

Korean Free Economic Zones

**The Cutting-edge Clusters of
Korea's Machinery Industry**





GLOBAL LINK
to SUCCESS

Korean Free Economic Zones

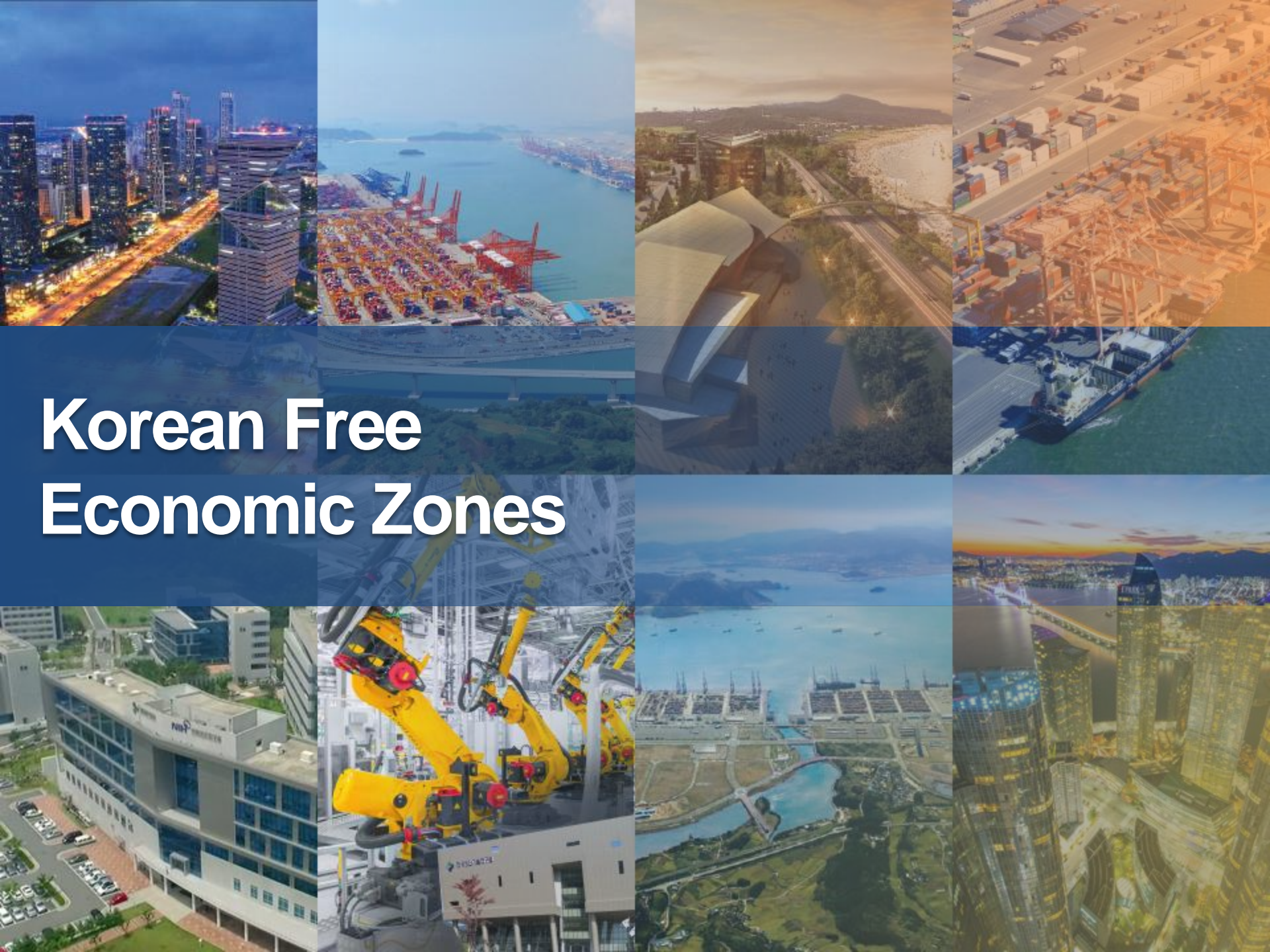
- The Cutting-edge Clusters of Korea's Machinery Industry -



