

Yulchon

Free Trade Zone

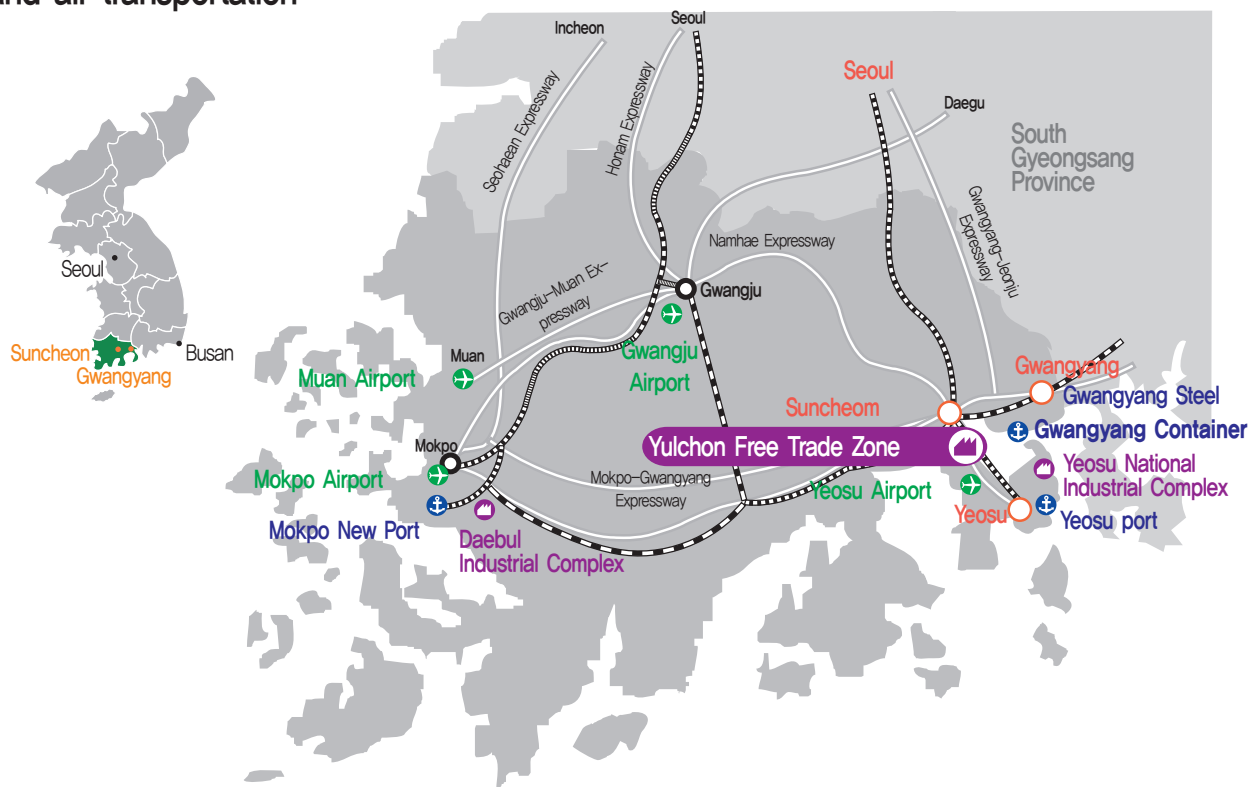
Center of Northeast Asia's trade and manufacturing,
Yulchon Free Trade Zone offers the most optimal
business environment for companies.



