



## **FSS Governor Zhin Woong-Seob's Opening Remarks at the 2017 Busan Financial Hub Convention on International Marine Finance**

*The following is the text of the opening remarks that Governor Zhin Woong-Seob delivered to the participants of the 2017 Busan Financial Hub Convention on International Marine Finance in Busan on June 1, 2017.*

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Good morning, ladies and gentlemen,

Let me begin by expressing my warm welcome to you all for joining us here at 2017 Busan Financial Hub Convention on International Marine Finance. It's great to see you, and I thank you for coming.

I particularly take note of the presence of the honorable Lee Jin-bok, Chairman of the National Policy Committee of the National Assembly, and the honorable Kim Hae-young, lawmaker of the Democratic Party of Korea. We're greatly honored and grateful to have you with us today. At the same time, my sincere appreciation goes to the honorable Seo Byung-soon, Mayor of Busan Metropolitan City, and members of the Busan Metropolitan City. Thank you all for your hard work in organizing this year's convention together with the FSS.

In addition, let me offer my appreciation to the guest speakers and panels who will provide us with valuable insights in their presentations and debate sessions today. And I hope that this year's convention will serve as a meaningful opportunity to gather wisdom and advice, which will be a great help in transforming Busan into a world-renowned financial center.

Distinguished guests,

Ever since Busan was designated as a financial center in 2009, the government, financial companies and local community made an all-out effort to develop Busan into a globally-competitive financial center specializing in marine and derivative finance.

Through such efforts, we were able to see the establishment of "Marine Finance Center" and "Korea Maritime Guarantee Insurance." And more recently, "Korea Shipping and Maritime Transportation" was set up to support financial structure improvement of shipping companies.

It's also notable that the establishment of Korea's maritime exchange is approaching near, as the revision bill of the Marine Transportation Act was recently approved by the National Assembly. And there is also the BIFC, a proud landmark of Busan financial district referred to as the "Wall Street" of Busan. All this suggests that Busan will soon see the full completion of its marine finance infrastructure base.

Distinguished guests,

Despite uncertainties at home and abroad such as the interest rate hike of the U.S., major economic institutions including the IMF have raised their growth forecast for the Korean economy. The amount of Korean stocks held by foreign investors also reached an all-time high, showing the continued “Buy Korea” trend in the stock market. Moreover, the number of foreign financial companies operating in Korea has shown a steady increase over the past 3 years.

And in the FSS Hong Kong Roundtable Meeting held several weeks ago, I was able to see quite a few foreign financial companies asking questions about Korea’s licensing process and showing interest in entering into the Korean market. Thus, I can say for sure that Korea is, and will be, an attractive financial market.

But nevertheless, coordinated effort is still called for to take Busan financial center to the next level. As part of this effort, the financial authorities have recently re-established financial center policy objectives by shifting our focus to “promoting cross-border financial transactions.”

What this means is that we intend to further boost trading of global capital in the Korean financial market, thereby creating more investment and business opportunities. And this will naturally lead to globalizing the Korean financial industry and attracting foreign financial companies to the market.

For this, it would be of course important to work on having more foreign financial companies set up their offices in Busan. But a more profound challenge would be seeking ways to foster the marine and derivative finance sectors.

Thankfully, Busan has a business environment suitable for pursuing the new financial center objectives. The city is nearby the world’s top 3 shipyards and has the 6th largest port in the world. And it also serves as the first and final port of call in the Americas sea route. These examples demonstrate that infrastructure necessary for promoting marine finance is already well in place.

Moreover, IMF forecast shows that global trade growth projected for this year is twice higher than that of the previous year, which means that a brighter future can be expected for the shipping and shipbuilding industries. In fact, in April, Korean shipbuilders successfully reclaimed the no. 1 position in the global market, and export also reached its highest level since Oct. 2014. With these advantages of Busan financial center, great synergy could be created, which will bring in more marine finance companies to Busan.

Another thing to mention is that Busan’s vision of becoming the “marine capital of Northeast Asia” is something that President Moon Jae-in has emphasized. So as seen in President Moon’s congratulatory speech at yesterday’s “Ocean Day” ceremony, we could expect to see the establishment of a public enterprise on marine finance, which is one of his presidential pledges. I would therefore stress that Busan financial center holds a promising future and thus ask for your continued interest and investment in it.

The financial authorities will be committed to strengthening competitiveness of the shipping and shipbuilding industries through systematic and stable financial support. We also intend to actively promote Busan financial center overseas by holding IR events, and further solidify our cooperative ties with foreign supervisory authorities.

It is said that the success of financial center development highly depends on whether the domestic financial industry has global competitiveness. With this in mind, we will introduce various supportive measures for the financial industry and improve regulations deemed unreasonable or inconsistent with global standards.

Distinguished guests,

Back in 2013 when this convention was held for the first time, Busan wasn't even included in the rankings of the Global Financial Centres Index. But thanks to all of your devotion and support, Busan is now ranked among prestigious global financial centers around the world.

We still have many challenges that lie ahead of us. But if financial companies, the Busan Metropolitan City, and the financial authorities make harmonized effort, I'm sure that Busan will grow into the world's best marine finance center in the near future.

In closing, let me once again thank all of you for joining us today, and wish you good health and happiness.

Thank you.

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