kotra
Korea Trade-Investment
Promotion Agency

Korean
Free Economic
Zones





Korean Free Economic Zones

FEZs in Korea



Bio 
Logistics 



Smart Vehicle 
Cold Chain 



Fine Chemicals 
Logistics 



Tourism & Leisure 



Bio 
Auto Parts 

Korea's
Leading Industrial
Clusters 



Bio 
Auto Parts 



Logistics 
Auto Parts 



Incentives of FEZs

Cash
Grant



Tax
Exemption



Site
Support



Infrastructure
Support



Labor
Market



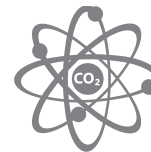
Education
& Research
Institutions



Logistics
Transportation



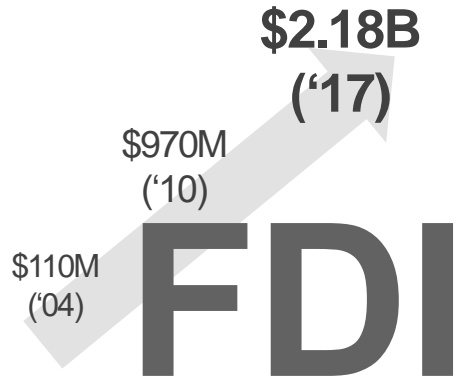
Energy,
Telecom, Water
& Sewage



Foreign
Currency
Exchange



Investment in FEZs



\$16.13B
Invested

4,667
Firms

Including
foreign and domestic firms

13
Institutions

Including
universities and R&D centers

*Total accumulated number

Busan- Jinhae Free Economic Zone



Vision & Summary

◆ Vision

The Global Hub for International Business & Logistics!

- Location: Busan and Changwon
- Total Area: 51.1 km²
 - 5 Areas, 23 districts
- No. of companies/employees in BJFEZ
1,572 companies/41,488 people (2017)