Administration Office of
Yulchon Free Trade Zone

Location and Industrial Infrastructure Facilities

Yulchon Free Trade Zone is a hub connecting the Seoul metropolitan area and other regions of the country with core infrastructure such as expressways, railways, harbors, and air transportation



"Yulchon FTZ is located nearby Gwangyang Port provides transfer services to Japan, China, and the Southeast Asia region"

Roads

- ▶ Honam Expressway → Namhae Expressway
- ▶ Honam Expressway → National Highway 17 (Jeonju) → Namhae Expressway
- ▶ Daejeon → Jinju Expressway → Namhae Expressway
- ▶ Seohaean Expressway → National Highway 17 (Jeonju) → Namhae Expressway

Railway

- ▶ Use Gyeongbu Line, Jeolla Line (5.0 km from Yulchon station)
- ※ Southwestern railway network connecting Gwangyang ~ Seoul Metropolitan in planning

Marine Transportation

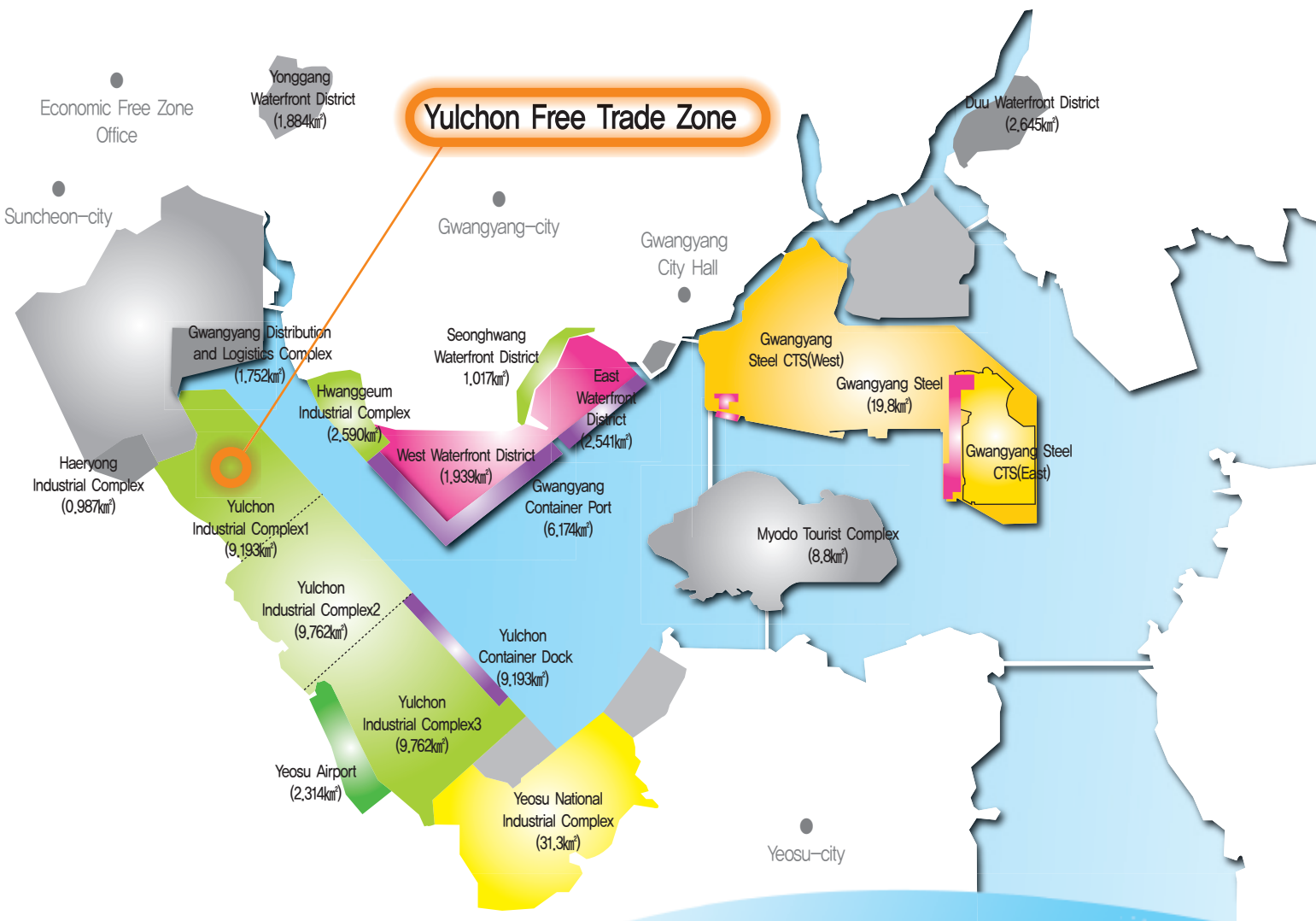
- ▶ Yulchon Industrial Complex 1 Dock : 20,000 ton-5 vessels/2,000 ton-1 vessel
- ▶ Gwangyang Container Dock : 50,000 ton-29 vessels/20,000 ton-4 vessels

