Korean Free Economic Zones
As centers of international business where global capital and information gather, the Korean Free Economic Zones offer the ideal management environment for multinational firms.

Korean Free Economic Zones (KFEZs) are specially designated areas created to improve the business and living environment for foreign-invested firms in Korea and to actively attract foreign investment in the country through a range of deregulation policies. Since the 2003 inauguration of an FIE in Incheon, the number of FIEs in operation has grown to nine: Incheon, Busan—Jinhae, Gwangyang Bay Area, Gyeonggi, Daegu—Gyeongbuk, Chungbuk, East Coast, Gwangju, and Ulsan.

Accumulated foreign direct investment in the KFEZs amounted to USD 18.2 billion as of the end of 2020, with 6,140 companies, including multinational firms such as GE and BMW, operating in the KFEZs. The KFEZs have become even more attractive to global investors who knock on the Korean door first when seeking opportunities in Asia.

Accumulated FDI
US$19,185,000,000

No. of resident firms in KFEZ
6,140 EA

Korea is located at the center of Northeast Asia, one of the world’s top three economic regions, Geographically sitting between China (the world’s second largest economy) and Japan (the world’s third largest economy), the nation has as many as 147 cities with populations of more than 1 million people within three-hour flight. It is also a transportation hub and commands geographic advantages for entering the 1.6 billion strong Northeast Asian market.

<table>
<thead>
<tr>
<th>Nation</th>
<th>Population (World No. 28)</th>
<th>GDP (World No. 10)</th>
</tr>
</thead>
<tbody>
<tr>
<td>South Korea</td>
<td>51,269,192</td>
<td>USD 1.59 trillion</td>
</tr>
<tr>
<td>China</td>
<td>1,429,322,769 (World No. 1)</td>
<td>USD 14.80 trillion</td>
</tr>
<tr>
<td>Japan</td>
<td>128,989,461 (World No. 16)</td>
<td>USD 4.83 trillion</td>
</tr>
</tbody>
</table>

*Source: Official population data, 2018, International Monetary Fund, 2019*

"From tidaland to futuristic city with skyscrapers" 15 years of KFEZs' pioneering efforts

Sixty years ago, South Korea was an economic wasteland. Today, it is not only the world’s 15th largest economy, but also a vibrant democracy and an emerging cultural force.

KFEZs in the past
Not long ago, the eight KFEZs were remote tidalands, wastelands and dilapidated manufacturing grounds. The major industries were agriculture, fisheries, mining and steelmaking. Just a few, small manufacturing plants operated in some areas.

Growth begins in KFEZs
The KFEZs sites began witnessing sea changes with the enactment of a KFEZ-related law in 2002 which promoted foreign investment, national competitiveness and balanced regional growth. The agriculture and fisheries in old areas were replaced by cutting-edge industrial complexes, global educational institutes, and cultural and leisure facilities, ready for the cities to become truly global.

KFEZs today and in the future
The KFEZs have continued to change for business during the past 15 years and have become a major investment destination for international business leaders. Influential media, including TIME, CNN in the U.S., and Nikkei in Japan, positively covered the KFEZs. CNN in particular praised Incheon, one of the eight KFEZs, as "solution to the future city." The seven KFEZs have strived to improve business environment and living conditions for foreign-invested firms. As international business hubs, they will act as massive exchanges of global capital and information.
Where Business Blossoms!

Grab business opportunities in KFEZs

Korea offers an optimal business environment with 50 million people, USD 1.6 trillion in GDP, free trade deals with the world’s top three economies, and globally competitive human resources and infrastructure.
Strong FTA networks with major economies

Korea is one of the most attractive business hubs in the world. It is the first Asian country that has concluded free trade agreements with the EU (2011), the US (2012), and China (2016). As of 2020, Korea has FTAs with 50 countries, and forms the third-largest market in the world. With the signing of an FTA between Korea and China, global investors are now able to occupy the Chinese market in advance and Chinese companies can reach out to the world market through Korea.

