Jeollanam-do, the Best Province for Business, is Soaring High!
Jeollanam-do is emerging as the center of a new Northeast Asia and the gateway to the world.

Situated at southern tip of the Korean peninsula. The province lies at the center of Northeast Asia. It is also a starting point of the Eurasian continent and a gateway to the Pacific.

Make your dreams of success a reality in Jeollanam-do, a green land!
Jeollanam-do, a green land, is emerging anew.

The Optimal Place for Investment, Jeollanam-do

- **Blessed with a wonderful natural environment and abundant cultural & maritime tourism resources**
  - 2,219 islands in Dadohae Archipelago, 65% of Korea
  - 6,109km rias coast, 48% of Korea
  - One of the world’s top 5 mudflats, 1,037km², 42% of Korea
  - A well-preserved natural environment and a jewel-like archipelago

- **Jeollanam-do is a perfect place for green industry**
  - An optimal place with environmental conditions for wind (Average sea wind speed of 7-8 m/sec), photovoltaic (Average radiation of 1,388 kwh/m²) and tidal power (tidal current of 6.5 m/sec)

- **Supplier of the best eco-friendly agro-fishery products**
  - Ranked 1st in Korea in the production of eco-friendly agricultural products (60% of the national agricultural land uses no pesticides)
  - Ranked 1st in Korea in marine products originating from clean seawater (88% market share in seaweed production in Korea)
  - The world’s best quality solar salt (87% market share in Korea)
  - The nation’s top supplier of eco-friendly livestock products
‘bio’
‘energy’
‘sightseeing’
The Optimal Place for Investment, Jeollanam-do

- Integrated traffic infrastructure established across the province

- **Airport**
  - Muan International Airport | Flights to Seoul, China and Southeast Asian nations
  - Yeosu Airport | Flights to Seoul and Jeju
  - Gwangju Airport | Flights to Seoul, Jeju and Southeast Asian nations

- **Railway**
  - Honam Express Railway: Once completed, it will be possible to reach Seoul within 2 hours.
  - Electrified double-track Jeolla Line: Yeosu to Seoul within 3 hours.
  - South Coast Railway Electrification (Mokpo ↔ Busan)

- **Seaports**
  - Gwangyang Port: 16 berths (5.48 million TEU)
  - Mokpo New Port: 5 berths (240,000 TEU)

- **Expressways**
  - Seven routes including the West Coast Expressway and Mokpo-Gwangyang Expressway
  - The entire province can be reached from Gwangju within 100 minutes.

The Major Traffic Network of Jeollanam-do

Logistics and industrial infrastructure that matches the province's status as the heart of the new Northeast Asia
I Excellent industrial manpower
- 41 colleges and universities in Gwangju and Jeollanam-do
- 78 specialized high schools and 512 vocational training institutions
- The province has an abundant supply of the skilled human resources needed by companies.

I Stable Supply of Electric Power and Water
- Supply of clean water from Juam Dam and Jangheung Dam (56 million gallons of water)
- Electric Power: Stable supply of industrial power from 4 power plants including the Yeonggwang Nuclear Power Plant (8,812MW/year)
Guaranteed Inexpensive and abundant undeveloped industrial land

Comparison of Official Land Price

<table>
<thead>
<tr>
<th>Region</th>
<th>Price (Unit: 1,000 won/m²)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jeollanam-do</td>
<td>7</td>
</tr>
<tr>
<td>National Average</td>
<td>39</td>
</tr>
<tr>
<td>Gyeonggi-do</td>
<td>112</td>
</tr>
<tr>
<td>Incheon Metropolitan City</td>
<td>221</td>
</tr>
<tr>
<td>Seoul Metropolitan City</td>
<td>1,996</td>
</tr>
</tbody>
</table>

[Source: Ministry of Land, Transport and Maritime Affairs (as of June 2012)]

