New Investment
THE CHARMING HUB CITY OF KOREA

Daejeon, Korea

City of Outstanding Business Environment

City of Outstanding Business Environment

Traffic, Logistics and High Technology Hub

Traffic, Logistics and High Technology Hub

Center of Korean Governance

Center of Korean Governance

Hub of R&D and the Knowledge Industry

Hub of R&D and the Knowledge Industry

Specialized City of the 4th Industrial Revolution

Specialized City of the 4th Industrial Revolution

Developed as a Premium Industrial Complex

Developed as a Premium Industrial Complex

Great City for Foreigners

Great City for Foreigners
Hub of Northeast Asia in Korea

Investment in Dajeon is a shortcut to success

World class science convergent innovation cluster

Daejeon’s International Science Business Belt Project

[To be completed in 2021]

Daejeon, a specialized city of the 4th industrial revolution, with infrastructure for basic science research, science-based industrial development and centralization
Foreign Investment Zones

- Complex-type Foreign Investment Zone
- Service-type Foreign Investment Zone

International Science Business Belt

- Heavy Ion Accelerator (RAON)
- Institute for Basic Science (IBS)

Daejeon is optimized for investment

- Hub of R&D and Knowledge Industry
- Center of Korean Governance
- City of Outstanding Business Environment
- Great City for Foreigners
- Traffic, Logistics and High Tech Industry Hub
- Specialized City of the 4th Industrial Revolution
- Premium Industrial Complex

V Incentives

- Tax Incentives / Reduced Lease
- Financial Support (Public) / Financial Support (Private)
Complex-type Foreign Investment Zone

Located in the center of Korea in the Daejeon International Science Business Belt; providing the best business environment for foreign investors.

Location
- Within central zone (Dungok) of the International Science Business Belt

Area
- 165,000㎡ (Approx. 50,000 pyeong)

Budget
- $71.04 Mil.: Public funding 42.62 Mil., Private funding 28.42 Mil.

Construction period
- 2016-2020 (Announcement of designation as foreign investment zone)

Construction method
- Land lease after purchase

Sale of land
- LH Corp

Land purchase
- Daejeon metropolitan city

Land lease
- Foreign invested companies

Target industries
- 8 major industries
  - Chemicals, medical materials, metal processing, electronic parts
  - Medical/precision/optical devices, other machinery/equipment
  - Electrical equipment, Specialized/scientific/technological services industry
Residency of IDS-K (Italy), a global leader in the defence industry

Service-type Foreign Investment Zone (Global R&D Center)

Location | 199, 187, Techno 2-ro, Yuseong-gu, Daejeon
Area | 2,000㎡ (Approx. 700 pyeong)
Operation method | Building lease method
Target industries | 8 major industries
– Chemicals, medical materials, metal processing, electronic parts
– Medical/precision/optical devices, other machinery/equipment
– Electrical equipment, Specialized/scientific/technological services industry

International Science Business Belt

• Heavy Ion Accelerator (RAON)
• Institute for Basic Science (IBS)
International Science Business Belt

Creating a spatial and functional network combining the central zone and the functional zone in Daejeon, the city of advanced science.

The Science Belt in Daejeon, the Heart of Korea

Central Zone
- Functions as a center of basic science research, with facilities like the Institute for Basic Science main center and Heavy Ion Accelerator.
- Functions as a center of international scientific exchange and research, as a hub of global basic science research.

Functional Zone
- The Functional Zone connects and spreads the research output from the Central Zone.
- Performs activities such as facilitating joint research, applied research, development, personnel exchange and commercialization through a system of close cooperation with the Central Zone.

Project Outline
- Duration: 2012~2021
- Location: Shin-dong, Dungok-dong, Doryong-dong area in Yuseong-gu
- Area: 3,705,000㎡ (Approx. 1.12 Mil. pyeong)
- Project budget: $1891.48 Mil
A miracle to turn dreams into reality

Heavy Ion Accelerator (RAON)

RAON is a multi-purpose research facility used by researchers from a variety of fields such as nuclear physics, astrophysics, nuclear power, biology, medicine and atomic and solid state physics.

- The heavy ion accelerator is a device that accelerates ions of all elements on earth heavier than hydrogen and helium to very high speeds approaching the speed of light.
- When accelerated heavy ions collide with targeted nuclei, large quantities of rare radioactive isotopes are produced.
- These particles can be used to explore the world at the femto scale, smaller than the size of atoms, to create new elements or study the properties of matter.

RAON strives to be the best in the world.