Korea’s FTA Network

In 2013, 83.8% of the global trade of goods was conducted through FTAs. (Source: Ministry of Trade, Industry and Energy)

Part. 02
Quality infrastructure

Business-friendly environment for investors


Globally competitive manpower

Korea's highly skilled manpower will support successful businesses for global investors. 75 percent of a sample of 200 foreign companies in operation in Korea said Korean people had a strong sense of sincerity and responsibility. The percentage of college graduates among those aged between 25 and 34 is 70 percent—highest among OECD member nations. Also, the number of researchers per 1,000 economically active population in Korea is 15.4.

The percentage of college graduates aged 25 to 34 among the top five OECD countries’ manpower status in Korea.

Logistics, as intricate as a spider's web

Quality electricity, water supply, and telecommunications

Korea’s Incheon International Airport offers direct flights to 173 cities in 52 countries through 88 domestic and international airlines. The airport’s annual passenger traffic is around 71 million. The Busan Port, one of the hub ports in Korea, is located at the center of major sea routes. A total of 269 regular routes for container vessels, including 47 routes to China, 68 to Japan, 50 to Southeast Asia, and 42 to North America, pass through the Busan Port, making it the world’s second-largest port in terms of the number of regular container vessel routes.

Korea’s power, water, and gas infrastructure and telecommunications networks are among the best in the world. Korea’s electricity and water for industrials is that are supplied reliable at low prices ensure a high level of consumer satisfaction. As an iconic powerhouse, Korea boasts high-quality broadband, mobile and high-speed internet services across the country, which takes just one day to get a new broadband connection.

KFEZ, the reason for trust in business

Where is the “new continent” for the 21st-century business? Korea, the Northeast Asian hub, is the answer. The country has internationally recognized infrastructure with geographical merits, globally high-skilled manpower, and global logistics systems.
Where Opportunity Blossoms!

Best Place for Success
Your opportunity for success is here

For successful business, strong and effective incentives are given

The KFEZ's guarantee liberal and wide business activities through deregulation and financial support. Various benefits include reduction or exemption of acquisition tax and property tax, cash grants, eased regulations on labor and free foreign payment.
Tax benefits

The KFEZs offer exemptions or reductions in tariffs, acquisition tax, and property tax for foreign-invested resident firms and developers, based on Special Act on Designation and Management of FEZs and Restriction of Specialization Act.

Foreign-invested companies in an KFEZs

<table>
<thead>
<tr>
<th>Category</th>
<th>Benefits</th>
<th>Investment Requirements</th>
</tr>
</thead>
<tbody>
<tr>
<td>National Tax</td>
<td>Tariff: 100% exemption for 5 years</td>
<td>Imported capital goods only</td>
</tr>
<tr>
<td>Local Tax</td>
<td>Acquisition tax: 100% exemption for 5 years in accordance with local ordinances</td>
<td>Investment requirements</td>
</tr>
<tr>
<td></td>
<td>Property tax: Tax reductions for up to 15 years in accordance with local ordinances</td>
<td>Investment requirements</td>
</tr>
</tbody>
</table>

Developer

<table>
<thead>
<tr>
<th>Category</th>
<th>Benefits</th>
<th>Requirements</th>
</tr>
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<td>Acquisition tax: 100% exemption for 5 years in accordance with local ordinances</td>
<td>Investment requirements</td>
</tr>
<tr>
<td></td>
<td>Property tax: Tax reductions for up to 15 years in accordance with local ordinances</td>
<td>Investment requirements</td>
</tr>
</tbody>
</table>

Deregulation for hassle-free business

The KFEZs support foreign-invested firms’ activities by relaxing regulations.

<table>
<thead>
<tr>
<th>Category</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Relief from control on labor affairs</td>
<td>- Not subject to 15 vacant site positions with persons of national merit, the disabled, or the elderly; - Unpaid leave is permitted; - May receive the type of work and some of detailed work assignments.</td>
</tr>
<tr>
<td>Exemption from breakdown regulations in metropolitan areas</td>
<td>Any foreign-invested firm in an FEZ shall be relieved from the application of the provisions in Seoul Metropolitan Area Reorganisation Planning Act Article 7. Restriction of facilities in the overcrowding command, Article 8. Restriction of actions in the growth management area, Article 12. Restriction and collection of the overcrowding charges, Article 18. Quota system management for the crowding-down facilities, Article 19. Control of the megacity project development.</td>
</tr>
<tr>
<td>Faster foreign payment</td>
<td>A foreign-invested firm may directly engage in foreign currency transactions to clear a business transaction, up to a limit of $ 10,000.</td>
</tr>
</tbody>
</table>

Financial support and site support

The KFEZs offer various financial and site support for each grant, infrastructure and rent, based on Special Act on Designation and Management of FEZs, Foreign Investment Promotion Act and local ordinances.

