Comparative Analysis of Industrial Policy Pledges : Lee Jae-myung vs. Kim Moon-soo

The official campaign for Korea's 21st presidential election began on May 12, 2025, marking the start of a compressed and high-stakes electoral race brought on by an unexpected early election. In response to the shortened timeline, leading candidates have quickly announced their key pledges through strategic messaging—focusing on the economy, innovation, national security, and the everyday lives of citizens. Among them, three candidates stand out:

Lee Jae-myung
of the Democratic Party

Kim Moon-soo
of the People Power Party

Lee Jun-seok
of the Reform Party

This briefing focuses primarily on the two frontrunners—**Lee Jae-myung** and **Kim Moon-soo**—and provides a strategic lens for comparing their industrial policy frameworks, which are highly relevant to business leaders, investors, and policy watchers.

Diverging Economic Visions : Tech-Driven Growth vs. Market-Led Reform

Despite some shared goals—such as boosting Korea's competitiveness in AI, semiconductors, and advanced manufacturing—their approaches are fundamentally different:

Lee Jae-myung (Democratic Party)	Kim Moon-soo (People Power Party)
Big Government, Strategic Investment	**Small Government, Market Autonomy**
● State-led growth strategy with major public investments	● Private-led innovation with a focus on deregulation
● Focus on equity, institutional reform, and public infrastructure	● Focus on efficiency, performance, and global competitiveness

These philosophies are echoed in their respective #1 campaign pledges:

- **Lee**: "Leading the World in Economic Strength" – with AI and other future technologies as engines of growth
- **Kim**: "Free-Market Growth, A Nation Good for Business" – with labor reform, deregulation, and tax relief at the core

Overview of Industrial Policy Pledges

Lee Jae-myung's Top Policy Directions Include:

- Heavy public investment in AI and semiconductors
- Enhanced protections for workers, including labor law reforms
- Decentralization through national capital relocation (e.g., Sejong & regional clusters)
- Youth employment, and green energy transition
- Regional innovation via RE100 zones and strategic industries

Kim Moon-soo's Vision Includes:

- Tripling AI capabilities and enacting the Semiconductor Special Act
- Labor and tax reforms to boost job creation and business confidence
- Nationwide GTX rail network to support regional balance
- Deregulated environment for SMEs and startups
- Nuclear energy expansion for stable electricity prices

These priorities map directly onto their economic frameworks. For instance, while both candidates agree that AI and semiconductors are national imperatives, **Lee emphasizes state leadership, infrastructure, and public accessibility** ("AI for All"), whereas **Kim positions these industries as private-led engines for export and productivity growth**.

Sectoral Implications at a Glance

Lee Jae-myung		Kim Moon-soo
● State-led investment; public data centers; universal AI	**AI & Semiconductors**	● Deregulation; AI talent training; performance-based funding
● State R&D and fiscal support; labor inclusion	**Manufacturing**	● Deregulation and tax cuts; labor flexibility
● National biotech hubs; public-private R&D	**Biohealth**	● Export-oriented growth; FDI attraction
● Government funding and innovation zones	**Startups**	● Private capital-driven ecosystem and tax incentives
● Public-led regional clusters and public institution relocation	**Regional Development**	● High-speed transport for private-led regional revitalization

From AI to Energy: A Deep Dive into Sectoral Policy Visions

(1) AI & Semiconductors

Common Points
- Both candidates agree on the need for large-scale investment and national strategies for advanced industries like AI and semiconductors
- Emphasis on building industry ecosystems based on public-private collaboration

Differences
- Lee Jae-myung focuses on AI industry growth through government-led public infrastructure and regulatory reforms
- Kim Moon-soo emphasizes private-led autonomous ecosystems and performance-based tech innovation

Implications for Businesses
- The approach to government funding and regulatory environment will vary based on public vs. private models, requiring strategic adaptation to each candidate's policy direction
- For semiconductor and AI companies, competitiveness conditions may change based on future policies regarding talent supply, tax incentives, and regulatory easing

<Policy Comparison by Candidate: AI & Semiconductors>

	Lee Jae-myung		Kim Moon-soo
	- **Semiconductor support** - State investment and deregulation for AI & Semiconductor growth - AI & semiconductors as strategic state-led industries - Large-scale funding for tech sovereignty and global edge	Policy Stance	- **Business-friendly Nation** - Private-led growth in AI & Semiconductors with government support - Market-driven tech innovation ecosystem
	- Enactment of the Semiconductor Special Act - KRW 100 trillion investment in AI - Development of AI-specific NPU and acquisition of 50,000 GPUs - Establishment of AI data centers → Promotion of Universal AI access	Key Policies	- Training of 200,000 AI Talents and AI Education Innovation - KRW 100 trillion fund for fostering unicorn startups - R&D systematization through establishment of Deputy PM (Science & Tech)
		Regulation & Infrastructure	
	- Establishment of a public-private ecosystem - Emphasis on public funding as a priming force - Balance between tech startups and AI ethics	Industry	- ... ecosystem - Removal of labor supply and market entry barriers - Emphasis on autonomous, performance-driven tech innovation system
	- AI industry promotion through public tech infrastructure and regulatory reform	Policy Direction	- Strengthening advanced industry via private-led tech diffusion and autonomy - Focus on performance-based tech investment

(2) Manufacturing & Business Environment Policies

Common Points

- Both candidates recognize the need for government involvement to modernize manufacturing and enhance competitiveness
- Focus on economic recovery through industrial foundation and investment stimulation

For deeper insights across a broader range of industries —including AI, Semiconductors, Manufacturing, Biohealth, Startup & Venture, and Regional Industry Development— subscribe to **CODIT Premium** at thecodit.com/en or email contact@thecodit.com

For Businesses: Why This Election Matters

Depending on the election outcome, the **industrial operating environment** in Korea could change drastically:

- **If Lee wins**, expect broader public participation in innovation, with increased access to funding, regulatory zones, and state-supported infrastructure—but also potentially more regulatory complexity and oversight.
- **If Kim wins**, businesses may benefit from tax relief, greater HR flexibility, and a deregulated innovation landscape—but may also face more competition in less structured markets.

In both cases, **understanding the candidate's vision is key to positioning your strategy**—whether you're planning capital investment, regional expansion, workforce changes, or public-private collaboration.

What's Next: 2025 Snap Presidential Election Analysis Coming June 4

CODIT provides real-time insights to help organizations navigate uncertainty and take timely, informed action throughout the election period. A follow-up report analyzing the election results and their policy implications will be published on June 4. To learn more about CODIT's AI-powered platform services and tailored policy report, contact us at **contact@thecodit.com** or visit **thecodit.com**

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