- RAON is the world’s first accelerator to integrate a circular accelerator and a linear accelerator, giving it the ability to produce even rarer isotopes.
- RAON will be the foundation of world class advanced research.
- RAON supports research on the evolution of the universe and stars, nuclear symmetry energy, advanced cancer therapy, life sciences and DNA structure.
- RAON will open up infinite potential for new markets.
  - A wide range of industries and markets such as cancer therapy, household products, precision control, superconductivity, MRI and new materials will benefit from the accelerator.

Project Outline

Duration | 2011–2021
Location | Shin-dong area in Yuseong-gu
Site area | 952,000m²
Construction area | 130,144m²
Total budget | $1260.84 Mil.
A global gathering of minds to produce creative knowledge

Institute for Basic Science (IBS)

A core research facility in the Science Belt, performing world class basic science research that expands the horizons of basic science in Korea and the knowledge of humanity.

- Established in 2011, IBS will be developed into a research facility with 50 teams and 3,000 full time employees by 2021.
- IBS seeks creative and daring research based on researchers’ creativity, and actively supports the dreams and passion of scientists gathered from all around the world.

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- Premium Industrial Complex

Institute for Basic Science (IBS)
III Daejeon is optimized for investment

Hub of R&D and the Knowledge Industry

- Residency of government funded research institutes and corporate research centers: More than 230
  - Home to major institutes including the Electronics and Telecommunications Research Institute (ETRI), Korea Aerospace Research Institute (KARI), Korea Research Institute of Standards and Science (KRISS), Korea Institute of Machinery & Materials (KIMM), Korea Atomic Energy Research Institute (KAERI), etc.
- Employing 22% (14,685 individuals) of doctorate-level STEM researchers in Korea
- Seeking joint technology development projects between academia, industry and research institutes
  - Developing research-based corporations, providing total design support, technological information and collaboration between companies
- The largest R&D hub in Korea.
- Creating a new ecosystem for industry combining basic science with business
- Developing Korea into a leading basic science nation with Nobel prize winning potential
- Providing a stable and autonomous research environment to attract outstanding talent from around the world
- Conducting active research collaboration with opportunities for advanced research with leading scholars

An advanced research industry complex with infrastructure for global domiciliation will be constructed around the world class heavy ion accelerator research facility (RAON).

Daejeon is the Center of Korean Governance

- 11 central administrative institutions in Government Complex Daejeon
  - Korea Customs Service, Public Procurement Service, Korean Intellectual Property Office, Small and Medium Business Administration, Korea National Statistical Office, etc.
- 55 central administrative institutions located in Sejong
- Providing fast services for businesses with a concentration of central administrative institutions.
  - One-stop service for approval and permits required by investment companies with all business services related to central administrative institutions gathered in the region

Ⅲ Daejeon is optimized for investment
Hub of R&D and the Knowledge Industry
Daejeon is optimized for investment

Daejeon is a City of Outstanding Business Environment

- Training outstanding professionals through industry oriented education
  - 19 universities including KAIST, UST, CNU, HNU, etc. producing 32,000 graduates a year
  - 10 specialized high schools including Dong-ah Meister High School: “Industry oriented” education

- Providing a wide range of funding and employment support
  - Financial support for entrepreneurship/competitiveness enhancement capital and purchase condition production capital
  - Operation of Job Support Centers, project to provide customized training to high school graduates
  - Operation of job fairs together with universities

- Vote of trust from international credit rating agencies as an investment city
  - In 2017, maintained rating by international credit rating agency as “investment qualified city”
  - Moody’s international credit rating of A2 (2015)

Daejeon is a Great City for Foreigners

- Home to a top international school in Korea
  - Total floor area 31,326.42㎡ (1 level underground, 5 levels above ground) Student quota 1,500

- Providing medical services customized for foreigners
  - 4 internally accredited medical centers, DJU Oriental Hospital (oriental medical services)

- A great eco-friendly city to live in
  - Green leisure spaces: Jangtaesan Recreational Forest, Hanbat Arboretum, Yurim Park, D-World, 3 major rivers

- A city of arts and culture
  - Cultural and arts facilities: 35 performance spaces, 23 museums
    - Daejeon Arts Center, Daejeon Museum of Art, Leeungno Museum, Municipal Yeonjeong Korean Traditional Music Center, Studio Cube
  - Variety of cultural festivals: Science Festival, Daejeon International Wine Fair, Yuseong Hot Springs Culture Festival, Keumgang Lohas Festival
Daejeon is a Traffic, Logistics and High Tech Industry Hub

