

D. Mechanisms to Encourage Korean Business Investment in Canada, Canadian Business Investment in Korea, and Industrial Joint Ventures in Canada, Korea and Third Countries.

Overview

The Canada-Korea bilateral investment relationship is already an important part of the overall economic relationship between the two countries, with major Korean companies having investments in Canada, and several large Canadian companies with a presence in Korea. Joint ventures between Korean and Canadian companies are another important part of the relationship.

Both sides recognized that, given the complementary nature of their economies, it will be of great mutual benefit to cooperate in facilitating direct investment by their respective companies in the economy of the other, and joint ventures and strategic alliances in either country or in third countries (all referred to hereafter as "investment and joint ventures").

Nonetheless, decisions on the establishment of investment and joint ventures should be made by individual companies on their own initiative, and in accordance with their economic feasibility. In this regard, both sides agreed to take such measures as available to them on the governmental level to facilitate cooperation between the private sectors of both countries, and to encourage their respective companies to pursue investment and joint venture opportunities.

Recommendations

1. Both sides concurred that to encourage private sector investment and joint ventures, the first step is to exchange information on the general foreign investment regime and environment in each country, the sectors and industries appropriate for investment, and the firms interested in investment and joint ventures. Both sides noted that the exchange of relevant information will be of particular benefit to small and medium-sized firms interested in joint arrangements. For this purpose, both sides will take the following actions: