Interview with Woo-Taik Chung, Chungcheongbuk-do Governor, Chungcheongbuk-do

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Although Chungcheongbuk-do is a small province in terms of territory and population, it has gained increasing importance in Korea’s economy. What are the main drivers of this growing economic progression?

Chungbcheongbuk-do (Chungbuk) was traditionally an agriculture-based province until its economy started to shift towards more knowledge intensive activities in the last two decades. In terms of the bio/pharma sector, Chungbuk was a pioneer in actively attracting companies in these fields to invest in the province since 1994. Nowadays, all provinces in Korea recognize biotech (BT) as a powerful growth engine, but thanks to Chungbuk’s pioneering in terms of attracting investments and in constructing the adequate infrastructure for BT, we are clearly ahead of the rest. Our leadership led the national government to approve the construction of the Osong Bio Technopolis in 1997; it took 10 years to be constructed and it was finally inaugurated in 2007. In this regard, the Osong Bio Technopolis has set up its target to play a role as Northeast Asia’s biotechnological center, with the vision to provide support to accommodate leading BT-related agencies including the Korea Food & Drug Administration (KFDA), the Korea Centers for Disease Control and Prevention (KCDC), the National Institute of Toxicological Research (NITR), and the Korea Health Industry Development Institute (KHIDI), amongst others.

Besides being the national pioneers in BT, what other main competitive advantages does Chungbuk have in order to attract international companies in the bio-sector?

Chungbuk's first competitive advantage is, as mentioned, the adequate infrastructure already set in place for the BT sector. The second is the high concentration of public research and regulatory institutions such as the FDA and NITR, which are planned to officially establish themselves in Chungbuk very soon. The third advantage is the province's unique geographic location in the heart of Korea and our proximity to the main cities and industrial areas. There are several infrastructure projects in progress which will further improve our links to the rest of the country and the world, such as a fast train line and an international airport. All of these factors give Chungbuk the best potential to become Korea's and Northeast Asia's biotech hub. A high-tech industry such as BT requires very qualified personnel.

How is Chungbuk in terms of its ability to attract the appropriate workforce to feed these strategic industries?

As you know, Korea is full of bright and hard working people. Chungbuk has more than 16 universities for the country's human talent, all with departments directly related to cutting-edge biotech research. We are also collaborating with a bio-research center at Maryland State University; a partnership that will surely bring new knowledge and expertise to our industry. This well established knowledge network will guarantee the attractiveness of our region to the skilled workforce which is needed to boost the Osong Bio Technopolis. Osong stands as the Northeast Asian hub for highly skilled BT professionals from all over Korea.

How are you promoting Chungbuk internationally among the very competitive BT and pharmaceutical industry?

Korea is internationally known for its cutting-edge technology development and BT is starting to occupy a privileged place in this picture. In this regard, Osong is taking advantage of its unique assets and has already signed four contracts with foreign companies, such as TissueGene, Theraject which will build a biopharmaceutical manufacturing plant in the area. We have promoted our Science Park very successfully in presentations in France and Germany, and very soon we will present ourselves in the USA, hoping to attract the interest of big companies such as Pfizer, which is planning to bring a strategic research center to Northeast Asia.

To what extent are you concerned about the possible impact of the global economic downturn on the feasibility of carrying out Chungbuk's ambitious plans and projects in the bio-sector?

The current economic crisis is global and, as such, will affect everyone to some extent. The main problem is the lack of financial liquidity, and for industries that depend a lot on long term investments this is a painful burden. However, the growth potential Korea offers to national and

international companies in its BT industry seems to be more important in the judgment of many companies that have chosen Osong as a national and international hub for biotechnology. Even with the current financial turmoil, these companies have bought land in Osong Bio Technopolis and have promising expectations for their future. Among the 58 companies that are currently participating in our project, four are companies. Three national companies such as CJ, Shinpoong and LG Life Sciences already started the construction of their facilities. We are expecting over 20 companies to begin their construction projects this year.

Do you believe, like the central government, that BT can truly become Korea's growth engine in the future?

I certainly agree that BT is going to be Korea's future growth engine. Even though it has a high risk level, BT offers a unique chance of even higher returns that pay off the risks by far. This is a very high added value industry, essential to any country that aspires to figure among world's most advanced economies. Chungbuk is also home to a thriving oriental medicine industry, which is hosting an international conference on the matter in 2010.

What is the importance and growth potential of oriental medicine for the province?

Nowadays, there is an increasing demand for oriental medicine in Western countries. The purpose of this conference is to help foreigners understand the particular benefits and opportunities of oriental medicine. The former prime minister, Dr. Soo-Sung Lee was nominated to be the head of the committee that is in charge of this very important event. It is worth noting that Jecheon Bio Valley, in Chungbuk province, is one of the three largest herbal medicinal producing areas in the world.

What are your expectations for Chungbuk in the coming years?

We are confident that Osong will grow to become the biotech hub of Northeast Asia. In addition to substantive investments from national and multinational corporations, we hope that the Korean government will choose Chungbuk as the location for a high-tech medical multiplex investment of somewhere close to 5.6 billion US Dollars that it is planning. Osong is the best positioned place in South Korea for such an investment and I trust that our central government realizes this.

What is your final message to the readers of Pharmaceutical Executive as Governor of Chungcheongbuk-do province?

Every human being dreams of living a life free of diseases. In Chungbuk we will do our best to make this dream come true through the development of cutting-edge bio-technology and hard

work.

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