



# 2021 Industrial Sites in Korea

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# Summary of the Guide



## 1. The Selection of Sites

### ▶ A. Objective of selecting sites

- A location is an important factor not only for commerce but industry as well. For investors, the choice of location has a significant influence on their investment outcome.
- What is a good location for investors? In fact, a lot of research has been done on location over the years. The only difference between the past and the present is that while focus was placed on cost, investors now consider an array of factors when trying to choose the ideal location.
- To that end, they need to get access to well-organized information on various site candidates in the first place. This publication is aimed at providing foreigners and enterprises considering investing in Korea with all the basic information they need to make a good location decision including the country's industrial location systems, types of industrial sites available, and much more.
- Starting with the designation of a free trade zone in 1970, Korea has been promoting policies to attract foreign investment by designating foreign investment zones and free economic zones. Except for separate foreign investment zones, Korea has introduced its domestic locations to foreign investors, focusing on foreign investment zones, free trade zones, and free economic zones.
- This guide, however, has expanded the horizons and attempted to

introduce virtually all types of industrial sites available in the country that can be used for a whole range of purposes in addition to the abovementioned three types of industrial sites.

## ► B. Factors Determining the Location of an Enterprise

- A variety of factors (internal and industrial environmental factors, external policy factors, etc.) can influence a company's location decision process according to the company's characteristics (size, type of business, start-up/relocation, etc.).
- The location decisions made by companies in the manufacturing sector, among others, have continuously changed while the world has gone through the industrialization, information, and knowledge ages.
  - In the era of industrialization, traditional production factors such as land and capital were emphasized, whereas in the knowledge-based era, knowledge and human capital are acting as important factors.
  - In other words, focus has been shifting from the comparative advantage of production costs to various sociocultural and institutional factors such as innovation, learning, interaction between innovation subjects, institutions, cooperation, and trust.
- The location decision made by a business varies depending on the characteristics of the industry and the type of business it belongs to. In line with the changes in the economic paradigm, the factors that affect location decisions have also changed in various ways.
  - In the traditional manufacturing industry, factors like labor supply, transportation, land, raw materials, market, power supply, and government support play a key role in location decisions.
  - New industries that emphasize the importance of knowledge, information and innovation place more importance on factors that facilitate the generation and spread of innovation. These industries shed light on spatial adjacency with the emphasis on close links between functions at each stage in their value chain.



- Key location factors include the formation of a rich pool of professional and technical personnel, access to R&D facilities, and clustering of related industries.
  - Also, different factors are considered for each site candidate in the process of determining a specific corporate location.
    - Macro factors such as government policies and labor market situations draw attention in determining a location at the regional level, whereas at the local level, importance is placed on infrastructure such as transportation and communication in addition to labor market conditions, educational and cultural environments, and access to related upstream and downstream industries. At the lowest level, a particular place or building is chosen after their individual properties are examined.
- ▶ **C. Location Decisions by Foreign-invested Companies**
- When selecting a business location for a foreign-invested company, it is necessary to consider the type of the corporation as well as the type of business it is engaged in. Typically, a manufacturer can move into an industrial complex where factory establishment is easy or change the purpose of an separate site and establish factories on it. National industrial complexes or general industrial complexes where major customers and related facilities are clustered are not only easy for investors to secure sites but also equipped with an optimal environment for running businesses.
    - However, Korea has sites created to attract foreign investment including foreign investment zones, free economic zones, and free trade zones, which foreign investors may want to give priority to upon reviewing their investment options in Korea. In addition, they have to seriously review other locations, including planned and separate sites, that might offer them even more favorable conditions for their particular types of business.

## 1) Industrial Sites

- Industrial sites are largely divided into planned sites and separate sites. The Republic of Korea is promoting an industrial location policy for businesses to secure spaces for production and other activities at ideal locations throughout the country. For systematic support, investors are recommended to establish factories in industrial complexes that are the country's representative planned sites. However, if they find it inappropriate to establish factories in the complexes for various reasons such as business circumstances and land prices, they can set up factories on separate sites after acquiring necessary authorizations and permits.
- **(Planned sites)** Planned site is one of industrial sites that is an area designated and developed under a comprehensive plan to cluster related industrial facilities and other support facilities optimized for employers and employees. In addition to the ease of securing factory (project) sites, an industrial complex helps occupying enterprises gain competitive edge in securing suppliers, hiring employees and acquiring raw materials and parts effectively. Recently, industrial complexes in Korea are aiming for the development of multifunctional complexes that promote industry-academia-research linkage and install various support facilities in the most efficiency way.
  - Planned sites have various types of sites depending on the purpose of the establishment. They also differ from separate sites in the management pattern of business types when it comes to factory establishment. Even in the same manufacturing sector, each complex can have different types of business that it can accommodate as well as different operation and management regulations. For example, industrial complexes, foreign investment areas (complex-type) and national food clusters are operated according to their common “Basic Management Plan”



while free economic zones, the Saemangeum zone, and special R&D zones operate according to their own separate regulations.

- In the same vein, since industrial complexes cannot cover all types of sites required, either areas with special purposes may be included in industrial complexes or, conversely, industrial complexes can be included in special purpose zones. Typical examples include foreign investment zones, free economic zones, and free trade zones, all created to attract foreign investment.
- **(Separate site)** A separate site refers to all areas other than those designated and developed by design. When a business has purchased or leased land or buildings in urban/residential areas outside an industrial complex, it can build a factory after obtaining authorization or permission for the change of purposes.
  - An investor that selects a separate site for manufacturing business can move into an area designated for factories and class-2 neighborhood living facilities (manufacturing facilities) in accordance with the Enforcement Decree of the Building Act. However, “special-purpose areas” are determined for land nationwide in accordance with the National Land Planning and Utilization Act. With activities limited according to special-purpose areas, anyone who wants to build a new building in the areas must first check the permissible purposes and restricted activities for each of them as prescribed by the National Land Planning and Utilization Act and local governments' ordinances. The purpose of areas where factory construction is impossible can be changed by altering the management plan of do/si/gun concerned through approval by the urban planning committee.

## 2) Priority Regions for Foreign Investment Inducement

- Foreign investment zone: There are three types of foreign investment zones including complex type, separate type, and service type. Complex-type and separate-type foreign investment zones provide



low rental rates, and additional benefits including the reduction/exemption of rental fees and taxes when certain requirements are met. There is no tax reduction/exemption support for service-type foreign investment zones which are eligible for other benefits including rent subsidies, though

- Lease-only complexes for foreign-invested companies: The lease-only complexes for foreign-invested companies are similar to complex-type foreign investment zones in occupancy qualifications and incentives with slight differences in the application of incentives.
- Free economic zones: Free economic zones are designated to improve business environment for foreign-invested companies as well as the living conditions of workers by maximizing corporate autonomy in economic activities by easing various regulations. With various investment incentives, they are also used as special economic zones that actively attract foreign investment.
- Free trade zones: Free trade zones refer to special areas where smooth manufacturing, logistics, distribution and trade activities are guaranteed with various benefits such as tax and rent reductions/exemptions and support facilities utilization granted to foreign investors in accordance with relevant laws.

### 3) Other Sites

**a) Priority Regions for Investment Inducement:** In addition to foreign investment areas, Saemangeum, enterprise cities, and Jeju Special Self-Governing Province offer various incentives based on their respective support legislation to attract domestic and foreign investors.

\* Saemangeum (the designation as a free economic zone rescinded in April 2018) above refers to a national project developed and supported directly by the central government under the Special Act on Promotion and Support for Saemangeum Project. To encourage investors to be creative in their development efforts, Saemangeum Project guarantees affordability and flexibility in land purchase and utilization.



**b) R&D/Technology/Industry Clusters:** Existing industrial complexes can be designated as R&D/technology/industry clusters for the same types of industries. Separate sites can be designated as clusters, too. Their operations are supported by relevant laws including the grant of incentives for relevant types of business activities.

\* Key clusters include special R&D zones, international science and business belts, high-tech medical complexes, specialized complexes for ppuri (root) industries, Technoparks, environmental industry research complexes, venture business development and promotion zones, areas for clustering new technology-based businesses, and small urban manufacturers' clusters.

**c) Balanced National Development Complexes:** Designated to promote balanced development of the country, balanced national development complexes include national innovation clusters embracing various characteristics of industrial locations, innovation cities promoted in conjunction with the policy to relocate public institutions to rural Korea, and Sejong City (multi-functional administrative city).

**d) Regulation Innovation Zones:** Regulation innovation zones are designated for regional development through regional specialized projects as well as regulatory special cases and regulatory innovations tailored for innovative technologies needed for the industries. The zones include regulation-free special zones and special economic zones for specialized regional development.

#### [ Types of Industrial Sites Favorable to Foreign Investors ]

Planned Sites	Industrial Complexes	National, general and urban high-tech, agricultural and industrial, lease-type industrial complexes
	Priority Regions for Foreign Investment Inducement	Foreign investment zones, lease complexes for foreign-capital invested companies only, free economic zones, free trade zones
	Priority Regions for Investment Inducement from Home and Abroad	Saemangeum, enterprise cities, Jeju Special Self-Governing Province

Planned Sites	R&D, Technology, Industrial Cluster Areas	Special R&D zones, international science and business belts, high-tech medical complexes, specialized complexes for ppuri industries, Technoparks, environmental industry research complexes, venture business development and promotion zones, areas for clustering new technology-based businesses, small urban manufacturers' clusters
	Balanced National Development Complexes	National innovation clusters, innovation cities, Sejong City(Multi-functional administrative city)
	Regulation Innovation Zones	Regulation-free special zones, special economic zones for specialized regional development
Separate Sites	Factory construction (subject to approval of factory establishment and start-up business plans) and operation in accordance with the special-purposes areas of the National Land Planning and Utilization Act	

\* The table above is classified for readers for easier understanding

※ Reference: Analysis on determining factors on sites for manufacturing industries (KICOX) Jo et al. (2013)

## 2. Understanding of Industrial Sites

### ▶ A. The Concept of Industrial Sites

- An industrial site refers to a space for carrying out industrial activities. Korea is pursuing an industrial location policy in order to efficiently secure production and activity spaces and select good locations.
- Industrial location policy can be defined as 'policy to secure industrial production and activity space to improve land use in limited land space and to lay the foundation for national economic development'. The following two constitute the country's major Industrial location policy related laws.

- The Industrial Sites and Development Act aims to contribute to the sound development of the national economy by promoting the balanced development of national land and sustainable industrial development through the efficient supply of industrial locations and rational positioning of industries.
- The Industrial Cluster Development and Factory Establishment Act aims to contribute to the sound development of the national economy through continued industrial development and balanced regional development, by promoting industrial clustering, supporting the efficient establishment of factories, and performing systematic management of industrial sites and industrial complexes.

## ▶ B. Types of Industrial Locations

- Industrial locations are classified into planned sites that are created by design and separate sites in which companies select and develop locations necessary for their factory construction.
  - In Korea, the Industrial Sites and Development Act largely divides industrial locations into planned sites (industrial complexes) and separate sites locations (factory locations outside industrial complexes).

### 1) Planned Sites

- A planned site is an industrial location developed according to a plan by selecting a certain area in order to collectively establish and foster a number of factories by the state, public organizations, and private companies. It mostly means an 'industrial complex'.
  - The development and creation of planned sites has been frequently used as a means for economic growth through industrialization in developing countries including underdeveloped ones.

- Development of regional planned sites is promoted in consideration of industrial clustering and regional conditions so as to promote balanced development between regions through appropriate deployment of industries.
- Planned sites allow companies to easily and conveniently secure industrial sites as they are useful for efficient use of land, prevention of environmental pollution, improvement of efficiency of infrastructure investment, and promotion of industrial cooperation and integration. Their major necessities can be specified as follows:
  - ① They make intensive and efficient use of the limited land area and contribute to the rational arrangement of industries between regions.
  - ② They promote the cooperation and integration of industries by clustering similar business types or related industries to strengthen the competitiveness of the relevant industry.
  - ③ They can promote technology development and reduce production costs by placing research, education, distribution, and welfare facilities related to manufacturing facilities nearby.
  - ④ They can increase the efficiency of infrastructure investment costs by efficiently using planned infrastructure facilities such as roads, ports, water, and electricity.
  - ⑤ They improve the productivity of occupant companies by providing a pleasant and convenient production environment where appropriate green space and various supporting facilities are secured.
  - ⑥ They can prevent environmental pollution by minimizing pollution of industrial sites through installation and operation of environmental pollution prevention facilities.
  - ⑦ They can simplify the process of industrial complex development, expropriate necessary land, and easily secure national and public



lands by processing various licenses and permits under the relevant laws.

## 2) Separate Sites

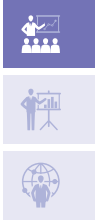
- Separate sites refer to locations other than planned sites among industrial locations including all sites developed by individual companies according to their own needs.
- They refer to areas where companies purchase factory sites from areas other than industrial complexes, individually acquire licenses and permits related to site creation, and construct factories on the land.
- The location of separate sites is determined according to each company's unique reasons, such as business conditions, geographic factors, and land prices, as well as the relevant entrepreneur's free will.
- The separate site system does not belong to the category of industrial complexes. However, it aims to ensure efficient implementation of separate site tasks by presenting standards for the designation and development of separate sites from the viewpoint of efficient management of national land and enhanced corporate location autonomy.

## 3) Comparison between Planned Sites and Separate Sites

- The two different types of sites have their own strengths and weaknesses in various aspects such as establishment procedures, location conditions, ease of land use, maintenance of infrastructure, and the environment.

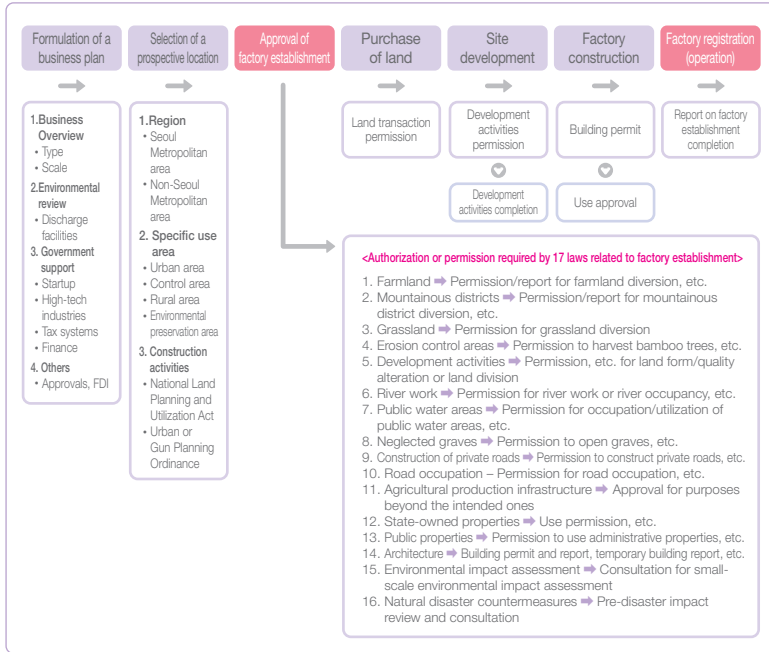
Description	Planned Sites	Separate Sites
Goals	Pursuit of balanced regional development through planned national and local economic development and regional economic invigoration	Pursuit of improved efficiency of land use by flexibly responding to the demand for corporate locations and timely development of idle land

Description	Planned Sites	Separate Sites
Strengths	<ul style="list-style-type: none"> <li>• Various tax and financial support</li> <li>• Good SOC conditions such as industrial infrastructure</li> <li>• Easy procedures for factory establishment permission</li> <li>• Application of relaxed building-to-land ratio, floor area ratio, etc.</li> <li>• Exemption from landscaping obligations under the Building Law</li> <li>• Easy relocation of the pollution emission industry by installing common prevention facilities</li> <li>• Easy exchange of information and technology between companies through industrial clustering</li> <li>• Reduced logistics costs through integration of related companies</li> <li>• Enhanced companies' internal and external competitiveness and synergistic effects through networking via industrial clustering</li> <li>• Formation of commercial districts and economic and cultural benefits due to industrial clustering</li> <li>• Expectation of increased real-estate sales and employment opportunities through new concept industrial complexes (convergence complexes, smart industrial complexes, etc.)</li> <li>• Minimized social costs and environmental problems by collective arrangement of factory facilities</li> </ul>	<ul style="list-style-type: none"> <li>• Possibility to secure inexpensive land</li> <li>• Possibility to select appropriate land in the right place at the right time</li> <li>• Possibility to be located near product markets</li> <li>• Relaxed industry type constraints compared to planned sites</li> <li>• Possibility to select small-scale land (flexible location decisions)</li> <li>• Easy disposal and expansion (building extension) of factory land</li> <li>• Possibility to select locations with a pleasant environment for high-tech industries in particular</li> <li>• Relaxed corporate regulations including factory establishment regulations</li> <li>• Enhanced support policies by local governments</li> <li>• The trend of easing regulations related to industrial locations</li> <li>• Increased number of job seekers due to employment difficulties</li> </ul>
Weaknesses	<ul style="list-style-type: none"> <li>• Difficulty securing candidate sites at the right time and place due to long-term development commitment</li> <li>• Higher developed land sale price than separate sites</li> <li>• Limited expansion of facilities such as factories after moving in</li> <li>• Restrictions on occupant business types</li> <li>• Restrictions on disposal such as the sale of factory sites</li> <li>• Concerns about lower worker satisfaction due to differences in wage levels and welfare facilities from neighboring factories</li> <li>• Worries about lower occupancy rate of domestic industrial complexes due to companies' relocation of production bases abroad</li> <li>• Increased financial costs when the land purchase rate remains low for a long time</li> <li>• Inconsistency in occupancy due to increased industrial complexes</li> </ul>	<ul style="list-style-type: none"> <li>• Complicated license/permission process for factory establishment</li> <li>• Difficulty converting the usage of factory sites</li> <li>• Restrictions on information exchange between companies</li> <li>• Smaller incentives such as tax benefits and financial support than planned sites provide</li> <li>• Insufficient industrial infrastructure (roads, water, etc.) and support facilities for education, culture, etc.</li> <li>• Difficulty controlling nearby environmental factors</li> <li>• Land price fluctuations due to instability in the real estate market</li> <li>• Possibility of complaints against factory establishment (leading to long-term confrontation)</li> <li>• Enhanced environmental regulations and increased costs of separate pollutant treatment</li> </ul>

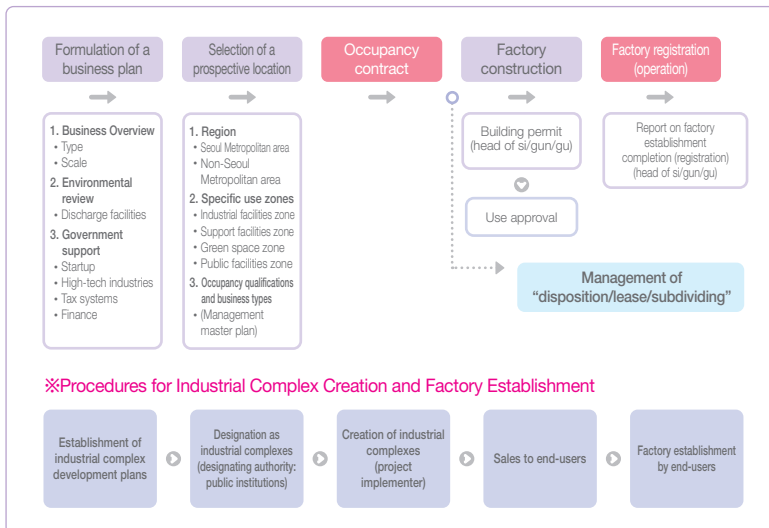


## 4) Factory Establishment Processes by Site Types

### (1) Separate Sites (Factory establishment approval and factory registration)



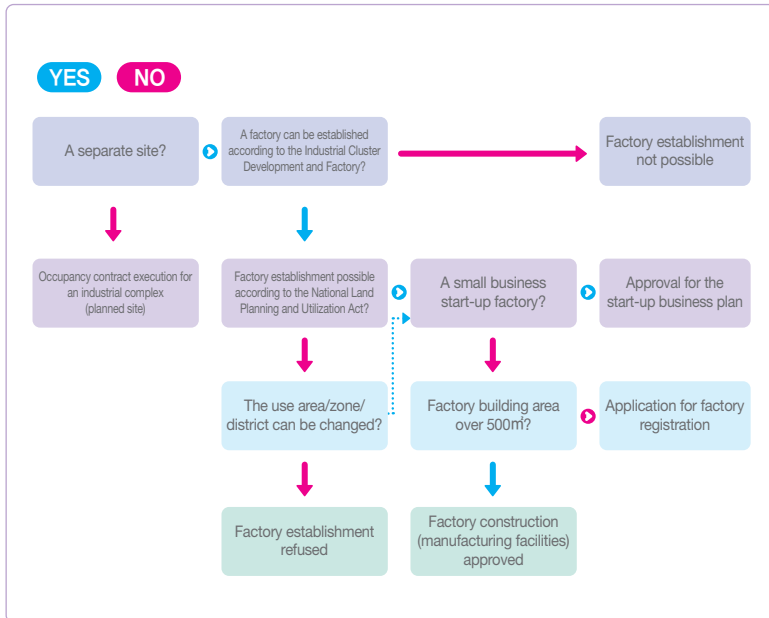
### (2) Industrial Complexes (Occupancy agreement and factory registration)





### (3) Review of Approval for Factory Establishment

The person who intends to establish and operate a factory and the department in charge of separate/planned site management shall check and review land use restrictions, possibility of building a factory at the site, and relevant environmental regulations, etc.



## ▶ C. Total Quantity Control System about Factories

### 1) Restrictions on Factory Locations in the Metropolitan Area

For the sake of appropriate dispersion of population and industries within the Seoul Metropolitan area which includes the Seoul Metropolitan City and its surrounding Incheon Metropolitan City and Gyeonggi-do Province (Article 2 of the Seoul Metropolitan Area Readjustment Planning Act), the Seoul Metropolitan area shall be classified into the overconcentration control region, the growth management region, and the nature preservation region (Article 6 of the Seoul Metropolitan Area Readjustment Planning Act).

Classification	Classification of the Seoul Metropolitan Area and Restriction on Acts	
Overconcentration Control Region	The area in which population and industries are, or are likely to be, excessively concentrated in such a way, that transfer out of which, or readjustment of which, is deemed necessary	
	Restriction on Acts	<ul style="list-style-type: none"> <li>• Installation or extension of schools, public office buildings, in-service training facilities, and other population-concentrating facilities</li> <li>• Designation of industrial areas</li> <li>• However, permission, etc. can be granted if deemed necessary by the head of a relevant administrative agency for the development of the national economy and the promotion of public welfare</li> </ul>
Growth Management Region	The area into which the population and industries transferring out of the overconcentration control region shall be intentionally solicited, and for which proper management of the accommodation of industries and of urban development is required	
	Restriction on Acts	<ul style="list-style-type: none"> <li>• Installation or extension of schools, public office buildings, in-service training facilities, or other population-concentrating facilities, or permission thereof</li> <li>• The designation of an industrial area is subject to the conditions prescribed by the Seoul Metropolitan area readjustment plan.</li> </ul>
Nature Preservation Region	The area in which preservation of the natural environment, such as the water of the Han River system and green belt areas, is required	
	Restriction on Acts	<ul style="list-style-type: none"> <li>• Development projects, whose purposes are to prepare housing sites, industrial sites, tourist resort sites, etc., the types of which are prescribed by Presidential Decree, and the scale of which exceeds that prescribed by Presidential Decree</li> <li>• Installation or extension of such schools, public office buildings, office buildings, commercial buildings, in-service training facilities, and other population-concentrating facilities</li> <li>• However, exemptions are granted for cases deemed necessary for the development of the national economy and for the promotion of public welfare, as prescribed by Presidential Decree.</li> </ul>

\* Easing restriction on acts: Articles 26, 27, 27-2 and 27-3, and attached Tables 1-3 of the Enforcement Decree of the Industrial Sites and Development Act

[ Scope of the Seoul Metropolitan Area (Attached Table 1 of the Enforcement Decree of the Seoul Metropolitan Area Readjustment Planning Act) ]

Overconcentration Control Region	Growth Management Region	Nature Preservation Region
<ol style="list-style-type: none"> <li>1. Seoul Special City</li> <li>2. Incheon Metropolitan City [Ganghwa-gun; Ongjin-gun; Daegok-dong, Bullo-dong, Majeon-dong, Geumgok-dong, Oryu-dong, Wanggil-dong, Dangha-dong, and Wondang-dong in Seo-gu, except the Incheon Free Economic Zone (including areas canceled from the Zone) and the Namdong National Industrial Complex]</li> <li>3. Uijeongbu-si</li> <li>4. Guri-si</li> <li>5. Namyangju-si (limited to Hopyeong-dong, Pyeongnae-dong, Geumgok-dong, Ilpae-dong, Ipae-dong, Sampae-dong, Gaun-dong, Suseok-dong, Jigeum-dong, and Donong-dong)</li> <li>6. Hanam-si</li> <li>7. Goyang-si</li> <li>8. Suwon-si</li> <li>9. Seongnam-si</li> <li>10. Anyang-si</li> <li>11. Bucheon-si</li> <li>12. Gwangmyeong-si</li> <li>13. Gwacheon-si</li> <li>14. Uiwang-si</li> <li>15. Gunpo-si</li> <li>16. Siheung-si [Excluding the Banwol Special Zone (including areas canceled from the Zone)]</li> </ol>	<ol style="list-style-type: none"> <li>1. Incheon Metropolitan City [limited to Ganghwa-gun; Ongjin-gun; Daegok-dong, Bullo-dong, Majeon-dong, Geumgok-dong, Oryu-dong, Wanggil-dong, Dangha-dong, and Wondang-dong in Seo-gu; the Incheon Free Economic Zone (including areas canceled from the Zone) and Namdong National Industrial Complex]</li> <li>2. Dongducheon-si</li> <li>3. Ansan-si</li> <li>4. Osan-si</li> <li>5. Pyeongtaek-si</li> <li>6. Paju-si</li> <li>7. Namyangju-si (limited to Byeolnae-dong, Wabu-eup, Jinjeon-eup, Byeolnae-myeon, Toegyewon-myeon, Jingeon-eup and Onam-eup)</li> <li>8. Yongin-si (limited to Singal-dong, Hagal-dong, Yeongdeok-dong, Gugaldong, Sanggal-dong, Bora-dong, Jigok-dong, Gongse-dong, Gomae-dong, Nongseo-dong, Seocheon-dong, Eonnam-dong, Cheongdeok-dong, Mabuk-dong, Dongbaek-dong, Jung-dong, Sangha-dong, Bojeong-dong, Pungdeokcheon-dong, Sinbong-dong, Jukjeon-dong, Dongcheon-dong, Gogidong, Sanghyeon-dong, Seongbok-dong, Namsa-myeon, Idong-myeon, and Moksiri, Jukneung-ri, Hakil-ri, Tokseong-ri, Godang-ri, and Munchon-ri in Wonsam-myeon)</li> <li>9. Yeoncheon-gun</li> <li>10. Pocheon-si</li> <li>11. Yangju-si</li> <li>12. Gimpo-si</li> <li>13. Hwaseong-si</li> <li>14. Anseong-si (limited to Gasa-dong, Gahyeon-dong, Myeongryun-dong, Sungin-dong, Bongnam-dong, Gupto-dong, Dongbon-dong, Yeong-dong, Bongsan-dong, Seongnam-dong, Changjeon-dong, Nakwon-dong, Okcheon-dong, Hyeonsudong, Balhwa-dong, Oksan-dong, Seokjeong-dong, Seoin-dong, Injiridong, Ayang-dong, Sinheung-dong, Dogi-dong, Gye-dong, Jungri-dong, Sagok-dong, Geumseok-dong, Dangwang-dong, Sinmosan-dong, Sinsohyeon-dong, Singeonjiridong, Geumsan-dong, Yeonjiridong, Daecheon-dong, Daedeok-myeon, Miyang-myeon, Gongdo-eup, Wongok-myeon, Bogae-myeon, Geumgwang-myeon, Seoun-myeon, Yangsong-myeon, Gosam-myeon, Dugyo-ri, Dangmok-ri and Chiljang-ri in Juksan-myeon, Majeon-ri, Mijang-ri, Jinchon-ri, Gisol-ri, and Naegang-ri in Samjuk-myeon)</li> <li>15. The Banwol Special Zone in Siheung-si (including areas canceled from the Zone)</li> </ol>	<ol style="list-style-type: none"> <li>1. Icheon-si</li> <li>2. Namyangju-si (limited to Hwado-eup, Sudong-myeon and Joan-myeon)</li> <li>3. Yongin-si (limited to Gimryangjang-dong, Nam-dong, Yeokbuk-dong, Samga-dong, Yubang-dong, Gorim-dong, Mapeyeong-dong, Unhak-dong, Ho-dong, Haegok-dong, Pogok-eup, Mohyeon-myeon, Baekam-myeon, Yangji-myeon, and Gajaewol-ri, Saam-ri, Mipyong-ri, Jwahang-ri, Maeng-ri, and Duchang-ri in Wonsam-myeon)</li> <li>4. Gapyeong-gun</li> <li>5. Yangpyeong-gun</li> <li>6. Yeosu-si</li> <li>7. Gwangju-si</li> <li>8. Anseong-si (limited to Iljuk-myeon, Juksan-ri, Yongseol-ri, Janggye-ri, Maesan-ri, Jangneung-ri, Jangwon-ri and Doohyeon-ri in Juksan-myeon, and Yongwol-ri, Deoksan-ri, Yulgok-ri, Naejang-ri, and Baetae-ri in Samjuk-myeon)</li> </ol>



## 2) Total Quantity Control

### a) Purpose and Legal Basis Article 18 of the Metropolitan Area Readjustment Planning Act

In order to prevent overconcentration, in the Seoul Metropolitan Area, of factories, schools, and such other population-concentrating facilities prescribed by Presidential Decree, the Minister of Land, Infrastructure and Transport may set a total permissible quantity of installations and extensions and restrict any installation or extension which exceeds such quantity.

### b) Total Permissible Quantity for Factory Construction in the Seoul Metropolitan Area (2018-2020)

Description	Metropolitan Area (1,000 m <sup>2</sup> )	Seoul (1,000 m <sup>2</sup> )	Incheon (1,000 m <sup>2</sup> )	Gyeonggi-do Province(1,000 m <sup>2</sup> )
Total Permissible Quantity	5,445	36	558	4,851
Industrial Areas other than Industrial Complexes	1,982	25	502	1,455
Separate Sites	3,463	11	56	3,396

### c) Calculation Method of Total Permissible Quantity for Factory Construction

The total permissible quantity for factory construction in the metropolitan area from 2018 to 2020 is calculated in consideration of future economic outlook, etc., based on the implementation records during the last three years (2015-2017).

### d) Implementation Conditions

Target	<ul style="list-style-type: none"> <li>Factory buildings with a total floor area of 500 m<sup>2</sup> or more (total floor area of each floor of buildings and business places for installing machinery and equipment used as manufacturing facilities)</li> </ul>
Application Standard	<ul style="list-style-type: none"> <li>The area to be newly constructed, expanded or changed in use under the Building Act, and the area where a request for change of the contents of the building register is filed in order to make a building permit, construction report, use change permit, use change report, or use change pursuant to the same Act.</li> <li>If the total factory quantity allocated to the city/province is exhausted, a building permit should not be issued for a factory.</li> </ul>

## Exceptions

- Construction of a knowledge industry center pursuant to the Industrial Cluster Development and Factory Establishment Act
- Temporary buildings and those that are not subject to prior notification or permission under the Building Act
- If the factory is relocated due to the implementation of public projects, the factory will be built within the total floor area of the previous building. However, for areas exceeding the existing factory area, the total factory quantity is applied.
- Factory construction in the following areas
  - \* Industrial complexes according to the Industrial Sites and Development Act
  - \* Areas prescribed by other related laws to exclude restrictions on the total factory construction quantity under Article 18 of the Seoul Metropolitan Area Readjustment Planning Act

※ Reference: Industrial Sites Bulletin 2020, KICOX



# Sites Classified Based on Purpose



## 1. Industrial Complexes

### ▶ A. Industrial Complexes (National; General; Urban High-tech; and Agricultural and Industrial Complexes)

#### 1) Purposes and Type

a) “Industrial complexes” refer to sites designated and developed according to a comprehensive plan to collectively install residential facilities, cultural facilities, environmental facilities, parks and green space, medical facilities, tourism facilities, sports facilities, and welfare facilities, with the purpose of improving the functions of various facilities such as factories, the knowledge industry-related facilities, the cultural industry-related facilities, the ICT-related facilities, recycling industry-related facilities, resource storage facilities, logistics facilities, and education and research facilities along with related education, research, business, support, information processing, and distribution facilities. They are divided into national industrial complexes, general industrial complexes, urban high-tech industrial complexes, and agricultural and industrial complexes.

#### [ Types of Industrial Complexes ]

Classification	Definitions
National Industrial Complex	An industrial complex designated pursuant to Article 6 to promote national key industries, high-tech industries, etc. or to develop underdeveloped areas requiring the promotion of development or areas extending over at least two Special Metropolitan Cities, Metropolitan Cities, Special Self-Governing Cities or Dos as an industrial complex

Classification	Definitions
General Industrial Complex	An industrial complex designated pursuant to Article 7 to promote appropriate decentralization of industries and to revitalize the regional economy
Urban High-tech Industrial Complex	An industrial complex designated pursuant to Article 7-2 in an urban area under the National Land Planning and Utilization Act to foster and promote the development of the knowledge industry, the cultural industry, the information and communications industry, and other high-tech industries
Agricultural and Industrial Complex	An industrial complex designated pursuant to Article 8 to attract and promote industries for increasing the incomes of farmers and fishermen in rural areas prescribed by Presidential Decree

※ Reference: Guide to Factory Sites and Establishment, Nodemedia, Cheon (2020)

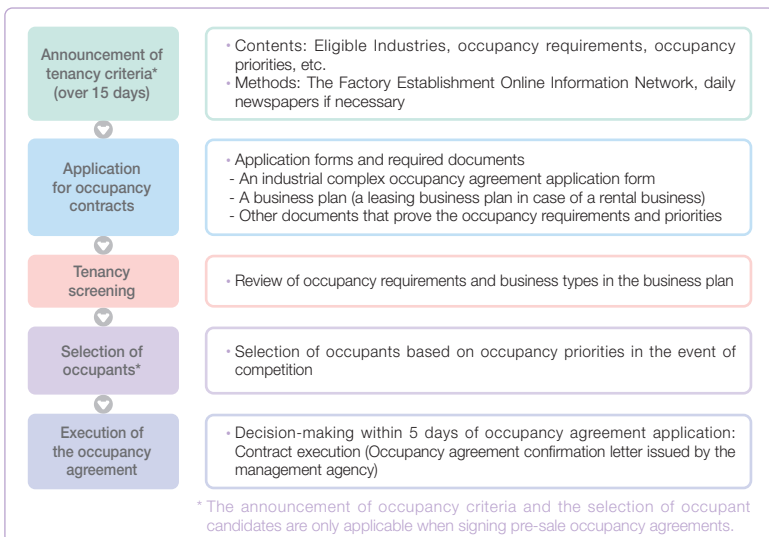
\*\* Industrial Sites and Development Act also known as Industrial Sites Act

## 2) Major Characteristics

### a) A move-in contract must be signed with a management agency.

Anyone who intends to engage in manufacturing business in an industrial complex must enter into a contract with a management agency regarding its occupancy as prescribed by Ordinance of the Ministry of Trade, Industry and Energy (Article 38 of the Industrial Cluster Development and Factory Establishment Act).

### [ Procedures for the Execution of Occupancy Agreement ]



**b) Industrial sites have restrictions on its disposal.****(1) Disposal before the report on the completion of the factory establishment or within 5 years after the reporting thereof elapses**

If an occupant enterprise that owns an industrial site, a factory, etc. in an industrial facilities zone, etc. wants to dispose of it before it reported on the completion of the factory establishment (business commencement), etc. or within 10 years after the reporting thereof elapses, the company must transfer the asset to the management agency (Article 39 of the industrial Cluster Development and Factory Establishment Act, and Article 49 of the Enforcement Decree of the Industrial Cluster Development and Factory Establishment Act).

The price for transfer of an industrial site shall be determined by adding the interest and cost to the acquisition price, and the price for transfer of a factory, etc. may be determined, based upon the current appraisal price of a certified public appraiser pursuant to the Act on Appraisal and Certified Appraisers (Provided, That where an occupant enterprise makes a request, the transfer price of the industrial site may be lower than the amount obtained by adding the interest and cost prescribed).

**(2) Disposal 5 years after completion of factory establishment, etc.**

If an occupant enterprise that owns an industrial site, a factory, etc. has disposed of it five years after it reported on the completion of the factory establishment (business commencement), etc., the company must report the fact to the management agency. However, exemptions are given to the disposal to an occupant enterprise or to a person operating in the same line of business\* with the market price applied as no price limit is implemented for disposal prices.

\* The same line of business: It means that businesses are engaged in the same type of business (5 digit number) as classified by the Korean Standard Industrial Classification.



**c) There are restrictions on leasing business within industrial complexes (industrial sites).**

One cannot just rent plants in industrial complexes. Anyone who wants to rent one's entire factory should be registered as a leasing business with the management agency (Leasing businesses only permitted to those whose factories were already registered). Partial lease is only possible after registering a factory, starting a business (non-manufacturing sector), and filing as a rental business. A leasing business that has rented an unregistered factory is not allowed to register the factory.

**d) There is a minimum size of land division for the industrial facilities zone within an industrial complex.**

Industrial facilities land within an industrial complex cannot be divided into less than 1,650 m<sup>2</sup> (Article 39-3 of the Enforcement Rule of the Industrial Cluster Development and Factory Establishment Act). However, if the management master plan specifies that the land can be divided into less than 1,650 m<sup>2</sup>, it can be done so according to the rules (Article 39-3 (1) of the Enforcement Regulation of the Industrial Cluster Development and Factory Establishment Act).

**e) The management agency may terminate the occupancy agreement with the occupant enterprise.**

The management agency may order correction within 6 months if the occupant enterprise or a support institution falls under the grounds for termination of the occupancy agreement and may terminate the occupancy agreement if the occupant enterprise or the support institution does not fulfill it (Article 42 of the Industrial Cluster Development and Factory Establishment Act).



### Reasons for Termination of the Occupancy Agreement

- ① When construction has not begun within 2 years without good cause\*

\* Good cause refers to cases where the start of the factory is inevitably delayed and is recognized by the management agency because a land purchaser cannot obtain permission to use land, etc., prior to completion authorization according to Article 37 of the Enforcement Decree of the Industrial Sites and Development Act, or for other reasons not attributable to the occupant.

- ② When it is recognized that the completion of the factory is virtually impossible
- ③ When business does not start without a justifiable reason within a year of the completion of the factory, etc., or business has been closed for more than a year in a row.
- ④ When the company or representative name, business type or business description, site area, construction area, factory (business) location (in case of relocating to another industrial site within the same industrial complex), etc., without signing an occupancy modification agreement
- ⑤ When the occupancy agreement is violated in relation to Article 38 (occupancy agreement, etc.), Article 38-2 (leasing business, etc. in industrial complex) of the Act
- ⑥ When an industrial site or factory is leased or disposed of in violation of the regulations on leasing business or the disposal of industrial sites, etc.
- ⑦ When a subdivided industrial site or a shared proportion of an industrial site is disposed of in violation of the subdivision regulation of industrial sites

#### f) Additional designation to other uses is possible in an industrial complex by other laws.

For example, a complex-type foreign investment zone can be designated within an industrial complex, creating another special area within an industrial complex. The Gumi National Industrial Complex has separately designated individual foreign investment zones, complex-type foreign investment zones, and parts and

materials-type foreign investment zones as well as the 'national rental industrial complex' designated by the Ministry of Land, Infrastructure and Transport. Because of this characteristic, an industrial complex can have several areas with different regulations. It is necessary to inquire about exact regulations with the management agency in advance.

**g) An industrial complex is divided into five zones.**

An industrial complex can be divided into five zones such as an industrial facilities area, a support facilities area, a public facilities area, a green area, and a multi-functional area. Manufacturing is allowed in an industrial facilities zone or a multi-functional area. Therefore, before building a factory in an industrial complex, it is necessary to check whether a factory can be built in the particular location. The industrial facilities zone where factories are concentrated can limit business occupancy depending on the type of the manufacturing industry concerned.

**h) An industrial complex is managed according to a management master plan.**

An institution devoted to the management of an industrial complex is called a “management agency” which must establish a management master plan for the area that needs to be managed as an industrial complex (Article 33 of the Industrial Cluster Development and Factory Establishment Act). The important things that can be seen in a management master plan are what types of manufacturing industries can enter the area and what kind of structures can be built there. In addition, although each plan differs, the minimum and maximum limits of land sale to an entity are specified. In the case of a general industrial complex, the building exterior may be regulated too. Each industrial complex may have other special regulations in its management master plan, so the plan deserves a thorough review. Judgment on business types in a management master plan is made by the management agency.



\* To check the management master plan for each industrial complex, enter the industrial location information system website (<https://www.industryland.or.kr>) and click “Industrial complex ➡Industrial complex notice/announcement”

### Notes

The management agency's work is crucial to plant operations. In order to check whether a factory can be established in an industrial complex, the “management master plan” of each industrial complex must be checked since it specifies the types of businesses permitted for the complex along with a layout plan for different industries. The agency checks whether a company can be allowed to enter the complex based on the plan.

However, please note that management agencies other than local governments focus on the factory establishment, lease, division, and sale within industrial complexes, with most of the remaining tasks performed by relevant local governments.

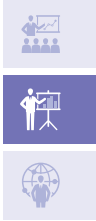
### 3) Industrial Complex Support Projects

Various systems are put in place to promote the development of industrial complexes and occupant enterprises. The content is so vast that only a brief introduction will be covered here. For details, please contact the Korea Industrial Complex Corporation.

#### [ Outline of Industrial Complex Support Projects ]

Project	Content
Competitiveness Strengthening Projects for Industrial Clusters	<ul style="list-style-type: none"> <li data-bbox="365 1151 958 1202">• Industry-academia-research network construction support project               <ul style="list-style-type: none"> <li data-bbox="388 1209 958 1287">- Supporting network activities centered on industrial clusters such as industrial complexes, formulating industry-academia-research councils, and supporting R&amp;BD joint projects through the councils</li> </ul> </li> <li data-bbox="365 1298 958 1323">• Corporate Growth Support Bureau               <ul style="list-style-type: none"> <li data-bbox="388 1330 958 1436">- The group provides comprehensive SME support services (corporate diagnosis, problem solving support, policy linkage, middle-standing business development, etc.) to solve technical and management difficulties of SMEs in industrial complexes</li> </ul> </li> </ul>

Project	Content
Structure Improvement Projects	<ul style="list-style-type: none"> <li>• <b>Industrial Complex Environment Improvement Fund Project</b> - Following the announcement of the “QWL Valley Creation Plan,” a joint private-public “QWL Valley Fund” Project was launched in 2011 to promote private investment in industrial complex structure improvement projects.</li> </ul>
	<ul style="list-style-type: none"> <li>• <b>Private Agency Project</b> - Part of the industrial complex structure improvement projects may be carried out by landowners of the relevant industrial complex or a corporation meeting the requirements prescribed by Presidential Decree that has made investment in the project.</li> </ul>
	<ul style="list-style-type: none"> <li>• <b>Remodeling of suspended or closed factories</b> - Support for redevelopment project expenses such as extension, renovation, major repair, and interior construction for functional improvement and exterior improvement of suspended/closed factories</li> </ul>
	<ul style="list-style-type: none"> <li>• <b>Industrial Complex Innovation Support Center</b> - Construction of a multifunctional building that can be integrated with support organizations to expand related innovation support functions for corporate technology and management activities where an industrial complex needs improvement</li> </ul>
	<ul style="list-style-type: none"> <li>• <b>Establishment of multifunctional cultural centers in industrial complexes</b> - Construction of multifunctional cultural centers with various convenience facilities needed by industrial complexes to attract youth to industrial complexes and improve workers’ welfare there.</li> </ul>
	<ul style="list-style-type: none"> <li>• <b>Creation of vibrant and beautiful streets</b> - Creating industrial complex-style beautiful streets with specialized design features after designating streets with large foot traffic and potentially large improvement effects to revitalize old industrial complexes.</li> </ul>
Industry-Academia Convergence District and Industrial Complex Campus Development Project	<ul style="list-style-type: none"> <li>• <b>Industry-Academia Convergence District Project</b> - A project that realizes a new manpower cultivation and industry-academia cooperation model focused on companies’ demand, participated by schools and companies in a space embracing both university campuses and corporate research centers inside industrial complexes, particularly those eligible for structural improvement projects or benefits of innovative industrial complexes (an expansion of the pilot project)</li> </ul>



Project	Content
Industry-Academia Convergence District and Industrial Complex Campus Development Project	<ul style="list-style-type: none"> <li>• <b>Industrial Complex Campus Creation Project</b></li> <li>- As the promotion of university-centered industry-academia cooperation alone has limitations in fostering manpower reflecting industrial demand and enhancing employment effects, the project is aimed at changing the paradigm of industry-academia cooperation to promote a spatial convergence environment between universities and companies and create new industries through the promotion of technology transfer.</li> </ul>
Local Investment Support System	<ul style="list-style-type: none"> <li>• <b>Subsidy support</b></li> <li>- Partial support for location/facility investment when a company moves from the metropolitan area to a local area or builds or expands production facilities in the local area.</li> </ul>
	<ul style="list-style-type: none"> <li>• <b>Tax support</b></li> <li>- Exemption or reduction of corporate tax, acquisition tax, property tax, etc.</li> </ul>
	<ul style="list-style-type: none"> <li>• <b>Financial support</b></li> <li>- Long-term low-interest loan support for relocated companies from Korea Development Bank</li> </ul>
GHG Reduction and Recycling Demonstration Project in Industrial Complexes	<ul style="list-style-type: none"> <li>• <b>A project that supports the dissemination of technologies applicable to many companies by supplying facilities with excellent GHG and energy reduction effects to enterprises in industrial complexes and supporting commercialization of general-purpose technologies with high energy resource efficiency in order to reduce greenhouse gas in industrial complexes</b></li> <li>- (Complex Type) Support for the design and construction of GHG reduction convergence systems for public facilities in industrial complexes and the integration of GHG reduction efforts by shared facilities (e.g. wastewater treatment plant) and similar endeavors by private companies for joint energy utilization facilities, ESS, etc.</li> <li>- (Separate Type) Support for companies' replacement of aging GHG reduction facilities in industrial complexes</li> </ul>

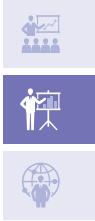
## 4) Incentives and Support Systems

### a) Tax Support

There are various preferential treatment measures for occupant enterprises in industrial complexes, with various tax benefits being the most common. The tax support reduces the companies' national and local taxes, thereby reducing their investment burdens and inducing businesses to relocate to industrial complexes, as stipulated in the Restriction of Special Taxation Act and the Restriction of Special Local Taxation Act.

#### [ Tax Support Systems for Occupant Enterprises in Industrial Complexes ]

Description	Eligibility	Support Measures	Law
Occupant Enterprises in Industrial Complexes	<ul style="list-style-type: none"> <li>Companies in an industrial complex or a technopark acquiring real estate (until Dec. 31, 2022)</li> </ul>	<ul style="list-style-type: none"> <li>50% reduction in acquisition tax on real estate acquired by a person who intends to build industrial buildings, etc.</li> <li>25% reduction of acquisition tax on real estate acquired through major repairs of industrial buildings, etc.</li> <li>35% property tax reduction (75% for industrial complexes outside the Seoul metropolitan area) for 5 years from the date of first establishment of the tax obligation for the above real estate</li> </ul>	Article 78 of the Restriction of Special Local Taxation Act
Occupant Enterprises in Agricultural and Industrial Complexes	<ul style="list-style-type: none"> <li>Koreans running a rural income source development project in an agricultural and industrial complex located outside the city area with a population of 200,000 or more as of the complex designation date outside the overconcentration control region in the metropolitan area</li> <li>An SME doing business as an occupant enterprise in a Local SME Special Support Area (Damyang General Industrial Complex, Daema EV Industrial Complex) (5 years from the designated date)</li> </ul>	<ul style="list-style-type: none"> <li>50% reduction of income tax or corporate tax from the beginning of the tax year in which income was first generated in the project and from the commencement of the next tax year to the project year ending within 5 years</li> </ul>	Article 64 of the Restriction of Special Taxation Act

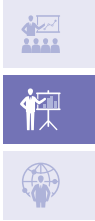


## [ Tax Support Systems Related to Relocation of Factories to Provinces ]

Description	Eligibility	Support Measures	Law
Occupant Enterprises in Industrial Complexes	<ul style="list-style-type: none"> <li>When a person who has factory facilities in a large city and conducts business directly closes the factory and relocates it to an area other than a large city and acquires real estate to run the business. (Until Dec. 31, 2021)</li> </ul>	<ul style="list-style-type: none"> <li>Exemption of acquisition tax</li> <li>Exemption of property tax for 5 years from the date when the tax obligation for real estate is first established</li> <li>50% property tax reduction for the next 3 years</li> </ul>	Article 80 of the Restriction of Special Local Taxation Act
	<ul style="list-style-type: none"> <li>When a domestic corporation that has factory facilities and conducts business in a large city transfers the site and buildings of the factory in order to relocate the factory to a province (until Dec. 31, 2020)</li> </ul>	<ul style="list-style-type: none"> <li>Profits are not included when calculating the amount of income for the relevant business year as prescribed by Presidential Decree within the range of the transfer gain less the carried-over deficits as of the end of the business year immediately preceding the business year in which the transfer date belongs.</li> <li>In such cases, the relevant amount shall be included in the gross income, in at least equal installments, during the period of five business years starting from the business year in which the fifth anniversary of the end of the business year in which such site and buildings are transferred falls.</li> </ul>	Article 60 of the Restriction of Special Taxation Act
Relocation of Corporate HQs Outside the Over-concentration Control Region of the Seoul Metropolitan Area	<ul style="list-style-type: none"> <li>Where a domestic corporation whose head office or principal place of business is located in the over-concentration control region of the Seoul Metropolitan area transfers the site and buildings of the head office or principal place of business (by not later than December 31, 2020)</li> </ul>	<ul style="list-style-type: none"> <li>The domestic corporation may elect to exclude an amount calculated by the formula prescribed by Presidential Decree from its gross income up to the gains accruing from such transfer less the carried-over deficits at the end of the business year immediately preceding the year in which the date of transfer falls.</li> <li>In such cases, the relevant amount shall be included in the gross income, in at least equal installments, during the period of five business years starting from the business year in which the fifth anniversary of the end of the business year in which such site and buildings are transferred falls.</li> </ul>	Article 61 of the Restriction of Special Taxation Act



Description	Eligibility	Support Measures	Law
An SME Relocating Outside the Over-concentration Control Region of the Seoul Metropolitan Area	<ul style="list-style-type: none"> <li>Where an SME that has engaged in a business for at least two consecutive years with factory facilities established in the over-concentration control region of the Seoul Metropolitan area, fully relocates its factory facilities to an area outside the over-concentration control region of the Seoul Metropolitan area (by Dec. 31, 2020)</li> </ul>	<ul style="list-style-type: none"> <li>The company is entitled to a 100% exemption of income tax or corporate tax on income accruing from the relevant factory after relocation for the taxable year in which the first income accrues from the relevant factory and also for the taxable years that end within the six subsequent taxable years thereafter.</li> <li>It is entitled to a 50% reduction of income tax or corporate tax for the three subsequent taxable years thereafter.</li> </ul>	Article 63 of the Restriction of Special Taxation Act
A Corporation Relocating its Factory and HQ outside the Seoul Metropolitan Area	<ul style="list-style-type: none"> <li>A corporation that has engaged in its business with factory facilities for at least 3 consecutive years, or have its head office or principal place of business for at least 3 consecutive years in the over-concentration control region of the Seoul Metropolitan area relocates its entire factory facilities or head office outside the Seoul Metropolitan area and starts its business therein (by Dec. 31, 2020)</li> <li>When a company builds a factory or its headquarters outside the Seoul Metropolitan area and starts its business therein (by Dec. 31, 2023)</li> </ul>	<ul style="list-style-type: none"> <li>It is entitled to an exemption of corporate tax on incomes for the taxable year in which the relocation occurs and also for the taxable years that end within the 6 subsequent taxable years (or 4 subsequent taxable years, if it relocates to a Metropolitan City located in any area other than the Seoul Metropolitan area or any other area prescribed by Presidential Decree) from the date the following taxable year commences</li> <li>It is also entitled to a 50% reduction of corporate tax for the 3 subsequent taxable years thereafter (or two subsequent taxable years thereafter, if it relocates to a Metropolitan City located in any area other than the Seoul Metropolitan area or any other area prescribed by Presidential Decree).</li> </ul>	Article 63-2 of the Restriction of Special Taxation Act
Relocating Corporations to Provinces	<ul style="list-style-type: none"> <li>When a corporation having its main office or principal office established in an over-concentration limitation zone and directly engaging in business sells or finishes leasing its main office or principal office, relocates to an area other than a large city, and acquires real estate to directly engage in the relevant business (by Dec. 31, 2021)</li> </ul>	<ul style="list-style-type: none"> <li>Exemption from acquisition tax</li> <li>Exemption from property tax for 5 years from the date the first liability to pay property tax on such real estate arises</li> <li>A 50% reduction in property tax for 3 years thereafter</li> <li>Exemption from registration license tax on the registration of such corporation and the registration of real estate following such relocation.</li> </ul>	Article 79 of the Restriction of Special Local Taxation Act



## b) Types of Financial Support

- ① Financial support for occupant enterprises in industrial complexes
- ② Financial support according to the relevant development laws for national key industries, technology development and quality improvement projects, and high-tech industries
- ③ Support for facilities funds and working funds for occupant enterprises in agricultural and industrial complexes
- ④ Support for SMEs according to the Support for Small and Medium Enterprise Establishment Act, the Small and Medium Enterprises Promotion Act, and the Act on Facilitation of Purchase of Small and Medium Enterprise-Manufactured Products and Support for Development of their Markets, etc.
- ⑤ Low-interest loans for business expenses in general and urban high-tech industrial complexes

## 5) Designation Status

### (1) Status of Designation and Sales of Industrial Complex by Type

Complex Type	Complexes (number)	Designated Area (1,000 m <sup>2</sup> )	Industrial Facilities Area (1,000 m <sup>2</sup> )				
			Total Area	Sales Area	Sold	Unsold	Sales Rate(%)
National	47	806,620	285,324	250,185	241,590	8,595	96.6
General	676	531,882	322,608	255,299	236,468	18,831	92.6
Urban High-tech	30	8,297	4,267	1,979	1,356	623	68.5
Agricultural and Industrial	472	76,716	57,967	56,066	53,543	2,523	95.5
<b>Total</b>	<b>1,225</b>	<b>1,423,515</b>	<b>670,166</b>	<b>563,529</b>	<b>532,957</b>	<b>30,572</b>	<b>94.6</b>

\* Source: National Industrial Complex Status Statistics, 3Q 2020, Korea Industrial Complex Corporation

\*\* The total area refers to the total area of industrial facilities zones including undeveloped area. The sales area is the developed one in industrial facilities zones (excluding undeveloped area). The sales rate refers to the ratio of the sold area to the total sales area.

## (2) Designation Status of Industrial Complexes by Region

(Unit: number)

Description	National	General	Urban High-tech	Agricultural and Industrial	Total
Seoul Special City	1	2	-	-	3
Busan Metropolitan City	1	30	4	1	36
Daegu Metropolitan City	1	16	2	2	21
Incheon Metropolitan City	2	12	2	-	16
Gwangju Metropolitan City	2	9	1	1	13
Daejeon Metropolitan City	1	3	-	-	4
Ulsan Metropolitan City	2	22	-	4	28
Sejong City	-	12	1	4	17
Gyeonggi-do	5	170	8	1	184
Gangwon-do	1	24	4	44	73
Chungcheongbuk-do	2	78	2	43	125
Chungcheongnam-do	5	59	3	92	159
Jeollabuk-do	6	22	1	59	88
Jeollanam-do	5	30	1	68	104
Gyeongsangbuk-do	6	72	-	69	147
Gyeongsangnam-do	9	114	1	81	205
Jeju Special Self-Governing Province	2	1	-	3	6
<b>Total</b>	<b>47</b>	<b>676</b>	<b>30</b>	<b>472</b>	<b>1,229</b>

\* Source: National Industrial Complex Status Statistics, 3Q 2020, Korea Industrial Complex Corporation

\*\* For industrial complexes (4 complexes) located in two or more cities/provinces, there are 4 more sites by region than by type because each region selected separately.

- 4 complexes: Korea Export Industries National Industrial Complex (Seoul and Incheon), Bitgreen National Industrial Complex (Gwangju and Jeonnam), Asan National Industrial Complex (Gyeonggi and Chungnam), Myeongji-Noksan National Industrial Complex (Busan and Gyeongnam)

**(3) Current Status of Industrial Complex Land Sales by Region**(Unit: 1,000 m<sup>2</sup>, %)

Description	Type	No. of Complexes	Designated Area	Industrial Facilities Zones			
				Sales Area	Sold	Unsold	Sales Rate(%)
Seoul	National	1	1,925	1,448	1,448	-	100
	General	2	1,282	853	667	186	78
Busan	National	1	8,841	4,317	4,317	-	100
	General	30	33,591	16,976	14,841	2,135	87
	Urban High-tech	4	946	133	133	-	100
	Agricultural & Industrial	1	258	189	189	-	100
Daegu	National	1	8,559	-	-	-	-
	General	16	35,285	18,246	17,434	812	96
	Urban High-tech	2	316	98	18	80	18
	Agricultural & Industrial	2	353	293	293	-	100
Incheon	National	2	11,361	7,377	7,377	-	100
	General	12	9,165	4,908	4,811	97	98
	Urban High-tech	2	1,404	516	171	345	33
Gwangju	National	2	11,838	2,643	2,643	-	100
	General	9	20,100	9,896	9,896	-	100
	Urban High-tech	1	486	-	-	-	-
	Agricultural & Industrial	1	324	262	262	-	100
Daejeon	National	1	67,809	4,398	4,398	-	100
	General	3	3,479	1,787	1,787	-	100
Ulsan	National	2	74,383	51,138	51,138	-	100
	General	22	15,264	6,198	5,893	305	95
	Urban High-tech	4	592	458	458	-	100
Sejong	National	12	8,205	4,638	4,507	131	97
	General	1	898	228	140	88	61
	Urban High-tech	4	563	439	439	-	100
Gyeonggi	National	5	172,181	30,299	30,299	-	100
	General	170	70,065	33,402	32,144	1,258	96
	Urban High-tech	8	1,554	378	351	27	93
	Agricultural & Industrial	1	117	117	117	-	100

## II Sites Classified Based on Purpose

(Unit: 1,000 m<sup>2</sup>, %)

Description	Type	No. of Complexes	Designated Area	Industrial Facilities Zones			
				Sales Area	Sold	Unsold	Sales Rate(%)
Gangwon	National	1	4,030	1,226	1,148	78	94
	General	24	14,472	7,526	6,412	1,114	85
	Urban High-tech	4	352	113	107	6	95
	Agricultural & Industrial	44	7,019	4,945	4,686	259	95
Chungbuk	National	2	8,806	2,507	2,507	-	100
	General	78	67,131	26,374	25,578	796	97
	Urban High-tech	2	263	188	111	77	59
	Agricultural & Industrial	43	6,223	4,992	4,851	141	97
Chungnam	National	5	28,139	11,555	8,485	3,070	73
	General	59	68,953	36,765	35,334	1,431	96
	Urban High-tech	3	1,633	204	204	-	100
	Agricultural & Industrial	92	14,750	10,573	10,364	209	98
Jeonbuk	National	6	86,970	20,682	19,166	1,516	93
	General	22	33,585	21,071	19,121	1,950	91
	Urban High-tech	1	110	39	39	-	100
	Agricultural & Industrial	59	11,110	8,331	7,399	932	89
Jeonnam	National	5	174,890	50,302	50,050	252	100
	General	30	39,600	18,871	13,859	5,012	73
	Urban High-tech	1	190	-	-	-	-
	Agricultural & Industrial	68	11,488	7,738	7,373	365	95
Gyeongbuk	National	6	83,853	34,256	30,577	3,679	89
	General	72	47,945	22,103	21,307	796	96
	Agricultural & Industrial	69	11,701	8,640	8,218	422	96
Gyeongnam	National	9	61,088	27,662	27,662	-	100
	General	114	63,563	25,597	22,789	2,808	89
	Urban High-tech	1	145	82	82	-	100
	Agricultural & Industrial	81	11,906	8,849	8,654	195	98
Jeju	National	2	1,947	375	375	-	100
	General	1	197	88	88	-	100
	Agricultural & Industrial	3	312	240	240	-	100
Total	National	47	806,620	250,185	241,590	8,595	96.6
	General	676	531,882	255,299	236,468	18,831	92.6
	Urban High-tech	30	8,297	1,979	1,356	623	68.5
	Agricultural & Industrial	472	76,716	56,066	53,543	2,523	95.5

\* Source: National Industrial Complex Status Statistics, 3Q 2020, Korea Industrial Complex Corporation

## 6) Inquiries

- National industrial complexes: Korea Industrial Complex Corporation (070-8895-7000)

\* Excluding some national industrial complexes such as the Saemangeum Industrial Complex and resource reserve national industrial complexes

- Excluded industrial complexes:
  - Daedeok Special R&D Zone; resource reserve national industrial complexes in Dongducheon, Boeun, Gojeong, and Daejuk; Saemangeum Industrial Complex; Jeonju Carbon Material; Samil Resource Reserve; Bitgreen (Jeonnam Province); Wolseong Nuclear Power Plant; resource reserve national industrial complexes in Okpo, Jukdo, and Jisepo; Myeongji-Noksan (Noksan Residential Complex); Jeju Science Park 1; and Jeju Science Park 2
- General, urban high-tech, and agricultural and industrial complexes: Industrial Complex Management Department in local governments

## 7) Related Regulations, References, and Websites

- Industrial Sites and Development Act
- Industrial Cluster Development and Factory Establishment Act
- Korea Industrial Complex Corporation (<https://www.kicox.or.kr>)
- Industrial Land Information System (<https://www.industryland.or.kr>)
- Guide to Factory Sites and Establishment, Nodemedia, Cheon (2020)
- Industrial Sites Bulletin 2020, KICOX

### ▶ B. Lease-type Industrial Complexes

Lease-type industrial complexes are areas where factory sites are leased at low prices for small businesses that have difficulty securing factory sites. They are usually located within industrial complexes.

#### 1) Lease-only Industrial Complexes

##### a) Overview

##### (1) Basic Information

To designate all or part of industrial complexes as lease-only industrial complexes and lease them to small and medium-sized enterprises for up to 50 years in a stable manner

## (2) Purposes

Invigoration of local economies and creation of quality jobs by supplying long-term low-cost leased industrial sites and promoting investment and the reduction of location costs for SMEs and ‘U-turn (reshoring)’ companies.

## (3) Designation Procedures

The Minister of Land, Infrastructure and Transport or the head of a local government that intends to designate and operate a lease-only industrial complex should establish a designation plan, have the Working-Level Committee for the Lease-Only Industrial Complex review it, and announce an approved plan.

### [ View of Lease-only Industrial Complexes ]



Pohang Blue Valley National Industrial Complex    Seokmun National Industrial Complex

## b) Major Characteristics

### (1) Top priority is given to ‘U-turn’ companies and foreign-capital invested companies in land supply.

The term "foreign-capital invested enterprise" means a foreign-invested enterprise that meets all the requirements of Article 12 (1) of the Guidelines for Operation of Foreign Investment Zones. A “U-turn company” means an enterprise that has been selected as a reshoring enterprise eligible for assistance from among reshoring enterprises pursuant to Article 7 of the Act on Assistance to Korean Off-Shore Enterprises in reshoring.

### (2) Stable lease period

The lease-only industrial complex concludes a land lease contract



every five years and can be rented for up to 50 years unless there is a reason for terminating the lease.

### (3) Business types eligible for occupancy

The types of business eligible for occupancy are determined according to the development plan of the industrial complex where the lease-only industrial complex belongs, with materials, parts and equipment companies given priority in occupancy.

### (4) Low rent (around 3% of the supply price)

Annual rent is set at 3% of the supply price of industrial facilities land, and if the project operator receives government assistance, it can be reduced to as low as 1%, and is linked to the annual land price change rate.

### (5) Others

- ① The land follows the general characteristics of the one in an industrial complex, except that it cannot be disposed of because a factory is established on it through a lease contract.
- ② Conversion from leasehold to freehold is permitted after a certain period.