Logistic Hub
Tri-port

High-Tech
Industry

Business
Environment

Tourism &
Leisure Complex






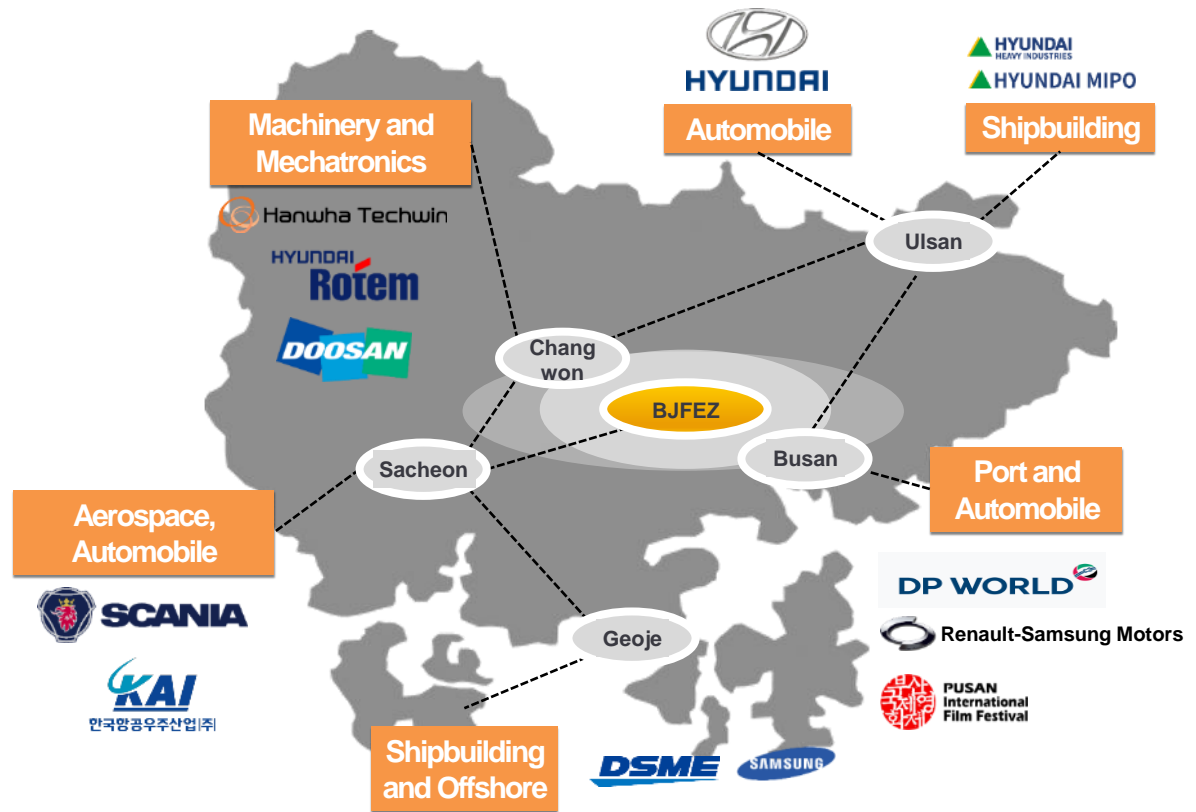
BJFEZ

Manufacturing Industrial Cluster

Manufacturing Industrial Cluster

World-class Industrial Belt

- NO.1 Shipbuilding** 
- NO.3 Machinery** 
- NO.5 Automobile** 



Busan-Jinhae Free Economic Zone

Dudong (1,065ac/4.3km²)
- Mechatronics

Jisa (3,262ac/13.2km²)
- High-Tech Manufacturing

Ungdong (2,446ac/9.9km²)
- Tourism & Leisure
- Logistics Complex

Total Area: 12,652ac (51.2km²)

New Port (2,743ac/11.1km²)
- Logistics
- Distribution

Myeongji (3,163ac/12.8km²)
- International Business
- Medical Institutions
- Educational Institutions
- R&D center

Mieum Foreign Investment Zone (High-tech Manufacturing)

Occupancy Requirements

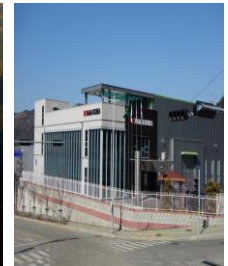
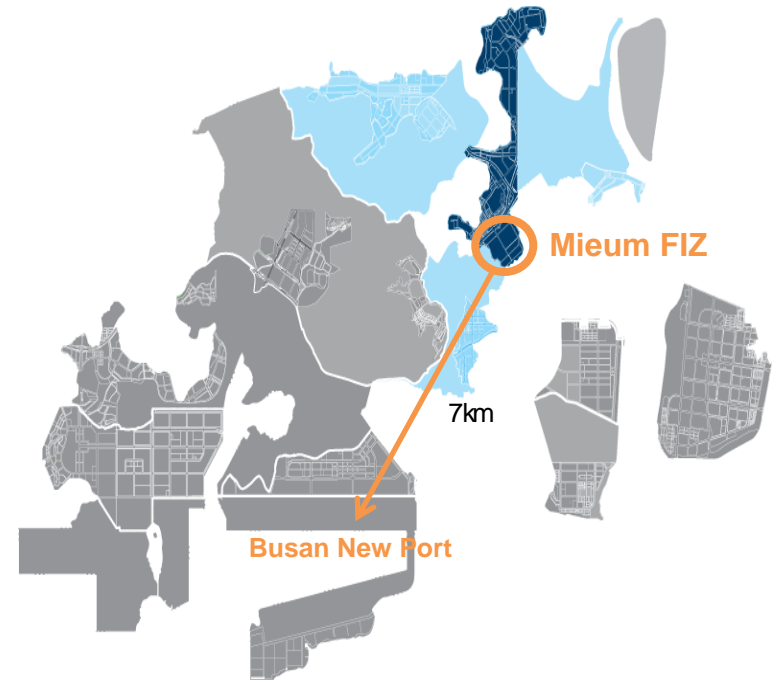
- 100% foreign-owned, or
- JV with 30% more of foreign equity share
- Minimum FDI amount for lease: land price

Lease Term

- Business: Manufacturing for parts & materials
- Period: 50 years (every 10 years → renewal)
- Rent charge: EUR 0.32/m²/month

Current Tenant Companies

- Bosch Rexroth (Germany): industrial machine
- Wilo Pump (Germany): industrial pump
- Burckhart Compression (Switzerland)
- Hoganäs AB (Sweden): metal powder
- Geislinger (Austria): vessel parts & component
- Hamai (Japan): special gas valve



Success Stories (TSUBAKI)