Taking pride in outstanding accessibility
- A traffic hub connected in all directions: all major cities in Korea can be reached within 90 minutes
  - Expressways: Gyeongbu Expressway, Daejeon Southern Ring Expressway, Dangjin-Daejeon, Honam, Daejeon-Tongyeong, Seoul-Sejong
  - 50 mins to Seoul, 90 mins to Busan by KTX, 90 mins to Incheon Airport, 30 mins to Cheongju Airport

Equipped with advanced logistics infrastructure
- Daejeon Shared Freight Terminal, Daejeon Industrial Materials Distribution Complex, Daejeon Distribution Complex, Daejeon Logistics Complex, South Daejeon Logistics Complex, Wholesale Market for Agricultural and Marine Products (2 locations), Operation of Daejeon Customs designated storage area

Complete startup facilities town
- Venture Town Dasan Hall, Venture Town Jang Young-shil Hall, Venture Town Multiplex Theater, CNU Industrial Cooperation R&D Center, Hanbat Incubator Town, etc.

Daejeon will be developed into the Silicon Valley of Korea
- National Strategic Projects: 4 strategic, 17 unit projects

A specialized city of the 4th industrial revolution

Strategy 1. Building an ecosystem for innovation
- Expansion of business support ecosystem of connectivity and convergence
- Construction of AI-based Customized Personnel Training and Management System
- Smart local government service 4.0
- Operation of 4th Industrial Revolution Technology Business Support Fund

Strategy 2. Developing new, future-oriented industries
- Construction of foundation for convergent R&D
- Construction of Bio-convergence Industry Hub
- Development of advanced imaging and convergent content industry
- Development of Advanced ICT for the Defense Industry
- Construction of foundation for intelligent service robot industry
- Leadership in IoT-based adrenergic sensor industry
- Reinforcement of foundation for CIE-based new and renewable energy industry

Strategy 3. Constructing support infrastructure
- Construction of Convergent Joint Research Center in Daejeon Special District
- Establishment of Complex Support Center for Research Companies
- Establishment of SMART Smart Manufacturing Innovation Center
- Construction of SW Industry Convergence Campus

Strategy 4. Demonstration
- Smart city demonstration district
- Construction of headquarter

III Daejeon is optimized for investment

Map of railway network
- Daejeon Shared Freight Terminal, Daejeon Industrial Materials Distribution Complex, Daejeon Distribution Complex, Daejeon Logistics Complex, South Daejeon Logistics Complex, Wholesale Market for Agricultural and Marine Products (2 locations), Operation of Daejeon Customs designated storage area
13 Industrial complexes: 7 completed, 6 under construction

Type | Name of Complex | Industrial land (Unit: 1,000㎡) |
--- | --- | --- |
Completed (7) | Daedeok Technovalley | 4,270 |
| Industrial Complex | 3,195 |
| Jukdong | 967 |
| Shinseong | 264 |
| Banghyeon | 237 |
| Munji | 298 |
| Daedeok Industrial Complex | 2,313 |

Under construction (6) | Dungok/Shindong District | 3,445 |
| National IC | 306 |
| Haso District | 105 |
| Jangdae Urban Advanced | 858 |
| Seogu Pyeongchon IC | 199 |
| Ansan Advanced Defense Industrial Complex | 1,596 |

<table>
<thead>
<tr>
<th>Type</th>
<th>Name of Complex</th>
<th>Industrial land (Unit: 1,000㎡)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subtotal</td>
<td>11,544</td>
<td></td>
</tr>
<tr>
<td>National IC</td>
<td>7,350</td>
<td></td>
</tr>
<tr>
<td>Subtotal</td>
<td>4,509</td>
<td></td>
</tr>
<tr>
<td>Ordinary IC</td>
<td>2,562</td>
<td></td>
</tr>
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</table>

Daejeon is being developed as a Premium Industrial Complex

III Daejeon is optimized for investment

IV Incentives

- Tax Incentives
- Reduced Lease
- Financial Support (Public)
- Financial Support (Private)
### Tax Incentives

<table>
<thead>
<tr>
<th>Type</th>
<th>Reduction / Exemption Target</th>
<th>Corporate/Income Tax</th>
<th>Acquisition/Property Tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Growth Industries</td>
<td>$2 M and above</td>
<td>100% for first 5 years</td>
<td>50% for 2 years thereafter</td>
</tr>
<tr>
<td>Individual - type Foreign Investment Zone</td>
<td>• Manufacturing, etc.: $30 M and above&lt;br&gt;• Logistics, etc.: $10 M and above&lt;br&gt;• R&amp;D: $2 M and above &amp; at least 10 full time employees.</td>
<td>100% for first 5 years</td>
<td>50% for 2 years thereafter</td>
</tr>
<tr>
<td>Complex - type Foreign Investment Zone</td>
<td>• Manufacturing: $10 M and above&lt;br&gt;• Logistics: $5 M and above</td>
<td>100% for first 3 years</td>
<td>50% for 2 years thereafter</td>
</tr>
</tbody>
</table>

