

# KOREAN FREE TRADE ZONES

•Masan •Gunsan •Daebul •Donghae •Yulchon •Gimje •Ulsan

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A forward base of Korea's exports

## Free Trade Zone

Free

Trade

Zone



Zone



Ministry of Trade,  
Industry and Energy



The Republic of Korea  
Free Trade Zone

Numerous leading  
global businesses that  
have chosen  
the Korean Free Trade Zone as  
their platform for  
growth are achieving greater success.



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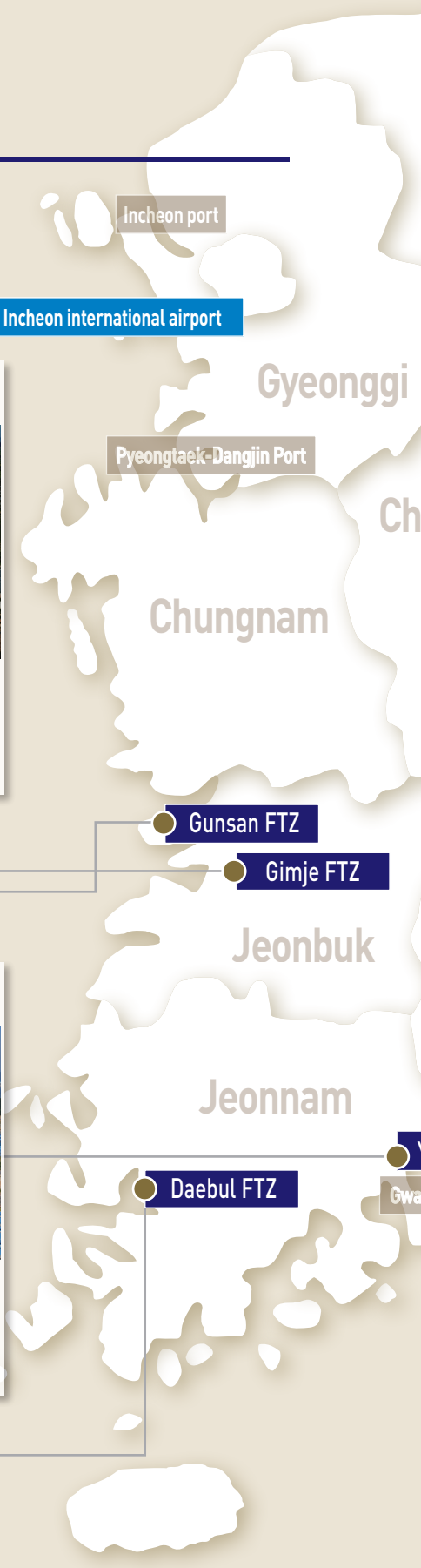
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# Free Trade Zones - Operational status

13 Free Trade Zones have been designated and are in operation.

7 industrial complex type and 6 port / airport type zones



## Gunsan Free Trade Zone



Year of establishment: 2000    Total area: 1,256 thousand m<sup>2</sup>  
 Number of companies: 32    Occupancy rate: 92.6%  
 Major industries:  
 chemical, machinery, electrical & electronics, etc.

## Gimje Free Trade Zone



Year of establishment: 2009    Total area: 991 thousand m<sup>2</sup>  
 Number of companies: 29    Occupancy rate: 52.0%  
 Major industries:  
 special vehicles, machinery & metal, carbon material, etc.

## Daebul Free Trade Zone



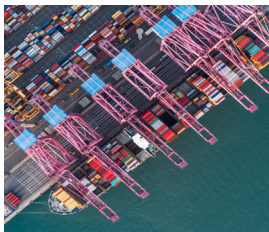
Year of establishment: 2002    Total area: 1,157 thousand m<sup>2</sup>  
 Number of companies: 34    Occupancy rate: 97.9%  
 Major industries:  
 shipbuilding, machinery & metal, electrical and electronics, etc.

## Yulchon Free Trade Zone



Year of establishment: 2005    Total area: 344 thousand m<sup>2</sup>  
 Number of companies: 17    Occupancy rate: 63.9%  
 Major industries:  
 chemical, machinery & metal, steel, etc.





## Free Trade Zones - Overview

Free Trade Zones are leading Korea into the future.

### Definition of Free Trade Zones

The Free Trade Zone is a zone where the nation provides optimal investment climate to foreign-invested enterprises and export companies.

- The Free Trade Zone is a zone in which free activities of manufacturing, logistics, distribution and trade are guaranteed with various benefits including retention of tariffs, tax reduction, and low-cost lease are provided.

### Vision

The Zone aims to accelerate the attraction of foreign investment, promotion of trade, facilitation of international logistics, regional development, etc.

- Lease-based special economic zone where occupant enterprises can minimize their initial investment cost with affordable site, standardized factory, etc.

### Mission

One-stop Service system is established so as for the government to support on-site counseling, occupancy contract, factory construction, and other business activities, which will further provide a wide range of administrative services and incentives.

- The Zone is composed of three main areas: land for factory construction, standardized factories that is ready to operate once they are equipped for production, and a business support facility district providing assistance to occupant enterprises with finances, taxation, and accounting, etc.



#### | History of KFTZ and its Development

- 1970: Embarked as Export Free Zone (Masan)
- 2000: Revamped to Free Trade Zone with additional functions that included logistics, sales and exhibition
- 2004: Merged with logistics-oriented tariff free zone

# Free Trade Zones - Status

(As of 2019)

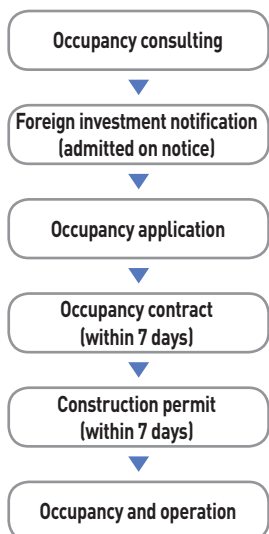
Type	Masan	Gunsan	Daebul	Donghae	Yulchon	Gimje	Ulsan	Total
Date of establishment	'70.03	'00.10	'02.11	'05.12	'05.12	'09.1	'08.12	
Date of opening	'70.04	'05.10	'08.08	'10.04	'10.04	'12.08	'12.08	
Total area (thousand m <sup>2</sup> )	957	1,256	1,157	248	344	991	819	5,772
- Site	607	1,007	949	172	252	716	404	4,107
- Standardized factory	96	113	85	28	17	35	82	456
Occupancy rate (%)	96.1	92.6	97.9	59.2	63.9	52.0	93.4	Average 84.6
- Site	100	93	99	55	64	52	96	Average 85
- Standardized factory (ea)	82	89	84	94	65	55	65	Average 80
Number of companies	115	32	34	16	17	29	35	278
Major industries	Electrical & electronic, precision instrument, etc.	Machinery, chemical	Shipbuilding, renewable energy	Machinery, metal, food, electrical goods	Machinery, metal, textile, chemical	Agricultural machinery, metal, automobile	Metal, Automobile, mechatronics	
Location	Muyeok-ro, Masanhoewongu, Changwon-si, Gyeongsangnam-do	Jayu-ro, Gunsan-si, Jeollabuk-do	Jayumuyeok-ro, Samho-eup, Yeongam-gun, Jeollanam-do	Gongdan 1-ro, Donghae-si, Gangwon-do	Yulchonsandan 4-ro, Haeryong-myeon, Suncheon-si, Jeollanam-do	Jayumuyeok-gil, Baeksan-myeon, Gimje-si, Jeollabuk-do	Cheoyong saneop 3-gil, Cheongyang-eup, Ulju-gun, Ulsan	





### | Occupancy procedure |

The nation supports, on-site, overall business activities such as occupancy counseling, lease contracts, construction permits, foreign capital introduction, and customs clearance.



## Tenant qualification

Export companies, foreign-invested companies, knowledge-based services industry, and export startups are given priority to be an occupant.

### ▶ Manufacturing business primarily for exports

A manufacturer whose export accounted for minimum 50% of its total sales for the period greater than 1 year in the past 3 years from the application date of the occupancy agreement.

- Small to medium companies apply a minimum 30% requirement and mid-sized companies apply minimum 40% requirement.

### ▶ Export-oriented U-turn companies (Companies supported as U-turn companies)

A company whose sales excluding the export to Korea accounted for minimum 50% of its total sales for the period greater than 1 year in the past 3 years from the application date of the occupancy agreement.

- Small to medium companies apply a minimum 30% requirement and mid-sized companies apply minimum 40% requirement.

### ▶ Foreign-invested companies (manufacturing or knowledge-based services industry)

A company whose investment by foreigners exceeds KRW 100 million and accounts for minimum 10% of its total amount of investment, or whose export accounted for minimum 30% of its total sales for the period greater than 1 year in the past 3 years from the application date of the occupancy agreement.

### ▶ Knowledge-based services industry (export)

A company whose investment by foreigners exceeds KRW 100 million and accounts for minimum 10% of its total amount of investment, or whose export accounted for minimum 5% of its total sales for the period greater than 1 year in the past 3 years from the application date of the occupancy agreement.

