

# Daebul Free Trade Zone



Ministry of Trade,  
Industry and Energy

In the Global Spotlight

Witness the new global  
business history  
with Daebul Free Trade Zone.





# CONTENTS

- 04

Overview of Daebul Free Trade Zone

- 06

Occupancy Procedure and Requirements

- 07

Incentives

- 08

Infrastructure

- 10

Standardized Factory

You are the Star of the Zone.




# Daebul Free Trade Zone

## What is a Free Trade Zone (FTZ)?

A FTZ refers to a zone where a nation provides the optimal investment environment to export companies and foreign invested companies. These zones are operated to attract foreign investment, bolster trade, facilitate international logistics and promote local development, as well as provide outstanding incentives including tax deductions, duty retentions, and exemption from various restrictions.

Daebul Free Trade Zone (DFTZ) was designated in 2002 with the aim of growing the Southwest region of Korea into an international trade hub. DFTZ is currently emerging as a global business hub and a leader of the quaternary sector and high-tech industry.

An architectural rendering of a modern building complex at night. The scene is illuminated by various lights, including a prominent starburst of white lights in the upper right corner. The buildings feature large glass windows and modern architectural elements. A central courtyard with trees and a circular plaza is visible. A parking lot with several cars is in the foreground. The background shows a dark landscape with hills and a distant city skyline.

Location – 205 Jayumuyeok-ro,  
Samho-eup, Yeongam-gun,  
Jeollanam-do, Republic of Korea

Area – 1,156,741.5m<sup>2</sup>

# Occupancy Procedure and Requirements

Priorities are given to **export companies, foreign invested companies, and knowledge-based services industries.**



## Export-oriented manufacturing businesses

Businesses with an export value of not less than 30%\* of its total sales continuously for over a one year period within the past 3 years from the date of application

- for SMEs. 40% for middle market businesses and 50% for large businesses

## Export-oriented reshoring businesses

Businesses with an export value (excluding exports to Korea) of not less than 30%\* of its total sales continuously for over a one year period within the past 3 years from the date of application

- for SMEs. 40% for middle market businesses and 50% for large businesses

## Foreign-invested companies

Businesses with foreign investments totalling over KRW 100 million, of which the foreign investor holds not less than 10% of the total number of shares or total investment amount, and with an export value of not less than 30% of its total sales continuously for over a one year period within the past 3 years from the date of application

## Knowledge-based services industry

Businesses with an export value of not less than 5% of its total sales continuously for over a one year period within the past 3 years from the date of application

## Export and import-oriented wholesale businesses

Businesses with an export value of not less than 30%\* of its total sales continuously for over a one year period within the past 3 years from the date of application

- for SMEs. 40% for middle market businesses and 50% for large businesses

## Complex logistics business

Complex logistics businesses, including logistics (i.e., loading and unloading, transportation, warehousing, and display of goods), international transport brokerages, international vessel trading, packing, repairing, processing, or assembly

# Incentives

Our collective support system **provides various administrative services and incentives.**

01

## Tariff Retention

FTZs are deemed as foreign areas and duties imposed on imported goods are exempted or refunded

- Facility materials, raw materials, construction materials, and other goods needed for the realization of business purposes are exempted from duties

02

## Low lease prices for factory sites and standardized factories

50 year leasehold (extendable for another 50 years), low lease prices at 1% of land or building prices

- Lease rate: Factory site KRW 76/m<sup>2</sup>/month, standardized factory KRW 546 ~ KRW 694/m<sup>2</sup>/month (as of 2021)

03

## Lease rate exempted for foreign-invested companies

New growth engine businesses with foreign investment totalling not less than USD 1 million Parts and material businesses with foreign investment totalling not less than USD 5 million	100% Exemption
Manufacturing business with new foreign investment totalling not less than USD 5 million	75% Exemption

04

## Tax deduction for foreign invested companies

Local tax (acquisition tax, property tax) deduction

- New growth engine businesses : 100% tax deduction for 5 years, 50% for 2 years thereafter
- Manufacturing and logistics with foreign investment totalling not less than USD 10 million and 5 million respectively : 100% tax deduction for 3 years, 50% for 2 years thereafter

05

## Zero VAT

Zero VAT for foreign and domestic goods carried into the FTZ

- Domestic goods to be used or consumed within the FTZ, foreign goods and services supplied or provided between the occupants, or domestic goods carried in by foreign corporation for storage purposes

06

## Allow offshore operations

Parts of the manufacturing process may be carried out within and exported from tariff zones. Overseas goods such as facilities, tools and equipment needed for processing may be offshored to domestic tariff zones

07

## Special benefits, such as exemption of contributions

Foreign investment companies are exempted from the obligation to employ vocational assistance

08

## One-stop support system

Collective support for all occupancy procedures, such as occupancy agreement and building permits

# Infrastructure

DFTZ is a complex cluster hub for industries, logistics and administration, and is equipped with optimal infrastructure including **Gwangyang Port, Mokpo New Port, Muan International Airport** as well as **expressways and high-speed railways** extending in all directions.



