

Korea – Alberta Relations

International and Intergovernmental Relations

Alberta



PROFILE

Capital: Seoul

Population: 49 million (2007 est.)

Language: Korean

Government: Presidential Republic

Head of State: President Lee Myung-bak (Since February 2008)

Head of Government: Prime Minister Han Seung-soo (Since February 2008)

Currency: \$1 CDN = 1,043.84 Korean Won (May 2008)

GDP: \$969.8 billion US (2007)

GDP (PPP): US\$1,199.4 billion (2007)

GDP Per Capita (PPP): US\$24,480 (2007)

GDP growth rate: 5% (2007)

Unemployment: 3.3% (2007)

Inflation: 2.7% (2007 est.)

Key Industry Sectors:

Semiconductors, electronics, mobile and cellular phones, automobiles, steel, ship building, chemicals, computers, liquid crystal display, textiles, footwear and food processing.

DID YOU KNOW?

- As promised in his presidential election campaign, Lee Myung-bak maintains his "747" policy platform, which aims for the country to achieve an economic growth rate of 7% for the next ten years, to reach a per-head income level of US\$40,000, and to become one of the world's seventh largest economies.
- South Korea's demographic profile is distinctive with more than 470 people per sq km, it is the third-most densely populated country in the world (excluding city-states), after Bangladesh and Taiwan.

RELATIONSHIP OVERVIEW

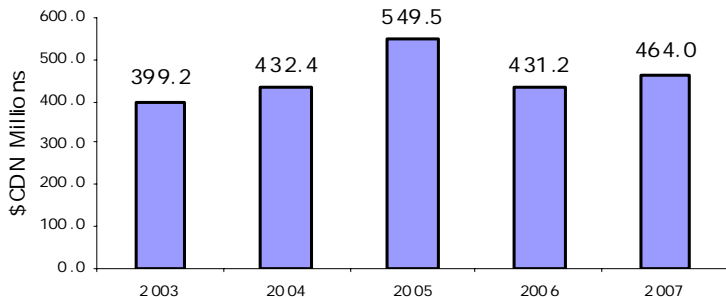
- Korea is Alberta's 6th largest trading partner and an important source of trade, investment and tourism.
- Gangwon, Korea was Alberta's first sister province, twinned in 1974. Over the years, most activities have involved education, culture and sport exchanges. The agreement was reaffirmed in June 2004.

- Canada and South Korea initiated free trade agreement (FTA) negotiations in July 2005.
- Edmonton has a friendship agreement with the municipality of Wonju, Korea.
- Daejeon is Calgary's sister city in Korea.

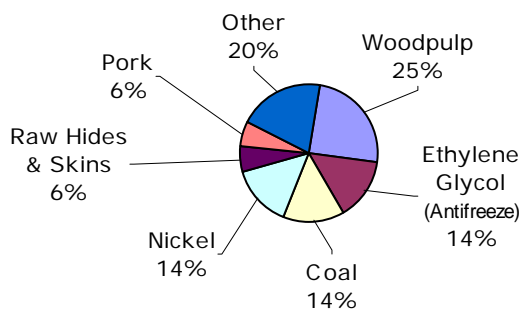
TRADE AND INVESTMENT

- In 2007, exports to Korea totaled \$464 million CDN. Top agricultural exports include raw hides and skins, pork, canola oil, hay and fodder, wheat and malt. Top non-agricultural products include woodpulp, ethylene glycol (antifreeze), coal and nickel.
- Alberta imported at least \$179 million worth of goods from South Korea in 2007. These imports were primarily of machinery and equipment but also iron and steel, rubber, and plastic products. This figure is likely higher as it does not capture South Korean goods (e.g., vehicles) sold in Alberta after first being delivered to distribution hubs in other provinces.

Alberta's Exports to Korea 2003-2007



Alberta's Merchandise Exports to Korea 2007



ENERGY

- The Canadian subsidiary of state-controlled Korea National Oil Corp. (KNOC) is the sole operator of the Black Gold project, a potential 250-million-barrel prospect purchased from Newmont Mining for US\$270 million. KNOC's timetable includes filing a regulatory application in 2008 and, subject to approval, starting construction of the C\$750 million facility in 2009. Initial production is scheduled for 2010, with a goal of 30,000 to 35,000 barrels per day.
- South Korea's oil imports exceed consumption needs, as the country re-exports about a quarter of its gross oil imports as refined petroleum products, mostly to neighboring countries in East Asia. South Korea is one of the top ten consumer of oil in the world and the fifth-largest net importer of oil.
- South Korea relies on imported liquefied natural gas (LNG) for most of its natural gas although it began producing a small quantity of domestic natural gas in early 2004. As of 2005, South Korea was the second largest LNG importer in the world (after Japan), importing 1,075 billion cubic feet of LNG.
- South Korea is also the second largest net importer of coal in the world, after Japan. Korea imports bituminous coal for use in power plants and industrial boilers, and metallurgical coal for steelmaking.
- Forecasts indicate that South Korea's total primary energy consumption will grow at an average rate of 2.1% over the 2002-2025 period, or nearly twice the rate in developed countries.

- South Korea's electricity demand is estimated to grow at an average annual rate of about 4% a year over the 2002-2015 period, due to rising incomes and the growing use of electricity in a rapidly developing economy. Massive investment in energy infrastructure, including billions in new electricity generation, will be required to meet these needs.