- Invest. Amount: US\$ 31 million
- Area: 6.8ac (27,661m²)
- Investor: TSUBAKI (Japan)
- Incentives: Corporate Tax (7Y)
Acquisition Tax (15Y)
Registration Tax (15Y)
Customs Duties (5Y)

▶ 타이밍 체인 드라이브 시스템

GAM GDI
아반테, 벨로스터
(1,400cc~1,600cc급)

TAU GDI
EQ900제네시스, 에쿠스, 모하비
(5,000cc)

LAMBDA GDI
제네시스, K7, K9
(3,000cc, 3,300cc, 3,800cc)

THETA GDI
소나타, 그랜저
(2,000cc~2,400cc급)

KAPPA GDI
올뉴모닝, 아이오닉
(1,600cc하이브리드)

Timing Chain Drive System

Innovation in Motion
TSUBAKI

- Sales (2011): US\$ 6.6 million
- Sales (2015): US\$ 57.6 million
- Sales (2019): US\$ 97.6 million

**Sales increased
10 times for 5 years !!**

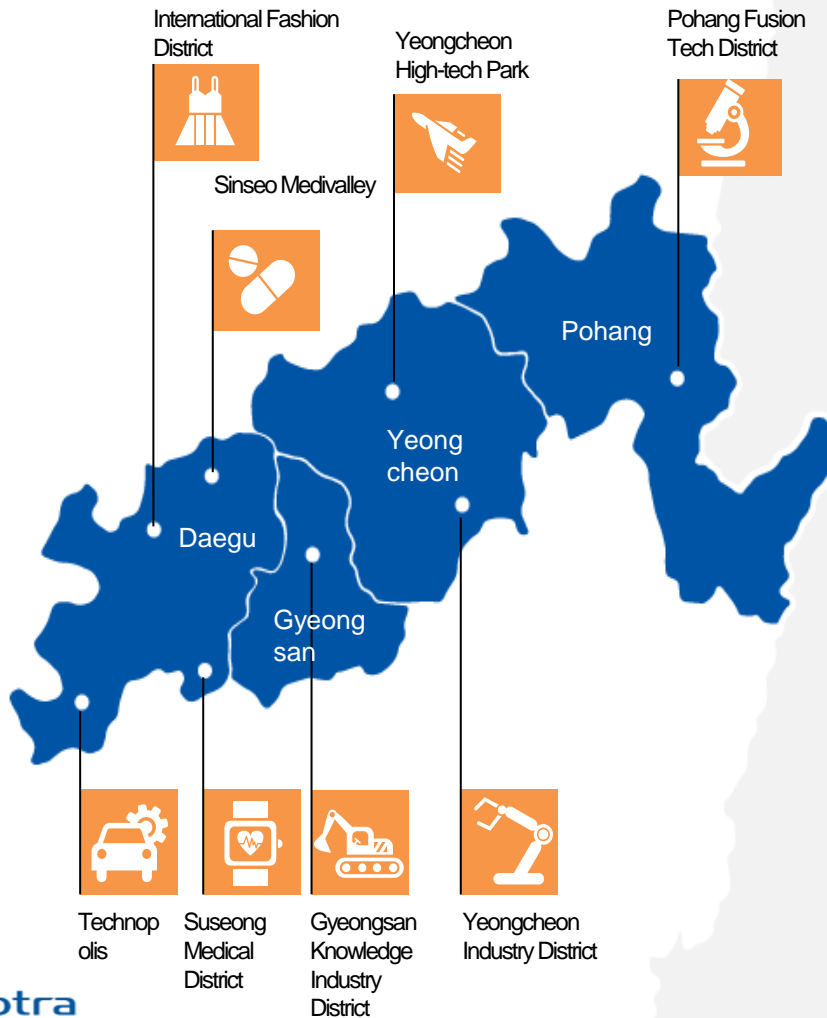
Daegu- Gyeongbuk Free Economic Zone



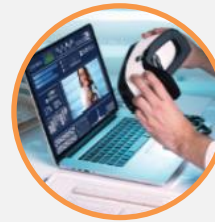
DGFEZ Vision

- New Base of Growth for Global Knowledge-based Industries -

DGFEZ 8 Free Economic Zones



DGFEZ Target Industries



ICT Convergence

Software, Display, Mobile, Robotics



High-tech Medicine

Healthcare, Medical Devices, Pharmaceutical



High-tech Transportation & Machinery Parts

Automotive, Shipbuilding, Aviation

Daegu Technopolis

Company Status

88 companies including Hyundai Robotics, Korea Nakamura Tome, UGint, Assab Steel Korea, Hyundai IHL, SMEC, etc.