### ▶ Wholesale business focusing on export and import transactions

A business whose export and import accounted for minimum 50% of its total sales for the period greater than 1 year in the past 3 years from the application date of the occupancy agreement.

- Small to medium companies apply a minimum 30% requirement and mid-sized companies apply minimum 40% requirement.

### ▶ Complex logistics business

A complex logistics business which includes unloading, transportation, storage, and exhibition of goods, or international transportation arrangements, international shipping transactions, packaging, repair, processing, or assembly business, etc.

### ▶ Export startups

Occupancy is granted to manufacturing and knowledge-based services companies with 7 or less years of operation, on condition that the occupancy requirements will be fulfilled within 5 years.



# Major incentives

A wide range of administration services and incentives are offered using a collective support system.

## ▶ Retention of tariffs

Exemption or refund of customs duties on imported goods, regarding the FTZs as foreign land

- No customs duty on facility goods, raw materials, construction materials, and other goods required for achieving the business objectives.

## ▶ No value added taxes

Zero value added tax is charged on foreign goods and domestic goods carried into any Korean free trade zone.

- Domestic goods intended to be consumed within the zone, foreign goods and services exchanged among tenants, domestic goods brought into the zone by foreign companies for storage.

## ▶ Low leasing fee for plant lot and standardized factory buildings

Leased for around 1% of the cost of the lot or the building for the duration of 50 years (lease renewable for another 50 years)

- Lease fee: (plant lot) monthly rate of KRW 61/ – KWR 452/m<sup>2</sup>, (standardized factory) monthly rate of KRW 355/m<sup>2</sup> – KWR 784/m<sup>2</sup>

## ▶ Tax and lease reduction / exemption for foreign invested companies

- Tax reduction (offered to manufacturers with their foreign investment exceeding 10 million dollars, logistics business with their foreign investment exceeding 5 million dollars, and regardless of the FI amount at Masan FTZ (legal grounds: Enforcement Rule on the Restriction of Special Taxation Act Subparagraph 2 4))
- Leasing fee reduction: Land and factory are leased for free of charge or at 75% reduced price for the duration of 10 years, depending on types of industries and level of investment.

## ▶ Offshore business permitted

Items such as capital goods, raw materials, and construction materials imported for business purposes could be processed within domestic regions. Facility equipment & other products can be taken out to domestic regions in bonded state.

## ▶ Special provisions including allotment breaks

FTZ registered companies are exempted from paying congestion charge and not obligated to hire social minorities (aged, persons of national merit, disabled persons, etc.)

## ▶ One step process

The whole occupancy process including occupancy permit, construction permit, etc. is done at one step process.

- An entity who has been granted occupancy permission is deemed to have been approved for the establishment, expansion, or change of business.



# Masan Free Trade Zone



Masan Free Trade Zone, which has been selected to have top 1% competitive edge among 3,000 FTZs, is an urban-oriented advanced industrial complex, evaluated to be one of the most successful models of free trade zones.

### | Major types of business of tenants |

- Machinery, automobile parts, electrical & electronic, precision instrument, etc.

### | Companies in the complex |

- 115 companies including Sony Electronics of Korea Corporation (the Netherlands), KOREA HOSIDEN ELECTRONICS CO., LTD (Japan), CENTRAL Co., Ltd. (Japan), HIWIN (Taiwan), Bumhan Industry (Korea)

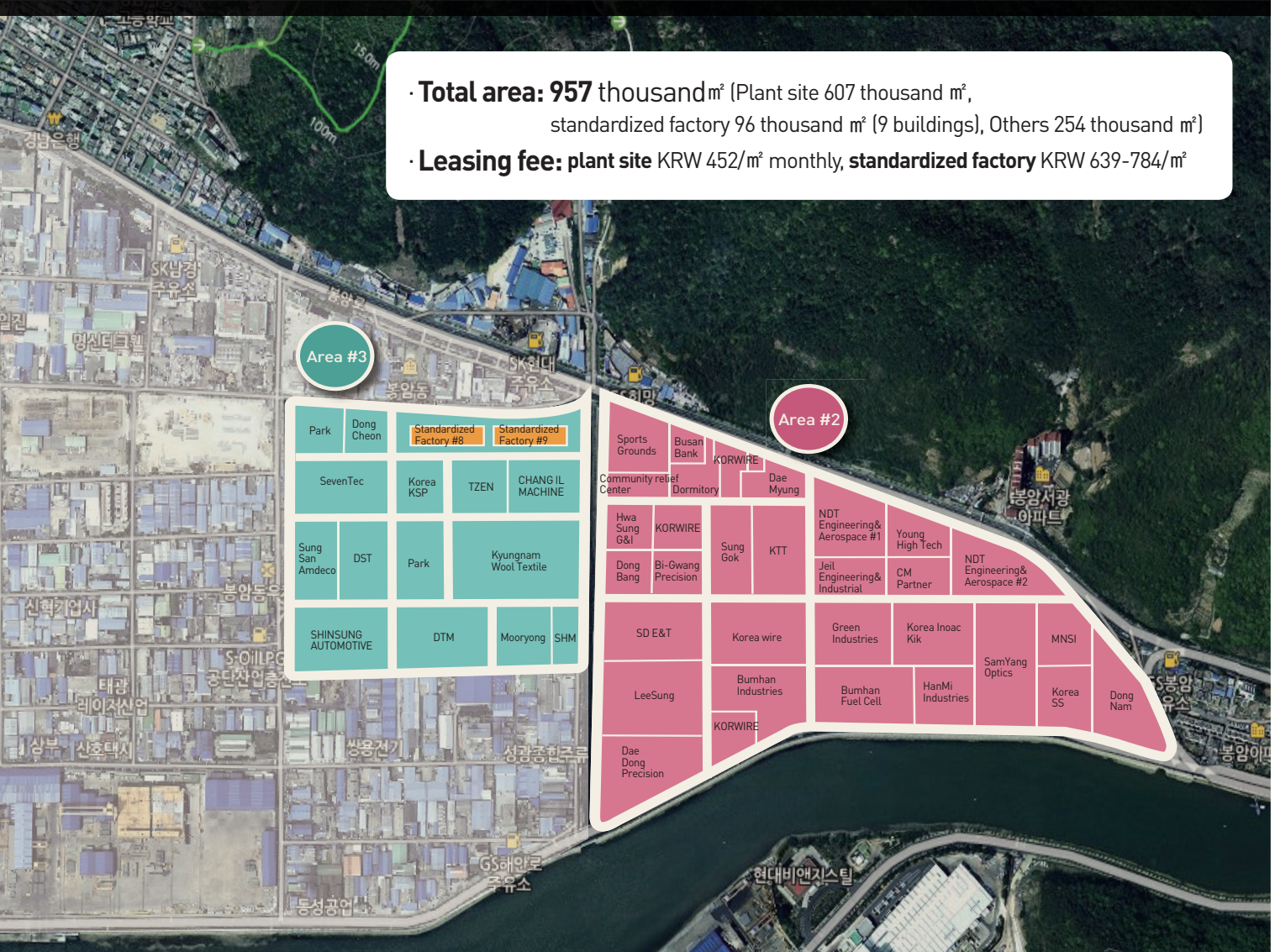


### | Manufacturing infrastructure |

Electricity	Basic rate (KRW 5,550-9,810/kW) + rate based on usage (KRW 55.60-196.60)
Industrial water	Demand charge (KRW 432.8/Ton) + progressive rate (when the usage exceeds 1,000t/day)
Wastewater	Applicable rate varies by factors including water quality, the amount of wastewater released, pollution load, etc. (One over N Rule)

### | Neighboring industries |

Electrical & electronics	A number of related companies such as LG Electronics are adjacent to the area.
Machinery and shipbuilding	Korea's largest machinery industrial belt is located and accommodates companies including Doosan Heavy Industries & Construction, HYOSUNG, Hyundai Wia, and Hyundai Rotem.
Automobile	GM Korea, Renault Samsung Motors, Hyundai Motor Company, etc.
Aviation	Adjacent to Sacheon Aviation Cluster.
Robotics	A number of robot-related companies are tenants of Masan Robot Land.
Industry environment	Changwon National Industrial Complex, Busan-Jinhae Free Economic Zone