## Roads | Seohaean Expressway

Mokpo-Gwangju	1 Hour
Mokpo-Seoul	3 Hours and 30 Minutes



## Roads | Honam High-Speed Rail

Mokpo-Seoul	2 Hours and 30 Minutes
Honam HSR (Opens in 2023)	2 Hours



## Seaports

Close to Daebul Port, Mokpo New Port (within 5km)	
Gwangyang Port (112km)	1 Hour and 20 minutes



## Airports

Muan International Airport (25km)	35 Minutes
Gwangju Airport (52km)	1 Hour

## Eco-friendly residential environment

Namak New City, Korea's first city aiming to become a standard clean energy model city, and Oryong Zone, which is designed to be a walkable city, are located within 10 minutes from DFTZ. Furthermore, nearby universities, general hospitals, major supermarkets and outlets provide an ideal residential environment.

## Customized professional workforce

42 universities, 54 specialized high schools, and 780 vocational training institutes foster about 150 thousand industrial talents every year. In addition, the Korean government is providing its unsparing support to ensure an outstanding workforce needed by businesses by promoting industry academia-research networks.

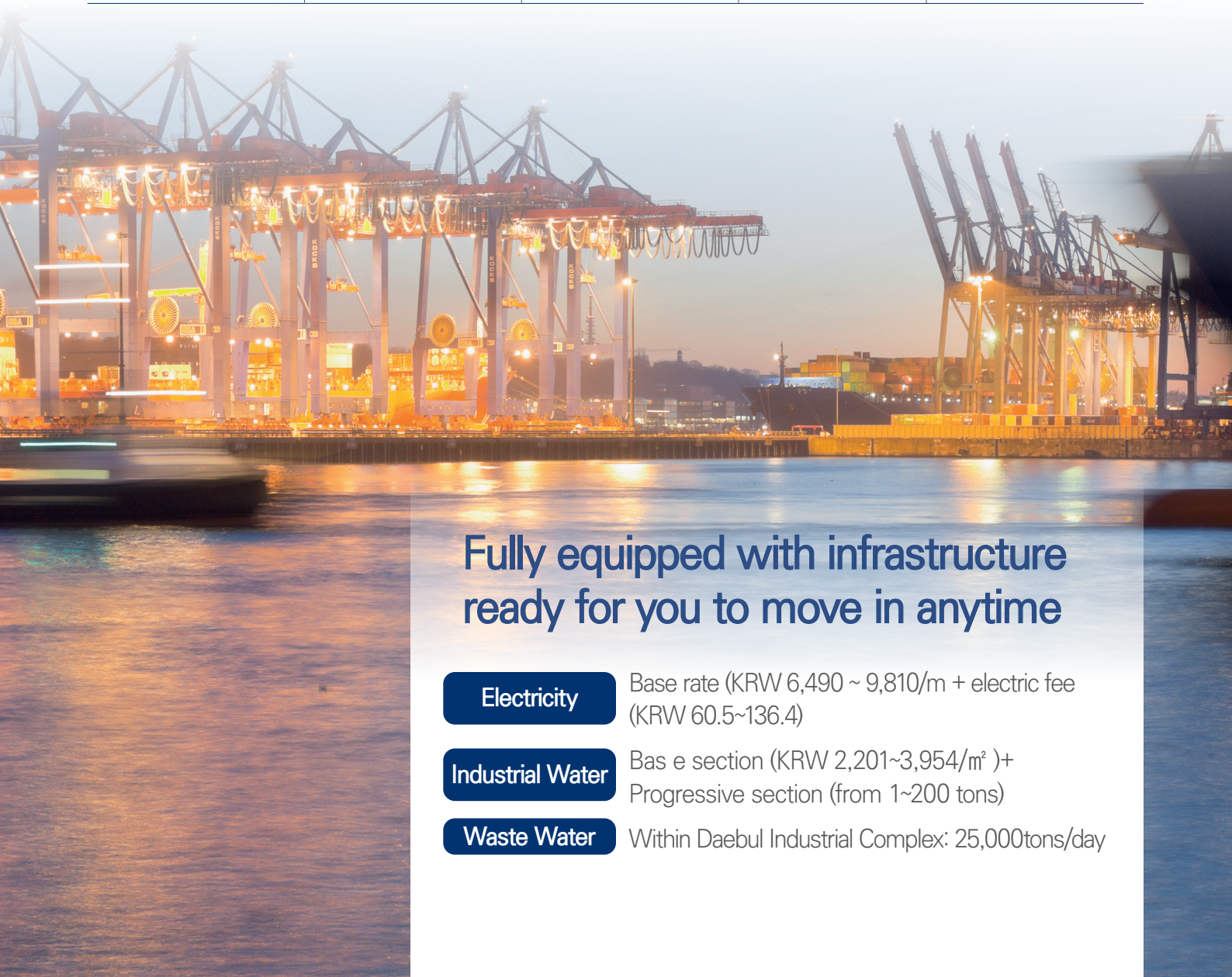


# Industrial infrastructure

Forms an industrial cluster linked with adjacent industrial complexes

DFTZ is adjacent to large industrial complexes that nurture future industries from shipbuilding and vehicle tuning to aerospace industries; **DFTZ provides an industrial environment that maximizes productivity and synergy.**