Air Transportation

- ▶ Yeosu Airport 15 minutes
- ▶ Sacheon Airport 40 minutes
- ▶ Gwangju Airport 1 hour

Arrangement Plan and the Surroundings

Yulchon Free Trade Zone will become a compound with cutting-edge industrial complex housing manufacturing and trading functions, becoming a stronghold in the economic development of Northeast Asia.



Yulchon FTZ Occupiable Land

Total Occupiable Land : **268,964m²**

Manufacturing area : 260,761m²

- Corporate Factories (43 blocks) : 260,761m²(min 2,150m²~max 16,661m²)
- Less than 3,300m² : 5 blocks
 - 3,300~6,599m² : 26 blocks
 - 6,600~9,899m² : 6 blocks
 - 9,900~13,200m² : 5 blocks
 - More than 16,500m² : 1 block

Distribution area(1 block) : 8,203m²

Plan



One-Stop Service

“One-Stop Service” is provided from move-in consultation to factory construction, and overall business activities.

Move-in Qualifications and Industries

Foreign investment manufacturing company

Manufacturing mainly for exports : More than 50% of export from sales.

Distribution, etc : Loading and unloading · transportation · storage · exhibition industries, etc.

Wholesale mainly for imports and exports : More than 50% of transaction goods should be from imports/exports

Resident company support : Finance, insurance, customs, tax, information processing services, etc.

Public or national institutions such as the Korea Trade Insurance Corporation

Minimum Foreign Investment and Ratio

For foreign invested companies, the amount of foreign investments must be more than 100 million won (per person), and the ratio must be more than 10/100.

Lease Period of Land and Factory

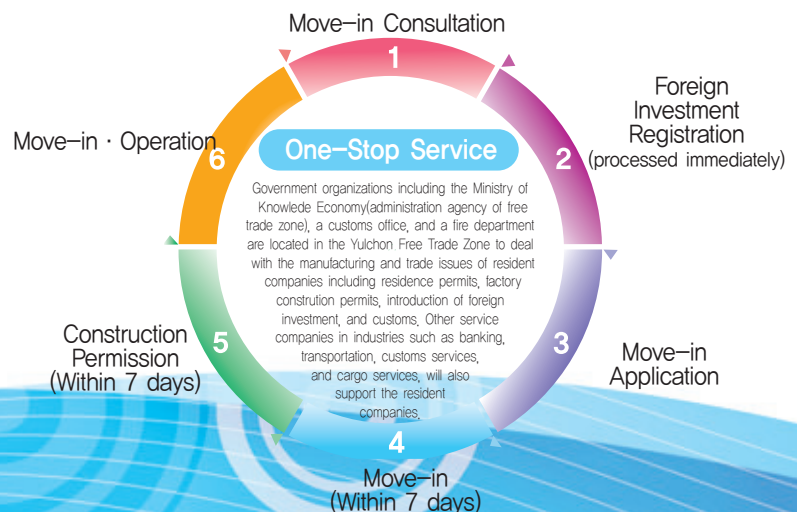
Land and factory can be leased for periods within 50 years (lease can be renewed if necessary)

Priority Move-in Approved Targets

Foreign invested companies : Foreign investment ratio of more than 20%

Businesses mainly for export : Exports consist of more than 50% of annual sales

High technology attending companies as defined by the Special Tax Limitation Law



▣ Main Incentive for Resident Companies

All administrative services and incentives are provided for move-in and factory construction for the lowest cost within the shortest amount of time.