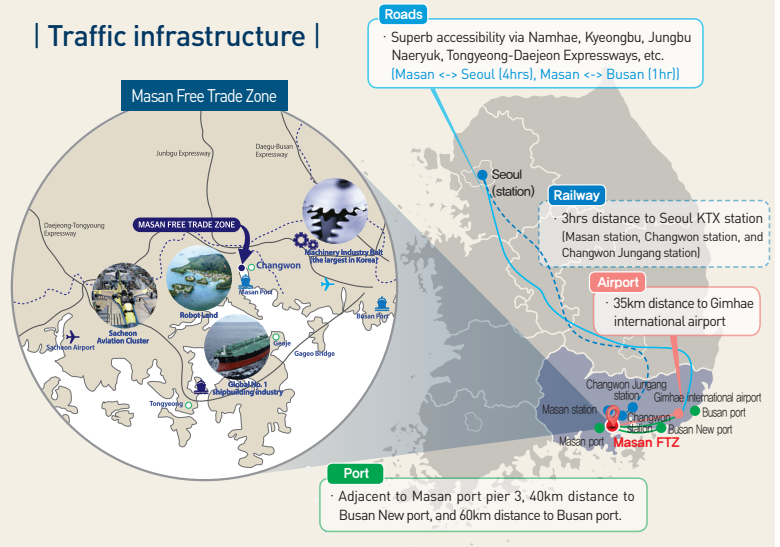


· **Total area: 957 thousand m<sup>2</sup>** (Plant site 607 thousand m<sup>2</sup>, standardized factory 96 thousand m<sup>2</sup> (9 buildings), Others 254 thousand m<sup>2</sup>)  
 · **Leasing fee: plant site KRW 452/m<sup>2</sup> monthly, standardized factory KRW 639-784/m<sup>2</sup>**

**| Facility status |**



**| Traffic infrastructure |**



# Gunsan Free Trade Zone



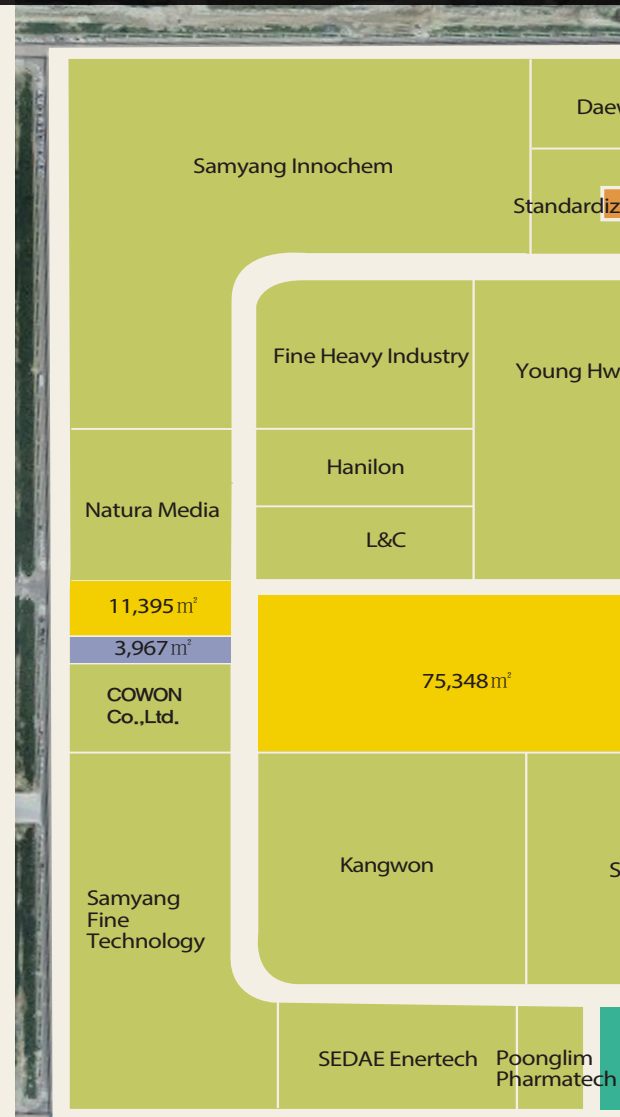
Gunsan Free Trade Zone is located in the heart of the West coast industrial belt, playing its role as a locomotive of the belt to develop itself into an advanced base of ever-expanding Pan-Yellow Sea economy. Gunsan Free Trade Zone, where a number of complexes form a cluster, is a repository of infrastructure of the city and the industry, and its raw materials are imported, stored, and distributed through Gunsan port.

### | Major types of business of tenants |

- Chemical, machinery, electrical-electronics goods, etc.

### | Companies in the complex |

- 32 tenant companies including Samyang Fine Technology, Samyang Innochem (Japan), Oerlikon Balzers (Switzerland), POONGLIM Pharmatech Inc. (US), OCI Power (Korea), KHE, and ENERGYEN.



### | Manufacturing infrastructure |

Electricity	Basic rate (KRW 6,630-9,810/kW) + rate based on usage (KRW 53.70-196.6)
Industrial water	Demand charge (KRW 1,040/m³) + progressive rate (by 500m³)
Steam (heat)	Stably supplied by Hanwha Energy near the free Trade zone (rates may vary by time.)
Wastewater	Applicable rate varies by factors including water quality, the amount of wastewater released, pollution load, etc. (One over N Rule)

### | Neighboring industries |

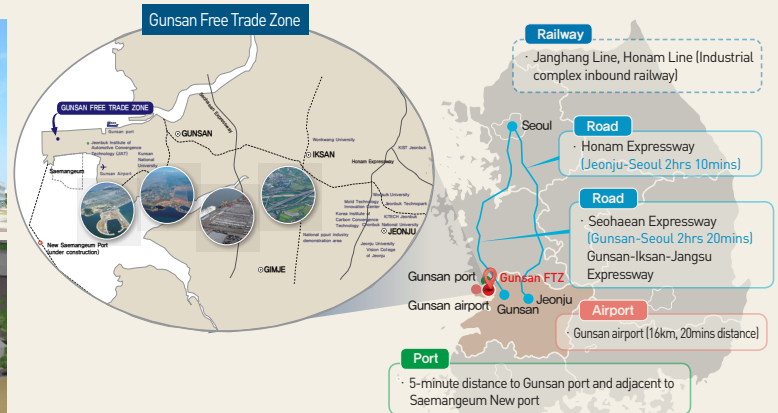
Chemical	Adjacent to anchor companies such as OCI, Toray Advanced Materials Korea Inc., and Solvay Silica.
Machinery	Adjacent to Seahbesteel, Doosan Infracore, Daelim C&S Co, etc.
Automobile	Adjacent to TATA Daewoo Commercial Vehicle Company, Automobile Parts Integration Complex, etc.
Aviation	Adjacent to Gunsan airport
Industry environment	<ul style="list-style-type: none"> <li>• Gunsan National Industrial Complex (Tenants e.g. TATA Daewoo Commercial Vehicle Company)</li> <li>• Saemangeum Industrial Complex (Clean yet composite industrial complex where green technology and emerging industry harmonizes (18.7 million m².)</li> </ul> <p>* Annually, around 2,500 high-tech human resources of the manufacturing field are provided from regional universities.</p>



**| Facility status |**



**| Traffic infrastructure |**



# Daebul Free Trade Zone



With traffic infrastructure connecting the nation with principal cities of the world, innovative tax incentives, and efficient one-stop administrative service, Daebul Free Trade Zone is emerging as a global business hub. Being adjacent to a large-scale industrial complex focused on a wide range of future industries including shipbuilding, ceramics industry, and car tuning industry, the area provides an industrial environment that maximizes the productivity and synergy effect.

### | Major types of business of tenants |

- Shipbuilding, machinery & metal, electrical & electronics, etc.

### | Companies in the complex |

- 34 companies including Wartsila Hyundai Engine Company (Finland), Hyundai Samho (Korea), and YUIL (Korea)