Shipbuilding, Machinery	New and Renewable Energy	Automotives	Aerospace	Major Industrial Complexes
<ul style="list-style-type: none"> <li>Hyundai Samho Heavy Industries</li> <li>Daehan Shipbuilding</li> <li>Shipping Industry Support Center</li> <li>Research Institute of Medium and Small Shipbuilding Southwest Headquarters</li> <li>Korea Marine Equipment Research Institute Jeonnam Headquarters</li> </ul>	<ul style="list-style-type: none"> <li>Creation of 8.2GW Marine Wind Generation Farm</li> <li>Creation of Bitgaram Energy Valley</li> <li>Ceramic Industry Comprehensive Support Center</li> </ul>	<ul style="list-style-type: none"> <li>Jeonnam High Performance Vehicle Core Technology Research Center</li> <li>Vehicle Tuning Factory</li> <li>Kia</li> <li>e-Mobility Research Center</li> </ul>	<ul style="list-style-type: none"> <li>Naro Space Center</li> <li>High-Tech Aerospace Material Center</li> <li>Goheung Aeronautics</li> </ul>	<ul style="list-style-type: none"> <li>Yeongam Daebul Industrial Complex</li> <li>Gwangyang Industrial Complex</li> <li>Yeosu Industrial Complex</li> <li>Hampyeong Bitgreen Industrial Complex</li> </ul>



**Fully equipped with infrastructure ready for you to move in anytime**

**Electricity**

Base rate (KRW 6,490 ~ 9,810/m + electric fee (KRW 60.5~136.4)

**Industrial Water**

Base section (KRW 2,201~3,954/m<sup>2</sup>)+ Progressive section (from 1~200 tons)

**Waste Water**

Within Daebul Industrial Complex: 25,000tons/day

# Standardized Factory



Facility Size		Light Industry		Heavy Industry	
Details		A TYPE	B TYPE	A TYPE	B TYPE
Number of facilities		2 Buildings	2 Buildings	2 Buildings	1 Building
Floor area (m <sup>2</sup> )		17,340	18,489	14,652	6,375
Number of floors		4 floors	4 floors	3 floors	2 floors
Floor height	1st floor	5m	5m	9.5m	10.8m
	Other floors	4.5m	4.5m	4.5m	3.6m
Weight		600kgf/m <sup>2</sup>		1,200kgf/m <sup>2</sup>	
Electric capacity		750kW			
Structure		SRC			

- Light Industry
- Heavy Industry



## Detailed Areas

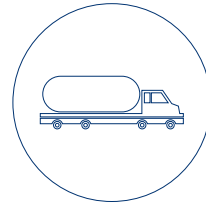
Floors	Light Industry Building				Heavy Industry Building		
	Standardized Factory Building A	Standardized Factory Building B	Standardized Factory Building C	Standardized Factory Building D	Standardized Factory Building D	Standardized Factory Building F	Standardized Factory Building G
1st floor	2,249.23	2,249.23	2,249.23	2,249.23	2,928.52	2,928.52	5,939.79
2nd floor	2,294.52	2,294.52	2,294.52	2,294.52	762.12	762.12	435.28
3rd floor	2,762.14	2,294.52	2,294.52	2,762.14	3,467.88	3,467.88	-
4th floor	1,364.09	2,225.94	2,225.94	1,364.09	-	-	-
Rooftop	-	180.09	180.09	-	167.53	167.53	-
Total	8,669.98	9,244.30	9,244.30	8,669.98	7,326.05	7,326.05	6,375.07

# Occupancy Type and Lease Rates



## Lease Rate

<b>Factory site</b>	KRW 76/m <sup>2</sup> /month (as of 2021)
<b>Standardized factory</b>	KRW 546~694/m <sup>2</sup> /month (as of 2021)
<b>Leasehold</b>	50 years (renewable every 10 years, and may be renewed even after 50 years)
<b>Lease deposit</b>	Lease fee for 6 months
<b>Common contribution</b>	25.54/m <sup>2</sup> /quarter



## Additional Facilities

Equipped with convenient parking facilities

### Elevators

2 for passenger/17-seater vehicles in each building (excluding Heavy Industry Buildings)  
2 for cargo vehicles (4 tons)



## Occupancy inquires in DFTZ

**Address** | 205 Jayumuyeok-ro, Samho-eup, Yeongam-gun, Jeollanam-do, Republic of Korea 58453 (Daebul Free Trade Zone Office, Department of Export Industries)

**TEL** | +82-61-464-0746~7

**FAX** | +82-61-464-0751

[www.motie.go.kr/ftz/daebul](http://www.motie.go.kr/ftz/daebul)

## Daebul Free Trade Zone

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