## c) Incentives

### (1) Tax reduction or exemption (same as industrial complex incentives)

Description		Contents	Remarks
Occupant Enterprise	National Tax Corporate Tax (income Tax)	<ul style="list-style-type: none"> <li>• The over-concentration control region of the Seoul Metropolitan area (3 or more years) → Corporate tax benefits for relocation to a region outside the area (only to an industrial complex when relocating to a metropolitan city) -100% reduction for 1+6 years (1+4 years when relocating to a metropolitan city) and 50% reduction for 3 years thereafter (2 years when relocating to a metropolitan city)</li> </ul>	Article 63-2 of the Restriction of Special Taxation Act



Description		Contents	Remarks
Occupant Enterprise	National Tax Corporate Tax (income Tax)	<ul style="list-style-type: none"> <li>Deferred taxation of gains on transfer and equalization</li> <li>- When an SME that has been in business for 3 years or more in an industrial complex relocates within the same complex, the difference in the transfer of factory land and buildings is equally divided over 2 years after 2 years have passed.</li> </ul>	Article 85-8 of the same Act
	Local tax	<ul style="list-style-type: none"> <li>Acquisition tax</li> <li>- 50% reduction when acquiring industrial buildings (attached land), etc. (until 2022)</li> <li>Reduction of 35% in metropolitan area and 75% in non-metropolitan area for 5 years for industrial buildings (attached land)</li> <li>* Local governments can offer additional reductions within the range of 25% by ordinance.</li> </ul>	Article 78 of the Restriction of Special Local Taxation Act

## (2) Relatively inexpensive rent

For lease-only industrial complexes, the initial rent is set at the level of 3% of the supply price of industrial facilities land, and the rental fee is calculated in conjunction with the rate of change in annual land price every year (around 1% of the supply price for lease-only industrial complexes designated in or before 2007).

Therefore, companies wary of high land prices in expensive industrial complexes can reduce their factory establishment costs notably in this type of industrial complex compared to a general industrial complex.

### d) Designation Status

Lease Type	Complex Name	Location	Designated Area (1,000 m <sup>2</sup> )	Designated Year
Lease Only I (2006-2007)	Bukpyeong Industrial Complex	Donghae-si, Gangwon-do	93	2007
	Jecheon Industrial Complex	Jecheon-si, Chungcheongbuk-do	82	2007
	Gunjang Industrial Complex 3	Gunsan-si, Jeollabuk-do	983	2006
	Jeonju Advanced Industrial Complex	Wanju-gun, Jeollabuk-do	53	2007

Lease Type	Complex Name	Location	Designated Area (1,000 m <sup>2</sup> )	Designated Year
Lease Only I (2006-2007)	Daebul Industrial Complex	Yeongam-gun, Jeollanam-do	326	2006
	Pohang Steel Industrial Complex 4	Pohang-si, Gyeongsangbuk-do	605	2006
	Sacheon Industrial Complex	Sacheon-si, Gyeongsangnam-do	392	2006
	Gumi Industrial Complex	Gumi-si, Gyeongsangbuk-do	331	2007
Lease-only II (Long-term lease) (2008-)	Namyangju Industrial Complex	Namyangju-si, Gyeonggi-do	31	2008
	Ojeong Industrial Complex	Bucheon-si, Gyeonggido	30	2008
	Gajang Industrial Complex 2	Osan-si, Gyeonggi-do	304	2008
	Chungju Industrial Complex	Chungju-si, Chungcheongbuk-do	217	2008
	Seokmun National Industrial Complex	Dangjin-si, Chungcheongnam-do	468	2009
	Janghang National Eco Industrial Complex	Seocheon-gun, Chungcheongnam-do	319	2009
	Gunjang industrial Complex 3	Gunsan-si, Jeollabuk-do	355	2008
	Jeonju Advanced Industrial Complex	Wanju-gun, Jeollabuk-do	69	2008
	Jeongeup Advanced Industrial Complex	Jeongeup-si, Jeollabuk-do	196	2009
	Gwangju High-tech Industrial Complex 2	Buk-gu, Gwangju	581	2008
	Daegu Technopolis	Dalseong-gun, Daegu Metropolitan City	571	2008
	Yeongcheon General Industrial Complex	Yeongcheon-si, Gyeongsangbuk-do	257	2009
	Jinyang Industrial Complex 2	Gyeongsan-si, Gyeongsangbuk-do	42	2008
	Pohang Blue Valley National Industrial Complex	Pohang-si, Gyeongsangbuk-do	500	2020
	Changwon General Industrial Complex	Changwon-si, Gyeongsangnam-do	232	2009
	Sapo Industrial Complex	Miryang-si, Gyeongsangnam-do	294	2008

※ Kwater is operating the first lease-type complexes

#### e) Inquiries

- Industrial Complex Office, Korea Land and Housing Corporation (055-922-4323)

#### f) Related regulations, references, and websites

- Articles 46-6 to 46-7 of the Industrial Sites and Development Act, and Article 47-6 to Article 47-7 of the Enforcement Decree of the Act

- Guidelines on the Management and Operation of Lease-only Industrial Complexes (Notice No. 2020-564 of the Ministry of Land, Infrastructure and Transport)

\* Refer to Kwater and KICOX for Gumi and Sacheon respectively

※ Reference: Korea Land & Housing Corporation (www.lh.or.kr)

## 2) National Lease Industrial Complex

### a) Purposes of Creation

To make the best of unsold land in industrial complexes located in rural areas and help vitalize the local economy by creating affordable rental complexes with the state treasury as part of the country's pursuit of balanced regional development.

\* Currently, the system is no longer in operation. There has been no new additional designation of national lease industrial complexes besides the ones listed below.

### b) Characteristics

Leased national industrial complexes are almost the same as lease-only industrial complex, and the minimum number of years for leasing is 5 years.

### c) Designation Status

#### [ Current Status of National Lease Industrial Complex ]

Complex Name	Location	Designated Area (1,000 m <sup>2</sup> )	Designated Year
Dalseong Industrial Complex 2 (formerly Guji)	Dalseong-gun, Daegu Metropolitan City	71	2003
Gangneung Science Industrial Complex	Gangneung-si, Gangwon-do	377	2003
Maengdong Industrial Complex (lease only)	Eumseong-gun, Chungcheongbuk-do	419	2003
Gyeryong Industrial Complex 1 (formerly Imap)	Gyeryong-si, Chungcheongnam-do	180	2003
Haeryong Industrial Complex	Suncheon-si, Jeollanam-do	209	2003
Naju Industrial Complex	Naju-si, Jeollanam-do	299	2003
Gwangyang Industrial Complex	Gwangyang-si, Jeollanam-do	174	2005
Jinju Industrial Complex (formerly Sabong)	Jinju-si, Gyeongsangnam-do	181	2003
Gumi Industrial Complex 4	Gumi-si, Gyeongsangbuk-do	144	2003



Complex Name	Location	Designated Area (1,000 m <sup>2</sup> )	Designated Year
Yeosu National Industrial Complex	Yeosu-si, Jeollanam-do	300	2003
Gunsan Industrial Complex 2 (formerly, Gunjang)	Gunsan-si, Jeollabuk-do	137	2003
Bukpyeong Industrial Complex	Donghae-si, Gangwon-do	11	2003
Jeonju Scientific and Industrial Research Complex	Wanju-gun, Jeollabuk-do	119	2003
Jecheon Industrial Complex	Jecheon-si, Chungcheongbuk-do	57	2003
Daebul Industrial Complex	Yeongam-gun, Jeollanam-do	137	2003

#### d) Inquiries

- Industrial Complex Office, Korea Land & Housing Corporation (82-55-922-4323)

\* Partially managed by LH; local governments and developers manage from Dalseong Industrial Complex 2 to Yeosu National Industrial Complex

#### e) Related regulations, references, and websites

- Operational Guidelines on the Support for Industrial Complexes (Notice No. 2018-852 of the Ministry of Land, Infrastructure and Transport)

※ Reference: Korea Land & Housing Corporation ([www.lh.or.kr](http://www.lh.or.kr))

## 2. Priority Regions for Foreign Investment Inducement

### ▶ A. Foreign Investment Zones

#### 1) Overview

##### a) Basic Concept

Foreign investment zones are designated to attract foreign investors who do not want to purchase factory land. Incentives are provided for occupant companies in the region. The zones are largely divided into complex-type, separate-type, and service type sites.

### b) Purpose

The zones are created to contribute to the sound development of the national economy by facilitating the inducement of foreign investment through support and convenience provided for foreign investment.

### c) Designation Procedures

The head of a metropolitan/local government applies for the designation of a foreign investment zone, the Foreign Investment Committee deliberates and makes designation (notification).

#### [ View of Complex-type Foreign Investment Zones ]



Gumi (Parts) Foreign Investment Zone



Daebul Foreign Investment Zone

## 2) Types

### a) Complex-type Foreign Investment Zone

The system was launched in 1994 as a way to promote domestic investment of foreign companies possessing advanced technologies such as high technologies as foreign investment rapidly declined due to the deteriorating domestic investment environment from 1989 and onwards. The zone refers to an area designated to lease or sell in advance within a national or general regional industrial complex for the purpose of attracting small and medium-sized foreign-capital invested companies. Currently, the zone is only available for lease.

#### a-1) Parts and Materials-type Foreign Investment Zone

This type of a complex-type foreign investment zone was first designated in 2008 for the purpose of promoting investment by foreign companies with advanced parts and material technologies from Japan, Germany, etc.



### **b) Separate-type Foreign Investment Zone**

This zone refers to an area designated exclusively for a single company's sole plant to attract investment from large investors by reviewing their needs for space, time, and incentives in a comprehensive manner.

### **c) Service-type Foreign Investment Zone**

This refers to an area designated for lease or transfer to a foreign-capital invested company operating a service business. Unlike a complex-type foreign investment zone engaged mostly in the manufacturing industry that requires large-scale land, a service-type foreign investment zone accommodates service businesses running research facilities, among others.

## **3) Qualification and Designation Requirements**

### **a) Complex type Foreign Investment Zone**

1. Foreign investment amount shall be more than 100 million won as a joint venture with a voting total of 30% of shares or a total investment (50% of the projects under subparagraph 4 of Article 11).
2. It shall be registered as a foreign-invested enterprise pursuant to Article 21 of the Foreign Affairs and Communications Act by the time of the occupancy contract under Article 13 (1).
3. The cases falling under Article 23 (3) 1 and 2.
4. It shall contribute to the sound development of the national economy.
5. Existing foreign-invested factory facilities cannot be relocated. Provided, That in any of the following cases, it may be transferred with the approval of the manager of the relevant complex type foreign investment area:
  - A. Transferring between foreign investment zones.
  - B. Where a foreign-invested enterprise increases foreign investment by at least 30% of the total number of shares or investment in which it has voting rights.

### **b) Separate-type Foreign Investment Zone**

#### **(1) Designation Criteria**

This designation is made when a factory facility (business site) is newly constructed or machinery or facilities or devices are newly

installed in an existing building, including cases where the same corporation installs factory facilities, machinery, and devices that can be separately accounted for in accounting from existing factory facilities, etc., or where the corporation acquires an unfinished building, receives approval of its use, and conducts business activities therein.

## (2) Designation Requirements

The designation is made when a factory facility (business site) is newly installed while meeting the investment amount equal to or greater than a certain amount by industry.

### [ Investment Requirement by Industry in Separate-type Foreign Investment Zones ]

Amount Criteria	Business Types
USD 30 million or more	Manufacturing industry, new growth engine technology business, computer programming, system integration and management, data processing, hosting and related service business among information service business
USD 20 million or more	Resort condominium business, tourism business (tourist hotel business, floating tourist hotel business, Korean traditional hotel business), specialized resort business, general resort complex business, general amusement complex business, international conference facilities, industry-supporting service business, youth training facilities
USD 10 million or more	Complex logistics terminal business, joint collection and delivery complex operating business, harbor facilities operating business, cargo distribution business run within a harbor hinterland complex, airport facilities operating business and cargo distribution business run within an airport zone, and infrastructure building business through the implementation of private investment projects
USD 2 million or more	Research and development facilities for conducting business pursuant to the Enforcement Decree of the Restriction of Special Taxation Act with a minimum of 10 regular workers in exclusive charge of research with at least a master's degree related to the business and at least three years' research career

\* Related regulations: Article 25 of the Enforcement Decree of the Foreign Investment Promotion Act

## b) Service-type Foreign Investment Zone

### (1) Designation Criteria

The Minister of Trade, Industry and Energy reviews whether the mayor/Do governor's designation plan meets the requirements



for designation and submits it to the Foreign Investment Working Committee. When submitting a new or expanded designation plan for a service-type foreign investment area within their jurisdiction, the mayor/Do governor should attach a feasibility review report comprehensively considering the feasibility of inducing targeted foreign investment, regional development effects, national economic effects such as employment increase, and the effects of fiscal support.

#### [ Minimum Number of Employees by Industry in a Service-type Foreign Investment Zone ]

Category	Employment Criteria	Foreign Investment Amount Criteria
R&D industries	5 or more dedicated research personnel	Investment of 100% or more of the land or building price corresponding to the leased area
Finance and insurance industries	15 or more	
Knowledge services industries		
Culture industries		

- The number of employees is calculated based on the number of regular workers, and refers to the number of workers who have paid taxes on their earned income in accordance with the Income Tax Act every month.
- The tourism industry must meet the investment requirements of the foreign investment amount criteria or higher in separate-type foreign investment zones pursuant to Article 25 (1) of the Enforcement Decree of the Foreign Investment Promotion Act.

\* Reference: Attached tables 3 and 4 of Guidelines for Operating Foreign Investment Zones

#### (2) Designation Requirements

Buildings that are new or additionally designated areas (building sites) or where the foreign-invested company's reported demand for occupancy is explicitly stated must be ready for immediate move-in. However, when a certain space is pre-designated for national and public property (including buildings), the reported investment amount must be an amount equivalent to 30% or more of the designated area.



#### 4) Major Characteristics

##### a) Only companies registered as foreign-invested companies can move in (or lease).

To become a foreign-capital invested company, a foreigner must invest KRW 100 million or more and possess at least a 10% stake. If not, a foreigner must invest KRW 100 million or more, own company stocks, etc., and a foreign executive officer should be dispatched from the overseas headquarters (Refer to Article 2 (1) of the Foreign Investment Promotion Act and Article 2 (2) of the Enforcement Decree of the same Act).

\* Please refer to [Guidelines on Foreign Investment Zone Operations](#) for details

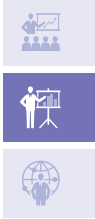
##### b) The zone is operated as a long-term lease property.

The lease period in a complex-type foreign investment zone is a maximum of 50 years with a renewal contract signed every 10 years. The lease period in a service-type foreign investment zone is a maximum of 10 years (50 years for R&D industries) while a building lease contract can be concluded within a total of five years.

##### c) Types of Occupant Business

Occupant business types for a complex-type foreign investment zone are as follows, with occupant business types permitted for each region specified in its management master plan.

- Business associated with new growth engine industrial technologies (the Restriction of Special Taxation Act)
- Business that applies/manufactures advanced technologies and products (the Industrial Development Act)
- Enterprise-affiliated research institutes and R&D business (the Special Act on Support of Scientists and Engineers for Strengthening National Science and Technology Competitiveness)
- Complex logistics terminal business (The Act on the Development and Management of Logistics Facilities) or joint collection and delivery center operation business (the Distribution Industry Development Act)
- Other types of business determined by management agencies in consideration of regional industrial characteristics



- Separate-type foreign investment zones are designated when a factory facility (workplace) is newly installed which satisfies the investment amount exceeding a specific amount determined for each business type (Refer to detailed designation requirements mentioned above).
- Service-type foreign investment zones are designed for R&D business (natural science and engineering R&D business); finance and insurance business and knowledge services industry (the Industrial Development Act); cultural industries (the Framework Act on the Promotion of Cultural Industries); and tourism business (the Tourism Promotion Act, excluding casino business)

**d) Lower rent than that for national and public lands (around 1% of the acquisition price)**

In general, public land rent is set at 5% of the acquisition price whereas the rent at foreign investment zones largely stands at 1% of the acquisition price as long as certain requirements are met. When additional rent reduction requirements are met, the rent can go below 1%, too.

A complex-type foreign investment zone which is developed jointly by the central and local governments, foreign-capital invested companies are supported to lease the land at a lower rate or even free of charge.

**e) The obligation to attract foreign investment and realize factory construction within a certain period**

Foreign direct investment must be made in an amount equivalent to the value of the building site to be rented for a complex-type and half the value of the site for a separate-type and a factory must be built in an area that exceeds the standard factory area ratio (at least 12%) by the business type.

If the FDI amount to be invested within 5 years cannot be invested or the factory cannot be built over the contracted building area, the 5% rent for 5 years must be paid at once.

It means that if one is paying 1% rent, he/she has to pay an additional 4% rent to cover the entire 5-year period.

In principle, FDI for a foreign investment zone must be made newly from abroad. FDI made prior to the contract execution to enter a foreign investment zone is not recognized as an investment in the zone.

For a foreign-capital invested company investing in Korea for the first time and intending to move into a foreign investment zone, FDI for incorporation, etc. is recognized as FDI made in the relevant foreign investment zone.

However, FDI introduced for incorporation for other purposes is not recognized as investment in a foreign investment zone.

Factory building that must be completed within 5 years has to be made at a minimum relative to the entire building site. There is a difference in the minimum area for each type of manufacturing industry. Please refer to ratios shown in the Public Notice on Factory Location Standards.

#### **f) Maintenance of the foreign investment over a certain ratio during the occupancy period**

In order to apply for a move-in to a foreign investment zone, a business should maintain at least a 30% FDI ratio against its entire stake throughout the occupancy period.

#### **g) The supplier occupancy system**

An occupant enterprise in a foreign investment zone can request permission for its supplier without a foreign investment stake to use part of its factory to reduce time and costs, and the Minister of Trade, Industry and Energy can permit the occupancy after evaluation by the Evaluation Committee.

The supplier occupancy agreement can be valid within the remaining occupancy period for the relevant foreign-capital invested company. The agreement must be renewed every five years at least. The area for a supplier cannot exceed 30% of the occupant company's total factory building area.



## 5) Incentives and Support Systems

### a) Rent Reduction or Exemption in Complex-type Foreign Investment Zones

Reduction Rate	Business Category	Conditions		Remarks
		Investment Amount	No. of Regular Workers	
0%	Occupancy Company	Normal rent (1% of acquisition price)		-
75%	Manufacturing	USD 5 million or more	-	-
		USD 2.5 million or more	between 70-150 people	-
90%	Manufacturing	USD 2.5 million or more	between 150-200 people	
100%	Manufacturing	USD 5 million or more	-	Parts and materials complex
	Manufacturing	USD 2.5 million or more	more than 200 people	-
	New growth engine industrial technologies	USD 1 million or more	-	-

\* The reduction or exemption rate is calculated against the usual rent (for national/public property rental). Please contact the relevant management agency in advance for an exact reduction or exemption rate.

\*\* Relevant regulations: Article 19 of the Enforcement Decree of the Foreign Investment Promotion Act

### b) Rent Reduction or Exemption in Separate-type Foreign Investment Zones

Rents for separate-type foreign investment zones can be reduced by up to 100% if determined by the Foreign Investment Committee in consideration of impacts on the national economy. The occupied area limit shall be within the range of an area equal to 50% of foreign investment made by the occupant company.

### c) Subsidy for Rent in Service-type Foreign Investment Zones

The central and local governments may subsidize building rent for service-type foreign investment zones within an amount equivalent to 50% of the standard rental fee, which does not include the rental deposit.

**d) Other Tax Reduction or Exemption Benefits**

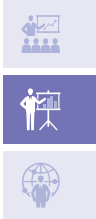
Category	Complex-type	Separate-type
Income Tax	<ul style="list-style-type: none"> <li>• Manufacturing: USD 10 million ↑</li> <li>• Logistics and port business: USD 5 million ↑</li> </ul> <p>➔ 100% for 3 years from the start of business, and 50% over the next 2 years</p> <p>* Only for income tax filed on or before Dec. 31, 2018</p>	<ul style="list-style-type: none"> <li>• Manufacturing, computer programming, and data processing: USD 30 million ↑</li> <li>• Tourism and MICE: USD 20 million ↑</li> <li>• Logistics and SOC business: USD 10 million ↑</li> <li>• R&amp;D: USD 2 million ↑ &amp; 10 researchers ↑</li> <li>• Joint project: USD 30 million ↑</li> </ul> <p>* Same as designation requirements</p> <p>➔ 100% for 5 years from the start of business and 50% for the next 2 years</p> <p>* Only for income tax filed on or before Dec. 31, 2018</p>
Acquisition Tax, Property Tax	<ul style="list-style-type: none"> <li>• 100% for 5 years from the start of business and 50% for 2 years thereafter</li> </ul> <p>* Subject to local governments' ordinances (for up to 15 years) (acquisition tax, property tax, etc.)</p>	<ul style="list-style-type: none"> <li>• Reduction type, amount, period, and ratio are the same as the income tax reduction/exemption criteria</li> </ul> <p>* Subject to local governments' ordinances (for up to 15 years) (acquisition tax, property tax, etc.)</p>
Tariffs	<ul style="list-style-type: none"> <li>• 100% for 5 years from the date of report</li> </ul>	<ul style="list-style-type: none"> <li>• 100% for 5 years from the date of report</li> </ul> <p>* Individual consumption tax and VAT are also subject to reduction/exemption</p>

\* Please inquire at the local tax department about exact reduction and exemption rates.

**6) Designation Status**

**a) Current Designation Status of foreign Investment Zones**

Description	Complex-type	Separate-type	Service-type	Total
No. of Designations	28	78	3	109



## b) Status of Complex-type Foreign Investment Zones (28 complexes)

No.	Complex	Designation Date	Designated Area (1,000 m <sup>2</sup> )	Occupied Area (1,000 m <sup>2</sup> )	Monthly Rent (KRW/m <sup>2</sup> )	
1	Cheonan (Chungnam)	1994-10-13	510.1	491.4	320	
2	Daebul (Jeonnam)	1998-08-29	1,150.7	1,101.2	74	
3	Sacheon (Gyeongnam)	2001-08-17	495.2	495.2	234	
4	Gumi (Gyeongbuk)	2002-11-06	332.4	232.2	171	
5	Ochang (Chungbuk)	2002-11-28	446.3	446.3	227	
6	Jangan 1 (Gyeonggi)	2004-09-30	418.2	282.2	262	
7	Inju-myeon (Chungnam)	2004-12-21	164.8	159.5	165	
8	Dang-dong (Gyeonggi)	2005-09-12	239.4	239.4	383	
9	Jisa-dong (Busan)	2005-11-30	297.1	239.5	446	
10	Jangan 2 (Gyeonggi)	2006-12-29	369.0	227.6	303	
11	Dalseong (Daegu)	2008-09-10	104.2	104.2	241	
12	Oseong (Gyeonggi)	2009-09-03	353.9	169.1	323	
13	Cheonan 5 (Chungnam)	2012-12-21	336.6	309.3	207	
14	Woljeon-dong (Gwangju)	2013-05-15	99.1	99.1	1 <sup>st</sup> : 214 2 <sup>nd</sup> : 250	
15	Munmak-eup (Gangwon)	2013-12-10	95.8	45.4	249	
16	Jincheon-gun (Chungbuk)	2014-08-20	108.4	108.4	144	
17	Songsan-myeon 2 (Chungnam)	2015-10-12	134.0	100.0	290	
18	National Food Cluster in Korea (Jeonbuk)	2015-10-12	116.0	23.1	122	
19	Chungju (Chungbuk)	2016-07-18	334.7	219.8	160	
20	Songsan-myeon 2-1 (Chungnam)	2017-01-31	165.3	91.4	290	
21	Gwangyang Sepung (Jeonnam)	2017-11-02	82.6	82.6	248	
22	Songsan-myeon 2-2 (Chungnam)	2019-03-20	117.9	40.0	290	
23	Daejeon (Daejeon)	2020-09-16	83	-	374	
24	Parts & Materials	Gumi	2009-03-09	246.3	174.9	155
25		Pohang	2009-09-03	264.9	221.2	127
26		Ilsan	2010-03-12	319.4	124.9	103
27		Changwon	2010-10-14	71.3	40.5	451
28		Mieum	2011-11-28	299.6	164.3	470

\* Occupied area: Support facilities are excluded in Cheonan (19,000 m<sup>2</sup>), Daebul (13,000 m<sup>2</sup>), Inju-myeon (5,000 m<sup>2</sup>).

\*\* For separate-type and service-type foreign investment zones, please refer to the website of the Korea Industrial Complex Corporation (Main Business ➡ Foreign Investment Zone Operations ➡ Designation and Management Agencies).

## 7) Inquiries

- Korea Industrial Complex Corporation (070-8895-7272)
- Gyeonggi Urban Innovation Corporation (031-681-6474~5)
- Busan-Jinhae Free Economic Zone Authority (051-979-5326)
- Gwangyang Bay Area Free Economic Zone Authority (061-760-5441)
- Iksan City Investment Inducement Division (063-859-5229)
- Pohang City Investment Inducement Officer (054-270-2826)
- Local governments for separate-type and service-type foreign investment zones concerned

## 8) Related Regulations, references, and websites

- Articles 18~20 of the Foreign Investment Promotion Act, Articles 25 and 26-2 of the Enforcement Decree of the same Act, and Article 16 of the Enforcement Rules of the same Act
- Guidelines on Foreign Investment Zone Operations (Ministry of Trade, Industry and Energy Announcement No. 2018-628)
- Guide to Factory Sites and Establishment, Nodemedia, Cheon (2020)
- Korea Industrial Complex Corporation ([www.kicox.or.kr](http://www.kicox.or.kr))
- Gyeonggi Housing & Urban Development Corporation ([www.gico.or.kr](http://www.gico.or.kr))
- Busan-Jinhae Free Economic Zone Authority ([www.bifez.go.kr](http://www.bifez.go.kr))
- Gwangyang Bay Free Economic Zone Authority ([www.gfez.go.kr](http://www.gfez.go.kr))
- Iksan City ([www.iksan.go.kr](http://www.iksan.go.kr))
- Pohang City ([www.pohang.go.kr](http://www.pohang.go.kr))

## ▶ B. Lease Complexes for Foreign-capital Invested Companies Only

### 1) Purpose

The complexes were designated to promote domestic investment by foreign-capital invested companies in the wake of the 1997 Asian financial crisis. All four designated complexes are located in Gyeonggi-do. Their purposes and characteristics are similar to those of complex-



type foreign investment zones, with slight differences only in occupancy criteria and incentives.

[ View of Lease Complexes for Foreign-capital Invested Companies Only ]



Eoyeon/Hansan in Pyeongtaek



Poseung-eup in Pyeongtaek

## 2) Characteristics

Special building-to-land ratio and floor area ratio are stipulated for occupant companies, with taxes and rental fees reduced or exempted for advanced tech businesses.

## 3) Incentives

Tax and rent reduction incentives are offered. However, tax incentives are limited to “high-tech associated business” (which is different from other foreign investment zones).

### (1) Tax Reduction/Exemption Criteria

Category	Benefits
Corporate tax, income tax	N/A
Acquisition tax, property tax	N/A (only for New Growth Engine Industry)
Tariffs	Exemption from customs duties, individual consumption tax, and VAT for imported capital goods

### (2) Rental Fee Reduction Criteria

Category	Reduction Rate	Reduction Requirements
Basic Rent	1% of the construction cost (1% of the officially announced land price when it is higher than construction cost)	
National Properties	50%	Investment amount of more than US\$1 million & business accompanying advanced technology
	50%	Manufacturing with an investment of USD 5 million or more



Category	Reduction Rate	Reduction Requirements
Provincial Properties	50%	Manufacturing with an investment of USD 5-10 million
	75%	Manufacturing with an investment of USD 10-20 million
	100%	Manufacturing with an investment of USD 20 million or more
		Business accompanying advanced technology with an investment of more than USD 1 million

#### 4) Occupancy Criteria

##### [ Occupancy Criteria for a Lease Complex for Foreign-capital Invested Companies Only ]

Description	Eoyeon-Hansan	Chupal	Poseung	Hyungok
Rent (KRW/m <sup>2</sup> )	4,572	3,996	3,996	4,080
	※ Rent exemption for high-tech business			
Rental Deposit	One-year rent paid in advance as a rental deposit			
Lease limit	3,305 m <sup>2</sup> for USD 1 million (Chupal, Hyungok), 3,305 m <sup>2</sup> for USD 1.2 million (Eohyeon-Hansan and Poseung)			
Building-to-land Ratio	80% or less			
Floor Area Ratio	350% or less			
Lease Period	Up to 50 years (recontract every 10 years)			
Foreign Investment Ratio	30% or more			

##### [ Businesses Permitted for Exclusive Lease Complexes in Foreign Investment Zones ]

Location	Permitted Business Types
Eoyeon-Hansan, Pyeongtaek	1) High-tech projects under the Restriction of Special Taxation Act 2) High-tech industries under the Industrial Cluster Development and Factory Establishment Act 3) R&D Center 4) General manufacturing industry
Hyungok, Pyeongtaek	Chemicals, chemicals manufacturing (20), rubber and plastic products manufacturing (22), non-metallic mineral products manufacturing (23), assembled metal products manufacturing (25), electronic parts, computers, video, audio, and communication equipment manufacturing (26), Medical, precision optical equipment, clock manufacturing (27), electrical equipment manufacturing (28), other machinery and equipment manufacturing (29), and automobile, trailer manufacturing (30)

Location	Permitted Business Types
Poseung, Pyeongtaek	1) Business accompanying advanced technology under the Restriction of Special Taxation Act 2) High-tech industries under the Industrial Cluster Development and Factory Establishment Act
Chupal, Pyeongtaek	3) R&D centers 4) Logistics facilities business 5) General manufacturing industry (24-31)

## 5) Designation Status

[ Lease area, remaining area, occupant enterprises, Occupancy rate ]

Complex Name	Construction Period	Construction Area (㎡)	Lease Area (㎡)	Remaining Area (㎡)	Occupant Enterprises (No.)	Occupancy rate (%)
Eoyeon-Hansan	'93~'99	324,392	266,859	57,533	21	82
Chupal	'94~'00	88,976	86,476	2,500	7	97
Poseung	'91~'98	95,774	95,774	-	5	100
Hyungok	'96~'06	500,709	477,198	23,511	31	95

## 6) Inquiries

- Foreign Investment Complex Management Center, Gyeonggi Urban Innovation Corporation (82-31-681-6474~5)

## 7) Related regulations, references, and websites

- Gyeonggi Urban Innovation Corporation ([www.gico.or.kr](http://www.gico.or.kr))
    - Gyeonggi Urban Innovation Corporation website 'Business Information → Industrial Complex Creation → Foreign Investment Zones and Lease Complexes'
  - Invest Gyeonggi (<https://invest.gg.go.kr/>)
    - Information on investment environment, investment information, management support, etc.
  - Guide to Factory Sites and Establishment, Nodemedi, Cheon (2020)
- ※ Reference : Gyeonggi Urban Innovation Corporation ([www.gico.or.kr](http://www.gico.or.kr))

## ▶ C. Free Economic Zones

### 1) Purpose

The purpose of a free economic zone is to facilitate foreign investment and seek balanced development among regions by improving the

business environment\* for foreign-invested enterprises and living conditions\*\* for foreigners (Article 1 of the Special Act on Designation and Management of Free Economic Zones).

\* Business environment: Reduction or exemption of customs duties and local taxes, special treatment in labor and management, and exclusion of the application of restrictions on the Seoul metropolitan area for foreign-invested companies

\*\* Living conditions: Special treatment for the companies in relation to foreign schools, foreign hospitals, etc.

## 2) Features

Free Economic Zones integrates industry, commerce, residence, and education into a complex that they are fundamentally difference from other special zones.

\* Proportion to FEZ (%) : public land (42.9), industrial and distribution land (30.2), residential land (7.9), tourism facilities (6.6), commercial (3.7), etc.

### [ View of Free Economic Zones ]



Busan-Jinhae (Nammun Foreign Investment Complex)



Gyeonggi (Baegot District, Siheung-si)



Gwangyang Bay Area (Sepoong Industrial Complex)



East Coast Area (Okgye District)



### 3) Incentives and Support Systems

#### a) Tax Reduction or Exemption

Category		Reduction/Exemption	Remarks
National Tax	Customs duty	100% exemption for 5 years	Limited to imported capital goods
Local Tax	Acquisition Tax	100% exemption for up to 15 years by local government ordinance	
	Property Tax	Reduction/exemption possible for up to 15 years by local government ordinance	

#### b) Various Deregulation Measures

Category	Benefits
Relaxation of Labor Regulations	<ul style="list-style-type: none"> <li>Exempt from the obligation to prioritize employment protection for persons of national merit, the disabled, and the elderly</li> <li>Permission of unpaid holidays for workers</li> <li>Work expansion subject to worker dispatch and extension of dispatch periods</li> </ul>
Exclusion from the application of the Seoul Metropolitan Area Readjustment Planning Act	<ul style="list-style-type: none"> <li>Application exemption for foreign-invested enterprises of Article 7 (Restriction on Acts within Overconcentration Control Region), Articles 8 (Restriction on Acts within Growth Management Region), Article 12 (Imposition and Collection of Overconcentration Charges), Article 18 (Total quantity Regulation) and Article 19 (Regulation on Large-scale Development Projects) of the Seoul Metropolitan Area Readjustment Planning Act</li> </ul>
Freedom of Forex Trading	<ul style="list-style-type: none"> <li>Direct external payment for ordinary transactions within the range of USD 20,000 or less</li> </ul>

#### c) Financial and Location Support

Category	Benefits	Remarks
Cash Support	<p>Support for foreign-invested companies with a foreign investment ratio of 30% or more through negotiations</p> <ul style="list-style-type: none"> <li>Support for installation of factory facilities and research facilities, employment subsidies, education, and training subsidies, etc.</li> </ul>	<p>Foreign-invested enterprises with a foreign investment ratio of 30% or more</p> <ul style="list-style-type: none"> <li>Determined after reviewing the involvement of advanced technology, technology transfer effects, job creation scale, etc.</li> </ul>
Infrastructure Support	<p>Infrastructure support for roads, railroads, airports, port facilities, water and sewage, waste treatment facilities, etc.</p>	<p>50% support for national expenditure and full support subject to approval by the Free Economic Zone Committee</p>

Category	Benefits	Remarks
Support for foreign education and research institutes	Support for establishment preparation, initial operating expenses, construction expenses, etc. of foreign education and research institutes	Evaluation of contribution to national development, institutes' reputation, etc.
Rental support	50-year lease possible for national and public areas • Rent in the range of about 10/1,000 of the land price	Foreign-invested enterprises
Rent reduction/exemption	50-100% exemption according to local government ordinance	Foreign-invested enterprises



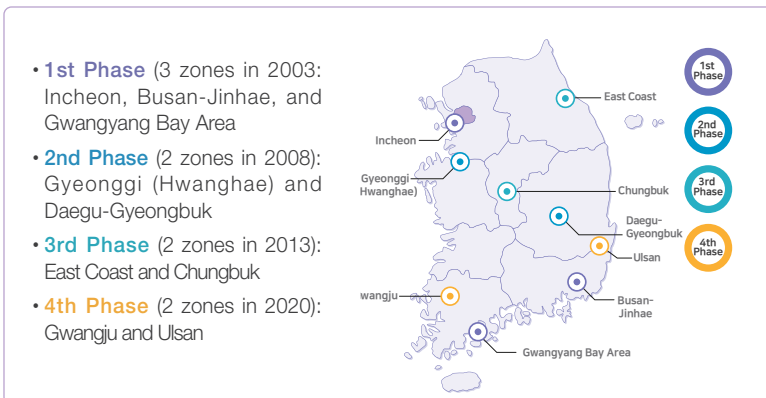
#### 4) Designation Status

- A total of nine zones are designated and operated as free economic zones (total area of 275 km<sup>2</sup>) in order to foster the country as a business hub for Northeast Asia

\* Recently, Gwangju and Ulsan areas have been officially and newly designated as free economic zones (free economic zone authorities are to be established). As a result, the zones are distributed nationwide including the Seoul metropolitan area, Chungcheong, Gangwon, Yeongnam and Honam.

\*\* Incheon, Busan-Jinhae, and Gwangyang Bay Area free economic zones were designated in 2003; Gyeonggi (Hwanghae), Daegu-Gyeongbuk and Saemangeum-Gunsan in 2008; and two zones including East Coast and Chungbuk in 2013. Out of the eight areas, the Saemangeum-Gunsan Zone was put under the control of the Saemangeum Authority in April 2018.

#### [ Designation of Free Economic Zones ]



## [ Designation Status of Free Economic Zones ]

Name	Location	Area (km <sup>2</sup> )	Airport/Port	Key inducement Industries
Incheon	Incheon (Yeonsu-gu, Jung-gu, Seo-gu)	122.44	Incheon Airport, Incheon Port	Air logistics, bio, knowledge services
Busan-Jinhae	Busan (Gangseo-gu), Gyeongnam (Changwon-si)	51.06	Gimhae Airport, Busan New Port	Complex logistics, state-of-the-art transportation machinery, Parts, leisure, recreation
Gwangyang Bay Area	Jeonnam (Yeosu, Suncheon, Gwangyang), Gyeongnam (Hadong-gun)	59.80	Yeosu Airport, Gwangyang Port	Petrochemical materials, steel, new energy, harbor logistics, maritime tourism, leisure
Gyeonggi	Gyeonggi (Pyeongtaek-si, Siheung)	18.45	Pyeongtaek-Dangjin Port	IT convergence, high-tech parts and materials, state-of-the-art healthcare
Daegu-Gyeongbuk	Daegu and Gyeongbuk (Gyeongsan, Yeongcheon, Pohang)	5.24	Daegu Airport, Pohang Yeongil Bay Port	Auto-parts, logistics and distribution, tourism, medical services, R&D on drones
East Coast Area	Gangwon (Gangneung and Donghae)	4.44	Yangyang Airport, Donghae Port	Non-ferrous metals, new materials, advanced materials components, tourism leisure
Chungbuk	Chungbuk (Cheongju)	4.96	Cheongju Airport	Bio, aircraft maintenance and parts, Complex Logistics

\* Excluding newly designated areas in 2020

## 5) Status and Characteristics of Free Economic Zones

### a) Incheon Free Economic Zone

#### (1) Basic Information

Area	Planned Population	Project Period
122.44 km <sup>2</sup>	545,803 people	2003-2030

## (2) Project Status and Characteristics

Areas	Characteristics
Songdo International City (53.37 km <sup>2</sup> )	<ul style="list-style-type: none"> <li>• Development of global hubs for advanced knowledge industries including IT, BT and R&amp;D and in service industries</li> <li>• Occupancy by multinational corporations and international organizations (regional headquarters)</li> </ul>
Yeongjong International City (51.26 km <sup>2</sup> )	<ul style="list-style-type: none"> <li>• Development of a complex leisure and tourism city of aviation, logistics, leisure, and tourism</li> <li>• Development of resort complexes such as LOCZ Resort Complex and Paradise City in progress</li> </ul>
Cheongna International City (Area: 17.81 km <sup>2</sup> )	<ul style="list-style-type: none"> <li>• Intensive fostering as a core cluster in the finance service industry and the high-tech automobile industry including automobile parts manufacturing and research in the sector</li> <li>• The development of Cheongna Hana Financial Town, Robot Land, Shinsegae Complex Shopping Mall in progress</li> </ul>

## (3) Major Characteristics

Global Business Frontier City	<ul style="list-style-type: none"> <li>• A “global economic platform” to build the Pan-Yellow Sea Economic Zone</li> <li>• A “Service Industry Hub” through the connection of global education, R&amp;D, MICE tourism, financial and knowledge services, marine leisure, cultural and artistic content, and cutting-edge distribution and logistics</li> <li>• A “convergence industry hub” focused on biomedical, high-tech convergence, and high-tech automobile industries</li> <li>• A “smart city” equipped with smart technologies, eco-friendly landscape features and low-carbon energy saving features</li> </ul>
A Global Business City Chosen by International Organizations and Global Companies	<ul style="list-style-type: none"> <li>• 15 international organizations including GCF (Green Climate Fund) and A-WEB (Association of World Election Bodies)</li> <li>• 87 global companies from 16 countries including Samsung Biologics, Celltrion, Boeing, BMW, and GM</li> </ul>
The Most Attractive City for Entering East Asia	<ul style="list-style-type: none"> <li>• The most advantageous position for entering the Chinese market such as Beijing and Shanghai</li> <li>• Accessible to 167 cities with a population of over 1 million within 3 hours by plane</li> </ul>
Center of Logistics and Transportation	<ul style="list-style-type: none"> <li>• Incheon International Airport, a hub airport in Northeast Asia, selected as the “World’s Best Airport” for 12 consecutive years</li> <li>• Incheon Port equipped with a state-of-the-art port infrastructure accommodating 12,000 TEU class super-large cargo ships</li> <li>• Transportation network connecting Incheon to the Seoul metropolitan area within 1 hour</li> </ul>



### Ideal Living Environment for Foreign Residents

- Global universities: New York State University, George Mason University, Utah University, Ghent University, SUNY KOREA, SUNY FIT offering top-notch education
- International schools: Songdo Chadwick, Cheongna Dalton School
- Convenient living conditions for foreigners in a community of more than 5,000 foreigners
- Guarantee of safety, comfort and efficiency for a smart city through the 24/7 services of Smart City Operations Center

## b) Busan-Jinhae Free Economic Zone

### (1) Basic Information

Area	Planned Population	Project Period
51.1 km <sup>2</sup>	182,000 people	2003-2023

### (2) Project Status and Characteristics

Areas	Characteristics
New Port Area (11.1 km <sup>2</sup> )	<ul style="list-style-type: none"> <li>• Attracting multinational logistics companies and smooth logistical operations</li> <li>• Providing distribution support services</li> <li>• Construction of a logistics hub (a port berthing 45 vessels to be completed by 2030)</li> </ul>
Myeongji Area (12.8 km <sup>2</sup> )	<ul style="list-style-type: none"> <li>• Creation of an international business environment such as a state-of-the-art IT-based international business complex and a convention center</li> <li>• construction of a continental logistics base and high-tech parts and materials supply base</li> </ul>
Ungdong Area (9.8 km <sup>2</sup> )	<ul style="list-style-type: none"> <li>• Creation of a multi-tourism leisure complex</li> <li>• Creation of industrial and logistics sites to meet the demand for industrial sites around the new port</li> </ul>
Jisa Area (13.1 km <sup>2</sup> )	<ul style="list-style-type: none"> <li>• Establishment of the best manufacturing infrastructure and R&amp;D center by linking to the nearby auto parts, machinery, shipbuilding equipment and advanced parts and materials industry clusters</li> <li>• Launch of Busan School of the Friedrich-Alexander University (FAU) Graduate School in Germany (2010)</li> </ul>
Dudong Area (4.3 km <sup>2</sup> )	<ul style="list-style-type: none"> <li>• Creating a high-tech complex logistics city centered on end users</li> <li>• The world's largest deep-sea engineering tank is being built.</li> <li>• LG CNS Data Center in operation</li> <li>• Creation of an eco-friendly and comfortable living environment</li> </ul>



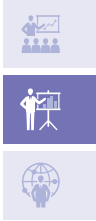
(3) Major Characteristics

<p>International Logistics Hub</p>	<ul style="list-style-type: none"> <li>• An import and export transshipment venue linked to major feeder ports in Japan (63), China (40), and Russia (6)</li> <li>• Support of logistics competitiveness through Gimhae International Airport, ranked first in the Asia-Pacific region's airport operations efficiency evaluation (2014)</li> <li>• Busan New Port capable of handling more than 22 million TEUs through a terminal with a total of 45 berths</li> </ul>
<p>Industrial Base with Global Competitiveness</p>	<ul style="list-style-type: none"> <li>• Home to 90% of the world's No. 1 shipbuilding industry, including Hyundai Heavy Industries, Samsung Heavy Industries, Daewoo Shipbuilding &amp; Marine Engineering, and STX</li> <li>• An automotive industry mecca accounting for more than 50% of the world's 5th largest Korean automobile industry including Hyundai, GM, and Renault Samsung</li> <li>• Home to about 40% of the domestic machinery and mechatronics industries and 80% of the domestic aviation parts industry</li> </ul>
<p>Abundant Advanced Human Resources</p>	<ul style="list-style-type: none"> <li>• Establishment of world-class educational institutions such as FAU University (graduate program), Germany</li> <li>• A consumer market of 8 million people supporting large markets and high-quality labor force in the region</li> </ul>
<p>A Resort Region where Nature, Culture and History Strike a Balance</p>	<ul style="list-style-type: none"> <li>• The venue of world-class international events like 2005 APEC Summit, 2008 Ramsar Convention General Meeting, and Busan International Film Festival (BIFF)</li> <li>• World-class natural environment including Haeundae, Korea's best summer resort; the beautiful 300-ri (1,178km) sea route on the southern coast in Gyeongnam, and Hallyeohaesang National Park</li> <li>• Establishment of tourism and leisure complexes including golf courses, hotels, resorts and theme parks</li> </ul>
<p>International Business Hub</p>	<ul style="list-style-type: none"> <li>• International business centers</li> <li>• Home to foreign schools, foreign medical care facilities, and foreign research institutes</li> <li>• Construction of shopping malls</li> </ul>

c) Gwangyang Bay Area Free Economic Zone

(1) Basic Information

Area	Planned Population	Project Period
59.8 km <sup>2</sup>	83,831 people	2003-2022



## (2) Project Status and Characteristics

Areas	Characteristics
Gwangyang District (12.88 km <sup>2</sup> )	<ul style="list-style-type: none"> <li>• Situated on the arterial route connecting Asia-North America-Europe</li> <li>• Efficient export and logistics transportation through Gwangyang Port</li> <li>• Development of an integrated international logistics complex including processing and assembly facilities, international exhibition halls, etc.</li> </ul>
Yulchon District (18.03 km <sup>2</sup> )	<ul style="list-style-type: none"> <li>• Easy synergy effects with established steel and petrochemical industrial clusters</li> <li>• Growth potential into one of the two major container ports in the Gwangyang Bay area alongside Gwangyang Port</li> </ul>
Sindeok District (7.87 km <sup>2</sup> )	<ul style="list-style-type: none"> <li>• A new large hinterland complex equipped with business, housing, education, medical care, and leisure facilities</li> <li>• Planning to create a functional chemical material cluster and attract bio packaging industries</li> <li>• Creating the country's first urban circulation-focused ecological corridor</li> </ul>
Hadong District (9.7 km <sup>2</sup> )	<ul style="list-style-type: none"> <li>• Reduced logistics costs for shipbuilding equipment due to heavy plate production by POSCO Gwangyang Steel (within 2 km)</li> <li>• Functional integration of R&amp;D, education and production by the occupancy of the Comprehensive Offshore Plant Test Research Institute</li> <li>• development of R&amp;D, education, and production functions following the occupancy by Marine Plant Testing Laboratory and R&amp;D Center</li> </ul>
Hwayang District (8.97 km <sup>2</sup> )	<ul style="list-style-type: none"> <li>• Creation of a marine resort, tourism, and leisure complex as the hub of the southern coastal tourism belt</li> <li>• The development of a golf course and a recreational condo complex in progress</li> </ul>
Gyeongdo District (2.15 km <sup>2</sup> )	<ul style="list-style-type: none"> <li>• Equipped with optimal conditions and sufficient potential for the creation of the country's only island tourism complex</li> <li>• Revitalization of local economy by creating tourist attractions and jobs through increased foreign investment in the Gwangyang Bay area</li> <li>• Promotion of the creation of a marine tourism complex by installing tourism and leisure facilities that take advantage of the magnificent scenery of the southern Korean Peninsula</li> </ul>

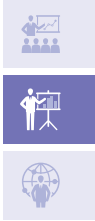
### (3) Major Characteristics

<p>The Optimal Marine Logistics Base in Northeast Asia</p>	<ul style="list-style-type: none"> <li>• Situated on the major route for Northeast Asia and the Pacific including the China-North American route, the world's largest</li> <li>• Situated at the shortest distance from major ports in Northeast Asia such as Shanghai, Hong Kong, Osaka, Kaohsiung, etc., with the potential of the best cargo transshipment port in the region</li> <li>• The port can accommodate large ships of over 300,000 tons with a maximum water depth of 41 m</li> <li>• The potential to emerge as a logistics center in Northeast Asia connecting North America-Northeast Asia-Southeast Asia-Europe through the Trans-Siberian Railway (TSR), the Trans-Manchuria Railway (TMR), and the Trans China Railway (TCR)</li> </ul>
<p>Optimal Industrial Infrastructure Attracting Global Companies' Attention</p>	<ul style="list-style-type: none"> <li>• A world-class international port capable of handling 293 million tons (as of 2017)</li> <li>• Stable industrial hinterland based on industrial complexes accounting for 13.52% (189.6 km<sup>2</sup>) nationwide</li> <li>• POSCO Gwangyang Steelworks and Yeosu National Industrial Complex</li> <li>• Potential to nurture 8,000 high-quality industrial manpower annually through 38 excellent educational institutions nearby</li> </ul>
<p>Convenient Accessibility to the Northeast Asian Market by Ship, Air, Road and Train</p>	<ul style="list-style-type: none"> <li>• Located within an hour from four airports in Yeosu, Sacheon, Gwangju, and Muan</li> <li>• Connected to 5 expressways, 8 national roads, 18 local roads and arterial roads through which the Seoul metropolitan area can be reached within 3 hours</li> <li>• The Seoul metropolitan area reachable within 150 minutes by KTX from the Gwangyang bay area</li> </ul>
<p>Comfortable and pleasant living environment</p>	<ul style="list-style-type: none"> <li>• A global educational environment through foreign schools in the area</li> <li>• Quality medical facilities including 634 general hospitals and clinics offering more than 7,000 hospital beds</li> <li>• A circulation-focused ecological corridor citywide in addition to numerous golf courses nearby</li> <li>• Dadohaehaesang National Park, Yeosu EXPO Ocean Park, and Suncheonman Bay National Garden located nearby</li> </ul>

#### d) Daegu-Gyeongbuk Free Economic Zone

##### (1) Basic Information

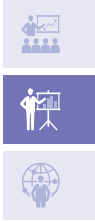
Area	Planned Population	Project Period
18.45 km <sup>2</sup>	76,000 people	2008-2022



## (2) Project Status and Characteristics

Areas	Characteristics
Daegu Technopolis District (7.26 km <sup>2</sup> )	<ul style="list-style-type: none"> <li>• Establishment of an inland high-tech science belt (R&amp;D special zone) connecting Daejeon-Gwangju-Daegu by clustering government-funded research institutes</li> <li>• Fostering high-tech manpower specializing in IT, NT, BT, intelligent automobiles and industrial textiles (*17,000 graduates from science and engineering departments in 52 specialized colleges)</li> </ul>
Suseong Medical District (0.98 km <sup>2</sup> )	<ul style="list-style-type: none"> <li>• The best place for cutting-edge R&amp;D activities, complete with medical HRD infrastructure</li> <li>• Creation of a stay-type medical tourism complex in which people can enjoy premium medical services and cultural life at the same time</li> <li>• Serving as a creative economy mecca for R&amp;D activities by cutting-edge IT/SW companies leading the way in the knowledge-based industry</li> </ul>
Sinseo Advanced Medical District (1.05 km <sup>2</sup> )	<ul style="list-style-type: none"> <li>• Support for the development of new drugs and medical devices through the use of R&amp;D and core research support facilities and infrastructure established by occupant state-funded research institutes.</li> <li>• Enhanced research intermediary support to promote joint research</li> <li>• Creation of environments to produce corporate R&amp;D results based on exceptional deregulation measures (the Special Act on the Designation and Support of High-tech Medical Complexes)</li> </ul>
International Fashion Design District (1.18 km <sup>2</sup> )	<ul style="list-style-type: none"> <li>• Synergistic effects for related industries through the advancement, integration, and networking of the fashion apparel industry</li> <li>• Stable living conditions with abundant tourism and leisure, education, and medical resources, etc.</li> </ul>
Yeongcheon Hi-Tech Park District (1.22 km <sup>2</sup> )	<ul style="list-style-type: none"> <li>• An area devoted to knowledge-based manufacturing industry (creation of a high-tech mechatronics industrial complex and a high-tech parts distribution center for intelligent automobile production)</li> <li>• The center of Korea's largest auto parts valley</li> <li>• The plan to build a future-oriented car theme park to be promoted</li> </ul>
Yeongcheon Advanced Parts and Materials Industrial District (1.46 km <sup>2</sup> )	<ul style="list-style-type: none"> <li>• Creation of the largest parts and materials industry cluster in Korea</li> <li>• One of the lowest land sales price in Korea</li> <li>• Easy commercialization of high-tech technologies in the vicinity of diverse R&amp;D bases in machinery, metals, automobiles, etc.</li> </ul>

Areas	Characteristics
Gyeongsan Knowledge Industry District (3.83 km <sup>2</sup> )	<ul style="list-style-type: none"> <li>• A complex devoted to construction machinery &amp; parts and development of new advanced medical materials (a national project worth KRW 1 trillion)</li> <li>• The southeast R&amp;D base supported by abundant high-end R&amp;D manpower</li> <li>• A cluster of automotive parts, steel and new drugs, medical device industries</li> </ul>
Pohang Convergence Technology Industrial District (Area: 1.48 km <sup>2</sup> )	<ul style="list-style-type: none"> <li>• Home to advanced science research centers in the fields of nanotechnology, biotechnology, and intelligent robotics</li> <li>• Solidarity and cooperation with world-class global companies: Many companies in the fields of non-ferrous metals, automobiles, and shipbuilding parts have moved in.</li> </ul>



### (3) Major Characteristics

Korea's Flagship Industry Cluster	<ul style="list-style-type: none"> <li>• The center of the AUTO VALLEY embracing Gumi (electronics), Daegu (mechatronics), Yeongcheon-Gyeongju-Ulsan (finished cars), Busan (shipbuilding), and Changwon (machinery &amp; metals)</li> <li>• A steel industry cluster centered on Pohang (POSCO, Hyundai Steel, Dongkuk Steel)</li> <li>• A national medical industry cluster (total project budget of KRW 4.6 trillion for New Drug Development Support Center, development of advanced medical devices, Development Support Center, Laboratory Animal Center, Clinical Trial New Drug Center, and Communication Center)</li> <li>• An IT/SW industry cluster (Samsung Electronics, LG Display, Dassault Systèmes)</li> </ul>
R&D Base for New Growth Industries	<ul style="list-style-type: none"> <li>• 135 R&amp;D institutes including the Electronics and Telecommunications Research Institute, the Korea Institute of Industrial Technology, the Korea Institute of Machinery and Materials</li> <li>• Home to key R&amp;D zones such as DGIST, POSTECH, Daegu Technopolis, and Sinseo Advanced Medical Complex</li> </ul>
Abundant Human Resources	<ul style="list-style-type: none"> <li>• Producing 70,000 graduates annually from a total of 52 universities and colleges in the Daegu-Gyeongbuk region (including 17,000 graduates from science and engineering fields annually)</li> <li>• 4,800 researchers working in 135 R&amp;D institutes</li> </ul>

## e) Gyeonggi Free Economic Zone

### (1) Basic Information

Area	Planned Population	Project Period
5.24 km <sup>2</sup>	28,796 people	2008-2027

## (2) Project Status and Characteristics

Areas	Characteristics
Pyeongtaek Poseung (BIX) District (2.04 km <sup>2</sup> )	<ul style="list-style-type: none"> <li>• An optimal base for import and export to China in connection with the hinterland of Pyeongtaek Port</li> <li>• A high-tech cluster established of global conglomerates such as Samsung, Hyundai, and LG within a 10km radius</li> <li>• The world's largest Samsung semiconductor plant in operation since 2017</li> </ul>
Hyeondeok District (2.32 km <sup>2</sup> )	<ul style="list-style-type: none"> <li>• An optimal living environment created for foreigners such as international schools and hospitals</li> <li>• Invested by a Chinese business group, the only case among the nation's free economic zones</li> </ul>

※ BIX: BIX stands for Business and Industry Complex, a unique brand for Gyeonggi-do Province's specialized industrial complexes

## (3) Major Characteristics

World-class High-tech Industry Cluster	<ul style="list-style-type: none"> <li>• Occupied by about 3,350 global companies such as Samsung Electronics, Hyundai-Kia Motors, LG Display, Hyundai Steel, 3M, Siemens, Sony, Bosch, etc.</li> <li>• Accounting for 40% of Korea's knowledge-based manufacturing industries such as IT, semiconductor, mechatronics, and parts and materials</li> </ul>
An Optimal Base for Import and Export to China and Northeast Asia	<ul style="list-style-type: none"> <li>• Situated within the shortest distance from China's coastal industrial belts (396km from Pyeongtaek, Korea to Rongcheng, China)</li> <li>• Pyeongtaek Port (63 berths) directly connected to major ports in Southeast Asia and China</li> </ul>
Excellent Market Accessibility and best Investment Environment	<ul style="list-style-type: none"> <li>• A well-developed nationwide transport network including expressways and a high-speed rail system (KTX)</li> <li>• Situated within two hours of Incheon and Chungju Airports connected to major cities in Northeast Asia</li> <li>• A huge hinterland market and abundant human resources available in the Seoul metropolitan area</li> </ul>
Creation of Korea-China Business Valley	<ul style="list-style-type: none"> <li>• Building a base for exchanges with China by creating a stable settlement environment including as commerce, tourism, medical care, and housing through Chinese capital investment</li> <li>• Offering International business and recreation/cultural complex facilities</li> <li>• Serving as the hub of the Hwanghae Industrial Belt</li> </ul>

## f) East Coast Free Economic Zone

### (1) Basic Information

Area	Planned Population	Project Period
4.44 km <sup>2</sup>	23,790 people	2013-2024

### (2) Project Status and Characteristics

Areas	Characteristics
Bukpyeong High-tech Parts Multifunctional Industrial Complex (0.51 km <sup>2</sup> )	<ul style="list-style-type: none"> <li>• A logistics and business hub for the East Sea region promoting import and export in the area</li> <li>• The development of a high-tech parts industry and ferroalloy industry complex</li> <li>• Occupancy by anchor companies linked to non-ferrous metal industries including Dongbu Metal, LS Cable &amp; System, etc.</li> </ul>
Mangsang International Multifunctional Tour City (3.91 km <sup>2</sup> )	<ul style="list-style-type: none"> <li>• A four-season luxury marine and multifunctional tour city</li> <li>• Korea's clearest sea and clean forest and air environment</li> </ul>
Okgye Advanced Materials & Parts Convergence Industrial District (0.38 km <sup>2</sup> )	<ul style="list-style-type: none"> <li>• A high-tech materials cluster backed up by abundant local resources, (2.2 km<sup>2</sup>)</li> <li>• Occupancy by non-ferrous metal-related anchor companies including POSCO Magnesium (equipped with the world's second largest plant)</li> </ul>

### (3) Major Characteristics

The best place for high-tech materials and parts specialized industry	<ul style="list-style-type: none"> <li>• Creation of an ultralight nonferrous metals cluster</li> <li>• Equipped with optimal conditions for high-tech materials industry with easily available domestic and foreign resources</li> <li>• Technical support through adjacent R&amp;D centers (near Gangwon Techno Park and KITECH Gangwon Headquarters)</li> <li>• A logistics and business hub for the Northeast Asian economic zone</li> </ul>
Center of Logistics Industry in the East Sea Region	<ul style="list-style-type: none"> <li>• A logistics hub connecting Donghae Port to Japan (Sakaiminato), Russia (Vladivostok), and China (3 Northeastern provinces)</li> <li>• Near about 306 million people living in the Pan East Sea economic zone</li> <li>• USD 1.2 trillion in estimated economic output in 2020 (51% of the EU's economy)</li> </ul>
Northeast Asia Tourism Industry Hub	<ul style="list-style-type: none"> <li>• Providing optimal conditions for creating a sustainable tourism city</li> <li>• Korea's clearest sea and clean forest and air environment</li> <li>• The only free economic zone on the east coast emerging as an attractive investment area for the northern economic zone</li> <li>• The best place to attract tourists from Northeast Asia due to its connection with China, Japan and Russia</li> </ul>



## g) Chungbuk Free Economic Zone

### (1) Basic Information

Area	Planned Population	Project Period
4.96 km <sup>2</sup>	31,532 people	2013-2022

### (2) Project Status and Characteristics

Areas	Characteristics
Osong Bio Valley (4.41 km <sup>2</sup> )	<ul style="list-style-type: none"> <li>• Home to a health care administrative town with six major national health care institutions and four core R&amp;D support facilities in the country</li> <li>• Home to Communication Center and Venture Research Center as well as 120 private medical research institutes</li> <li>• Home to over 60 high-tech pharmaceutical and medical device companies, including CJ and LG Life Science, and BT University</li> </ul>
Cheongju Aeropolis (0.55 km <sup>2</sup> )	<ul style="list-style-type: none"> <li>• Home to Cheongju International Airport operating 24 hours a day</li> <li>• The best location for the aviation industry, designated as a pilot aviation maintenance complex (2009) and a promising hub for aviation MRO (2010)</li> <li>• Production of aviation maintenance personnel at 5 universities and 1 specialized high school in the province</li> </ul>

### (3) Major Characteristics

The Center of the National Transportation Grid in the Middle of the Country	<ul style="list-style-type: none"> <li>• Reachable to the Seoul metropolitan area within an hour and to anywhere in the country within 2 hours</li> <li>• 7 expressways passing through the area with Osong Station connecting all the major railway networks including the Gyeongbu and Honam high-speed railways</li> <li>• Home to Cheongju International Airport, the hub airport in central Korea</li> <li>• Accessible to the only 24-hour airport serviced by cargo aircraft in rural Korea</li> <li>• Reachable to major Asian countries such as China and Thailand within 1-3 hours</li> <li>• 10 minutes from Sejong City, the new administrative capital, and 1 hour from Pyeongtaek-Dangjin Port, the country's maritime shipping and logistics hub</li> </ul>
Korea's Largest IT-based Cluster	<ul style="list-style-type: none"> <li>• An IT cluster that produces from semiconductor parts to finished products (top-tier occupant companies including SK Hynix, Magnachip, and Dongbu Hitech)</li> <li>• Designated as the country's first special solar power industry zone producing 60-70% of domestic cells and modules</li> <li>• Establishment of an industrial complex specializing in automotive electronic components and construction of infrastructure</li> </ul>



**Korea's Only Bio Hub  
Offering One-stop  
Service for the Entire  
Industrialization  
Process**

- The core of the Northeast Asian bio cluster consisting of 'Osong Life Science Complex' (the only national industrial complex specializing in biotech), 'Osong Advanced Medical Complex' (equipped with human and physical infrastructure needed to develop new drugs and advanced medical devices), and 'Health and Medical Administration Town' (housing six national health and medical institutions such as the Ministry of Food and Drug Safety)
- Home to 4 core national research support facilities and biomedical facilities
- One-stop support for the entire R&D process from clinical, licensing, manufacturing and distribution through bio infrastructure including over 60 bio companies, 120 research institutes, and BT University (4 departments, 3 colleges)



## 6) Status of newly designated free economic zones

### a) Gwangju Free Economic Zone

- Vision: New Convergence Industry Hub based on Win-win and AI
- Location: Nam-gu, Buk-gu and Gwangsan-gu, Gwangju Metropolitan City (4.371 km<sup>2</sup>)
- Project budget: KRW 1.24 trillion (central government: KRW 112.5 billion, local government: KRW 112.5 billion, private investment: KRW 1.02 trillion)
- Project period: 2020-2025 (6 years)
- Districts: 4 (future vehicles, smart energy I & II, AI convergence)
- Goals: AI-based innovative growth and Gwangju-type job creation through investment
- Target business: AI, future vehicles, smart energy, biomedical engineering

### b) Gwangju Free Economic Zone

- Vision: Northeast Asia's Energy Hub
- Location: Nam-gu, Buk-gu and Ulju-gun, Ulsan Metropolitan City (4.70 km<sup>2</sup>)
- Project budget: KRW 1.17 trillion (central government: KRW 30 billion, local government: KRW 1.07 trillion, private investment: KRW 65.6 billion)
- Project period: 2020-2030 (11 years)

- Districts: 3 (Hydrogen Industry Hub, ElectroGen Auto Valley, R&D Business Valley)
- Goals: Growing into the Northern Economy energy center through the development of hydrogen industry
- Target business: Hydrogen industry (hydrogen car, fuel cells, parts manufacturing, R&D demonstration, Hydrogen City)

#### **c) Gyeonggi Free Economic Zone Siheung Baegot District (Additionally designated)**

- Vision: Creation of a global base for new growth engine industries in the West Coast Era
- Location : 0.88 km<sup>2</sup> (Baegot district, Siheung)
- Project budget: KRW 1.67 trillion (central government: KRW 139.7 billion, local government: KRW 219.2 billion, private investment: KRW 1.31 trillion)
- Project period: 2020-2027 (8 years)
- Districts: 1 (Addition to Pyeongtaek Poseung BIX District, Hyeondeok district)
- Goals: Establishment of a 4<sup>th</sup> industrial R&D cluster and a production facility hub
- Target business: R&D for unmanned vehicles for land, sea, and air and complex medical research (Siheung Baegot District)

#### **7) Inquiries**

- Free Economic Zone Planning Office (1577-0900)
- Incheon Free Economic Zone Authority (032-453-7312)
- Busan-Jinhae Free Economic Zone Authority (051-979-5000 / 055-320-5000)
- Gwangyang Bay Area Free Economic Zone Authority (060-760-5651)
- Gyeonggi Free Economic Zone Authority (Pyeongtaek: 031-8008-8633 / Hyeondeok: 031-8008-8635)
- Daegu-Gyeongbuk Free Economic Zone Authority (053-550-1500)
- East Coast Free Economic Zone Authority (033-539-7800)

- Chungbuk Free Economic Zone Authority (043-220-8312)
- Gwangju Free Economic Zone Authority (062-613-6022)
- Ulsan Free Economic Zone Authority (052-120)

### 8) Related Regulations, References, and Websites

- The Special Act on Designation and Management of Free Economic Zones
  - Free Economic Zone Planning Office (<http://www.fez.go.kr>)
  - Incheon Free Economic Zone Authority (<http://www.ifez.go.kr>)
  - Busan-Jinhae Free Economic Zone Authority (<http://www.bjfez.go.kr>)
  - Gwangyang Bay Area Free Economic Zone Authority (<http://www.gfez.go.kr>)
  - Gyeonggi Free Economic Zone Authority (<http://ggfez.gg.go.kr>)
  - Daegu-Gyeongbuk Free Economic Zone Authority (<http://dgfez.gg.go.kr>)
  - East Coast Free Economic Zone Authority (<http://www.efez.go.kr>)
  - Chungbuk Free Economic Zone Authority (<http://www.cbfez.go.kr>)
  - Gwangju Free Economic Zone Authority (<http://www.gwangju.go.kr>)
  - Ulsan Free Economic Zone Authority (<http://www.ulsan.go.kr/ufez>)
- ※ References : Korean Free Economic Zones (<http://www.fez.go.kr>)

## ▶ D. Free Trade Zones

### 1) Basic Information

- a) A free trade zone is an area\* where the state provides an optimal investment environment for foreign-invested and exporting companies. It is run\*\* for the purpose of attracting foreign investment, promoting trade, facilitating international logistics, and encouraging local development.