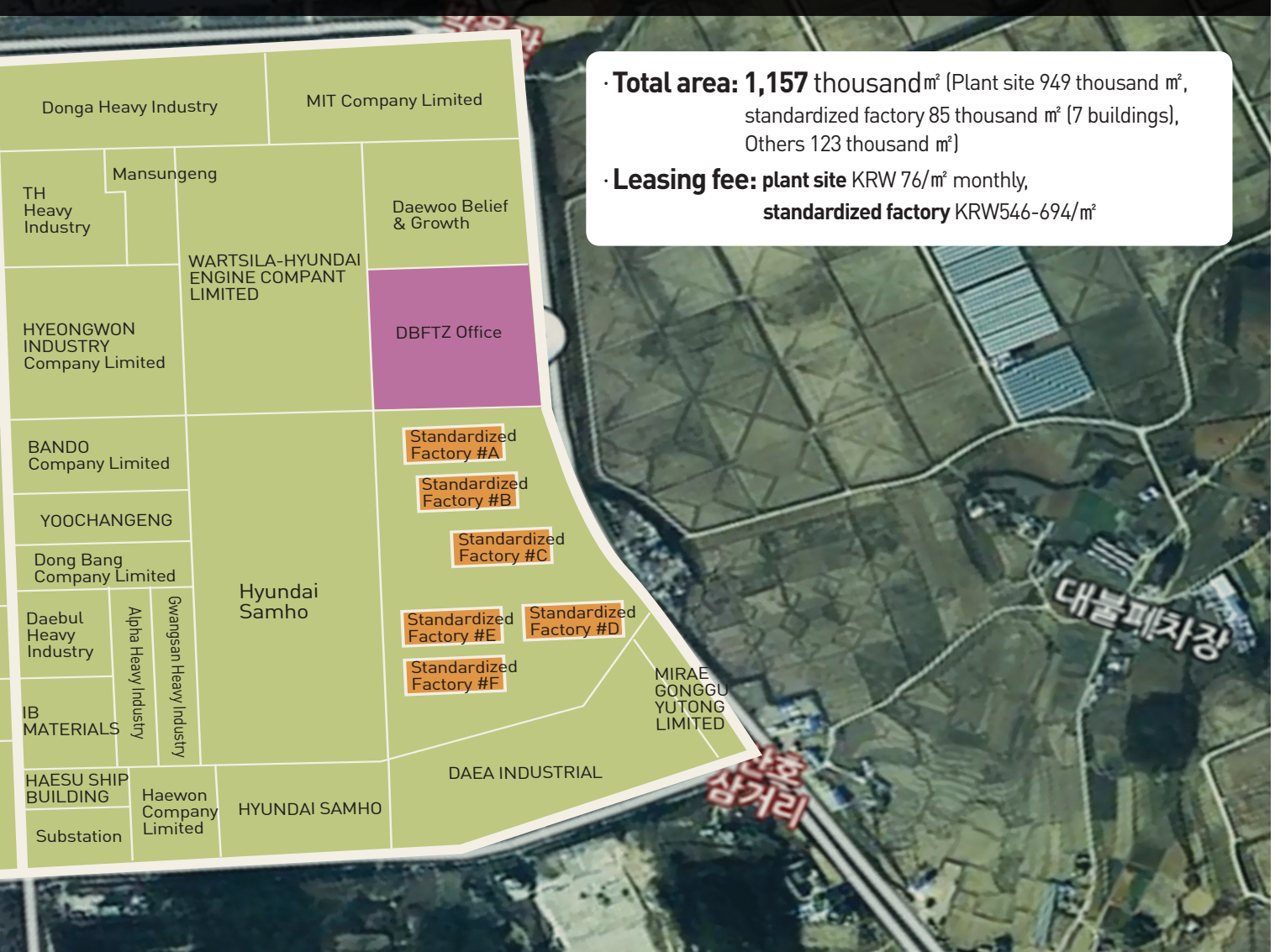


### | Manufacturing infrastructure |

Electricity	Basic rate (KRW 7,220-9,810/kW) + rate based on usage (KRW 55.2-196.6)
Industrial water	Demand charge (KRW 880-1,550/m <sup>3</sup> ) + progressive rate (by 1-300m <sup>3</sup> )
Wastewater	Independent septic tank is not necessary as the complex operates 112,000 t/day of treatment facility.
Communication facility	40,000 lines provided

### | Neighboring industries |

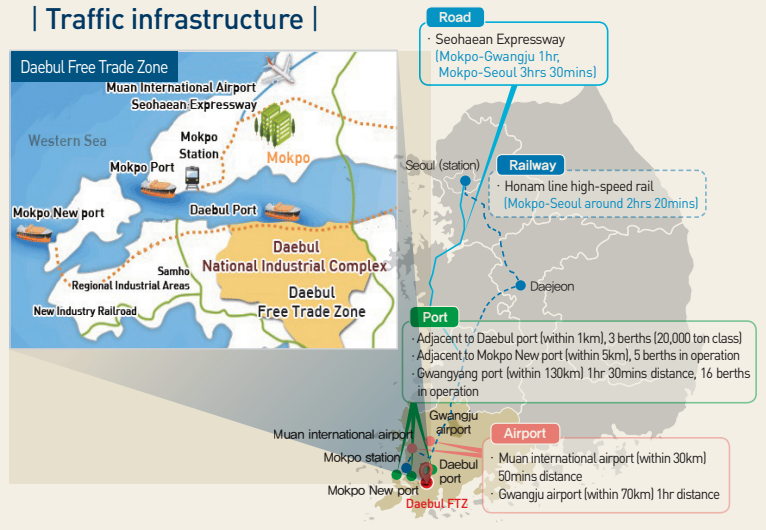
Machinery & shipbuilding	Hyundai Samho Heavy Industries
Renewable energy	Largest amount of insolation a day (4kWh/m <sup>2</sup> ), largest wind farm, and the strongest ocean currents in Korea.
Automobile	Adjacent to Korea Automotive Technology Institute, handcrafted car company, etc.
New materials	Conveniently located for supplying parts to Gwangju Kia Motors and Samsung Electronics Gwangju factory.
Neighboring industrial complexes	<ul style="list-style-type: none"> <li>• Daebul industrial complex (Tenants e.g. Hyundai Samho Heavy Industries)</li> <li>• Gwangju Hanam industrial complex (Tenants e.g. Samsung Electronics)</li> <li>• Hyundai Samho Heavy Industries, Yuil</li> </ul>



**| Facility status |**



**| Traffic infrastructure |**



# Donghae Free Trade Zone



Donghae Free Trade Zone, the center of Northeast Asia's Pan-East Sea region, has rich human resources and provides customized one-stop service that meets specific needs of each customer.

Responding to the emerging global cold chain market, the area actively supports fishery processing industries with their production, distribution, and logistics by establishing standardized factories for temperature-controlled logistics.

### | Major types of business of tenants |

- Non-metal, machinery, electrical & electronic, fisheries processing, etc.

### | Companies in the complex |

- 16 companies including Wellmade International (Korea), M View Global (China), Hwanam International (UAE), Yun Seong (US), Roasting House (New Zealand)

### | Manufacturing infrastructure |

Electricity	Basic rate (KRW 6,490-6,900/kW) + rate based on usage (KRW 60.5-114.2)
Industrial water	Industrial water (KRW 530/m <sup>3</sup> ), residential water (KRW 1,260-1,330/m <sup>3</sup> )
Wastewater	The cost of wastewater disposal according to the flow rate and concentration at the plant (6,500tons/day)
Securing human resources	15,700 persons in 27 high schools, 24,700 persons in 5 universities

### | Neighboring industries |

Industrial complex	Bukpyeong National Industrial Complex, Bukpyeong General Industrial Complex, Songjeong General Industrial Complex
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· **Total area: 248 thousand m<sup>2</sup>** (Plant site 172 thousand m<sup>2</sup>, standardized factory 28 thousand m<sup>2</sup> (3 buildings), Others 48 thousand m<sup>2</sup>)  
 · **Leasing fee: plant site KRW 61/m<sup>2</sup> monthly, standardized factory KRW 355-430/m<sup>2</sup>**

**| Facility status |**



Standardized factory #2

Standardized factory #1

Donghae standardized factory

Donghae Free Trade Zone Office

**| Traffic infrastructure |**

**Road**

- Yeongdong, Donghae Expressway (Seoul-Donghae 2hrs 30mins)
- The 2nd Yeongdong Expressway (Seoul-Wonju).
- Dongseo Expressway (Seoul-Yangyang)
- National route 7 (Donghae-Busan around 3hrs)

**Airport**

- Yangyang international airport (1hr)
- Wonju airport (2hrs)

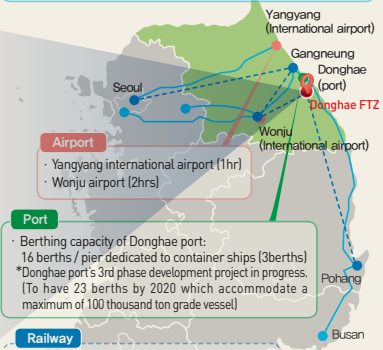
**Port**

- Berthing capacity of Donghae port: 16 berths / pier dedicated to container ships (3berths)
- Donghae port's 3rd phase development project in progress. (To have 23 berths by 2020 which accommodate a maximum of 100 thousand ton grade vessel)

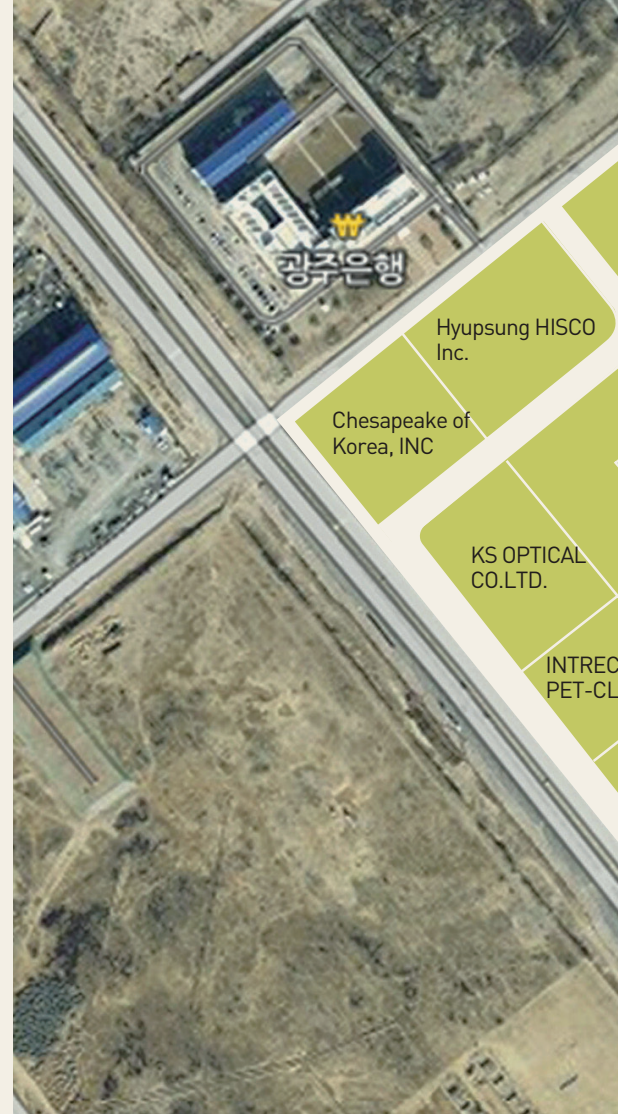
**Railway**

- Jungang-Yeongdong Line (connecting capital area and inland)
- Wonju-Gangneung high-speed rail (Seoul-Gangneung, around 1hr)
- Pohang-Donghae rail

