

1. Greetings

Здравствуйте!

Vice-President Georgy Petrov of the Russian Chamber of Commerce and Industry,

Executive Vice President Alexander Murychev of the Russian Union of Industrialists and Entrepreneurs,

Chairman & CEO Han Duck-soo of Korea International Trade Organization,

Chairman Chang-Soo Huh of the Federation of Korean Industries,

And distinguished guests!

I am extremely pleased to attend the 6th Korea-Russia Business Dialogue and to have been asked to give a keynote speech.

2. Significance of Cooperation of Eurasia

Distinguished guests,

The global economy has turned into a multi-polarized system in which advanced economies and emerging economies have been co-existing under the leadership of advanced economies since the global financial crisis.

In particular, emerging Eurasian economies including China and Russia are supporting the global economy with high growth rates despite the economic

recession caused by the fiscal crisis of the major EU countries.

I am confident that Eurasia will grow in significance as a new investment destination and a job creator.

President Park Geun-hye designated cooperation in the era of Eurasia as an important agenda for the new government, and proposed the Eurasia Initiative including “One Continent,” “the Creative Continent” and “the Peaceful Continent.”

Russia is at the center of the vision for Eurasian cooperation as it is one of the world’s most resource-rich countries, and serves as the bridge between Europe and Asia.

Korea is gearing up to use the trade and cooperation network in Europe and Asia, and to play a pivotal role together with Russia in improving the level of economic cooperation in Eurasia.

3. Review of Korea-Russia Economic Cooperation

Distinguished guests,

The volume of trade between Korea and Russia was recorded as USD 22.5 billion last year, a remarkable growth compared to USD 0.19 billion in 1992 when the two countries first made diplomatic ties. Russia became Korea’s 12th-largest trading partner.

Korea has invested USD 3 billion into Russia, and the types and areas of investments are being diversified, including manufacturing sectors such as automotive and electronics and service sectors including retail and accommodations.

Hyundai Motor Group is loved by Russians as the best-selling brand in the Russian market.

Economic cooperation between Korea and Russia is expected to be further expanded and accelerated, fueled by Russia's joining of the WTO, the customs union among Russia, Belarus and Kazakhstan and the emergence of the EEU.

4. The Era of Eurasia and Measures to Expand Economic Cooperation between Korea and Russia

Distinguished guests,

I believe that Korea and Russia, as key nations of the Eurasian region, will be able to lead the new era of Eurasia using the newly opened North Pole Route and based on the trade and energy infrastructure.

I would like to make a few proposals to further cement the economic partnership between the two Eurasian leaders today.

First, I propose a creative approach to economic cooperation that combines Russia's excellent technology base and Korea's expertise in the area of commercialization.

Korea has selected the creative economy as the new paradigm for its economic development. In the creative economy, science and ICT are converged based on the creativity of actors of the economy, convergence is facilitated and new markets and jobs are created.

Korea has quality HR, and world-class applied manufacturing technology. Korea's global companies have excellent applied technology and commercialization competencies in advanced electronics and manufacturing sectors.

On the other hand, Russia maintains excellent source technology in diverse areas including space and aviation, materials and optics. The two countries are ideally positioned to cooperate with each other.

By sharing strengths through cooperation and advancing into the global markets together, our two countries will be able to build the foundation for robust and sustainable development.

The innovative economy of Russia is aligned with the creative economy of Korea in the sense that the two concepts are based on the creativity of citizens, science and IT.

I hope that our two countries will share the common vision of the creative economy, exchange diverse ideas and develop new business opportunities.

The Korean Kimchi Refrigerator, which is well known in Russia, is a success story that combines Korea's strengths in commercialization with Russian source technology.

Our two countries will jointly develop a next-generation nitride compound semiconductor device-based energy power semiconductor this year by combining the source and materials technology of IOFFE, Russia and the applied device technology of ETRI, Korea.

Secondly, we need to make efforts to expand mutual trade and investment cooperation.

Global companies in Korea are investing in diverse areas in Russia, including automotive, electronics and hotels, creating quality jobs and contributing to Russia's economic development.

Small and medium-sized businesses in Korea are also highly interested in entering the Russian market, and have been benchmarking previous success cases.

Russian investment into the Korean market is still at the exploration stage, but there is huge potential.

Korea, which has emerged as an FTA hub, will provide Russian businesses advancing into the global market with new opportunities for growth.

Russia will be able to find strategic cooperation partners by investing into the automotive, construction, telecom, IT and new and renewable energy sectors, which Russia has focused on, in Korea.

After taking office, President Putin announced a plan to make Russia's business environment one of the world's top 20 by 2018.

Russia's ranking in the World Bank's 2014 Doing Business Index was increased from 189th to 92nd, the most rapid business environment improvement among BRICS countries.

Korea and Russia built the Korea-Russia joint investment platform and laid the institutional foundation for trade and investment expansion by entering into the visa-free agreement during the recent bilateral summit.

Korea is located at the center of Northeast Asia, and is ideally positioned to facilitate easy entry into Asian markets, including China and Japan. As Korea has entered into FTAs with 45 countries including the US and the EU and is working on the Korea-China FTA, the Korea-Vietnam FTA and the Korea-China-Japan FTA, Korea is favorably positioned as a hub of trade with the world.

By facilitating exchanges like today's event, understanding each other's investment environment and exchanging investment information, our two

countries will be able to produce fruitful results through investment cooperation for co-prosperity.

Our two countries have set a 2015 trade target of USD 30 billion. To expand trade between our two countries, there is a need to improve the trade structure by focusing on raw materials and finished products.

Third, I propose the further expansion and reinforcement of cooperation in the energy and resources areas.

Russia is the world's largest natural resources producer, and Korea heavily depends on imported resources, suggesting that there is a complementary economic structure.

Russia is making efforts to innovate its energy sector, and this includes efforts to improve energy efficiency and to develop new and renewable energy.

As Korea secures excellent technologies in the area of energy efficiency, including smart grid and new and renewable energy, the two countries have enormous potential for cooperation.

I hope that our two countries will develop detailed cooperation projects in areas such as wind power and energy efficiency that are currently being discussed, including MOUs for smart grid cooperation and the development of a "super grid" in Northeast Asia.

In particular, the Trilateral Cooperation Program between Korea, North Korea and Russia, including the supply of Russian natural gas, which is being actively discussed by Korea and Russia, is expected to make a contribution that goes beyond economic cooperation between Korea and Russia, and support the peace and prosperity of the Korean Peninsula.

5. Closing

Distinguished guests,

Today's venue is extremely meaningful in the sense that it is the first meeting in which the businesses leading Korean and Russian economies have discussed cooperation measures since Korea's new government took office.

I hope that our two countries will be able to create new business opportunities through today's discussions.

Last but not least, I would like to extend my heartfelt gratitude to those who worked so hard to organize today's event.

Спасибо за внимание!