assimilate politically, economically, and culturally with extended support for infants, children, elderly, and the handicap.	N/A*
Sustainable Infrastructure Management Basic Act	2017 March 15	Under Examination (as of Nov 16)	Establish systematic method of evaluating state of public infrastructure for improvement over five year periods, creation of minimum standard for building infrastructure maintenance and centralized administration for maintenance of aging public infrastructure	Medium
Meritorious Service to Democracy Act	2017 October 31	Under Examination (as of Nov 14)	Educational support, employment support, medical support, loan, support for the elderly, support for parenting, and other support for individuals and registered family members who contributed to the democratization of Korea.	High
New Industry Creation and Innovation in Preparation for the Fourth Industrial Revolution Support Act	2017 Nov 10	Under Examination (as of Nov 13)	Definition of regulatory sandbox conducive to Fourth Industrial Revolution innovative technology sectors: AI, big data, and biotech; creation of relevant central administrative body; coordination with existing, relevant laws; promotion of research, development, and scholarship.	High
Amendments to the Special Act on the Construction and Support of Innovative City Acceptance of Public Institutes Relocating to Local Cities	2017 Oct 24	To promulgate and enter into force on 2018 Jan 25	Further implementation and enforcement measures of Special Act, which moved public institutions to provincial areas in Korea to promote more regionally balanced growth. This amendment requires public institutions to hire 18% of their staff locally and then 2020 30% of their staff with a 3% year-on-year increase of local representation. <sup>8</sup>	Announced 2017 Nov 8 <sup>9</sup>

\*Insufficient coverage on this issue

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