**Donghae Free Trade Zone**



# Yulchon Free Trade Zone



Yulchon Free Trade Zone is located in Gwangyang bay area Free Economic Zone, the core area of Northeast Asia's manufacturing, logistics, and trade. As world-leading POSCO Gwangyang Steel Works, Yeosu Petrochemical Complex, and a number of local industrial complexes form a cluster, supply of basic materials including steel and synthetic resin is highly accessible.

### | Major types of business of tenants |

- Chemical, machinery, metal, etc.

### | Companies in the complex |

- 17 companies including GwangYang Feather Co., Ltd. (China), LTI (Japan), Chesapeake of Korea (US), Cheonggwang New Material Co., Ltd. (UK), KS Lab (Indonesia), HISCO INC (Korea), etc.

### | Manufacturing infrastructure |

Electricity	Basic rate (KRW 6,630-9,810/kW) + rate based on usage (KRW 53.70-196.60)
Industrial water	Industrial water (KRW 453m <sup>3</sup> ), residential water (KRW 906/m <sup>3</sup> ) + rate based on usage (KRW 170/m <sup>3</sup> )
Gas	Industry rate applied (25,000m <sup>3</sup> /h)
Wastewater	KRW 1,200/m <sup>3</sup> (The rate varies by the amount released, etc.)

### | Neighboring industries |

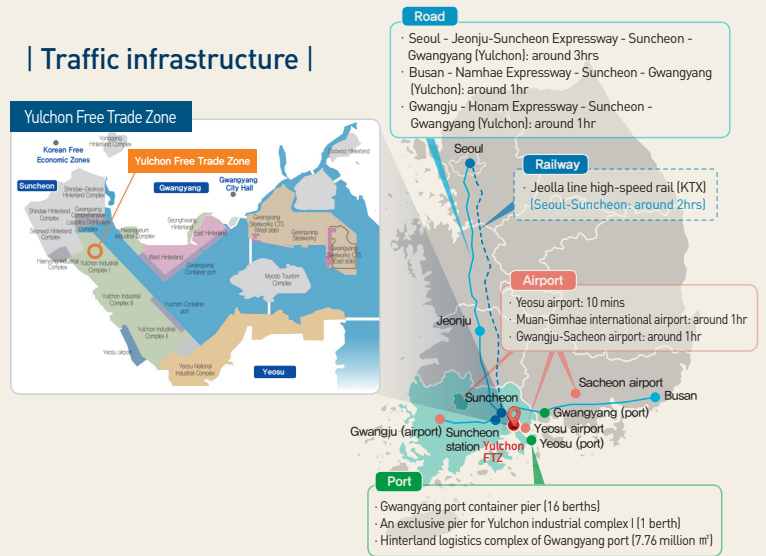
Steel	POSCO, sister companies and business partners of POSCO, and Hyundai Steel
Chemical	GS Caltex, BASF Korea, Kumho Mitsui Chemicals Corp, etc.
Neighboring industrial complexes	Yeosu Petrochemical Complex, Yulchon·Haeryong Industrial Complex, research complex and cluster for functional chemical materials, etc.



**| Facility status |**



**| Traffic infrastructure |**



# Gimje Free Trade Zone



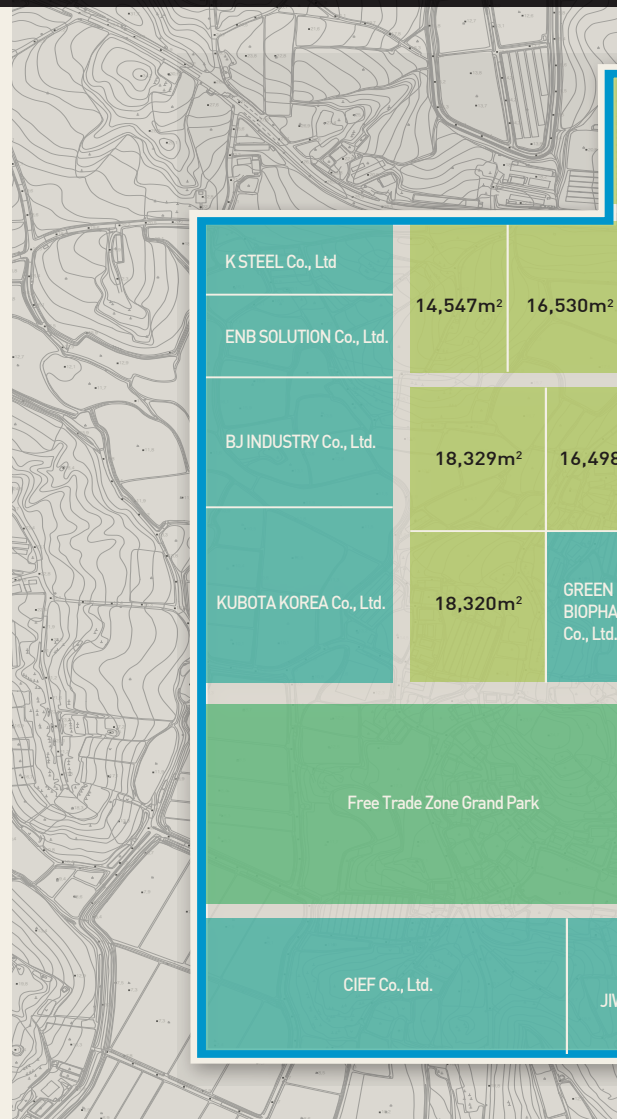
Gimje Free Trade Zone, utilizing the links between a variety of neighboring industries, maximizes the synergy being created and is prepared to support global manufacturing with the spirit of high-technology and convergence. Gimje is located in the heart of the T-shaped industrial belt, which connects industries of automobile parts, machinery, food, and biotechnology with 1.4 million citizens of the major cities in Jeonbuk region.

## | Major types of business of tenants |

- Special vehicles, machinery & metal, carbon material, etc.

## | Companies in the complex |

- 29 companies including Kubota Korea (Japan), ALUX (US), CIEF (US), VDM Metals Korea (Germany), and ENPLUS (Korea).