Low-priced Rent

▶ Factory land rent : monthly 40 won / m²

Rent waived for Foreign Invested Companies

▶ Factory land and standard factory rent free of charge

- More than 10 million USD new foreign investments. For standard factories, more than 5 million USD
- Cutting edge technology industries, high technology attending industries and industry support services with foreign investments of more than 1 million USD

▶ Waived period : 10 years from move-in, can be extended

Tax Reductions for Foreign Invested Companies

▶ Manufacturing : More than 10 million USD, distribution more than 5 million USD

▶ Corporate tax and income tax for foreign invested companies : 100% for 3 years from first year of taxation, then 50% for 2 years

▶ Local taxes : Acquisition tax, registration tax 100% for 15 years Property Tax : 100% for 10 years then 50% for 5 years

Deferment of Customs on Imports

When facility materials, raw materials or construction materials, etc. are imported from overseas to achieve business purposes

Zero Value Added Tax Applied

▶ Foreign products and services provided amongst companies within the Free Trade Zone

▶ Raw materials for export brought in domestic

Operations Out of the FTZ Permitted

▶ Parts of the product manufacturing process can be done within a domestic taxed region

▶ Processed products can be exported on site

▶ Facility equipment and other foreign products can be taken out to domestic taxed regions in bonded state

Special Laws such as Expense Waivers for Resident Companies

Transportation related expenses and employment protection recipient hiring laws not applied to resident companies

Infrastructure and Investment Environment

Center of Northeast Asia's trade and manufacturing, Yulchon Free Trade Zone offers the most optimal business environment for companies

Yulchon FTZ Infrastructure

- ▶ **Electric Power** : Voltage 369,000 KVA provided
- ▶ **Water** : 92,000 tons / day providable
- ▶ **Gas** : 22,000 tons / hour providable
- ▶ **Waste Water Treatment** : 503,000 tons / day possible
- ▶ **Waste Processing** : 345,200 tons / day

Investment Environment

▶ Excellent industrial work force

- 45,000 high-quality human resources fostered annually through universities, both undergraduate and graduate, of the Gwangju, Jeonnam regions
- 20,000 technicians fostered through technical high schools, professional job training centers, and private job training centers
- Joint technology development center linked with industry-academic-research cooperation of universities and research institutes, and companies within this province

▶ Various raw materials

- World's largest Gwangyang steelwork produces and provides steel products : 12.2 million tons annually
- Basic materials such as synthetic resins manufactured from the Yeosu Petrochemical Complex
- Abundant natural resources (Kaolin, silica, quartzite, etc.) manufactured

▶ Abundant water

- 39,000 m³ / day provided Juam Dam (700 million tons) channel metropolitan waterworks

▶ Nearby Industrial Complexes

- Gwangyang National Industrial Complex (Gwangyang Steel), Yeosu National Industrial Complex (petrochemical), Samil Resource Reserves Industrial Complex (providing oil, etc.)
- Gwangyang Container Dock (distribution, raw materials)

Gwangyang Port East
Waterfront District



Yulchon Industrial Complex 1
(Hyundai Hysco)



Invest in the Yulchon Free Trade Zone!

Yulchon FTZ is at the center of Northeast Asia's manufacturing and trade industries; most optimal for companies.

Achieve your dreams to lead Northeast Asia's business in the 21st century at the Yulchon Free Trade Zone!

We guarantee you the freedom for corporate activities from manufacturing to trade and logistics, while offering attractive incentives as well as all the support necessary for successful investments.



Administration Office of Yulchon Free Trade Zone

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