Key Facilities

- Daegu Gyeongbuk Institute of Science and Technology (DGIST)
- Intelligent Automobile Parts Test Drive Center
- Korea Institute of Machinery & Materials (KIMM)
- Electronics and Telecommunications Research Institute (ETRI)
- Korea Institute of Industrial Technology (KITECH)
- Daegu National Science Museum (Scientry)

Area: 7.26km²

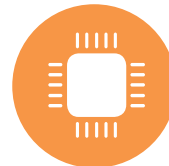
Project period: 2006-2016

Land for sale: 300 USD/m²

Target Industries



Automobiles



Electronic Parts



Machinery



Mechatronics



Industrial Robots

Suseong Medical District



Key Facilities

Software Convergence
Technology Support Center
Daegu Art Museum
Daegu Baseball Stadium
Daegu Indoor Athletics Stadium
Lotte Premium Outlets

Area: 1.23km²

Project period 2008-2017

Land for sale: 1,000 USD/m²

Target Industries



Healthcare



Medical
Tourism



IT/SW



Educational
Institutes



R&D

Gyeongsan Knowledge Industry District



Key Facilities

- KITECH Construction Machinery Support Center
- Advanced Medical Convergence Textile Center
- Advanced Medical Convergence Materials Commercialization Center
- Wireless Power Transmission Convergence Technology Center
- Railcar Core Parts Testing and Certification Center
- 5 government-funded institutions, 77 companies

Area: 3.80km²

Project period: 2012-2022

Land for sale: 200-240 USD/m²

Target Industries



Automobile



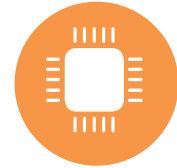
Construction Machinery and Machinery Parts



Advanced Medical Devices



Advanced New Medical Materials



Electronic Parts

DGFEZ Resident Companies

KNT Co., Ltd. (Korea Nakamura Tome)



Investor: Nakamura Tome Precision Industry Co., Ltd.
Multi-purpose processing lathe (numerically controlled machining tool)

Hyundai IHL Co., Ltd.



Automotive lamps
(Korea's no. 1 market share in Korea in fog lamps)

Hyundai Robotics



No.1 in Korea, No. 7 in the world in industrial robots

Assab Steel Korea Co., Ltd.



Investor: Voestalpine Pacific Steel smelting and processing

UGint Co., Ltd.



Investor: Dallah Al-Baraka Group, East Bridge Fund (Saudi Arabia/Cayman Islands)
Manufactures work machines and metal cutting machines