\* An area where smooth manufacturing, logistics, distribution, and trade activities are guaranteed through various benefits such as customs duty suspension, tax reduction/exemption, and low rent.

\*\* A lease-type special economic zone where one can minimize his/her initial investment costs through low rental sites and standard factories

- b) The government offers a one-stop full service including on-site occupancy counseling, lease contracts, factory construction, as well as various administrative services and incentives.



\* The service also includes the procurement of factory land, the counselling on standard factories that can be run immediately once equipped with production facilities, and administrative support including finance, tax, and accounting.

### History of Free Trade Zones

- 1970: Launch of Masan Free Export Zone
  - 2000: Launch of a free trade zone equipped with additional functions such as production, logistics, sales, and exhibition
  - 2004: Integration with the logistics-centered customs-free zones
- \* While free trade zones were centered on manufacturing, customs-free zones were mainly for logistics. The two zones were integrated to create synergistic effect and reduce confusion among foreigners due to their similarities.

## 2) Major Characteristics

a) A total of 13 free trade zones are in operation including 7 industrial complex types (Masan, Gunsan, Daebul, Donghae, Yulchon, Ulsan, and Gimje), 5 port types (Busan, Pohang, Pyeongtaek-Dangjin, Gwangyang, and Incheon), 1 airport type (Incheon), which are classified depending on geographical locations and management agencies\*.

\* Management agencies: The Ministry of Trade, Industry and Energy (complex-type), the Ministry of Oceans and Fisheries (port-type), the Ministry of Land, Infrastructure, and Transport (airport-type)

b) Free trade zones can be occupied by domestic or foreign-invested companies operating in the manufacturing industry or knowledge services industry with the main purpose of export in addition to wholesalers interested in exports and imports of various goods as well as the logistics industry which can conduct a range of logistics-related businesses including the production-logistics integrated business activities by multinational logistics companies.

[ View of Free Trade Zones ]



Masan Free Trade Zone



Yulchon Free Trade Zone



Busan Port Free Trade Zone



Pyeongtaek-Dangjin Port Free Trade Zone



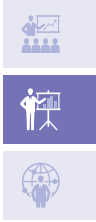
Incheon Airport Free Trade Zone



Incheon International Airport Logistics Complex Development Plan

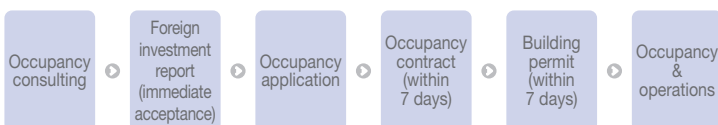
3) Occupancy Requirements

Occupancy Requirements	Contents
Export-Oriented Manufacturing Industry	One year or more in a row during the past three years from the date of occupancy application when the export amount was 50/100 or more compared to the total sales * 30/100 or more for SMEs and 40/100 or more for middle-standing companies
Export-oriented Reshoring Companies (those selected as support benefits recipients)	One consecutive year or longer in a row during the past three years from the date of occupancy application when the sales excluding exports to Korea exceeded 50/100 of total sales * 30/100 or more for SMEs and 40/100 or more for middle-standing companies



Occupancy Requirements	Contents
Foreign-invested Companies (manufacturing industry or knowledge services industry)	A company in which foreigners have invested more than KRW 100 million, equivalent to 10/100 or more of the total number of shares or the total amount of investment has exported 30/100 or more of its total sales for a year or more in a row for three years starting from the occupancy contract application date.
Knowledge Services Industry (exports)	A company in which foreigners have invested more than KRW 100 million, equivalent to 10/100 or more of the total number of shares or the total amount of investment has exported 5/100 or more of its total sales for a year or more in a row for three years starting from the occupancy contract application date.
Wholesale Businesses Aimed Largely at Export Transactions	A wholesale company which has exported 50/100 or more of its total sales or over a year in a row for the past three years from the occupancy contract application date
Multi-purpose Logistics Related Business	An integrated logistics-related company engaged in logistics business such as unloading, transportation, storage, and exhibition of goods, business of brokering international shipping, or business of international vessel transactions, packaging, repair, processing, or assembly
Export Start-ups	A start-up with seven years or longer of experience in manufacturing or knowledge services has pledged to meet occupancy conditions within 5 years of the start of occupancy

### ※ Occupancy Procedures



## 4) Incentives and Rent by Region

### a) Incentives

Category	Contents
Customs Duties Suspension	Free trade zones are regarded as a foreign country and are subject to customs duties exemption or refund on imported goods. * Facilities, raw materials, construction materials, and other items necessary to carry out business are exempt from customs duties.

Category	Contents
Application of Zero VAT Rate	<p>The zero rate of the value-added tax shall apply to domestic goods supplied to a free trade zone.</p> <p>* Domestic goods intended to be used or consumed in free trade zones, foreign goods and services supplied or provided between occupant companies, and domestic goods brought in by a foreign corporation for storage purposes</p>
Low Rental Rates for factory land and Standard Factories	<p>Low rent at 1% of the land or building price for 50 years (a 50-year extension possible)</p> <p>* Rent: (Factory site) KRW 61-452/ per month(Standard factory) KRW 355-784/ per month</p>
Tax/rent Reduction or Exemption for Foreign-invested Companies	<ul style="list-style-type: none"> <li>• Tax reduction/exemption (Investment of USD 10 million or more in the manufacturing industry or USD 5 million or more in the logistics industry; tax reduction/exemption benefits in the Masan Free Trade Zone regardless of the amount of foreign investment - Article 116-2. (4) of the Enforcement Decree of the Restriction of Special Taxation Act)</li> <li>• Rent reduction/exemption: 100% or 75% reduction of land and factory rents for 10 years depending on the business type and the amount of new investment</li> </ul>
Outside Work Allowed	<p>Part of the production product process can be processed in domestic customs areas and relevant products can be exported. Foreign goods, such as equipment and facilities necessary for processing, can be taken out of domestic customs areas.</p>
Special Exceptions such as Exemptions	<p>Exemption from traffic inducement charges and obligatory employment of persons subject to employment protection (elderly people, people of national merit, and people with disabilities)</p>
One-stop Service Support	<p>One-stop service for the entire process including occupancy permission and building permits</p> <p>* Occupancy permission is considered to have approved factory construction/expansion and business type change.</p>



## 5) Designation Status

### a) Status of Industrial Complex-Type Free Trade Zones

Description	Masan	Gunsan	Daebul	Donghae	Yulchon	Gimje	Ulsan
Date of Designation	'70.03	'00.10	'02.11	'05.12	'05.12	'09.01	'08.12
Area (1,000m <sup>2</sup> )	957	1,256	1,157	248	344	991	819
Site	607	1,007	949	172	252	716	404
Standard factory	96	113	85	28	17	35	82
Sales Rate (%)	96.1	92.6	97.9	59.2	63.9	52	93.4
Site	100	93	99	55	64	52	96
Standard factory	82	89	84	94	65	55	65
Major Industries	Auto parts, electricity/electronics, precision equipment, machinery, etc.	Chemistry, machinery, electricity, electronics, etc.	Machinery, metals, electric/electronic, shipbuilding, etc.	Non-metal, machinery, electrical/electronic, fishery processing, etc.	Chemistry, machinery, metals, etc.	Machinery, metals, carbon materials, specially equipped vehicles, etc.	Machinery, metals, electricity/electronics, transportation equipment, steel, etc.
Location	Changwon, Gyeongnam	Gunsan-si, Jeonbuk	Yeongam-gun, Jeonnam	Donghae-si, Gangwon-do	Suncheon-si, Jeonnam	Gimje-si, Jeonbuk	Ulsu-gun, Ulsan

\* As of December 2019

### (1) Rent for Industrial Complex-type Free Trade Zones

Area	Rent
Masan	Factory site: KRW 452/m <sup>2</sup> per month / Standard factory: KRW 639-784/m <sup>2</sup> per month
Gunsan	Factory site: KRW 96/m <sup>2</sup> per month / Standard factory: KRW 497-603/m <sup>2</sup> per month
Daebul	Factory site: KRW 76/m <sup>2</sup> per month / Standard factory: KRW 546-694/m <sup>2</sup> per month
Donghae	Factory site: KRW 61/m <sup>2</sup> per month / Standard factory: KRW 355-430n/m <sup>2</sup> per month
Yulchon	Factory site: KRW 103/m <sup>2</sup> per month / Standard factory: KRW 652-718/m <sup>2</sup> per month
Gimje	Factory site: KRW 65/m <sup>2</sup> per month / Standard factory: KRW 439-476/m <sup>2</sup> per month
Ulsan	Factory site: KRW 233/m <sup>2</sup> per month / Standard factory: KRW 414-748/m <sup>2</sup> per month

\* As for rent reduction/exemption, please contact the relevant regional office.



**b) Current Status of Port/Airport-type Free Trade Zones**

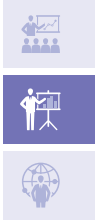
Description	Busan Port	Pohang Port	Pyeongtaek-Dangjin Port	Gwangyang Port	Incheon Port	Incheon International Airport
Designation Date	'02.01	'08.12	'09.3	'02.01	'03.01	'05.04
Area (1,000 m <sup>2</sup> )	9,364	925	1,429	8,880	1,837	3,050

\* As of December 2019

**(1) Rent in Port-type Free Trade Zones**

**(a) Building Sites**

Port Name	Description	Application Requirements	Rent	Application Period
Pohang Port	Rent	Companies engaged in types of business recommended in the Act on Designation and Management of Free Trade Zones	KRW 117/m <sup>2</sup> a month	July 30, 2020 - Dec. 31, 2021
	Rent Based on Official Land Prices	Occupant companies that significantly underperform against their original business plans, etc.	Official land price x 50/1,000 (the State Property Act)	
Pyeongtaek-Dangjin Port	Basic Rent	Companies engaged in types of business recommended in the Act on Designation and Management of Free Trade Zones (excluding companies eligible for preferential rental fees)	KRW 700/m <sup>2</sup> a month	
	Preferential Rent	Foreign-invested logistics companies operating according to the Act on Designation and Management of Free Trade Zones	KRW 500/m <sup>2</sup> a month	
	Rent Based on Official Land Prices	Occupant companies that significantly underperform against their original business plans, etc.	Official land price x 50/1,000 (the State Property Act)	
Busan Port	Basic Rent	Companies engaged in types of business specified in Article 10 of the Act on Designation and Management of Free Trade Zones (excluding those eligible for preferential rental fees)	KRW 482/m <sup>2</sup> a month	



Port Name	Description	Application Requirements	Rent	Application Period
Busan Port	Preferential Rent	Logistics companies operating according to Article 10(1).5 of the Act on Designation and Management of Free Trade Zones	KRW 321/m <sup>2</sup> a month	July 30, 2020 - Dec. 31, 2021
	Rent Based on Official Land Prices	Occupant companies that have failed to perform according to their initial occupancy purposes, etc.	Official land price x 50/1,000 (the State Property Act – annual payment)	
Gwangyang Port	Basic Rent	Companies engaged in the types of business specified in Article 10 of the Act on Designation and Management of Free Trade Zones	KRW 258/m <sup>2</sup> a month	
	Preferential Rent	Logistics companies operating according to Article 10(1).5 of the Act on Designation and Management of Free Trade Zones	KRW 129/m <sup>2</sup> a month	
	Rent Based on Official Land Prices	Occupant companies that have failed to perform according to their initial occupancy purposes, etc.	Official land price x 50/1,000 (the State Property Act)	

\* Reference : Regional announcements for rental fees

### (b) Application of Rent Reduction/Exemption

Port	Application Requirements	Rent	Period
Busan, Gwangyang, Dangjin-Pyeongtaek, and Pohang Ports	Foreign investment of USD 5 million or more	50% for 3 years	Relevant periods
	Foreign investment of USD 10 million or more	50% for 5 years	

\* Reference : Regional announcements for rental fees

### (c) Buildings

Port	Rent	Period
Busan Port (including the hinterland of the new port development district)	1% of property value	July 30, 2020 -
Gwangyang Port	1.5% of property value	Dec. 31, 2021

\* Reference : Regional announcements for rental fees

※ As for rent in airport-type free trade zones, please contact Incheon International Airport Corporation.

## 6) Inquires

### a) Industrial Complex-type Free Trade Zone

- Innovation Support Team, Free Economic Zone Planning Office (044-203-4633)
- Masan Free Trade Zone Office (055-294-2661)
- Gunsan Free Trade Zone Office (063-464-0702)
- Daebul Free Trade Zone Office (061-464-0741)
- Donghae Free Trade Zone Office (033-522-6113)
- Yulchon Free Trade Zone Office (061-727-9791)
- Gimje Free Trade Zone Office (063-545-4811)
- Ulsan Free Trade Zone Office (052-240-6001)

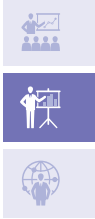
### b) Port/Airport-type Free Trade Zones

- Port Logistics Planning Division, Ministry of Oceans and Fisheries (044-200-5756)
- Busan Port Authority (051-999-3000)
- Yeosu Gwangyang Port Authority (061-797-4300)
- Incheon Port Authority (032-890-8000)
- Pohang Regional Office of Oceans and Fisheries (054-242-1812)
- Pyeongtaek-Dangjin Port (031-683-0313)
- Incheon International Airport Corporation (1577-2600)

## 7) Related regulations, Reference, and Websites

- The Act on Designation and Management of Free Trade Zones
- Industrial Sites Bulletin 2020, KICOX
- Announcement of rental fees for free trade zones in Busan and Gwangyang ports
- Announcement of rental fees for free trade zones in Pyeongtaek-Dangjin ports
- Announcement of rental fees for Pohang Port Free Trade Zone
- Ministry of Trade, Industry and Energy (<http://www.motie.go.kr>)

\* Policy & Information ➔ Policy Briefings ➔ Trade & Investment ➔ Creation and Promotion of Free Trade Zones



- Free Trade Zone Office (<http://www.motie.go.kr/ftz>)
    - \* Linked to regional office websites
  - Incheon International Airport Corporation (<https://www.airport.kr>)
- ※ Reference : Planning Division of Free Economic Zone (Innovation Support Team)

### 3. Priority Regions for Foreign Investment Inducement

#### ▶ A. Saemangeum

##### 1) Basic Concept

The Saemangeum Development Project refers to a national project to build a "Global Treasure Saemangeum" that will emerge as an economic hub for Northeast Asia encompassing with outstanding competitiveness in economy, business, and tourism by constructing the world's longest seawall (33.9 km) connecting Gunsan and Buan to reclaim land (291 km<sup>2</sup>), create lakes (118 km<sup>2</sup>), and develop Gogunsangundo (3.3 km<sup>2</sup>) and a new port (4.4 km<sup>2</sup>) outside the seawall. Recently, Saemangeum has become the center of Green New Deal and New Industries by forming a cluster for eco-friendly cars and initiating renewable energy projects

##### 2) Investment Environment

Category	Advantages
Common	<ul style="list-style-type: none"> <li>• Extensive state-owned land               <ul style="list-style-type: none"> <li>- Customer-oriented land sales without civil complaints or restrictions</li> </ul> </li> <li>• Institutional support through the Special Act on Promotion and Support for Saemangeum Project</li> <li>• Northeast Asia' hub located in the center of Korea's west coast within the shortest distance from China               <ul style="list-style-type: none"> <li>- A huge market of over 700 million people situated within 2 hours of flight including 5 cities with 10 million people and 13 cities with 5 million people</li> </ul> </li> </ul>
Manufacturing	<ul style="list-style-type: none"> <li>• Korea-US and Korea-EU FTAs concluded</li> <li>• Designated as a comprehensive bonded area</li> <li>• Inexpensive and long-term land rental and sale prices               <ul style="list-style-type: none"> <li>- Land price of KRW 500,000 per 3.3 m<sup>2</sup> and lease period of 100 years</li> </ul> </li> </ul>

Category	Advantages
Manufacturing	<ul style="list-style-type: none"> <li>• A renewable energy cluster attracting related companies</li> <li>• The country's best investment incentives                             <ul style="list-style-type: none"> <li>- Subsidies of up to KRW 30 billion</li> </ul> </li> <li>• Abundant water and power supply capacity                             <ul style="list-style-type: none"> <li>- 2.1 billionm<sup>3</sup>/year water storage and 345 m<sup>2</sup>kV power supply capacity</li> </ul> </li> <li>• Excellent manpower training and talent educational institutions                             <ul style="list-style-type: none"> <li>- 130,000 students in 23 universities, 83,000 people in 277 research institutes, 25,000 technical manpower</li> </ul> </li> </ul>
Real-estate Development	<p><b>[General]</b></p> <ul style="list-style-type: none"> <li>• A marine tourist destination in harmony with mountains, islands and sea connected to the world's longest Saemangeum Seawall</li> <li>• The real estate investment immigration system in progress</li> </ul> <p><b>[Tourist Complexes]</b></p> <ul style="list-style-type: none"> <li>• Inexpensive land prices and purchase possibility of undeveloped land</li> <li>• Completed gateway reclamation and immediate investment possibility for most land</li> </ul> <p><b>[Gogunsangundo District]</b></p> <ul style="list-style-type: none"> <li>• Equipped with diverse historical/cultural content resources and clean natural environment</li> <li>• Improved accessibility through connection with the seawall</li> </ul>
Tourism	<ul style="list-style-type: none"> <li>• Outstanding nearby tourist resources (Byeonsan National Park)                             <ul style="list-style-type: none"> <li>※Daemyung Resort's highest room occupancy rate nationwide (74% versus 50%)</li> </ul> </li> <li>• Gogunsangundo marina development and facilities construction under way</li> </ul>

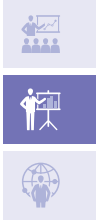
### 3) Incentives and Support Systems

Areas		Support Contents	Related Rules
Location Support		<ul style="list-style-type: none"> <li>• National/public property lease for up to 100 years</li> </ul>	<ul style="list-style-type: none"> <li>• Articles 46 and 58 of the Special Act on Promotion and Support for Saemangeum Project</li> </ul>
Cash Support		<ul style="list-style-type: none"> <li>• Up to 40% of the FDI amount (50% for R&amp;D)</li> </ul>	<ul style="list-style-type: none"> <li>• Article 14 (2) of the Foreign Investment Promotion Act</li> </ul>
Tax Benefits	Domestic Companies	<ul style="list-style-type: none"> <li>• 100% reduction in corporate and income taxes for 5 years + 50% reduction for the next 2 years for startups (only in Gusan Emergency Industrial Zone)</li> </ul>	<ul style="list-style-type: none"> <li>• Article 99 (9) of the Restriction of Special Taxation Act</li> </ul>
	Foreign-invested Enterprises	<ul style="list-style-type: none"> <li>• 100% reduction in corporate and income taxes for 5 years + 50% reduction for the next 2 years for startups (only in Gusan Industrial Crisis Zone)</li> </ul>	<ul style="list-style-type: none"> <li>• Article 99 (9) of the Restriction of Special Taxation Act</li> </ul>

Areas		Support Contents	Related Rules
Tax Benefits	Foreign-invested Enterprises	<ul style="list-style-type: none"> <li>• 100% reduction in acquisition and property taxes for up to 15 years by ordinance</li> </ul>	<ul style="list-style-type: none"> <li>• Article 121-2, 78-3 of the Restriction of Special Taxation Act</li> </ul>
		<ul style="list-style-type: none"> <li>• 100% reduction of customs duties (capital goods) for 5 years</li> </ul>	<ul style="list-style-type: none"> <li>• Article 121-3 of the Restriction of Special Taxation Act</li> </ul>
		<ul style="list-style-type: none"> <li>* Reduction of VAT and individual consumption tax subject to approval by the Saemangeum Committee</li> </ul>	<ul style="list-style-type: none"> <li>• Article 6 of Municipal Ordinance</li> </ul>
Subsidies	Domestic Companies	<ul style="list-style-type: none"> <li>• Investment subsidies (within 10% of investment amount, up to KRW 8 billion)</li> </ul>	<ul style="list-style-type: none"> <li>• Article 7 (4) 1 of Provincial Ordinance</li> </ul>
		<ul style="list-style-type: none"> <li>* Up to KRW 30 billion for large-scale investment</li> </ul>	<ul style="list-style-type: none"> <li>* Article 8 (1) of Provincial Ordinance</li> </ul>
		<ul style="list-style-type: none"> <li>• Employment subsidy: Up to KRW 1 billion</li> </ul>	<ul style="list-style-type: none"> <li>• Article 10 (1) of Provincial Ordinance</li> </ul>
		<ul style="list-style-type: none"> <li>• Education and training subsidy: Up to KRW 500 million</li> </ul>	<ul style="list-style-type: none"> <li>• Article 11 of Provincial Ordinance</li> </ul>
	Foreign-invested Enterprises	<ul style="list-style-type: none"> <li>• Location subsidy (up to 50% of the location expenses)</li> </ul>	<ul style="list-style-type: none"> <li>• Article 13 of Provincial Ordinance</li> </ul>
		<ul style="list-style-type: none"> <li>• Investment subsidy (up to 10% of investment amount, up to KRW 8 billion)</li> </ul>	<ul style="list-style-type: none"> <li>• Article 14 of Provincial Ordinance (Regulations about the Support for Domestic Companies)</li> </ul>
		<ul style="list-style-type: none"> <li>• Employment subsidy: Up to KRW 1 billion</li> </ul>	
		<ul style="list-style-type: none"> <li>• Education and training subsidy : Up to KRW 500 million</li> </ul>	
Improvement of Living Conditions	<ul style="list-style-type: none"> <li>• Special housing supply and language service for foreigners</li> </ul>	<ul style="list-style-type: none"> <li>• Articles 59 and 60 of the Special Act on Promotion and Support for Saemangeum Project</li> </ul>	
	<ul style="list-style-type: none"> <li>• Exclusive educational institutions, medical institutions, and pharmacies for foreigners</li> </ul>	<ul style="list-style-type: none"> <li>• Articles 61 and 62 of the Special Act on Promotion and Support for Saemangeum Project</li> </ul>	
	<ul style="list-style-type: none"> <li>• Foreign broadcasting retransmission service and daycare centers for foreign children</li> </ul>	<ul style="list-style-type: none"> <li>• Articles 64 and 65 of the Special Act on Promotion and Support for Saemangeum Project</li> </ul>	
Improvement of Business Environment	<ul style="list-style-type: none"> <li>• Foreign Investment Ombudsman System</li> </ul>	<ul style="list-style-type: none"> <li>• Article 15-2 of the Foreign Investment Promotion Act</li> </ul>	
	<ul style="list-style-type: none"> <li>• Special administrative favors for foreign investors</li> </ul>	<ul style="list-style-type: none"> <li>• Article 17 of the Foreign Investment Promotion Act</li> </ul>	

\* Ordinance name

- Tax reduction and exemption Ordinance: Jeollabuk-do Provincial Tax reduction Ordinance
- Municipal Ordinance on Tax Reduction: Ordinance on the reduction or exemption of municipal taxes in Gunsan and Gimje, and Ordinance on the reduction or exemption of county taxes in Buan-gun
- Ordinance on Subsidy Support: Ordinance on the Promotion of Enterprise and Investment Attraction in Jeollabuk-do



#### 4) Designation Status

##### a) Overall Status

- Area: 409 km<sup>2</sup> (2/3 of the Seoul Metropolitan area, 140 times as big as Yeouido)

\* Linked to regional office websites

- Land Utilization Plan: Creation of 6 Sites

Site Name	Area (km <sup>2</sup> )	Ratio (%)	Development Plans for Each Site
① Industrial Research Site	41.7	14.3	Creation of new growth engine industries, related R&D facilities
② International Cooperation Site	52.0	17.9	Creation of Economic Cooperation Complex and fostering international business functions
③ Tourism and Leisure Site	36.8	12.6	Creation of large-scale multifunctional tourism and leisure space
④ Agricultural and Life Science Site	94.3	32.4	Fostering high-tech agriculture with global competitiveness
⑤ Environment and Ecology Site	42.0	14.4	Preservation of ecological biotope, wetland, etc.
⑥ Hinterland City Site	10.0	3.4	Creation of a hinterland city in preparation for Saemangeum invigoration
⑦ Other	14.2	4.9	Seawall, breakwaters, ports, etc.
Total	291.0	100	

##### b) Detailed Status of Major Sites

###### (1) Industrial Research Site (Saemangeum Industrial Complex)

	Description
Project Overview	<p>Creation of a “knowledge creation type industry and an eco-friendly industry hub” over the land of 18.5 km<sup>2</sup> by investing KRW 2.6 trillion by 2023</p> <p>*To attract companies engaged in auto parts, new materials, nano fusion, nuclear fusion, bio food, etc.</p> <p>**To establish an international exchange base with a resident population of 30,000 on the southwest side of the site</p>

	Description
Progress Status	The designated project operator Korea Rural Community Corporation (Sep. 2008) divided the site into 9 sections in Mar. 2009 and is pushing for the completion by 2023.
Complex Development	Sections 1 and 2: completed; Section 5: reclamation in progress (98%); and Section 6: reclamation in progress (89%)
Business	Eco-friendly cars, high-tech materials, renewable energy-related manufacturing, data centers, etc.
Smart Green Industrial Complex	Objective: To establish a future-oriented and carbon-neutral complex that is integrated with smart green tech by self-reliance industrial complex with renewable energy Strategy: Creating RE100 Industrial Complex and Green Hydrogen Production Cluster (100MW, from 2020 to 2027)
Land Supply	<b>Section 1:</b> OCI Company Ltd. (570,000 m <sup>2</sup> , Mar. 2013), long-term lease land (530,000 m <sup>2</sup> , June 2015) <b>Section 2:</b> OCI SE Company Ltd. (160,000 m <sup>2</sup> , Sep. 2013), Toray (215,000 m <sup>2</sup> , Jan. 2014), Solvay (70,000 m <sup>2</sup> , Feb. 2015), ECS (70,000 m <sup>2</sup> , Feb. 2015), Unitech Korea (130,000 m <sup>2</sup> , May 2018)
Factory Operation	ECS (Sep. 2015), OCISE (Mar. 2016), Toray (July 2016), and Solvay (Nov. 2016) in operation

### [ Industrial Infrastructure ]

Type	Supplier	Scale	Reserve	Note
Water for Industry	Osikdo, Gunsan	80,000 ton per day	25,000	
Water for Living	Osikdo, Gunsan	140,000 kilo ton per day	6,000	
Waste Water Treatment	Gunsan	430,000 kilo ton per day	10,000	
Electricity	KEPCO Gunjang Substation	154kv		
Steam/ Hot Water	OCI SE	Steam: 860 ton per hour Hot Water: 11,000 households		All area supplied, capable of generating 303MWh
Gas	Gunsan Gas Co.	70,000 m <sup>3</sup> per hour		

## (2) International Cooperation Site

	Description
Project Overview	Promotion of multipurpose development for industry, logistics, international cooperation, cultural and tourism over the land of 52.0 km <sup>2</sup> * Land distribution: Residential land 6.1%, industrial land 25.1%, commerce and business 4.0%, tourism and leisure 1.7%, agriculture 16.0%, infrastructure 28.1%, ecology and environment 19.0%
Progress status	Completion of preliminary economic feasibility review and request for a preliminary feasibility study to KDI (Aug. 2018); survey results reporting (Ministry of Finance → Saemangeum Development and Investment Agency (SDIA), May 2019), designation of the project operator (Aug. 2019, SDIA → Saemangeum Development Corporation), (Constructing water edge city, Dec 2020)



### (3) Tourism and Leisure Site

	Description
Project Overview	Creation of a large-scale multifunctional tourism and leisure space by attracting global tourism capital from home and abroad to maximize synergistic effects between various districts over the area of 36.8 km <sup>2</sup> (31.6 km <sup>2</sup> for Tourism and Leisure Districts 1 and 2, 1.9 km <sup>2</sup> for Sinsi-Yami District, and 3.3 km <sup>2</sup> for Gogunsangundo District)
Progress Status	Promoting the development of the initial building site (1.1 km <sup>2</sup> ) at the entrance to the tourism and leisure site as a tourism pioneering area to attract residential tourists as well as short-term tourists.
	The Rural Community Corporation to reclaim the building site (8.8 km <sup>2</sup> ) for the 2023 World Scout Jamboree, which will be developed later into a multipurpose tourism complex for lodging, shopping and leisure
	The 2nd area (21.7 km <sup>2</sup> ) of the land for tourism and leisure plans to keep inviting investors for golf course and resorts

### (4) Agricultural and Life Science Site

	Description
Project Overview	Creation of the site on a land of 94.3 km <sup>2</sup> (agricultural land 89.7 km <sup>2</sup> , rural urban land 4.6 km <sup>2</sup> ) with the aim of building a new rural city based on cutting-edge agricultural technologies and R&D capabilities
Development Directions	Creating an export-type high-tech multifunctional agri-fishery industry hub
Development Strategies	Fostering it as the country's best agricultural cluster equipped with multipurpose features
Features to be Introduced	Creating eco-friendly high-quality high-tech agricultural & horticultural complex, an export base for large-scale agri-fishery corporations, support centers for R&D and agricultural services, a foundation for agro-ecotourism, horse grazing land and a horseback riding tourism complex

### c) Infrastructure Construction Status

Category	Project Name	Contents	Future Plan
Road	East-West Road	Construction of a 4-lane 16.47 km-long road	Completed in 2020
	North-South road	Construction of a 6-8 lane 27.1 km-long road	1 <sup>st</sup> stage to be completed in 2022 and 2 <sup>nd</sup> stage in 2023
	Saemangeum-Jeonju Expressway	Construction of a 4-lane 55.1 km-long expressway (Saemangeum-Wanju JCT)	To be complete prior to the start of the 2023 World Scout Jamboree

Category	Project Name	Contents	Future Plan
Port	Saemangeum New Port	Breakwater 3.5 km, road 4.1 km, wharf 9 berths, building site creation 4,510,000㎡, etc.	Phase 1 to be completed by 2030
Airport	Saemangeum New Airport	Gunsan Airport expansion (6.0 km), etc.	
Railroad	Saemangeum-Daeya Railway	Construction of 43.1 km-long single-line railway	

## 5) Inquires

### a) Saemangeum Development and Investment Agency (063-733-1000)

- Industrial Site: Industrial Promotion Division, Development Project Bureau (063-733-1251)
- International Cooperation Site: International City Division, Development Project Bureau (063-733-1170)
- Tourism and Leisure Site: Tourism Promotion Division (063-733-1061)
- Development project Bureau (063-733-1235)

## 6) Related Regulations, References, and Websites

- The Special Act on Promotion and Support for Saemangeum Project
- Saemangeum Development and Investment Agency (<http://www.saemangeum.go.kr>)
- Jeollabuk-do Provincial Office (<https://www.jeonbuk.go.kr>)

\* First page ➔ [Business in Jeollabuk-do](#) ➔ [Saemangeum](#)

※ Reference : Saemangeum Development and Investment Agency (<http://www.saemangeum.go.kr>)

## ▶ B. Enterprise Cities

### 1) Basic Concept

An enterprise city means a city developed by private enterprises to be equipped with primary economic functions, such as industry, research, tourism and leisure and self-sufficient multi-functions, such as housing, education, medical services (Article 2 of the Special Act on the Development of Enterprise Cities).

\* Previously, enterprise cities were classified into industrial trade type, knowledge-based type, and tourism and leisure type according to their main functions. Currently, they are all supported so that they can achieve convergent development (Addenda dated June 22, 2015).

[ Classification by Type of Enterprise Cities Currently under Development ]

Type	Main Functions	Competent Ministries	Corresponding Enterprise Cities
Industrial Trade Type	Manufacturing and trade-oriented cities	Ministry of Land, Infrastructure and Transport	N/A
Knowledge-based Type	Science park type including R&D functions		Chungju and Wonju
Tourism and Leisure Type	Cities focused on tourism, leisure and culture	Ministry of Culture, Sports and Tourism	Taeam and Yeongam-Haenam

2) Characteristics

a) Enterprise cities can be classified by function and type as follows:

- By subject: Individual companies, corporate consortiums, and private companies + public institutions
- By function: Industrial trade type, knowledge-based type, tourism and leisure type
- By shape: Completely new cities and redeveloped existing cities

b) An enterprise city has the following differences from an existing industrial complex:

[ Comparison with Existing Industrial Complexes ]

Category	Enterprise Cities	Industrial Complexes
Development Subject	<ul style="list-style-type: none"> <li>• Private entities in principle</li> <li>• Private + public also possible</li> </ul>	<ul style="list-style-type: none"> <li>• Public entities in principles</li> <li>• Private development only for portions of direct use</li> </ul>
Development Stages	<ul style="list-style-type: none"> <li>• Creation + sale at the same time(Industrial location and corporate investment at the same time)</li> </ul>	<ul style="list-style-type: none"> <li>• Development anticipating corporate occupancy (Frequent failure to sell all the developed lots)</li> </ul>
Operator Requirements	<ul style="list-style-type: none"> <li>• Minimum equity capital ratio (More than 10% of total project costs)</li> </ul>	<ul style="list-style-type: none"> <li>• Public: None</li> <li>• Private: Limited to direct use</li> </ul>
Complex Size	<ul style="list-style-type: none"> <li>• Minimum size stipulated by type (1- 2 million pyeong or larger)</li> </ul>	<ul style="list-style-type: none"> <li>• Local industrial complex: over 150,000 m<sup>2</sup></li> <li>• National industrial complex: None</li> </ul>
Project Period	<ul style="list-style-type: none"> <li>• Long-term development required(Direct development where companies want)</li> </ul>	<ul style="list-style-type: none"> <li>• Long-term projects</li> </ul>
Living Conditions	<ul style="list-style-type: none"> <li>• Good living conditions as multifunctional cities (Education, medical care, culture, etc.)</li> </ul>	<ul style="list-style-type: none"> <li>• Less desirable living conditions due to concentration on production features</li> </ul>

### c) Introduction Backgrounds

- Enterprise cities were introduced in 2003 to inspire companies to invest and create jobs as part of their efforts to increase domestic investment and contribute to balanced national development according to relevant special legislation.
- In December 2004, the Special Act on the Development of Enterprise Cities was enacted and promulgated. A total of six trial projects were selected in 2005. Since then, the designation of Muan and Muju enterprises have been canceled with four enterprise cities currently under development.

#### Balanced National Development Strategies and Enterprise Cities

- ① Multifunctional administrative capital → Decentralization of government agencies (Chungcheong area)
  - ② Innovation cities → Dispersion of public institutions (outside the Seoul metropolitan area excluding the administrative capital)
  - ③ Enterprise cities → Dispersion of private enterprises (outside the Seoul metropolitan area excluding the administrative capital)
- ※ Synergy effects can be created when a city is designated as both an innovation city and an enterprise city.

### 3) Designation Status

Location	Area (10,000 m <sup>2</sup> )	Project Period	Project Costs (KRW 100M)	Project Operator	Investors	Major Facilities	Competent Ministries
Chungju	701	'07~'12	5,343	Chungju Enterprise City Development Co., Ltd.	POSCO E&C, LH Corp., Imkwang Construction, AMCO, etc.	Industrial sites, research facilities, training centers, etc.	Ministry of Land, Infrastructure and Transport
Wonju	529	'07~'19	9,722	Wonju Enterprise City Development Co., Ltd.	Lotte E&C, Gyeongnam Enterprises, Gangwon-do, Wonju-si, etc.	Industrial sites, research facilities, corporate support centers, etc.	
Taeon	1,547	'07~'25	12,201	Hyundai City Development Co., Ltd.	Hyundai E&C	Golf course, theme park, high-tech complex, etc.	Ministry of Culture, Sports and Tourism

Location	Area (10,000 m <sup>2</sup> )	Project Period	Project Costs (KRW 100M)	Project Operator	Investors	Major Facilities	Competent Ministries
Yeongam - Hae nam	Sam ho	'08~'25	4,403	Seonam Haean Leisure Corporation	Ace Membership Exchange, Korea Tourism Organization, Jeollanam-do	Golf course, theme park, water park, convention center, etc.	Ministry of Culture, Sports and Tourism
	Gu seong	'06~'30	9,835	Southwest Coast Enterprise City Development Co., Ltd.	Boseong Industry, Hanyang, Jeollanam-do, and Jeonnam Development Corp.	Hotels, resort, theme park, commercial facilities, golf course, residential area, etc	
	Sam po	'07~'21	4,402	Stage 1: KAVO and Jeonnam Development Corp. Stage 2: In search of a project operator	Jeollanam-do, SJ Construction, Jeonnam Development Corp.	Phase 1: The Korea International Circuit	

\* Note: as of December 2020

#### 4) Detailed Status and Incentives by Enterprise City

##### a) Wonju Enterprise City (knowledge-based)

###### (1) Current Status

Purpose	Creation of a R&D center for advanced medical devices and pharmaceuticals as well as a hub city in central Korea <i>* A multifunctional self-sufficient city where future-oriented housing, commerce, and industry functions strike a balance</i>
Location	Jijeong-myeon and Hojeo-myeon, Wonju-si
Project Period	2006-2019 (city development until 2025)
Area	5,281,000 m <sup>2</sup> (1.6 million pyeong)
Total Budget	KRW 972.2 billion
Main Sites	An industrial site for high-tech medical devices and pharmaceuticals, a residential and commercial site, and a public site
Project Operator	Wonju Enterprise City Co., Ltd.

- Development Direction: A health city, a culture city, a wellbeing city, an ubiquitous city
- Building site creation of 5,281,000 m<sup>2</sup> completed
  - Land Use Plan: A total of 5,281,000 m<sup>2</sup> (sales: 2,731,000 , free-of-charge: 2,558,000 m<sup>2</sup>)
  - 45 occupant companies with the remaining land to be sold out by 2020

[ Major Facilities ]



School



A Bird's-eye View of Wonju Enterprise City



Apartment complexes



Jungbu Electric Power Co., Ltd.

(2) Incentives

- State subsidies (relocated companies out of the Seoul metropolitan area, startups, or expanded companies)
  - Corporations operating in manufacturing, information and communication, and knowledge service industries
  - Except for real estate-related business, consumer service business, and construction business (limited permission for construction business)

Type	Support Requirements	Support Contents				
Relocation from Seoul Metropolitan Area	<ul style="list-style-type: none"> <li>• Those that operated in overconcentration control region in the Seoul Metropolitan Area for three years in a row or more</li> <li>• 30 or more regular employees at the existing workplace</li> <li>• 30 or more regular employees at the new workplace</li> <li>• Over KRW 1 billion in investment (KRW 30 billion for large corporations)</li> <li>• The same line of business as in the metropolitan area</li> <li>• Move-in to an independent business site</li> <li>• Closure or sale of existing business sites prior to the completion of new investment</li> </ul>	Location	Support Ratio			Subsidy Ratio
			Large Business	Middle-standing Business	SME	
		General	Facilities investment 8%	Location 10%, facilities investment 11%	Location 30%, facilities investment 14%	65%
		Near the Seoul Metropolitan Area	Facilities investment 6%	Facilities investment 8%	Location 9%, Facilities investment 11%	45%
		Preferential Support Area	Facilities investment 11%	Location 20%, facilities investment 19%	Location 40%, facilities investment 24%	75%
Emergency Industrial Zone	Facilities investment 14%	Location 25%, facilities investment 24%	Location 50%, facilities investment 34%	75%		
Reshoring	<ul style="list-style-type: none"> <li>• Companies selected for support in accordance with the Act on Assistance to Korean Off-shore Enterprises in Reshoring</li> <li>• 20 or more regular employees at the invested workplace</li> </ul>	※ Government subsidy: up to KRW 10 billion per company ※ Location subsidy cannot exceed facility subsidy.				

Type	Support Requirements	Support Contents				
Kaesong Industrial Zone	<ul style="list-style-type: none"> <li>123 companies that operated in the Kaesong Industrial Zone</li> <li>Investment in rural areas or areas adjacent to the Seoul metropolitan area</li> </ul>	Location	Support Ratio			Subsidy Ratio
			Large Business	Middle-standing Business	SME	
		General	Facilities investment 8%	Location 20%, facilities investment 21%	Location 30%, facilities investment 24%	65%
		Near the Seoul Metropolitan Area	Facilities investment 6%	Location 10%, facilities investment 18%	Location 19%, facilities investment 21%	
Preferential Support Area	Facilities investment 11%	Location 30%, facilities investment 29%	Location 40%, facilities investment 34%			
※ Occupant companies in the Kaesong Industrial Zone are eligible for up to KRW 500 million.						
Startup or Expansion	<ul style="list-style-type: none"> <li>Domestic operation for 3 years or longer</li> <li>10 or more regular employees at the existing workplace</li> <li>10% or more of new employment over the existing employment (a minimum of 10 people)</li> <li>KRW 1 billion (KRW 30 billion for a big business) or more in investment</li> <li>Maintenance of the existing workplace</li> </ul>	Location	Support Ratio			Subsidy Ratio
			Large Business	Middle-standing Business	SME	
		General	Facilities investment 8%	Facilities investment 11%	Facilities investment 14%	65%
		Near the Seoul Metropolitan Area	Facilities investment 6%	Facilities investment 8%	Facilities investment 11%	
Preferential Support Area	Facilities investment 11%	Facilities investment 19%	Facilities investment 24%			

\* (General areas) Gangneung, Sokcho, Donghae / (Near the Seoul Metropolitan Area) Wonju / (Preferential support area) Other cities, counties, enterprise cities, national innovation convergence complexes

### Overconcentration Control Region of the Seoul Metropolitan Area

1. Seoul Special City 2. Incheon Metropolitan City [excluding Ganghwa-gun, Ongjin-gun, Seo-gu - Daegok-dong, Bullo-dong, Majeon-dong, Geumgok-dong, Oryu-dong, Wanggil-dong, Dangha-dong, Wondang-dong - Incheon Free Economic Zone (including areas released from the Zone) and Namdong National Industry Complex] 3. Uijeongbu City 4. Guri City 5. Namyangju City (Only Hopyeong-dong, Pyeongnae-dong, Geumgok-dong, Ilpae-dong, Ipae-dong, Sampae-dong, Gaundong, Suseok-dong, Jigeum-dong and Donong-dong) 6. Hanam City 7. Goyang City 8. Suwon City 9. Seongnam 10. Anyang City 11. Bucheon City 12. Gwangmyeong City 13. Gwacheon City 14. Uiwang City 15. Gunpo City 16. Siheung City (excluding Banwol Special Area including areas canceled from Banwol Special Area)

● Local Subsidy Requirements and Contents (relocated companies from other cities/provinces)

Type	Support Requirements	Support Contents			
Relocation from Other Cities/Provinces	<ul style="list-style-type: none"> <li>One year+ business operations in another city/province</li> <li>20+ regular employees or KRW 2 billion or more investment (manufacturing, IT, or knowledge service)</li> <li>Relocation of factories, headquarters, and research institutes at once or separately</li> <li>Closure or sale of existing business sites</li> </ul>	Category	Criteria	Ratio	Limit (KRW 100M)
		Building Site Purchase	10+ people hiring or KRW 1 billion or more investment	15%	3
			20+ people hiring or KRW 2 billion or more investment	15%	30
		Investment	100+ people hiring or KRW 20 billion or more investment	40%	60
			Big business	10%	30
			Middle-standing business	20%	
		Rent	SME	30%	10
			Rent for five years	30%	
		HQ Relocation	KRW 2 million per person beyond the 10-people threshold upon HQ relocation		10
		Education & Training	KRW 600,000 per person (for 6 months) when hiring over 20 local residents		10
Startup or Expansion	<ul style="list-style-type: none"> <li>3+ year domestic business operations in manufacturing, IT or knowledge service</li> <li>10 or more regular employees at the ting workplace</li> <li>Maintenance of the existing workplace</li> </ul>	Category	Criteria	Ratio	Limit (KRW 100M)
		Startup or Expansion	10+ people hiring and KRW 3 billion or more investment	20% of total investment	10
			30+ people hiring and KRW 10 billion or more investment		20
			50+ people hiring and KRW 20 billion or more investment		40
			100+ people hiring and KRW 30 billion or more investment		60
Medium-large scale (relocation, startup, expansion)	<ul style="list-style-type: none"> <li>200+ regular employees or KRW 50 billion+ investment</li> <li>Business operations in manufacturing, IT, or knowledge service</li> <li>Relocation, startup, expansion</li> </ul>	Category	Criteria	Ratio	Limit (KRW 100M)
		Medium-large scale (relocation, startup, expansion)	200+ regular employees or KRW 50 billion or more investment	40% of total investment	80
			300+ regular employees or KRW 70 billion or more investment	50% of total investment	100
			500+ regular employees or KRW 150 billion or more investment		150
		Logistics	700+ regular employees or KRW 300 billion or more investment	200	
			1,000+ regular employees or KRW 500 billion or more investment	300	
		Logistics	1,000+ regular employees or KRW 500 billion or more investment	50% of transportation costs (3 years)	30
Stagnating Areas in Industrial Development (relocation)	<ul style="list-style-type: none"> <li>One+ year business operations in another city/province</li> <li>10+ regular employees or KRW 1 billion or more investment</li> <li>Business operations in manufacturing, IT, or knowledge service</li> <li>Relocation of factories, headquarters, and research institutes at once or separately</li> <li>Closure or sale of existing business sites</li> </ul>	Category	Criteria	Ratio	Limit (KRW 100M)
		Medium-large scale (relocation, startup, expansion)	10+ people hiring or KRW 1 billion or more investment	15%	3
			20+ people hiring or KRW 2 billion or more investment	15%	30
			50+ people hiring or KRW 10 billion or more investment	40%	40
		Investment	100+ people hiring or KRW 20 billion or more investment	40%	60
			Big business	10%	30
			Middle-standing business	20%	
		Rent	SME	34%	10
			Rent for five years	30%	
		HQ Relocation	KRW 2 million per person beyond the 10-people threshold upon HQ relocation		10
Education & Training	KRW 600,000 per person (for 6 months) when hiring 20+ local residents		10		
Stagnating Areas in Industrial Development (startup or expansion)	<ul style="list-style-type: none"> <li>Over 3-year domestic business operations in manufacturing, IT or knowledge service</li> <li>10 or more regular employees at the ting workplace</li> <li>Maintenance of the existing workplace</li> </ul>	Category	Criteria	Ratio	Limit (KRW 100M)
		Startup or Expansion	10+ people hiring and KRW 3 billion or more investment	20% of total investment	10
			30+ people hiring and KRW 10 billion or more investment		20
			50+ people hiring and KRW 20 billion or more investment		40
			100+ people hiring and KRW 30 billion or more investment		60

※ Subsidies for HQ relocation and education/training are limited to KRW 1 billion each.



- Tax Reduction or Exemption
  - Corporate tax

Category			Investment Scale & Conditions	Occupancy	Benefits
Startup Business			Manufacturing: KRW 10+ billion R&D business: KRW 2+ billion Port/logistics: KRW 5+ billion	Occupancy by 2015	100% for 3 years 50% for 2 years (Within 70% of investment amount)
Relocated Companies	Overconcentration control region	SMEs	2+ year business operations	Occupancy by 2017	the metropolitan area Previous
		Middle-standing & big businesses	3+ year business operations	Building site purchase by 2017 and move-in by 2020	100% for 5 years 50% for 2 years

- Acquisition tax and property tax

Category	Benefits
Acquisition Tax	100% for 15 years
Property Tax	100% for 5 years + 50% for 3 years

- Support for Foreign-Invested Companies

Category	Contents
Building Site Rent	<ul style="list-style-type: none"> <li>• Basic amount: 1% of the official land price of the building site</li> <li>• 100% rent reduction for high-tech businesses with an investment amount of over USD 1 million</li> <li>• 75% rent reduction for general manufacturing businesses with an investment amount of over USD 5 million</li> </ul>
Tax Reduction or Exemption	<ul style="list-style-type: none"> <li>• Corporate tax, income tax: 100% exemption for 3 years after business commencement, 50% reduction for 2 years thereafter * 100% reduction for five years for high-tech related business and 50% reduction for 2 years thereafter</li> <li>• Acquisition tax, registration tax, property tax: full reduction for 15 years after business commencement</li> <li>• Comprehensive land tax: 100% exemption for 5 years after business commencement, 50% reduction for 3 years thereafter</li> <li>• Tariffs: 100% exemption on imported capital goods</li> </ul>
Subsidy Support	<ul style="list-style-type: none"> <li>• Subsidy support for investments and employment over a certain scale in accordance with the relevant Gangwon-do ordinance                             <ul style="list-style-type: none"> <li>- Facility subsidy: Support of up to KRW 200 million for a new/expanded factory worth over KRW 3 billion</li> <li>- Employment subsidy: A six-month support for employment beyond the 20-person employment threshold</li> <li>- Education and training subsidy: A six-month support for education and training beyond the 20-person employment threshold</li> </ul> </li> </ul>

## b) Chungju Enterprise City (knowledge-based type)

### (1) Current Status

Purpose	Creation of an eco-friendly, self-sufficient multifunctional new city "Chungju High-tech Type Enterprise City" * Building a self-sufficient multifunctional new city for knowledge balance development, investment stimulation, job creation, and enhancement of future-oriented industrial competitiveness
Location	An area encompassing Judeok-eup, Daesowon-myeon and Jungangtap-myeon in Chungju-si
Project Period	2007-2020 (Land development by 2012, city development by 2020)
Area	7,009,000 m <sup>2</sup> (2,120,000 pyeong)
Total Budget	KRW 635.2 billion
Main Sites	The industrial site for R&D and advanced electronic/ICT parts and materials industries as well as the residential and commercial site, and the public service site
Project Operator	Chungju Enterprise City Development Co., Ltd.

- Development Direction: A knowledge-based city, an ecological eco-friendly city, an ubiquitous high-tech information city
- Occupant Requirements: No restrictions
- Building site development of 7,009,000 m<sup>2</sup> completed
  - Land Use Plan: A total of 7,009,000 m<sup>2</sup> (available: 3,494,000 m<sup>2</sup>, not available: 3,515,000 m<sup>2</sup>)
  - Land sales to 26 companies completed

#### [ Major Facilities ]



Aerial view of Chungju Enterprise City



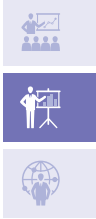
Kolon Life Science Inc.



Aerial view of the residential site



Aerial view of the commercial site



## (2) Incentives

### (a) Subsidy Support

Category	Subsidy Type	Support Scope			Support Amount
		Big Business	Middle-standing Business	SME	
General Area	Location	-	Within 10% of the land purchase price	Within 30% of the land purchase price	Up to 65/100 of the subsidy
	Facility Investment	Within 6% of facility investment	Within 9% of facility investment	Within 12% of facility investment	
Near Seoul Metropolitan Area	Location	-	-	Within 9% of the land purchase price	Up to 45/100 of the subsidy
	Facility Investment	Within 4% of facility investment	Within 6% of facility investment	Within 9% of facility investment	
Preferential Support Area	Location	-	Within 20% of the land purchase price	Within 40% of the land purchase price	Up to 75/100 of the subsidy
	Facility Investment	Within 9% of facility investment	Within 17% of facility investment	Within 22% of facility investment	

※ Related Rules

- National fiscal support criteria for local governments attracting corporate investment (Notice of the Ministry of Trade, Industry and Energy)
- Ordinance on the Investment Promotion for Chungju City

### (b) Tax Benefits

Category	Corporate tax	Acquisition Tax	Property Tax	Sunset Deadline
① Relocated SMEs from the overconcentration control region in Seoul Metropolitan Area (Article 63 of the Restriction of Special Taxation Act – SMEs relocating HQs and factories)	100% for 4 years, 50% for 2 years	-	-	Dec. 31, 2017

Category	Corporate tax	Acquisition Tax	Property Tax	Sunset Deadline
② Relocated companies from the Seoul Metropolitan Area (Article 63-2 of the Restriction of Special Taxation Act – Corporations relocating HQs and factories)	100% for 4 years, 50% for 2 years	-	-	Dec. 31, 2017 or Dec. 31, 2020
③ Startup enterprises in the enterprise city (Article 121-17 of the Restriction of Special Taxation Act)	100% for 3 years, 50% for 2 years	Exemption for 15 years	100% for 5 years, 50% for 3 years	Dec. 31, 2015
④ Relocated corporation from big cities or the overconcentration control region in Seoul Metropolitan Area (Articles 60 and 61 of the Restriction of Special Taxation Act)	Postponement of corporate tax on capital gains for 5 years, and installment payment for 5 years thereafter: Transfer must be made by December 31, 2017.			

### Notes

- The abovementioned tax-related law is the Restriction of Special Taxation Act.
- ②: This applies to those relocated outside the over concentration control region of the Seoul metropolitan area must starts business by Dec. 31, 2017 or secure a building site by 2017 and start business by Dec. 31, 2020.
- ③: This applies only to the case of investment of KRW 10 billion or more. (Article 116-21 of the Enforcement Decree of the Act)
- Acquisition tax reduction/exemption: Article 10 of Chungcheongbuk-do Ordinance on Provincial Tax Reduction and Exemption
- Property tax reduction/exemption: Article 8 of the Chungju City Ordinance on Municipal Tax Reduction/Exemption
- As for corporate tax benefits, please contact a corporate tax accountant or the National Tax Service before signing the contract.

**c) Taeon Enterprise City (tourism and leisure type)**

**(1) Current Status**

Purpose	Construction of a high-quality future-oriented city equipped with tourism, leisure and well-being facilities * A "Dream City" where ecology and people coexist
Location	An area encompassing Taeon-eup and Nam-myeon (Cheonsuman District B) of Taeon-gun, Chungcheongnam-do
Project Period	2007-2020 (facilities completion: 2025)
Area	15,464,000 m <sup>2</sup> (4,680,000 pyeong)
Total Budget	KRW 1.22 trillion (building site development)
Main Sites	Multipurpose recreational facilities, a theme park, a high-tech complex, unmanned pilot training and research complexes (UV Land, etc.)
Project Operator	Hyundai City Development Co., Ltd.

- Development Direction: Stimulation of the regional economy and the national development through the creation of a high-quality tourism and leisure city  
\* Vision: Communication with nature, creation of vitality in life, life of dreams, pioneering the future
- Occupancy Requirements: No restrictions
- Building site creation and infrastructure construction in progress  
\* Construction completed for a golf course phases 1 and 2, tourist accommodation facilities, a preserved flower center, and auto parts research facilities

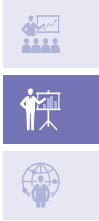
**[ Major Facilities ]**

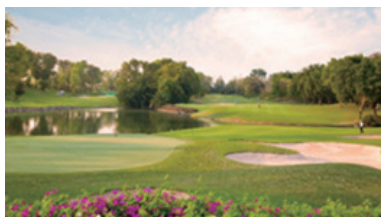


High-tech Complex



Theme Park





Golf Course



International Business Site

## (2) Incentives

### (a) Support for Corporate Relocation

#### ● Support Measures

Support	Details
Support for Corporate Relocation from the Seoul Metropolitan Area	<ul style="list-style-type: none"> <li>• Companies that have operated for 3+ years in the relevant region in the Seoul metropolitan area</li> <li>• 30 or more regular employees and investment of KRW 1 billion or more (KRW 30 billion for large companies)</li> <li>• Relocation of HQ/factories to an independent business site</li> </ul> <p>※ Support for relocated employees: KRW 1.5 million for an employee or up to KRW 10 million for the relocation of an entire family</p>
Support for new or expanded companies (unrelated to relocation from Seoul metropolitan area)	<ul style="list-style-type: none"> <li>• Companies that have been in business for 3+ years in Korea</li> <li>• 10+ regular employees</li> <li>• Business belonging to key industries, the specialized industry of cooperative inter-region, or concentrated attraction line of business for the region</li> <li>• SMEs or middle-standing enterprises with KRW 1 billion or more in new investments</li> </ul>

#### ● Support and Criteria

Category	Sharing Ratio	Support Ratio		
		Big Business	Middle-standing Business	SME
Preferential Support Areas (Taeon, etc.)	75: 25 (25%: 12.5% by Province and 12.5% by County)	Location (0%) Investment (11%)	Location (20%) Investment (19%)	Location (40%) Investment (24%)

- The location subsidy cannot exceed the investment (facilities) subsidy. The total amount of government subsidy for a company cannot exceed KRW 10 billion.
- The location subsidy is available only to companies relocating from the Seoul metropolitan area or reshoring ones from abroad. Application should be made along with the facility subsidy application.

- Application Time: Within 3 months of reporting construction commencement (for investment subsidy) and within 1 year from the date of occupancy contract execution (when location subsidy application is included)

※ Application should be made within 3 months of reporting construction commencement regardless of all the above.

Notes

- Location subsidy: Within the amount of “the area of the existing workplace X 5 times X the purchase price of the building site to invest in”
- Investment (facility) subsidy: Part of the facility investment amount (within 10% of the construction costs and machinery equipment purchase prices) including the construction costs of the investment workplace, machinery equipment purchase prices (only fixed types), and facility investment to improve working environments

(b) Tax Benefits

Classification		Contents
Acquisition Tax and Property Tax (Restriction of Special Local Taxation Act)	Startup by 2019 (50% exemption until 2019)	<ul style="list-style-type: none"> <li>• Businesses with investment of KRW 10 billion or more                             <ul style="list-style-type: none"> <li>- Engineering business, telecommunications business, computer programming/system integration and management business, information service business, science and technology service business, movie/video and broadcasting program production related service business, recording facility operation business, music and other audio materials publishing business, game software development and supply business, performances facility operation business, other creative and artistic service business, and manufacturing business</li> </ul> </li> <li>• Businesses with investment of KRW 5 billion or more                             <ul style="list-style-type: none"> <li>- Integrated logistics terminal business, joint collection and distribution center business, port facility management business, and port logistics business</li> </ul> </li> <li>• Businesses with investment of KRW 2 billion or more                             <ul style="list-style-type: none"> <li>- R&amp;D business</li> </ul> </li> </ul>



Classification		Contents
Corporate Tax and Income Tax (Restriction of Special Taxation Act)	Startup by 2021 (100% reduction for 3 years, 50% reduction for the next 2 years)	<ul style="list-style-type: none"> <li>• Businesses with investment of KRW 2 billion or more and 30 or more full-time workers (including businesses eligible for the reduction of acquisition and property taxes)               <ul style="list-style-type: none"> <li>- Tourist hotel business, floating tourist hotel business, Korean traditional hotel business, professional recreation business (excluding golf course business), resort complex business, cruise ship tourism business, performance hall business, international conference facility business, amusement facility complex business, restaurant business, senior welfare facilities, youth training facilities, rail bike business, and renewable energy-based electricity generation business</li> </ul> </li> <li>• Businesses with investment of KRW 1 billion or more and 15+ full-time employees               <ul style="list-style-type: none"> <li>- Integrated logistics terminal business, joint collection and distribution center business, port facility management business, and port logistics business</li> </ul> </li> <li>• Businesses with investment of KRW 500 million or more and 10+ full-time employees               <ul style="list-style-type: none"> <li>- R&amp;D business</li> </ul> </li> </ul>

## d) Yeongam-Haenam Enterprise City (tourism and leisure type)

### (1) Current Status

Purpose	The creation of "Solaseado," a world class resort and leisure city with a trio of sun, sea, and lake * 'Solaseado' originating from the musical scales of 'Sol, La, Si, Do' refers to a tourism and leisure enterprise city brand being created in Samho-eup in Yeongam-gun and Sani-myeon in Haenam-gun, Jeollanam-do.	
Location	Guseong	Guseong-ri, Sanggong-ri, and Deoksong-ri in Sani-myeon, Haenam-gun, Jeollanam-do
	Samho	Samho-eup, Yeongam-gun, Jeollanam-do
	Sampo	Sampo-ri, Samho-eup, Yeongam-gun, Jeollanam-do
Project Period	Guseong	2006-2030
	Samho	2006-2025
	Sampo	2006-2021
Area	Guseong	20,899,000 m <sup>2</sup> (6,320,000 pyeong)
	Samho	8,648,000 m <sup>2</sup> (2,620,000 pyeong)
	Sampo	4,289,000 m <sup>2</sup> (1.3 million pyeong)
Total Budget	Guseong	KRW 4.98 trillion (city development: KRW 1.44 trillion)
	Samho	KRW 1.62 trillion (city development: KRW 447.3 billion)
	Sampo	KRW 1.95 trillion (city development: KRW 440.2 billion)



Main Sites	Guseong	Golf courses, hotels, recreational & cultural facilities, renewable industrial complexes, high-tech agricultural complexes, etc.
	Samho	Golf courses, golf learning centers, resort, horseback riding courses, commercial facilities, etc.
	Sampo	F1 racetrack, tuning valley, automobile theme park, etc.
Project Operator	Guseong	Southwest Coast Enterprise City Development Co., Ltd.
	Samho	Southwest Coast Leisure Co., Ltd.
	Sampo	KAVO and Jeonnam Development Corp.