Sufficient Industrial Land

1. 3 National Industrial Complexes
   - Gwangyang National Industrial Complex | 96.4km² (1982 ~ 2050)
   - Yeosu National Industrial Complex | 50.25 million m² (to be completed in 2013)
   - Hampyeong Bitgreen National Complex | 2.23km² (To be completed in 2018)

2. 15 General Industrial Complexes
   - Yeosu Yulchon 1 Industrial Complex | 9.17 million m² (to be completed in 2013)
   - Jangheung Bio Food Industrial Complex | 2.91 million m² (to be completed in 2014)
   - Naju Mirae Industrial Complex | 2.95 million m² (to be completed in 2015)
   - Gangjin Environment Industrial Complex | 660,000 m² (to be completed in 2014)
   - Yeonggwang Electric Vehicle Industrial Complex | 1.64 million m² (to be completed in 2013)
   - Suncheon Haeryong Industrial Complex | 1.61 million m² (to be completed in 2014)
   - Jangseong Nano Industrial Complex | 900,000 m² (to be completed in 2015)
   - Hwasun Biomedical Industrial Complex | 760,000 m² (2006~2011)

3. Agricultural Industrial Complexes
   - In operation: 7 locations (unsold area: 140,000m²)
     - Mokpo Sanjeong | 12,000m²
     - Boseong Joseong | 60,000m²
   - Under construction: 8 locations, 1.21 million m²
     - Jangheung Jangheung | 150,000m²
     - Hampyeong Haebo | 250,000m²
     - Wando (Marine Life) | 110,000m²
   - Sales rate: 98%
     - Damyang (Eco) | 15,000m²
     - Gangjin Chilryang | 35,000m²
   - Under construction: 8 locations, 1.21 million m²
     - Jindo Gunnae | 260,000m²
     - Yeonggwang Songnim Green Tech | 150,000m²
     - Haenam Land's End | 150,000m²
Free Economic Zone & Free Trade Area

Gwangyang Bay Area Free Economic Zone

- Location: Gwangyang, Yeosu, Suncheon and Hadong-gun, Gyeongnam
- Period: 2004~2020
- Budget: 16.1285 trillion won
- Areas and major lines of business
  - Gwangyang District: 15.222 km² / Higher value-added business, international logistics
  - Yulchon District: 32.989 km² / New materials, shipbuilding, iron & steel
  - Sindeok District: 25.086 km² / Housing, education, medicine, leisure
  - Hwayang District: 9.989 km² / Tourism and leisure
  - Hadong District: 12.272 km² / Shipbuilding, machinery, housing, leisure

Free Trade Area

- Locations: Gwangyang Port (6.74 million m²), Daebul Industrial Complex (1.15 million m²) & Yulchon 1 Industrial Complex (340,000 m²)
- Major Industries
  - Export-oriented manufacturing and wholesale businesses
  - Complex logistics businesses including unloading, shipping, storage, exhibition
Jeollanam-do Bioindustry Foundation

Bio Food Technology Center / Naju
- Development of functional foods and materials, and production support
- Company support projects (from new product development to consulting projects)

Jeonnam BioControl Research Center / Gokseong County
- Establishment of an eco-friendly agricultural life industry cluster, including natural enemy and eco-friendly agro-materials and seed breeding

Jeonnam Biotechnology Research Center / Hwasun County
- Biologics development and bio business fostering
- Establishment of a biologics finished goods production line

Jeonnam Nano-bio Technology Research Center / Jangseong County
- Operation of a business incubator center for Nano-Fusion medical supplies
- Industrialization of materials for ultrafine medical supplies and native resources (retinispora)

Jeonnam Korean Traditional Medicine Center / Jangheung County
- Research and development of Chinese medicinal materials
- Operation of a seed distribution center for medical crops

Jeonnam Institute for Natural Resources Research / Jangheung County
- Promotion of commercialization of special functional resources
- Establishment of database of biological resources

Jeonnam Marine Biotechnology Center / Wando County
- Support for start-ups in the marine life sector

Bioindustry Foundation

Bio Food
BioControl
Research
Oriental
Medicine
Biotechnology
Institute
for
Natural
Resources
Marine
Biotechnology
Nano-bio

Why Jeollanam-do?

