

Removing ‘Killer Regulations,’ Reducing Burdens, and Increasing Investment

August 22, 2023 (Tuesday), 10:30 a.m., Minister Han Wha-jin (Ministry of Environment)

I am Han Wha-jin, the Minister of Environment.

I will explain the key contents of the plan to abolish environmental killer regulations, including chemical substance management, which is scheduled to be reported at the 4th Regulatory Innovation Strategy Meeting on August 24.

The Ministry of Environment has been making comprehensive efforts to innovate environmental regulations, such as establishing specialized facility standards for chemical substances and semiconductors.

However, it is a reality that the revision of key laws related to chemical substances, such as the Chemical Evaluation Act and the Chemical Control Act, has taken a long time, and there are still some lukewarm practices in the field.

In response to this, the Ministry of Environment aims to boldly abolish unreasonable killer regulations in order to make substantial improvements to environmental regulations that can be felt more directly in the field.

We will strive to generate innovative results in the early stages by reforming the bundled regulations of chemical substance regulation and environmental impact assessment. We will also actively promote targeted regulatory innovations that align with advanced industries and the demand for carbon neutrality.

First, there will be a reform of bundled regulations.

We will create significant innovative outcomes by improving the systems through legal revisions and reforming practices in the field for the regulations on chemical substances and environmental impact assessment.

First, we will complete the revision of the Chemical Evaluation Act and the Chemical Control Act within this year to establish a rational management system for chemical substances.

We will adjust the registration criteria for new chemical substances, which have been stricter than international standards, to the level of the European Union (EU). This will reduce the cost burden of registration and enable early product launches.

We will differentiate chemical substance management based on accident

risks, thereby extending inspection intervals or exempting businesses with low accident risks from obtaining operating permits. This will enhance the practicality of on-site implementation.

Furthermore, to reduce the cost burden of purchasing overseas data for chemical substance registration, we will improve the system so that companies only need to provide the source of existing foreign data, and the government will verify the data.

Secondly, we will improve the chemical impact assessment system by reducing the assessment burden on the government and businesses, and by enhancing private and local investment vitality.

To address the issue of declining evaluation quality, we will exempt businesses with low environmental impacts from the consultation process. In addition, we will delegate the evaluation authority to local governments so that small-scale environmental impact assessments can be conducted according to local ordinances instead.

To respond promptly to disasters such as floods, we will exempt urgent disaster response projects from environmental impact assessments. We will also simplify the strategic evaluation process for river basic planning.

In addition, we will establish an objection process to prevent unreasonable requests for supplementary information during the evaluation process. We will also improve the special exemption for strategic evaluations, which previously only applied to government projects, so that it can be applied to private sector projects as well, without any special reasons. This will help activate private infrastructure investments.

Next, let's talk about targeted regulatory innovation.

We will continue to increase the perceptibility of regulatory innovation among consumers through targeted and customized (pin-point) regulatory reforms for advanced industries and carbon neutrality.

Firstly, we will prioritize the improvement of unreasonable environmental regulations applied to advanced industries and provide proactive support for the development of advanced industries.

We plan to first establish specialized facility criteria for displays, which is expected to generate an annual economic effect of 1.1 trillion won, within this year.

We will swiftly improve regulations for advanced industries, such as rationalizing emission standards for fluoride primarily applied in the semiconductor and display sectors, and enhancing discharge regulations to promote the reuse of industrial wastewater.

Furthermore, we will establish a dedicated support team within the Ministry of Environment to ensure water supply in the Yongin Semiconductor Cluster, where water resources are limited. We will actively support the early development of advanced industries through the fast-track environmental impact assessment process.

Secondly, we will boldly improve regulations that hinder investments in carbon neutrality and the circular economy.

We will first expand the transferable quotas for emissions and gradually increase the participation of stakeholders in the emission trading market to stabilize the market.

We will also expand the scope and coverage of support for greenhouse gas reduction facilities, including large-scale corporations, through paid allocations.

Furthermore, we will improve storage standards for waste batteries to

contribute to the active utilization and supply chain of critical resources such as rare metals. We will also recognize used clothing as a circular resource and establish the foundation for activating the resale business.

If we proceed with the plan to reform the environmental killer regulations, it is expected that there will be a significant economic effect of at least 8.8 trillion won by 2030, while enhancing the effectiveness of environmental regulations and increasing the value of environment, including public safety.

The Ministry of Environment will continue to strive for bold environmental regulatory innovation, creating a virtuous cycle structure of enhancing private investments and achieving environmental value. We will do our utmost to ensure that the effects and benefits of regulatory innovation spread to the public and frontline businesses.

Thank you.