- Development Direction: Creation of a resort-type tourism and leisure city, a family-oriented entertainment city, a nature-friendly environment city, and a comprehensive sports and leisure city
- Occupancy Requirements: No restrictions
- Progress: Guseong - Completion of a solar power complex and a 18-hole golf course; Sun garden and San-e garden under construction, Samho - Completion of the South Links Golf Course, Sampo - Completion of Phase 1 of F1 Circuits

[ Major Facilities ]



Solar Power Plant (Guseong District)



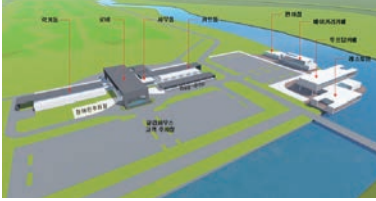
Solaseado Golf Course



Sani Garden (Guseong District)



Solaseado ESS (Guseong District)



Aerial View of Park County (Samho District)



Sun County (Samho District)



F1 Circuits (Sampo District)



Kart Circuit (Sampo District)

## (2) Incentives

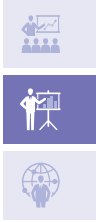
Category		Contents	
Reduction or Exemption of Taxes and Charges	National Tax (corporate tax, income tax)	Foreign-invested companies	<ul style="list-style-type: none"> <li>Beneficiaries: Project operator (USD 30 million or more), occupant enterprises (USD 10 million or more)</li> <li>Benefits: 100% exemption for 3 years, 50% reduction for 2 years thereafter</li> </ul>
		Domestic companies	<ul style="list-style-type: none"> <li>Beneficiaries: Project operator (KRW 100 billion or more), occupant companies (KRW 10 billion or more)</li> <li>Benefits                             <ul style="list-style-type: none"> <li>- Project operator: 50% for 3 years, 25% for 2 years thereafter</li> <li>- Occupant companies: 100% for 3 years, 50% for 2 years thereafter</li> </ul> </li> </ul>
	Local Tax (Acquisition tax, property tax)	Foreign-invested companies	<ul style="list-style-type: none"> <li>Beneficiaries: Project operator (USD 30 million or more), occupant companies (USD 10 million or more)</li> <li>Benefits: 100% exemption for 15 years</li> </ul>
		Domestic companies	<ul style="list-style-type: none"> <li>Beneficiaries: Project operator (KRW 100 billion or more), occupant companies (KRW 10 billion or more)</li> <li>Benefits: 50% reduction until 2022</li> </ul>
Exemption of Charges		<ul style="list-style-type: none"> <li>Development charge, farmland preservation charges, transportation inducement charges, etc.</li> </ul>	

Category		Contents
Others	Foreigner-only Casino License	<ul style="list-style-type: none"> <li>When the total investment amount in tourism business is KRW 500 billion or more and KRW 300 billion or more is already invested by the time of the casino license application</li> </ul>
	Support from the Tourism Promotion Development Fund and Budgets including Advance Payment	-
	Faster Administrative Service through Simplified Authorization and Permission Procedures	-
	Permanent Residency Granted through the Public Service Investment Immigration System	<ul style="list-style-type: none"> <li>When an investment of KRW 500 million or more is maintained for over 5 years</li> </ul>
National Treasury Support	Access road/wastewater/water facilities	<ul style="list-style-type: none"> <li>Support of financial resources for the development of infrastructure such as access roads, water facilities and sewage treatment facilities</li> </ul>
	Arterial roads/parks/common areas	
	Others	<ul style="list-style-type: none"> <li>Financial support for building site creation and convenience facilities (based on corporate lease)</li> <li>Priority support for employment training expenses</li> </ul>
Regulatory Preferences		<ul style="list-style-type: none"> <li>Establishment of foreign educational institutions (universities)</li> <li>Establishment of foreign hospitals (open to Koreans)</li> <li>Preferences granted to foreign-invested companies                             <ul style="list-style-type: none"> <li>Simplified visa issuance and extended visa periods</li> <li>Relaxation of labor regulation: Rules regarding compulsory hiring, paid leave, and worker dispatch</li> <li>Foreigner-only casinos</li> </ul> </li> </ul>
Benefits for Tourist Facility Investments		<ul style="list-style-type: none"> <li>Tax: 100% national tax exemption for 3 years / 50% exemption for 2 years plus 100% local tax exemption for 15 years for investment of USD 10 million or more in tourism</li> <li>Infrastructure: When investment of USD 20 million or more is made in the tourism industry, the area is designated as a foreign investment area (accompanied by government subsidy) and public service is provided including roads, water facilities, city gas, electric power, and wastewater treatment.</li> </ul>



Category	Contents					
Subsidy for Regional Investment Promotion (national & provincial assistance matching)	<ul style="list-style-type: none"> <li>• Support type: Relocation out of the Seoul metropolitan area, reshoring companies from abroad, and new/expanded companies in rural Korea                             <ul style="list-style-type: none"> <li>- Location subsidy: Partial assistance for land purchase to make facility investment                                     <ul style="list-style-type: none"> <li>* Except for new and expanded companies in rural Korea</li> </ul> </li> <li>- Facility subsidy: Investment in construction, machinery and equipment, and working environment improvement</li> </ul> </li> <li>• Potential Beneficiaries</li> </ul>					
	Category		Relocation from Seoul Metropolitan Area	Reshoring from Abroad	New/expansion Investment in Rural Korea	
	Beneficiaries		3+ year business in Seoul metropolitan area with 30+ regular employees	Enterprises eligible for Assistance under Article 7 of the Act on Assistance to Koran Off-shore Enterprises in Reshoring	3+ year business in Korea with 10+ regular employees	
	Performance Requirements (Investment place of business)	Type	Same business type		Existing business or related business	
		Hiring	30 or more regular employees (preferential business/region: 10+ workers)	20 or more new hires	10% or more of new hires	
Investment		KRW 1 billion or more investment		KRW 1 billion or more investment		
Others		Relocation of business * Existing workplace closure/sale		Maintenance of existing workplace		
<ul style="list-style-type: none"> <li>• Scope of support: Up to KRW 10 billion in national expenditure per company                             <ul style="list-style-type: none"> <li>- (Large companies investing KRW 30 billion or more in emergency industrial zones → up to KRW 15 billion)</li> <li>* Emergency industrial zones (3): Mokpo, Yeongam, and Haenam</li> </ul> </li> </ul>						
Assistance Ratio	Type	Big Business	Middle-standing	SME	Sharing Ratio	
	Location	-	General: within 10% Preferential: within 20% Special: within 25%	General: within 30% Preferential: within 40% Special: within 30%	General: 65% national, 35% local Preferential & Special: 75% national, 25% local	
	Facilities	General: within 8% Preferential: within 11% Special: within 14%	General: within 11% Preferential: within 19% Special: within 24%	General: within 14% Preferential: within 24% Special: within 34%		
<ul style="list-style-type: none"> <li>• Preferential assistance: Up to 10% percent support is added depending on the type of business and the size of new employment at the investment workplace</li> </ul>						
Provincial Investment Company (Subsidy) Assistance	<ul style="list-style-type: none"> <li>• Eligibility: Companies that enter into an investment agreement with Jeonnam Province and establish, expand, or move factory facilities</li> <li>• Support Limit: KRW 5 billion per company within the budget (no duplicate assistance)</li> <li>• Type of Assistance</li> </ul>					
	Assistance Area	Assistance Criteria				
	Location Subsidy	(Target) Occupant companies in general industrial complexes with a less than 80% sale rate and agricultural and industrial complexes as well as aviation industries and automobile tuning companies near F1 circuits (Scope) Up to 30% of the land price (up to KRW 400 million)				
	Facility Subsidy	(Target) Construction costs, facility & equipment purchase prices, land purchase prices, etc. (Scope) Up to 5% of the amount exceeding KRW 2 billion (up to KRW 500 million) depending on the size of employment				
	Employment and Education and Training Subsidy	(Target) A company investing KRW 2 billion or more and hiring over 10 regular employees (Scope) KRW 600,000 per month per person for 12 months (up to KRW 1 billion) * T sector: A company with five or more regular employees is eligible for KRW 500,000 per additional person for 6 months (up to KRW 500 million)				
	Building Rental Subsidy	(Target) An IT company with three or more regular employees paying KRW 3 million or more a month as building rent in an innovation city and a knowledge industry center of a general industrial complex (Scope) Up to 50% of annual rent (based on monthly rent) for two years * Annual payment subject to the review of investment progress status				
	Performance Guarantee Security Fee Support	(Target) Companies eligible for local investment benefits (those relocated from Seoul metropolitan area or local new/expanded companies, etc.) (Scope) 2% of the fee (Payment ratio by the company, province, and city/county = 50:25:25)				

Category	Contents																				
Provincial Investment Company (Subsidy) Assistance	<ul style="list-style-type: none"> <li>Special assistance for domestic companies making large-scale investments                             <ul style="list-style-type: none"> <li>Investors of KRW 50 billion or more with 100+ regular employees: Assistance in land prices, construction costs, facility and equipment prices and infrastructure installation costs plus 10% of the investment exceeding KRW 2 billion (up to KRW 10 billion)</li> </ul> </li> </ul>																				
Special Assistance for Large-scale Investment Companies	<ul style="list-style-type: none"> <li>Eligibility: Domestic and foreign companies making large-scale investments in the province, and U-turn companies that fall under the Act on Assistance to Korean Off-Shore Enterprises in Reshoring                             <ul style="list-style-type: none"> <li>(Foreign-invested Company) A company that has invested USD 50 million or more or hired 100+ full-time employees</li> <li>(Domestic Investment Company) A company that has invested KRW 50 billion or more or hired 100+ full-time employees</li> <li>Companies engaged in the high-tech manufacturing industry, the ICT industry, and the knowledge service industry, etc., with high potential for future growth and high ripple effects in front and rear industries</li> </ul> </li> <li>Scope: Comprehensive support in land prices, construction costs, facility and equipment prices, etc.</li> </ul> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <thead> <tr> <th colspan="3" style="background-color: #8e7cc3; color: white; text-align: center;">Assistance Criteria</th> <th style="background-color: #8e7cc3; color: white;">Assistance Limit</th> </tr> <tr> <th style="background-color: #8e7cc3; color: white;">Investment</th> <th style="background-color: #8e7cc3; color: white;">Full-time Employment</th> <th colspan="2"></th> </tr> </thead> <tbody> <tr> <td>KRW 50 billion – Under KRW 100 billion</td> <td>100-199 employees</td> <td colspan="2">KRW 10 billion</td> </tr> <tr> <td>KRW 100 billion – Under KRW 500 billion</td> <td>200-499 employees</td> <td colspan="2">KRW 50 billion</td> </tr> <tr> <td>KRW 500 billion or more</td> <td>500+ employees</td> <td colspan="2">KRW 100 billion</td> </tr> </tbody> </table> <ul style="list-style-type: none"> <li>Subsidy amount (KRW 100 million) = Investment subsidy (30%) + Employment subsidy (70%)</li> <li>The city/county government(s) can offer additional assistance in the fields of long-term building site lease or free land use, facility transportation, infrastructure installation, convenience facilities, manpower training and recruitment costs.</li> </ul>	Assistance Criteria			Assistance Limit	Investment	Full-time Employment			KRW 50 billion – Under KRW 100 billion	100-199 employees	KRW 10 billion		KRW 100 billion – Under KRW 500 billion	200-499 employees	KRW 50 billion		KRW 500 billion or more	500+ employees	KRW 100 billion	
Assistance Criteria			Assistance Limit																		
Investment	Full-time Employment																				
KRW 50 billion – Under KRW 100 billion	100-199 employees	KRW 10 billion																			
KRW 100 billion – Under KRW 500 billion	200-499 employees	KRW 50 billion																			
KRW 500 billion or more	500+ employees	KRW 100 billion																			
Assistance for U-Turn Companies	<ul style="list-style-type: none"> <li>Eligibility: Companies that have run business in manufacturing, IT, or knowledge service industry overseas for 2+ years go through the process of liquidation, transfer or reduction to start or expand business in Korea in the same line of business (new companies where a Korean national or corporation holds 30% or more shares for actual control as its largest shareholder, representative, etc.)                             <ul style="list-style-type: none"> <li>Regional investment promotion subsidy: Location (10-50%) or facility (8-34%) subsidy (up to KRW 10 billion in national subsidy)</li> <li>Tax reduction/exemption: (corporation and income tax) 100% reduction for 5 years + 50% reduction for 2 years (Tariffs) - 100% reduction for facilities (upon business liquidation or transfer) 50% reduction for facilities (upon business site reduction)</li> <li>Manpower support: (Employment creation incentive) KRW 600,000 a person per month for SMEs, and KRW 300,000 a person per month for middle-standing enterprises (Employment support for overseas manpower) visa issuance support, military service exemption</li> <li>Location Support: (Special cases for the use of state-owned property) Private contracts for national and public property, long-term rental (up to 50 years), and rent reduction/exemption (up to 100%); (Move-in assistance for a lease factory) Priority for lease factories built by remodeling suspended/closed factories in national industrial complexes; and (Designation of industrial complexes) The designation of a dedicated industrial complex can be requested according to the Industrial Sites and Development Act for reshoring companies.</li> <li>Financial Support: Facility investment (up to 80%), preferential interest rates (up to 0.3% of export promotion fund), and guarantee insurance</li> <li>Smart Factory Construction Support: (Facility operation fund support) Preferential treatment for reshoring companies taking part in the government's Smart Factory Establishment Support Project*</li> </ul> </li> <li>The Automated Solution Establishment Project (3 points), the Manufacturing Company Robot Introduction and Process Innovation Project (2 points)</li> </ul>																				



Category		Contents
Public Service Investment Immigration System	Basic Policy	<ul style="list-style-type: none"> <li>A long-term residency visa (F-2) is granted to foreigners who have invested more than a specified amount in investment areas determined by the Minister of Justice.</li> <li>A permanent residency visa (F-5) is granted to foreigners who have maintained investment according to certain criteria for five years or more.</li> </ul>
	The Type of Immigration System: the Profit and Loss Type	<ul style="list-style-type: none"> <li>A type in which foreigners invest more than a fixed amount in development projects being promoted in underdeveloped areas* designated and notified by the Minister of Justice in consultation with relevant ministries</li> <li>* "Tourism and leisure enterprise cities" defined by the Special Act on the Development of Enterprise Cities (2 enterprise cities such as Yeongam-Haenam and Taean as of 2020)</li> </ul>
	Minimum Amount for the Benefits	<ul style="list-style-type: none"> <li>General investment immigration: KRW 500 million</li> <li>Retirement investment immigration: KRW 300 million (by people aged 55 or older)</li> <li>* To get an F-2 visa, one has to own KRW 300 million in Korea or abroad in the name of the applicant or the spouse in addition to the abovementioned investment amount. For an F-5 visa, one has to own assets worth KRW 300 million in Korea besides the investment sum.</li> </ul>
Foreigner-only Casino License	Article 30 "Special Cases concerning the Tourism Promotion Act" of The Special Act on the Development of Enterprise Cities	<ul style="list-style-type: none"> <li>Approval authority: Minister of Culture, Sports and Tourism</li> <li>Related law: Article 30 "Special Cases concerning the Tourism Promotion Act" of The Special Act on the Development of Enterprise Cities</li> <li>Conditions for approval: <ul style="list-style-type: none"> <li>Enterprise city where tourism and leisure are the main functions</li> <li>Reflection in enterprise city implementation plans</li> <li>Casino business license to those meeting all requirements of the 'Licensing conditions for foreigners-only casino business'</li> <li>A total of KRW 500 billion or more invested in tourism business</li> <li>An investment of KRW 300 billion upon the license application</li> </ul> </li> <li>* Tourism business: Travel business, tourist accommodation business, tourist facilities business, international conference business, casino business, amusement park business, tourist convenience facilities business, etc.</li> <li>※ A casino license issued to a business that has invested a total of KRW 500 billion or more</li> </ul>

## 5) Inquiries

### a) Wonju Enterprise City

- Wonju City Hall (033-737-3982)
- Wonju Enterprise City Development Co., Ltd. (Residential/Commercial/Others: 1899-5218, Industrial sites: 1577-5286)

**b) Chungju Enterprise City**

- Chungju City Hall (043-850-0750)
- Chungju Enterprise City Development Co., Ltd. (1544-8962 / 043-911-2007 ~ 2011)

**c) Taeon Enterprise City**

- Taeon-gun Office (041-670-2273)
- Hyundai City Development Co., Ltd. (041-674-6076)

**d) Yeongam-Haenam Enterprise City**

- Solaseado (Jeollanam-do) (061-286-3123)
- Yeongam-gun (Samho and Sampo Districts: 061-470-2781)
  - Southwest Coast Leisure Co., Ltd. (Samho District: 061-464-0098)
- Haenam-gun (Guseong District: 061-530-5355)
  - Solaseado (Guseong District: 1644-4228 / 02-721-8855)

**6) Related Regulations, Reference, and Websites****a) The Special Act on the Development of Enterprise Cities****b) Wonju Enterprise City**

- Wonju City Hall (<https://www.wonju.go.kr>)
- Wonju Enterprise City Development Co., Ltd. (<http://www.wonjuec.co.kr>)

**c) Chungju Enterprise City**

- Chungju City (<https://www.chungju.go.kr>)
- Chungju Enterprise City Development Co., Ltd. (<http://www.nexpolis.com>)

**d) Taeon Enterprise City**

- Taeon Enterprise City (<http://www.taeanec.com>)
- Hyundai City Development Co., Ltd. (<http://http://www.latierra.kr>)

**e) Yeongam-Haenam Enterprise City**

- Solaseado (Jeonnam-do: <http://solaseado.go.kr>)
- Yeongam-gun (Samho and Sampo districts: <https://www.yeongam.go.kr>)



- Haenam-gun (<http://www.haenam.go.kr>)
- Solaseado (Guseong District: <https://www.solaseado.com>)
- ※ Reference : Local governments and developer for enterprise cities

## ▶ C. Jeju Special Self-Governing Province

### 1) Overview

#### a) Purpose

The purpose of establishing the Jeju Special Self-Governing Province is to contribute to national development and guarantee substantial devolution to its local government in order to maximize on the geographical, historical, and cultural traits of its preceding local government, Jeju-do, with highly guaranteed autonomy based on self-regulation, accountability, creativity, and diversity; and also by developing Jeju-do into an eco-friendly free international city, where the economy and environment are harmonized, through extensive administrative deregulation, application of international standards, and management of environmental resources, etc.

#### b) Main Sites

##### (1) Jeju Investment Promotion Zones

- This is a system that reduces taxes, etc. to realize a free international city representing Korea by overcoming the harsh environment of Jeju's geographic conditions and industrial structure, fostering core industries of Jeju Island, and providing incentives to domestic and foreigners investing in new industries

##### (2) Jeju Advanced Science and Technology Complex

- Complex 1: It is aimed at establishing a foundation for growth of new industries in Jeju by creating a knowledge-based industrial complex in the fields of ICT and life sciences.
- Complex 2: It is aimed at strengthen the competitiveness of high-tech industries in Jeju by creating an industrial complex that meets the demands of high-tech industries such as IT, BT, CT, ET in connection with Jeju Advanced Science and Technology Complex 1.



**(3) Incentives for Advanced Science and Technology Complex**

- In order to reinforce self-sufficiency, Jeju Innovation City builds a cluster to create a synergy effect in consideration of the characteristics of relocated public institutions, regional strategic projects, and industry-academia-and research collaboration.

**2) Characteristics of Each Zone**

**a) Jeju Investment Promotion Zone**

**(1) Types**

**(a) Separate-type Investment Promotion Zone**

One business is designated for a separate investment zone which is run as an independent business unit.

**(b) Complex-type Investment Promotion Zone**

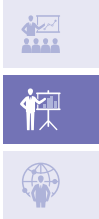
The central and local governments, public institutions, local corporations, Jeju Free International Development Center, or its investment corporations select and designate areas that are advantageous for inducing investment among the areas reserved for amusement parks or district-level development.

**(2) Major Characteristics**

Incentives are provided equally to Koreans and foreigners. The zones can be designated throughout Jeju Special Self-Governing Province.

**(3) Designation Requirements**

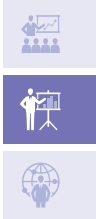
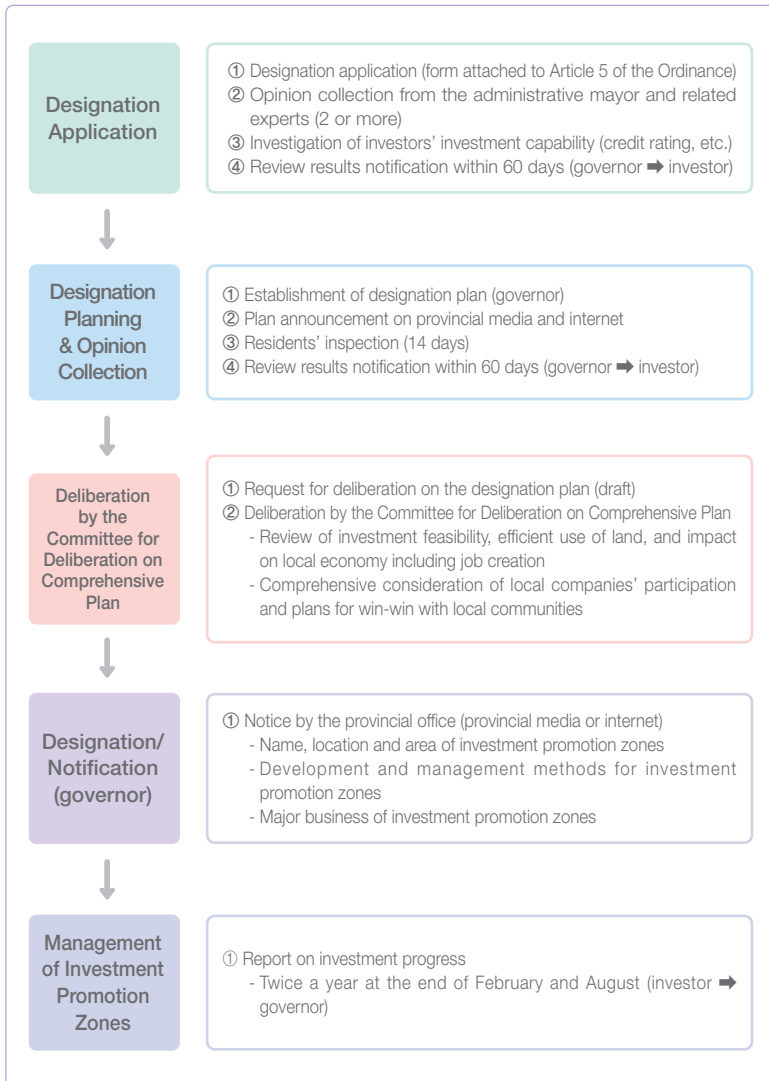
Type	Category	Contents	
Separate	Beneficiaries	Koreans or foreigners making new investments	
	Eligible Industries (28)	Tourism	Tourist hotel business, floating tourist hotel business, Korean traditional hotel business (excluding casinos and bonded stores), specialized resort complex business (excluding resort condominiums and golf courses), cruise ship business, concert hall business, amusement park business, international conference facility business, tourist restaurant business, and marina business



Type	Category	Contents	
Separate	Eligible Industries (28)	High-tech	Industry utilizing advanced technology, electricity production business using new and renewable energy, R&D business (limited to health and medical technology, industries utilizing high-tech technology, cosmetics manufacturing, and food and beverage manufacturing)
		Service	Culture business, senior welfare facility business, youth training facility business, and rail bike business
		Manufacturing	Food and beverage manufacturing (factories), cosmetics manufacturing
		Medicine	Medical institutions (excluding clinics, dental clinics, oriental clinics, and midwifery clinics) and health care technology R&D service business
		Education	Foreign educational institutions, autonomous schools, international high schools, international schools, training institutions
	Investment Amount (exchange rate on application date)	<ul style="list-style-type: none"> <li>• Tourism: USD 20 million or more</li> <li>• Other business: USD 5 million or more</li> <li>* Investment Areas: land purchase, construction, survey/ investigation, design, equipment procurement, etc.</li> </ul>	
	Preconditions (requirements)	<ul style="list-style-type: none"> <li>• Authorization, permission, approval, or reporting in accordance with relevant laws so that the intention to run the target business can be confirmed</li> <li>• However, the governor can make designations even when facility requirements must be met to obtain authorization, permission, or approval or make reporting in accordance with applicable laws.</li> <li>* No other person or institution other than the provincial governor can make pre-designation.</li> </ul>	
	Application Deadline	Within 6 months of the start of construction	
Complex	Beneficiaries	Project operator (central and local governments, public institutions, local corporations, JDC, JDC investment corporations)	
	Target Business	28 industries (same as the separate-type)	
	Investment Amount	KRW 100 billion or more * According to Article 121-9 (1) 3 of the Restriction of Special Taxation Act and Article 116-15 (3) of the Enforcement Decree of the same Act	
	Precondition	Areas designated for amusement park facilities or district-level development plans	

#### (4) Designation Procedures

An investor or a development project operator make an application for designation to the governor of Jeju Special Self-Governing Province, who designates (notifies) following deliberation by the Comprehensive Plan Deliberation Committee.



## (5) Incentives and Assistance Systems

### (a) Tax Reduction/Exemption: Until Dec. 31, 2021 (deadline applied)

Classification		Reduction Rate		Benefits Basis
		Occupant Companies	Project Operators	
National Taxes	Corporate Tax, Income Tax	<ul style="list-style-type: none"> <li>• 100% exemption for 3 years</li> <li>• 50% reduction for the next 2 years</li> </ul>	<ul style="list-style-type: none"> <li>• 50% reduction for 3 years</li> <li>• 25% reduction for the next 2 years</li> </ul>	Article 121-9 of the Restriction of Special Taxation Act
	Customs Duties	<ul style="list-style-type: none"> <li>• Duties on capital goods imported within 3 years from the designated date for direct use in the target business</li> </ul>		Article 121-11 of the Restriction of Special Taxation Act
Local Tax	Acquisition Tax	<ul style="list-style-type: none"> <li>• 100% exemption (within 5 years from the date of calculation)</li> <li>• Pre-application required for land acquisition tax exemption</li> </ul>		Article 24-2 of the Tax Reduction Ordinance of Jeju Special Self-Governing Province
	Property Tax	<ul style="list-style-type: none"> <li>• 100% exemption for 10 years from the base date</li> </ul>		

- ① **(Occupant company)** A separate-type investment company or an investment company that has purchased (leased) some or all of an complex-type zone.
- ② **(Taxable Year)** The taxable year for the first income generation of a business subject to income tax reduction is from the date of commencement of the business until the taxable year in which the 5th year falls. It refers to the taxable year in which the fifth anniversary falls when no income is generated from the business.
- ③ **(Restriction on Local Tax Reduction/Exemption)** Only 85% is reduced when the acquisition tax amount exceeds KRW 2 million and the property tax amount tops KRW 500,000.
- ④ **(Calculation Start Date)** The designated date for a separate-type; the earlier date between the first real-estate acquisition date and the occupancy date for a complex-type

**(b) Reduction/Exemption of Charges**

Category	Rate	Grounds
Development Charges	Exemption 100%	Article 4 of the Enforcement Decree of the Restitution of Development Gains Act (attached Table 1 (4) d)
Farmland Preservation Charges	50%	Article 52 of the Enforcement Decree of the Farmland Act
Substitute Grassland Creation costs	50%	Article 16-3 of the Enforcement Decree of the Grassland Act (attached Table 2 (6) a)
Substitute Forest Resources Creation Costs	50%	Article 23 (1) of the Enforcement Decree of the Mountainous Districts Management Act, (attached Table 5 (2) n)
Public Waters Occupancy or Use Fees	Exemption 100%	Article 13 (1) 8 of the Public Waters Management and Reclamation Act
Sewerage Burden-causing Entity Charges	15%	Article 57 (4) of Jeju Special Self-Governing Province Ordinance on Sewerage Use and Article 3 of Jeju Special Self-Governing Province's Detailed Reduction Criteria for Burden-causing Entity Charges

**b) Jeju Advanced Science and Technology Complex****(1) Jeju Advanced Science and Technology Complex 1****(a) Overview**

Description	Contents
Location	Ara-dong, Jeju-si
Area	1,099,000 m <sup>2</sup> (330,000 pyeong)
Occupant Industries	IT, BT, R&D business, knowledge industry, IT related industries, etc.
Geographical Advantages	<ul style="list-style-type: none"> <li>• Situated within a 10km radius of Jeju provincial office, city hall, Jeju International Airport, and Jeju Port</li> <li>• Easy to secure HR supply and industrial linkage through surrounding higher education institutions, etc.</li> </ul>

**(b) Customized Support**

Description	Contents
Sales Increase	<ul style="list-style-type: none"> <li>• One-stop assistance for overseas market development</li> <li>• Support for overseas promotion, export consulting and buyer-investor matching through domestic and overseas networks</li> <li>• Marketing support through JDC investment companies</li> <li>• Support for the sales of Jeju cosmetics at JDC duty-free shops</li> <li>• Brand value increase through BLUE BAND</li> </ul>
Promotion	<ul style="list-style-type: none"> <li>• Operation of an exhibition hall for occupant companies</li> <li>• Production and distribution of integrated promotional brochures for occupant companies</li> <li>• Operation of a foreign language website</li> </ul>

Description	Contents
Recruitment	<ul style="list-style-type: none"> <li>• Holding JDC-Jeju National University joint job fairs</li> <li>• Offering on-site training program</li> <li>• Connecting job seekers to occupant companies</li> </ul>
Welfare Benefits	<ul style="list-style-type: none"> <li>• Online training programs for occupant companies' employees</li> <li>• Operation of daycare centers and priority sale of private apartments in the complex</li> <li>• Holding cultural events and supporting watching live performance events</li> <li>• Favors through partnership with tourism and leisure companies</li> </ul>

### [ Key Facilities in Jeju Advanced Science and Technology Complex ]



Smart Building



Elite Building



Semiyang Building

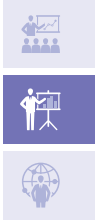
## (2) Jeju Advanced Science and Technology Complex 2

### (a) Overview

Description	Contents
Location	Wolpyeong-dong, Jeju-si, Jeju-do
Area	848,163 m <sup>2</sup> (about 260,000 pyeong)
Occupant Industries	IT, BT, ET, and public and private research institutes, etc.
Geographical Advantages	<ul style="list-style-type: none"> <li>• Located just east of Complex 1 (occupied by Kakao, etc.), completed in 2010.</li> <li>• Situated within a 10 km radius of Jeju provincial office, City Hall, Jeju International Airport, and Jeju Port</li> <li>• Easy to secure HR supply and industrial linkage through surrounding higher education institutions, etc.</li> </ul>
Progress	<ul style="list-style-type: none"> <li>• Apr. 2020 Approval of the national industrial complex implementation plan announced (Jeju Special Self-Governing Province)</li> <li>• Oct. 2020 Kickoff of the building site preparation work (to be completed in Dec. 2021)</li> </ul>

(3) Incentives for Advanced Science and Technology Complex

Category	Assistance Requirements	Subsidies		Other Benefits
Relocation from Seoul Metropolitan Area	When a company with 3+ years of business performance in the metropolitan area and 30 or more regular employees has relocated its headquarters, factory, or research institute (Existing sites must be closed or sold) ※ Excluded Industries: Real estate business, consumer service business, construction business, non-store retailing business ※ Assistance limit: KRW 10 billion per company (75% central government, 25% provincial government)	Location subsidy	Big business	N/A
			Middle-standing enterprise	Within 20% of the land purchase price
			SME	Within 40% of the land purchase price
		Facility investment Subsidy	Big business	Within 11% of facility investment
			Middle-standing enterprise	Within 19% of facility investment
			SME	Within 24% of facility investment
Relocated Companies from other than Seoul Metropolitan Area	When a company with 2+ years of business performance in the metropolitan area and 10 or more regular employees has relocated its headquarters, factory, or research institute (100% provincial government assistance)	Location subsidy		25% of the building site purchase prices
		Facility investment subsidy		10% of facility investment
		Employment subsidy		12 months × KRW 500,000 per person (limit: KRW 100 million)
		Education and training subsidy		6 months × 500,000 per person (limit: KRW 100 million)
New/ Expanded Companies	SMEs with 3+ years of business performance, regular employment of 10 or more, and an investment of KRW 1 billion or more, meeting the following conditions: - The business type of potential investors should belong to the regional cooperative industries, key industries, or priority industries for investment inducement - The number of new hires being 10% or more (at least 10 persons) of the existing workforce after the investment - Maintenance of existing business sites (Closure, sale, rental, or reduction prohibited) ※ Assistance ceiling: KRW 10 billion per company (75% central government, 25% provincial government)	Facility investment Subsidy	Big business	Within 11% of facility investment
			Middle-standing business	Within 19% of facility investment
			SME	Within 24% of facility investment



Category	Assistance Requirements	Subsidies	Other Benefits
IT and Cultural Industries	When a company operating in IT or cultural industries has leased a building and employed local residents as regular employees (100% provincial government) a	Rent (Employment of 10 or more)	50% of rent for 3 years (limit: KRW 500 million)
		Facility & equipment purchase prices (Employment of 10-50 people)	Assistance for initial equipment purchase prices (up to KRW 500 million) -30% for over 10 people -40% for over 20 people -50% for over 30 people
		Employment subsidy (hiring 10+ people)	6 months×KRW 1 million /person or 70% of 6-month average wage (limit: KRW 300 million)
		Education and training subsidy (hiring 20+ people)	6 months × KRW 1 million per person or actual costs (limit: KRW 300 million)

### c) Land Supply for Industry-Academia-Research Cluster

#### (1) Overview

Description	Contents
Location	Seoho-dong and Beophwan-dong, Seogwipo-si
Area	1,135,000 m <sup>2</sup> (about 340,000 pyeong)
Project Purpose	Providing a specialized global medical environment within the region as a core business of Jeju Free International City with an aim to stimulate the medical industry and medical tourism in the province
Geographical Advantages	<ul style="list-style-type: none"> <li>• Connected to the arterial road and accessible from across the province including the airport by public transportation</li> <li>• Basic infrastructure and convenience facilities such as roads, waterworks, sewers, electricity, and communication facilities are available.</li> <li>• A consumer-oriented market of diverse needs is created due to the relocation of 9 public institutions from Seoul metropolitan area, the creation of Jeju Global English City and the completion of a new naval base as well as the world-renowned natural beauty of the province</li> </ul>



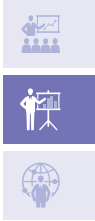
(2) Business Types to be Induced

Category		KSIC*	Industry/Business
Top priority	Education and Training Industry Group	Training	8564 Employee training institution
		Education	8530 Higher education institutions
		Research	7011 Natural science R&D business
			7012 Engineering R&D business
			7020 Humanities and social science R&D business
2nd priority	Medical Tourism Industry Group	Medicine	8610 Hospitals
		Tourism	7521 Travel business
3rd priority	Regional Strategic Industries	-	Jeju Free International City Strategic Industries, Jeju Special Regional Economic Zone Leading Industries, Jeju Special Self-Governing Province Priority Investment Inducement Industries
	Home-based Industries	-	Industries related to major business carried out by relocated public institutions

\* Korea Industrial Standards Commission

(3) Incentives for Corporate Relocation

Category	Incentives	Contents
Businesses with more than 3 years of business in the metropolitan area and 30 or more regular employees	Subsidy payment	Location (45%), facility investment (15%), employment, education and training subsidies, etc.
	Low-interest SME Loans	Jeju Province: Facility fund KRW 3 billion, working capital KRW 500 million Korea Small and Startups Agency: Facility fund KRW 3 billion
	Tax Benefits	Corporate tax (income tax): 100% exemption for 6 years, 50% reduction for 3 years Acquisition/registration tax: 100% exemption Property tax: 100% exemption for 5 years, 50% reduction for 3 years
Businesses with more than 2 years of operation in regions other than Jeju Province and 20 or more regular employees	Subsidy Payment	Location (25%), facility investment (10%), employment, education and training subsidies, etc.
	Low-interest SME Loans	-



### 3) Inquiries

- Investment Promotion Zones: Foreign Investment Promotion Division, Tourism Bureau, Jeju Special Self-Governing Province (064-710-3362)
- Industrial Complexes: Small Business Corporate Division, Bureau of Job, Economy and Trade, Jeju Special Self-Governing Province (064-710-2526)
- Innovation City: Urban Planning & Regeneration Division, Urban Construction Bureau, Jeju Special Self-Governing Province (064-710-2714)
- Advanced Science and Technology Complexes: High-tech Industry Department, Jeju Free International City Development Center, (064-797-5755)
- Health Care Town: Medical Industry Department, Jeju Free International City Development Center (064-797-5702)

### 4) Related Regulations, References, and Websites

- Special Act on the Establishment of Jeju Special Self-governing Province and Development of Free International City
- Ordinance on the Designation, Cancellation and Management of Jeju Investment Promotion Zones
- The Restriction of Special Taxation Act
- Ordinance on the Exemption of Jeju Special Self-Governing Province Taxes
- Jeju Special Self-Governing Province (<https://www.jeju.go.kr>)
- Invest Korea ([www.investkorea.or.kr/jeju](http://www.investkorea.or.kr/jeju))
- Jeju Special Self-Governing Province Investment Inducement System ([www.investjeju.go.kr](http://www.investjeju.go.kr))
- Jeju Free International City Development Center ([www.jdcenter.com](http://www.jdcenter.com))

## [ View of Jeju Investment Promotion Zones and Foreign Investment Zones ]



Jeju Shinhwa World



Jeju Healthcare Town

※ Reference : Jeju Special Self-Governing Province (<https://www.jeju.go.kr>)

## 4. R&D, Technology, Industrial Cluster Areas

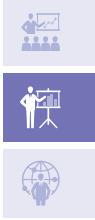
### ▶ A. Special Research and Development Zone

#### 1) Overview

- a) **Definition:** A special research and development zone refers to an area designated to promote the creation of new technologies through R&D, the spread of R&D outcomes and accelerate their commercialization.
- b) **Purpose:** Contributing to the creation of national growth engines by fostering special R&D zones as innovation clusters, creating intellectual properties and promoting their commercialization
- c) **Concept:** Creating an innovative ecosystem that can promote a virtuous cycle of “technologies & ideas → commercialization (start-ups) → corporate growth → re-investment”

#### 2) InnoTowns

- a) **Concept:** The Ministry of Science, Technology and Communication designates and fosters small-scale high-density areas (TOWNS) housing core technology institutions (INNOVATION) like universities, research institutes, and public enterprises in key regions across the country as InnoTowns .



\* A self-sufficient area that integrates functions like research, housing, industry, and culture centered on core technology institutions

**b) Differences between Innopolises and InnoTowns**

- Summary: InnoTowns are aimed at responding to the demand for new R&D zones in major local communities while solving shortcomings of the existing five Innopolises (special R&D zones) sitting on vast areas to meet the quantitative requirements of metropolitan areas across the country, which have suffered from prolonged undeveloped land and lackluster clustering effects.

[ Comparison between Innopolises and InnoTowns ]

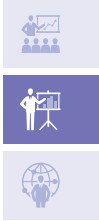
Category	Innopolises	InnoTowns
Designation Requirements	Focus on quantitative requirements* *3 universities, 3 government-funded research institutes, and 40 other types of research institutes	Focused on qualitative requirements* * Qualitative capabilities of key technology institutes and regions
Cultivation Leadership	Central government	Local governments (metropolitan and basic) * Mandatory agreement between core technology institutions and local governments (guaranteed financial and administrative support)
Interaction & Cooperation	Lack of interaction and cooperation between industry, academia, and research institutes	Strengthened partnership among local innovation entities (bottom-up) led by key technology institutions and local governments
Spatial Regulations	No limit (Busan 14.1 km <sup>2</sup> ~ Daedeok 67.4 km <sup>2</sup> )	A maximum of 2 km <sup>2</sup> rear space (National total area: 20 km <sup>2</sup> )

**c) Operational Directions**

- Strengthen cross-ministerial interaction and cooperation for regional innovation centered on InnoTowns and establish a promotion system for the agencies' efficient role performance.
- Role classification: Clarify the roles and responsibilities of key technical institutions and local governments serving as key members and operational partners of InnoTowns.
  - Key technology institutions participate in the planning and execution of projects for fostering InnoTowns and play an

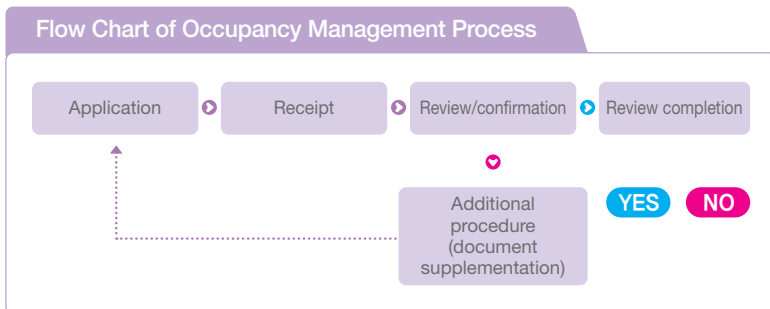
important role in interacting and cooperating with innovation entities

- Local governments share financial burdens (financial support) for nurturing projects according to agreements and take the lead in amending ordinances (administrative support) related to projects in InnoTowns.
- Support: A “Full Cycle Technology Commercialization Support Platform” is promoted systematically reflecting each InnoTown region’s characteristics and strengths.
  - Region-oriented technology commercialization, advancement of strategic industries, attracting, cultivating, and utilizing experts in specialized fields, and expanding regional industry- academia-research collaboration are promoted.
  - key technology institutions serve as a bridgehead for resolving regional issues and transforming key regional industries and business as needed by leading the participation of various innovation actors.



### 3) Occupancy Management

- For information on the occupancy management services for special R&D zones in Korea, please visit the following website:  
 \* Website address: <https://minwon.innopolis.or.kr>



#### 4) Major Tasks of the Korea Innovation Foundation

Category	Detail										
Special Zone Promotion Projects	<p><b>Purpose:</b>Fostering an innovation cluster with a virtuous cycle of “technology-startup-growth” through the commercialization of public research outcomes and the support of startups in special R&amp;D zones</p> <table border="1"> <thead> <tr> <th>Category</th> <th>Project Purposes</th> </tr> </thead> <tbody> <tr> <td>Commercialization of Special Zone Research Outcomes</td> <td> <ul style="list-style-type: none"> <li>Discover excellent technologies for early commercialization of public research outcomes, strengthen linkage between technology consumers and suppliers, and support commercialization processes</li> <li>Establish a full-cycle support system for 'additional commercialization → blank technology matching → prototype → commercialization' through market-oriented public technology discovery and technology transfer and investment by type</li> </ul> </td> </tr> <tr> <td>Business Startup and Growth Support</td> <td> <ul style="list-style-type: none"> <li>Developing it as a representative model of public technology commercialization through systematic support from the startup stage to the growth stage of research-based spin-off companies</li> <li>Stimulate startups and job creation by supporting from item verification to funding arrangement so that creative ideas can be led to startups and commercialization</li> <li>Establish a global technology commercialization network and promote overseas expansion of special zone technologies and companies</li> </ul> </td> </tr> <tr> <td>Support for InnoTown Special Zones</td> <td> <ul style="list-style-type: none"> <li>Support from “Tech connection – R&amp;BD – Start-up Investment – Special growth” of InnoTown Special Zones</li> </ul> </td> </tr> <tr> <td>R&amp;BD Local Issue Solution-oriented R&amp;BD</td> <td> <ul style="list-style-type: none"> <li>Establish a region-led R&amp;BD innovative ecosystem that discovers and resolves local R&amp;D issues and meets future growth demands through innovative resources in special zones</li> </ul> </td> </tr> </tbody> </table>	Category	Project Purposes	Commercialization of Special Zone Research Outcomes	<ul style="list-style-type: none"> <li>Discover excellent technologies for early commercialization of public research outcomes, strengthen linkage between technology consumers and suppliers, and support commercialization processes</li> <li>Establish a full-cycle support system for 'additional commercialization → blank technology matching → prototype → commercialization' through market-oriented public technology discovery and technology transfer and investment by type</li> </ul>	Business Startup and Growth Support	<ul style="list-style-type: none"> <li>Developing it as a representative model of public technology commercialization through systematic support from the startup stage to the growth stage of research-based spin-off companies</li> <li>Stimulate startups and job creation by supporting from item verification to funding arrangement so that creative ideas can be led to startups and commercialization</li> <li>Establish a global technology commercialization network and promote overseas expansion of special zone technologies and companies</li> </ul>	Support for InnoTown Special Zones	<ul style="list-style-type: none"> <li>Support from “Tech connection – R&amp;BD – Start-up Investment – Special growth” of InnoTown Special Zones</li> </ul>	R&BD Local Issue Solution-oriented R&BD	<ul style="list-style-type: none"> <li>Establish a region-led R&amp;BD innovative ecosystem that discovers and resolves local R&amp;D issues and meets future growth demands through innovative resources in special zones</li> </ul>
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Designation of Research-based Spin-off Companies	<ul style="list-style-type: none"> <li>Research-based spin-off companies are established in special R&amp;D zones (Daedeok, Gwangju, Daegu, Busan, Jeonbuk, and InnoTown) to directly commercialize technologies of public research institutes, a new type of enterprise model that combines the technologies of government-funded research institutes with private companies' capital and management know-how.</li> <li>Their establishment process goes through the following stages: ① Searching for and discovering the technology to be established, ② Reviewing the feasibility of establishing a research-based spin-off company (technology value evaluation), ③ Finding and selecting a joint venture company, and ④ Signing a basic agreement for establishing a research-based spin-off company. The Korea Innovation Foundation promotes the development of research-based spin-off companies through tailored support processes for each stage from establishment to marketing.</li> </ul>										
Designation as an Advanced Technology Company	<ul style="list-style-type: none"> <li>A company that produces and sells products in technical fields that are technology intensive and characterized by fast technology innovation among occupant enterprises in a special R&amp;D zone</li> </ul>										
International Cooperation	Support for global expansion, overseas marketing, global cooperation, and global technology commercialization platforms										
Crowdfunding	<ul style="list-style-type: none"> <li>Eligibility               <ul style="list-style-type: none"> <li>Companies located in special R&amp;D zones, companies participating in special zone systems and special zone promotion projects, or companies supporting the Science Belt/Creative Economy Innovation Centers, etc.</li> <li>Social ventures and social economy companies, etc. that promote projects aimed at providing benefits to the whole society</li> </ul> </li> <li>The Korea Innovation Foundation supports in terms of capital procurement and market development by discovering social ventures related to the unique characteristics of public institutions with partner public institutions.</li> </ul>										

\* Please refer to the website of the Korea Innovation Foundation for the details of each project.

## 5) Benefits and Restriction of Special R&D Zone Designation (based on Daedeok Innopolis)

### a) Major Benefit

Category	Detail																								
<p>① Tax Benefits</p>	<ul style="list-style-type: none"> <li>Benefits: Tax reduction or exemption for research-based spin-off companies (Article 9-3) and advanced technology enterprises (Article 9) under the Special Act on Promotion of Special Research and Development Zones</li> </ul> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="background-color: #9966b3; color: white;">National Tax</th> <th colspan="2" style="background-color: #9966b3; color: white;">Local Tax</th> </tr> <tr> <th style="background-color: #9966b3; color: white;">Income Tax and Corporate Tax</th> <th style="background-color: #9966b3; color: white;">Property Tax</th> <th style="background-color: #9966b3; color: white;">Acquisition Tax</th> </tr> </thead> <tbody> <tr> <td style="font-size: small;">100% exemption for 3 years and 50% reduction for 2 years thereafter</td> <td style="font-size: small;">100% exemption for 7 years and 50% reduction for 3 years thereafter</td> <td style="font-size: small;">100% exemption (until Dec. 31, 2023)</td> </tr> </tbody> </table> <ul style="list-style-type: none"> <li>Grounds: (Income tax and corporate tax) Article 12-2 of the Restriction of Special Taxation Act(Property Tax) Article 4 of the District Ordinance on Local Tax Reduction or Exemption, Yuseong-gu, Daejeon(Acquisition Tax) Article 8 of the Municipal Ordinance on Local Tax Reduction or Exemption</li> <li>Effect: Lower financial burdens leading to corporate spending reduction and corporate activity promotion</li> </ul> <p style="font-size: small;">* Application of the country's lowest tax rate of 7%-17%</p>	National Tax	Local Tax		Income Tax and Corporate Tax	Property Tax	Acquisition Tax	100% exemption for 3 years and 50% reduction for 2 years thereafter	100% exemption for 7 years and 50% reduction for 3 years thereafter	100% exemption (until Dec. 31, 2023)															
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<p>② Reduction or Exemption of Charges for Causing Traffic Congestion</p>	<ul style="list-style-type: none"> <li>Assistance: Reduction/exemption of charges for causing traffic congestion for occupying organizations in the special zone</li> <li>Scope: Reduction or exemption depending on total floor space</li> </ul> <p style="font-size: small;">* Unit charges for facilities (as of 2019)</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="background-color: #9966b3; color: white;">Category</th> <th style="background-color: #9966b3; color: white;">Other Areas (KRW/m<sup>2</sup>)</th> <th style="background-color: #9966b3; color: white;">Daedeok INNOPOLIS (KRW/m<sup>2</sup>)</th> </tr> </thead> <tbody> <tr> <td style="font-size: small;">Less than 3,000m<sup>2</sup></td> <td style="font-size: small;">Grade 1: KRW 400 Grade 2: KRW 400 Grade 3: KRW 350</td> <td style="font-size: small;">KRW 350</td> </tr> <tr> <td style="font-size: small;">3,000m<sup>2</sup> - 30,000m<sup>2</sup></td> <td style="font-size: small;">Grade 1: KRW 1,200 Grade 2: KRW 1,050 Grade 3: KRW 650</td> <td style="font-size: small;">KRW 600</td> </tr> <tr> <td style="font-size: small;">Over 30,000m<sup>2</sup></td> <td style="font-size: small;">Grade 1: KRW 1,400 Grade 2: KRW 1,250 Grade 3: KRW 900</td> <td style="font-size: small;">KRW 900</td> </tr> </tbody> </table> <p style="font-size: small;">* Formula for Imposing Facility Charges (as of 2019)</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="background-color: #9966b3; color: white;">Category</th> <th style="background-color: #9966b3; color: white;">Other Areas</th> <th style="background-color: #9966b3; color: white;">Daedeok INNOPOLIS</th> </tr> </thead> <tbody> <tr> <td style="font-size: small;">Less than ①</td> <td style="font-size: small;">Area × yearly unit charge × traffic inducement coefficient</td> <td style="font-size: small;">Area × KRW 350 × traffic inducement coefficient</td> </tr> <tr> <td style="font-size: small;">3,000m<sup>2</sup> - 30,000m<sup>2</sup> ②</td> <td style="font-size: small;">①+ (actual area × yearly unit charge × traffic inducement coefficient)</td> <td style="font-size: small;">KRW 1.05 million + (area surpassing 3,000m<sup>2</sup> × KRW 600) × traffic inducement coefficient</td> </tr> <tr> <td style="font-size: small;">Over 30,000m<sup>2</sup></td> <td style="font-size: small;">②+ (area surpassing 30,000m<sup>2</sup> × yearly unit charge × traffic inducement coefficient)</td> <td style="font-size: small;">KRW 17.25 million + (area surpassing 30,000m<sup>2</sup> × KRW 900) × traffic inducement coefficient</td> </tr> </tbody> </table> <ul style="list-style-type: none"> <li>Grounds: Article 4 (2) of the Daejeon Metropolitan City Ordinance on Charges Causing Traffic Congestion</li> <li>Effects: Lower financial burdens leading to corporate spending reduction and corporate activity promotion</li> </ul>	Category	Other Areas (KRW/m <sup>2</sup> )	Daedeok INNOPOLIS (KRW/m <sup>2</sup> )	Less than 3,000m <sup>2</sup>	Grade 1: KRW 400 Grade 2: KRW 400 Grade 3: KRW 350	KRW 350	3,000m <sup>2</sup> - 30,000m <sup>2</sup>	Grade 1: KRW 1,200 Grade 2: KRW 1,050 Grade 3: KRW 650	KRW 600	Over 30,000m <sup>2</sup>	Grade 1: KRW 1,400 Grade 2: KRW 1,250 Grade 3: KRW 900	KRW 900	Category	Other Areas	Daedeok INNOPOLIS	Less than ①	Area × yearly unit charge × traffic inducement coefficient	Area × KRW 350 × traffic inducement coefficient	3,000m <sup>2</sup> - 30,000m <sup>2</sup> ②	①+ (actual area × yearly unit charge × traffic inducement coefficient)	KRW 1.05 million + (area surpassing 3,000m <sup>2</sup> × KRW 600) × traffic inducement coefficient	Over 30,000m <sup>2</sup>	②+ (area surpassing 30,000m <sup>2</sup> × yearly unit charge × traffic inducement coefficient)	KRW 17.25 million + (area surpassing 30,000m <sup>2</sup> × KRW 900) × traffic inducement coefficient
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Category	Detail										
<p>③ Water Bill Reduction or Exemption</p>	<ul style="list-style-type: none"> <li>• Assistance: Water bill reduction or exemption for occupying organizations in the special zone</li> <li>• Scope: Relaxation of progressive water bills (stage 1)</li> </ul> <table border="1" style="width: 100%; border-collapse: collapse; margin: 10px 0;"> <thead> <tr> <th style="background-color: #996699; color: white;">Quantity (liter)</th> <th style="background-color: #996699; color: white;">Other areas (KRW/m<sup>2</sup>)</th> <th style="background-color: #996699; color: white;">Daedeok Zone (KRW/m<sup>2</sup>)</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">~50</td> <td style="text-align: center;">KRW 650</td> <td rowspan="3" style="text-align: center; vertical-align: middle;">KRW 890/m<sup>2</sup> when exceeding 100 m<sup>2</sup></td> </tr> <tr> <td style="text-align: center;">51-100</td> <td style="text-align: center;">KRW 890</td> </tr> <tr> <td style="text-align: center;">More than 100</td> <td style="text-align: center;">KRW 1,100</td> </tr> </tbody> </table> <ul style="list-style-type: none"> <li>• Grounds: Daejeon Metropolitan City Ordinance on Water Supply [attached Table 2]</li> <li>• Effects: Lower financial burdens leading to corporate spending reduction and corporate activity promotion</li> </ul>	Quantity (liter)	Other areas (KRW/m <sup>2</sup> )	Daedeok Zone (KRW/m <sup>2</sup> )	~50	KRW 650	KRW 890/m <sup>2</sup> when exceeding 100 m <sup>2</sup>	51-100	KRW 890	More than 100	KRW 1,100
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More than 100	KRW 1,100										
<p>④ Administrative Support for Development Procedures</p>	<p>(1) Collective Legal Fiction of Authorization or Permission</p> <ul style="list-style-type: none"> <li>• Assistance: Legal fiction of authorization or permission about more than 30 tasks involving consultation, reporting, or designation when an implementation plan is approved</li> <li>• Grounds: Article 29 of the Special Act on Promotion of Special Research and Development Zones (Legal Fiction of Permission)</li> <li>• Effects: Simplification of procedures required for special R&amp;D zone development projects through collective legal fictions</li> </ul> <p>(2) Expropriation</p> <ul style="list-style-type: none"> <li>• Assistance: Land expropriation through public development</li> <li>• Grounds: Article 31 of the Special Act on Promotion of Special Research and Development Zones (Expropriation of Land)</li> <li>• Effects: Fast project promotion through shortened time required for compensation, etc.</li> </ul>										
<p>⑤ Relaxation of the Floor Height Rules in the Special R&amp;D Zone</p>	<p>(1) Relaxation of the Floor Height Rules in Green Areas of the Special R&amp;D Zone</p> <ul style="list-style-type: none"> <li>• Assistance: Relaxation of floor height rules for education, research and commercialization facility areas in green areas             <ul style="list-style-type: none"> <li>- 4-floor building (20% building-to-land ratio, 80% floor area ratio) ➡</li> <li>7-floor building (30% building-to-land ratio, 150% floor area ratio)</li> </ul> </li> <li>• Grounds: Article 44 of the Special Act on Promotion of Special Research and Development Zones; Article 37 of the enforcement decree of the same Act; and Article 45 (3) and Article 50 (3) of Daejeon Metropolitan City Ordinance on Urban Planning</li> <li>• Effects: Creation of a pleasant research environment by easing construction restrictions on research-related facilities</li> </ul>										
<p>⑥ Financial Assistance</p>	<p>(1) Full or Partial Reduction of Charges for the Implementers of the Special Zone Development Projects</p> <ul style="list-style-type: none"> <li>• Assistance: Reduction of charges including development charges, farmland preservation charges, environmental improvement charges, and public waters use fees for the implementers of development projects</li> <li>• Grounds: Article 14 of the Special Act on Promotion of Special Research and Development Zones (Special Provisions for Tax Benefits and Full or Partial Exemption from Charges)</li> <li>• Effects: Lower financial burdens leading to corporate spending reduction and corporate activity promotion</li> </ul>										



Category	Detail
⑥ Financial Assistance	<p>(2) National and Local Subsidies for Infrastructure in Special Zones</p> <ul style="list-style-type: none"> <li>• Assistance: Priority support for infrastructure such as roads and water supply and subsidies for land purchase and facility construction, etc. (up to 50%)</li> <li>• Grounds: (Infrastructure) Article 33 of the Special Act on Promotion of Special Research and Development Zones and Article 27-3 of the enforcement decree of the same Act(Bearing of Expenses) Article 33-2 of the Special Act on Promotion of Special Research and Development Zones and Article 27-4 of the enforcement decree of the same Act</li> <li>• Effects: Enhancement of business feasibility and reduction of sales price of research and industrial land by reducing project costs</li> </ul>

\* Refer to tax reduction and other benefits available from local governments when entering the special zone

**b) Restrictions**

Category	Detail	Subjects
① Regulation on Building Activities	<p>(1) Building Restrictions (refer to Attachment 2)</p> <ul style="list-style-type: none"> <li>• Restrictions: Restrictions on buildings other than those designated for each special zone</li> <li>• Grounds: Article 36 of the Special Act on Promotion of Special Research and Development Zones and Article 30 of the enforcement decree of the same Act</li> <li>• Effects: Maintenance/preservation of a pleasant R&amp;D and residential environment by restricting building construction</li> </ul>	Occupants of relevant areas in the special zone
	<p>(2) Review of Building Designs</p> <ul style="list-style-type: none"> <li>• Restrictions: Mandatory design review for buildings larger than a certain size                             <ul style="list-style-type: none"> <li>- Buildings with a total floor area of 5,000 m<sup>2</sup> or those of 16 stories or more</li> </ul> </li> <li>• Grounds: Article 36 of the Special Act on Promotion of Special Research and Development Zones and Article 31 of the Enforcement Decree of the same Act</li> <li>• Effects: Securing comfort for the research and housing environment and ensuring development within the infrastructure capability</li> </ul>	Building owners in the special zone
② Restrictions on Occupant Industries	<ul style="list-style-type: none"> <li>• Restrictions: Restrictions on business types allowed for areas for industrial facilities</li> <li>• Grounds: Article 34 of the Special Act on Promotion of Special Research and Development Zones and the Special Zone Management Plan</li> <li>• Business types banned from areas for Industrial facilities                             <ul style="list-style-type: none"> <li>Plating, painting, phenol and heavy metal emission industries and those companies that are expected to discharge designated odor substances, specific air pollutants, or specific water pollutants, about which the management agency has made decisions in consultation with the local government.</li> </ul> </li> <li>• Effects: Maintenance/preservation of a pleasant research and residential environment by attracting environmentally friendly industrial facilities</li> </ul>	Relevant enterprises and research institutes in the special zone

Category	Detail	Subjects
③ Restrictions on Transfer of Building Sites	<ul style="list-style-type: none"> <li>Contents: Restrictions on transfer prices in education, research and commercialization facility areas               <ul style="list-style-type: none"> <li>- Restriction on transfer price of building sites (limited to education, research, and commercialization facility areas) to create a pleasant research environment and to supply cheap building sites</li> </ul> </li> <li>Grounds: Article 38 of the Special Act on Promotion of Special Research and Development Zones and Article 34 of the enforcement decree of the same Act</li> <li>Effects: Acceleration of R&amp;D facilities attraction and prevention of real estate speculation through the supply of inexpensive building sites</li> </ul>	Relevant enterprises and research institutes in the special zone

## 6) Designation Status

### a) Special R&D Zones

#### [ Designation Status of Special R&D Zones ]

Name	Designation Date	Designation Purpose	Area	Location	Specialized Fields
Dae deok	'06.06.30 June 30, 2006	Building a hub for future-oriented high-tech convergence industries	67.5km <sup>2</sup>	Yuseong-gu and Daedeok-gu, Daejeon	IT convergence, biomedical, nano convergence, precision machinery
Gwang ju	'11.01.24 Jan. 24, 2011	Building a global base for the optical-based convergence industries	18.7km <sup>2</sup>	Gwangsan-gu, Dong-gu, Buk-gu in Gwangju and Jangseong-gun in Jeonnam	Next-generation optical-based convergence, eco-friendly automobile parts, smart grid, design cultural contents, and biomaterials
Dae gu	'11.01.24 Jan. 24, 2011	Creating an IT-based global materials and parts convergence cluster	22.2km <sup>2</sup>	Dong-gu, Buk-gu, Dalseo-gu, Dalseong-gun in Daegu and Gyeongsan-si in Gyeongbuk	Convergence in smart IT medical containers and materials, green energy, and mechatronics
Bu san	'12.11.12 Nov. 12, 2012	Building an R&D-based shipbuilding and offshore plant innovation cluster	14.1km <sup>2</sup>	Gangseo-gu, Geumjeong-gu, Nam-gu, Yeongdo-gu, Saha-gu, Busanjin-gu, and Yeonje-gu in Busan	Shipbuilding and offshore plant equipment, offshore plant engineering and services, and green offshore machinery
Jeon buk	'15.07.13 July 13, 2015	Building an R&D-based shipbuilding and offshore plant innovation cluster	16.3km <sup>2</sup>	Jeonju-si, Wanju-gun and Jeongeup-si	Convergence materials and parts, and agriculture-life sciences convergence

**b) InnoTowns**

**[ InnoTown Designation Status (designation made in 2019) ]**

Location	Core Technology Agency	Area Allocation	Total Area	Specialized Field
Ansan, Gyeonggi	Hanyang University ERICA Campus (0.84 km <sup>2</sup> )	Commercialization Promotion Zone (0.18 km <sup>2</sup> ), Commercialization Base Zone (0.71 km <sup>2</sup> )	1.73 km <sup>2</sup>	ICT convergence parts and materials
Gimhae, Gyeongnam	Inje University (0.28 km <sup>2</sup> )	Technology Commercialization Zone (0.40 km <sup>2</sup> ) Advancement Base Zone (0.44 km <sup>2</sup> )	1.13 km <sup>2</sup>	Medical life sciences and medical devices
Jinju, Gyeongnam	Gyeongsang National University (1.14 km <sup>2</sup> )	R&D Convergence Zone (0.21 km <sup>2</sup> ) Technology Commercialization Zone (0.82 km <sup>2</sup> )	2.17 km <sup>2</sup>	Machinery convergence based on intelligent electricity
Changwon, Gyeongnam	Korea Electrotechnology Research Institute (0.20 km <sup>2</sup> )	Technology Commercialization Zone (0.43 km <sup>2</sup> )	0.65 km <sup>2</sup>	Machinery convergence based on intelligent electricity
Pohang, Gyeongbuk	POSTECH (1.67 km <sup>2</sup> ), Pohang Institute of Industrial Science and Technology (0.36 km <sup>2</sup> )	Commercialization Zone (0.14 km <sup>2</sup> ) Production Base Zone (0.58 km <sup>2</sup> )	2.72 km <sup>2</sup>	Advanced new materials
Cheongju, Chungbuk	Chungbuk National University (1.41 km <sup>2</sup> )	Commercialization Zone (0.79 km <sup>2</sup> )	2.20 km <sup>2</sup>	Smart IT parts and systems

**[ InnoTown Designation Status (designation made in 2020) ]**

Location	Core Technology Agency	Area Allocation	Total Area	Specialized Field
Gumi, Gyeongbuk	Kumoh National Institute of Technology (0.66 km <sup>2</sup> )	Technology Commercialization Zone (0.88 km <sup>2</sup> ) Startup Demonstration Zone (0.08 km <sup>2</sup> ) Manufacturing Production Zone (0.95 km <sup>2</sup> )	2.57 km <sup>2</sup>	Smart manufacturing system
Hongneung, Seoul	KIST(0.27 km <sup>2</sup> ) Korea Univ. (0.62 km <sup>2</sup> ) Kyunghee Univ. (0.41 km <sup>2</sup> )	Technology Commercialization Zone (0.06 km <sup>2</sup> )	1.35 km <sup>2</sup>	Digital healthcare
Ulju, Ulsan	Ulsan National Institute of Science and Technology (1.02 km <sup>2</sup> )	Relocation Commercialization Zone (1.23 km <sup>2</sup> ) Start-up Production Zone (0.76 km <sup>2</sup> )	3.01 km <sup>2</sup>	The batteries of the future
Naju, Jeonnam	Korea Electric Power Corporation (0.26 km <sup>2</sup> )	Core Technology Commercialization Zone (0.50 km <sup>2</sup> ) Technology Ecosystem Circulation Zone (0.93 km <sup>2</sup> )	1.69 km <sup>2</sup>	Intelligent solar and energy storage



Location	Core Technology Agency	Area Allocation	Total Area	Specialized Field
Gunsan, Jeonbuk	Kunsan National University (0.86 km <sup>2</sup> )	R&D Convergence Zone (0.05 km <sup>2</sup> ) Commercialization Support Zone (0.24 km <sup>2</sup> ) Outcome Dissemination Zone (1.55 km <sup>2</sup> )	2.70 km <sup>2</sup>	Eco-friendly EV parts and materials
Cheonan, Chungnam	Korea Automotive Technology Institute (0.24 km <sup>2</sup> )	R&D and Startup Convergence Zone (0.47 km <sup>2</sup> ) Technology Commercialization Zone (0.61 km <sup>2</sup> )	1.320 km <sup>2</sup>	Next-generation auto parts

## 7) Inquiries

### a) Korea Innovation Foundation (Five Innopolises, InnoTowns, 042-865-8800)

- Daedeok (042-865-7013)
- Gwangju (062-603-5000)
- Daegu (053-592-8364)
- Busan (051-293-4853)
- Jeonbuk (063-905-9742, 9745)

### b) Local Government Divisions in Charge of InnoTowns

Location	Division	Phone Number
Pohang and Gumi, yeonbuk	Gyeongsangbuk-do Science and Technology Policy Division	054-880-2431
Gimhae, Yangsan, Inju and Changwon, Gyeongsangnam-do	Gyeongsangnam-do Emerging Industry Research Division	055-211-3173
Ansan, Gyeonggi	Gyeonggi-do Science and Technology Division	031-8008-4006
Cheongju, Chungbuk	Chungcheong buk-do 4 <sup>th</sup> Industrial Revolution Team	043-220-3424
Hongneung, Seoul	Seoul Special City Special Zone Planning Team	02-2133-8742
Ulsu, Ulsan	Ulsan Metropolitan City Future New Industry Division	052-229-6911
Naju, Jeonnam	Jeollanam-do Research Bio Industry Division	061-286-6621
Gunsan, Jeonbuk	Jeollabuk-do Innovative Growth Policy Division	063-280-2178
Cheonan & Asan, hungnam	Chungcheongnam-do Future Growth Division	041-635-3959

### 8) Related Regulations, Reference, and Websites

- The Special Act on Growth of Special R&D Zones
- Designation notices by special R&D zone
- Industrial Sites Bulletin 2020, KICOX
- The Korea Innovation Foundation ([www.innopolis.or.kr](http://www.innopolis.or.kr))
- Occupancy and Management Service for Innopolises (<https://minwon.innopolis.or.kr>)

※ Reference : The Korea Innovation Foundation ([www.innopolis.or.kr](http://www.innopolis.or.kr))

## ▶ B. International Science and Business Belt

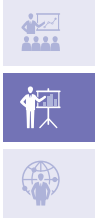
### 1) Overview

#### a) Definitions and Backgrounds

- The term "international science and business belt" means an area designated and publicly notified by the Minister of Science and ICT in accordance with the Special Act on the Establishment of and Support for International Science and Business Belt where the central district and functional districts are interconnected to converge and develop basic research and business comprehensively and systematically.
- A science belt refers to an area that interconnects the central and functional districts to converge and develop basic research and business comprehensively and systematically.
- The central district means an area located in the international science and business belt, designated and publicly notified. The functional district means an area located in the international science and business belt, designated and publicly notified to conduct applied research, development research, commercialization, etc. in association with the central district.