△ Marine Biotechnology Center
Jeonnam Technopark

- **Advanced Materials Industrialization Center / Suncheon**
  - Support for making a prototype utilizing venture company support equipment
  - Basement of production and development of magnesium
  - Technology support for local companies and industry

- **Advanced Ceramic Center / Mokpo**
  - Establishment of Ceramic Industrial Complex
  - Support of custom courses and training for local companies
  - Joint development of difficult technologies

- **High Molecule Convergence Materials Center / Goheung**
  - Support for the manufacturing of new and convergence materials for space technology
  - Business incubator and Commercialization technical support

- **Laser System Industrialization Support Center / Jangseong**
  - Establishment of a testing foundation for laser processing technology
  - Support for technical development and commercialization by relevant companies
Key Strategic Industries

[New & Renewable Energy Industry]

- **Location**
  - Southwestern Coast

- **Investment Target**
  - Solar, wind and tidal energy power plants, hydrogen, hydrogen fuel cell and bio fuel

- **Strengths**
  - The highest solar radiation in Korea
  - 2 sides surrounded by oceans
  - Highest-speed tidal current
  - The biggest petrochemical and hydrogen industrial complex in Korea

[New Materials and Parts Industry]

- **Location**
  - Suncheon (Haeryong Industrial Complex and Yulchon Industrial Complex), eastern and western area of Jeollanam-do including Boseong, Mokpo and Goheung

- **Investment Target**
  - Magnesium alloy, ceramics, auto parts and motorbike parts

- **Strengths**
  - Gateway to China with geographical advantage, neighboring to Shanghai, the biggest market in China
  - Readily available raw materials from Gwangyang Steel Mill, Petrochemical Complex
  - Use of the equipment of the New Materials Center, Lightweight Material Components Support Center, Comprehensive Ceramic Support Center and Polymer Convergence Center
### Bio, Medical, Herbal Medicine and Food Industry

**Location**
- Naju, Hwasun, Jangseong and Gokesong near Gwangju Metropolitan City, South central region including Jangheung, Gangjin and Wando

**Investment Target**
- Processing of environmentally-friendly agricultural and marine products, functional food, bio pharmaceutical, nano bio

**Strengths**
- Possessing the country's top quality raw materials including clean seaweed, solar salt, and eco-friendly agricultural products
- Sub-tropical climate suitable for the cultivation of medicinal herbs
- R&D Center facilities and equipment are available.

### Aerospace Industry

**Location**
- Naro Island Goheung County Jeollanam-do, Muan International Airport

**Investment Target**
- Aerospace equipment and facilities, Cutting-edge aerospace technology

**Strengths**
- The world's 13th and Korea's first space center for space launch vehicle
- Space project by national policy
- Aerospace industrial complex and theme parks under construction
- Aviation industrial complex, aviation maintenance complex in planning

△ Environmentally-friendly agricultural Complex(Yeonggwang)

▽ The first launch of Naro
Jeollanam-do's core industry

- **Logistics Industry**
  - **Location**
    - Southwestern coastal areas, Hinterland of Gwangyang Port and Mokpo New Port, Jangseong Logistics Complex and Muan International Airport
  - **Investment Target**
    - Ship and air logistics, transfer logistics, logistics process and distribution
  - **Strengths**
    - Gwangyang Port and Mokpo New Port located on the major international routes, facilitating import and export activities
    - Reduction of hinterland rent, unloading cost and container tax
    - Construction of the Honam Integrated Freight Terminal (Jangseong) with connections to entire the country