AGRICULTURE

- In 2007, Alberta accounted for over 30% of Canada's agriculture and agrifood exports to South Korea, the highest among Canadian provinces and territories.
- In 2007, Alberta agrifood exports to Korea were valued at \$119 million CDN. Primary exports include raw hides and skins (\$29 million), pork (\$28 million), canola oil - crude and refined (\$22.4 million), hay and fodder (\$9.4 million), wheat (\$9.4 million), malt (\$8.6 million), wheat and meslin flour (\$4.2 million), and processed potatoes (\$2.1 million).
- Alberta's beef exports to South Korea grew strongly in the late 1990s, reaching approximately \$70 million in 2000 and then moderating to \$30 million in average annual sales before Korea closed its market to Canadian beef following the 2003 discovery of a case of BSE.
- Korea has now resumed trade in raw hides, semen and tallow.
- In the meantime, Alberta pork exports increased sharply from \$7.1 million CDN in 2004 to \$28 million CDN in 2007.

- Alberta's top priority is to regain access to the Korean market for beef and to expand access for other value added agrifood products, such as canola oil, and pork.

EMERGING OPPORTUNITIES

- Albertan and Korean businesses are working together to promote export opportunities in the value-added building products industry.
- Alberta ICT companies working with Korean partners to establish market presence, especially in the wireless sector.
- Business relations are being advanced through active participation in trade and investment promotion events, including exhibitions and Korea Trade-Investment Promotion Agency (KOTRA) seminars.
- South Korea remains a priority market for Alberta tourism.
- South Korea is a major source for skilled workers to Alberta. Based on 2003-2007 total skilled workers to Alberta, South Korea was in the top six source countries with 1,325 workers or 3% of Alberta's total intake in the last five years.

EDUCATION AND CULTURE

- There are a variety of linkages and agreements between post-secondary institutions in Alberta and Korea in areas of pharmaceutical sciences, medicine, mathematics, education, agriculture, mathematics, physics, and Korean and Canadian studies.

- Koreans represent a large foreign student body in Alberta, particularly for English as a Second Language (ESL) programs.
- The University of Alberta's Kangwon Teacher Education Project (KTEP), has assisted over 400 Gangwon teachers to develop their English language teaching skills since 1984.
- Alberta and Gangwon award reciprocal scholarships to students to study in their respective sister province.
- As a Centennial gift to Alberta and to mark the 30th Anniversary of the Alberta-Gangwon sister province relationship, Gangwon undertook construction of a Korean-style pavilion on the grounds of the Royal Alberta Museum.

COMMUNITY

- There are approximately 12,000 Albertans of Korean descent.
- Active Korean community associations have been established in Calgary and Edmonton. In addition to providing assistance to newly arrived immigrants, these associations help to preserve Korean culture and identity.
- CKER-FM broadcasts across Alberta in many different languages, including Korean.

AGREEMENTS

- In May 2005, Alberta signed a letter of intent with the Gangwon Department of Industry and Economy to promote research and development cooperation in the areas of information and communication technology, advanced materials and biotechnology. The resulting Alberta-Gangwon Research Collaboration Program has provided seed funding to four collaborative projects in ICT and Biotechnology.
- In June 2004, Alberta signed a letter of intent with Korea's Ministry of Science and Technology to promote research and development cooperation in the areas of nanotechnology, biotechnology, and other innovative technologies.

RECENT VISITS

- June 2008: Alberta's Minister of International & Intergovernmental met with key government and industry contacts in Korea to advance Alberta's trade/investment priorities.
- May 2008: A delegation from the National Gaming Control Commission of the Republic of Korea visited Edmonton and met with the Alberta Alcohol and Drug Abuse Commission.
- October 2007: An Alberta Advanced Education and Technology delegation, including 10 Alberta schools, participated in a student fair in Korea and held a seminar and networking session with Korean universities and the Korean government.
- September 2007: Samsung Advanced Institute of Technology president Dr. Hyung LIM led a delegation of senior scientists to the National Institute for Nanotechnology.
- March 2007: An Alberta Employment and Immigration delegation visited Korea and partnered with Human Resources Development of Korea in a seminar to attract Korean skilled workers to Alberta.
- July 2006: Alberta's Minister of Sustainable Resources Development visited Korea to learn about the Korean government's forest management practices and to advance bilateral relations with the Korean government.
- May 2006: The 2nd Alberta-Gangwon Technology Forum was held in Banff, Alberta and produced 4 collaborative projects in ICT, life sciences and nanotechnology. The first forum was held in May 2005 in Gangwon to promote collaborative research projects, resulting in biotechnology research collaboration between Alberta and Gangwon researchers.
- October 2005: Gangwon Governor Jin-sun KIM led a delegation to Alberta to dedicate a Korean-style pavilion to celebrate Alberta's

Centennial and the 30th Anniversary of the Alberta-Gangwon sister province relationship.

- October 2005: Alberta's Minister of Agriculture and Food led a mission to encourage market access for beef and other agriculture and agrifood products.
- June 2004: Premier's mission to Korea to encourage trade and investment, sign a MOU to facilitate collaboration in the areas of science and technology, and celebrate the 30-year sister province relationship with Gangwon.

DIPLOMATIC REPRESENTATION

- His Excellency Soo Dong KIM is the Korean Ambassador in Ottawa.
- His Excellency Ted Lipman is the Canadian Ambassador in Seoul.
- Mr. John R. Perraton is the Honorary Consul General of the Republic of Korea in Calgary.
- Alberta has maintained a trade office in Seoul since 1988. It is co-located in the Canadian Embassy. Mr. Don Smithson is the Managing Director.