\* The central district: 3,705,000 m<sup>2</sup> (approximately 1.12 million pyeong) in Yuseong-gu, Daejeon including Sindong (1,643,000 m<sup>2</sup>), Dungok-dong (1,802,000 m<sup>2</sup>), and Doryong-dong (260,000 m<sup>2</sup>)

\*\* The functional district: Located in Cheonan-si, Cheongju-si, and Sejong-si



**b) Scope of the International Science and Business Belt**

Category	Subdistricts	Area	Special Features
Central District	Sindong	1.64 km <sup>2</sup>	Heavy ion accelerator (RAON) / Research site, etc.
	Dungok	1.80 km <sup>2</sup>	Industrial & research site / Residential & commercial site, etc.
	Doryong	0.26 km <sup>2</sup>	Institute for Basic Science (IBS)
Functional Districts			Sejong City
			Cheongju City
			Cheonan City

**c) Management of the Science Belt: Korea Innovation Foundation**

- The foundation’s major duties
  - Support for the establishment of management and promotion plans for the International Science and Business Belt
  - Attracting institutions and prominent overseas research institutes to the Science Belt and creating a world-class living environment in the Belt, etc.
  - Work on commercialization and training of specialized R&D personnel and matters related to nurturing and supporting the functional districts, etc.

**[ Layout of the International Science and Business Belt ]**



## 2) Development and Management of the Central District

### a) Overview

- Purposes: To foster the district into a world-class science-based innovation cluster by establishing a world-class basic research environment and a global residential environment.
- Grounds: Article 12 of the Special Act on Establishment of and Support for International Science and Business Belt, and the Master Plan for the Science and Business Belt, etc.

### [ Designation Status of the Central District ]

Category	Subdistrict	Area	Site Purpose	Main Facilities
Central District	Sindong	1.64 km <sup>2</sup>	Research site	Heavy ion accelerator (RAON) and related research facilities
	Dungok	1.80 km <sup>2</sup>	Research site, industrial site, commercial site, and residential site	Advanced Research Industrial Complex
	Doryong	0.26 km <sup>2</sup>	Research site, commercial site and park and green spaces	Institute for Basic Science (IBS), Korea institute of Patent Information

### b) Major Facilities



IBS



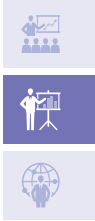
Heavy Ion Accelerator (RAON)

\* Please contact the IBS for more information on IBS and the heavy ion accelerator.

### c) Occupancy Information (Please refer to the website for application and approval procedures.)

#### (1) Occupancy Application

- Apply at the website of Occupancy Management Service for the International Science and Business Belt ([bizbelt.innopolis.or.kr](http://bizbelt.innopolis.or.kr)).



## (2) Permitted Types of Business

- The following 11 types of business are designated and announced to operate in the area to create upstream and downstream industries in connection with the Institute for Basic Science (IBS) and the heavy ion accelerators (based on Korean Standard Industrial Classification)

- |   |   |
|---|---|
| ① Chemical substances and chemical products                               | ⑦ Other machinery and equipment                                       |
| ② Medical substances and drugs  | ⑧ Professional, scientific and technical service business             |
| ③ Metal processed products  | ⑨ Software development and supply business                            |
| ④ Electronic parts, computers, video & sound and communications equipment | ⑩ Computer programming and system integration and management business |
| ⑤ Medical, precision and optical devices, and watches                     | ⑪ Information service business  |
| ⑥ Electrical equipment  |   |

## (3) Occupancy Eligibility

- Occupancy Eligibility for Basic Research Area

A person who intends to take occupancy of a basic research area shall be any of the following research institutes and obtain occupancy approval from the Minister of Science and ICT in advance:

1. A science and technology research institute funded by the central or local government;
2. A university, industrial college, or technical college under the Higher Education Act;
3. An educational institution established in accordance with other Acts, which provides bachelor's degree courses or higher related to science and engineering;
4. An affiliated research institute of an enterprise recognized under Article 14-2 (1) of the Basic Research Promotion and Technology Development Support Act;
5. A research institute that is a corporation in the field of science and technology established in accordance with the Civil Act or other Acts;
6. A foreign research institute which conducts the function of basic research similar to that of any of the entities referred to in subparagraphs 1 through 5



7. A person who is deemed necessary by the Minister of Science and ICT to promote the welfare of the persons engaged in an occupying institution under Article 12-4 (3) and operate and manage such an institution

● Occupancy Qualifications for an Industrial Area

A person who intends to take occupancy of an industrial area shall fall under any of the following and obtain occupancy approval from the Minister of Science and ICT in advance (legal grounds: Article 12-3 of the Enforcement Decree of the Special Act on Establishment of and Support for International Science and Business Belt)

- For research sites, occupancy eligibility differs depending on the types of buildings (the attached table of the Enforcement Decree of the Special Act on Promotion of Special Research and Development Zones.

< Research Sites >

1. In the event that occupants only build research facilities prior to occupancy
  - (1) Research institutes in the field of science and technology funded by the central or local government
  - (2) A university, industrial college, or technical college under the Higher Education Act
  - (3) Educational institutions that operate at least a bachelor's degree program related to science and engineering established in accordance with other laws
  - (4) A research institute affiliated with an enterprise under Article 14 (1) 2 of the Basic Research Promotion and Technology Development Support Act
  - (5) A corporate research institution in the field of science and technology incorporated under the Civil Act or other statutes
  - (6) A foreign institution that performs basic research functions similar to those of institutions referred to in items (1) through (5)
  - (7) A person deemed necessary, by the Minister of Science and ICT, for promoting the welfare of persons working for resident institutions and the operation and management of such institutions
2. In the event that occupants build both research and manufacturing facilities before moving in, they should meet the following paragraph 1 along with paragraph 2 or paragraph 3.



- (1) Same as 1-7 above
- (2) A person who intends to establish a knowledge industry center defined in Article 2-13 of the Industrial Cluster Development and Factory Establishment Act in the relevant industrial zone
- (3) A person who intends to operate an industry or facility meeting the classification of use and management of land determined and publicly notified by the Minister of Science and ICT according to Article 12-2 of the Special Act on Establishment of and Support for International Science and Business Belt

#### <Industrial Sites>

- (1) A person who intends to establish a knowledge industry center defined in Article 2-13 of the Industrial Cluster Development and Factory Establishment Act in the relevant industrial zone
- (2) A person who intends to operate an industry or facility meeting the classification of use and management of land determined and publicly notified by the Minister of Science and ICT according to Article 12-2 of the Special Act on Establishment of and Support for International Science and Business Belt

#### (4) Occupancy Benefits

- Tax benefits for high-tech companies and research institutes under the Special Act on Promotion of Special Research and Development Zones

Income Tax and Corporate Tax	Property Tax	Acquisition Tax / Registration Tax
3 years (exemption) + 2 years (50% reduction) thereafter	7 years (exemption) + 3 years (50% reduction) thereafter	Exemption

\* SMEs relocated from Seoul metropolitan area (overconcentration control region): 6-year tax benefits in corporate tax or income tax (100% exemption for 4 years, 50% reduction for 2 years), exemption from acquisition tax, 8-year benefits in property tax (100% reduction for 5 years, 50% reduction for 3 years)

- Subsidy payment, loan interest assistance, and acquisition tax benefits, etc. according to Daejeon Metropolitan City ordinances

Subsidies	Loan Interest Assistance (1-2% a year)	Local Tax (acquisition tax)
Eligibility: Invested more than KRW 5 billion each on sites and equipments (Limits: within KRW 10 billion in total per company)	Those eligible for Daejeon City's startup and competitiveness enhancement funding support - Daejeon Metropolitan City Ordinance on SME Promotion Fund	Exemption until Dec. 31, 2021
Land purchase prices: within 30% of the prices	Working capital: up to KRW 500 million	
Facility investment: within 14% of the amount	Facility investment: up to KRW 2 billion	

### 3) Functional District Assistance Programs

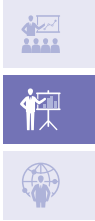
#### a) Main Programs

##### (1) Support for Establishment and Operation of Joint Research Corporations

- Purpose: Securing product competitiveness of small and medium-sized companies by linking research results of universities and government-funded research institutes with corporate product development
- Targets: Joint research corporations established in functional districts
- Contents: Support for product development by step by linking and utilizing the research results of universities and government-funded research institutes in the special R&D zone, the central district, the functional districts, Support for International Science and Business Belt, and the Master Plan for the Science and Business Belt, etc.

##### (2) Strengthening Universities' Research Capabilities for Commercialization

- Purpose: Reinforcement of commercialization research capabilities of the industry, academia, and research institutes in functional districts to link and spread the research outcomes of the special R&D zone and the central district



- Targets: University commercialization research centers established in functional districts
- Contents: Leading innovation in functional districts by establishing a research center composed of researchers with excellent commercialization track records

### (3) Support for Startup and Growth in Functional Districts

- Purpose: To foster a self-sustaining startup hub by operating a startup support program within the Science Belt's functional districts
- Targets: Consortium project groups consisting of by colleges/universities in the field of science and engineering and companies specializing in commercialization in functional districts
- Contents: Support for the commercialization of startup items, such as the discovery of prospective entrepreneurs, the verification of business items, the matching of public technologies, and the follow-up support

### (4) Industry-Academia Cooperation for HR Development

- Purposes: To cultivate field-oriented manpower to respond to the demand of future-oriented industries in the Science Belt based in the midst of the 4th industrial revolution
- Targets: A consortium with universities or private educational institutions in the field of science and engineering
- Contents: On-the-spot real-project-based classes and convergence-type practical training offered by experts working for companies

### (5) Interactive Technology-Demand Discovery and Connection

- Purpose: Activating technology transfer of outstanding research outcomes by establishing a two-way discovery system for science belt technology suppliers and users
- Targets: Organizations and consortiums specialized in technology commercialization

- Contents: Support for all the matters related technology transfer such as the discovery of promising science belt technologies, the identification of corporate demand, the technology matching, and the BM establishment

#### (6) Comprehensive Support for Customized Science Commercialization

- Purposes: To create an efficient science-business ecosystem in functional districts through various commercialization programs centered on the Biz-Connect center
- Targets: Organizations and consortiums specialized in technology commercialization
- Contents: Consulting necessary for commercialization, network exchange and cooperation, planning and operation of commercialization support programs, etc.

#### (7) Technical Solution Support

- Purposes: Strengthening science-based technological innovation capacity by supporting follow-up research for the commercialization of basic research outcomes in the Science Belt
- Contents: Promotion of follow-up R&D tasks by matching companies with government-funded research institutes, universities, and specialized research institutes for the development of technologies the businesses are in need of but incapable of developing on their own

#### (8) Science-based Commercialization Platform

- Acceleration Support
  - Purposes: Accelerating corporate growth through follow-up investments based on the identification of promising entrepreneurs and startups and the provision of education and mentoring services
  - Targets: Organizations and consortiums specialized in technology commercialization (corporations with investment functions)



- Contents: Support for startups' investment through initial company cultivation programs including education and mentoring as well as demo days
- Support for Follow-up Corporate Growth in Functional Districts
  - Purposes: Enhancing competitiveness and increasing sales through customized support for companies in functional districts such as domestic and overseas market expansion and product manufacturing
  - Targets: Companies in functional districts or businesses on the receiving end of technology transfer from the Science Belt
  - Contents: Proactive individual or package-type support including demand-based prototyping, market development, test analysis, etc.

#### b) SB Plazas

- SB Plazas play a key role in promoting technology commercialization and spread research outcomes in functional districts. Serving as the key facility for all the functional districts in Sejong, Cheonan and Cheongju, SB Plazas make sure that research outcomes created in the districts will result in their unique business-based science and technology commercialization.

#### [ Operation Status of SB Plaza ]

Classification	Details
Sejong SB Plaza	<ul style="list-style-type: none"> <li>• <b>Overview:</b> A core facility to foster the Sejong Functional District as a key base in spreading basic research results in the central district</li> <li>• <b>Location:</b> 93 Guncheong-ro, Jochiwon-eup, Sejong</li> <li>• <b>Completion:</b> July 2018</li> <li>• <b>Building Area:</b> 1,163 m<sup>2</sup></li> <li>• <b>Gross Area:</b> 10,749 m<sup>2</sup> (2 basement levels and 10 ground levels)</li> <li>• <b>Occupants:</b> Biz-Connect Center, Sejong Creative Economy Innovation Center, Sejong Regional Industrial Planning Team, Korea Invention Promotion Association, R&amp;D companies, etc.</li> </ul>




Classification	Details
Cheongju SB Plaza	<ul style="list-style-type: none"> <li>• <b>Overview:</b> A core facility to foster the Cheongju Functional District to promote the commercialization of basic research outcomes in the Science Belt by universities and businesses</li> <li>• <b>Location:</b> 194-25 Osongsaengmyeong 1-ro, Osong-eup, Heungdeok-gu, Cheongju-si, Chungcheongbuk-do</li> <li>• <b>Completion:</b> July 2018</li> <li>• <b>Building Area:</b> 1,455 m<sup>2</sup></li> <li>• <b>Gross Area:</b> 10,921 m<sup>2</sup> (2 floors below ground and 5 floors above ground)</li> <li>• <b>Occupants:</b> Biz-Connect Center, Chungbuk Creative Economy Innovation Center, R&amp;D companies, etc.</li> </ul>
Cheonan SB Plaza	<ul style="list-style-type: none"> <li>• <b>Overview:</b> A core facility for scientific commercialization in Cheonan that connects the outcomes of basic science belt research with companies through application and development research activities</li> <li>• <b>Location:</b> 136 Jiksan-ro, Jiksan-eup, Seobuk-gu, Cheonan-si, Chungcheongnam-do</li> <li>• <b>Completion:</b> November 2018</li> <li>• <b>Building Area:</b> 1,821 m<sup>2</sup></li> <li>• <b>Gross Area:</b> 9,970 m<sup>2</sup> (1 basement level and 6 ground levels)</li> <li>• <b>Occupants:</b> Biz-Connect Center, R&amp;D companies, etc.</li> </ul>

### c) Biz-Connect Center

#### (1) Overview

- The Korea Innovation Foundation has established Biz-Connect Center (BCC) in SB Plazas in three functional districts to support the spread of scientific belt performance through industry-academia-research cooperation, networking, and consulting.

#### [ Location and Scale ]

Description	Sejong BCC	Cheongju BCC	Cheonan BCC
Floor/Area	2 <sup>nd</sup> floor/350.96 m <sup>2</sup> (106.3 pyeong)	1 <sup>st</sup> floor/358.59 m <sup>2</sup> (108.6 pyeong)	2 <sup>nd</sup> floor/280.93 m <sup>2</sup> (85.9 pyeong)
Frontal View			

## (2) Functions

### (a) Provide Space for Innovative Tech Startups

- Create co-working space for startups

Category	Startup Space	Startup Support Programs
Early Start-up Stage	<ul style="list-style-type: none"> <li>• Independent space for 3-4 people (3 rooms)</li> </ul>	<ul style="list-style-type: none"> <li>• Investment Attraction Demo Day, networking</li> <li>• Priority support for BCC programs</li> <li>• Incubation space linked to other projects, R&amp;D fund support, investment attraction connection, etc.</li> </ul>
Build-up Stage	<ul style="list-style-type: none"> <li>• Use of creative space, collaboration space, conference room, etc.</li> </ul>	<ul style="list-style-type: none"> <li>• Support for startup preparation programs such as item verification</li> <li>• Selection of start-up companies through startup performance competitions by functional district</li> </ul>
Idea Stage	<ul style="list-style-type: none"> <li>• Providing one-person spaces (20) plus an open space for active communication</li> </ul>	<ul style="list-style-type: none"> <li>• Startup education, network support</li> <li>• Organizing startup members (using bulletin boards) for mentoring support by team</li> </ul>

- Operation of start-up commercialization programs
  - Running fixed theme programs for each day of the week to spread the start-up boom in functional districts

### (b) Demand-customized Non-stop Full Cycle Support

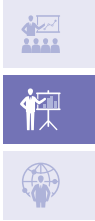
- Operation of a support platform for the full cycle of scientific commercialization
  - Running a platform to support the full cycle of scientific commercialization from technology discovery, technology transfer, start-up, and growth support through BCC

#### [ Operation Status of SB Plaza ]

Category	Contents
Commercialization Platform	<ul style="list-style-type: none"> <li>• Creation of commercialization results through technology finance, mentoring, and consulting services</li> <li>• Provide an open consultation space for consulting with accelerators, VCs, and specialized commercialization organizations</li> </ul>



Category	Contents
Co-working Space	<ul style="list-style-type: none"> <li>• Customized support for entrepreneurs</li> <li>• Composing the space as a step-up space (open type → designated seat → individual space) provided according to the growth stage of prospective founders plus an open business space to promote communication</li> </ul>
Networking	<ul style="list-style-type: none"> <li>• Promotion of networking between technology suppliers and consumers</li> <li>• Creating networking space for a self-service cafe lounge, shared bulletin boards, lecture rooms, etc.</li> </ul>



#### 4) Complex-type Foreign Investment Zones in Daejeon International Science Business Belt

##### a) Designation Purposes and Status

- Purposes: To revitalize industrial development through the attraction of foreign companies in the fields of biofunctional materials, new and renewable energy, and high-tech fields in order to create high-quality jobs and strengthen the country's national competitiveness
- Status: The designation as an foreign investment zone was approved and publicly announced in September 2020.

##### b) Location and Area

- Location: The International Science and Business Belt in Dungok-dong, Yuseong-gu, Daejeon (Industrial Blocks 13 and 16)
- Area: 83,566 m<sup>2</sup>

##### c) Occupant Qualifications and Major Business Types to Attract

- Qualifications: Purely foreign-invested companies or joint ventures with a foreign-invested company's share of at least 30% of the total number of shares with voting rights, with total foreign investment of KRW 100 million or more
- Occupancy Obligations
  - Investment Amount: At least 100% of the lease site value
  - Factory Building Area: The standard factory area ratio by industry (at least 12% of the total land)
- Targeted Types of Business

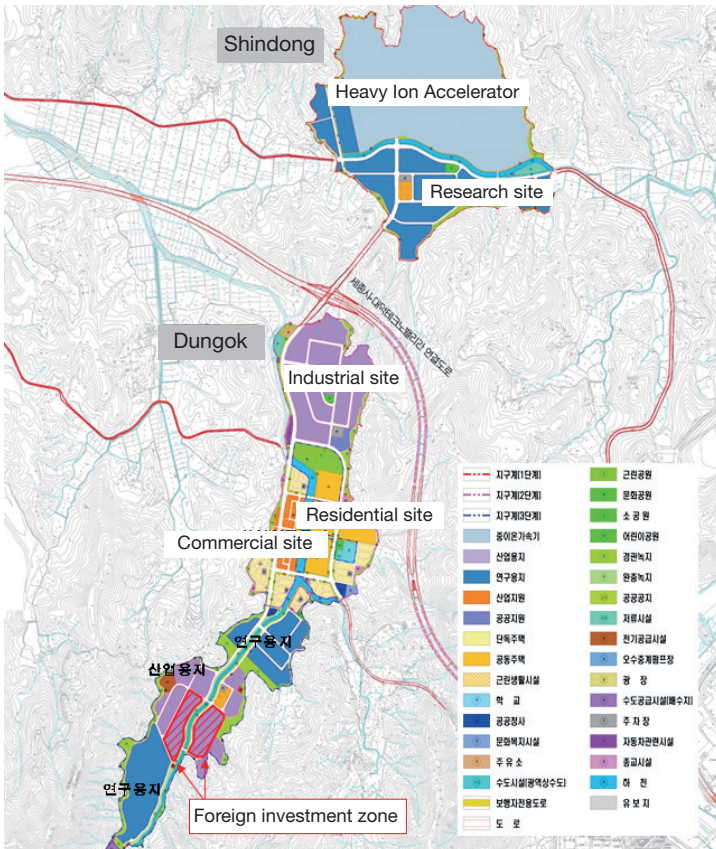
- Business involving new growth engine industries under Article 121-2 (1) 1 of the Restriction of Special Taxation Act
- Business that applies/manufactures advanced technology and products pursuant to Article 5 of the Industrial Development Act
- Types of business determined by the management agency in consideration of the industrial characteristics of the region
- Company-affiliated research institutes and R&D business

#### d) Incentives

Type	Details
Tax Benefits	<ul style="list-style-type: none"> <li>• Qualifications               <ul style="list-style-type: none"> <li>- (Manufacturing) USD 10 million or more, (Logistics) USD 5 million or more, (New growth engines) USD 2 million or more</li> </ul> </li> <li>• Customs duty exemption               <ul style="list-style-type: none"> <li>- (Imported capital goods: 100% for 5 years from the date of investment declaration)</li> </ul> </li> <li>• Local tax exemption (acquisition tax, property tax)               <ul style="list-style-type: none"> <li>- Business accompanying new growth engine technologies: 100% in acquisition tax and property tax for 10 years (reduction by foreign investment ratio)</li> <li>- Complex-type foreign-invested companies: 100% reduction in acquisition tax and property tax for 15 years (reduction by foreign investment ratio)</li> </ul> </li> </ul>
Building Site Rent Reduction	<ul style="list-style-type: none"> <li>• Rent reduction or exemption (5% or more of the area price → 1% or more)</li> <li>• Regarding 1% of occupancy rent, a certain portion of the rent of the state-owned land may be reduced if the following conditions are satisfied:               <ul style="list-style-type: none"> <li>- 100% reduction: USD 1 million+ of foreign investment in new growth engine industry</li> <li>- 75%-100% reduction: Manufacturing business with foreign investment of USD 2.5 million or more and 70-200+ full-time workers</li> <li>- 75% reduction: Foreign investment of USD 5 million or more in manufacturing</li> </ul> </li> <li>• Regarding 1% of occupancy rent, a certain portion of the rent of the land owned by the city may be reduced if the following conditions are satisfied:               <ul style="list-style-type: none"> <li>- 100% reduction: Foreign investment of USD 1 million or more in high technology business</li> <li>- 100% reduction: Foreign investment of USD 20 million or more:</li> <li>- 100% reduction: Foreign-invested companies that export 100% of total production</li> <li>- 75% reduction: Foreign investment of USD 10-20 million</li> <li>- 75% reduction: Foreign-invested companies that export more than 75% of total production and less than 100%</li> <li>- 50% reduction: Foreign investment amount of USD 5-10 million</li> <li>- 50% reduction: Foreign-invested companies that export 50% or more and less than 75% of total production</li> </ul> </li> </ul>

Type	Details
Corporate Tax Reduction or Exemption in Special R&D Zones	<ul style="list-style-type: none"> <li>Targets: Advanced technology -tech companies, research-based spin-off enterprises (registered by Dec. 31, 2021)</li> <li>Benefits: 100% reduction in corporate tax for 3 years, 50% reduction for 2 years thereafter</li> </ul>
Daejeon city ordinance on foreign investment support	<ul style="list-style-type: none"> <li>Facility subsidy: Up to 5% of the amount over KRW 2 bil. (Ceiling: KRW 500 mil.)</li> <li>Employment subsidy: When more than 20 Daejeon citizens are hired, up to KRW 500,000/month is supported per new recruits over 20 people</li> <li>Employment &amp; training subsidy: When more than 20 Daejeon citizens are hired and education and training is provided, up to KRW 500,000/month is supported per new recruits over 20 people (Ceiling: KRW 200 mil. for up to 6 months)</li> </ul>

e) Layout of Foreign Investment Zones in the International Science and Business Belt



## 5) Inquiries

### a) Korea Innovation Foundation (042-865-8800)

#### b) Inquiries by agenda

- Occupancy and Land sale
  - Information on types of business and occupancy approval: Science Belt Planning Team, Korea Innovation Foundation (042-865-8951 ~ 8952)
    - \* Make occupancy application online at "International Science and Business Belt Occupancy Management Service <http://bizbelt.innopolis.or.kr>"
    - \*\* Complaints about occupancy approval rejection and non-compliance with the start of construction, etc.: Science Belt Planning Team
- Construction
  - Land Sales Department, LH Daejeon Chungnam Regional Headquarters (042-470-0163, 0171)
  - LH Daedeok Science Belt Project Team (042-820-7742)
- Foreign investment incentives: Daejeon Metropolitan City (042-270-3755 ~ 3757)
- Incentives for Daedeok Special Zone
  - Science Belt Support Project: Science Belt Promotion Team, Korea Innovation Foundation (042-865-8843)
  - Daedeok Special Zone Promotion Projects: Business Team (042-865-8833)
  - Designation as advanced technology companies, etc.: 042-865-8976

## 6) Related Regulations, Reference, and Websites

- Special Act on Establishment of and Support for International Science and Business Belt
- Notice on the Designation of Foreign Investment Zones (complex type) (Daejeon Metropolitan City Notification No. 2020-232)
- Korea Innovation Foundation (<https://www.innopolis.or.kr>)
- International Science and Business Belt Occupancy Management Service (<https://bizbelt.innopolis.or.kr>)

- “International Science and Business Belt” on Naver Knowledge Encyclopedia

※ Reference : Korea Innovation Foundation and Daejeon City

## ▶ C. High-Tech Medical Complexes

### 1) Basic Concept

- High-tech medical complexes refer to those created by the state to promote research and development by private companies or research institutes through the establishment of core infrastructure in the medical field. They are largely composed of new drug development support centers, high-tech medical device development support centers, and clinical trial centers.
- In 2005, the promotion of a high-tech medical complex was first decided by the Medical Industry Advancement Committee. In August 2009, Osong in Chungbuk and Daegu-Gyeongbuk were finally selected as the locations of the core infrastructure of the Daegu-Gyeongbuk High-tech Medical Complex and Osong High-tech Medical Complex, respectively, which were completed in November 2013.

### 2) Purpose

- To foster the health industry as a new growth engine by creating the world's best medical R&D infrastructure required for the development of global new drugs and medical devices.  
\* KRW 8.6 trillion until 2038: KRW 3.7 trillion (facility operation) plus KRW 4.9 trillion (R&D)
- To develop high-tech medical complexes to the global hub for research and development of medical services and contribute to the growth of the domestic medical industry by facilitating the active research and development of medical services and the commercialization of achievements from research with mutual cooperation between enterprises, universities, research institutes, and medical institutions through promoting the development of the high-tech medical complexes.



### 3) Promotion of High-tech Medical Complexes by Field

- a) **New drugs:** Support for efficacy evaluation and optimization of new drug candidates developed by hospitals and universities and promote joint research by industry and academia.
- b) **Medical devices:** Support design, prototype production, performance evaluation, etc. for high-tech medical devices developed by hospitals and companies, and promote joint research with industry-academia
- c) **Supporting facilities:** Laboratory animal center, medicine production center that produces small amounts of new drugs for clinical trials, and clinical centers for small-scale clinical trials
- d) **Occupancy/convenience facilities:** Support for R&D, conduct of joint research, and improvement of living conditions to encourage domestic and foreign high-tech medical R&D research centers and ventures to move into the areas

### 4) Special Regulatory Cases and Incentives for High-tech Medical Complexes:

Various benefits provided along with large-scale relaxation of various regulations

#### a) Special Regulatory Cases for High-tech Medical Complexes

##### (1) Medical Service Act

- Permission of medical treatment by foreign medical personnel (foreign doctors, dentists) for the purpose of medical research and development at medical institutions in the complexes

##### (2) National Health Insurance Act

- Recognition of medical care benefits when medicines, medical devices, and medical technologies are used by medical institutions in the complexes for medical research and development

##### (3) Pharmaceutical Affairs Act, Medical Devices Act

- No application of the manufacturing business license and facility

regulations when medical research and development institutions produce medicines and medical devices that have been researched and developed by themselves

- Simplified approval and reporting processes for pharmaceuticals and medical devices imported for research purposes
- Application of international norms on the criteria for approval of the production and import of pharmaceuticals and medical devices

#### (4) Bioethics and Safety Act

- Establishment of a subcommittee of the National Bioethics Committee for separate review
- Utilization of the Institutional Bioethics Committee by institutions in the complexes

#### (5) Immigration Act

- Extension of the upper limit of the period of stay for foreign researchers (2 → 5 years)

#### (6) Patent Law

- Priority examination for R&D patent applications in the complexes

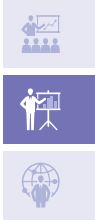
### b) Incentives for high-tech medical complexes

#### (1) Tax Support

- Reduction of national and local taxes as prescribed by tax laws

#### (2) Financial Support

- Support for the installation of additional facilities such as accommodation and convenience facilities
- Payment of employment subsidy and education and training subsidy
- Raising and paying research funds for joint research and development
- Support for the formation of investment associations to promote investment in occupying R&D institutions
- Loan facility support for medical research and development



### (3) Permission of Leave of Absence and Holding of Other Positions

- Eligibility: Researchers from national and public research institutes who are not public officials
- Detail: Permission of leave of absence or concurrent holding of other positions for researchers to work in medical R&D support institutions and occupying medical R&D institutions (within 3 years)

## 5) Designation Status

### [ Operation Status of High-tech Medical Complex ]

Name	Osong High-tech Medical Complex	Daegu-Gyeongbuk High-tech Medical Innovation Foundation
Location	Osong-ri, Gangoe-myeon, Cheongwon-gun, Chungcheongbuk-do (In Osong Complex)	Sinseo-dong, Dong-gu, Daegu (Daegu Innovation City)
Designated Date	Dec. 30, 2009	Dec. 16, 2009
Area	1,131,000 m <sup>2</sup>	1,054,000 m <sup>2</sup>
Specialized Field	New bio drugs / BT-based medical devices	Synthetic drugs / IT-based medical devices
Project Period	2009-2038 (Compartment construction: 2009-2013)	
Designation Purposes	Fostering as a center for global medical research and development by providing a comprehensive infrastructure to promote the revitalization of research and development of advanced drugs and medical devices and commercialization of research outcomes	
Main Facilities	New Drug Development Support Center, Advanced Medical Device Development Support Center, Laboratory Animal Center, Medicine Production Center, etc.	

\* Source: 2020 Industrial Location Guidebook (2020), as of December 2019

## 6) Status of High-tech Medical Complexes

### a) Osong High-tech Medical Complex in Chungbuk

#### (1) Overview

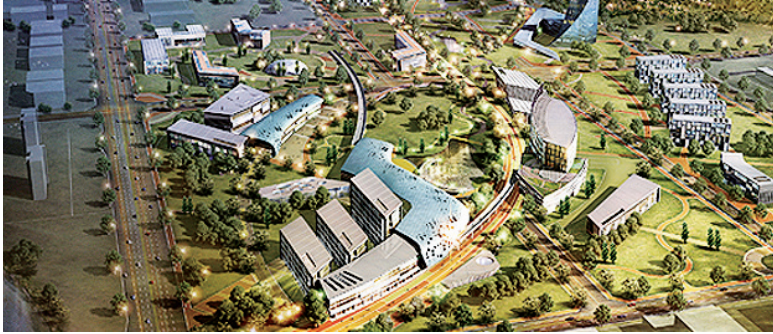
- Location: Osong-eup, Cheongju-si, Chungbuk (area: 1,131,054 m<sup>2</sup>)
- Specialized Fields: New bio drugs (pharmaceuticals), BT-based high-tech medical devices (medical devices)



## [ Osong High-tech Medical Complex by Area ]

Total Area	Research Facility Area					Other Areas
	Sub-total	Research institutes	Core infrastructure	Research support facilities	Convenience facilities	
1,131,000 m <sup>2</sup> (100.0%)	768,100 m <sup>2</sup> (67.9%)	520,000 m <sup>2</sup> (46%)	116,700 m <sup>2</sup> (12.1%)	20,100 m <sup>2</sup> (2.6%)	111,300 m <sup>2</sup> (9.8%)	363,000 m <sup>2</sup> (32.1%)

## [ View of Osong High-tech Medical Complex ]



## (2) Eligibility (Please refer to the website for procedures and selection methods.)

## (a) Types of Occupancy

- Purchase of research facility land in Osong High-tech Medical Complex (Chungcheongbuk-do)
- Lease of lab space (Osong Medical Innovation Foundation, Chungbuk Industry University Cooperation Institute, etc.)

## (b) Targets and Qualifications

- Target organizations
  - Institutions established for the purpose of medical research and development
  - Institutions that establish and operate departments in charge of medical research and development
  - Medical institutions
    - Universities established according to Article 2 of the Higher Education Act

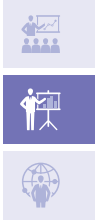
- Research institutes (including research institutes affiliated institutions engaged in medicines, medical devices or other health and medical technology industries)
- Government-funded institutions (institutions related to the development of medicines, medical devices, or health care technologies)
- ※ Medical R&D: Carrying out R&D for pharmaceuticals, medical devices, or health care technologies, conducting clinical trials for R&D, or producing pharmaceuticals or medical devices related to research and development
  - Occupancy restrictions: Institutions that the Minister of Health and Welfare determines that it does not meet the purposes of the complex, or whose occupancy restrictions are required due to pollution, water supply or other circumstances
- Occupancy requirements
  - Research manpower: Securing at least one researcher who conducts medical research and development and does not engage in other tasks like sales and marketing other medical R&D
  - Research facilities: Being equipped with the following facilities to carry out medical R&D independently
    - One or more labs
    - Equipped with research equipment such as experimental tools and computer recording media that can be used independently by researchers
    - Equipped with additional facilities like air purification and heating and cooling facilities

### (3) Incentives

#### (a) Support under the Special Act on the Designation and Support of High-tech Medical Complexes

Category	Details
Support for Occupying Institutions	<ul style="list-style-type: none"> <li>• Loans from the Fund for the Establishment and Promotion of SMEs and Startups for medical research and development conducted in high-tech complexes</li> <li>• Full or partial reduction of the payment of the principal and interest thereon due to the failure of the relevant project</li> </ul>

Category	Details
Support for Occupying Institutions	<ul style="list-style-type: none"> <li>• Reduction of national and local taxes</li> </ul>
	<ul style="list-style-type: none"> <li>• Reduction of land or building rents by local governments</li> </ul>
	<ul style="list-style-type: none"> <li>• Installation by the central and local governments of convenience facilities and welfare facilities and offering finance in relation to their operations</li> </ul>
	<ul style="list-style-type: none"> <li>• Financial support by the central and local governments including employment subsidy and education and training subsidy</li> </ul>
	<ul style="list-style-type: none"> <li>• Use, profit-making, money borrowing or purchase of properties owned by the central and local governments through private contracts</li> </ul>
	<ul style="list-style-type: none"> <li>• Permission granted to the researchers of national and public research institutes to take a leave of absence to work concurrently in other places</li> </ul>
Regulatory Favors	<ul style="list-style-type: none"> <li>• The maximum period of stay for a foreigner who works at an occupying organization is 5 years (The enforcement regulations of the Immigration Act stipulate the maximum period of stay for foreigners holding a relevant visa ranges from 2 to 5 years).</li> </ul>
	<ul style="list-style-type: none"> <li>• Foreign doctors and dentists may conduct medical treatment for the purpose of medical research and development (The Enforcement Regulations of the Medical Service Act stipulate that only foreign medical personnel are allowed to conduct medical activities related to faculty exchange programs, educational research projects, and voluntary medical services)</li> </ul>
	<ul style="list-style-type: none"> <li>• When medicines, medical devices, and medical technologies for medical research and development are used for clinical research subjects, they are considered as medical care benefits.</li> </ul>
	<ul style="list-style-type: none"> <li>• When applying for the manufacture of newly developed pharmaceuticals, item permission can be made even if a manufacturing license is not obtained under the Pharmaceutical Affairs Act or facility requirements are not met. In such a case, the relevant party is considered to have obtained a manufacturing business license under the Pharmaceutical Affairs Act.</li> </ul>
	<ul style="list-style-type: none"> <li>• When import approval is obtained for the items and quantities of pharmaceuticals imported from countries designated by the Ministry of Food and Drug Safety for medical R&amp;D purposes, an import license or an import declaration is considered to have been made under the Pharmaceutical Affairs Act.</li> </ul>
	<ul style="list-style-type: none"> <li>• When applying for a license for a pharmaceutical product or an import item to the Ministry of Food and Drug Safety, the application can be filled out in a foreign language as determined by the Ministry of Food and Drug Safety as a favor to medical R&amp;D carried out in the high-tech complex.</li> <li>• Regarding approval standards for pharmaceutical products, international standards set by international organizations can be applied as prescribed by the Minister of Health and Welfare.</li> </ul>

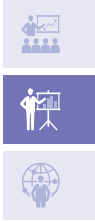


Category	Details
Regulatory Favors	<ul style="list-style-type: none"> <li>• A manufacturing license can be issued even when a manufacturing license is not issued or the manufacturer does not meet facility requirements. In such a case, the relevant party is deemed to have obtained a manufacturing business license under the Medical Devices Act.</li> <li>• When import approval is obtained for the items and quantities of medical devices imported from countries designated by the Ministry of Food and Drug Safety for medical research and development purposes, an import license or an import declaration is considered to have been made under the Medical Devices Act.</li> <li>• When applying for permission to manufacture or import medical devices from the Ministry of Food and Drug Safety, applications can be made in foreign languages as determined by the Ministry of Food and Drug Safety for medical research and development in the high-tech complex.</li> <li>• The standards set by international organizations, etc. determined by the Minister of Health and Welfare, etc. are applicable regarding the criteria for manufacturing permission or import permission for medical devices.</li> </ul> <hr/> <ul style="list-style-type: none"> <li>• Matters deliberated by the subcommittee of the high-tech complex are considered to have been deliberated by the National Bioethics Committee.</li> <li>• Occupying institutions can jointly form and operate the Institutional Bioethics Committee.</li> <li>• Priority examination for patent applications related to medical research and development in the high-tech complex</li> <li>• Occupying institutions can install small-scale production facilities for medicines and medical devices that have been developed within the high-tech complex.</li> </ul>

### (b) Financial Support (foreign-invested companies in Chungbuk Province)

Support	Classification	Detail
Research Institutes Affiliated with Domestic Companies, etc.	Employment subsidy and education and training subsidy	Employment and education and training subsidies support (KRW 500,000 per new employee for six months)
Investment Support for Domestic Companies	Relocated companies from Seoul metropolitan area, new and expanded companies, reshoring companies, etc.	Support for construction costs, facility and equipment purchase prices, infrastructure installation costs, etc. (within budget range)
	Support for relocated companies from other cities and provinces	Within 10% of the investment amount including land purchase prices, construction costs, acquisition costs, etc. for the headquarters or main office buildings and research institutes

Support	Classification	Detail
Investment Support for Domestic Companies	Support for relocated companies from other cities and provinces	Within 10% when the total investment amount for land purchase, construction, and facility installation is KRW 1 billion or more (up to KRW 5 billion) when relocating a factory or research center
Special Support	Hiring 200+ full-time employment per day after investment completion or making an investment of KRW 100 billion or more	Special assistance in excess of the range stipulated by relevant ordinances
		Support within the limit of KRW 100,000 per employee per month in case a company's workers relocate to the province (a maximum of 3 years)
Support for Foreign-invested Companies	Location Support	Lease land or facility site supply at cost or for less (subsidy for the difference in sales price within budget)
		100% rent reduction for national and public properties (projects involving advanced technology of over USD 1 million, foreign investment of over USD 20 million, projects with an average of 300 or more employees per day) ※ 75% or 50% reduction possible if conditions are not fully met
	Cash Support	New or expanded research facilities for R&D activities (a project hiring 5 or more masters-level research personnel as full-time employees)
	Education and Training Subsidy	Up to KRW 500,000 a month per person (within 6 months) when the threshold of hiring 20+ local residents has exceeded
	Employment Subsidy	If the number of newly hired regular workers exceeds 20, KRW 500,000 is provided per 1 excess person (up to 6 months)
	Other Support	
Unreported foreign exchange transactions within the range of USD 20,000 or less per case		



## (c) Tax Support

Recipient	Category		Detail	
Research Institutes Affiliated with Domestic Companies, etc.	National Tax	Income tax, Corporate Tax	100% for 3 years (5 years for no income), 50% reduction for 2 years thereafter	
	Local Tax	Acquisition Tax, Property Tax	Medical corporations' real estate for medical purposes	50% reduction in acquisition tax and property tax (~2020) 30% reduction in acquisition tax and 50% reduction in property tax (~2021)
			Real estate for corporate research institutes	60% reduction in acquisition tax, 50% reduction in property tax (SMEs: until 2022), 35% reduction in acquisition tax and property tax (middle-standing enterprises: until 2022)
			Business real estate of small start-ups	75% reduction in acquisition tax, exemption from property tax (for 3 years and 50% reduction in subsequent 2 years until 2020)
			Real estate acquired by relocated companies (head/main office) from the overconcentration control region in Seoul metropolitan area	Acquisition tax exemption (2021), property tax exemption (100% reduction for 5 years and 50% reduction 3 years thereafter until 2020)
Research Institutes Affiliated with Foreign Invested Companies, etc.	National Tax	Income tax, Corporate Tax	100% for 5 years, 50% over the next 2 years	Differential reduction or exemption depending on the foreign investment ratio
		Customs, Individual Consumption Tax, VAT	100% for 5 years	

Recipient	Category	Detail		
Research Institutes Affiliated with Foreign Invested Companies, etc.	Local Tax	Acquisition Tax	100% for 15 years	
		Property Tax	100% for 10 years and 50% for 5 years thereafter	Differential reduction or exemption depending on the foreign investment ratio
		Personal Local Income Tax	100% reduction for 3 years from the date of business commencement (in case of no income, the income generation date within 5 years) and 50% reduction for 2 years thereafter	

**(d) Other Support**

- Special support for SMEs and Startups
  - The SME Development Fund: KRW 170 billion (startup, financial stability, business support, etc.)
  - Outstanding SME and startup support: Special Provincial Economy Fund (KRW 50 billion), Biotope Fund (KRW 11 billion)
  - Support by Korea SMEs and Startups Agency (Chungbuk Regional Headquarters): up to KRW 3 billion
- Incentives for outstanding talent
  - Support for R&D expenses for occupying medical institutions (KRW 120 billion to be raised for BIG Medical Fund)
  - Scholarship for prominent researchers and their children: Talent Cultivation Foundation Fund (KRW 33.3 billion)
  - Subsidies for institutions and researchers with excellent research outcomes

**b) Daegu-Gyeongbuk High-tech Medical Innovation Foundation**

**(1) Overview**

- Location: Daegu Innovation City, Sinseo-dong, Dong-gu, Daegu-si (area: 1,026,886 m<sup>2</sup>)
- Fields of Specialization: New synthetic drug (medicine), IT-based high-tech medical devices (medical devices)



## [ Daegu Gyeongbuk High-tech Medical Complex ]

Total Area	Research Facility Zone					Other Areas
	Sub-total	Research institutes	Core infrastructure	Research support facilities	Convenience facilities	
1,026,900 m <sup>2</sup> (100.0%)	439,000 m <sup>2</sup> (42.8%)	326,900 m <sup>2</sup> (31.8%)	62,400 m <sup>2</sup> (6.1%)	23,400 m <sup>2</sup> (2.3%)	26,700 m <sup>2</sup> (2.6%)	587,900 m <sup>2</sup> (57.2%)

## [ Aerial View of Daegu-Gyeongbuk High-tech Medical Complex ]



## (2) Occupancy Requirements (Refer to the website for procedures and selection methods)

## (a) Target Organizations

- Types of Organizations
  - Institutions established for the purpose of medical research and development
  - Institutions that have established and are operating departments in charge of medical R&D
    - Medical institutions
    - Universities in accordance with Article 2 of the Higher Education Act
    - Research institutes



\* Research institutes affiliated with institutions meeting the requirements for pharmaceutical, medical device or health and medical technology industries

- Government-funded institutions

\* Institutions related to the development of medicines, medical devices, or health care technologies

- Restrictions on occupancy

- Institutions that the Minister of Health and Welfare declares unsuitable for the purposes of the complex or in need of restrictions due to pollution, water supply, or other circumstances.

**(b) Eligibility Criteria**

- Institutions that can install facilities according to the uses specified in the master plan for the occupancy and management of the high-tech medical complex and can obtain authorization, permission, licenses, or registrations under related laws for their facilities

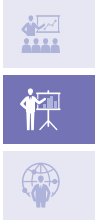
- Research Personnel Criteria

- At least one researcher who directly conducts medical R&D and does not engage in other tasks like sales or marketing

\* Revision of the Enforcement Decree of the Special Act on the Designation and Support of High-tech Medical Complexes on Oct. 23, 2018 (3 people ➔ 1 person)

- Research Facility Criteria

- Institutions equipped with the following facilities to independently conduct medical R&D:
    - One laboratory or more
    - Research instruments and equipment such as experimental tools and computer recording media that can be used independently by research personnel
    - Additional facilities including air filtration, cooling and heating facilities



## (4) Incentives

### (a) Tax Benefits

Classification	Category		Contents	
Domestic Company-affiliated Research Institutes, etc.	National tax	Income tax, corporate tax	100% for 3 years, 50% for 2 years thereafter	
	Local tax	Acquisition tax	85% since 2018	
		Property tax	85% for 10 years from 2018, 50% over the next 3 years	
Foreign-invested Non-profit Corporations or Company-Affiliated Research Institutes	National tax	Income tax, corporate tax	100% for 5 years, 50% for 2 years thereafter	※ Support varies according to the foreigner investment ratio
		Customs duties, special consumption tax, VAT	100% for 5 years	
	Local tax	Acquisition tax	Exemption (85% from 2018)	
		Property tax	100% over 15 years (85% from 2018)	

※ Beneficiaries and support contents may differ depending on the type and size of occupying institutions, and changes in related regulations.

### (b) Financial Support

Recipient	Category	Contents
Domestic Company-affiliated Research Institutes, etc.	Location subsidy	5% of total investment
	Facility subsidy	10% of total investment
	Employment subsidy	Up to KRW 500,000 per person for 20+ full-time employees (10 at a company-affiliated research center) (for up to 6 months)
	Education and training subsidy	Up to KRW 500,000 per person exceeding 20 full-time employees (10 at a company-affiliated research center) for education and training (for up to 6 months)
Foreign-Invested Non-profit Corporations or company-affiliated Research Institutes, etc.	Location subsidy, investment subsidy	Within 50% of total investment
	Employment subsidy	Up to KRW 1,000,000 per person exceeding 20 full-time employees (10 at a company-affiliated research center) (for up to 6 months)

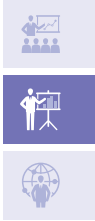
Recipient	Category	Contents
Foreign-Invested Non-profit Corporations or company-affiliated Research Institutes, etc.	Education and training subsidy	Up to KRW 1,000,000 per person for 20+ full-time employees (10 at a company-affiliated research center) for education and training (for up to 6 months)
	Cash support	A certain percentage of foreign direct investment (FDI) when the foreign investment ratio tops 30%

**(C) Regulatory Support**

Related Law	Regulatory Relaxation (special cases)
Medical Service Act	<ul style="list-style-type: none"> <li>• Permission of medical services by medical personnel for the purpose of medical R&amp;D at medical institutions in the complex</li> </ul>
National Health Insurance Act	<ul style="list-style-type: none"> <li>• Recognition of health care benefits when using medicines, medical devices, and medical technologies developed for medical R&amp;D in clinical trials at medical institutions in the complex</li> </ul>
Pharmaceutical Affairs Act, Medical Devices Act	<ul style="list-style-type: none"> <li>• Permission for items of manufacture about drugs and medical devices that do not meet production facility standards</li> <li>• Simplified import permit and reporting procedures for pharmaceuticals and medical devices for research purposes</li> <li>• Application of international norms to the approval of pharmaceuticals, medical devices, and imports</li> </ul>
Bioethics and Safety Act	<ul style="list-style-type: none"> <li>• Separate deliberations on matters related to bioethics and safety through a subcommittee of the National Bioethics Committee</li> <li>• Utilization of the Institutional Bioethics Committee established by institutions in the complex</li> </ul>
Immigration Act	<ul style="list-style-type: none"> <li>• Extension of the period of stay for foreign researchers (2 → 5 years)</li> </ul>
Patent Act	<ul style="list-style-type: none"> <li>• Priority examination for R&amp;D patent applications from the complex</li> </ul>

**(d) Installation of Small-scale Production Facilities (Article 26-2 of the Special Act on the Designation and Support of High-tech Medical Complexes, Article 17-2 of the Enforcement Decree of the same Act)**

- Targets: Institutions and companies in the high-tech complex
- Area: Production facilities with a floor area of 3,000 m<sup>2</sup> or less
- Items: Pharmaceuticals and medical devices researched and developed within the high-tech complex
  - \* Pharmaceuticals: Pharmaceuticals according to the Pharmaceutical Affairs Act
  - \* Medical devices: Medical devices defined in the Medical Devices Act



### (e) Other Support Measures

- Joint use of outstanding domestic and foreign researchers and infrastructure in the high-tech complex
- Administrative support for the government's R&D projects
- Expanding the market for products developed in the complex through local health care councils

## 7) Inquiries

### a) Osong

- Chungcheongbuk-do Provincial Office (Bio Industry Division, Bio Industry Bureau, 043-220-4544)
- Osong Medical Innovation Foundation (Local Industry Promotion Team, Strategic Planning Headquarters, 043-200-9052)

### a) Daegu

- Daegu-Gyeongbuk Medical Innovation Foundation (Regional Cooperation Business Team, 053-790-5168)
- Daegu Metropolitan City (Innovative Growth Policy Division, 053-803-6593)
- LH (Land Sales Department, Daegu-Gyeongbuk Headquarters, 053-603-2582)

## 8) Related Regulations, Reference, and Websites

- The Special Act on the Designation and Support of High-tech Medical Complexes
- The Master plan for Occupancy and Management of a High-tech Medical Complex
- The Special Act on Establishment and Development of Innovative Cities
- The Industrial Cluster Development and Factory Establishment Act
- The National Land Planning and Utilization Act
- Industrial Sites Bulletin 2020, KICOX
- Ministry of Health and Welfare (<https://www.mohw.go.kr>)
- Osong Medical Innovation Foundation (<https://www.kbiohealth.kr>)

- Daegu-Gyeongbuk Medical Innovation Foundation (<https://www.dgmif.re.kr>)
- Daegu Medion ([www.medion.re.kr](http://www.medion.re.kr))
- ※ Reference : Ministry of Health and Welfare (<http://www.mohw.go.kr>), Osong Medical Innovation Foundation(<https://www.kbiohealth.kr>), Daegu-Gyeongbuk Medical Innovation Foundation (<https://www.dgmif.re.kr/>)



## ▶ D. Specialized Complexes for Ppuri (Root) Industries

### 1) Basic Concept

in order to strengthen the competitiveness of ppuri enterprises by promoting their clustering and collaboration, the government has been designating and operating zones where ppuri industries are concentrated in existing industrial complexes since 2013.

\* The government comprehensively considers the capacity, implementation directions, strategies, and expected effects of the relevant (planned) clusters of ppuri enterprises in the evaluation of applications made by local governments.

### 2) Purposes of Creation

The specialized complexes are designed to promote the clustering of ppuri enterprises through government designation and support, support the establishment of joint utilization facilities, and accelerate joint innovation activities to enhance their competitiveness.

\* The government enacted the Act on Promotion and Sophistication of Ppuri Industries in July 2011 and set up the National Ppuri Industry Promotion Center at the Korea Institute of Industrial Technology in March 2012 to support the promotion and sophistication of the ppuri industry. The government is also supporting the development of ppuri technologies and ppuri enterprises by creating infrastructure for ppuri industries such as regional ppuri technology support center, specialized ppuri industry complexes, and ppuri industry leading complexes.

### 3) Support Systems

- Support limit: Up to 50% of the total project costs for building joint utilization and convenience facilities, and up to 70% of the total project costs for joint innovation activities
- Support targets

- Facilities that ppuri enterprises can use jointly in specialized complexes such as energy reduction facilities, common logistics facilities, and design support facilities
- Facilities that can improve the working environment in specialized complexes such as communal restaurants, parking lots, rest facilities, restrooms, physical training rooms, and community centers
- Activities for which ppuri enterprises can collaborate with one another in specialized complexes such as planning joint innovation tasks, activating collaboration between companies, enhancing energy efficiency, and strengthening response to environmental regulations

#### 4) Designation Status of Specialized Complexes

Year	Complex Name	Region	Location	Specialization Area	No. of Companies
2013 (4)	Ansan Surface Treatment Cooperation Complex	Ansan, Gyeonggi-do	Banwol National Industrial Complex	Surface treatment	18
	Eco-friendly Surface Treatment Center	Incheon	Geomdan General Industrial Complex	Surface treatment	216 (in progress)
	Banwol Surface Treatment Complex	Ansan, Gyeonggi-do	Ansan Banwol Plating General Industrial Complex	Surface treatment	56
	Miryang Hanam Special Ppuri Industrial Complex	Miryang, Gyeongnam	Miryang Hanam General Industrial Complex	Casting	42 (in progress)
2014 (8)	Smart Hub P&P Industrial Complex	Ansan, Gyeonggi-do	Sihwa National Industrial Complex	Surface treatment	27
	Maegok Special Ppuri Industrial Complex	Ulsan	Maegok General Industrial Complex	Molds, metal forming	45
	Onsan Advanced Ppuri Industrial Complex	Ulsan	Onsan National Industrial Complex	Casting	50
	Namdong Induspark Clean Knowledge Industrial Center	Nam-dong, Incheon	Namdong National Industrial Complex	Surface treatment	25
	Jinju Mold Industrial Complex	Jinju, Gyeongnam	Jinju Ppuri General Industrial Complex	Molds	14 (under construction)
	Janglim Surface Treatment Complex	Busan	Busan Janglim General Industrial Complex	Surface treatment	64
	Daebul Specialized Ppuri Industrial Complex	Yeongam, Jeonnam	Daebul National Industrial Complex	Welding	10

## II Sites Classified Based on Purpose

Year	Complex Name	Region	Location	Specialization Area	No. of Companies
2014 (8)	Suncheon Specialized Ppuri Industrial Complex	Suncheon, Jeonnam	Haeryong General Industrial Complex	Casting, metal forming, welding, surface treatment	11 (in progress)
2015 (5)	Mold Valley	Bucheon, Gyeonggi	Ojeong General Industrial Complex	Molds	66
	Siheung Surface Treatment Industry Cluster	Siheung, Gyeonggi	Sihwa National Industrial Complex	Surface treatment	50
	Specialized Mold Complex	Gwangju	Pyeongdong General Industrial Complex	Molds	24
	Gunsan Specialized Ppuri Industrial Complex	Gunsan, Jeonbuk	Gunsan National Industrial Complex	Molds, metal forming, welding	48
	Wanju Specialized Ppuri Industrial Complex	Wanju, Jeonbuk	Jeonju Science Industry Research Complex	Molds, welding	21
2016 (4)	Seongseo Specialized Ppuri Industrial Complex	Daegu	Seongseo General Industrial Complex	Surface treatment	14
	Miryang Yongjeon Specialized Ppuri Industrial Complex	Miryang, Gyeongnam	Yongjeon General Industrial Complex	Casting	12 (in progress)
	Gwangyang Iksin Specialized Ppuri Industrial Complex	Gwangyang, Jeonnam	Gwangyang Iksin General Industrial Complex	Welding, heat treatment	12 (under construction)
	Gyeongin Surface Treatment Complex	Ansan, Gyeonggi	Banwol National Industrial Complex	Surface treatment	21
2017 (4)	Goryeong Specialized General Industrial Complex 1	Goryeong, Gyeongbuk	Goryeong General Industrial Complex 1	Casting	49
	Eunnam Specialized Surface Treatment Business Cooperation Complex	Yangju, Gyeonggi	Yangju General Industrial Complex	Surface treatment	27 (under construction)
	Clean Surface Treatment Business Cooperative	Busan	Noksan National Industrial Complex	Surface treatment	12





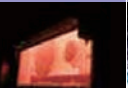



Year	Complex Name	Region	Location	Specialization Area	No. of Companies
2017 (4)	Gumuncheon Specialized Surface Treatment Complex	Hwaseong, Gyeonggi	Hwaseong Hyangnam Pharmaceutical General Industrial Complex	Surface treatment	32
2018 (4)	Gwangju Specialized Pyeongdong Eco-friendly Surface Treatment Complex	Gwangju	Pyeongdong General Industrial Complex 3	Surface treatment	20 (under construction)
	Iksan-U Specialized Jewelry Complex	Iksan, Jeonbuk	Iksan General Industrial Complex 3	Surface treatment	27
	Okcheon-gun Specialized Ppuri Industrial Complex	Okcheon, Chungbuk	Okcheon Medical Device Industrial Complex (General) 2	Ppuri Industries	14 (under construction)
	Seongseo Specialized Mold Industrial Complex	Daegu	Seongseo General Industrial Complex	Molds	37
2019 (4)	Gumi Specialized Mold Industry Complex	Gumi, Gyeongbuk	Daegu National Industrial Complex 2	Molds	17
	Specialized Surface Treatment Complex in Daegu National Industrial Complex	Daegu	Gumi National Industrial Complex 1	Surface treatment	12 (under construction)
	Busan Noksan Specialized Surface Treatment Complex	Busan	Myeongji-Noksan National Industrial Complex	Surface treatment	50
	Iksan Specialized Ppuri Industrial Complex	Iksan, Jeonbuk	Iksan General Industrial Complex 2	Ppuri Industries	36
Total 33 Complexes					1,179

### 5) Overview of Ppuri Industries

a) **Definition:** Ppuri (root) industries mean the types of business tapping into the 'manufacturing process technology' of casting, molds, metal forming, welding, surface treatment, and heat treatment.

\* The ppuri industries are so named in the sense that they are not easily visible like the roots of a tree but are embedded in the final product to form the basis of the competitiveness of the manufacturing industry.

#### [ Six Major Ppuri Technologies ]

Basic Manufacturing Processes				Special Manufacturing Processes	
Casting	Molds	Metal forming	Welding	Surface treatment	Heat treatment
					



## b) Characteristics

### (1) The Basis of the Manufacturing Industry

- Ppuri technologies serve as the competitiveness basis for the country's key manufacturing industries. Regarded as 'core process technologies' in automobile, shipbuilding, and IT manufacturing industries, they decided on the quality competitiveness of the country's flagship manufacturing industries as they are vital to the performance and reliability of final products.
- Given that process technologies are accumulated through various experiences and trials and errors over a long period of time, they are advanced technologies that cannot be easily imitated by the businesses in developing countries.

\* Some advanced countries like Germany are leading the world in ppuri industries by mobilizing cutting-edge machinery to meet its industrial needs for ppuri technologies.

### (2) Essential Technologies for New Industries

Ppuri technologies are essential not only for traditional flagship industries such as automobiles, machinery, and shipbuilding, but also for new industries such as robots, biotechnology, drones, eco-friendly vehicles, OLEDs, and semiconductors.

## c) Ppuri Industry Infrastructure (excluding Specialized Complexes for Ppuri Industries)

### (1) Local Ppuri Technical Support Centers

- Local ppuri technical support centers (pilot plants) are set up in collaboration with each region's specialized root industries to help strengthen the technological competitiveness of small and medium ppuri enterprises, in particular, through the installation of joint utilization machinery and the technical assistance offered by professional manpower.
- Through local ppuri technical support centers, joint R&D infrastructure, local ppuri enterprises get assistance in their technological development efforts as well as their endeavors to



solve technical problems through test analysis, technical guidance, prototype production, and technical advice.

#### [ Local Ppuri Technology Support Centers ]

No.	Location	Specialized Field	Complex
1	Siheung	6 major fields	Sihwa Banwol Industrial Complex
2	Jinju	Molds, metal forming	Jeongchon General Industrial Complex
3	Gimje	Casting, metal forming	Jipyongseon Industrial Complex
4	Gwangju	Welding	Gwangju High Tech Industrial Complex
5	Goryeong	Casting	Dasan Casting Complex
6	Busan	Surface treatment	Mieum Industrial Complex
7	Ulsan	Casting, welding	Techno Industrial Complex
8	Wonju	Molds, metal forming	Gangwon TP
9	Daegu	Metal forming	Technopolis Industrial Complex
10	Suncheon	Metal forming, surface treatment	Haeryong Industrial Complex

#### (2) Designating and Fostering the Pioneering Ppuri Industrial Complex

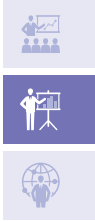
- Outstanding complexes are selected from the specialized ppuri industrial complexes designated by the Ministry of Trade, Industry and Energy.
- The purpose is to get rid of the 3D (dirty, dangerous and demeaning) image through the designation and fostering of the pioneering complexes as well as laying the foundation for the solution of location problems. Currently, one complex (Busan Janglim Surface Treatment Pioneering Complex) is getting support as a pilot project.

#### d) Ppuri Industry Support Projects (excluding specialized complexes)

Project	Purposes
Designation of specialized ppuri enterprises	Designation of those with core ppuri technologies and bright growth prospects as specialized ppuri technology companies and support the fostering of ppuri technologies and the development of ppuri industries
Support for sophisticated automation technologies	Enhancement of the global competitiveness of ppuri industries by improving productivity and working environment through the automation and sophistication of the processes involved in ppuri technologies

Project	Purposes
Designation of Outstanding Enterprises	Recognition of outstanding ppuri enterprises for further development of ppuri technologies and promotion of their technological excellence
Ppuri industries with top-tier working conditions	Ppuri industries with an excellent working and welfare environment, management stability, and growth capability are designated as 'good ppuri industries to work for' in a bid to improve the working/welfare conditions of the industries and attract talented personnel effectively.
Technical expert education and training for ppuri industries	In order to secure R&D manpower in ppuri industries, master's-level technical experts are trained so they can be equipped with enough theories and know-how to work for ppuri enterprises.
Ppuri Industry Foreign Technical Manpower College	To secure skilled technical manpower for ppuri industries, foreign students are systematically cultivated at the college and recommended to ppuri enterprises for employment.
Skill verification for foreign workers at ppuri Industry	Support for changing the sojourn status (E-9 ➔ E-7-4) of foreign workers working at ppuri companies to secure skilled workers in the ppuri industry * If a foreign worker working for a root company passes a performance verification, additional points will be awarded when reviewing the change of stay qualification.
Online e-employment recommendation for foreign professionals in the ppuri industry	Support for changing the sojourn status (E-9 ➔ E-7-4) of foreign workers when the company of foreign workers meets certain conditions in the ppuri industry * If a foreign worker's company meets certain requirements, additional points will be awarded when reviewing the change of stay qualifications.
Issuance of ppuri enterprise certificate	Issuance of a certificates for the ppuri industry in relation to the 'additional employment of foreign workers' and the 'special application of the E-7 skilled workforce system' for the ppuri industry in accordance with Article 5 of the 'Guidelines on the Management of Foreign Workers in the Ppuri Industry.'
Fact-finding surveys for the ppuri industry	Securing basic statistical data necessary for establishing and implementing ppuri industry policies and conducting performance analysis of the outcomes of ppuri industry support policies
Building intelligent ppuri process systems	Promotion of innovations in ppuri processes through improvements in HW+SW, processes and problem-solving mechanisms through the planning and establishment of smart process systems for each ppuri industry based on intelligent control of ppuri process facilities

\* For details, please contact a National Ppuri Industry Promotion Center.