- **Automobile Industry**
  - **Location**
    - Yeonggwang Daema Industrial Complex & Gwangyang Bay
  - **Investment Target**
    - Auto production, auto parts manufacturing and race car industry
  - **Strengths**
    - Establishment of an electric vehicle related cluster
    - Formula 1 is driving the establishment of a cutting-edge auto industry cluster
    - Excellent infrastructure for the export of cars and parts with Gwangyang Port and Mokpo New Port
Shipbuilding Industry

Location
- Daebul Industrial Complex, Shinan and Goheung Shipbuilding Town in the southwestern area of Jeollanam-do

Investment Target
- Marine equipment, leisure boats, construction, marina resort, shipbuilding-related R&D center

Strengths
- Hyundai Samho Heavy Industries, one of the world’s five biggest shipbuilders, is located here along with various mid-size shipbuilding companies
- Medium-sized shipbuilding innovation center for high value-added ship manufacture
- The foundations in place for the marine leisure equipment industry.
Southwest Coast Tourism & Leisure City

I Overview

• Period | 2006 - 2025
• Location | Haenam and Yeongam County, Jeollanam-do
• Development Vision | A comprehensive tourism leisure city complete with leisure, sports, housing and educational facilities
• Budget (for land purchase, design and infrastructure) | 2.3 trillion won
• Major Facilities | F1 circuit, leisure sports complex, golf courses, marinas, theme parks and health resort towns

I Promising Investment Sectors

• F1 circuit, senior towns, Sea world, herb gardens, motor sports cluster, Health, medical and leisure town, energy parks, maritime sports centers, spas, world food villages
I Overview

- Location ┃ Naju City, Jeollanam-do (7.3km²)
- Budget ┃ 1.42 trillion won
- Planned Population ┃ 50,000 people (20,000 households)
- Anticipated Population ┃ 15 institutions including KOPCO and KRC
- Developer ┃ Public development project (led by Korea Land & Housing Corporation, Gwangju Metropolitan City and Jeonnam Development Corporation)

I Promising Investment Sectors

- Companies, research institutes and training centers related to relocated public institutions
- Land for an Industry-Academy-Research Institutes Cluster: 448,000m² (educational research, venture and software related institutions)
Overview

- Period | 2010 - 2016 (for seven years, extendible to another 5 years)
- Location | Southwest Coast Tourism & Leisure City Development Zone (Yeongam County in Jeollanam-do)
- Major Facilities | Circuit, pit paddock and media center
- Budget | 442.5 billion won
- Economic Effect | 200,000 audiences per race, production inducement of 257.9 billion won annually and 2,570 new jobs per year

* Korean F1 Grand Prix 2013: Oct 4~6, 2013 (3 days)

Promising Investment Sectors

- Tourist hotels and casinos for foreigners at the F1 site
- Aftermarket business, auto parts

Korean F1 Grand Prix Circuit (Yeongam)
2013 Suncheon Bay International Garden EXPO

Overview

- Period | Apr. 20 ~ Oct. 20, 2013 (6 months)
- Venue | Suncheon Bay areas such as Pungdeok-dong and Ocheon-dong (375.6ac)
- Theme | Suncheon Bay, Garden of the Earth
- Participants | 29 AIPH member countries, Approximately 50 companies related to landscaping, flowering and gardening, Local community, Approximately 4.68 million spectators
  (Koreans: 4.43 million, foreigners: 250,000)
- Ripple Effects | Visitors: about 4.68 million; production inducement: 1.3323 trillion won, employment inducement: 11,000 people
Jeollanam-do’s Representative Tourism Development Projects

I Overview of Tourism Projects

- Period | 2013 ~2020
- Investment Size | Nine sites (5 islands and 4 coastal areas)
  - Islands | Jinjido in Goheung, Sinan Imjado, Jaeundo, Anjwado and Nodaedo in Sinan
  - Coastal areas | Boseong Hoecheon, Muan Unnam, Yeonggwang Yeomsan & Wando Sinji
- Investment Facilities | resorts, hotels, convention facilities and complex-style recuperation towns