01
02
03
04
05
DGFEZ

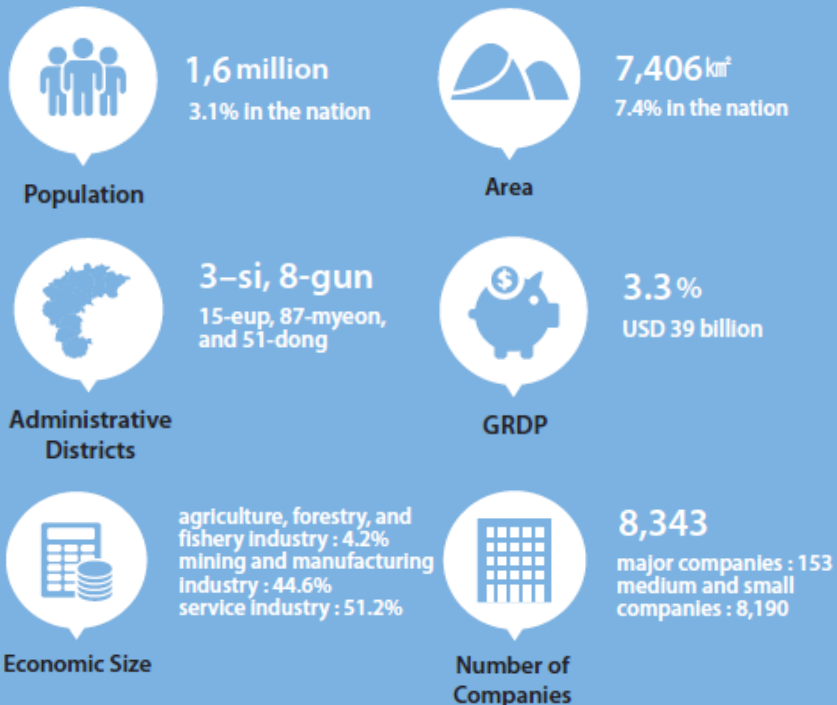
Chung- Buk Free Economic Zone



About Chungcheongbuk-do Province

Chungbuk is a business-friendly city where the 8,000 companies are located, and the city is the first place for the increase rate in mining and manufacturing industries and third place for the population increase rate in economic actives.

Basic Information of Chungbuk



Strategic Industries of Chungbuk

1 Biotechnology Industry

- To build a global Biovalley: Biomedical & Biopolis District
 - Material energy, Cosmetics, Chemical, Pharma, Stem cell
 - Medical device, Oriental Medicine, Organic fermented

2 Information and Communications Technologies Industry

- The 5th of total national production
 - SK Hynix, MagnaChip, SimmTech, etc
 - Collaboration with semiconductor, Secondary batteries, electric/electronics/parts, Automotive electronic parts

3 Aviation MRO Industry

- Cheongju International Airport
 - Designated as base for total aviation MRO service in 2010

4 Solar Industry

5 Organic Industry

6 Cosmetics Beauty Industry

CBFEZ - Cheongju Aeropolis (under construction)

The best place to develop Aircraft parts, Automobile parts and Logistics industry near Cheongju International Airport



CBFEZ - Cheongju Aeropolis

Cheongju Aeropolis District I (under construction)

Location	Ip-dong, Naesu-eup, Cheongwon-gu, Cheongju-si, South Korea
Size	153,000㎡
Period	2013~2017 (Site Development process rate 51%)
Cost	39.4billion USD
Industries to Attract	MRO, Aviation component warehouse, etc.



CBFEZ - Cheongju Aeropolis

Chungbuk Province government has long prepared for the take off of the MRO Business since Ministry of Transportation's designation of Cheongju Airport as MRO Pilot Complex



Cheongju Inter-national Airport Aeropolis District I

- Project began in 2009 when the transportation ministry designated Cheongju Airport as a pilot MRO Complex
- Local Government plans to invest USD 156 mill to develop site for MRO Business by 2018 (Already invested USD 36 mil. to acquire land)
- Asiana + 3 LCC (Jeju, Estar, Air-Busan) joined as main business

Dez.2009



**MRO Pilot
Complex**

By MOILT

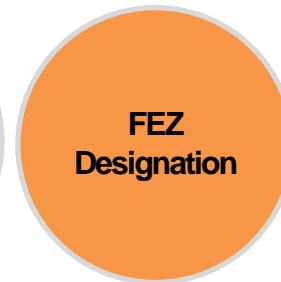
Nov.2010



**MRO
Prospectin
g District**

By MOKE

Feb.2013



**FEZ
Designation**

By MOCTE

Jan.2015



**3 Phase-Plan
Announcement**

By MOILT

CBFEZ - Cheongju Aeropolis

Cheongju Aeropolis District II (Scheduled construction)



Location	Ip-dong, Naesu-eup, Cheongwon-gu, Cheongju-si
Size	321,000㎡
Period	2017~2020 (Design development process rate 60%)
Cost	USD 97.9 billion
Industries to Attract	Aircraft parts, Automobile parts, Logistics



CBFEZ - Cheongju Aeropolis “Why Aeropolis?”

Aeropolis at Cheongju International Airport is the Ideal place for Aircraft and Automobile Business

Cheongju Aeropolis



Base Load

- Near Airport and Osong KTX
- Located in Cheongju City
- Central location of the country
- 3 nearby industrial complexes



Growing Opportunities

- Cheongju Airport passenger increasing rapidly
- '13 (1.3 mil) → '15 (2.1 mil)
- 1st place in the ratio of special vehicles nationwide



Stable JV Structure

- KAC (Korea Airport Corporation) to be joined
- Local government willing to be part of JV



Favorable BIZ Conditions

- International flight routes: 41 routes (9 countries)
- 24 hour operation Airport (beneficial for management)
- Hub of transportation & logistics
- Cutting-edge industrial base easy collaboration