## 6) Inquiries

- Korea National Ppuri Industry Center (02-2183-1644, 1646, 1628)
- Industrial complex management agency at the location of each specialized complex: Inquiries about occupancy in specialized complexes

## 7) Related Regulations, References, and Websites

- The Act on the Promotion and Sophistication of Ppuri Industries
- Operating Guidelines on Support Systems for the Utilization of Foreigners in Ppuri Industries
- Operating Guidelines on Support Systems for the Management of Foreign Workers in Ppuri Industries
- Guidelines on the Designation and Management of Specialized Ppuri Industry Complexes
- Korea National Ppuri Industry Promotion Centers (<https://www.kpic.re.ke>): Announcement of various support projects related to the ppuri industry, application for ppuri company certificates, request for statistical data, etc.
- The Ppuri Technology Support Center ([ppuritech.re.kr](http://ppuritech.re.kr)): Support from the Korea Institute of Industrial Technology about machinery use and prototype production
- Ppuri Industry White Paper 2020
  - Downloadable at the websites of the Ministry of Trade, Industry and Energy, or the Korea National Ppuri Industry Center

※ Reference : Korea National Ppuri Industry Promotion Centers (<https://www.kpic.re.ke>)

## ▶ E. Logistics Complex

### 1) Basic Concept

#### a) Definition

The logistics complex means a complex of land parcels and facilities

designated and developed to cluster and develop 'logistics complex facilities' including logistics terminals, joint collection and delivery complexes, wholesale and retail complexes, wholesale markets for agricultural and fisheries produce and 'support facilities' for information, finance, and occupant convenience facilities.

**b) Purpose:** Enhancement of the efficiency of the logistics system through the joint operation and clustering of logistics facilities

**c) Designation Authority:** Minister of Land, Infrastructure and Transport (more than 1,000,000 m<sup>2</sup>), Mayor/Do governor (1,000,000 m<sup>2</sup> or less)

[ Facility Standards for Logistics Complexes ]

<p>Logistics Complex Facilities</p>	<ul style="list-style-type: none"> <li>• Logistics facilities: At least 60% of the logistic facility complex must be reserved for logistics facilities.                             <ul style="list-style-type: none"> <li>- Logistics terminals, container facilities, warehouse facilities, collection and delivery facilities and joint collection and delivery centers, agricultural and fisheries produce distribution centers, etc.</li> </ul> </li> <li>• Upstream facilities: superstores, specialized shopping complexes, agricultural and fishery produce wholesale markets, joint wholesale markets for agricultural and fisheries produce, etc.</li> <li>• Integrated Facilities: Logistics facilities + upstream facilities + support facilities</li> </ul>
<p>Support Facilities</p>	<ul style="list-style-type: none"> <li>• Processing and manufacturing facilities</li> <li>• Information processing facilities</li> <li>• Finance/insurance/healthcare/education/research facilities</li> <li>• Culture and assembly facilities</li> <li>• Convenience facilities for logistics complex workers and users</li> <li>• Waste treatment facilities</li> <li>• Residential facilities (detached and multi-dwelling houses)</li> <li>• Accommodation facilities</li> <li>• Exercise facilities</li> <li>• Recreational facilities</li> <li>• Integrated facilities (support facilities &gt; logistics complex facilities)</li> </ul>
<p>Public Facilities</p>	<ul style="list-style-type: none"> <li>• Roads</li> <li>• Parks</li> <li>• Railway</li> <li>• Green area</li> <li>• Ditches, etc.</li> <li>• Parking lots (only those installed by the national or local governments)</li> </ul>



## 2) Current Status of Logistics Complexes

Category	Name	Location	Area (㎡)	Project Period
In Operation (23)	Busan Gamcheon Port	Seo-gu, Busan	206,408	'91 ~ '09
	Daejeon	Yuseong-gu, Daejeon	463,887	'98 ~ '03
	Eumseong-gun	Eumseong-gun, Chungbuk	283,934	'98 ~ '07
	Gangneung	Gangneung-si, Gangwon	174,236	'99 ~ '18
	Yeoju Chelsea	Yeoju-si, Gyeonggi	264,242	'99 ~ '10
	Ulsan Jinjang-dong (Phase 1)	Buk-gu, Ulsan	453,436	'00 ~ '07
	Cheonan	Cheonan-si, Chungnam	451,182	'00 ~ '11
	Pyeongtaek Doil-dong	Pyeongtaek-si, Gyeonggi	486,062	'03 ~ '08
	Gwangju Docheok- myeon	Gwangju-si, Gyeonggi	278,016	'03 ~ '09
	Seoul Dongnamgwon	Songpa-gu, Seoul	560,694	'04 ~ '18
	Jeonju Jang-dong	Jeonju-si, Jeonbuk	189,151	'04 ~ '17
	Andong	Andong-si, Gyeongbuk	225,411	'05 ~ '07
	Bucheon Ojeong-gu	Bucheon-si, Gyeonggi	457,856	'08 ~ '17
	Namdaejeon Integrated	Dong-gu, Daejeon	558,868	'08 ~ '13
	Chowol, Gwangju	Gwangju-si, Gyeonggi	264,529	'09 ~ '14
	Anseong Wongok- myeon	Anseong-si, Gyeonggi	682,398	'09 ~ '14
	Icheon Fashion	Icheon-si, Gyeonggi	796,706	'09 ~ '13
	Yeongdong Hwanggan- myeon	Yeongdong- gun, Chungbuk	263,179	'09 ~ '15
	Gimpo Gochon-myeon	Gimpo-si, Gyeonggi	894,454	'10 ~ '13
	Ara Canal, Incheon	Seo-gu, Incheon	1,145,026	'10 ~ '14
	Hwaseong Dongtan	Hwaseong-si, Gyeonggi	460,670	'10 ~ '17
	Ulsan Jinjang-dong (Phase 2)	Buk-gu, Ulsan	206,429	'11 ~ '18
	Anseong Miyang- myeon	Anseong-si, Gyeonggi	136,554	'14 ~ '18

Category	Name	Location	Area (㎡)	Project Period
Under Construction (8)	Mudeung	Goseong-gun, Gyeongnam	273,799	'13 ~ '20
	Iksan Wanggung-ri	Iksan-si, Jeonbuk	434,085	'13 ~ '21
	Ulsan Samnam-myeon	Ulju-gun, Ulsan	137,227	'14 ~ '20
	Gwangju Jikdong-ro	Gwangju-si, Gyeonggi	571,410	'16 ~ '21
	Gwangju Opo-eup	Gwangju-si, Gyeonggi	189,597	'16 ~ '19
	Gunsan	Gunsan-si, Jeonbuk	329,452	'16 ~ '21
	Namyaeju	Yeoju-si, Gyeonggi	207,399	'16 ~ '19
	Gimhae Sangdong	Gimhae, Gyeongnam	97,745	'18 ~ '20
<b>Total</b>		<b>31 locations</b>	<b>12,144,042</b>	<b>-</b>

\* Source: Integrated National Logistics Information Center, the Ministry of Land, Infrastructure and Transport ([www.nlic.go.kr](http://www.nlic.go.kr))

### 3) Inquiries

- Logistics Facility Information Division, Ministry of Land, Infrastructure and Transport (044-201-4009)
- Integrated National Logistics Information Center (044-201-4015)

### 4) Related Regulations, Reference, and Websites

- The Act on the Development and Management of Logistics Facilities
- Integrated National Logistics Information Center (<https://www.nlic.go.kr>)
- Industrial Sites Bulletin 2020, KICOX

※ Reference : Integrated National Logistics Information Center (<https://www.nlic.go.kr>)

## ▶ F. Environmental Industry Research Complexes

### 1) Purposes of Creation

#### a) Goals

- Creation of a specialized research complex to support the entire process from environmental technology development to model

testing, prototype production, field application demonstration testing, commercialization and overseas market development

- Contribution to creating environmental jobs and discovering new environmental industries in the era of the 4th industrial revolution

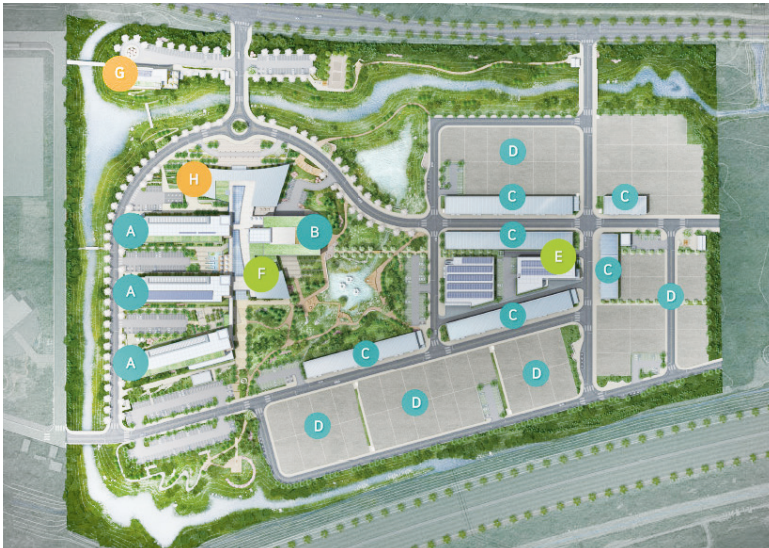
※ Article 13-3 of the Environmental Technology and Industry Support Act (Creation, Operation, etc. of Environmental Industry Research Complexes) and Article 22-2 (Operation of Environmental Industry Research Complex) of the enforcement decree of the same Act

## b) Main Functions

- Providing optimal environments for technological development through customized support for each step of development
- Laying the foundation for fostering the environmental industry as a new growth engine business in Korea

## 2) Facility Overview

### a) Major Facilities





(1) **A** Research Facilities, **B** Startup/Venture Facilities



Research Offices  
(76 rooms, around 100 m<sup>2</sup>)



Environmental Venture Center  
(27 rooms, around 70 m<sup>2</sup>)

(2) **C** - **D** Demonstration and Laboratory Facilities

- **C** Pilot Test Building 6,661 m<sup>2</sup> / **D** Testbed 23,770 m<sup>2</sup> (site)



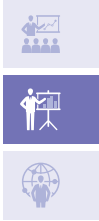
Pilot Test (56 rooms, around 110m<sup>2</sup> per unit)

(3) **E** - **F** Support Facilities

- **E** Prototype Manufacturing Facility (Free use of 3D printers, 3D scanners, etc., for occupying companies)
- **F** Auditorium (251 seats and 4 simultaneous interpretation rooms), Seminar Rooms (2 rooms for 56 people each), Large Conference Rooms (3 rooms for 20 people each), Medium Conference Rooms (3 rooms for 10 people each), PR Exhibition Hall (display of company products)

(5) **G** - **H** Amenities

- **G** Guesthouses (46 rooms in total with single, twin and suite rooms / long-term use possible)
- **H** Sports Facilities (a multipurpose gymnasium, physical fitness rooms), cafeteria (220 seats), shops, cafes, etc.



### 3) Operation of Environmental Venture Centers

#### a) Environmental Venture Centers

##### (1) Establishment and Operation of 'Environmental Venture Centers'

- The establishment of Environmental Venture Centers in the Environmental Industry Research Complexes to discover and foster startups with outstanding environment-related ideas and technologies at initial stages
  - Finding outstanding (potential) entrepreneurs and supporting them according to comprehensive startup support programs
- Support Program for Occupying Enterprises in Venture Centers

Programs	Details
Capacity-building Support	Capacity-building training about investment attraction, IR data consulting and production, 1:1 IR strategy consulting, briefing sessions on investment attraction, PR and marketing support
Technical Development Support	Support for mid- to long-term technology roadmaps, patent strategies (IP-R&D), IP rights acquisition (financial support), etc.
Consulting Support	Providing consulting service in partnership with Comprehensive Counseling Center (company doctor, etc.)

#### [ The Interior of an Environmental Venture Center ]



Business Lounge



Office

#### b) Environment Startup Lab

- Office space provided for early environmental (potential) entrepreneurs to register as their work area

##### (1) Occupancy Requirements

- (Preliminary) startups with less than 5 employees within 7 years of incorporation (as of the occupancy application date) with the intention of carrying out R&D for environmental technologies

- Occupancy: When vacancy occurs (application received throughout the year)

**(2) Spatial Composition**

- Office space: 380 m<sup>2</sup>, 5 rooms, 17 seats, a networking space:

Category	Number	Seats	Usage	Remarks
4-person room	3	12	Office	People assigned according to the No. of seats
3-person room	1	3		
2-person room	1	2		

- ※ Independent office space is not available. 1 seat per person is randomly assigned.
- ※ A desk and chair, the internet connection, and internet phone service are available.

**4) Information on Occupancy**

**a) Ordinary Companies**

**(1) Eligibility**

- The following businesses, organizations, or institutions intent on conducting R&D for environmental technologies

1. Companies that fall under the Framework Act on Small and Medium Enterprises or middle-standing or larger companies that can lead or support other companies in the complex
2. Foreign research institutes established for the purposes of research and development and technology transfer in partnership with domestic institutions, organizations, or businesses.
3. Research institutes subject to the Specific Research Institutes Support Act
4. Government-funded research institutes established pursuant to the Act on the Establishment, Operation and Fostering of Government-funded Research Institutes, etc. or government-funded research institutes working in the field of science and technology established pursuant to the Act on the Establishment, Operation and Fostering of Government-funded Science and Technology Research Institutes, etc.
5. Company-affiliated research centers that always secure environmental research personnel among those established pursuant to Article 14 (1) 2 of the Basic Research Promotion and



Technology Development Support Act

6. Businesses engaged in the environmental industry
7. Institutions, organizations, or business operators prescribed in Article 12 of the Enforcement Decree of the Environmental Technology and Industry Support Act
8. Other institutions, organizations or business operators recognized by the president of the Korea Environmental Industry and Technology Institute

## (2) Preclusion from Occupancy Application Review

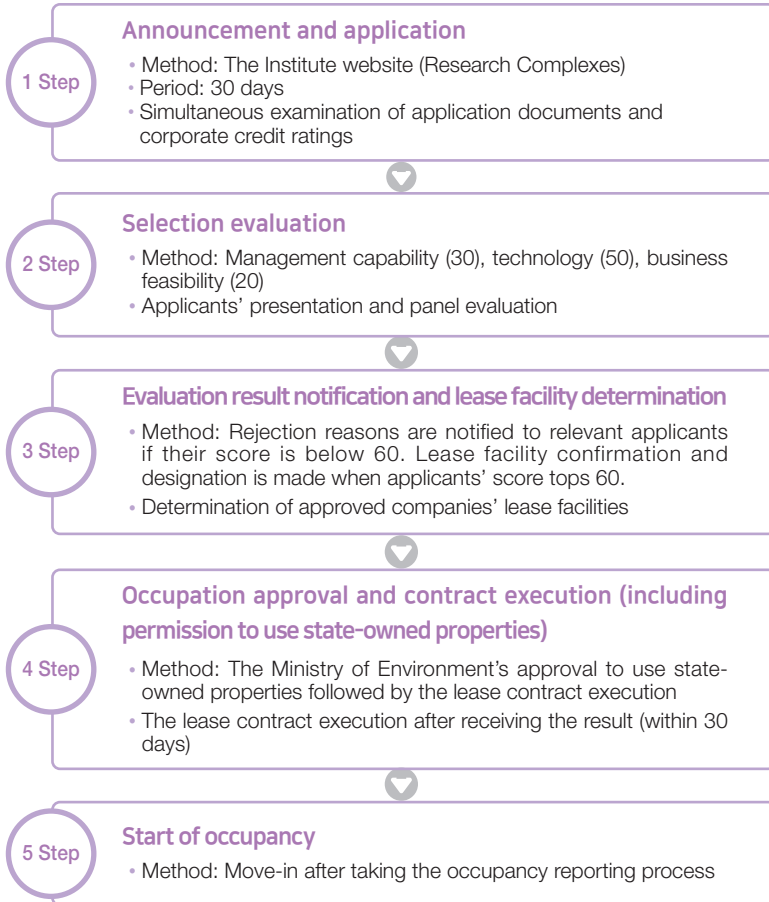
1. Persons who do not fall under Article 8 of the Operational Regulations
2. Businesses in industries generating severe pollution such as noise and vibration
3. Businesses that are suspended or closed
4. Persons who are restricted from participating in national R&D projects
5. Persons who are notified of compulsory execution, bankruptcy, commencement of composition, commencement of company reorganization procedures, or commencement of auction procedures due to arrears of national and local taxes, bankruptcy, etc.
6. Persons who are being regulated as delinquent traders by financial institutions
7. Other persons deemed inappropriate by the president of the Korea Environmental Industry and Technology Institute

## (3) Occupancy Period and Space

- Occupancy period
  - Up to 4 years for initial occupancy (extended every 2 years thereafter)
- Occupancy space
  - 'Rooms' are assigned as office, dedicated laboratory, and pilot test space but 'space' is assigned for testbed purposes.

※ A maximum of 5 rooms can be assigned to each company as offices and/or dedicated labs.

#### (4) Occupancy Procedures



#### b) Venture Businesses

##### (1) Eligibility

- SMEs with promising technologies in the environmental industry (enterprises within three years of starting business) and prospective entrepreneurs

1. Environmental venture businesses (enterprises with promising technologies in the environmental industry under Article 2 (1) of the Act on Special Measures for the Promotion of Venture Businesses



- and Article 17 (3) of the Enforcement Decree of the Environmental Technology and Industry Support Act)
2. Businesses that have obtained new technology certifications or technology verifications in the environmental field (Article 7 (1)) of the Environmental Technology and Industry Support Act)
  3. Enterprises participating in environmental technology development projects (Article 3 of the Regulations on the Operation of Environmental Technology Development Projects)
  4. Eco-label certified companies (Article 17 of the Environmental Technology and Industry Support Act)
  5. Green technology certified companies in the environmental field (Article 32 of the Framework Act on Low Carbon, Green Growth and Article 19 of the Enforcement Decree of the same Act)
  6. Other preliminary entrepreneurs and enterprises aiming for the commercialization of environmental technologies or the commencement of business in environment industry-related fields.

## (2) Those Precluded from Occupancy Application Review

1. Persons who do not fall under Article 8 of the Operational Regulations
2. SMEs that have passed three years from the date of business commencement as of the application date
3. Those that have occupied a facility similar to the Center
4. Those without rights to major parts of the technology which the application is based on
5. Businesses that are suspended or closed
6. Persons who are restricted from participating in national R&D projects
7. Persons who are notified of compulsory execution, bankruptcy, commencement of composition, commencement of company reorganization procedures, or commencement of auction procedures due to arrears of national and local taxes, bankruptcy, etc.
8. Those who have submitted their application documents by false or illegal methods
9. Other persons deemed inappropriate by the head of the relevant management agency

### (3) Occupancy Periods and Space

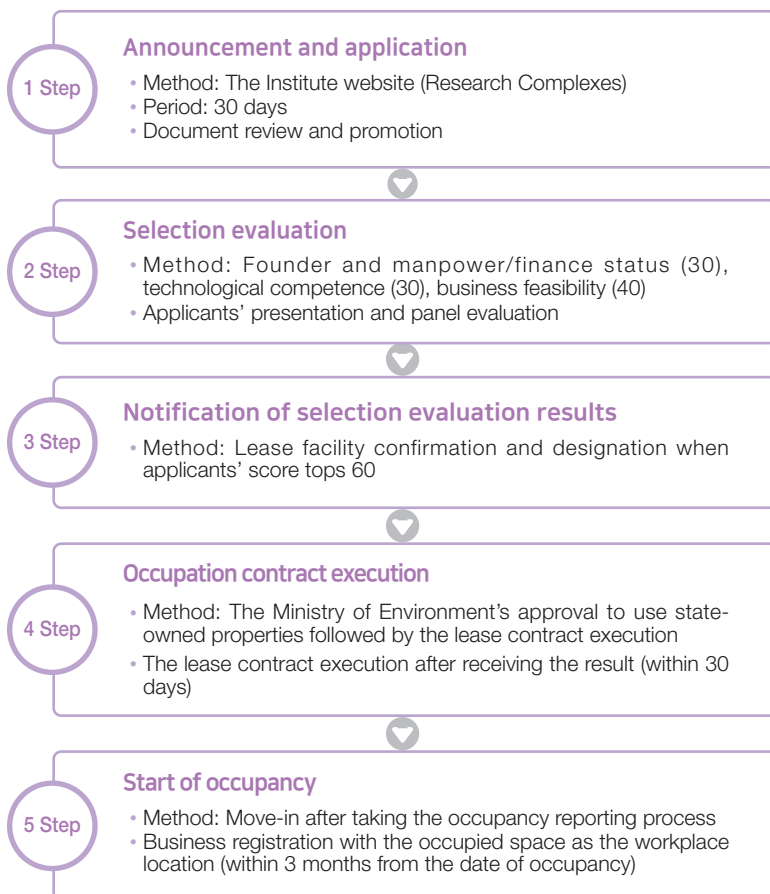
- Occupancy period
  - Up to 3 years from the first occupancy in date with the occupancy contract concluded annually
- ※ An occupancy contract can be renewed only if the “continue” mark is given to first-year enterprises in the project progress evaluation and to second-year companies in the mid-term evaluation.
- ※ The occupancy period can only be extended by a year through an extension evaluation upon the expiration of the contract period (3 years).
- Occupancy space
  - The lease (contract) area includes the exclusive use area and the common use area (the exclusive use space rate of 70%)

### (4) Success Fee

- The success fee refers to money paid by occupants to the Center when they ‘graduate’ from the place as a compensation for the Center's provision of various information and startup support services.
  - The success fee is paid to the relevant Environmental Venture Center at a certain ratio according to the sales growth rate upon graduation from the place.



## (5) Occupancy Procedures



※ Refer to the website for details such as rental fees and lease facilities.

## 5) Business Support

### a) Support by Growth Stage

#### (1) R&D Stage

Category	Details
Support for Patent Strategy (IP-R&D) Establishment	Support by the research complex for corporate contributions (cash) by selected occupying companies ※ Up to KRW 17 million per case



Category	Details
Environmental R&D Consultation and Linkage Support	<ul style="list-style-type: none"> <li>• Mid- to long-term industrial technology development</li> <li>• Short-term commercialization/original technology development</li> <li>• Public technology development</li> <li>• Soil and groundwater technology development</li> </ul>
Acquisition and Maintenance of Domestic and Foreign Intellectual Property Rights to Developed Technologies	Support for companies in research complexes to secure intellectual property rights (patent rights, utility model rights, trademark rights, etc.) by the IP Narae Project and the IP Rights Support Project offered by the Incheon Regional Intellectual Property Office.
Support for the Installation of Research Facilities in connection with Basic Environmental Facilities	Linking to basic environmental facilities in Incheon for research and experiments on an empirical scale and verify developed technologies
Supply of Experimental Water in the Complex	Support for research through the supply of experimental water (raw water, sewage, seawater) in the complex

## (2) Commercialization Stage

Category	Details
Support for Expert Consulting (company doctors)	Providing consulting services by expert groups in corporate management (taxes, laws, etc.) and technological development (environmental technologies and technologies in related fields) to solve problems arising in the business management process
Consultation and Support for Domestic and Overseas Environmental Certification/ Verification	<ul style="list-style-type: none"> <li>• Eco-label certification                             <ul style="list-style-type: none"> <li>※ Certification benefits: Compulsory purchase by public institutions, promotion of certified products, support for registration of excellent products in Public Procurement Service</li> </ul> </li> <li>• New technology certification and technology verification                             <ul style="list-style-type: none"> <li>※ Certification benefits: Priority use of new technologies for public environmental infrastructure, and recognition of construction performance on on-site evaluation facilities during technology verification</li> </ul> </li> <li>• Certification of environmental declaration of products                             <ul style="list-style-type: none"> <li>※ Certification benefits: Additional points granted to the green company designation and the small and medium-sized environmental company commercialization support application</li> </ul> </li> <li>• Green certification                             <ul style="list-style-type: none"> <li>※ Certification benefits: Financing support, sales channel/marketing support, technical commercialization base establishment, and commercialization acceleration system establishment</li> </ul> </li> </ul>



Category	Details
Consultation and Support for Domestic and Overseas Environmental Certification/ Verification	<ul style="list-style-type: none"> <li>• Green building certification</li> <li>※ Certification benefits: Priority support from Environmental Industry Fostering Fund and the recognition of the purchase of eco-friendly construction materials by public institutions as green purchase</li> </ul>
Consultation and Connection Support for Environmental Technology Performance Verification	Support for overseas expansion by providing technical performance data suitable for countries exporting environmental technology and providing objective and reliable information through a third party's performance verification
Support for the Protection of Core Corporate Technical Data	Support for technical data deposit fees ※ Up to 3 cases per company within the limit of KRW 900,000

### (3) Overseas Expansion Stage

Category	Details
Support for Participation in Overseas Environmental Projects	<ul style="list-style-type: none"> <li>• Support for the participation in the 'Overseas Environmental Project Feasibility Study Support Project' of the Korea Environmental Industry and Technology Institute to expand overseas business opportunities and sales channels</li> <li>• Support for the participation in the 'International Joint Localization Project' of the Institute to localize technologies together with overseas partner countries and export the demonstration outcomes to them</li> <li>• Collaboration for the 'Green Export 100 Project' of the Korea Environmental Industry Association, which selects and fosters SMEs with export growth potential as export-oriented companies</li> </ul>
Consulting Support for Overseas Expansion	Consulting service in partnership with internal and external experts to help companies expanding overseas resolve various types of problems
Overseas Marketing Support	<ul style="list-style-type: none"> <li>• Providing companies with essential information through international networks such as overseas environmental cooperation centers operating in 5 countries, including China and Vietnam</li> <li>• Offering marketing opportunities through technology roadshows, overseas market pioneer groups, 1:1 matching with clients, establishment of special exhibition booths at international environmental exhibitions, and international exchanges at the booths</li> <li>• Language interpretation and translation services for the marketing of developed technologies overseas</li> </ul>

**(4) Startup and Venture Business Support**

- Support Programs for Venture Center Occupying Enterprises

Program	Details
Support for Strengthening Corporate Capabilities	Assistance for investment attraction capacity-building training, IR data consulting and production, 1:1 IR strategy consulting, simulation investment attraction briefing sessions, PR and marketing efforts
Support for Technological Development	Assistance for the establishment of mid- to long-term technology roadmaps and patent strategies (IP-R&D) and the acquisition costs for intellectual property rights, etc.
Consulting Support	Consulting assistance in partnership with Comprehensive Counseling Center (company doctors, etc.)

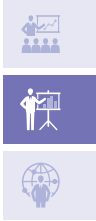
**b) Major Corporate Support Projects**

**(1) Support for Company Doctor Consulting Service**

- Purpose: Providing experts' consulting in each field to resolve corporate difficulties
- Types of Support
  - Basic Clinic: 1:1 basic consulting service with experts in each field within the research complex
  - Intensive Clinic: 1:1 consulting service for serious difficulties in mid- to long-term

**(2) Collaboration Service with Related Organizations**

Project	Purposes	Support Provided
Patent Strategies (IP-R&D)	Encouraging companies to preoccupy original patents and strengthen competitiveness through the establishment of R&D strategies based on intellectual property rights in partnership with Korea Intellectual Property Strategy Agency	100% support for corporate contributions (cash)
IP Narae Project & IP Rights Promotion Support	Application fee support in collaboration with Incheon Regional Intellectual Property Office and consulting service prior to patent application for companies within 7 years of establishment	Recommendation of companies



Project	Purposes	Support Provided
Technical Data Deposit	Preservation of companies' core technical data in the Deposit Center (Large and Small Business Cooperation Foundation) to prevent technology theft by business partners	Up to KRW 900,000 per company (annually) ※ Throughout the occupancy period
Technical Protection Advisory	Technology protection experts' on-site diagnosis of the security level and problems and proposal of solutions suitable for the relevant corporate environment.	100% support for basic advisory fees

### (3) Support by Korea Environmental Industry & Technology Institute

Project	Support Provided
Preferential Loan and Guarantee Support for Occupying Enterprises in the Research Complexes	Holding on-site consultation meetings in research complexes, one-one-one consultation connection, and preferential guarantee support
Support for Participation in Overseas Environmental Projects	<ul style="list-style-type: none"> <li>「Support for Overseas Environmental Project Feasibility Studies」: KRW 80-100 million/company, 15 companies per year</li> <li>Localization of technologies in cooperation with target foreign countries and export of demonstration results to the nations: 「International Joint Localization Project」</li> <li>Investment Briefings: Providing opportunities for matching and networking with investors such as venture capitalists, accelerators, and angel investors</li> <li>Support for the “Green Export 100 Project” aimed to select and foster outstanding companies as export-oriented enterprises</li> </ul>
Overseas Marketing and Consulting Support	<ul style="list-style-type: none"> <li>Providing necessary information to companies through international networks such as overseas environmental cooperation centers operating in 5 countries including China and Vietnam</li> <li>Providing marketing opportunities through technology roadshows, overseas market development teams, 1:1 matching with clients, and special exhibition booths at international environmental exhibitions</li> <li>Interpretation and translation service for overseas technology presentation and marketing</li> <li>Support linkage with internal and external professional consultants to resolve various difficulties arising from occupying companies' overseas expansion</li> </ul>

#### (4) Education and Training Programs

- Support areas
  - Business management: Financial statement analysis, documentation, presentation techniques, etc.
  - Economy: Reasonable financial life and domestic and international economic trends
  - Humanities: Lectures by invited celebrities
  - Marketing: Corporate marketing and product design, SNS marketing, etc.
  - Patents: Patent strategies for tech startup and patent literature search techniques, etc.
  - Mandatory legal education: Sexual harassment prevention, personal data protection, occupational safety and health, disability awareness, etc.

#### 6) Research Assistance

##### a) Prototype Production

###### (1) Operating Hours and Fees

- Operating hours: 09:00-18:00 on weekdays
- Fees: Material costs

###### (2) Services Available

- 3D printing: Industrial equipment 3D printing, self-production
- 3D scanning: Scanning, STL conversion
- Reverse engineering: STL editing, 3D modeling
- Instrument design: 3D modeling
- Processing: CNC, laser cutting machines

\* Please refer to the website of the Environmental Industry Research Complex.

##### b) Tool Rental: 37 types of tools available

##### c) Request for Test Analysis

###### (1) Korea Environment Corporation

- Support and Benefits



- Support: Up to 50% reduction in fees
- Note: A 'research plan' should be attached that can prove that it is a test/analysis for research purposes (plans for other projects, etc.).

## (2) Korea Conformity Laboratories (KCL)

- Support and benefits
  - Support: Up to 30% reduction in fees
  - Note: Apply through the designated person in charge to receive the benefits even when making an application through a branch office.

## (3) Korea Environmental & Water Works Institute

- Support and benefits
  - Support: Up to 30% reduction in fees

## (4) KOTITI Testing & Research Institute

- Support and benefits
  - Support: 10-30% reduction in fees

## (5) Korea Environmental Industry & Technology Institute

- Support and benefits
  - ① 50% reduction in product environmental testing and analysis fees for SMEs and social enterprises
  - ② 70% reduction in test and analysis fees for research purpose prototypes, etc. for companies in Environmental Industry Research Complexes

## 7) Inquiries

- Environmental Industry Research Complex (occupancy)
  - Companies: 032-540-2212
  - Startups: 032-540-2211
  - \* Inquiries about projects: Refer to the person in charge and contact information on the website.

## 8) Related Regulations, Reference, and Websites

- The Environmental Technology and Industry Support Act

- Ministry of Environment (<http://me.go.kr>)
  - Korea Environmental Industry & Technology Institute (<http://www.keiti.re.kr>)
  - Environmental Industry Research Complex (<https://www.etechhive.or.kr>)
- ※ Reference : Environmental Industry Research Complex (<https://www.etechhive.or.kr>)

## ▶ G. Technoparks

### 1) Overview

- The purpose of Technoparks is to cluster human and physical resources of enterprises, universities, research institutes, etc. in certain places to jointly develop technology, to accelerate commercialization of the outcomes of such development, and to contributing to invigorating regional economies, and promoting national competitiveness based on close connections and collaboration among such entities.
- \* Refer to the Act On Special Cases Concerning Support For Technoparks (enacted in Dec. 1998).
- Following the development of 6 Technoparks as pilot projects in December 1997, eight additional Technoparks have been designated since 2000 for government funding, etc. Thus far, a total of 18 Technoparks including private ones have been designated.
  - In 2007, the Technoparks acquired the functions of the Strategic Industrial Planning Team and the Specialized Centers. They now not only support small and medium-sized enterprises but also performs planning and evaluation functions to foster local industries. Run in the form of foundations, Technoparks are participated by local governments, universities, research institutes, and industrial companies.
  - Technoparks' projects that are largely categorized into regional



strategic industry promotion projects and regional specialized industry promotion projects include the regional industrial infrastructure construction project, the regional industrial base technology development project, the enterprise support service project, the regional strategic industry planning group operation project, the regional innovation base cultivation project, the regional related business promotion project, the Regional Innovation Center (RIC) project, and the local government research institute development project.

#### [ Status of Technopark Designation by Area (Led by Public Sector) ]

Phase	Areas	Time of Designation
Phase 1	Gyeonggi, Gyeongbuk, Gwangju, Daegu, Incheon (formerly Songdo), Chungnam	Dec. 1997
	Busan, Pohang	Dec. 2000
Phase 2	Gangwon, Chungbuk, Jeonbuk, Jeonnam	Dec. 2003
	Gyeongnam, Ulsan, Sejong (designated in 2018)	Dec. 2004

\* Technoparks in northern Gyeonggi (Daejin) (Mar. 2005), Seoul (Sep. 2005), Daejeon (Jan. 2008) and Jeju (Aug. 2010) are designated as private-led institutions (no financial government support).

## 2) Designation Status

### a) Public-led Types (15)

Location	Establishment	Area(㎡)	Specialization	Specialization
Incheon (formerly Songdo)	June 1998	682,000	Automotive parts, biotech, mechatronics, electronic information, nanotechnology, digital design processing	Michuhol Tower, Michuhol Tower Annex, Tidal Flat Tower, Test Production Building, Incheon Automobile Parts Technology Center
Gyeonggi	Sep. 1998	191,000	Electronics and IT, auto parts, biotech, robotics	Technology Advancement Building, Test Production Building, RIT Center



Location	Establishment	Area(m <sup>2</sup> )	Specialization	Specialization
Daegu	Dec. 1998	133,000	Nanotechnology, biotech, oriental medicine, mobile, IT convergence, green energy	Daegu Venture Center/ Factory, Techno Building, New Technology Industry Support Center, Oriental Medicine Industry Support Center
Gyeongbuk	Aug. 1998	109,000	Machinery, automobiles, IT convergence, IT, Energy, Life Resources (traditional Korean medicine)	HQ Building, Test Production Plant 1-3, Global Venture Building, R&DB Center
Gwangju	Dec. 1998	209,000	LED & LD, optical communication/optical applications, information home appliance parts, auto parts	HQ Building, Production Building, 4 Commercialization Buildings, Test Production Building, Logistics Center, Venture Support Center, Science and Technology Education & Cooperation Center
Chungnam	Dec. 1998	182,000	Electronic and information devices, high-tech culture, auto parts, agri-livestock biotech	Comprehensive Support Center, Venture Center, Logistics Support Center, Precision Processing Support Center
Busan	Dec. 1999	296,000	Marine engineering, machinery parts and materials, Video & IT, cutting-edge and future-oriented industries	S&T Promotion Center, POST BI building, test production building
Pohang	Feb. 2000	139,000	Nanoelectronic materials, biomedical materials, new steel materials, energy materials	HQ Building, Venture Buildings 1-4, Bio Information Support Center, Technoville
Chungbuk	Dec. 2003	287,000	Semiconductors, electrical- electronic fusion parts, biotech, next-generation battery	Future Convergence Technology Hall, Oriental Medicine Industry Hall, Life Industry Hall, High-tech IT Industry Hall
Jeonbuk	Dec. 2003	66,000	Automotive/machinery, biology, culture, video, tourism, renewable energy and RFT	HQ Building, Production Support Building, Venture Support Building, Radiation Imaging Technology Center, R&D Support Center
Jeonnam	Dec. 2003	66,000	New materials (magnesium, ceramic, etc.), shipbuilding, biology, cultural tourism, logistics	HQ Building, Venture Building, Production Building, New Material Technology Industrialization Support Center, etc.



Location	Establishment	Area(m <sup>2</sup> )	Specialization	Specialization
Gangwon	Dec. 2003	79,000	Biotech, medical device, new material/disaster prevention/plasma, marine biotech	HQ Building (Technology Innovation Center), startup incubation facilities, Venture Factory, New Ceramic Material Support Center, Semiconductor Material Factory, etc.
Gyeongnam	June 2000	324,000	Knowledge-based machinery (aerospace, mechatronics, precision machinery, shipbuilding and offshore engineering), robotics, IT convergence, biotech	Gyeongnam Technopark (HQ Building, Venture Building, Test Production Plant) Specialized Centers (Robotics Center, Mechatronics Center, Aerospace Center, etc.)
Ulsan	June 2003	182,000	Automotive, shipbuilding, marine engineering, fine chemistry, environmental engineering	HQ Building, Test and Evaluation Center, Technology Innovation Center, Fine Chemical Center, Safety Test Center, etc.
Sejong	Nov. 2018	18,000	Materials, parts, and smart engineering	HQ Building, SB Plaza, Innovation Center, Startup Center, etc.

#### b) Private-led Types(4)

Location	Establishment	Area(m <sup>2</sup> )	Specialization	Specialization
Daejin, Gyeonggi	Mar. 2005	105,000	New/renewable bio energy, video/media cultural contents, textile materials, furniture design, LED displays, eco-friendly biological materials	Comprehensive Support Center, Community Center, Technology Advancement Center, Test Production Buildings 1 and 2
Seoul	Dec. 2004	84,000	Nurturing NIT manpower, nurturing IT convergence experts, BT	Research HQ Building, FAB, MSP, NIT manufacturing equipment
Daejeon	Mar. 2008	53,000	ICT, biotech, mechatronics, high-tech parts and materials	HQ Building, High Frequency Parts Industry Support Center, IT Exclusive Venture Town, Intelligent Robot Industrialization Center
Jeju	Aug. 2010	103,000	Regional strategic industries, knowledge-based industries, leading industries in the regional economy	Jeju Venture Maru, Jeju Biological Resources Industrialization Support Center, Jeju Bio Industry Center

### 3) Inquires

- Korea Technopart Association (82-2-6009-3800)

### 4) Related Regulations, References, and Websites

- Act on Special Cases Concerning Support for Technoparks
- Guidelines on Technoparks Development and Operation
- The topographic map of Technoparks
- Ministry of SMEs and Startups (<https://www.mss.go.kr>)
- Korea Technopart Association (<http://www.technopark.kr>)
- Industrial Sites Bulletin 2020, KICOX

## ▶ H. Venture Business Development and Promotion Zones

### 1) Overview

- The Ministry of SMEs and Startups designates certain areas as promotion zones at the request of Mayors/ Do Governors to promote the development of venture businesses.

### 2) Incentives

- Reduction of local taxes (acquisition tax, property tax) and support for technologies, business management, startup, job creation, etc. for occupying companies in the zones

### 3) Designation Status

No.	Region	Name	Location
1	Seoul	Yeongdeungpo Venture Business Development and Promotion Zone	Yeongdeungpo-dong, Yeouido-dong, and Munrae-dong
2		Hongneung-Wolgok Venture Business Development and Promotion Zone	Near KIST (Imun-dong, Jeonnong-dong)
3		Seongdong Venture Business Development and Promotion Zone	Seongsu-dong, Haengdang-dong, Doseon-dong
4	Busan	Daeyeon Venture Business Development and Promotion Zone	Daeyeon-dong, Namcheon-dong, U-dong
5		Hadan Venture Business Development and Promotion Zone	Hadan-dong, Eomgung-dong
6	Daegu	Dongdaegu-Seongseo Venture Business Development and Promotion Zone	Sincheon-dong, Beomeo-dong, Hosan-dong, Horim-dong
7	Incheon	Juan Venture Business Development and Promotion Zone	Juan-dong, Dohwa-dong



No.	Region	Name	Location
8	Gwangju	Geumnam Venture Business Development and Promotion Zone	Daein-dong, Sugi-dong, Honam-dong
9		Cheomdan Venture Business Development and Promotion Zone	Oryong-dong, Daechon-dong, Wolchul-dong
10	Daejeon	Daedeok Venture Business Development and Promotion Zone	Eoeun-dong, Jeonmin-dong, and Sinseong-dong
11	Ulsan	Ulsan Venture Business Development and Promotion Zone	Daun-dong, Mugeo-dong, Ujeong-dong, Banyeon-ri, Duwang-dong
12	Gyeonggi	Anyang Venture Business Development and Promotion Zone	Anyang-dong, Bisan-dong, Gwanyang-dong, Pyeongchon-dong, Hogye-dong
13		Bucheon Venture Business Development and Promotion Zone	Sang-dong, Yakdae-dong, Samjeong-dong, Ojeong-dong, Chunui-dong
14		Ansan Venture Business Development and Promotion Zone	Wongok-dong, Wonsi-dong, Choji-dong
15		Seongnam Venture Business Development and Promotion Zone	Sangdaewon-dong, Yatap-dong, Sunae-dong, Jeongja-dong
16		Suwon Venture Business Development and Promotion Zone	Gosaek-dong, Seodun-dong, Cheoncheon-dong
17		Gangwon	Chuncheon Venture Business Development and Promotion Zone
18	Wonju Venture Business Development and Promotion Zone		Taejang-dong, Heungeop-myeon
19	Chungbuk	Ochang Venture Business Development and Promotion Zone	Ochang-eup, Oksan-myeon
20	Chungnam	Asan Venture Business Development and Promotion Zone	Tangjeong-myeon, Eumbong-myeon, Jiksan-myeon
21	Jeonbuk	Jeonju Venture Business Development and Promotion Zone	Palgok-dong, Jang-dong
22	Jeonnam	Yudal Venture Business Development and Promotion Zone	Seokhyeon-dong and Okam-dong in Mokpo-si
23	Gyeongbuk	Pohang Venture Business Development and Promotion Zone	Jigok-dong, Hyoja-dong
24		Gumi Venture Business Development and Promotion Zone	Gongdan-dong, Sinpyeong-dong
25	Gyeongnam	Changwon Venture Business Development and Promotion Zone	Naeseo-eup
26	Jeju	Jeju Venture Business Development and Promotion Zone	Ido 1-dong, Ido 2-dong, Ara 1-dong
	<b>Total</b>	<b>26 zones</b>	

\* For exact addresses, etc., please refer to the Consolidated Notification of the Designation of Venture Business Development and Promotion Zones

**4) Inquiries**

- Ministry of SMEs and Startups (82-1357)

**5) Related Regulations, Reference, and Websites**

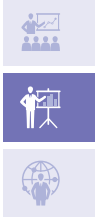
- The Act on Special Measures for the Promotion of Venture Businesses
- Consolidated Notification of the Designation of Venture Business Development and Promotion Zones
- Guide to Factory Sites and Establishment, Nodemedia, Cheon (2020)
- Ministry of SMEs and Startups (<https://www.mss.go.kr>)

**▶ I. Areas for Clustering New Technology-based Businesses****1) Purpose**

- Promotion of tech start-ups in universities and research institutes
  - Energizing business start-ups by providing space for start-up companies through location support

**2) Incentives and Beneficiaries****a) Incentives****Example: A start-up company that reached test production stag**

- Reductions in acquisition and registration taxes
  - 50% reduction in acquisition tax and another 50% reduction in property tax for acquisition of real estate and construction/expansion of buildings for the creation of a clustering area (Article 58 (1) of the Restriction of Special Local Taxation Act)
  - 50% reduction in acquisition tax and property tax on real estate acquired when constructing or expanding buildings in a clustering area (Article 58 (3) of the Restriction of Special Local Taxation Act)
- Others
  - Easing construction restrictions: Only certain areas such as green areas are restricted <Article 17-4 (1) of the Act on Special Measures for the Promotion of Venture Businesses>
  - Installation of urban-type factories allowed <Article 17-4 (2) of the same Act>



- Permission for construction of permanent facilities in national and public lands and preferential lease period (20 years) for occupying companies and support facility installers and operators <Article 17-4 (6) and (7) of the same Act>

- Exemption from 5 charges\* and the obligation to install artistic decoration <Article 17-4 (8) of the same Act>

\* Development charges, farmland preservation charges, traffic congestion charges, expenses for the creation of substitute forest resources, and expenses for the creation of substitute grassland

### b) Beneficiaries

- Universities or research institutions that intend to designate a certain area within their premises as a “clustering area for new technology startups”
- Those that newly build or expand an industrial building, research facility, or test production building in a new technology startup clustering area
- Companies entitles to moving into a new technology start-up clustering area must be 'start-ups,' 'BI graduate companies' or 'venture businesses. Other companies can also move in within 30% of the total occupying area.

### 3) Designation Status

No.	Name	Operator	Location	Specialization	KSIC (Division Nos.)
1	HNU Science park	Industry-Academia Cooperation Foundation, Hannam Univ.	1646 Yuseong-daero, Yuseong-gu, Daejeon	Functional biological materials manufacturing industry	20, 21
2	Hoseo Venture Valley	Hoseo Univ.	20 Hoseo-ro 79-gil, Baebang-eup, Asan-si, Chungnam Corporate Research Center, Industry-Academia Convergence Campus, Sandan 7-ro, Seokmun-myeon, Dangjin-si, Chungnam	Semiconductor, display, electronic parts, chemical product manufacturing, etc.	20, 21, 24, 25, 26, 28, 30, 62

No.	Name	Operator	Location	Specialization	KSIC (Division Nos.)
3	Pai Chai Univ. Industry-Academia Cooperation Hall	Pai Chai Univ. Industry-Academia Cooperation Foundation	11-3 Techno 1-ro, Yuseong-gu, Daejeon	BIT convergence	20, 21, 26, 27, 62, 63, 70
4	Dongguk Bio Park	Dongguk University	32, Dongguk-ro (Siksa-dong), Ilsandong-gu, Goyang-si, Gyeonggi-do	BT	21, 27, 70
5	Yeongdong Techno Valley	Yeongdong University	310 Daehak-ro, Yeongdong-eup, Yeongdong-gun, Chungbuk	IT, functional biological materials	20, 21, 26, 27, 58, 62, 63, 70
6	HISTEC	Hanbat National Univ.	125 Dongseo-daero, Yuseong-gu, Daejeon 75 Techno 1-ro, Yuseong-gu, Daejeon	Advanced chemistry and components and materials	20, 21, 25, 26, 27, 29
7	Eco-Green Techno Valley	Industry-Academia Cooperation Foundation, Chonbuk National Univ.	515 Osikdo-dong, Gunsan-si, Jeollabuk-do	Electricity, electronics, mechatronics, green industry	26, 27, 28, 29
8	Next-generation Green Technology Startup Plaza	Dankook University	152 Jukjeon-ro, Suji-gu, Yongin-si, Gyeonggi-do	S/W and green IT	26, 28, 29, 58, 62, 63, 70, 72, 73
9	Saemangeum Green Convergence Techno Valley	Kunsan University Industry-Academia Cooperation Foundation	515-4~14, Osikdo-dong, Gunsan-si, Jeollabuk-do	Construction machinery, shipbuilding and offshore engineering, wind power generation and green eco-friendly industries	26, 27, 28, 29, 31, 70, 72
10	Venture Innovation Factory	KAIST Industry-Academia Cooperation Foundation	193 Munji-ro, Yuseong-gu, Daejeon	Electricity, electronics, ICT, mechatronics, convergence industry	20, 25, 26, 27, 28, 29, 33, 61, 62, 63, 70, 71, 73



No.	Name	Operator	Location	Specialization	KSIC (Division Nos.)
11	Industry-Academia Convergence Venture Valley	Yeungjin College Industry-Academia Cooperation Foundation	57 Songjeongsujeong-gil, Jicheon-myeon, Chilgok-gun, Gyeongbuk	Mechatronics, electronic information equipment, green energy, automotive	26, 27, 28, 29, 30, 31
12	Pukyong Dragon Valley	Pukyong National University	Pukyong National University Yongdang Campus, 365 Sinseon-ro, Nam-gu, Busan, Pukyong National University Fisheries and Ocean Science Research Complex, 256 Dongbaek-ri, Ilgwang-myeon, Gijang-gun, Busan	Manufacturing, environmental restoration, construction, transportation, publishing and video information service, specialized science and technology service, and educational service	26, 27, 28, 29, 30, 39, 41, 42, 50, 52, 59, 61, 62, 63, 70, 72, 73, 85
13	Yonsei University Bio-Health Care Clustering Area	Yonsei University	85 Gwahak-ro, Songdo, Yeonsu-gu, Incheon	Medical substance and drug manufacturing business, R&D business	21, 70
14	KU-MAGIC Jeongneung	Korea University	161 Jeongneung-ro, Seongbuk-gu, Seoul	Medical substances, medicines, medical device manufacturing, R&D business, technology service, education service	20, 21, 27, 70, 71, 73, 85

#### 4) Inquiries

- Ministry of SMEs and Startups (82-1357)

#### 5) Related Regulations, Reference, and Websites

- The Act on Special Measures for the Promotion of Venture Businesses
- Consolidated Notification of the Designation of Venture Business Development and Promotion Zones
- Ministry of SMEs and Startups (<https://www.mss.go.kr>)
- G4C 24 (<https://www.gov.kr>)
- Guide to Factory Sites and Establishment, Nodemedia, Cheon (2020)



## ▶ J. Small Urban Manufacturers' Clusters

### 1) Overview

- Launched in 2015, the “small urban manufacturers’ cluster” system is aimed at laying the foundation for the development of small urban manufacturers.
  - The enactment of the Special Act on Support for Small Urban Manufacturers in May 2015 has systematically supported the development of small labor-intensive, highly-skilled manufacturers.
  - The designation as a cluster is followed by various support measures such as the establishment of infrastructure including joint equipment and joint workplaces, the provision of preferential policy financing (exclusive funds and preferential interest rates), the installation of specialized small manufacturer centers, and the support of sales channels and R&D.

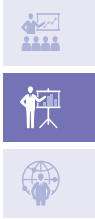
### 2) Beneficiaries

- Areas whose number of urban-type manufacturers in the same industry exceeds the criteria for each administrative district and the heads of their local governments ask the Ministry of SMEs and Startups for designation.

#### [ Criteria by Administrative Unit ]

Administrative Unit	Criteria
Eup, myeon, or dong in the Seoul special city or a metropolitan city	50 manufacturers or more
Eup, myeon or dong in a city (including the Sejong City and provinces)	40 manufacturers or more
Eup or myeon in a county ('gun')	20 manufacturers or more

\* A small manufacturer refers to a labor-intensive, highly-skilled manufacturer, with fewer than 10 full-time workers, who is characterized by being part of a cluster in a certain area (The Special Act on Support for Small Urban Manufacturers).



### 3) Designation Benefits

- Joint infrastructure construction,\* business support and center installation, etc.

\* Up to KRW 5 billion per city/province (central government: up to 2/3, local government: up to 1/3)

#### [ Support for Small Urban Manufacturers' Clusters ]

Category		Contents	Remarks
Financing	Specialized funds for small manufacturers	• A loan of up to KRW 500 million for up to 8 years (installation and operation)	• Preferred interest rate, higher limit, etc.
Laying the Foundation	Establishment and operation of the Small Manufacturer Center	• Installation of a center to support small manufacturers and provision of customized support for each field	• Support for the center establishment in designated cluster areas
	Joint infrastructure construction	• Installation of common facilities and equipment for each field and promotion of utilization	• Matching support of up to 2/3 of the resources required for joint facility installation
Marketing & R&D	Market development	• 80% support for marketing events, etc. with the limit of KRW 30 million	• Extra points in selection evaluation
	Technological development	• 80% support for technological development with the limit of KRW 30 million	

### 4) Designation Procedures (based on the Special Act on Support for Small Urban Manufacturers and the Enforcement Decree of the same Act)

- Application: Mayors/Do Governors or the heads of a Si/Gun/Gu establish plans\* to revitalize the clusters and request the Minister of SMEs and Startups to designate certain areas as the clusters.

\* The plans include the current status of small manufacturers in clusters and related organizations, the status of infrastructure, the annual activation plans (for 3 years), etc.

- Review: The Minister considers the feasibility of the plans and their harmony with the industrial location supply and demand plans before making decisions on the designation (Article 15 of the same Act).
- Designation: The designation is made for 3 years and notification must be made about the name and scope of the cluster, the

purpose of designating, and annual activation plans (Article 9 of the Enforcement Decree of the same Act).

## 5) Designation Status

### a) Designated on January 31, 2017

No.	Location	Business
1	Su-dong, Sangdang-gu, Cheongju-si, Chungcheongbuk-do	Printing, recording media reproduction business
2	Munrae-dong 1-ga ~ 6-ga, Yeongdeungpo-gu, Seoul	Machinery, metallurgical engineering
3	Myo-dong ~ Bongik-dong, Jongno-gu, Seoul	Jewelry
4	Seongsu-dong, Seongdong-gu, Seoul	Handmade shoes

\* The total costs for the construction of joint infrastructure do not include the costs spent on the improvement of surrounding street environment.(refer to Ministry of SMEs and Startups (<https://www.mss.go.kr>) for details)

### b) Designation Notice on February 5, 2018

#### [ Designation Details ]

No.	Name	Location
1	Machinery and Metal Work Clusters (C24, C25, C29) in Munrae-dong, Yeongdeungpo-gu, Seoul	Munrae-dong
2	The misc. product manufacturing cluster (C33) in Bongik-dong, Myo-dong and Wonnam-dong, Jongno-gu, Seoul	Bongik-dong, Myo-dong, Wonnam-dong
3	The leather, bag and shoe manufacturing cluster (C15) in Seongsu-dong, Seongdong-gu, Seoul	Seongsu-dong
4	The printing and recording media duplication business cluster (C18) in Jungang-dong, Sangdang-gu, Cheongju-si, Chungcheongbuk-do	Jungang-dong
5	The machinery and metal work clusters(C29, C25) in Daeya and Sincheon-dong, Siheung-si, Gyeonggi-do	Daeya and Sincheon-dong
6	The grocery cluster (C10) in Jumunjin-eup, Gangneung-si, Gangwon-do (Excluding industrial complexes)	Jumunjin-eup (Excluding industrial complexes)
7	The clothing cluster (C14) in Beomil-dong, Dong-gu, Busan	Beomil-dong
8	The textile product cluster (C13) in Nam-myeon, Yangju-si, Gyeonggi-do (Excluding industrial complexes)	Nammyeon (Excluding industrial complexes)

No.	Name	Location
9	The electronic components, computer, video, audio and communication equipment cluster (C26) in Yeongdeok-dong, Giheung-gu, Yongin-si, Gyeonggi-do	Yeongdeok-dong
10	The grocery cluster (C10) in Sacheon-myeon, Gangneung-si, Gangwon-do	Sacheon-myeon
11	The grocery cluster (C10) in Buk-myeon, Inje-gun, Gangwon-do (Excluding industrial complexes)	Buk-myeon (Excluding industrial complexes)

\* Refer to Ministry of SMEs and Startups Notice (2018-12) for details

### c) Designation Notice on December 28, 2018

No.	Name	Location
1	The clothing cluster (C14) in Doksan-dong, Geumcheon-gu, Seoul	Doksan-dong
2	The clothing cluster (C14) in Bomun-dong, Wolgok-dong, Jangwi-dong, Jongam-dong and Seokgwang-dong, Seongbuk-gu, Seoul	Bomun-dong, Wolgok-dong, Jangwi-dong, Jongam-dong, Seokgwang-dong
3	The metal processing cluster (C25) in Gunpo 1-dong, Gunpo-si, Gyeonggi-do	Gunpo 1-dong
4	The furniture cluster (C32) in Gasan-myeon, Pocheon-si, Gyeonggi-do	Gunpo 1-dong
5	The clothing cluster (C14) in Daebong 1-dong, Jung-gu, Daegu	Daebong 1-dong

\* Refer to Ministry of SMEs and Startups Notice (2018-69) for details

### d) Designation Notice on February 19, 2020

No.	Name	Location
1	The misc. product cluster (C33) in Seongnae-dong, Jung-gu, Daegu Metropolitan City	Seongnae-dong
2	The printing and recording media reproduction business cluster (C18) in Seonam-dong, Dong-gu, Gwangju	Seonam-dong
3	The grocery cluster (C10) in Sangdaewon-dong, Jungwon-gu, Seongnam-si, Gyeonggi-do	Sangdaewon-dong
4	The misc. machinery and equipment cluster (C29) in Hyangnam-eup, Paltan-myeon, and Jeongnam-myeon, Hwaseong-si, Gyeonggi-do	Hyangnam-eup, Paltan-myeon, Jeongnam-myeon
5	The electronic components, computer, video, audio and communication equipment cluster (C26) in Gwanyang-dong, Dongan-gu, Anyang-si, Gyeonggi-do	Gwanyang-dong

No.	Name	Location
6	The non-metallic mineral product cluster (C23) in Jinrye-myeon, Gimhae-si, Gyeongsangnam-do	Jinrye-myeon
7	The grocery cluster (C10) in Sunchang-eup, Sunchang-gun, Jeollabuk-do	Sunchang-eup
8	The textile product manufacturing cluster (C13) in Yugu-eup, Gongju-si, Chungcheongnam-do	Yugu-eup
9	The fashion and sewing clusters (C14, C13, C15) in Myeonmok-dong and Sangbong-dong, Jungnang-gu, Seoul	Myeonmok-dong and Sangbong-dong

\* Refer to Ministry of SMEs and Startups Notice (2020-18) for details

### e) Designation Notice on January 21, 2021

No.	Name	Location
1	The fabricated metal products cluster (C25), other machinery and equipment cluster (C29), Ojeong-dong, Daedeok-gu, Daejeon	Ojeong-dong
2	The nonmetallic mineral cluster (C23), Bungnae-myeon, Ohak-dong, Yeosu-si, Gyeonggi-do	Ohak-dong, Bungnae-myeon, Daesin-myeon
3	The furniture cluster (C32), Gwangnam-dong, Opo-eup, Chowol-eup, Gwangju-si, Gyeonggi-do	Gwangnam-dong, Opo-eup, Chowol-eup
4	The fabricated metal products cluster (C25), electrical equipments cluster (C28), other machinery and equipment cluster (C29), Songlim-dong, Songhyun-dong, Dong-gu, Incheon	Songlim-dong, Songhyun-dong
5	The fabricated metal products cluster (C25), Palbok-dong, Jeonju-si, Jeollabuk-do	Palbok-dong
6	the other products cluster (C33), 4 <sup>th</sup> , 5 <sup>th</sup> Chungjang-ro, Dong-gu, Gwangju	4 <sup>th</sup> , 5 <sup>th</sup> Chungjang-ro
7	The clothing, accessories, and fur cluster (C14), Seo-dong, Geumjung-gu, Busan	Seo-dong
8	The printing and copying record medium (C18), Seogyo-dong, Mapo-gu, Seoul	Seogyo-dong
9	The food cluster (C10), Punggi-eup, Yeongju-si, Gyeongsangbuk-do	Punggi-eup
10	The fabricated metal products cluster (C25), Bongdam-eup, Hwaseong-si, Gyeonggi-do	Bongdam-eup

\* Refer to Ministry of SMEs and Startups Notice (2021-9) for details

## 6) Inquires

- Ministry of SMEs and Startups (1357)

## 7) Related Regulations and Reference Websites

- The Special Act on Support for Small Urban Manufacturers
- Integrated notification on support for small urban manufacturers
- Designation announcement of urban small urban manufacturers
- Ministry of SMEs and Startups (<https://www.mss.go.kr>)
- Industrial Sites Bulletin 2020, KICOX

# 5. Balanced National Development Complexes

## ▶ A. National Innovation Clusters

### 1) Overview

- a) Definition:** A national innovation cluster refers to various existing districts, complexes and special zones including innovation cities and industrial complexes in each region combined to maximize their synergy effects.
- b) Purposes of Creation:** To promote balanced national development by linking existing industrial and innovation bases adjacent geographically to each other and fostering them as regional innovation growth bases
- c) Designation Process:** The head of a regional or local government applies to the Minister of Trade, Industry and Energy who makes designation (notice) of clusters after deliberation and resolution through the Presidential Committee for Balanced National Development.

## 2) Major Characteristics

### a) Composition

- National innovation clusters connect key hubs such as innovation cities and industrial complexes that exist in cities and provinces according to the policy to foster existing innovation bases.
- Cities and provinces avoid the creation of new bases, and in consideration of physical distances\* and total areas, optimally combine and configure existing hubs such as innovation cities and industrial complexes.

\* Physical distances refer to the radius of 20 km (10 km in a metropolitan city) with each cluster taking a maximum area of 15 km<sup>2</sup>.

### b) Direction of Development

- Developing the clusters as the pivotal power pioneering regional innovation growth by linking existing industrial/innovative hubs with geographical proximity
  - Create innovation clusters by linking existing hubs (12 types\*) such as innovation cities, industrial complexes, and special research zones rather than creating new hubs as much as possible

\* ①Administrative City, ②innovation cities, ③enterprise cities, ④free economic zones, ⑤foreign investment zones, ⑥special research zones, ⑦high-tech complexes, ⑧international science and business belts, ⑨Technoparks, industrial complexes, Regional development project zones, leading investment districts, and regional stimulation areas, Venture business development and promotion areas, facilities for clustering venture businesses, and areas for clustering new technology-based businesses, etc.

- The physical distance between the bases and the total area of the bases are set within a certain range in order to create synergy between the bases in National Innovation Complexes.

### c) Support Contents

- Fostering national innovation clusters and promoting industrial integration through various supports for revitalizing corporate investment



- Innovation projects: Budget support (central and local governments) for new industry projects, etc.
- Financial support: Financial favors granted to companies in the National Innovation Clusters, such as preferential loan interest rates, expansion of the facilities funds loan ratio, and low-interest loan support for commercialization funds
- Subsidy and tax benefits: Designation as a preferential area for local investment promotion subsidies and utilization of the preferential taxation system for local investors

### 3) Incentives and Other Support Measures

#### a) Large-scale R&D Support to Foster New Industries

- Large-scale consortium-type R&D support for local industry-academia-research institutions to serve as ‘priming water’ for the creation of new industries in rural Korea
- Support of KRW 3 billion per year per city/province for integrated tasks in the 1<sup>st</sup> phase (2018-2020) projects
- Implementing authorities for comprehensive/specific projects are limited to companies located within clusters and agencies situated in relevant cities/provinces for benefits.

#### [ Innovation Projects for Cities and Provinces ]

Location	Industries	Innovation Projects (Phase 1)	
Ulsan	Future Cars & Aviation	Mini EV	Development of mini EV parts and components
Gyeong buk		EV parts	Development of 5 core EV parts
Sejong		Autonomous car service	Building bases for urban autonomous shuttle service
Gyeong nam		Aviation parts	Development of civil aircraft parts design/manufacturing technologies
Daegu	Biohealth	Intelligent medical devices	Development of intelligent personalized medical devices and creation of a medical industry ecosystem
Gang won		Digital healthcare	Building personalized home care system



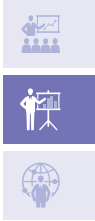
Location	Industries	Innovation Projects (Phase 1)
Jeon buk	Biohealth	Smart agriculture and life sciences Promotion of smart farms and commercialization of high value-added strategic foods
Jeju		Cosmetics and food Development of personalized functional cosmetics
Chung nam	New energy industries	Hydrogen energy Development and demonstration of parts for large hydrogen-electric trucks
Gwan gju		Energy and future cars Development of Building Energy Management System (BEMS) linked to distributed generation
Jeon nam		New energy industries Demonstration of distributed power and microgrid in industrial complexes
Chung buk		Energy-efficient high-tech components Development of energy-efficient high-tech components
Busan	ICT fusion	Marine ICT convergence Development of smart offshore platforms and services
Daejeon		Smart safety industries Development of intelligent platforms for life safety services in multi-dwelling living space

**b) Non-R&D Support for Revitalization of Innovation Clusters**

- Network: Attracting companies to innovation clusters, organizing various networks such as forums and research groups, establishing development plans and managing performance, etc.
- Global connection: Establishment of channels with key overseas agencies, discovery of international joint R&D projects, support for overseas expansion of companies located in the clusters, etc.
- Corporate support: Conduct of R&D planning (pre-production) to discover excellent ideas, commercialization support, etc.