### Reduced Lease

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Details</th>
<th>Rate</th>
<th>Duration</th>
</tr>
</thead>
<tbody>
<tr>
<td>New growth industry &amp; at least $1 M</td>
<td>Reduction/Exemption of Lease Payment</td>
<td>100%</td>
<td>50 years (50 year extension)</td>
</tr>
<tr>
<td>Residency in Parts and Material Industrial Complex &amp; Manufacturing &amp; $5 M</td>
<td></td>
<td>10%</td>
<td>50 years (50 year extension)</td>
</tr>
<tr>
<td>200 full time employees &amp; $2.5 M</td>
<td></td>
<td>75%</td>
<td></td>
</tr>
<tr>
<td>150-200 full time employees &amp; $2.5 M</td>
<td></td>
<td>50%</td>
<td></td>
</tr>
<tr>
<td>Manufacturing &amp; $5 M</td>
<td></td>
<td>50%</td>
<td></td>
</tr>
<tr>
<td>70-150 full time employees &amp; $2.5 M</td>
<td></td>
<td>50%</td>
<td></td>
</tr>
<tr>
<td>National industrial complex, ordinary industrial complex, urban advanced industrial complex, agricultural industrial complex</td>
<td></td>
<td>50%</td>
<td></td>
</tr>
</tbody>
</table>

### Financial Support (Public)

<table>
<thead>
<tr>
<th>Type</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Application Criteria</td>
<td>• Foreign investment stake of at least 30%</td>
</tr>
<tr>
<td>Target Applicants</td>
<td>• New construction or expansion of factories in industrial support services/new growth driving industries&lt;br&gt;• New construction or expansion of factories in material industries&lt;br&gt;• New construction or expansion of factories generating new employment exceeding the number of full time employees&lt;br&gt;• New construction or expansion of R&amp;D facilities related to new growth driving industries&lt;br&gt;• Full-time employment of 5 individuals holding at least Master’s degree or Bachelor’s degree and at least 5 years of research experience&lt;br&gt;• Large scale investment with great impact on the domestic economy and recognition of need for support by Foreign Investment Committee</td>
</tr>
<tr>
<td>Intended Use</td>
<td>• Land purchase cost, lease/construction cost, R&amp;D cost/Research facility building purchase cost&lt;br&gt;• employment subsidy, education and training subsidy</td>
</tr>
<tr>
<td>Amount</td>
<td>* Determined by negotiation or Foreign Investment Committee review</td>
</tr>
</tbody>
</table>

### Financial Support (Private)

<table>
<thead>
<tr>
<th>Type</th>
<th>Eligibility Criteria</th>
<th>Scope of Support</th>
</tr>
</thead>
<tbody>
<tr>
<td>Application Criteria</td>
<td>• At least 30% foreign owned stake or largest shareholder is a foreigner</td>
<td></td>
</tr>
<tr>
<td>Facilities subsidy</td>
<td>• When cost of new construction or facility expansion in factories or research facilities exceeds $1.78 M&lt;br&gt;Within 5% of amount in excess of $1.78 M (Limit of $0.45 M per company)</td>
<td></td>
</tr>
<tr>
<td>Support for large investments</td>
<td>• Manufacturing, etc.: $30 M and above&lt;br&gt;• Logistics, etc.: $10 M and above&lt;br&gt;• R&amp;D: $2 M and above &amp; at least 10 full time employees&lt;br&gt;• Requires prior approval from the Metropolitan Council</td>
<td></td>
</tr>
<tr>
<td>Employment Subsidy</td>
<td>• When newly employing over 20 residents of Daejeon Metropolitan City (for 5 years)&lt;br&gt;Up to $455/month per person for number of employees in excess of 20 (Up to 6 months, limit of $2.18 M per company)</td>
<td></td>
</tr>
<tr>
<td>Education and Training Subsidy</td>
<td>• When newly employing over 20 residents of Daejeon Metropolitan City and providing them education/training (for 5 years)&lt;br&gt;Up to $455/month per person for number of trainees in excess of 20 (Up to 6 months, limit of $0.18 M per company)</td>
<td></td>
</tr>
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</table>
Invest in Daejeon

Daejeon Metropolitan City will be your partner in success!
New Investment
THE CHARMING HUB CITY OF KOREA

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