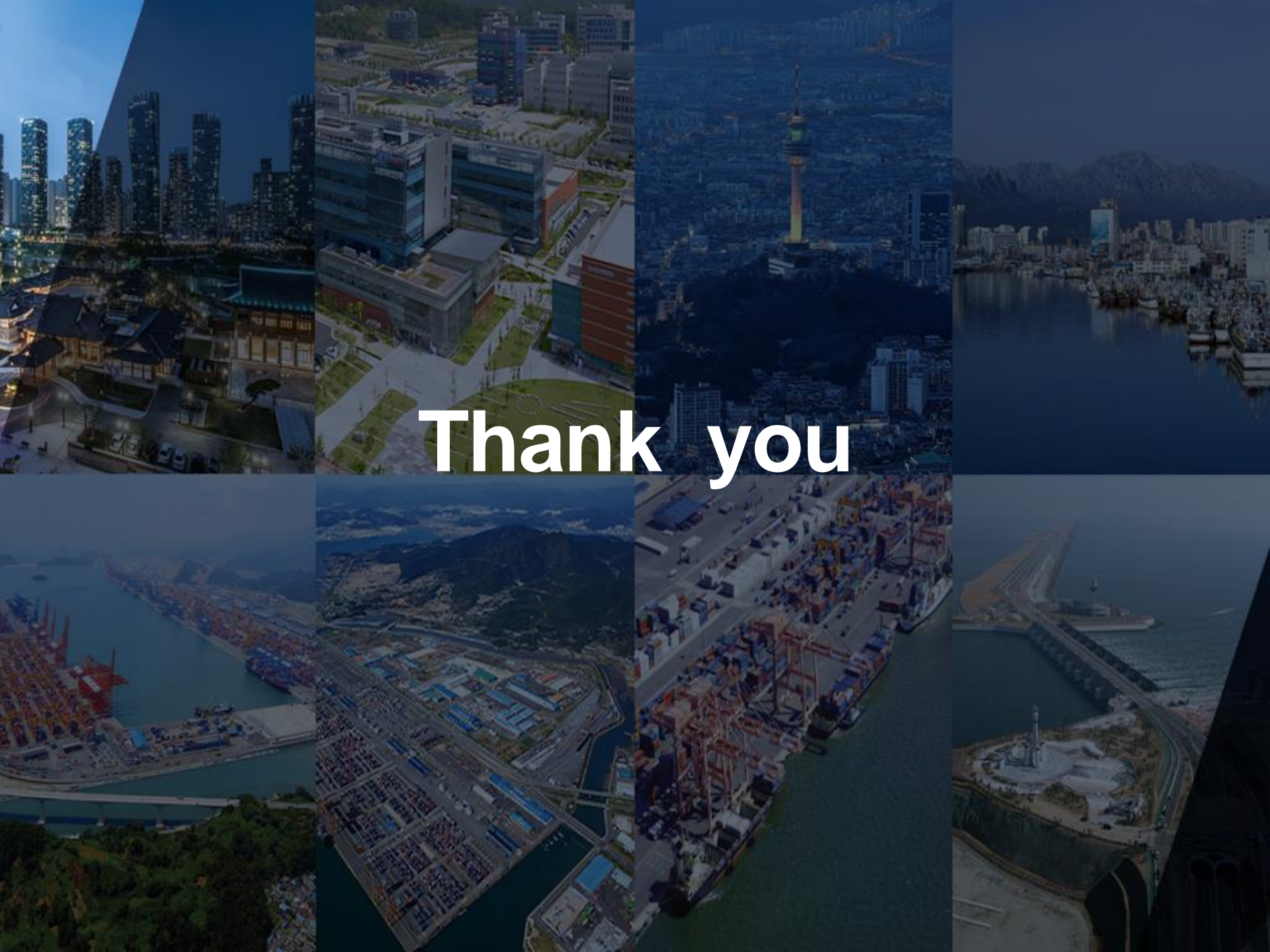
High-Quality HR

- 5 Univ.+1 Vocational High School producing more than 300 yearly 2800 engineers, technicians produced nationwide
- Airforce workforce widely available



Government Support

- Budget Support - Chungbuk Provincial Office, Ministry of Land, Infrastructure, and Transport, Ministry of Trade, Industry and Energy
- Research support- Ministry of Science, Chungbuk Techno Park



Thank you