**Support**

- **Cash grants**
  - Financial support for land and building purchase, construction costs, and site development, etc.
  - The actual amount shall be decided through negotiation,
  - Creation facility and research facility construction costs, employment subsidies, etc.

- **Support for infrastructure**
  - Support for infrastructure including roads, railways, airports, ports, water and sewage, waste treatment facilities
  - 50% of the infrastructure construction cost is covered by government budgets if the New Economic Zone Committee approves 100% of the contribution.

- **Support for education and research facilities**
  - Financial support for the establishment, operation and construction of education and research facilities
  - Certain conditions such as a regulation and contribution to national development should be met

- **Support for rent**
  - Rent of public buildings is reduced for up to 50%.

- **Loan interest exemption and reduction**
  - 50% loan interest reduction in accordance with local ordinances

Systemic and professional One-Stop service

Each FEZ designates individual project managers who support all investment procedures from preliminary review for investment to follow-up management. The project managers not only provide business consulting for new investment opportunities and proactive investment partners, but also administrative support for legal affairs, accounting and tax management. They will help investors manage their business operations.
Where Life Blossoms!

Best Place for Happiness
A happy life will unfold

A convenient and happy life unfolds in the KFEZs

The KFEZs provide the optimal living environment for your safety, health, happiness and prosperous future with your family. Experience the convenience and pleasure of life in the KFEZs by coming with your successful business.
Korean Free Economic Zones

There are seven KFEZs

The quality of Korea’s advanced medical system is proven by the increasing number of foreign travelers visiting Korea for medical tourism. Every residential area has its own small and medium-sized hospitals and pharmacies. General hospitals where foreign patients do not face communication barriers are located across the nation. The KFEZs are striving to establish foreign-for-profit hospitals and a cluster of foreign medical institutions combined with hotels, condominiums and therapeutic spas for more advanced medical services.

The KFEZs provide education, medical and housing support for employees at the resident foreign invested companies.

<table>
<thead>
<tr>
<th>Support</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Education</td>
<td>Foreign educational institutions (elementary/middle/high school), universities may be established. KFEZs will provide financial support for land purchases, construction and school operation, and make kindergartens for schools.</td>
</tr>
<tr>
<td>Medical service</td>
<td>Opening and operating foreign medical institutions or foreign pharmacies is permitted. Special exceptions may be allowed for subsidiary businesses (for example, a vending machine selling goods to be used by a medical institution).</td>
</tr>
<tr>
<td>Others</td>
<td>Opening temporarily assisted welfare for foreign investors that invest more than 5000 million won. Foreign broadcasting channels will be expanded, organized and operated through local cable networks.</td>
</tr>
</tbody>
</table>
The economic frontline of the Pan-Yellow Sea region and global business frontier!

The Incheon Free Economic Zone has the best geographical location equipped with the Incheon International Airport winning ASQ awards for 12 consecutive years and the Incheon port boosting a large cargo handling capacity. With its excellent location, IFEZ has been growing into a green and smart city which best supports businesses in the advanced knowledge service industries and high-tech convergence industries.

**Advantages**

- Global business frontier city
  - A global economic platform for the establishment of the Pan-Yellow Sea economic region.
  - The global education, R&D, MICE, and tourism, finance and knowledge services, marine, tourism, cultural, and art content, and advanced logistics.

- The hub of service industries through the link between advanced distribution and logistics.
  - The hub of biomedical industry, convergence of smart-sustainable technologies and cutting-edge automobile industry.
  - A smart city enabled with specialization of environmental-friendly landscapes, a livable city, and an energy-saving city.