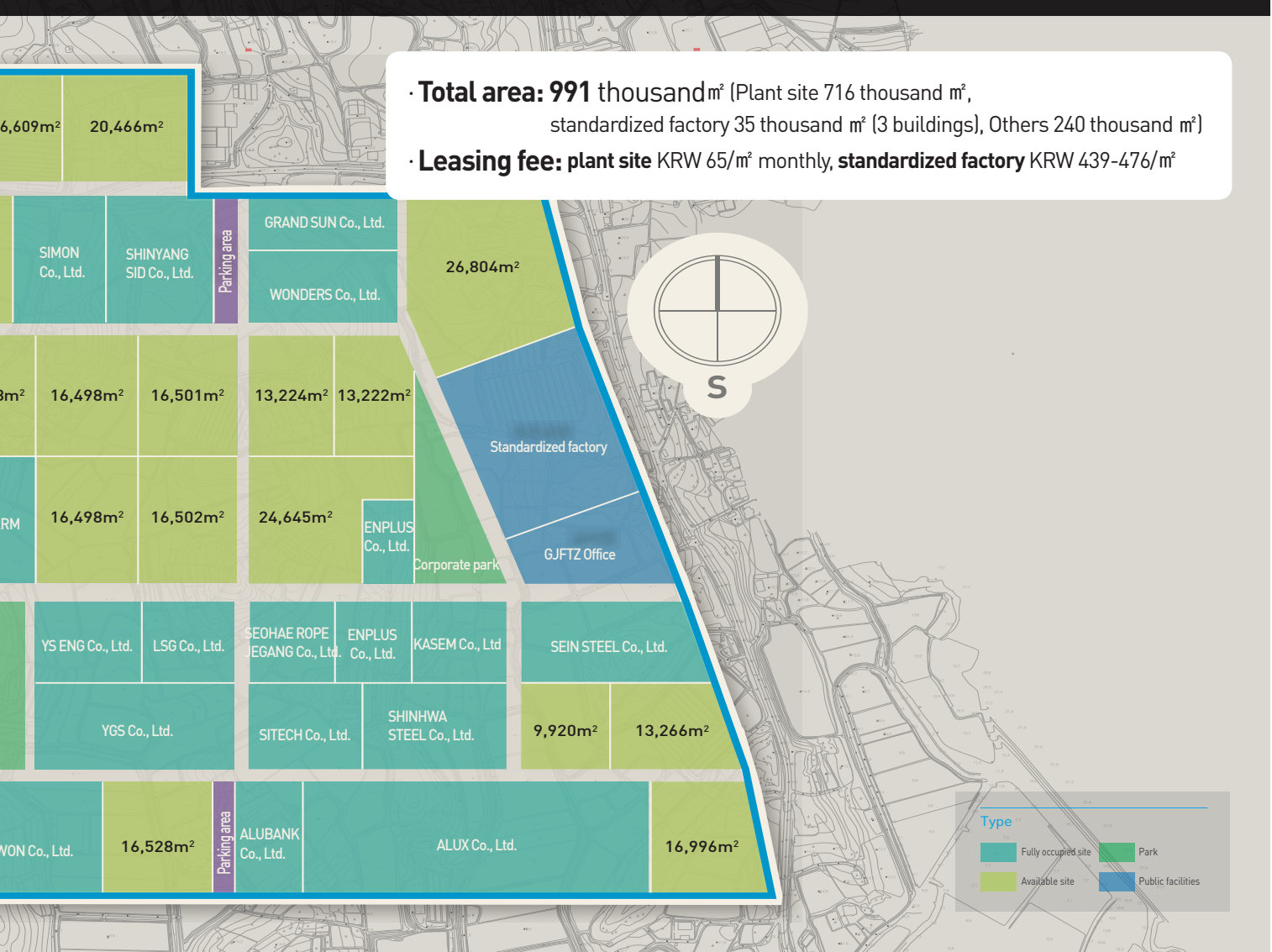


## | Manufacturing infrastructure |

Electricity	Basic rate (KRW 5,550-9,810/kW) + rate based on usage (KRW 52.85-196.60)
Industrial water	Residential water (KRW 1,070/m <sup>3</sup> ) + progressive rate (by 500m <sup>3</sup> ), industrial water (KRW 340/m <sup>3</sup> , KRW 390/m <sup>3</sup> when usage exceeds 1,000 tons)
Gas	Rates vary by the volume agreed and by season
Wastewater	Average KRW 182/m <sup>3</sup> (Varies by the amount released, etc.)

## | Neighboring industries |

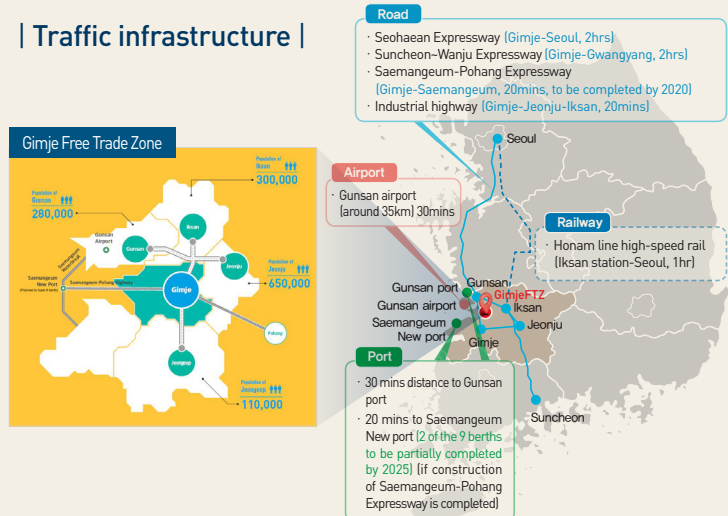
Automobile & machinery	Adjacent to Hyundai Motor Company, TATA Daewoo, Doosan Infracore, LS Mtron, etc.
Chemical	Adjacent to HYOSUNG, OCI, KCC, etc.
Agricultural science & food	Adjacent to public research institutes and national food clusters such as Rural Development Administration, National Institute of Agricultural Sciences, and Korea Food Research Institute.
Industry environment	<ul style="list-style-type: none"> <li>•Gunsan National Industrial Complex (Occupants include TATA Daewoo, OCI, etc.)</li> <li>•Jipyeongsun General Industrial Complex (Occupants include Royal Canin, Dodram, and IL GAHNG)</li> </ul>



**| Facility status |**



**| Traffic infrastructure |**



# Ulsan Free Trade Zone



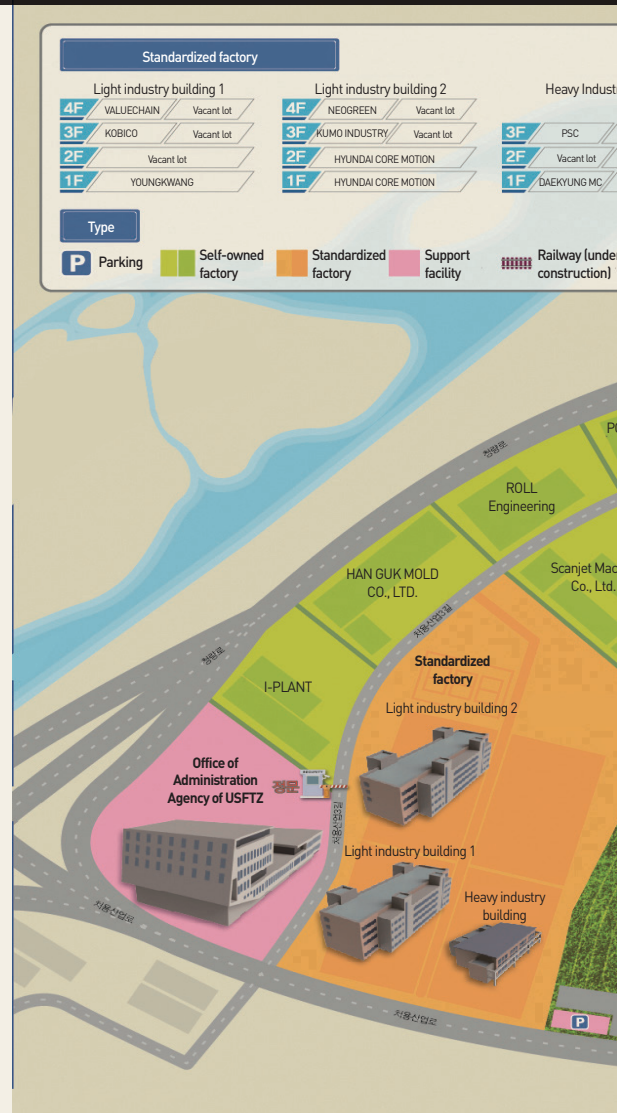
Ulsan Free Trade Zone is adjacent to both an outstanding set of SOC infrastructure including railways, airports, ports, and expressways and a number of industrial clusters comprising automobile, shipbuilding, and petrochemical industries, and the energy-oriented city provides with its companies an optimal infrastructure for their business where stable supply of electricity, gas, water, and treatment facilities are offered.

### | Major types of business of tenants |

- Machinery, metal, steel, electrical & electronic, transportation equipment, etc.

### | Companies in the complex |

- 35 companies including SCANJET MACRON Co., Ltd. (Sweden), ROLL ENGINEERING (China), I-Plant, ULP, and Dongsung Precision Industry.



### | Manufacturing infrastructure |

Electricity	Basic rate (KRW 7,470/kW) + rate based on usage (KRW 109.30)
Industrial water	Basic rate (KRW 43,000/dia. 75mm) + rate based on usage (KRW 1,350/m <sup>3</sup> )
Gas	Industrial rate KRW 689.07 (per m <sup>2</sup> )

### | Neighboring industries |

Machinery & shipbuilding	Adjacent to Hyundai Heavy Industries, Hyundai Mipo Dockyard, etc.
Automobile	Adjacent to Hyundai Motor Company, Hyundai Mobis, ZYLE Daewoo Bus, etc.
Petrochemical	Adjacent to SK Energy, S-OIL, and Petrochemical Industrial Complex
R&D	Adjacent to Techno Industrial Complex--a university-industry collaboration zone--and public research institutes relating to automobile, shipbuilding, etc.
Industry environment	<ul style="list-style-type: none"> <li>• New General Industrial Complex (Occupant enterprises include ULF and YangSoo Metals)</li> <li>• Techno General Industrial Complex (UNIST, Ulsan university, and other research facilities such as the research center for coating and surface treatment of shipbuilding)</li> <li>• Mipo National Industrial Complex (Occupants include Hyundai Heavy Industries and Hyundai Motor Company, and a petrochemical complex is formed.)</li> <li>• Onsan National Industrial Complex (Occupants include S-OIL, Korea Zinc Company, etc.)</li> </ul>