**c) Local Investment Subsidies, Financial Support, etc.**

- Designating national innovation clusters as preferential areas for local investment subsidies to provide them with preferential treatment in land purchase prices and facility investment costs, etc.
- Low-interest loan support to enterprises in the clusters (in partnership with IBK Industrial Bank)



#### 4) Designation Status

##### [ Current Status of National Innovation Clusters ]

Classification	us	gb	sj	gn	dg	gw	jb	jj	cn	gj	jn	cb	bs	dj
Administrative City			○											
Innovation Cities	○	○		○	○	○	○	○			○	○	○	
Foreign Investment Zones						○								
Free Economic Zones					○									
Foreign Investment Zones				○				○	○					
Special R&D Zones					○		○			○	○			○
High-tech Complexes					○									
International Science & Business Belts			○							○				○
Technoparks	○		○	○	○	○		○		○			○	
Industrial Complexes	○	○	○	○	○	○	○	○	○	○	○	○	○	○
Leading Investment Districts, etc. <sup>1)</sup>						○								○
Venture Business Development and Promotion Area, etc. <sup>2)</sup>					○			○						
Others	○	○	○		○	○	○						○	○
Total Area(km2)	10.1	15.0	11.1	11.6	14.4	14.1	14.8	10.9	14.4	15.0	8.26	14.4	12.7	15.0

\* Ulsan→US, Gyeongbuk→GB, Sejong→SJ, Gyeongnam→GN, Daegu→DG, Gangwon→GW, Jeon buk→JB, Jeju→JJ, Chungnam→CN, Gwangju→GJ, Jeon nam→JN, Chungbuk→CB, Busan→BS, Daejeon→DJ

1) Regional development project zones under Article 11, leading investment districts under Article 45, and regional stimulation areas under Article 67 of the Regional Development Assistance Act

2) Facilities for clustering venture businesses under Article 2 (4), laboratory factories under Article 2 (5), venture business development and promotion areas under Article 2 (6), and areas for clustering new technology-based business under Article 2 (9) of the Act on Special Measures for the Promotion of Venture Businesses

#### 5) Inquiries

- Korea institute for Advancement of Technology (Regional Industry Planning Team, 02-6009-3705/3706/3708)

#### 6) Related Regulations, Reference, and Websites

- Special Act on Balanced National Development
- Criteria for Designation and Promotion of National Innovation Clusters (notification of the Ministry of Trade, Industry and Energy)
- Change in the Designation of the National Innovation Clusters (Notification No. 2020-88 by the Ministry of Trade, Industry and Energy)
- Korea institute for Advancement of Technology ([www.kiat.or.kr](http://www.kiat.or.kr))

※ Reference : Korea institute for Advancement of Technology ([www.kiat.or.kr](http://www.kiat.or.kr))

## ▶ B. Innovation Cities

### 1) Basic Information

- Innovation cities refer to future-oriented cities developed in accordance with the Special Act on the Development and Development of Innovation Cities to equip themselves with innovative conditions to encourage corporations, universities, research institutes, and public institutions including relocated ones from Seoul Metropolitan Area to cooperate closely while creating a high-quality residential environment in education, culture, etc. Balanced National Development.
- The relocated public institutions refer to those that have moved from Seoul Metropolitan Area to the other areas in the country according to the Special Act on Balanced National Development (excluding central administrative agencies, etc. that relocate to Administrative City pursuant to the Special Act on the Construction of Administrative City in Yeongi-Gongju Area for Follow-up Measures for New Administrative Capital) or those central administrative agency that move to innovation cities according to deliberation by the State Council.

### 2) Characteristics

- Laying the foundation for innovation clusters and securing self-sufficiency by relocating public institutions
- Creating an environmental landscape-oriented city image by securing an integrated city image and expanding parks and green areas
- Building safe cities by adopting public transportation-oriented, crime prevention design features
- Promoting comprehensive development through the creativity of the private sector and inducing development into specialized cities with school complexes



### 3) Industry-Academia-Research Institute Cluster

#### a) Purposes

- Creation of sites where corporations, universities, and research institutes linked with relocated public institutions can form organic networking and stimulate local innovation through geographical clustering (Innovation City Planning Standards)

※ Innovation cluster sites = Sites for relocated public institutions + sites for industry-academia-research institute cluster

#### b) Basis for Promotion

- Reinforcing the self-sufficiency functions of innovation cities and serving as a catalyst for the urbanity of the region through the creation of high-quality jobs, etc. (innovation city planning standards)
  - Focused on the promotion of local industries
  - Lead by the local innovation entities\* network
- \* Those that implement or support innovation including public institutions, companies, universities, research institutions, etc.
- Article 5-2 (2) (Establishment and Implementation of Comprehensive Innovation City Development Plan) of the Special Act on the Creation and Development of Innovation Cities <amended on Dec. 26, 2017>

#### c) Current Status of Industry-Academia-Research Clusters

- Industry-academia-research clusters sit on 7.0% (3,114,000 m<sup>2</sup>) of the total innovation city development area
- Reinforcing company attraction and management based on the strategies of building industry-academia-research clusters for each innovation city during the innovation city project, stage 2.

\* Innovation city development stages: Stage 1 (2015~): Relocation of public institutions → Stage 2 (2015-2020): Establishment of industry-academia-research clusters → Stage 3 (2020-2030): Regional innovation spread

#### [ Cluster Status by Innovative City ]

Innovation City	Cluster Area (1,000 m <sup>2</sup> )	Cluster Vision
Daegu	858	An innovative growth hub cluster that drives the development of the safety and security industry
Gwangju-Jeonnam (Naju)	415	A hub city for green growth that leads regional development in the Honam regional economic area

Innovation City	Cluster Area (1,000 m <sup>2</sup> )	Cluster Vision
Ulsan	141	A cluster of new industries
Gangwon (Wonju)	112	"Building a hub city" for green tech-based health, life, and tourism industries and knowledge-based service business
Chungbuk (Jincheon-Eumseong)	684	Creating a K-City model city where local and public institutions work together (Education-Solar-ICT)
Jeonbuk (Jeonju-Wanju)	230	An agriculture and life science innovation hub and a finance and ICT innovation center
Gyeongbuk (Gimcheon)	307	A cluster of green energy, IT convergence, advanced traffic control, and agriculture and life science industries
Gyeongnam (Jinju)	216	Fostering a convergence industry hub cluster through creative innovation
Jeju (Seogwipo)	151	Development of a cluster of education, training and MICE industry, tourism and cultural content

#### 4) Designation Status

Innovation City	Area (10,000 m <sup>2</sup> )	Location	No. of Relocated Companies
Busan	93.5	Dongsam-dong in Yeongdo-gu, Munhyeon-dong and Daeyeon-dong in Nam-gu, and U-dong in Haeundae-gu	13
Daegu	421.6	9 dongs including Sinseo-dong in Dong-gu	11
Gwangju-Jeonnam	736.1	Geumcheon-myeon and Sanpo-myeon in Naju-si	16
Ulsan Ujeong-dong	298.4	12 dongs including Ujeong-dong in Jung-gu	9
Gangwon (Wonju)	359.5	Bangok-dong, Wonju-si	12
Chungbuk (Jincheon-Eumseong)	689.9	Deoksan-myeon in Jincheon-gun and Maengdong-myeon in Eumseong-gun	11
Jeonbuk (Jeonju-Wanju)	985.2	Manseong-dong and Jung-dong in Jeonju-si and Iseo-myeon in Wanju-gun	12
Gyeongbuk (Gimcheon)	381.2	Yulgok-dong, Gimcheon-si	12
Gyeongnam (Jinju)	409.3	Chungmugong-dong, Jinju-si	11
Jeju (Seogwipo)	113.5	Seoho-dong and Beophwan-dong in Seogwipo-si	8

\* Daejeon and Chungbuk innovation cities are not included

#### 5) Inquiries

a) Innovation City Development Promotion Bureau, Ministry of Land, Infrastructure and Transport

- Government building construction (044-201-4473)
- Construction status (044-201-4489)
- Sales of apartments (044-201-4484)
- Pre-relocation real estate (044-201-4467)

**b) Korea Land and Housing Corporation (1600-1004)**

**c) Inquiries about each innovation city (local governments' representative phone numbers)**

- Busan Metropolitan City (051-120)
- Daegu Metropolitan City (053-120, 053-803-0114)
- Gwangju Metropolitan City (062-120), Jeollanam-do (061-287-0011), Naju-si (061-339-8114)

\* Bitgaram: Balanced Development Policy Division, Gwangju Metropolitan City (061-332-5475), Jeonnam Innovation City Support Bureau (061-286-8812), Naju-si Innovation City Education Division (061-339-4681)

- Ulsan Metropolitan City (052-120)
- Gangwon-do (033-120), Wonju-si (033-742-2111)
- Chungcheongbuk-do (043-220-2114), Jincheon-gun (043-539-3114), Eumseong-gun (043-871-1900)
- Jeollabuk-do (063-280-2114), Jeonju-si (063-222-1000), Wanju-gun (063-290-2114)
- Gyeongsangbuk-do (054-880-2114, 1522-0120), Gimcheon-si (054-420-6114)
- Gyeongsangnam-do (055-211-2114), Jinju-si (055-749-2114)
- Jeju Special Self-Governing Province (064-120), Seogwipo-si (064-120)

**6) Related Regulations, Reference, and Websites**

- Special Act on Balanced National Development
- Special Act on the Creation and Development of Innovation Cities
- Innovation City (<https://innocity.molit.go.kr>)
- Korea Land & Housing Corporation (<https://www.lh.or.kr>)
- Local governments' innovation city-related websites
- Naver Encyclopedia of Knowledge "Innovation City"

## ▶ C. Sejong City (Multi-functional Administrative City)

### 1) Overview

#### a) Sejong city

A special autonomous city located in the northeastern part of Chungcheongnam-do, Sejong City was launched in July 2012 as the country's 17th local government in accordance with the Special Act on the Establishment of Sejong City promulgated on December 27, 2010 by absorbing all of Yeongi-gun and part of Gongju-si of Chungcheongnam-do and part of Cheongwon-gun of Chungcheongbuk-do.

\* The multifunctional administrative city refers to a new city built in Sejong City. It covers all of Yeongi-gun and part of Uidang-myeon and Banpo-myeon of Gongju-si in Chungcheongnam-do and all of Buyong-myeon of Cheongwon-gun in Chungcheongbuk-do following the cancelation of the plan to move the country's administrative capital city in 2004.

### 2) Multifunctional Administrative City

**a) Outline of Promotion:** The creation of a multifunctional self-sufficient administrative city

- Purpose: Balanced national development (enhancing national competitiveness)
- Goal: The creation of a 500,000-resident city (a self-sufficient city)
- Budget: KRW 22.5 trillion (Government KRW 8.5 trillion, LH KRW 14 trillion)
- Contributions: Achievement of the balanced national development and the strengthened national competitiveness through the construction of a multifunctional administrative city
  - The establishment of the administrative city is to rectify side effects of excessive concentration into the Seoul metropolitan area and promote the balanced development of the State and the enhancement of national competitiveness.
  - The administrative city was built in Sejong City as a multifunctional city centered on administrative functions

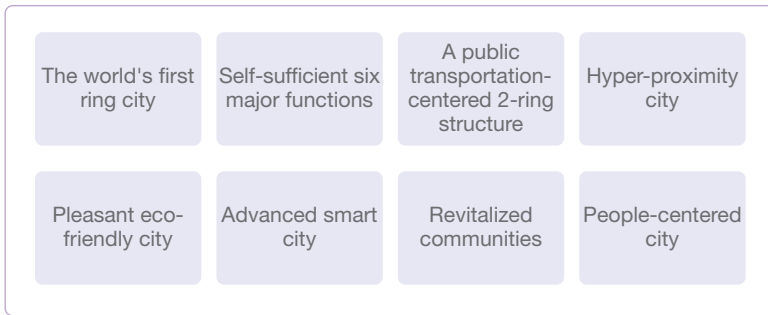


by relocated central administrative agencies and affiliated organizations from the Seoul metropolitan area.

#### [ Area and Population of the Administrative City ]

Category	Metropolitan Administrative Area	Administrative City	Sejong City
Area	3,597 km <sup>2</sup>	72.91 km <sup>2</sup> (1/8 of Seoul)	464.84 km <sup>2</sup> (3/4 of Seoul)
Population	About 3.28 million (June 2018)	About 500,000 (June 2019)	About 800,000 (June 2019)

#### b) Main Characteristics of Administrative City



### 3) Sejong City Investment Information

#### a) Investment Environment

##### (1) Introduction of Sejong City

##### (a) Overview

- A young and vibrant city that has been continuously growing since its inception in 2012 as the practical administrative capital of Korea

#### [ Current status of Sejong City ]

Category	Details
Legal status	Special autonomous city under the direct control of the government (launched on July 1, December)
Area	465 km <sup>2</sup>
Location	The center of the country (connected to major cities nationwide within 2 hours)



Category	Details
National research institutes	15 (KDI, Korea Research Institute for Human Settlements, etc.)
Administrative units	14-dong in 9-myeon and 1 eup
Number of businesses	13,668 (as of 2018)
Administrative agencies	43 (as of 2019, including Prime Minister's Office, Ministry of Finance, Ministry of Science and Technology, Ministry of Industry and Energy, etc.)
Households	100,000 (42,000 households in 2018 → 100,000 households in 2018)
Population	About 340,000 (Korea's 1st in population growth rate and birth rate; Korea's youngest city with average age of 36.7 years)

### (b) Solid business and investment basis as Korea's geographical and administrative center

- Korea's de facto administrative capital
  - Completed relocation of central administrative agencies (43) and national research institutes (15)
  - Relocation of the National Assembly to Sejong City under discussion
- The regional transportation and logistics hub at the center of the country
  - Access to major cities across the country within 2 hours
  - Seoul-Sejong Expressway (to open in 2024 for a 70-minute connection between the two cities)
- The best administrative, welfare, education, and cultural infrastructure
  - Fast and accurate administrative services by a single-layered metropolitan government (simultaneous local and metropolitan government services)
  - National Library, Art Center, National Museum Complex, Presidential Archives, Sejong Lake Park, National Arboretum, etc.

### (c) Smart Sejong

- The nation's pilot city for the world's first AI smart city
  - 7 tech service fields including mobility, healthcare, and energy
  - Smart education system, innovative start-up zone, specialized zero-energy complex, etc. (in progress)

- Selected as one of the world's top 5 model cities for smart city international certification (March 2018)
- The launch of the Sejong Autonomous Vehicle Demonstration Project in the Special Regulation-Free Zone
  - Promotion of demonstration projects for autonomous driving service for urban passenger transportation, park tours, etc.
  - Innovative deregulation and construction of core infrastructure and autonomous vehicle ecosystem
  - Establishment of the Future Vehicle Research Center to support the entire cycle of research and product commercialization
- Functional districts for the International Science and Business Belt
  - Construction of SB (Science-Biz) Plaza to serve as a hub for functional districts
  - Support for commercialization of science and technology in association with the central district (Daejeon)

### [ Smart Sejong ]



National Pilot Smart City



Regulation-free Zone for Self-driving Demonstration

## (2) Investment Environment in Sejong City

### (a) Located in Central Korea

- Geographical advantage: Sejong City is the country's transportation hub with 2 KTX routes, 5 expressways and 3 national roads
- Convenient nationwide transportation network of roads and railroads
  - Seoul (2 hours by car, 40 minutes by KTX)
  - Busan (3 hours and 30 minutes by car, 2 hours by KTX)

- Gwangju (2 hours and 10 minutes by car, 1 hour by KTX)

#### [ Transportations available around Sejong ]

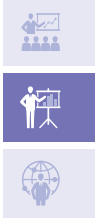
Category	Contents
Expressway (5 routes)	Seoul → Sejong (2024), Sejong → Ulsan (planned)
Port	Dangjin-Pyeongtaek Port: 54 km
Airport	Cheongju International Airport (21km)
Central Logistics Complex	484,000m <sup>2</sup> (350,000 containers per year)
Railroad (6 routes)	2 KTX routes, 3 railroads (53 minutes by KTX, 74 minutes by car between Seoul and Sejong)

#### (b) No. 1 in Population Growth Rate

- Target: Population of 800,000 by 2030
  - Supply of multi-dwelling units: 60,000 units from 2016 to 2020 and 200,000 units from 2021 to 2030
- Availability of high-quality manpower
  - Rapid population growth in Sejong City: 100,000 residents at the time of launch in July 2012 → 340,000 residents in August 2019
  - 3.5 million people in the hinterland: 900,000 in Cheonan-Asan, 1.5 million in Daejeon, 850,000 in Cheongju
  - Easy to secure top-tier research manpower
    - 40 government agencies, 15 national research institutes
    - 3 universities including Korea University, and Daedeok Innopolis nearby
    - Possibility to form clusters and pursue win-win development with surrounding cities in the Chungcheong region.
- Easy accessibility to Multifunctional Administrative City and the industrial complex (2km)
  - Proximity to a new (planned) city and an industrial complex

#### (c) Family-friendly City

- Establishment of 150 schools in stages
  - 87 schools as of March 2018; International High School, Science High School, Arts High School (to open by the end of 2018)



- Introduction of a smart school, the country's first school of the future
  - School management system, U-class system, U-electronic library system, U-after school learning system, etc.
- Certified as a female-friendly city (Ministry of Gender Equality and Family, Dec. 2016)
- Declaration of the certification as an international safe community (International Safe Community Certifying Centre, Jan. 31, 2018)
- Officially declared as a UNESCO child-friendly city (2017)
- An OECD-level advanced educational environment
  - 20-25 students per class
- Home to prominent domestic and international universities
  - KAIST, Korea University, University College Cork (Ireland), Cornell University (USA), etc.

### (3) Incentives for foreign-capital invested companies

#### (a) Maximum Support of the Local Investment Promotion Subsidies

- Targets: Relocated companies from Seoul Metropolitan Area, local new/expanded companies, and reshoring companies, etc.
- Benefits: Up to KRW 13.3 billion per company

\* Within the budget for the year

#### [ Details ]

Category	Big Business	Middle-Standing Enterprises	SME	Central:Local Support
Preferential Support Area (Sejong City)	Location: N/A Facility: up to 11%	Location: up to 20% Facility: up to 19%	Location: up to 40% Facility: up to 24%	75:25
General Area	Location: N/A Facility: up to 8%	Location: up to 10% Facility: up to 11%	Location: up to 30% Facility: up to 14%	65:35
Near Seoul Metropolitan Area	Location: N/A Facility: up to 6%	Location: N/A Facility: up to 8%	Location: up to 9% Facility: up to 11%	45:55

\* New/expanded companies are not eligible for the location subsidy. The upper limit of the location subsidy is 5 times the area of the existing factory site (within the budget for the year).

**(b) Tax Reduction or Exemption**

- Relocated companies from the Seoul Metropolitan Area

Category		Detail
National Tax	Corporate tax	<ul style="list-style-type: none"> <li>• 100% exemption for 6 years and 50% for 3 years thereafter (Overconcentration Control Region in Seoul Metropolitan Area → Outside the region)</li> <li>• Special favors in corporate tax on capital gains for relocated companies from Seoul Metropolitan Area or other metropolitan cities (Payment in equal installments for 5 years following a 5-year deferment)</li> </ul>
Local Tax	Acquisition tax	<ul style="list-style-type: none"> <li>• 100% exemption: Over concentration control region in Seoul Metropolitan Area → an area outside a large city</li> <li>* However, acquisition tax is imposed on the amount exceeding the value of the pre-relocation real-estate (factory)</li> </ul>
	Property tax	<ul style="list-style-type: none"> <li>• 100% exemption for 5 years and 50% for 3 years thereafter (Overconcentration Control Region in Seoul Metropolitan Area or a large city → Outside the region/city)</li> </ul>

- Enterprises in Industrial Complexes (locations outside the Seoul Metropolitan Area)

Category		Detail
Local Tax	Acquisition tax	75% reduction in acquisition tax
	Property tax	75% reduction for 5 years

\* Article 78 (Reduction for Industrial Complexes, etc.) of the Restriction of Special Local Taxation Act, Addenda Act No. 12955 (Articles 25 and 14), Ordinance on Municipal Tax Reduction and Exemption (Article 8-3)

**(c) SME Policy Fund Support (low interest loans)**

Category	Eligibility and Limit	Interest Rate	Loan Period
Startup Fund & Competitiveness Reinforcement Fund	Facilities fund: less than KRW 2 billion Working capital: less than KRW 400 million	2.98% (Floating interest rate)	8 years (3 years deferred, 5 years equally repaid)
Innovative SME Fund	Facilities + working capital: less than KRW 500 million	2.48% (Floating interest rate)	5 years (2 years deferred, 3 years equally)
Corporate Rehabilitation Fund	Facilities + working capital: less than KRW 500 million	2.0% (Floating interest rate)	3 years (1 year deferred, 2 years equally repaid)
Business Stabilization Fund	Working capital: KRW 300-500 million or less	2-3% interest compensation in interbank interest rates (floating rate)	Two-year deferred payment

**(d) R&D Funding**

Recipients	Support Amount	Support Period
High-tech transportation equipment parts, high-tech new materials, bio-health, and autonomous vehicle-related industries	KRW 300-500 million per year	Up to 3 years

**b) Current Status of Industrial and Agro-industrial Complexes in Sejong City****(1) Planned Complexes: 2 (1 national industrial complex, 1 general industrial complex)**

No.	Name	Location	Area (1,000 m <sup>2</sup> )	Period	Budget (KRW 1B)	Implementer
1	Sejong Smart National Complex	Wachon-ri, Yeonsoemyeon	2,776	21-27	15,000	LH, Sejong City
2	Sejong Industrial Cluster	Sinbang-ri, Jeonui-myeon	829	19-23	1,915	Sejong Industrial Cluster Co., Ltd

**(2) Complexes under Construction: 5 (4 general industrial complexes)**

No.	Name	Location	Area (1,000 m <sup>2</sup> )	Period	Budget (KRW 1B)	Implementer
1	Sejong Jeondong	Nojang-ri, Jeondong	140	18-21	491	Sejong City
2	Smart Green	Godeung-ri, Sojeong, and Jeonui-eup	850	17-20	2,443	Sejong Smart Green Town Co., Ltd.
3	Venture Valley	Simjung-ri, Jeondong	590	17-20	1,293	Sejong Venture Valley Co., Ltd.
4	Sejong Tech Valley	4-2 neighborhood block	750	15-20	2,276	LH
Total	4 complexes	-	2,330	-	6,503	-

**(3) Completed Complexes: 13 places (9 general industrial complexes, 4 agro-industrial complexes)**

Category	Name	Completed Year	Designated Area (1,000 m <sup>2</sup> )	Industrial Facilities Site (1,000 m <sup>2</sup> )	Sales Area (1,000 m <sup>2</sup> )	Sales Rate (%)	
General Industrial Complex	Jochiwon	Section 1	1988	295	200	200	100
		Section 2	1990	170	139	139	100
		Section 3	1992	476	420	420	100
		Subtotal	-	941	759	759	100
	Bugang	1995	562	399	399	100	
	Sojeong	1998	273	193	193	100	

Category	Name	Completed Year	Designated Area (1,000 m <sup>2</sup> )	Industrial Facilities Site (1,000 m <sup>2</sup> )	Sales Area (1,000 m <sup>2</sup> )	Sales Rate (%)	
General Industrial Complex	Jeonui Industrial Complex	1999	481	344	344	100	
	Jeonui Industrial Complex 2	2010	867	591	591	100	
	Wolsan	2008	1,380	955	955	Completed relocation of occupying companies (Industrial complex designation still valid)	
	Myeonghak	2016	838	568	568	100	
	High-tech Complex	Section 1	2016	421	278	278	100
		Section 2	2017	243	165	165	100
		Subtotal	-	664	443	443	100
	Mirae	2018	560	386	283	73	
	Subtotal	-	6,566	4,638	4,535	98	
Agro-Industrial Complex	Nojang	1987	162	136	136	100	
	Buyong	1988	202	146	146	100	
	Eungam	1989	117	94	94	100	
	Cheongsong	1988	82	64	64	100	
	Subtotal(4)	-	563	440	440	100	
Total	13 places	-	7,129	5,078	4,975	98	

### c) Details of Industrial Complexes (planned and completed)

#### (1) Sejong Smart National Industrial Complex

Purpose	Building a hub for future key materials and parts industries in connection with the country's new national growth projects in autonomous vehicles, smart cities, etc.
Location	Yeonsoo-myeon, Sejong City
Area	2,776,000 m <sup>2</sup> (84 million pyeong)
Construction Period	2021-2027
Project Operator	LH and Sejong City
Pre-sale and Occupancy	Sales in 2024, occupancy in 2025
Allowed Types of Business	Those associated with smart industries like new materials and parts industry (C20-23, C25-30): chemicals, chemical products, medicinal chemical products and pharmaceuticals, rubber and plastics products, non-metallic mineral products, metal products, electronic components, computers, visual, sounding and communication equipment, medical, precision, optical instruments and watches, electrical equipment, and other machinery and equipment, motor vehicles and trailers

## (2) Sejong Future General Industrial Complex

Purpose	<ul style="list-style-type: none"> <li>Laying the foundation for the inducement of domestic and foreign corporate investment and the creation of conditions to invigorate the development of local industries</li> <li>Promotion of regional economy through the expansion of city's self-sufficiency functions and the balanced development of the northern part of the municipality</li> </ul>		
Location	80-1 Yanggok-ri-san, Jeonui-myeon, Sejong City		
Accessibility	Jeongan IC (13 km) and Namcheonan IC (19 km) of Cheonan-Nonsan Expressway, Jochiwon Station (21 minutes), KTX Osong Station (24 minutes)		
Area	560,293 m <sup>2</sup>	Project period	2013-2018
Project operator	Sejong Future Industrial Complex Co., Ltd.	Sales price	KRW 1.1 million/ 3.3 m <sup>2</sup>
Building-to-land ratio/Floor area ratio	70% / 200% (Industrial facility site)	Factory construction	Since 2017 (land purchasable)

## (3) Sejong Tech Valley

Purpose	<ul style="list-style-type: none"> <li>Completion of Administrative City as a self-sufficient urban center by attracting companies, universities, etc.</li> <li>Building a creative economy hub that fosters cutting-edge industries such as IT, BT and ET</li> </ul>		
Location	Sejong City 4-2 Neighborhood Block (Geumnam-myeon, Sejong)		
Accessibility	Namcheongju IC of Gyeongbu Expressway (10 km), Gyeongbu Expressway KTX Osong Station (17 km)		
Area	898,466 m <sup>2</sup>	Project period	2015-2023
Project operator	LH	Sales price	KRW 1.59-2.43 million/ 3.3 m <sup>2</sup>
Building-to-land ratio/Floor area ratio	60% / 300%(Industrial facility site)	Factory construction	Since 2018
Electricity	33,817 kW	Water	42,000 m <sup>3</sup> /day

## (4) Sejong Venture Valley General Industrial Complex

Purpose	<ul style="list-style-type: none"> <li>Establishment of an industrial complex promoting the strategic growth of regionally specialized industries in association with peripheral areas</li> <li>Creation of an eco-friendly industrial complex utilizing the original terrain as it is</li> </ul>		
Location	574 Simjung-ri, Jeondong-myeon, Sejong City		
Accessibility	Cheongju IC 14 km, Nampungse IC 18 km, Namcheonan IC 22 km		
Area	589,976 m <sup>2</sup>	Project period	2017-2020
Project operator	Sejong Venture Valley Co., Ltd.	Sales price	Undecided
Building-to-land ratio/Floor area ratio	70% / 250% (Industrial facility site)	Factory construction	2H2020 (land sales: 1H2020)



## (5) Sejong Smart Green

Purpose	<ul style="list-style-type: none"> <li>Securing industrial competitiveness of northern Sejong by building a hub for new growth engine industries</li> <li>Providing an ideal settlement environment in a support complex for workers and residents alike</li> </ul>		
Location	65 Godeung-ri-san, Sojeong-myeon, and 47 Eupnae-ri, Jeonui-myeon, Sejong City		
Accessibility	Gyeongbu Expressway Mokcheon IC (12 km), Cheonan-Nonsan Expressway Namcheonan IC and Nampungse IC (7 km), Gyeongbu Line Jeonui Station (3 km), KTX Cheonan-Asan Station (22 km), KTX Osong Station (22 km)		
Area	849,690 m <sup>2</sup> (Industrial complex 697,420 m <sup>2</sup> , support complex 152,270 m <sup>2</sup> )	Project period	2017-2020
Project operator	Sejong Smart Green Town Co., Ltd.	Sales price	Undecided
Building-to-land ratio/Floor area ratio	70% / 250% (Industrial facility site)	Factory construction	2H2020 (land sales: 1H2020)

## (6) Sejong Jeondong General Industrial Complex

Purpose	<ul style="list-style-type: none"> <li>Strengthening regional competitiveness and promoting balanced development between regions through the development of an industrial complex in northern Sejong</li> <li>Efficient response to the demand for more industrial sites following the invigoration of nearby Nojang Agricultural Industrial Complex</li> </ul>		
Location	430-4 Nojang-ri, Jeondong-myeon, Sejong City		
Accessibility	Cheongju IC 16 km, Nampungse IC 17 km, Namcheonan IC 21 km		
Area	140,258 m <sup>2</sup>	Project period	2018-2021
Project operator	Sejong City	Sales price	Undecided
Building-to-land ratio/Floor area ratio	70% / 350% (Industrial facility site)	Factory construction	2H2022 (land sales: 1H2020)

## d) Other Facilities

### (1) Sejong SB Plaza

- For other facilities, they are supporting space for startups and R&D rather than registering for factories of manufacturing industries. Therefore, inquiries to the managing organizations need to take place checking for eligibilities.

Purpose	<ul style="list-style-type: none"> <li>• Construction of core science and technology R&amp;D facilities to commercialize basic research outcomes created in the central district (Daejeon) of the international science and business belt project through application and development research</li> <li>• Creation of jobs and promotion of balanced development in northern Sejong by attracting outstanding companies that can contribute to revitalizing the local economy through industry-academia-research joint research, corporate research institutes, and R&amp;D ventures and startups</li> </ul>		
Location	93 Guncheong-ro, Jochiwon-eup, Sejong City		
Accessibility	Gyeongbu Expressway Cheongju IC (9 km), Jochiwon Station (1 km), KTX Osong Station (3.7 km)		
Facility Usage	General work facilities and neighborhood amenities		
Building height	2 basement levels and 10 ground levels	Total floor area	10,749 m <sup>2</sup>
Project Period	2014-2018	Project Operator	Sejong City
Building-to-land ratio/Floor area ratio	6.35% / 42.95%	Opening Date	April 2018

### [ Space Utilization Plan ]

Floor	Use
10 <sup>th</sup> floor	Space for occupying companies, rooftop open space
6 <sup>th</sup> - 9 <sup>th</sup> floors	Occupying companies' space, joint meeting rooms
5 <sup>th</sup> floor	Joint research equipment rooms, space for occupying companies
3 <sup>rd</sup> - 4 <sup>th</sup> floors	Economy- and industry-related organizations, joint meeting rooms
2 <sup>nd</sup> floor	Biz-connect Center (comprehensive support for scientific commercialization), shared meeting rooms
Basement 1 to 1stfloor	Business cafe, lecture rooms

\* Allowed industries and business types: Advanced transportation equipment, precision medicine, advanced new materials and parts, research and development services, etc.

## (2) Industry-Academia-Research Cluster Support Center

Purpose	· Attracting promising venture (startup) businesses to foster startups, support R&D, and build capacities of potential tech companies.		
Location	4-2 neighborhood block (4-1 industry block), Jiphyeon-ri, Geumnam-myeon, Sejong City		
Accessibility	Gyeongbu Expressway Cheongwon IC (10 km), KTX Osong Station (17 km)		
Usage	General business facilities, etc.		
Area	19,366 m <sup>2</sup>	Project Period	2015-2018
Building-to-land ratio/Floor area ratio	37.38% / 142.26%	Start of Occupancy	Oct. 2019

### [ Space Utilization Plan ]

Floor	Use
5 <sup>th</sup> - 6 <sup>th</sup> floors	Occupying companies' space, conference rooms, lounges
4 <sup>th</sup> floor	Space for occupying companies/university space/R&D institutes, conference rooms, a roof garden
3 <sup>rd</sup> floor	Management office, space for occupying companies
2 <sup>nd</sup> floor	Space for occupying companies, smart lounges, etc.
1 <sup>st</sup> floor	Support (Cafe) facilities, stairwell, lecture rooms
Basement 1	Garage, an electrical room, etc.

## (3) Sejong Startup Nurturing Center

Purpose	· Creation of a creative incubation space for young entrepreneurs to effectively respond to the demand for start-ups, invigorate startup activities and create jobs in our city
Location	2296 Sejong-ro, Jochiwon-eup, Sejong City
Project Period	June 2018-March 2019
Area	994 m <sup>2</sup>
Spatial Composition	Occupying companies' space, a startup cafe, conference rooms, and open space including counseling rooms

### (a) Main Functions of the Incubation Space in Sejong Startup Nurturing Center

- Support for performance-related business incubation and consumer-oriented networking
- Providing space for occupying companies and services related to education, mentoring, and consulting
- Offering space for information exchange, counseling, and meetings for local residents and college students

**4) Inquiries**

- Business Support Division, Sejong City ( 044-300-4121/4122)

**5) Related Regulations, Reference, and Websites**

- Special Act on the Establishment of Sejong City
- Special Act on the Construction of Administrative City in Yeongi-Gongju Area for Follow-up Measures for New Administrative Capital (abbreviated as Administrative City)
- Sejong City (<https://www.sejong.go.kr>)
- National Agency for Administrative City Construction (<https://www.naacc.go.kr>)
- Naver Encyclopedia of Knowledge “Sejong City,” “Administrative City”

※ Reference : Sejong City (<https://www.sejong.go.kr>)

## 6. Regulatory Innovation Zones

### ▶ A. Regulation-free Special Zone

#### 1) Overview

##### a) Definition

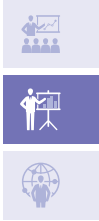
A regulation-free special zone is basically a system that relieves all the regulations, as a package, related to new business faced by regions and companies in a bid to promote innovative growth at a regional level and achieve balanced development between regions through the attraction of investments to regions and the creation of quality jobs there. Regulation-free zones are designated and publicly notified by the Minister of SMEs and Startups pursuant to Article 75 (3) and (4) of the Act on Special Cases concerning the Regulation of Regulation-Free Special Zones and Special Economic Zones for Specialized Regional Development (hereinafter the Regional Special Zone Act).

**b) Purposes of Introduction**

- Creation of an environment where people can research and industrialize new technologies without regulatory obstructions in the rapidly changing global technological conditions by the 4th Industrial Revolution among others
  - The introduction of regulatory sandboxes in four areas such as industrial convergence, information and communication convergence, financial innovation, and regional innovation
- \* The authorities concerned: Industrial convergence (Ministry of Trade, Industry and Energy); Information and communication convergence (Ministry of Science and Technology); Financial innovation (Financial Services Commission); and regional innovation (Ministry of SMEs and Startups)
- In the deliberation process, the National Assembly integrated existing regulation-free zone acts into the current Regional Special Zone Act.
  - The present Regional Special Zone Act has strengthened regulatory sandboxes and expanded its benefits scope as follows:

**[ Comparison of 4 Laws related to Regulatory Sandboxes ]**

Acts	The Regional Special Zone Act (Act on Special Cases concerning the Regulation of Regulation-Free Special Zones and Special Economic Zones for Specialized Regional Development)	Industrial Convergence Promotion Act/Special Act on Promotion of Information and Communications Technology, Vitalization of Convergence Thereof, Etc./Special Act on Support for Financial Innovation		
Commonalities	Application of regulatory sandboxes	Same as on the left		
Differences	Application of menu-type special regulatory favors	X	X	X
	Application by mayors or governors	Application by enterprises	Application by enterprises	Application by enterprises
	For areas outside Seoul Metropolitan Area	Across the country	Across the country	Across the country
	Tax and financial support	X	X	X



## c) Major Characteristics

### (1) Designation of a Regulation-free Zone

Mayors/Do governors, excluding those in the Seoul Metropolitan Area, may establish regulation-free zone plans and apply for the designation of the zones in order to foster regional innovative growth projects or regional strategic industries according to their regional conditions and characteristics. In the process, companies may propose business plans to the mayors and governors or participate in the planning stage to become business partners for the relevant regulation-free zone projects. When designated, a regulation-free zone is entitled to innovative regulatory treatment including menu-type regulatory favors and a set of three regulatory innovation measures (regulatory sandboxes). Regional innovative growth projects, among others, are eligible for favors in finance, taxation and charges, designed to help promote their success.

### (2) Establishment of a Regulation-free Zone Plan

The plan for a regulation-free zone should include the necessity to designate a special zone, the need for innovation projects and ways to promote them, business operators subject to special regulatory treatment, etc., and the details, including the necessity, of regulatory favors to be applied to the regulation-free zone.

### (3) Application of Menu-type Regulatory Favors and the Three-Regulatory Innovation Set

In a regulation-free zone, innovative deregulation measures are applied in order to prevent new technology verification or commercialization from being blocked by various regulations.

**First**, the application of a total of 201 regulations, organized like a menu in a restaurant, is delayed or exempted in a regulation-free zone.

## [ Comparison between Existing Specialized Zones and Regulation-free Zones ]

Category	Existing Specialized Zone	Regulation-free Zone
Menu-type Regulatory Treatment	128 favors applied	201 favors applied
Three-regulatory Innovation Set (Regulatory Sandbox)	N/A	Applied: ① Quick confirmation of regulations, ② Temporary permission, and ③ Special treatment for demonstration

**Second**, a set of three types of regulatory innovation (regulatory sandbox) is applied: Companies in the special zone can receive a reply within 30 days when they ask for confirmation whether they need to obtain a new business-related permit, etc., if regulation seem unclear to them (Quick Regulation Check). In addition, when trying to test or verify a new product or service, it is possible to demonstrate without being subject to regulations for a certain period of time (Regulatory Favors for Demonstration). Also, in the event that although the safety or technology verification of a new product or service has been completed, its launch is delayed because there are no applicable permission standards or the wrong standards have been applied, temporary permission can be obtained (Temporary Permission). Companies requiring temporary permission can obtain it (for 2 years with one extension opportunity until legal reorganization) subject to the review of relevant ministries and the resolution by the special zone committee.

#### (4) Safety Measures

As deregulation measures are being implemented in regulation-free zones, safety measures are stipulated to protect the public in them. For instance, businesses that receive favors in demonstration or obtain temporary permission are required to subscribe to liability insurance in preparation for personal and material damage that may occur during their business operations.



## 2) Designation Effects

Companies that have new technologies but have not been able to commercialize them due to regulations are now able to verify new business or launch new products by applying new technologies in a regulation-free zone. The system is expected to promote regional innovative growth through clustering as it helps provide new business opportunities in connection with the second venture boom.

### a) Application of Regulatory Treatment

When necessary to promote regional innovative growth projects or foster regional strategic industries, menu-type regulatory favors are applied, as well as the 3-component regulatory innovation set.

#### (1) Menu-type Regulatory Favors

- The application of a total of 201 regulations is suspended or exempted.

#### (2) Regulatory Favors

Category	Detail
Quick Regulation Checks	Regulation checks within 30 days
Demonstration Favors	<ul style="list-style-type: none"> <li>• Permission of testing and verification of products and services when there is no underlying law, or the application of the existing law is not correct</li> <li>• Within two years of validity (If the law is not upgraded before the expiration of the validity period, the permission can be extended once within the designated period of the regulation-free zone)</li> </ul>
Temporary Permission	<ul style="list-style-type: none"> <li>• Temporary permitting of the launch of products and services that have been confirmed to be safe pending regulatory upgrade</li> <li>• Within two years of validity (If the law is not upgraded before the expiration of the validity period, the permission can be extended once for a maximum of two years).</li> </ul>

### b) Financial Support

The central and local governments can provide financial support to foster regional innovative growth projects or regional strategic industries in the regulation-free zones.



## [ Details ]

Category	Detail
Purpose	Contribution to vitalizing the local economy and creating quality jobs through financial support in order to foster innovative businesses and strategic industries in the regulation-free zones
Areas	<p>① R&amp;D: Demonstration favors and demonstration R&amp;D support for new technologies and services in connection with temporary permission</p> <p>② Commercialization: Follow-up support such as platform assignments, liability insurance premiums for special zone businesses, product commercialization, and demonstration product marketing</p> <p>* Support is provided to discover tasks for regulation-free zones, conduct performance evaluation, and carry out project/performance/follow-up management obligations according to the platform tasks defined by the Regulation-free Zone Working Level Support Bureau (TP Policy Planning Bureau) among various commercialization support tasks.</p> <p>③ Infrastructure: Support for establishing demonstration infrastructure and equipment</p>

### c) Tax Benefits and Reduction of Charges

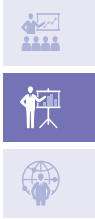
Tax reduction or exemption for investment amounts made in regulation-free zones in the areas of regional innovative growth projects or regional strategic industries

#### (1) Tax Support

- Article 96 of the Regional Special Zone Act: ① The state and local governments may reduce or exempt tax to promote an innovative project or strategic industry in regulation-free zones.
- Article 5 of the Restriction of Special Taxation Act (Tax Credits for Investments by SMEs): When those operating in regulation-free zones make investments in regulation-free zones (during the taxable year in which the period of a crisis area designated or declared falls), 5% tax reduction (3% tax reduction for middle-standing enterprises) is provided.

#### (2) Reduction of Charges

- Article 96 of the Regional Special Zone Act: ② If necessary to promote an innovative project or strategic industry in a regulation-free special zone, the central or a local government may reduce or exempt the following charges for the project implementer of a



regulation-free special zone in the relevant regulation-free special zone.

- Development charges, farmland preservation charges, charges on inter-city transport facilities, costs incurred in forming substitute grassland, expenses incurred in creating forest replacement resources, cooperation charges for ecosystem conservation, occupancy or use fees of public waters, fees for occupation of a river and fees for using river water

### **3) Expected Effects**

#### **a) Regulatory Innovation**

- A total of 84 regulatory favors through the designation of 14 regulation-free zones
  - Solution in personal information and medical fields that have not been resolved despite the importance involved
  - Solution in future-oriented mobility field where business launch was not possible due to regulatory voids or regulatory conflicts
  - Solution in an energy field that is small in size but has a large market preemption effect
  - Solution in eco-friendly future vehicles, unmanned ships, energy and bio fields using new technologies and services
  - Project-type regulation-free zone planning focused on specific themes
  - Regulation-free zones to be expanded countrywide following the completion of the demonstration project

#### **b) Local Industry Invigoration**

- Attraction of investment in demonstrated products and services in regulation-free zones as well as the relocation of companies into the zones
  - Attraction of private investment related to battery recycling (KRW 100 billion) and digital healthcare devices (KRW 1 billion)
  - Completion of manufacturing and production facilities for

demonstration purposes

- Relocation of 58 companies completed out of 58 special zone businesses (100%, as of Jan. 2020)

#### 4) Designation Status

- A total of 23 regulation-free zones designated three times including August 2019 (7), November 2019 (7), and July 2020 (9)

##### [ The 1<sup>st</sup> Designation of Regulation-free Zones ]

Classification	Detail
Designation Date	August 9, 2019
Designated Areas	(Gangwon) Digital Health Care, (Daegu) Smart Wellness, (Jeonnam) e-Mobility, (Chungbuk) Smart Safety, (Gyeongbuk) Next Generation Battery Recycling, (Busan) Blockchain, (Sejong) Autonomous Driving
Outcomes	A total of 57 deregulation cases including 48 special regulatory treatment cases and 9 menu-based regulatory special cases
Expected Effects	Sales: KRW 700 billion / Employment inducement: 3,500 people / Business attraction: 400 companies (within 4-5 years of designation based on relevant local governments estimate)

##### [ The 2<sup>nd</sup> Designation of Regulation-free Zones ]

Classification	Detail
Designation Date	November 12, 2019
Designated Areas	(Gwangju) Unmanned Low-speed Special Vehicles, (Daejeon) Biomedical, (Ulsan) Hydrogen Green Mobility, (Jeonbuk) Eco-friendly Vehicles, (Jeonnam) New Energy Industry, (Gyeongnam) Unmanned Ships, (Jeju) EV Charging Service
Outcomes	A total of 26 deregulation cases including 23 special regulatory treatment cases and 3 menu-based regulatory special cases
Expected Effects	Sales: KRW 1.9 trillion / Employment inducement: 2,200 people / Business attraction: 140 companies (within 2~4 years of designation based on relevant local governments' estimate)



[ The 3<sup>rd</sup> Designation of Regulation-free Zones ]

Classification	Detail
Designation Date	July 6, 2020
Designated Areas	New designation: (Busan) Maritime mobility, (Daegu) Mobile collaborative robots, (Ulsan) Genomic service industry, (Gangwon) Hydrogen liquefaction industry, (Chungnam) Hydrogen energy conversion, (Jeonbuk) Carbon convergence industry, (Gyeongbuk) Industrial hemp Additional designation: (Busan) Blockchain), (Daejeon) Biomedical
Outcomes	A total of 42 deregulation cases including 41 special regulatory treatment cases and 1 menu-based regulatory special case
Expected Effects	Sales: KRW 1.5 trillion / Employment inducement: 4,390 people / Business attraction: 174 companies (within 2 to 4 years of designation based on relevant local governments' estimate)

**5) Inquiries**

- Bureau of Regulation-free Zone Planning, Ministry of SMEs and Startups (044-865-9819)

**6) Related Regulations, Reference, and Websites**

- Act on Special Cases concerning the Regulation of Regulation-free Special Zones and Special Economic Zones for Specialized Regional Development
- Bureau of Regulation-free Zone Planning, Ministry of SMEs and Startups (<http://rfz.go.kr>)
- Ministry of SMEs and Startups (2020), White Paper on Regulation-free Special Zones, Ministry of SMEs and Startups

▶ **B. Special Economic Zones for Specialized Regional Development**

**1) Overview**

- Purpose: Pursuit of balanced regional development and invigorated regional economy by selectively applying regulatory special cases according to regional characteristics (the Regional Special Zone Act, since 2004)

\* There is no direct fiscal or tax benefits for local governments' autonomous project promotion.

- Procedures: A Si/Gun/Gu basic local government establishes a special zone plan and asks the Ministry of SMEs and Startups for approval, which makes decision following consultation with other ministries and deliberation by the Regional Special Zone Committee.

**2) Designation Effects**

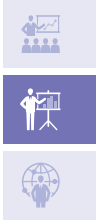
- According to the Regional Special Zone Act, 128 special cases prescribed by 58 individual laws can be applied to the areas designated as special economic zones.

**[ Major Special Cases applied to Special Economic Zones ]**

Category	Special Cases
General (62 cases)	Display and installation of outdoor advertisements
	Road traffic restrictions
	Farmland entrusted management / lease and use
	Preferential examination of patent applications
	Permission to occupy and use roads
	Extension of the maximum sojourn period for foreigners
	Appointment of oreign teachers and instructors
Land Use (53 cases)	Farmland conversion permit or consultation
	Designation or alteration of specific- use areas/districts
	Determination of urban planning facilities
	Designation or alteration of a district unit planning zone
Authority Development (13)	Relaxation of food labeling standards
	Relaxation of obligations about the approval of the sports facility business plan

**3) Designation Status**

- 214 special zones have been designated since the system launch in 2004. 19 zones have been cancelled or integrated. 195 special zones are in operation.



## No. of Special Economic Zones by Region

Category	Seoul	Busan	Daegu	Incheon	Gwangju	Daejeon	Ulsan	Gyeonggi	Gangwon	Chungbuk	Chungnam	Jeonbuk	Jeonnam	Gyeongbuk	Gyeongnam	Jeju	Total
No. of Zones	13	7	4	3	3	1	2	19	14	15	18	14	36	28	15	3	195

## 4) List of Designated Special Economic Zones by Region

City/Province	Si/Gun/Gu	Name of Special Economic Zone	Designation Year
Seoul	Dongdaemun-gu	Seoul Yangnyeongsi Oriental Medicine Special Zone	2005
	Nowon-gu	Nowon International Education Special Zone	2007
	Jung-gu	Seoul Jung-gu Special English Education Zone	2007
		Seoul Jung-gu Happy Medical Tourism Special Zone,	2014
	Gangnam-gu	Gangnam Cheongdam-Apgujeong Fashion Special Zone	2008
	Gwanak-gu	Gangnam Cheongdam-Apgujeong Fashion Special Zone	2010
	Eunpyeong-gu	Eunpyeong Bukhansan Korean Cultural Experience Special Zone	2015
	Seongdong-gu	Seongdong Convergence Innovation Education Special Zone	2015
	Gangseo-gu	Seoul Gangseo Miracle-Medi Special Zone	2015
	Jungnang-gu	Jungnang Historical and Cultural Education Special Zone	2016
	Dobong-gu	Dobong Cultural Arts Innovation Education Special Zone	2017
	Yeongdeungpo-gu	Dobong Cultural Arts Innovation Education Special Zone	2017
	Dongjak-gu	Dongjak Vocational Education Special Zone	2019
Busan	Haeundae-gu	Haeundae Convention-Video-Marine Leisure Special Zone	2005
	Gijang-gun	Gijang Seaweed-Dasima Special Zone	2007
	Dong-gu	Busan Donggu Chinatown Special Zone	2007
	Nam-gu	Busan Namgu UN Peace and Culture Special Zone	2010
	Geumjeong-gu	Busan Geumjeong Culture and Arts Education Special Zone	2012
	Dongnae-gu	Dongnae Cultural Education Special Zone	2015
	Saha-gu	Gamcheon Culture Village Special Zone	2017
Daegu	Jung-gu	Daegu Yangnyeongsi Oriental Medicine Special Zone	2004
		Daegu Fashion & Jewelry Special Zone	2005
	Buk-gu	Daegu Glasses Industry Special Zone	2006
		Daegu Bukgu Ancient History and Culture Experience Special Zone	2017
Incheon	Seo-gu	Incheon Seogu Foreign Language Education Special Zone	2005
	Ganghwa-gun	Ganghwa Artemisia Special Zone	2006
	Jung-gu	Incheon Junggu Chinatown Special Zone	2007

City/ Province	Si/Gun/Gu	Name of Special Economic Zone	Designation Year
Gwangju	Gwangsan-gu	Gwangju Gwangsang Local Wheat Industry Special Zone	2011
	Nam-gu	Gwangju Namgu Cultural Education Special Zone	2011
	Dong-gu	Gwangju Donggu Culture and Arts Special Zone	2017
Daejeon	Dong-gu, Jung-gu	Daejeon (Donggu-Junggu) Modern Culture and Arts Special Zone	2017
Ulsan	Ulju-gun	Ulju Eonyang-Bonggye Korean Beef Bulgogi Special Zone	2006
	Nam-gu	Ulsan Jangsaengpo Whale Culture Special Zone	2008
Gyeonggi	Icheon-si	Icheon Ceramic Industry Special Zone	2005
	Gunpo-si	Gunpo Youth Education Special Zone	2005
	Yangpyeong-gun	Yangpyeong Eco-friendly Farming Special Zone	2005
		Yangpyeong Health Tour Healing Special Zone	2016
	Goyang-si	Goyang Flower Industry Special Zone	2006
		Goyang Exhibition and Culture Special Zone	2010
	Yeoju-si	Yeoju Rice Industry Special Zone	2006
	Yangju-si	Yangju Jangheung Culture and Arts Experience Zone	2008
	Ansan-si	Ansan Multicultural Village Special Zone	2009
		Ansan Daebudo Renewable Energy Industry Special Zone	2020
	Gapyeong-gun	Gapyeong Pine Nut Industry Special Zone	2011
	Siheung-si	Siheung Oido Prehistory and Coastal Culture Special Zone	2012
	Uiwang-si	Uiwang Railway Special Zone	2013
	Namyangju-si	Namyangju-Yangpyeong Leisure Cycling Special Zone	2015
	Suwon-si	Suwon Humanities Travel Special Zone	2016
	Bucheon-si	Bucheon Cartoon and Video Industry Convergence Special Zone	2017
	Gwangmyeong-si	Gwangmyeong Global Lifelong Learning Special Zone	2017
	Anyang-si	Anyang Humanities Education Special Zone	2017
	Yangju-si, Pocheon-si, Dongducheon-si	Yangju-Pocheon-Dongducheon Textile & Leather Fashion Cluster Special Zone	2018
	Gangwon	Wonju-si	Wonju Advanced Medical & Health Industry Special Zone
Wonju Lacquer and Hanji Industry Special Zone			2006
Taebaek-si		Taebaek Highland Sports Training Area Special Zone	2005
Gangneung-si		Gangneung Science Park Special Zone	2005
Hwacheon-gun		Hwacheon Peace and Ecology Special Zone	2006
Samcheok-si		Samcheok Fire & Disaster Prevention Industry Special Zone	2008
Yeongwol-gun		Yeongwol Museum Village Special Zone	2008
Jeongseon-gun		Jeongseon Arirang 5-day Market Special Zone	2010
Inje-gun		Inje Wild Vegetables Special Zone	2011
	Inje Yongdae Dried Pollack Industry Special Zone	2014	
Pyeongchang-gun	Pyeongchang Wild Simulated Ginseng Special Zone	2014	



City/ Province	Si/Gun/Gu	Name of Special Economic Zone	Designation Year
Gangwon	Hongcheon-gun	Hongcheon Clean Wild Simulated Ginseng Special Zone	2014
		Hongcheon Urban-to-Rural Migration Special Zone	2016
	Gangneung-si, Sokcho-si, Pyeongchang-gun, Goseong-gun	Gangwon (Gangneung-Sokcho-Pyeongchang-Goseong) Regional Pollack Industry Special Zone	2015
Chungbuk	Jecheon-si	Jecheon Herb Wellbeing Special Zone	2005
	Okcheon-gun	Okcheon Seedling Industry Special Zone	2005
		Okcheon Lacquer Industry Special Zone	2005
	Chungju-si	Chungju Apple Special Zone	2005
		Chungju Jungwon History-Culture-Leports Special Zone	2005
	Yeongdong-gun	Yeongdong Grape Wine Industry Special Zone	2005
		Yeongdong Gamgoeul Persimmon Industry Special Zone	2007
	Danyang-gun	Danyang Limestone Industry Development Special Zone	2006
	Eumseong-gun	Eumseong Daolchan Eco-friendly Watermelon Special Zone	2006
	Cheongju-si	Cheongju Jikji Culture Special Zone	2007
	Boeun-gun	Boeun Date and Korean Beef Special Zone	2008
	Jeungpyeong-gun	Jeungpyeong Edu Farm Special Zone	2009
	Cheongju-si, Chungju-si, Jeungpyeong-gun, Jincheon-gun, Goesan-gun, Eumseong-gun	Chungbuk Solar Power Special Zone	2011
	Jincheon-gun	Jincheon International Culture & Education Special Zone	2013
Jincheon Charcoal Industry Cluster Special Zone		2020	
Chungnam	Geumsan-gun	Geumsan Ginseng Health Care Special Zone	2005
		Geumsan Chubu Perilla Special Zone	2015
	Nonsan-si	Nonsan Clean Strawberry Industry Special Zone	2006
		Nonsan Yangchon Dried Persimmon Special Zone	2006
		Ganggyeong Fermented Salted Fish Industry Special Zone	2007
	Cheongyang-gun	Cheongyang Red Pepper and Matrimony Vine Special Zone	2006
	Yesan-gun	Yesan Hwangto Apple Special Zone	2007
	Hongseong-gun, Yesan-gun	Hongseong-Yesan International Culture & Education Special Zone	2008
	Hongseong-gun	Hongseong Organic Farming Special Zone	2014
	Seocheon-gun	Seocheon Hansan Ramie Fabric Industry Special Zone	2007
Seocheon Hansan Sogokju Liquor Industrial Zone		2009	
Seocheon Seoraeya Eco-friendly Seaweed Industry Special Zone		2020	

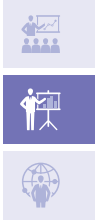


City/ Province	Si/Gun/Gu	Name of Special Economic Zone	Designation Year
Chungnam	Asan-si	Asan Internationalization Education Special Zone	2007
	Cheonan-si	Cheonan Internationalization Education Special Zone	2008
	Seosan-si	Seosan Bio-Wellbeing Research Special Zone	2008
	Buyeo-gun	Buyeo Button Mushroom Special Zone	2009
	Gongju-si	Gongju Shelled Chestnut Special Zone	2010
	Boryeong-si	Boryeong Manse Mushroom Industry Special Zone	2016
Jeonbuk	Sunchang-gun	Sunchang Traditional Paste Industry Special Zone	2004
		Sunchang Health and Longevity Science Special Zone	2008
	Sunchang Health and Longevity Science Special Zone	Gochang Black Raspberry Industry Special Zone	2004
		Gochang Agritourism Industry Special Zone	2004
	Wanju-gun	Wanju Moak Women's Oriental Medicine Clinic Special Zone	2005
	Namwon-si	Namwon Jirisan Wellbeing Herb Industry Special Zone	2005
	Jinan-gun	Jinan Red Ginseng Oriental Medicine Special Zone	2005
	Buan-gun	Buan Clean Silkworm Town Special Zone	2006
		Buan New and Renewable Energy Industry Cluster Special Zone	2007
	Gimje-si	Gimje Seed Industry Special Zone	2016
	Jeonju-si	Jeonju HAN-style Industry Special Zone	2010
	Jangsu-gun	Jangsu Horse Leisure Culture Special Zone	2011
	Jeongeup-si	Jeongeup Siberian Chrysanthemum Local Resource Promotion Special Zone	2015
Imsil-gun	Imsil N Cheese & Dairy Special Zone	2016	
Jeonnam	Suncheon-si	Suncheon Internationalization Education Special Zone	2004
		Suncheon Eco-friendly Farming Special Zone	2008
	Yeosu-si	Yeosu Tourism Internationalization Education Special Zone	2006
	Gokseong-gun	Gokseong Seomjin River Train Village Special Zone	2005
		Gokseong 21st Century Rural Education Advancement Special Zone	2006
	Hampyeong-gun	Hampyeong Butterfly Industry Special Zone	2006
		Hampyeong Cheonji Hanwoo Industry Special Zone	2008
	Jangheung-gun	Jeongnamjin Jangheung Saturday Market & Medicinal Herb-fed Hanwoo Special Zone	2006
		Jeongnamjin Jangheung Literary Tourism & Travel Special Zone	2008
		Jangheung Clean Coast Tidal Flat Ecological Industry Special Zone	2017
	Gangjin-gu	Gangjin Foreign Language Education Special Zone	2006
	Boseong-gun	Boseong Green Tea Industry Special Zone	2007
		Boseong Continuing English Education Special Zone	2009
Boseong Beolgyo Cockle Culture Industry Special Zone		2015	



City/ Province	Si/Gun/Gu	Name of Special Economic Zone	Designation Year
Jeonnam	Gwangyang-si	Gwangyang Internationalization Lifelong Education Special Zone	2008
		Gwangyang Plum Industry Special Zone	2008
	Sinan-gun	Sinan Sea Salt Industry Special Zone	2008
		Sinan Spinach & Large Green Onion Industry Special zone	2017
	Goheung-gun	Goheung Space and Ocean Resort Special Zone	2009
		Goheung Wellbeing Citron and Pomegranate Special Zone	2014
		Goheung Buncheong Ware Culture and Arts Special Zone	2016
	Yeonggwang-gun	Yeonggwang Dried Yellow Corvina Industry Special Zone	2009
		Yeonggwang Barley Industry Special Zone	2010
	Wando-gun	Wando Seaweed and Abalone Industry Special Zone	2009
	Gurye-gun	Gurye Wildflower Ecology Special Zone	2010
		Gurye Cornelian Cherry Industry Special Zone	2011
	Naju-si	Naju Pear Industry Special Zone	2010
		Naju Energy Education Special Zone	2016
	Haenam-gun	Land's End Haenam Wellbeing Sweet Potato Industry Special Zone	2010
	Hwasun-gun	Hwasun Vaccine Industry Special Zone	2010
	Mokpo-si	Mokpo Globalization Talent Fostering Special Zone	2011
	Jindo-gun	Jindo Folk Culture and Arts Special Zone	2013
		Jindo Turmeric Industry Special Zone	2018
	Yeongam-gun	Yeongam Fig Industry Special Zone	2015
Damyang-gun	Damyang Humanities Education and Traditional Garden Special Zone	2016	
Jangseong-gun	Jangseong Cypress Healing Special Zone	2016	
Gyeongbuk	Yeongyang-gun	Yeongyang Firefly Ecological Experience Village Special Zone	2005
		Yeongyang Pepper Industry Special Zone	2007
	Andong-si	Andong Yam Village Special Zone	2005
	Sangju-si	Sangju Dried Persimmon Special Zone	2005
		Sangju Highland Grape Special Zone	2006
	Yeongcheon-si	Yeongcheon Oriental Medicine Promotion Zone	2005
	Yeongdeok-gun	Yeongdeok Snow Crab Special Zone	2005
		Yeongdeok Clean Energy Special Zone	2007
		Yeongdeok Youth Soccer Special Zone	2016
	Seongju-gun	Seongju Melon Industry Special Zone	2006
	Gimcheon-si	Gimcheon Grape Industry Special Zone	2006
		Gimcheon Plum Industry Special Zone	2006
	Uiseong-gun	Uiseong Garlic Production & Distribution Special Zone	2006
	Mungyeong-si	Mungyeong Magnolia Berry Industry Special Zone	2006
	Uljin-gun	Uljin LOHAS Agriculture Special Zone	2006
	Gyeongsan-si	Gyeongsan Seedling Industry Special Zone	2007

City/ Province	Si/Gun/Gu	Name of Special Economic Zone	Designation Year
Gyeongbuk	Yeongju-si	Yeongju Global Talent Training Special Zone	2007
		Yeongju Healing Special Zone	2014
	Bonghwa-gun	Bonghwa Pinetopia Special Zone	2007
	Pohang-si	Pohang Half-dried Herring Industry Special Zone	2007
	Cheongdo-gun	Cheongdo Flat Persimmon Special Zone	2007
		Cheongdo Korean Spirit Globalization Education Special Zone	2012
	Gumi-si	Gumi Global Education Special Zone	2008
	Goryeong-gun	Goryeong Daegaya Farming Village Experience Special Zone	2008
	Chilgok-gun	Chilgok Beekeeping Industry Special Zone	2008
	Cheongsong-gun	Cheongsong Apple Special Zone	2008
	Yecheon-gun	Yecheon Insect Industry Special Zone	2009
Gyeongju-si	Gyeongju Youth Sports Special Zone	2016	
Gyeongnam	Changnyeong-gun	Changnyeong Foreign Language Education Special Zone	2005
		Changnyeong Uponuri Garlic and Onion Industry Special Zone	2016
	Sancheong-gun	Sancheong Medicinal Herb Industry Special Zone	2005
	Uiryeong-gun	Uiryeong Eco-friendly Leports Park Special Zone	2005
	Hamyang-gun	Hamyang Jirisan Wild Simulated Ginseng Industry Special Zone	2005
	Geochang-gun	Geochang Apple and Strawberry Industry Special Zone	2013
		Geochang Anti-aging Healing Special Zone	2016
		Geochang Elevator Valley Industry Special Zone	2019
	Gimhae-si	Gimhae Lifelong Education Special Zone	2005
	Hadong-gun	Hadong Wild Green Tea Industry Special Zone	2006
	Goseong-gun	Goseong Shipbuilding and Marine Industry Special Zone	2007
	Geoje-si	Geoje Marine Resort Special Zone	2010
	Changwon-si	Changwon Sweet persimmon Industry Special Zone	2015
Haman-gun	Haman Watermelon Industry Special Zone	2016	
Hapcheon-gun	Hapcheon National Treasure and Visual Theme Experience Zone	2017	
Jeju	Seogwipo-si	Marado Clean Southernmost Island Special Zone	2004
		Seogwipo Resort and Arts Special Zone	2013
	Jeju-si	Jeju Chujado Yellow Croaker and Island Experience Special Zone	2009



## 5) Inquiries

- Regional Special Economic Zone Division, Ministry of SMEs and Startups (042-481-1603)
- Local governments with designated special economic zones (inquiry about particular zones)

## 6) Related Regulations, Reference, and Websites

- Act on Special Cases concerning the Regulation of Regulation-free Special Zones and Special Economic Zones for Specialized Regional Development
  - Notification of designation for each special zone
  - Ministry of SMEs and Startups(<https://www.mss.go.kr>)
- ※ Reference: Ministry of SMEs and Startups (Regional Specialized Zones Division)

# Location-related Reference Data



## 1. Development Plans by City and Province

### ▶ A. Industry Development and Site Supply Directions by City and Province

#### 1) Directions for Fostering Promising Growth Industries by City and Province

##### a) Directions to Foster Promising Industries by City and Province

- Presentation of development directions for promising industries after comprehensive consideration of the degree of industrial clustering and specialization by city and province to promote balanced regional development and strengthen regional innovation capabilities
  - Proposal of ways to achieve smart manufacturing, convergence, and eco-friendliness for industries with a high degree of clustering and specialization in line with relevant regional characteristics
  - Suggestion of cluster building and advancement strategies based on regional and industrial linkage

#### [ Directions to Foster Promising Industries by City and Province ]

Region	Fostering Directions
Seoul	<ul style="list-style-type: none"> <li>• Building a hub for new industries pursuing innovative growth by reinforcing industrial clustering centered on knowledge service industries such as biotech (health and diagnosis) and ICT</li> <li>• Laying the foundation for sustainable growth by establishing and expanding biotech and IT-manufacturing convergence clusters</li> </ul>