I Business with Great Investment Potential

- Construction of resorts and condominiums
- Corporate training centers, convention facilities, marinas and theme parks
- Creation of a "China Island"

Northeast Asia’s most prestigious coastal and marine tourism cherished by the global population

Asia Eoulnuri in Unnam, Muan  Solux City in Jaeun, Sinan

Aquapolis  Artpia Retreat  Solux City  Fantasia Land  Treasure Island

Asia Eoulnuri  Inner Beauty Resort  Ocean Marina Resort  Blue Island Club
Overview

- Period | 2009 - 2023 (15 years)
- Location | Islands, sea and coast in the southwestern area of Jeollanam-do
- Size | Electric generation complex (5GW) + Exclusive complex for equipment (2.31km²)
- Expected Budget | 20.5 trillion won (private capital)

Promising Investment Sectors

- Wind turbine, and the related equipment and materials industries
- Tower, blade and offshore wind turbine structure industries
- Maintenance, and services and logistics industries
Senior Town

Overview
- Period: 2009 - 2019
- Development Size: 46 areas (32 inland, 6 costal, and 8 golf course communities) 105km²
- Major Facilities: Residential facilities, leisure facilities, medical facilities and communication center

Promising Investment Sectors
- City development business, leisure facilities, medical facilities and senior town operation business

Resort Villages

Overview
- Period: 2012 - 2016
- Candidate Villages: 55 villages (25 farming and fishing villages, 25 health resort villages, 5 resort tourism villages)
- Eligibility: Baby boomers from the metropolitan region and other municipal areas
Galaxy Islands

I Overview

• Period | 2005 - 2015
• Business Plan | Development of 4 clusters with 15 themes on 40 islands
• Major Facilities | Comprehensive relaxation complex and marine sports facilities
• Budget | 1.2 trillion won

I Promising Investment Sectors

• Diamond Cluster | resort condominiums, marina facilities
• Jodo Cluster | Observation tower, offshore cable car, new and renewable energy valley, ocean theme parks
• Bogildo Cluster | Pensions, landscape parks, ocean leports facility
• Sado and Nangdo Cluster | Theme parks, floating hotels and dome villages

Pine Beach Golf Courses in Haenam County
### Various Tax Benefits and Incentives

#### Tax incentives

<table>
<thead>
<tr>
<th>Classification</th>
<th>Tax Incentives</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Industry support service and high-tech industry business (R&amp;D service business is eligible to tax abatement even if not a high-tech business). High-tech business: (1) within 3 years or outstanding technology in performance, if 3 years elapse (2) Technology whose processes are performed mainly in Korea 2. Individual Foreign Investment Zone</td>
<td>1. Corporate Tax, Income Tax: 100% for 5 yrs, 50% for 2 yrs thereafter</td>
</tr>
<tr>
<td>1) Manufacturing</td>
<td>Foreign Investment (US $)</td>
</tr>
<tr>
<td>2) Tourism and hotel business</td>
<td>20 million or more</td>
</tr>
<tr>
<td>- Integrated resort or amusement service facilities</td>
<td>20 million or more</td>
</tr>
<tr>
<td>- Physical distribution (retail service</td>
<td>10 million or more</td>
</tr>
<tr>
<td>- Social overhead capital facilities</td>
<td>10 million or more</td>
</tr>
<tr>
<td>3) R&amp;D service</td>
<td>2 million or more</td>
</tr>
<tr>
<td>4) 2 or more foreigner invested firms</td>
<td>30 million or more</td>
</tr>
<tr>
<td>3. Free Trade Zones</td>
<td>1. Corporate Tax, Income Tax: 100% for 3 yrs, 50% for 2 yrs thereafter</td>
</tr>
<tr>
<td>4. Foreign Investment Zone (Industrial Complex type)</td>
<td>2. Acquisition Tax, Registration Tax: 100% for 15 yrs</td>
</tr>
<tr>
<td>5. Free Economic Zones</td>
<td>3. Property Tax: 100% for 15 yrs (according to the regulation of local government, the period shall be changed)</td>
</tr>
<tr>
<td>1) Manufacturing</td>
<td>1. Corporate Tax, Income Tax: 100% for 3 yrs, 50% for 2 yrs thereafter</td>
</tr>
<tr>
<td>2) Logistics industry</td>
<td>2. Acquisition Tax, Registration Tax: 100% for 15 yrs</td>
</tr>
<tr>
<td>3) Physical distribution (SOC service included)</td>
<td>3. Property Tax: 100% for 15 yrs (according to the regulation of local government, the period shall be changed)</td>
</tr>
<tr>
<td>4) Medical institution</td>
<td>4. Customs Duty: Capital Goods: 100% for 5 yrs</td>
</tr>
<tr>
<td>5) Cultural service</td>
<td></td>
</tr>
<tr>
<td>6) Other (engineering, value-added communication)</td>
<td></td>
</tr>
<tr>
<td>7) R&amp;D service</td>
<td></td>
</tr>
</tbody>
</table>
Ⅰ Subsidy

