
[Summary] Environmental Policy Trends in 2Q 2022

August 2022

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① [Regulatory improvement] Establishment of certification standards for simplified measuring devices in the environment field

- Standards and procedures for the operation of performance certification system for simplified measuring devices in the environment field*, which have been exempt from type approval, shall be established. Also, an institutional foundation for systematic and computerized measurement agency management for environmental emission facilities shall be established and enforced.

* Air, water, drinking water, noise, indoor air quality measuring devices

※ Preparation of partial amendment of 'Environmental Testing and Inspection Act' (Apr.) and enforcement (Aug. 18)

- Through systematic management of simplified measuring devices, it is expected that the reliability of environmental quality management shall be enhanced and related technologies are expected to be improved.

② [Regulatory improvement] Strengthened obligation to recycle 15 types of plastic products

- In order to strengthen obligations to recycle plastic products, products that were subject to imposition of waste charges such as industrial films and replaceable filters for water purifiers shall be converted to 'products subject to mandatory recycling'.
- Among the 15 items that are newly subject to mandatory recycling, the mandatory recycling rate is 55% for industrial films, and 71% for replaceable filters for water purifiers. As for the remaining items, the mandatory recycling rate for other items shall be announced by 2023.

※ For small businesses, recycling obligations can be exempted up to 2025.

③ [Regulatory improvement] IOT measuring devices to be attached to small-sized air pollutant emitting businesses

- To enhance the operating capacity of businesses that emit air pollutants, it shall be mandatory for small-sized air pollutant emitting businesses discharging less than 10 tons of pollutants per year to attach IOT measuring devices.

※ Amended Enforcement Decree and Enforcement Rules of the 'Clean Air Conservation Act' effective May 3.

- In type 4 places of business to be newly established, IOT measuring devices should be attached by Jun. 30, 2023, and the due date for type 5 places of business shall be by Jun. 30, 2024. Also, considering the cost burden of the relevant businesses, subsidies for the installation expenses (up to 90% of the expenses) shall be provided starting this year, and the budget for the subsidies will be expanded.

④ [Industry support] Selection of and support for promising green new-deal companies in 2022

- The Ministry of Environment, in collaboration with the Ministry of SMEs and Startups, shall select and support 30 promising companies that are expected to drive the future green industry and become top global green companies as “promising green new-deal businesses” in 2022.

- The selected companies shall each receive up to KRW 1 billion per year for commercialization and technology development for up to three years consecutively (maximum of KRW 3 billion).

※ A total of 100 companies have been selected and are being supported since 2020 (50 green innovation companies selected by the Ministry of Environment, 50 green startup companies selected by the Ministry of SMEs and Startups)

⑤ [Industry support] Eco startups shall be nurtured as future growth industries

- As part of the Eco Startup Support Program, the Ministry of Environment and the Korea Environmental Industry & Technology Institute (KEITI) shall select outstanding ideas for eco startups* and provide business funds and support startup activities. Under the 2022 program, a total of 144 projects are finalized and support has been provided since June.

* Environmental improvement, finding alternative for fossil energy, enhancement of efficiency in using energy and resources.

- Starting from 2022, the qualifications for application is eased (for example, business experience requirement was eased (requirement on business operation period eased from 3 yrs to 7 yrs))

※ Benefits for selected companies

- ▲ Funding for production of prototypes and process development (up to KRW 100 million per start-up)
- ▲ Start-up education on management, accounting, marketing, etc., consulting on in-depth market analysis, crowd funding, etc.
- ▲ Priority given for application of loans for environmental policy funds (total of KRW 200 billion, loan period of up to 10 years)
- ▲ Participation in IR sessions for private investment companies operating policy funds (future environment industry investment fund)

⑥ [Global issue] International agreements on plastic pollution reduction

- At the 5th United Nations Environment Assembly held in March 2022, a resolution to complete the international agreement on managing the full lifecycle of plastic by 2024 and end plastic pollution was adopted.
- The global community will work to create a global consensus on reuse and recycling of plastic, since plastic products create an immense amount of greenhouse gas in the production and disposal process and cause climate crisis and environmental pollution. Also, policy goals will be developed to create an economy of virtuous cycle

7 [Domestic trends] Cooperation between green SMEs and global companies

- The Ministry of Environment signed an agreement on mutual cooperation with global Korean companies such as Lotte Chemical and Amore Pacific in order to nurture green start-ups (June 8).
- The Ministry of Environment shall match promising green startups with companies or institutions who intend to provide investment and support.
- * Global companies participating in the agreement: SK Eco Plant (construction), Lotte Chemical (basic chemical materials manufacturing), Seoul metropolitan area landfill management corporation (collection and processing of waste materials), Amore Pacific (cosmetics manufacturing), Korea Midland Power (power generation), Hyundai Oil Bank (crude oil refining), etc.

8 [Domestic trends] Promotion of attraction of private investment in green industries

- Regular information sessions shall be held to attract investment from private investors (venture capital, etc.) in promising green start-ups (May, August, November)
 - Support will be provided to match outstanding green startups in need of investment to green investors in the process of transitioning to a carbon neutral society.
 - Going forward, investment will be expanded so that recipients will be expanded to large corporations, financial companies and public institutions considering strategic investment in Environment, Social, Governance (ESG) management as well.
- ※ For more information, refer to the full report on environment policy trends related to foreign investment for 2Q of 2022 (in Korean).

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KOTRA자료 22-094

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