- A global business city chosen by international organizations and leading companies
  - Fifteen international organizations including the Green Climate Fund (GCF), World Bank, and ADB (Association of Southeast Asian Nations) (ASEAN).
  - 87 global enterprises in 16 nations, including Samsung Biologics, Calliben, Boeing, BMW AG, and QAI, etc.

- The most attractive city for entering the markets of East Asia
  - The best location for entering the Chinese market, including Beijing and Shanghai.
  - Access to 16 cities with a population over 1 million within 3 hours.

**Center of logistics and transportation**

- Incheon International Airport, a Northeast Asian hub, was ranked first in airport service quality by the Airports Council for 12 straight years.
- Incheon port is a smart-efficient port that can handle 12,000TEU mega cargo ships.
- The transportation network connects Incheon to Seoul and the east-west city area within one hour.

**The best living environment for foreigners**

- Global universities: A global education environment is ensured with high-quality education services including top universities like the State University of New York, George Mason University, the University of Halle, Ghent University, SONY KOREA, and SUNY FIT.
- International schools: Songdo Choa Young International, Chongmyo Dalton School.
- Improvement of foreign-residency conditions through 5,000 foreigners' communities.
- Safe, convenient, and efficient smart city with 24-hour smart city operation center

**Major projects & Resident companies**

**Project status and feature**

<table>
<thead>
<tr>
<th>District</th>
<th>Outline</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Songdo</td>
<td>- Development plan: International business, REIT, Education, R&amp;D</td>
<td>- Developed as a global hub of cutting-edge knowledge and service industries including G21 and AII</td>
</tr>
<tr>
<td></td>
<td>- Multinational and regional HQs of international organizations</td>
<td></td>
</tr>
<tr>
<td>Yeongjong</td>
<td>- Development plan: Aviation logistics, Tourism, Cultural resort</td>
<td>- Developed as a city for leisure and tourism that encompasses waterfront, logistics, tourism, and leisure</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Development of integrated resorts including the ICEC Integrated resort and Paradise City</td>
</tr>
<tr>
<td>Cheongna</td>
<td>- Development plan: International pharmaceutical, NPG, Biotech, High-tech industry, Distribution, etc.</td>
<td>- Created around the main cluster of cutting-edge automobile industry with finance and automobile parts manufacturing and research</td>
</tr>
</tbody>
</table>

**Major resident companies**

- Hanwha, a U.S. Aerospace Industry R&D center and manufacturers
- EPC Advanced Materials, a Japanese research center and manufacturing facility for electron materials used in semiconductors and LEDs
- GIL, a U.S. Incheon logistics center
- Mann, a Germany Zhong Compound Center
- AMADA, a Japanese technical center for metal processing machines
- OTEC, a U.S. Biotech R&D center & manufacturing facility
- Callbox Inc., U.S., Biochemicals manufacturing and research
- Japan Technology Korea, U.S., Manufacturing facilities and R&D center for bioregeneration semiconductor packaging
- JET STAPP Group, a Singapore Semiconductor packaging
- BMW Germany, Tolling Center
- Tae Kwan, a Korean Manufactures of Test Systems
- Hyundai Germany, Semiconductor packaging Material & Technology

**Contact**


**Image**

Incheon Free Economic Zone

**Table**

<table>
<thead>
<tr>
<th>Area</th>
<th>122.26㎢</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anticipated population</td>
<td>939,000</td>
</tr>
<tr>
<td>Development period</td>
<td>2003 to 2030</td>
</tr>
</tbody>
</table>
Global Hub for International Business and Logistics

The Busan-Jinhae Free Economic Zone (BJFEZ) is one of the best distribution hubs in Northeast Asia. BJFEZ, which handles 75% of South Korea’s total freight cargo, ranked sixth in the world in terms of container handling capacity and record in transshipment. It has industrial clusters for shipbuilding, auto and machinery, and is a home to electric car companies, data centers and many other next-generation digital companies.