Region	Fostering Directions
Busan	<ul style="list-style-type: none"> <li>• Promotion of the parts and materials industry for machinery, shipbuilding, automobiles, etc. as a new growth engine by accelerating industrial intelligence and convergence</li> <li>• Enhancing the competitiveness and value added of the region's specialized industries such as steel and textiles</li> </ul>
Daegu	<ul style="list-style-type: none"> <li>• Promotion of industrial smartization and advancement by strengthening clustering in medical healthcare services sector and improving regional linkage and cooperation in the automobile and machinery parts industry</li> <li>• Promotion of value addition and process improvement in the region's specialized industries such as textile industry</li> </ul>
Incheon	<ul style="list-style-type: none"> <li>• Leaping into a global bio city by fostering the biotech industry and upgrading linkage and cooperation with the Seoul metropolitan area</li> <li>• Acceleration of the development of new industries in the high-tech automobile and robot sectors based on the region's specialized manufacturing competitiveness in general machinery, steel, home appliances, etc.</li> </ul>
Gwangju	<ul style="list-style-type: none"> <li>• Promotion of the creation and development of new industries through smartization of the high value-added home appliance industry</li> <li>• Advancement in the industrial structure and promotion of high value-added processes through enhanced clustering and cooperation of the region's specialized industries in the fields of automobiles and general machinery</li> </ul>
Daejeon	<ul style="list-style-type: none"> <li>• Establishing an innovative R&amp;D ecosystem centered on new industries based on knowledge and technology</li> <li>• Promotion of the fostering of promising companies in the fields of health &amp; diagnosis and sensors and measurement systems through reinforced clustering and linkage of the region's specialized industries</li> </ul>
Ulsan	<ul style="list-style-type: none"> <li>• Promotion of the advancement of industrial structure centered on the region's three major specialized industries such as petrochemical, shipbuilding, and automobiles</li> <li>• Creation of new industries and markets through upgraded eco-friendliness and technological sophistication in the automobile and energy industries</li> </ul>
Sejong	<ul style="list-style-type: none"> <li>• Building an urban-type innovative ecosystem through the realization of a smart city and the promotion of industrial clustering</li> <li>• Fostering cutting-edge device and parts industry and promoting specialization in the field of smart mobility through ICT convergence</li> </ul>
Gyeonggi	<ul style="list-style-type: none"> <li>• Creation of a test-bed for new industries through the establishment of a manufacturing-based innovation cluster pursuing linkage and collaboration</li> <li>• Enhancement of competitiveness through advancement in the region's specialized industries such as general machinery, ICT devices, displays, and semiconductors</li> </ul>

Region	Fostering Directions
Gangwon	<ul style="list-style-type: none"> <li>• Building a clean food-leisure-resort industry ecosystem based on the region's invaluable resources</li> <li>• Fostering the development of the ceramic composite materials industry in association with its collaboration region (Daejeon)</li> <li>• Creating a cluster of advanced medical devices by attracting medical device companies and R&amp;D facilities</li> </ul>
Chungbuk	<ul style="list-style-type: none"> <li>• Establishment of an innovative ecosystem to foster a new IT-BT convergence industry and developing key high value-added specialized industries such as semiconductors</li> <li>• Promotion of structural transformation of the vehicle materials and parts industry into the future-oriented industry through the adoption of eco-friendly intelligent technologies</li> </ul>
Chungnam	<ul style="list-style-type: none"> <li>• Promotion of new industries in association with cooperation regions in the fields of bio health and premium consumer goods</li> <li>• Enhancement of competitiveness through the advancement of the region's key manufacturing industries such as displays, automobiles, and general machinery</li> </ul>
Jeonbuk	<ul style="list-style-type: none"> <li>• Promotion of the development of new industries such as renewable energy and high-tech materials based on the region's specialization in the petrochemical industry</li> <li>• Concentration on fostering the high-value-added intelligent machine parts industry through linkage with its cooperation regions</li> </ul>
Jeonnam	<ul style="list-style-type: none"> <li>• Creation of growth engines based on new industries such as energy, autonomous manufacturing, and chemicals and new materials</li> <li>• Enhancement of competitiveness of the region's major manufacturing industries such as general machinery and shipbuilding by promoting convergence with the IT industry</li> </ul>
Gyeongbuk	<ul style="list-style-type: none"> <li>• Reinforcing the innovation capability of the region's flagship manufacturing industries and leaping into a mecca for digital, electronic, information industries through the establishment of a manufacturing-based convergence innovation cluster</li> <li>• Acceleration of the region's upgrade in its specialized industries' structure and value-added operations in the fields of automobiles, textiles, etc. through enhanced linkage and cooperation with other regions</li> </ul>
Gyeongnam	<ul style="list-style-type: none"> <li>• Leaping into a knowledge-based mechanical cluster hub through convergence and smartization of the region's specialized industries such as shipbuilding, general machinery, and steel.</li> <li>• Creation of new growth engines by fostering new industries in the fields of energy, the environment, and sustainable manufacturing</li> </ul>
Jeju	<ul style="list-style-type: none"> <li>• Fostering the region's specialized industries such as eco-friendly energy and clean food using local resources and strengthening their clustering</li> <li>• Fostering the smart tourism industry through ICT convergence</li> </ul>



## b) Development Directions for Major Industries by City and Province

Region	Development Directions for Major Industries
Seoul	<ul style="list-style-type: none"> <li>• Fostering the region as a base for commercialization of promising Seoul-type industries such as AI and biomedical sciences               <ul style="list-style-type: none"> <li>- <b>(AI)</b> Promotion of AI convergence new growth industry by developing the Yangjae area with a high concentration of research institutes of various sizes as an AI-centered research and startup hub</li> <li>- <b>(Biomedical)</b> Revitalizing the biomedical industry and pursuing balanced development in northeastern Seoul by creating an innovative cluster in the biomedical field</li> <li>- <b>(IT-manufacturing convergence)</b> Acceleration of convergence among industries (companies) and laying the foundation for sustainable growth to strengthen the competitiveness of G Valley</li> </ul> </li> </ul>
Busan	<ul style="list-style-type: none"> <li>• Nurturing urban-type service industries such as biomedical and intelligent information services and advancing the machinery industry               <ul style="list-style-type: none"> <li>- <b>(Biomedical)</b> Fostering the high-tech medical device industry incorporating ICT technologies and cultivating technologies and products in the field of biotechnology applications</li> <li>- <b>(Clean energy)</b> Concentrated support for renewable energy parts focused on wind and solar power, power generation facility services designed to improve energy efficiency, nuclear power station decommissioning technologies, etc.</li> <li>- <b>(Intelligent information service)</b> Creation of new industries and new services through the development and convergence of core and applied technologies</li> <li>- <b>(Intelligent machine parts)</b> Promotion of technological improvement in machine parts and process optimization through specialization in intelligent control convergence technologies</li> </ul> </li> </ul>
Daegu	<ul style="list-style-type: none"> <li>• Fostering high-tech industries such as medical health and energy and enhancing valued-added of existing major industries               <ul style="list-style-type: none"> <li>- <b>(Medical health care)</b> Maximization of employment and sales through the enhancement of competitiveness in technologies and products, ICT convergence, and development of new technologies and products</li> <li>- <b>(Distributed Energy)</b> Support for companies' sales increase through the reinforcement of technological competitiveness in promising items and the demand-based development of technologies and products</li> <li>- <b>(Advanced materials and parts)</b> Support for employment and revenue increase through enhanced assistance for the development of high valued-added technologies, products and processes as well as the promotion of R&amp;D commercialization</li> </ul> </li> </ul>
Incheon	<ul style="list-style-type: none"> <li>• Development into a base for new growth industries such as advanced automobiles, robots, and biotechnologies               <ul style="list-style-type: none"> <li>- <b>(Advanced vehicles)</b> Creation of an advanced auto parts industry cluster and promotion of corporate attraction to leap into a global hub for advanced vehicles</li> <li>- <b>(Robots)</b> Creation of a robot ecosystem and cultivation of robotics culture and experts to foster a creative robot industry</li> <li>- <b>(Biotech)</b> Leaping into one of the top 5 global bio-health industry cities</li> </ul> </li> </ul>



Region	Development Directions for Major Industries
Gwangju	<ul style="list-style-type: none"> <li>· Enhancement of the clustering and linkage of related industries such as optical convergence, home appliances, digital biomedical technologies, molding processes, etc.               <ul style="list-style-type: none"> <li>- <b>(Digital Biomedical)</b> Expanding the medical industry and strengthening its competitiveness through the establishment of a regional response system for the medical industry, the securing of new and convergence technologies, and the broadening of networks</li> <li>- <b>(Smart Appliances)</b> Reinforcement of the competitiveness of the smart home appliance industry through technical support centered on commercialization for entry into niche markets and invigoration of collaboration between companies</li> <li>- <b>(Optical convergence)</b> Fostering technology-intensive small giants by securing core technologies in the optical convergence industry</li> <li>- <b>(Composite mold)</b> Strengthening market competitiveness by securing diverse mold technologies and high value-added technologies through linkage and cooperation between industries</li> </ul> </li> </ul>
Daejeon	<ul style="list-style-type: none"> <li>· Creation of a technology convergence ecosystem including wireless communication, robotics, and biofunctional materials with a focus on Daedeok Innopolis               <ul style="list-style-type: none"> <li>- <b>(Wireless communication convergence)</b> Setting the investment direction based on data and promoting investment in technological development through intensive support for target companies' growth, technology exchange and technology transfer between companies, etc.</li> <li>- <b>(Intelligent robots)</b> Customized support reflecting the characteristics of each growth stage of target companies in the robotics industry and promotion of innovative new technology-based convergence technology research and joint R&amp;D between companies and innovative research institutions</li> <li>- <b>(Biofunctional materials)</b> Intensive investment in fields that can build a cooperative ecosystem with technology institutions and investment in promising companies in partnership with the Bio Health Care Association and Creative Economy Innovation Center</li> </ul> </li> </ul>
Ulsan	<ul style="list-style-type: none"> <li>· The structural upgrade of the region's three major industries such as automobiles, shipbuilding and chemicals and the fostering of new eco-friendly energy industries               <ul style="list-style-type: none"> <li>- <b>(Eco-friendly vehicles)</b> Support in R&amp;D and non-R&amp;D packages based on private proposals with outstanding human resources and equipment possessed by local innovation agencies.</li> <li>- <b>(Shipbuilding &amp; marine engineering)</b> Reinforcement of technological capabilities through linkage with new industries and scale-up of company-owned technologies and promotion of process improvement R&amp;D and technological improvement through open innovation</li> <li>- <b>(New advanced chemicals)</b> Support for the development of high-value products through joint R&amp;D and reinforcement of demand-linked commercial R&amp;D support</li> <li>- <b>(Green energy)</b> Support for Innobiz certification required to secure the basis of technical competence and selection and assistance of core companies with high importance in the value chain of materials-parts-products</li> </ul> </li> </ul>



Region	Development Directions for Major Industries
Sejong	<ul style="list-style-type: none"> <li>• Enhancement of clustering of vehicle parts and precision medicine industries linked to Smart City</li> <li>- <b>(Advanced vehicle parts)</b> Expansion of a convergence alliance between different industries including ICT for the business shift of internal combustion engine parts makers to future car components</li> <li>- <b>(Precision medicine industry)</b> Inducement of expansion of R&amp;D investment to build an optimized customized healthcare platform based on big data for effective market development</li> </ul>
Gyeonggi	<ul style="list-style-type: none"> <li>• Reinforcement of convergence and knowledge service industries through the promotion of the “1+5 Digital City” Hub Strategy</li> <li>- <b>(IT Convergence)</b> Establishment of a new cluster-type growth industry hub as big as Pangyo for the specialization of local industries and creation of test-beds to foster the convergence industry</li> <li>- <b>(Knowledge-based service)</b> Establishment of a network platform between digital cities and an integrated information system for each of new growth industries</li> </ul>
Gangwon	<ul style="list-style-type: none"> <li>• Invigoration of the clean industry ecosystem including food, leisure, and recreational industries and development into the growth hub for the new ceramic materials industry</li> <li>- <b>(Wellness food)</b> Strengthening the system designed to support corporate growth and program linkage to increase the high value-added of wellness food companies</li> <li>- <b>(New ceramic composite materials)</b> Securing a future-oriented technological base to enhance the market competitiveness of the new ceramic composite materials industry and companies</li> <li>- <b>(Leisure, resort and knowledge service)</b> Establishment of a system to promote technological convergence between leisure and tourism industries and the region's representative industries and the diversification of business models through the incorporation of ICT in them</li> <li>- <b>(Digital healthcare)</b> Creation of a high-tech device cluster for the medical device industry through linkage and cooperation between the innovation city, the enterprise city, and universities</li> </ul>
Chungbuk	<ul style="list-style-type: none"> <li>• Establishment of a bio-IT mecca through the enhancement of IT/BT production and research clusters</li> <li>- <b>(Smart IT parts)</b> Strengthening the core technology competitiveness of smart IT parts required to promote the construction of an intelligent society</li> <li>- <b>(Biohealth)</b> Enhancement of technological competitiveness through the creation of a virtuous cycle in the industrial ecosystem of the biohealth industry and the development of original technologies</li> <li>- <b>(Transportation vehicle materials and parts)</b> Increasing high value-added and internal/external competitiveness reinforcement by securing eco-friendly and intelligent core technologies</li> </ul>

Region	Development Directions for Major Industries
Chungnam	<ul style="list-style-type: none"> <li>▫ Focusing the innovative capabilities on next-generation display and automobile parts industries and strengthening the clustering of biofood industries</li> <li>- <b>(Next-generation displays)</b> Reinforcing innovative growth capabilities by intensive development support for OLED and next generation displays</li> <li>- <b>(Eco-friendly auto parts)</b> Intensive fostering and maximizing growth capabilities of the 4th industrial convergence-based eco-friendly auto parts industry</li> <li>- <b>(Biofood)</b> Promoting high value-added products and strengthening global competitiveness by developing health functional foods using natural ingredients</li> </ul>
Jeonbuk	<ul style="list-style-type: none"> <li>▫ Concentrated support for new growth engine industries such as new and renewable energy, food, carbon and composite materials</li> <li>- <b>(Agrolife ingredients and foods)</b> Strengthening technological competitiveness in the agrolife food sector and fostering corporate growth through the expansion of export commercialization of specialized local resources</li> <li>- <b>(Intelligent machine parts)</b> Laying the foundation for smart intelligent machine parts through concentrated support for ICT convergence technologies and specialized industrial fields</li> <li>- <b>(Carbon and composite materials)</b> Expansion of the composite fiber market through the commercialization of carbon &amp; natural composite fiber products</li> <li>- <b>(Marine equipment and facilities)</b> Development of high value-added equipment and facilities to respond to new demand for small and medium-sized ships and eco-friendly equipment and facilities</li> </ul>
Jeonnam	<ul style="list-style-type: none"> <li>▫ Expanding the growth basis for the bio-health and energy industries and advanced transportation vehicle parts business</li> <li>- <b>(Bio-health materials)</b> Enhancing the competitiveness of eco-friendly biological resources and the industrial ecosystem of bio-health materials</li> <li>- <b>(New energy industries)</b> Fostering future growth engine industries based on new and renewable energy and creating jobs in the fields</li> <li>- <b>(Advanced transportation vehicle parts)</b> Establishment of integrated management and control systems for IoT-based advanced transportation vehicles and development of advanced parts</li> </ul>



Region	Development Directions for Major Industries
Gyeongbuk	<ul style="list-style-type: none"> <li>· Fostering an IT industry convergence cluster and laying the foundation for the development of the biomaterials industry               <ul style="list-style-type: none"> <li>- <b>(Intelligent digital devices)</b> Establishment of a digital-electronic-information industry cluster to focus on the development of convergence devices and parts in connection with the 4th industrial revolution</li> <li>- <b>(High-tech molding and processing)</b> Support for step-by-step technological development and promising product development so that companies can shift from simple production molding to high-tech molding and processing operations</li> <li>- <b>(Bio beauty)</b> Promotion of technological development in promising fields in specialized traditional well-being foods and functional cosmetics being promoted as the region's future growth industries</li> <li>- <b>(Functional fibers)</b> Developing a creative industrial ecosystem through linkage between regions such as Gyeongbuk (materials)                   <ul style="list-style-type: none"> <li>- Daegu (processes) and Busan (finished products) and between upstream and downstream businesses</li> </ul> </li> </ul> </li> </ul>
Gyeongnam	<ul style="list-style-type: none"> <li>· Conversion into a knowledge-based cluster mecca through IT convergence in the major industries such as machinery, aviation, and shipbuilding               <ul style="list-style-type: none"> <li>- <b>(Intelligent machinery)</b> Advancement of intelligent machine technologies through the development of ICT convergence technologies, creation an ecosystem for win-win cooperation between large and small businesses, and establishment of a support system for tech companies</li> <li>- <b>(Aerospace)</b> Laying the foundation for the growth of research bases, expanding the localization rate of core technologies, and pioneering export channels through strengthened international cooperation</li> <li>- <b>(Nano convergence components)</b> Promotion of the clustering of the nano-convergence industry and enhancement of corporate competitiveness by securing next-generation nano technologies</li> <li>- <b>(Anti-aging biotech)</b> The creation of the anti-aging bio industry ecosystem through fostering leading companies and the promotion of high added value through support for convergence technology development and technology commercialization</li> </ul> </li> </ul>
Jeju	<ul style="list-style-type: none"> <li>· Fostering convergence industries using local resources and creating smart energy related industries               <ul style="list-style-type: none"> <li>- <b>(Smart grid)</b> Development of new markets through the verification of smart grid demonstration models and the creation of service products</li> <li>- <b>(Intelligent Tourism Content)</b> Fostering specialized technology companies based on ICT convergence platform and creating an industrial ecosystem</li> <li>- <b>(Clean health food)</b> Fostering global companies by developing high-value-added items using clean resources</li> </ul> </li> </ul>

## 2) Site Supply Directions by City and Province

Region	Site Supply Directions (focused on Regional Strategic Industries)
Seoul	<ul style="list-style-type: none"> <li>• Remodeling of old industrial complexes and areas such as Gasan-Daerim, Onsu-Mullae, and Guro-Geumcheon and advancing the region's industrial structure</li> <li>• Creating a hub city for new convergence industries (IT, BT, NT, GT) centered on the Magok complex</li> <li>• Supply of specialized industrial sites for the media industry in the Sangam DMC, specialized downtown industries, and IT-related services in southeastern Seoul including Gangnam and Samsung areas</li> </ul>
Busan	<ul style="list-style-type: none"> <li>• Upgrade of sites for the machinery parts industry in western Busan, the IT and knowledge-based service industries in eastern Busan, and urban service industries in central Busan</li> <li>• Industrial complex reorganization and structural enhancement for the Sinpyeong-Janglim Industrial Complexes and the Sasang-Geumsa industrial area</li> <li>• Clustering the biomedical industry in the Jisa foreign investment district, Gangseo Bogo, Jisa 2, Ori General Complex, and Jisa Global Complex</li> <li>• Clustering the intelligent machine parts industries in the Mora Urban High-tech Industrial Complex and the Mieum Industrial Complex in association with robot-based industry support projects</li> <li>• Fostering an IoT-based smart city platform to develop intelligent information services including the smartization of industrial complexes in the downtown area (Sasang, Sinpyeong, Janglim) centered on Haeundae</li> <li>• Clustering the clean energy industry in the Noksan Industrial Complex in addition to Busan Eco Delta City and Jisa Global</li> </ul>
Daegu	<ul style="list-style-type: none"> <li>• Promotion of advancement of major industries by accelerating the occupancy of promising industries in Daegu national and urban high-tech industrial complexes and the reorganization of old industrial areas</li> <li>• Development of medical healthcare industries by clustering medical device and related service industries in Sinseo Innovation City (Urban High-tech Complex) and Suseong Medical District</li> <li>• Development of the distributed energy industry by creating an environment for fostering new energy industries through the establishment of energy verification test beds (national complexes, Technopolis, etc.), demonstration models and relevant infrastructure</li> <li>• Development of advanced materials and parts by clustering precision molding, knowledge service, and textile industries in the regenerated urban complexes such as Daegu 3 and Seongseo Complexes</li> </ul>
Incheon	<ul style="list-style-type: none"> <li>• Supply of sites tailored to the knowledge-based high-tech manufacturing industry in Incheon Free Economic Zone</li> <li>• Responding to the demand for advancement of the industrial structure by supplying specialized industrial complexes and invigorating multifunctional land use and promoting the relocation and reorganization of factories in old industrial complexes</li> <li>• Remodeling Namdong and Juan industrial complexes and developing new complexes like Geomdan 2 and Secun industrial complexes for the high-tech auto industry</li> <li>• Clustering robot, bio and aviation industries in Songdo District (Bio Complex, Incheon Techno Park Expansion Complex, High-tech Industrial Cluster, Industrial Cluster Complex), Yeongjong Aviation General Complex, Namdong Urban High-tech Complex, and IHP Urban High-tech Complex</li> </ul>



Region	Site Supply Directions (focused on Regional Strategic Industries)
Gwangju	<ul style="list-style-type: none"> <li>• Creation of industrial complexes connected to major industrial complexes and supply of sites in industrial complexes with available space to promote linkage between national projects such as Gwangju Automobile Valley and Gwangju Energy Valley and the region's major industries</li> <li>• Clustering smart home appliance industries in Jingok and BitGreen Industrial Complexes adjacent to the business sites of major conglomerates</li> <li>• Clustering composite molds manufacturers in Urban High-tech, where other major industries are located, and Jingok, Pyeongdong, and BitGreen near Hanam Industrial Complex</li> <li>• Clustering digital biomedical and optical convergence industries in Gwangju Urban High-tech and BitGreen Industrial Complex</li> <li>• Clustering the energy industry in the Urban High-tech Complex</li> <li>• Clustering eco-friendly auto parts industries in BitGreen Industrial Complex</li> </ul>
Daejeon	<ul style="list-style-type: none"> <li>• Clustering major industries (wireless communication convergence industry, robot intelligence, biofunctional materials, etc.) in Daedeok Innopolis and urban general industrial complexes (Pyeongchon, Haso Eco-friendly)</li> <li>• Promotion of environmental improvement and business upgrade for Daejeon Complexes 1 and 2 in connection with a regeneration project</li> <li>• Promotion of industrial clustering in connection with the regeneration project for metal processing, intelligent machinery, and optoelectronic convergence industries</li> <li>• Strengthening infrastructure support for old industrial complexes through the establishment of the Daejeon-type QWL Valley project model</li> </ul>
Ulsan	<ul style="list-style-type: none"> <li>• With the site demand by the three major industries somewhat declining, expansion of the site supply for new industries such as future cars and eco-friendly energy</li> <li>• Regarding eco-friendly auto parts, clustering individual products and module parts in the remodeled Mipo Industrial Complex and clustering individual parts and materials processing in Gilcheon and Ulsan High Tech Valley</li> <li>• Considering the supply of new sites for the shipbuilding and marine industry in Dong-gu, Ulju, and Nam-gu</li> <li>• Considering the supply of new sites for advanced new chemicals in Gilcheon Industrial Complex</li> <li>• Promotion of the creation of an energy convergence general industrial complex for eco-friendly energy to cluster relevant companies and research facilities</li> </ul>

Region	Site Supply Directions (focused on Regional Strategic Industries)
Sejong	<ul style="list-style-type: none"> <li>- Clustering precision medicine and advanced vehicle parts industries largely in planned sites including specialized complexes and urban high-tech complexes in connection with the smart city national pilot project</li> <li>- Clustering cosmetics and auto parts industries in northern Sejong in connection with Cheonan and Asan with strong competitiveness in the fields</li> <li>- Clustering high-tech transportation vehicle parts and machinery industries in southeastern Sejong in connection with Daejeon and Chungbuk with strong competitiveness in the fields</li> <li>- Clustering precision medical care businesses in Sejong Urban High-tech General Complex and Sejong Future General Industrial Complex</li> </ul>
Gyeonggi	<ul style="list-style-type: none"> <li>- Promotion of efficient supply of industrial sites according to the industrial characteristics of the five regions as defined by the industrial specialization belt and industrial allocation strategies of the metropolitan area</li> <li>- Clustering the high-tech knowledge service industry around the Knowledge Industry Center in the Gyeongbu area</li> <li>- Upgrade of old industrial infrastructure in the west coast area with a high concentration of large-scale infrastructure industries such as machinery and equipment</li> <li>- Promotion of industrial revitalization and management of individual factories in the eastern area due to the limited development of industrial complexes</li> <li>- Support for restructuring the traditional manufacturing industry in the Gyeongwon area</li> <li>- Invigoration of the Gyeongui area by promoting the development of corporate cluster facilities and venture development promotion districts</li> </ul>
Gangwon	<ul style="list-style-type: none"> <li>- Utilization of the existing industrial complexes with unsold sites in the five regional units while promoting the upgrade of industrial sites through the regeneration project for Hupyeong General and Munmak General Complexes</li> <li>- Clustering wellness food industries in Gangneung Science General, Namchuncheon General, Banglim Agricultural, and Ucheon General</li> <li>- Site supply or new ceramic composite materials in Gangneung Science and Cheorwon Plasma General Industrial Complexes</li> <li>- Clustering IT and SW companies related to leisure, resort and knowledge service in the neighboring areas of the Seoul metropolitan area.</li> </ul>



Region	Site Supply Directions (focused on Regional Strategic Industries)
Chungbuk	<ul style="list-style-type: none"> <li>• Expansion of supply of industrial sites for semiconductors, electric and electronic parts, solar power generation parts, and pharmaceuticals and medical devices</li> <li>• Clustering smart IT parts in Ochang Science, Cheongju Technopolis, and Ochang Technopolis.</li> <li>• Clustering the bio-health industry in Osong Life Science Complexes 1 and 2 as well as the planned Osong National Industrial Complex 2</li> <li>• Clustering transportation vehicle materials and parts in Cheongju Technopolis and Ochang Technopolis</li> </ul>
Chungnam	<ul style="list-style-type: none"> <li>• Clustering companies in existing industrial complexes and creation of new industrial complexes if necessary</li> <li>• Attraction of next-generation display companies to Tangjeong Techno General, Tangjeong General, Asan Smart Valley General, Yeomchi General Industrial Complex</li> <li>• Promotion of the clustering of eco-friendly auto parts manufacturers in Seosan including Seosan Auto Valley, Seosan Techno Valley, and Seosan Nambu General</li> <li>• Creation of a bio-industrial belt in and around the Geumgang area clustering related companies in Sejong General and Songseon General Industrial Complexes</li> <li>• Creation of a cutting-edge ICT industry convergence cluster in Cheonan-Asan and promotion of the shift to new growth industries like rechargeable batteries and ICT convergence</li> </ul>
Jeonbuk	<ul style="list-style-type: none"> <li>• Site supply to foster new growth engine industries in consideration of local industry trends including the Korea National Food Cluster, special R&amp;D zones, and emergency economy areas</li> <li>• Clustering agriculture and life science materials and parts industries being led by the Asia Smart Agriculture and Life Science Valley related projects in the Korea National Food Cluster, Jeongeup High-tech Science General, Iksan General 4, and Jipyeongseon General</li> <li>• Clustering intelligent machine parts industries in Saemangeum National with downstream businesses including auto and agricultural machinery parts, Iksan General 3, and Wanju Techno Valley General 2</li> <li>• Clustering carbon and composite materials businesses in Iksan 4, Iksan 3, Jeongeup High-tech Science, and Saemangeum National according to the designation of a carbon specialized industrial complex</li> <li>• Clustering marine equipment and facilities businesses in Saemangeum National, Iksan General 4, and Iksan General 3, adjacent to Gunsan National Industrial Complex, to expand the marine energy industry such as offshore wind farms</li> </ul>
Jeonnam	<ul style="list-style-type: none"> <li>• Site supply to foster new growth engine industries in consideration of local industry trends including the Korea National Food Cluster, special R&amp;D zones, and emergency economy areas</li> <li>• Clustering agriculture and life science materials and parts industries being led by the Asia Smart Agriculture and Life Science Valley related projects in the Korea National Food Cluster, Jeongeup High-tech Science General, Iksan General 4, and Jipyeongseon General</li> </ul>



Region	Site Supply Directions (focused on Regional Strategic Industries)
Jeonnam	<ul style="list-style-type: none"> <li>• Clustering intelligent machine parts industries in Saemangeum National with downstream businesses including auto and agricultural machinery parts, Iksan General 3, and Wanju Techno Valley General 2</li> <li>• Clustering carbon and composite materials businesses in Iksan 4, Iksan 3, Jeongeup High-tech Science, and Saemangeum National according to the designation of a carbon specialized industrial complex</li> <li>• Clustering marine equipment and facilities businesses in Saemangeum National, Iksan General 4, and Iksan General 3, adjacent to Gunsan National Industrial Complex, to expand the marine energy industry such as offshore wind farms</li> </ul>
Gyeongbuk	<ul style="list-style-type: none"> <li>• Inducement of industrial clusters using designated complexes</li> <li>• Site supply for diversification of the existing electronics industry including healthcare and medical device industries through various Gumi National Industrial Complexes and Gumi Smart Industrial Complexes to develop the intelligent digital device industries</li> <li>• Using existing clustered complexes such as Gyeongsan 3, Gyeongsan 4, Pohang Blue Valley, and Yeongilman General for high-tech molding and processing industries</li> <li>• Using biotech and food industrial complexes such as Gyeongbuk Bio, Yeongilman General, Sangju Oriental Medicine, and Yeongju Dujeon Complexes for the bio-beauty industry</li> <li>• Clustering functional fiber industries in existing industrial clusters near Daegu such as Gyeongsan, Chilgok, and Gumi</li> </ul>
Gyeongnam	<ul style="list-style-type: none"> <li>• Establishment of Changwon National Smart Industrial Complex, promotion of the expansion of smart industrial complexes, and early supply of sites in national industrial complexes under development</li> <li>• Establishment of Changwon National Smart Industrial Complex and acceleration of the supply of sites in Gimhae Seobu and Gimhae-Daedong High-tech Complexes for the intelligent machinery industry</li> <li>• Promotion of early site supply in Jinju Sacheon National Aviation Complex and new MRO Industrial Complex as well as the promotion of structural upgrade for Sacheon 1 and 2 for the aviation industry</li> <li>• Clustering nano convergence parts companies and innovation institutions in the Nano National Industrial Complex</li> <li>• Using existing industrial complexes in western Gyeongnam (Jinju, Geochang, Hamyang, Sancheong, etc.) for the anti-aging bio industry</li> </ul>
Jeju	<ul style="list-style-type: none"> <li>• Supply of eco-friendly industrial sites reflecting the characteristics of each industry to develop Jeju-type manufacturing industries</li> <li>• Supply of sites in clusters focused on Jeju-si and Jeju Science Park 2 for clean health food</li> <li>• Clustering intelligent tourism content industries in Jeju Science Park</li> <li>• Attraction of IT-related industries to Jeju Science Parks 1 &amp; 2 and provincewide spread of new intelligent power services and EV charging infrastructure for the smart grid industry</li> </ul>

\* Reference: Basic Plan for The Industrial Cluster Development (Ministry of Trade, Industry, and Energy Notice 2019-220)



▶ **B. Development Directions by City and Province (Summerized for industrial sectors)**

- Local governments establish regional development goals and development directions reflecting their regional characteristics while the central government promotes and supports voluntary solidarity and cooperation between regions to resolve inter-regional issues
    - Local governments share their development goals and directions under the vision of “Land for All, Place of Living Cherished Together” and promote autonomous and pluralistic solidarity and cooperation while the central government considers providing administrative and financial support.
  - The development goals and strategies for each city and province are used as the basis for establishing their comprehensive provincial plans and urban master plans down the road while cities and provinces make efforts to implement the proposed goals and strategies.
- \* The directions of regional development are specified in the plans established by cities and provinces. Decisions on whether to carry out various projects according to the directions are determined by the central government’s plans, feasibility studies, public bid results, etc.



[ Development Visions by City and Province ]

Region	Development Visions
Seoul	<p>A sustainable and comfortable city with a story of living together</p> <ul style="list-style-type: none"> <li>• Creation of a smart city for innovation and creation of new industries                             <ul style="list-style-type: none"> <li>- Realization of data-based smart city Seoul</li> <li>- Creation of innovative space that creates new technologies</li> <li>- Promotion of industrial clustering into Guro and Gasan Digital Industrial Complexes and management of semi-industrial areas</li> </ul> </li> </ul>
Busan	<p>Northeast Asian maritime capital where citizens are happy</p> <ul style="list-style-type: none"> <li>• Establishment of the Pacific Rim strategic industrial belt and ultra-wide industrial cluster                             <ul style="list-style-type: none"> <li>- Fostering a multinuclear-connected power generation base through the specialization of regional functions</li> <li>- Strengthening the global competitiveness of core industries through intensive fostering of leading industries in the Southeast region</li> <li>- Review of the establishment of an ultra-wide industrial cluster in the Southeast region that serves as a base for the nation's key industries</li> </ul> </li> <li>• Establishment of an offshore industry cluster through integrated development of North Port, and restructuring of the urban space through rearrangement of railroad facilities</li> <li>• Creation of new growth engines and laying the foundation for the 4th industrial revolution                             <ul style="list-style-type: none"> <li>- Establishment of smart and low-carbon systems for flagship industries and attraction of new and renewable energy and green technology industries</li> <li>- Review of the creation of a Busan-type national innovation cluster centered on the Moonhyeon Innovation District</li> </ul> </li> </ul>
Daegu	<p>Global smart leader leading the future with citizens</p> <ul style="list-style-type: none"> <li>• Creation of an innovative ecosystem for future-oriented new growth industries                             <ul style="list-style-type: none"> <li>- Intensive support for 5+1 strategic industries (water, medical, energy, robots, future vehicles + smart cities) based on the 4th industries to secure future growth engines</li> <li>- Strengthening the survival competitiveness of regional major industries by upgrading the structure based on smart technologies for traditional manufacturing industries (textiles, machinery, glasses, ppuri industries, etc.)</li> </ul> </li> </ul>
Incheon	<p>A global platform city being created by citizens</p> <ul style="list-style-type: none"> <li>• Promotion of local industries that make full use of the location advantages of an airport and a port</li> <li>- Fostering future strategic industries centered on the free economic zone</li> <li>- Expansion of industrial infrastructure and promotion of industrial regeneration to enhance international competitiveness</li> <li>- Responding to the era of peace and cooperation in the Seoul metropolitan area amid easing tensions between the two Koreas</li> </ul>



Region	Development Visions
Gwangju	<p>An inclusive city with the unique characteristics of Gwangju where culture and cutting-edge technologies harmonize</p> <ul style="list-style-type: none"> <li>▪ Establishment of an energy industrial belt in connection with Gwangju-Jeonnam Joint Innovation City               <ul style="list-style-type: none"> <li>- Creation of a demonstration town in the energy field and invigoration of new energy industries</li> </ul> </li> <li>▪ Realization of the Gwangju industrial ecosystem good for business and good for working               <ul style="list-style-type: none"> <li>- Establishment of a Gwangju-type leading job creation model by attracting finished car factories into BitGreen Industrial Complex</li> <li>- Creation of an artificial intelligence (AI)-centered industrial convergence complex</li> <li>- Building a customized manufacturing innovation platform for optical convergence industries</li> <li>- Utilizing the established home appliance industry base in Gwangju to foster the air industry as a substitute</li> <li>- Creation of an eco-friendly automobile innovation base, fostering the SW-based connected car parts industry, and building a new industry venture ecosystem</li> <li>- Creation of a hub city for the hydrogen industry</li> </ul> </li> </ul>
Daejeon	<p>A special city leading innovative growth for the 4th Industrial Revolution</p> <ul style="list-style-type: none"> <li>▪ Creation of a high-tech science and technology city leading the 4th industrial revolution               <ul style="list-style-type: none"> <li>- Creation of a national innovation cluster centered on the Daedeok Innopolis and the central district of the International Science and Business Belt</li> <li>- Fostering small giants and venture businesses based on cutting-edge science and technology and creating a Daejeon-type startup innovation ecosystem</li> </ul> </li> </ul>
Ulsan	<p>A high-tech city leading energy innovation</p> <ul style="list-style-type: none"> <li>▪ Fostering new energy-oriented industries               <ul style="list-style-type: none"> <li>- Sophistication of industrial structure by strengthening R&amp;D capabilities</li> <li>- Creating a hub for the future energy industry</li> </ul> </li> </ul>
Sejong	<p>A special autonomous city with sovereign citizens leading balanced regional development</p> <ul style="list-style-type: none"> <li>▪ Fostering specialized regional industries based on smart innovation               <ul style="list-style-type: none"> <li>- Creation of a smart national model city (the Sejong 5-1 Living Area)</li> <li>- Creation of a smart national industrial complex to strengthen competitiveness in the national core strategic industries like new materials, parts and equipment</li> <li>- Invigoration of the functional districts of the International Science and Business Belt</li> <li>- Review of fostering the National Innovation Cluster</li> <li>- Establishment of a startup fostering and support system to expand and invigorate the foundation for young entrepreneurship</li> <li>- Fostering a world-class MICE industry</li> </ul> </li> </ul>

Region	Development Visions
Gyeonggi-do	<p>An integrated economic and residential area that realizes citizens' dreams</p> <hr/> <ul style="list-style-type: none"> <li>- Environmental and energy innovations in response to climate change</li> <li>- Establishment of an interlocking system between urban planning and environmental planning in response to climate change</li> <li>- Expansion of new and renewable energy and reduction of the distributed energy gap</li> <li>- Industrial innovation and creation of quality jobs to cope with the 4<sup>th</sup> industrial revolution</li> <li>- Establishment of regional innovation clusters to foster new industries and creation of a marine leisure industry belt</li> <li>- Expanding the Techno Valley and creation of startup hubs for each major region</li> <li>- Promotion of smart industrial complexes, smart factories, and smart cities for innovation in industrial complexes</li> </ul>
Gangwon-do	<p>Peace and prosperity, the center of Northeast Asia</p> <hr/> <ul style="list-style-type: none"> <li>- Fostering smart innovative industries and convergence tourism</li> <li>- Intensive support for the smart life industry including smart health, mobility, and tourism</li> <li>- Fostering new growth bases such as national industrial complexes and Gangwon National Innovation Cluster</li> <li>- Establishment of a food tech base to realize the Province of Future-oriented Agriculture</li> <li>- Review of the creation of a global peace tourism zone</li> <li>- Establishment of the Winter Olympics Special Zone and Peace Tourism Belt and the Winter Olympics Venue City and Tourism and Recreation Cluster</li> <li>- Creation of a national leisure space based on the concept of 'heal-being'</li> </ul>
Chungcheongbuk-do	<p>The center of the Gangho Axis pioneering inclusion and innovation</p> <hr/> <ul style="list-style-type: none"> <li>- Creating a foundation for local industry innovation and expansion of future-oriented industrial space</li> <li>- Creation of a leading bio-health zone by laying the foundation for a leap forward in the bio-health industry</li> <li>- Establishment of an energy cluster and invigoration of new energy technologies through regional cooperation</li> <li>- Promotion of the shift of existing industries into intelligent industries and discovery and cultivation of new growth industries to cope with the 4th Industrial Revolution,</li> <li>- Fostering a vibrant and sustainable future-oriented innovative agriculture and livestock industries</li> <li>- Promotion of a special R&amp;D zone for small giants and a regulation-free zone (smart safety control, biopharmaceutical, and cosmetics industries)</li> <li>- Establishment of a specialized semiconductor district in line with the government's policy to foster system semiconductors</li> </ul>



Region	Development Visions
Chungcheong nam-do	<p>An inclusive and happier welfare capital opening the era of the Pan-Yellow Sea region</p> <hr/> <ul style="list-style-type: none"> <li>▪ Inducement of spatial integration-based regional development               <ul style="list-style-type: none"> <li>- Building the special structure of a compact city and fostering a smart city &amp; region</li> </ul> </li> <li>▪ Promotion of innovation and balanced growth and creation of an self-reliant economic foundation               <ul style="list-style-type: none"> <li>- Creating an industrial ecosystem conducive for regional innovation and balanced growth</li> </ul> </li> </ul>
Jeolla buk-do	<p>The center of a new “agriculture-life sciences-renewable energy” convergence industry attracting people</p> <hr/> <ul style="list-style-type: none"> <li>▪ Leaping into a new global growth center using Saemangeum and regional specialized resources               <ul style="list-style-type: none"> <li>- Evolving Saemangeum into a world-class city boasting high-tech industries, cultural tourism, and international cooperation and the hub of the Pan-Yellow Sea Economic Zone</li> <li>- Leaping into the country’s new growth zone through the reinforcement of its functions in the nation’s 5-region and 5-axis development strategy</li> </ul> </li> <li>▪ Maximizing the development momentum for innovative agriculture and life science resources clustered in Jeonbuk               <ul style="list-style-type: none"> <li>- Establishment of the agriculture and life science industrial belt linked to food, seeds, agricultural machinery, and R&amp;D</li> <li>- Completion of an agriculture and life science value chain that has incorporated ICT ad BT</li> </ul> </li> <li>▪ Creation of new industries and reinforcement of key industries through convergence of energy technologies and new technologies               <ul style="list-style-type: none"> <li>- Creation of Saemangeum as a new industrial zone in Korea centered on new and renewable energy</li> <li>- Establishment of a hub for autonomous electric and hydrogen vehicles in line with the government’s policy to foster the eco-friendly intelligent automobile industry</li> <li>- Creating a global carbon industry promotion cluster centered on Jeonju and Saemangeum</li> </ul> </li> </ul>
Jeolla nam-do	<p>The center of future-oriented new industries and global island and marine tourism leading the era of the southern coast</p> <hr/> <ul style="list-style-type: none"> <li>▪ Fostering new future-oriented industries and advancing major industries through the blue economy</li> <li>- Creation of a new energy industry cluster through collaboration of industry- academia-research institutes led by KEPCO University of Science and Technology (Blue Energy)</li> <li>- Establishment of a biomedical hub based on biological and medical research (Blue Bio)</li> <li>- Establishment of an aerospace and drone industry cluster and development of the e-mobility industry (Blue Transport)</li> <li>- Strengthening the competitiveness of existing major industries such as shipbuilding, steel, and petrochemicals</li> </ul>

Region	Development Visions
Gyeongsang buk-do	<p>New economic hub in Northeast Asia, center of smart industries<sup>a</sup></p> <ul style="list-style-type: none"> <li>▫ Laying the foundation for sustainable and balanced development                             <ul style="list-style-type: none"> <li>- Creation of new industry convergence clusters by region</li> </ul> </li> <li>▫ Fostering industries including agriculture, forestry and fisheries to cope with the 4th industrial revolution                             <ul style="list-style-type: none"> <li>- Advancement of regional flagship industries and establishment of the foundation for future-oriented strategic industries</li> <li>- Establishment of an industrial ecosystem for innovative growth in science and technology to embrace smart technologies</li> <li>- Fostering sustainable smart agriculture, industry and fisheries incorporating advanced technologies</li> </ul> </li> </ul>
Gyeongsang buk-do	<p>Gyeongnam where everyone is happy - a smart industrial hub that connects the continent and the ocean</p> <ul style="list-style-type: none"> <li>▫ Building a base for expansion into Northeast Asia and revitalization of key industries                             <ul style="list-style-type: none"> <li>- Establishment of the Northeast Asia logistics platform</li> <li>- Promotion of reinvigoration of the manufacturing industry and expansion of the industrial incorporation of smart technologies</li> <li>- Expansion of Gyeongnam-type smart cities to cope with the 4th Industrial Revolution and secure future growth engines</li> <li>- Support for new industry scale-up</li> </ul> </li> </ul>
Jeju	<p>A smart free international city of cleanliness and coexistence</p> <ul style="list-style-type: none"> <li>▫ Establishment of a Jeju-specific industrial ecosystem                             <ul style="list-style-type: none"> <li>- Creation of a national innovation convergence complex connecting the innovation city and industrial complexes</li> <li>- Review of the creation of special zones for blockchain and electric vehicles as Jeju's future industries</li> <li>- Development of Jeju-type wellness tourism resources in medicine, healing, beauty, etc. and building necessary infrastructure</li> </ul> </li> <li>▫ Realization of a Jeju-type smart island                             <ul style="list-style-type: none"> <li>- Realization of a smart city based on public-private cooperation through a big data center</li> <li>- Expansion of smart infrastructure across Jeju province</li> </ul> </li> </ul>

\* Reference: Excerpt from the 5th comprehensive national territorial plan (2020-2040), Ministry of Land, Infrastructure and Transportation (2020)



## 2. Industrial Sites by City and Province

Metropolitan City/Province	Seoul	Busan	Daegu	Incheon	Gwangju	Daejeon
National industrial complex	○	○	○	○	○	○
General industrial complex	○	○	○	○	○	○
Urban high-tech industrial complex		○	○	○	○	
Agro-industrial complex		○	○		○	
Lease-only industrial complex			○		○	
National lease industrial complex			○			
Foreign investment zone (complex type)		○	○		○	○
Lease-only complex for foreign-invested companies						
Free economic zone		○	○	○	○	
Free trade zone				○		
Saemangeum						
Enterprise city						
Special R&D zone	○	○	○		○	○
International science and business belt						○
High-tech medical complex			○			
Specialized ppuri industrial complex		○	○	○	○	
Logistics complex	○	○		○		○
Environmental industry research complex				○		
Industrial technology complex	○	○	○	○	○	○
Venture business development and promotion zone	○	○	○	○	○	○
Areas for clustering new technology-based businesses	○	○		○		○
Small urban manufacturers' cluster	○	○	○	○	○	○
National innovation cluster		○	○		○	○
Innovation city		○	○		○	○
Regulation-free zone		○	○		○	○
Special economic zone for specialized regional development	○	○	○	○	○	○



Metropolitan City/Province	Ulsan	Sejong	Gyeonggi	Gangwon	Chungbuk	Chungnam
National industrial complex	○		○	○	○	○
General industrial complex	○	○	○	○	○	○
Urban high-tech industrial complex		○	○	○	○	○
Agro-industrial complex	○	○	○	○	○	○
Lease-only industrial complex			○	○	○	○
National lease industrial complex				○	○	○
Foreign investment zone (complex type)			○	○	○	○
Lease-only complex for foreign-invested companies			○			
Free economic zone	○		○	○	○	
Free trade zone	○		○	○		
Saemangeum						
Enterprise city				○	○	○
Special R&D zone	○		○		○	○
International science and business belt		○			○	○
High-tech medical complex					○	
Specialized ppuri industrial complex	○		○		○	
Logistics complex	○		○	○	○	○
Environmental industry research complex						
Industrial technology complex	○	○	○	○	○	○
Venture business development and promotion zone	○		○	○	○	○
Areas for clustering new technology-based businesses					○	○
Small urban manufacturers' cluster			○	○	○	○
National innovation cluster	○	○		○	○	○
Innovation city	○			○	○	○
Regulation-free zone	○	○		○	○	○
Special economic zone for specialized regional development	○		○	○	○	○



Metropolitan City/Province	Jeonbuk	Jeonnam	Gyeongbuk	Gangwon	Gyeongnam	Jeju
National industrial complex	○	○	○	○	○	○
General industrial complex	○	○	○	○	○	○
Urban high-tech industrial complex	○	○		○		○
Agro-industrial complex	○	○	○	○	○	○
Lease-only industrial complex	○	○	○	○		○
National lease industrial complex	○	○	○	○		○
Foreign investment zone (complex type)	○	○	○	○		○
Lease-only complex for foreign-invested companies						
Free economic zone		○	○	○		
Free trade zone	○	○		○		
Saemangeum	○					
Enterprise city		○				○
Special R&D zone	○	○	○	○		○
International science and business belt						○
High-tech medical complex						
Specialized ppuri industrial complex	○	○	○	○		
Logistics complex	○		○	○		○
Environmental industry research complex						
Industrial technology complex	○	○	○	○	○	○
Venture business development and promotion zone	○	○	○	○	○	○
Areas for clustering new technology-based businesses	○		○			○
Small urban manufacturers' cluster	○		○	○		○
National innovation cluster	○	○	○	○	○	○
Innovation city	○	○	○	○	○	○
Regulation-free zone	○	○	○	○	○	○
Special economic zone for specialized regional development	○	○	○	○	○	○

### 3. Support Systems for Reshoring Enterprises

#### ▶ A. Selection Requirements for Reshoring Enterprises

##### 1) Selection Requirements

a) Operation of an overseas place of business for 2+ years: Normal business operations in the fields of manufacturing, information and communication (according to the Korean Standard Industrial Classification), and knowledge service (according to the Industrial Development Act) industries

b) Restructuring of an overseas place of business: It should be one of the following: liquidation, transfer or downsizing of the overseas place of business (25% or more). However, if there is no existing domestic place of business, the requirements for restructuring an overseas place of business are exempted.

\* Downsizing of R&D production must be reduced by more than 10%-25% of standard ordinary R&D expenditures.

c) The same controlling shareholder for both the domestic and overseas places of business: The actual controller of the domestic parent company (the owner of the domestic applicant company if there is no domestic parent company) must actually control the overseas place of business (including holding 30% or more of the stake, etc.).

d) Investment in a domestic place of business: Investment in the new establishment or expansion of a domestic place of business in the same line of business as that in the overseas place of business (based on the sub-classes in the Korean Standard Industrial Classification)

\* However, even if the lines of business do not match in the sub-classification, the domestic and overseas places of business can be recognized as being in the same line of business subject to the evaluation of the Support Committee for reshoring Enterprises if the materials/parts are the same or the production process, etc. is similar.



※ However, a company that has received benefits for foreign investment (tax/rent reduction, etc.) under the Foreign Investment Promotion Act is not eligible for the special consideration.

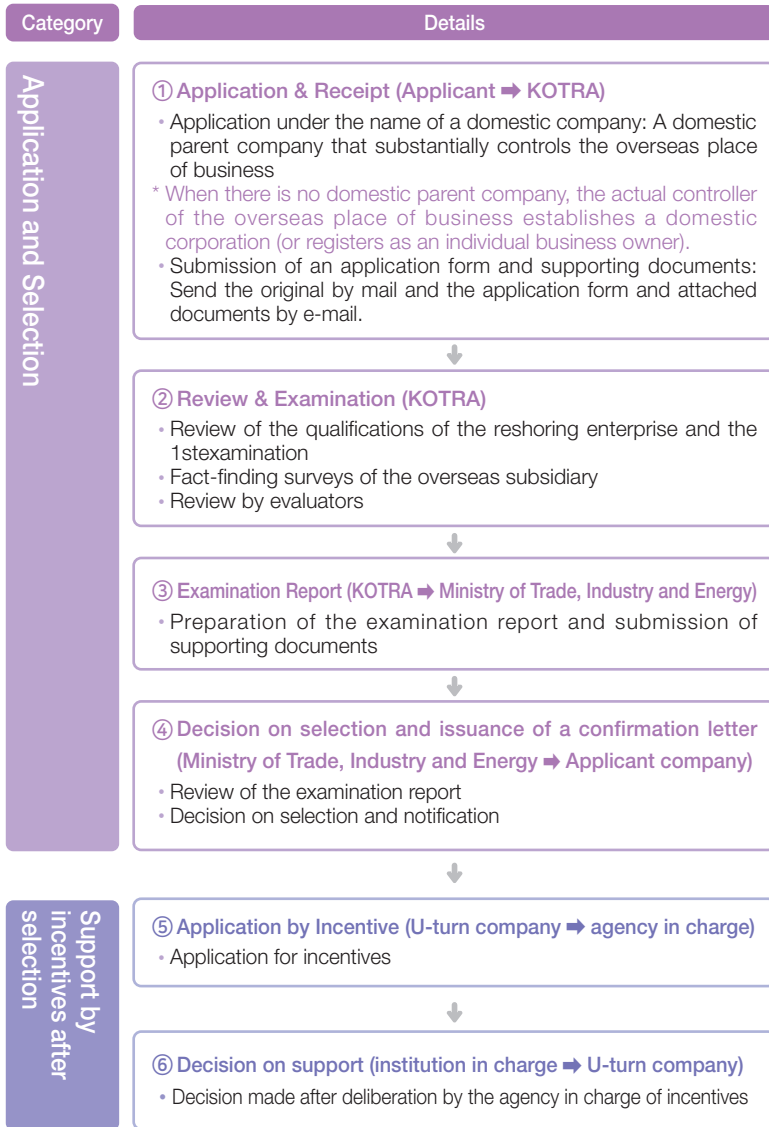
## 2) Things to Consider when Applying

- An application deadline exists for a company that has already completed restructuring in its overseas place of business or investment in its domestic place of business.

\* The “completion” of restructuring in the overseas place of business and the “completion” of domestic investment are not absolute requirements at the time of application. Reshoring application can be made even while preparations for the restructuring of the overseas place of business or the investment in the domestic place of business are still ongoing.



### 3) Selection Procedures for Reshoring Enterprises



\* Restructuring consulting fees are provided even before being selected as a reshoring company. Additional requirements can be made by the relevant Incentive providing organization even after the selection as a reshoring enterprise.



#### 4) Application Inquiries and Where to Submit Documents

- The application form (scanned) and attached documents: Send by e-mail (reshoring@kotra.or.kr)
- The application form (original): Send by post (KOTRA U-turn Support Team, 13 Heonneung-ro, Seocho-gu, Seoul)
- Phone: 02-3460-7361~5

### ▶ B. Follow-up Management

**1) Deadline for reshoring completion:** A reshoring enterprise that has submitted the plan for restructuring in its overseas place of business (Application Form 5) and investing in its domestic place of business (Application Form 6) must complete the restructuring overseas within 4 years and the investment in new construction or expansion domestically within 5 years of the selection date, respectively.

\* However, a company that began downsizing prior to the selection date must fulfill the obligation within four years of the selection date.

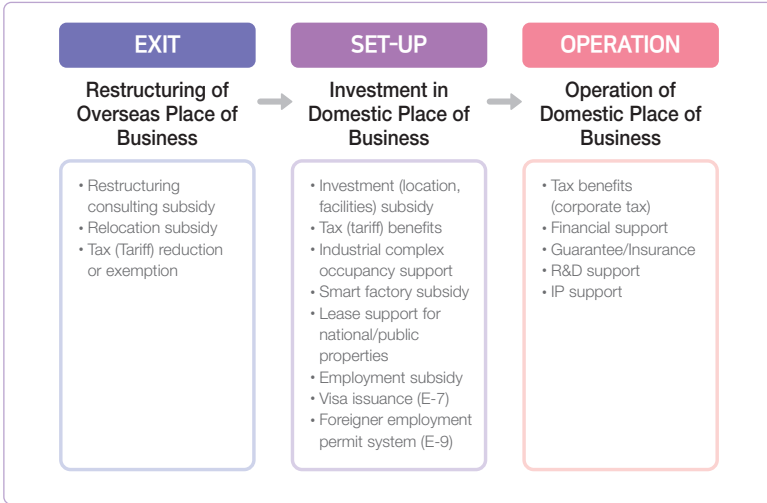
#### 2) Follow-up Management Period for a Reshoring Enterprise

- A company based on the downsizing of the overseas place of business: Three years from the start date of the next year after downsizing is completed
- A company with a domestic place of business: The sale, downsizing, etc. of its place of business are prohibited for 3 years from the completion of the new or expanded domestic place of business.
- A reshoring company that received investment subsidies: The sale, downsizing, etc. are prohibited for 3 years from the date of application for settlement of subsidies (the first day of the month of application).

▶ **C. Summary of Incentives**

**1) Step-by-step Support Systems**

- Types of support systems



**2) Details of Support Systems**

Category	Contents
Restructuring of Overseas Place of Business	<ul style="list-style-type: none"> <li>• Up to USD 20,000 from the Overseas Place of Business Restructuring Consulting Support Project</li> <li>• 50-100% tariff reduction upon import of used/new capital goods to be used</li> <li>• 11-44% of relocation transportation costs and fees</li> </ul>
Investment in Domestic Place of Business	<ul style="list-style-type: none"> <li>• Support for occupancy in industrial complexes and facilities of local governments nationwide and payment of subsidies for land purchase, construction investments, and machinery purchase</li> <li>• Subsidy for smart factories in the areas of factory construction, Level-2 upgrade, and robotic automation for long-term competitiveness of K-Manufacturing</li> <li>• Employment subsidy (KRW 600,000/month/person for SMEs) and support for overseas manpower hiring</li> </ul>
Operation of Domestic Place of Business	<ul style="list-style-type: none"> <li>• Financial support including 50-100% corporate tax reduction for up to 7 years, facilities/operation funds financing, and preferential treatment in guarantee insurance</li> <li>• R&amp;D support and IP protection</li> <li>• Listening to difficulties faced by off-shore enterprise and support for reshoring by the Ministry of Trade, Industry and Energy</li> </ul>

### 3) Support Systems by Company Type and Reshoring Region

Company Type			SME and Middle-standing Company			Big Business		
Reshoring Region			①	②	③	④	⑤	⑥
Subsidy	Investment	Location	○	×		×	×	
		Facilities	○	△		○	△	
	Relocation		○			○		
Tax	Corporate income tax		○	○	×	○	○	×
	Customs duties							
Manpower	Employment creation incentive		○			×		
	Foreigner hiring	E-7	Support for all areas					
		E-9	○			×		
Restructuring Consulting			○			×		
Smart Factory			○			×		
Location Support			○	×	×	○	×	×
Financial Support			○			×		
IP Rights			○			×		
Preference in Guarantee & Insurance			Support for all areas					
R&D								

① Non-Seoul Metropolitan Area

② Seoul Metropolitan Area (outside overconcentration control region)

③ Seoul Metropolitan Area (inside overconcentration control region)

④ Non-Seoul Metropolitan Area

⑤ Seoul Metropolitan Area (outside overconcentration control region)

⑥ Seoul Metropolitan Area (inside overconcentration control region)

\* Contact each division in charge (Phones: 02-3460-7361~5) for the details of requirements and documents to be submitted.

※ Reference : KOTRA (Reshoring Support Team)



## 4. Systems for Industrial Stabilization

### ▶ A. Special Area for Responding to Industrial Crisis

#### 1) Purpose

- The special area for responding to industrial crisis stems from the institutionalization of the measures taken about shipbuilding clusters announced in 2016. The arrangement was introduced for the government to respond quickly and systematically to a regional economy severely contracted due to a major industrial downturn in the relevant region based on the amendment of the Special Act on Balanced National Development in March 2018.
- The government stipulated details such as designation criteria and procedures, application periods, and scope of application in the Enforcement Decree and Notification of the Special Act through research outcomes by specialized institutes and consultations with related agencies to ensure that the special area designation system can be implemented within the minimum range without disruption.

#### 2) Designation Period (Article 15-3, Enforcement Decree of the Special Act on Balanced National Development)

- The initial designation shall be within the range of 2 years. It can be extended only once for up to 2 years from the expiration date of the initial designation (a total of 4 years).

#### 3) Scope of Support (Article 15-4, Enforcement Decree of the Special Act on Balanced National Development)

- a) Financial and financial support such as subsidy, loans, contributions, etc. to companies and micro enterprises
- b) Support for R&D activities by companies and micro enterprises and assistance for the commercialization of their R&D outcomes



- c) Support for companies and micro enterprises in the areas of domestic sales and exports and consulting about business management, technology, and accounting
- d) Support for job security including education for current employees' capacity-building and the unemployed/retirees' reemployment, etc.
- e) Support for expanding industrial infrastructure and attracting investment to foster new industries
- f) Other support deemed necessary by the Minister of Trade, Industry and Energy to overcome the regional economic crisis including revitalizing local commercial districts

\* Separate inquiries are required for detailed support information for each designated region.

#### **4) Designation Criteria (Article 4 of the Notification on the Criteria for the Designation of Special Area for Responding to Industrial Crisis)**

- The Relevant Ministers' Meeting on the Enhancement of Industrial Competitiveness makes decisions on the designation and relevant details after the ministry conducts a comprehensive and fair review about designation applications followed by its consultation with relevant ministries regarding regional dependence on specific industries, regional economic downturn, etc. according to the criteria and procedures stipulated in the Act.

#### **Designation Criteria**

- ① An area applying for the designation as a special area must be judged to have a high economic dependence on its main industry and to satisfy each of the following criteria:
  1. The degree of industrial specialization: When the location quotient (LQ) of the number of workers in an industry within a region is the highest or the second highest among all industries in the region

(Location quotient  $LQ_i = (\frac{Y_i^r}{Y_i^n}) / (\frac{Y_i^r}{Y_i^n})$ ,  $Y_i^r$ : i industry employee number in r region(nation),  $Y_i^n$ : total

2. Proportion within the region: When the proportion of the number of workers in the major industry within a region is 2 standard deviations or higher than the national average for si/gun/gu
3. Regional diversity in industrial structure: When the regional industrial structure diversity index (DI) is lower than the national average

(Diversity index  $DI_j = \frac{1}{\sum_i (\frac{Q_{ij}}{Q_j})^2}$   $Q_{ij}$ : i industry employee number within j region,  $Q_j$ : employee number by the type of business in r region(nation)

- ② The Minister of Trade, Industry and Energy reviews the necessity of designation by comprehensively considering the following for areas that satisfy Paragraph 1 above.
  1. When it is judged that the main industry is stagnating, and all of the following conditions are satisfied:
    - a. The average of the Business Survey Index (BSI) during the past six months in the major industry has decreased by more than 10/100 from the same period two years ago.
    - b. The average of the production index of the mining manufacturing industry or the production index of the service industry during the past 6 months has decreased by more than 10/100 from the same period two years ago.
  2. When it is judged that the regional economy is stagnating and falls under any of the following:
    - a. The average number of suspended/closed companies in the region during the past 6 months is above the national average for si/gun/gu while increasing by more than 10/100 compared to the same period last year.
    - b. The average electricity consumption in the region during the past 6 months has decreased by more than 10/100 compared to the same period two years ago
    - c. The average apartment sales price index in the region during the past 6 months has decreased by more than 5/100 compared to the same period two years ago



3. Other matters related to changes in economic conditions, technologies, corporate activities, etc. at home and abroad that are judged to have affected the regional economy's recession as specified in Paragraphs 1 and 2 above as a result of on-site inspection pursuant to Article 6

## 5) Inquiries

- Ministry of Trade, Industry, and Energy (82-1577-0900)

## 6) Related Regulations and Reference Websites

- Special Act on Balanced National Development
- Notification on Designation Criteria for Special Area for Responding to Industrial Crises
- Ministry of Trade, Industry and Energy (<http://www.motie.go.kr>)
- Guidance on Factory Sites and Factory Establishment

## ▶ B. Employment Crisis Area

### 1) Purpose

- Intensive support for job security, job programs, etc. by designating an area where the employment situation has remarkably deteriorated or a sharp decline in employment is certain to occur as an employment crisis area

### 2) Designation Criteria (Article 4 (1) of the Notification)

- Designation is made after comprehensive consideration of economic, industrial, and employment conditions including increases in insured persons for employment insurance and new applicants for job-seeker's allowance (due to downsizing following business closure, bankruptcy, or other corporate necessities including industrial recession).

[ Designation Requirements ]

Type	Requirements
Type 1	<ul style="list-style-type: none"> <li>• When the increase/decrease rate (based on the number of insured persons in the year immediately before application and the number of those in the year before) of insured persons for employment insurance (hereinafter referred to as "the insured") is lower by 5% or more than the national average during the same period</li> <li>• The average number of the insured in the year immediately before application decreased by 5% or more from the average number during the year before.</li> <li>• The number of new applicants for job-seeker's allowance in the year immediately prior to application increased by more than 20% than the number during the year before.</li> <li>• The average number of the insured in the year immediately before application decreased by 7% or more from the average annual number of the insured during the three years before due to continuous deterioration in employment situation</li> </ul>
Type 2	<ul style="list-style-type: none"> <li>• When designation is deemed necessary due to the following even if the area concerned satisfies only part of the requirements for the type 1 designation:                             <ul style="list-style-type: none"> <li>- Employment indices such as the rate of increase or decrease in new acquisition of qualifications for employment insurance</li> <li>- Unemployment indices including the ratio of people who lost the beneficiary status compared to those who acquired the status</li> <li>- Changes in workplaces such as the increase/decrease in workplaces covered by employment insurance</li> <li>- Changes in the industrial structure such as changes in the employment size of major industries in the region</li> <li>- Changes in demographic structure such as the net migration rate</li> </ul> </li> </ul>
Type 3	<ul style="list-style-type: none"> <li>• When designation is deemed necessary in consideration of the economic, industrial, and employment situation in the relevant region as large-scale employment adjustments occur due to relocation of factories in the region or announcement of plans to close them resulting in an apparent prospect of rapid employment decline</li> </ul>

**3) Support Targets and Support Contents**

- Support targets: Employers, workers and the unemployed in crisis areas
- Support contents: (1) Relief of workers' financial burdens and opportunity expansion for reemployment and vocational training (2) Maintenance of employment through support for employers, and (3) Job creation in local communities



\* Examples: Training support for employers and support for new employment subsidy; Raising the level of support in case of business suspension or closure; Loans for incumbent workers' stable livelihood; Loans for living expenses during vocational training; and the establishment of Youth Center

#### **4) Support Period (Article 3 and Article 7 (2) of the Public Notice)**

- The initial support is provided for 2 years. Extension can be made for a year twice (a maximum of 4 years).
- When the employment situation improves and there is no need for support, the designation may be canceled after deliberation by the Employment Policy Deliberative Council.

#### **5) Inquiries**

- Ministry of Employment and Labor (82-1350)

#### **6) Related Regulations and Reference Websites**

- Framework Act on Employment Policy
- Notification on the criteria for designation of employment crisis areas
- Ministry of Employment and Labor (<http://www.moel.go.kr>)

"The information included in this guide may be updated or changed due to changes in policies. Please refer to [Inquires] section in each chapter to contact for the latest information."

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