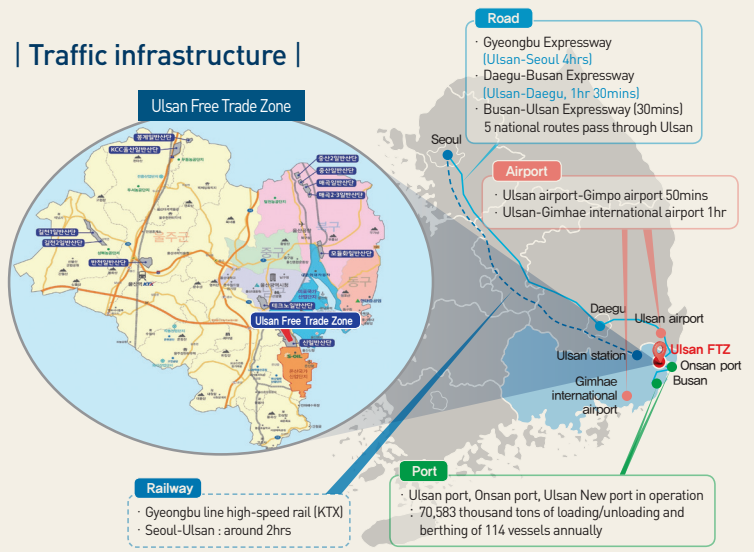
- **Total area: 819 thousand m<sup>2</sup>** (Plant site 404 thousand m<sup>2</sup>, standardized factory 82 thousand m<sup>2</sup> (3 buildings), Others 333 thousand m<sup>2</sup>)
- **Leasing fee: plant site KRW 233/m<sup>2</sup> monthly, standardized factory KRW 414-748/m<sup>2</sup>**

**| Facility status |**



Ulsan standardized factory

**| Traffic infrastructure |**



## Port-airport type Free Trade Zones

\*5 Port type FTZs are administered by Ministry of Oceans and Fisheries, and 1 Airport type FTZ by Ministry of Land, Infrastructure, and Transport.

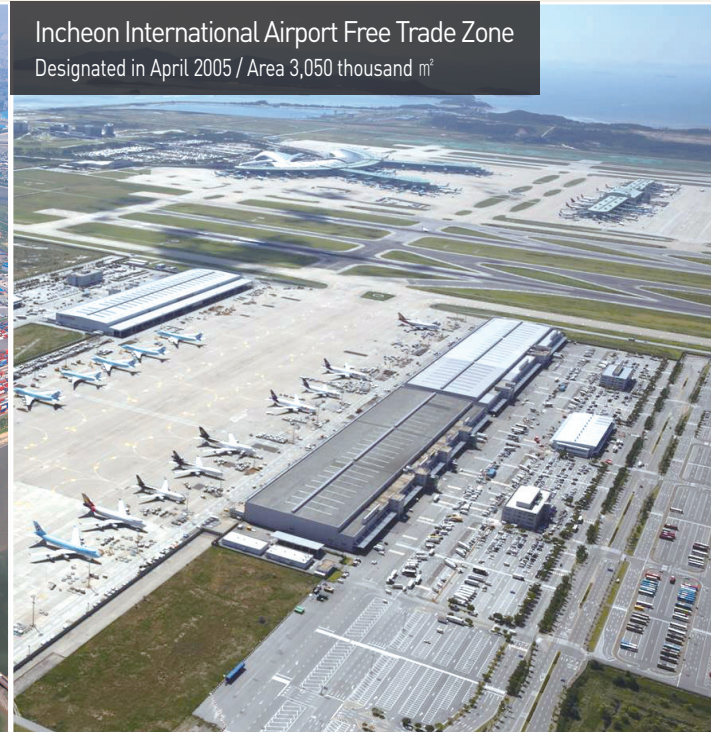
Incheon Port Free Trade Zone

Designated in January 2003 / Area 1,837 thousand m<sup>2</sup>



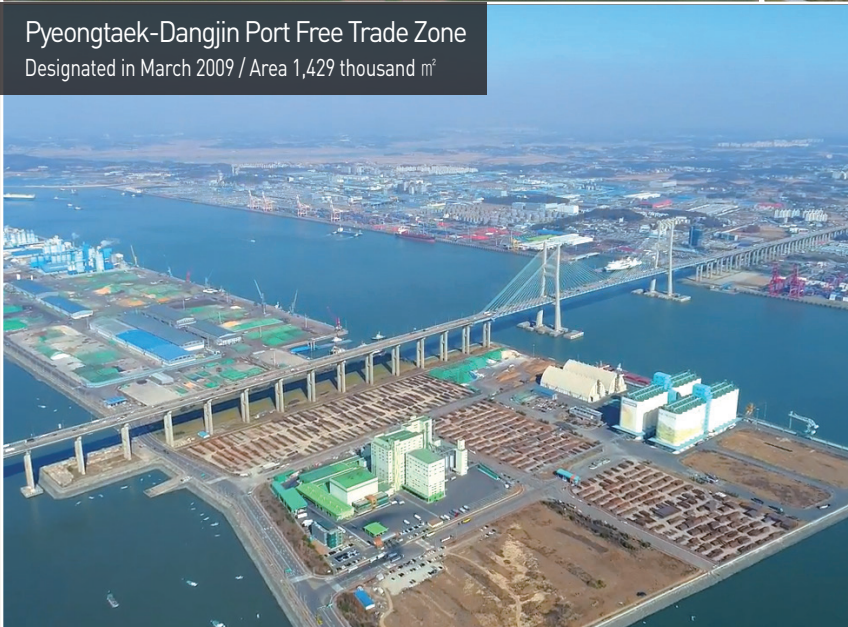
Incheon International Airport Free Trade Zone

Designated in April 2005 / Area 3,050 thousand m<sup>2</sup>



Pyeongtaek-Dangjin Port Free Trade Zone

Designated in March 2009 / Area 1,429 thousand m<sup>2</sup>



Gwangyang Port Free Trade Zone

Designated in January 2002 / Area 8,880 thousand m<sup>2</sup>



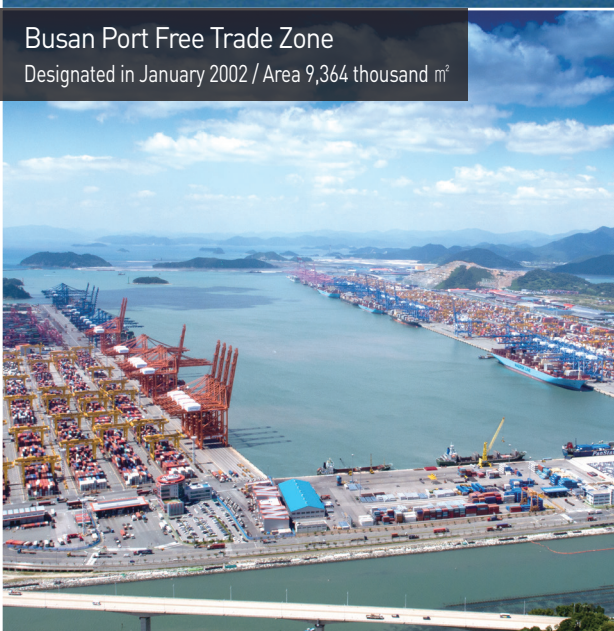


Free Trade Zones located in the globally competitive ports and airports are optimal sites for transit processing and trade of Northeast Asia, as they provide added value by incorporating assembly, processing, and other functions of production with the existing functions of logistics like unloading, packaging, and sorting.

**Pohang Port Free Trade Zone**  
Designated in December 2008 / Area 925 thousand m<sup>2</sup>



**Busan Port Free Trade Zone**  
Designated in January 2002 / Area 9,364 thousand m<sup>2</sup>



### Occupancy status |

(Unit: %)

Name of FTZ	2015	2016	2017	2018	2019
<b>Total</b>	<b>85.8</b>	<b>87.6</b>	<b>90.4</b>	<b>96.5</b>	<b>96.8</b>
<b>Port type total</b>	<b>84.3</b>	<b>86.3</b>	<b>89.7</b>	<b>96.8</b>	<b>97.0</b>
Busan Port	97	97	100	100	100
Gwangyang port	69	69	74	92.8	94.6
Incheon port	99	99	100	100	100
Pohang port	46	99	100	90.8	79
Pyeongtaek-Dangjin port	99	99	100	100	100
Incheon international airport	97	97	95	91	92

### Occupant companies and employment status |

(As of 2019)

Type	Port/Airport type total	Port type						Airport type
		Total	Busan Port	Gwangyang port	Incheon port	Pohang port	Pyeongtaek-Dangjin port	
Number of companies (ea)	833	136	67	50	1	3	15	697
- Foreign Invested Companies	137	101	65	27	-	-	9	36
(Proportion, %)	(16.4)	(74.3)	(97.0)	(54.0)	(-)	(-)	(60.0)	(5.2)

Type	Port/Airport type total	Port type						Airport type
		Total	Busan Port	Gwangyang port	Incheon port	Pohang port	Pyeongtaek-Dangjin port	
Employment (number)	19,931	4,844	2,759	1,279	28	23	755	15,087

### Export status |

(Unit: million dollars, as of 2019)

Name of FTZ	2018	2019
<b>Total</b>	<b>1,283</b>	<b>1,118</b>
<b>Port type total</b>	<b>68</b>	<b>63</b>
Busan Port	33	31
Gwangyang port	35	32
Incheon port	-	-
Pohang port	-	-
Pyeongtaek-Dangjin port	-	-
Incheon international airport	1,215	1,055

## Representative investor companies

Numerous multinational corporations and leading companies from Korea and overseas have chosen the Korean Free Trade Zone as their platform for growth and are achieving greater success.