Busan-Jinhae Free Economic Zone

Advantages

- International logistic hub
  - An optimal logistic center connecting major seaports around the world (1/5 times from the Americas, 3/5 times from Europe, 8/15 times from Japan, 7/5 times from China, and 11/5 times from Southeast Asia per year)
  - An integrated vessel transportation system connecting Gimhae International Airport with New Busan Port
  - Port terminals capable of handling 4,000,000 TEUs per year
- Globally competitive industrial infrastructure
  - Approximately 30 percent of South Korea’s shipbuilding companies are located nearby. They include Hyundai Heavy Industries, Samsung Heavy Industries, Daewoo Shipbuilding & Marine Engineering and STX
  - The world’s seventh largest cluster of auto industries, such as subcontractors of automobile companies (Renault Samsung Motors, Hyundai Motor Company, GM, etc.)
  - A hub of digital industries with world-renowned brands
- Huge pool of the best human resources
  - MOUs with British Lancaster University and Royal Russell School (UK)
  - Massive market and highly skilled labor available from the nearby consumer market of 8 million
- A desirable city to live with beautiful natural landscapes and resort and leisure facilities
  - Landscapes: tourist and leisure complex composed of a golf course, leisure park, hotel operation, hotels, resorts, cafes and other facilities
- Center of global business
  - Global Campus Town
  - Attraction of foreign schools, medical centers and research centers
  - Convention, Hotel, Shopping mall, etc.
- Focusing on Tierport
  - Seaport/Busan New Port, Airport/Gimhae International Airport, Rail/East & West High-Speed Rail

Major projects & Tenant companies

- Project status and feature

<table>
<thead>
<tr>
<th>District</th>
<th>Outline</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Busan New Port</td>
<td>Area: ~143km², Development plan: Logistics, manufacturing equipment</td>
<td>Developing a major port of Northeast Asia and a regional distribution hub</td>
</tr>
<tr>
<td></td>
<td>Development plan: Logistics, manufacturing equipment</td>
<td>Developing a high-speed integrated distribution and port city to support the function of the port</td>
</tr>
<tr>
<td></td>
<td>Development plan: Logistics, manufacturing equipment</td>
<td>Contributing to the enhancement of the port distribution industry in the region</td>
</tr>
<tr>
<td></td>
<td>Development plan: Logistics, manufacturing equipment</td>
<td>Developing an advanced logistics and port city</td>
</tr>
<tr>
<td></td>
<td>Development plan: Logistics, manufacturing equipment</td>
<td>Developing a logistics and distribution center as a new port transportation complex</td>
</tr>
<tr>
<td></td>
<td>Development plan: Logistics, manufacturing equipment</td>
<td>Developing an industrial complex to attract high-tech industries</td>
</tr>
<tr>
<td>Master Plan</td>
<td>Development plan: Logistics, manufacturing equipment</td>
<td>Developing a logistics and distribution center as a new port transportation complex</td>
</tr>
<tr>
<td></td>
<td>Development plan: Logistics, manufacturing equipment</td>
<td>Developing an industrial complex to attract high-tech industries</td>
</tr>
<tr>
<td></td>
<td>Development plan: Logistics, manufacturing equipment</td>
<td>Developing an integrated distribution center</td>
</tr>
<tr>
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<tr>
<td></td>
<td>Development plan: Logistics, manufacturing equipment</td>
<td>Developing an integrated distribution center</td>
</tr>
</tbody>
</table>

- Major tenant companies

- Wilo Korea: Germany, manufacturing pumps and systems for building services and industrial applications
- Kookmin Auto Parts: Feeder, manufacturing automotive parts
- Mitsubishi Heavy Industries: Manufacturingandid of pumps and systems
- Hyundai Heavy Industries: Manufacturing and system of pumps and systems
- Daewoo Heavy Industries: Manufacturing and system of pumps and systems
- Samsung Heavy Industries: Manufacturing and system of pumps and systems
- Hyundai Motor Company: Manufacturing and system of pumps and systems
- Hyundai Glovis: Manufacturing and system of pumps and systems
- Daewoo Mension: Manufacturing and system of pumps and systems
- LG CNS Data Center: Korea Information services

Contacts

Homepage: http://www.bjfez.go.kr  |  Tel: 055-978-4000
Investment consultations: Busan 055-978-4241 / Gyeongnam 055-978-4261
Gwangyang Bay Area Free Economic Zone

Northeast Asia’s Finest Industrial Infrastructure

Strategically located at a key point along the main Pacific Ocean route, Gwangyang Bay features business-friendly infrastructure with an abundant supply of water and industrial sites. Divided into six zones for logistics, manufacturing, residence, tourism and other activities, Gwangyang Bay Area Free Economic Zone (GFEZ) strives to realize its vision as a global trade city where new industries exist in harmony with culture and tourism.

