Similarly, a recent agreement reached between the Korean and U.S. governments to liberalize the Korean insurance market offers considerable scope for foreign insurance companies if these concessions are applied equally to all foreign insurance companies operating in Korea. The Canadian government is working to ensure that such liberalization policies are applied in a non-discriminatory manner. Manufacturers Life Insurance Company recently received approval for their joint venture with Korea Zinc,and began offering insurance services.

Tourism

Korea has, since 1983, been steadily relaxing restrictions related to age, frequency of travel and spending limits on Korean citizens who wish to travel abroad. As of January 1, 1989 all such restrictions were abolished.

The Canadian government is actively pursuing this market and is providing support and assistance to private Canadian companies interested in providing this service.

An Air Services Agreement, signed in September, 1989 provides for a Canadian carrier to operate direct flights between Canada and Korea. Air Canada announced however, that they were postponing the inauguration of this service for the foreseeable future. Singapore Airlines and KAL already offer direct flights between Seoul and Vancouver.

Investment

Canada has taken a number of steps to create a new and positive environment to encourage foreign investment. The Canadian government is of the view that both direct and indirect foreign investment can significantly enhance domestic economic development.

The $350 million Hyundai automobile assembly plant now in operation in Bromont, Quebec, and their $125 million stamping facility, under construction, makes Korea a new but increasingly important foreign investor in Canada. The recent $250 million acquisition of the Atlas Steel Division of Rio Algom by the Sammi Group and their plans to double their investment to expand production is another sign of the coming of age of Korea as an international business partner. Several Korean companies have invested smaller amounts outside central Canada, including the Han Yang Chemical Corporation which has invested $16.5 million in a joint venture to operate a PVC window frame operation in St. John's Newfoundland.

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