Investment area	Company name	Main products	Investor countries
Masan FTZ	Sony Electronics of Korea Corporation	Electronic goods	Netherlands
	KOREA HOSIDEN ELECTRONICS CO., LTD	Mobile phone keypad	Japan
	CENTRAL Co., Ltd.	Automobile parts	Japan
	Korea Nakagawa Electric Ind.	Timer switch motor	Japan
Gusan FTZ	HIWIN	Semiconductor machinery	Taiwan
	Oerlikon Balzers	Special coating	Switzerland
	Samyang Innochem Corporation	Basic organic compound manufacturing (BPA)	Japan
	POONGLIM Pharmatech Inc.	Syringe and medical appliances	US
	OCI Power	Solar generation apparatus	Korea
Daebul FTZ	KHE	Distiller and heat exchanger	Korea
	Hyundai Samho Heavy Industries	Ship blocks	Korea
	YUIL	Ship blocks	Korea
	Semtech	Special gloves	Canada
Donghae FTZ	IB Materials	Ceramic filter	China
	Wellmade International	Cosmetics	Korea
	M-View Global	Sanitary pad	China
	Hwanam International	Fisheries processing	UAE
	Yun Seong Co., Ltd.	Machinery	US
Yulchon FTZ	Roasting House	Food manufacturing (tea making)	New Zealand
	GwangYang Feather Co., Ltd.	Textile material	China
	LTI	Machine tool	Japan
	EMAX INC	Pure lead mass	Korea
Gimje FTZ	Hisco Inc	Assembly control center, analytical package system	Korea
	Kubota Korea	Agricultural machinery	Japan
	ALUX	Aluminium wheel	US
	CIEF	Beneficial insects food	US
	VDM Metals Korea	Nickel alloy processing	Germany
Ulsan FTZ	ENPLUS	Special vehicles	Korea
	Scanjet Macron Co., Ltd.	Ship apparatus, measurement device	Sweden
	ROLL Enineering	Roll forming molds and machinery	China
	Daehan	Steel box, pallet	Korea
	ULP CO., LTD.	Heat exchanger, steam drum	Korea
	Dong Sung Precision Industry	Construction machine parts (engine, etc.)	Korea

## An investment hub which truly stands out in the world! Free Trade Zone of Korea, a wise person's choice to bring about greater success!

<b>Optimal location</b>	Traffic routes stretch in all directions, and there are neighboring rich industrial complexes from which a synergy effect is expected.
<b>Plenty of incentives</b>	Not only a wide range of Incentives including retention of tariffs, tax exemption, and one-stop service but also a variety of investment support and benefits from the municipal are guaranteed.
<b>Low lease rate</b>	The lease is either minimal or free of charge.
<b>One-stop service</b>	From counseling, construction/occupancy, production, to trade and logistics, we provide highly satisfactory level of services that encompass the all business activities.

**Administration Agency of Masan Free Trade Zone** | 27, Muyeok-ro, Masanhoewon-gu, Changwon-si, Gyeongsangnam-do 51339  
<https://www.motie.go.kr/ftz/masan>

**Administration Agency of Gunsan Free Trade Zone** | 482, Jayu-ro, Gunsan-si, Jeollabuk-do 54001  
<https://www.motie.go.kr/ftz/gunsan>

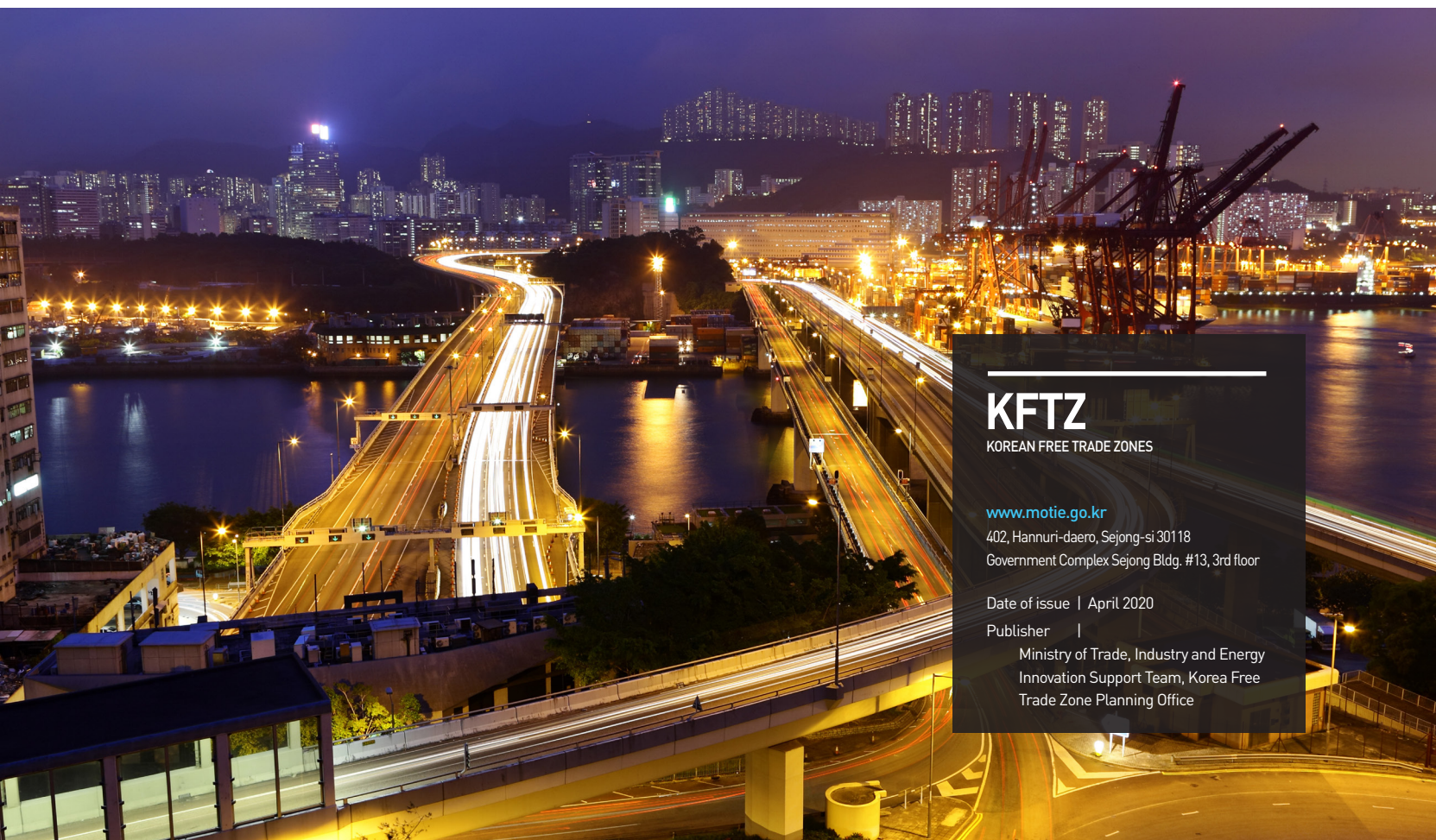
**Administration Agency of Daebul Free Trade Zone** | 205, Jayumuyeok-ro, Samho-eup, Yeongam-gun, Jeollanam-do 58453  
<https://www.motie.go.kr/ftz/daebul>

**Administration Agency of Donghae Free Trade Zone** | 177, Gongdan 1-ro, Donghae-si, Gangwon-do 25798  
<https://www.motie.go.kr/ftz/donghae>

**Administration Agency of Yulchon Free Trade Zone** | 26-253, Yulchonsandan 4-ro, Haeryong-myeon, Suncheon-si, Jeollanam-do 58034  
<https://www.motie.go.kr/ftz/yulchon>

**Administration Agency of Gimje Free Trade Zone** | 215, Jayumuyeok-gil, Baeksan-myeon, Gimje-si, Jeollabuk-do 54325  
<https://www.motie.go.kr/ftz/gimje>

**Administration Agency of Ulsan Free Trade Zone** | 162, Cheoyongsaneop 3-gil, Cheongyang-eup, Uiju-gun, Ulsan 44988  
<https://www.motie.go.kr/ftz/ulsan>



# KFTZ

KOREAN FREE TRADE ZONES

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

402, Hannuri-daero, Sejong-si 30118  
Government Complex Sejong Bldg. #13, 3rd floor

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# Free Trade Zone



Korea's Free Trade Zones  
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## Free Trade Zone

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402, Hannuri-daero, Sejong-si 30118 Government  
Complex Sejong  
TEL. 044-203-4633[4635] FAX. 044-203-4702