• Qualification: For FDI companies whose Foreign Investment Ratio is 30% or more and the largest shareholder

• Supports
  > Land Purchase Subsidy: Up to 50% of total land purchase cost (Obligation: 10 years of business operation)
  > Employment Subsidy: Recruiting more than 20 Korean nationals as new employees, Monthly 500,000 won up to 12 months per employee upon exceeding 20 people
  > Education and Training Subsidy: Recruiting more than 20 Korean nationals as new employees, Monthly 500,000 won up to 12 months per employee upon exceeding 20 people
  > Facility Subsidy: 5% of facility expenditure exceeding 2 billion won
  > Consulting Subsidy: Up to 50% of total contract amount per company

Ⅰ Cash Grant

• Qualification: For FDI companies whose Foreign Investment Ratio with 30% or more is eligible for cash support

• Statutory Usage
  > Purchase or lease of land for installation of factory or research facilities
  > Construction cost of factory or research facilities
  > Purchase of capital goods or research equipment and supplies
  > Cost for constructing associated infrastructure
  > Subsidy for employment or Education and training

Ⅰ Special Support for Large Scale Investment

• Qualification: For foreign companies whose investment amount is USD 300 million or more, or when 1,500 or more Korean nationals are employed.

• Support: Municipal Government head may decide the scale of support and the method through review and resolution with The Foreign Investment Committee

Ⅰ Visa & Entry

• Permanent Residency: Amount invested of more than 500,000 USD and employment of more than 5 Koreans
• Entry: Exclusive immigration desk for foreign investors and their families
Diverse Administrative Services

<table>
<thead>
<tr>
<th>Allocation of a project manager to each investor company</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Provision of customized services from land acquisition to investment implementation to post-management</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>One-stop Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>• One-stop service from investment consulting to plant establishment</td>
</tr>
<tr>
<td>• Cooperation between related departments and package of support measures</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>SME Center</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Receipt and resolution of difficulties of SME</td>
</tr>
<tr>
<td>• Process of administrative appeals related to SME</td>
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</tbody>
</table>

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<thead>
<tr>
<th>Company-Friendly Campaigns</th>
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</thead>
<tbody>
<tr>
<td>• Campaigns to promote the purchase of investor companies’ goods and cultivate company-friendly attitudes across the province</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Labor-management harmony and the industrial peace zone</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Awarded the Grand Prix for five years straight for its labor-management win-win partnership</td>
</tr>
<tr>
<td>• Operation of a working level committee to mediate and settle labor disputes</td>
</tr>
</tbody>
</table>
Major successful investor companies in Jeollanam-do

Hyundai Samho Heavy Industry
Hyundai HYSCO
Wartsila-Hyundai Engine Co., Ltd.
BASF Korea
3M Korea
Eldorado Resort
Namyang Dairy Products Co