**Area**: 59.8㎢
**Population**: 80,000
**Development period**: 2004 to 2022

**Advantages**
- Best shipping logistics base in Northeast Asia
  - The Gwangyang Bay Area is located on the world’s largest China-North America sea route, as well as on the main sea routes of Northeast Asia and the Pacific Ocean.
  - The area is the busiest port in Korea to major ports in Northeast Asia, such as Shanghai, Hong Kong, Osaka, and Kobe, making it an ideal location for shipping transport.
  - The port has a maximum depth of 41 meters, allowing the entry and departure of mega vessels weighing more than 300,000 tons.
  - The port is positioned to be the starting point for overland transport between Northeast Asia and Europe, and between Northeast Asia and Central Asia when connected to the Trans-Siberian Railway, Trans-Manchuria Railway and Trans-China Railway.
- Excellent industrial infrastructure
  - The GFEZ has an internationally advantageous port handling 293 million tons of cargo a year.
  - It is equipped with excellent infrastructure and industrial complexes.
  - The city is adjacent to POSCO’s Gwangyang Steel Mill and the Overseas National Industrial District.
  - It features 8,000 high-quality teachers working in 18 educational institutions.
- Gateway to Northeast Asia via ports, airports, roads and railways
  - Four airports in Seoul, Incheon, Gwangyang and Ulsan are within 1 hour of the zone.
  - Metropolitan areas are reachable within 3 hours via five highways, eight roads and 11 local roads.
  - Natural seaports are reachable within 2-1/2 hours.
- Comfortable living environment
  - The area offers free education and facilities for both peoples through various schools.
  - It has a population of over 600,000 people with over 10,000 jobs for comfortable medical services.
  - The GFEZ is a comfortable living environment with cooperation with the local government.
  - It has abundant tourism and cultural resources, including Noseo Eco Ocean Park, Suncheon Bay National Garden, nine national and provincial parks and 270 natural and cultural heritage sites.

**Major projects & Resident companies**

**Project status and feature**

<table>
<thead>
<tr>
<th>District</th>
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<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gwangyu...</td>
<td>Development plan: International business logistics</td>
<td>Located on the main route from Asia to North America and Europe...</td>
</tr>
<tr>
<td>Yeosu...</td>
<td>Development plan: Steel, machinery, heavy and chemical industries</td>
<td>To build advanced steel manufacturing cluster and a new steelmaking plant...</td>
</tr>
<tr>
<td>Sindorim...</td>
<td>Development plan: Housing, factory, chemical, energy, and heavy industries</td>
<td>To build modern industrial complexes and the new steelmaking plant...</td>
</tr>
<tr>
<td>Hwaseong...</td>
<td>Development plan: International business logistics</td>
<td>Located in the heart of the harbor and connects to the main industrial complexes...</td>
</tr>
<tr>
<td>Gwangyang...</td>
<td>Development plan: Infrastructure, logistics, and tourism</td>
<td>To develop the region into a global logistics hub...</td>
</tr>
</tbody>
</table>

**Contacts**

Homepage: [http://www.gfez.or.kr](http://www.gfez.or.kr) | Tel: 061-760-6561 | Investment consultations: 061-760-6561

**Major resident companies**

- HYUNDAI Logistics
  - SMF Asset Investment KLP, a financial and manufacturing facility
  - Gwangyang Complex Logistics

- POSCO, Koryo Steel
- CTF, Korea Corvette Corp., Koryo Logistics
- HYUNDAI, Koryo Steel
- KOREA FINECHEMICALS
A hub of innovative growth of new industries in the future

The Gyeonggi Free Economic Zone (GGFEZ), located at the center of the West Coast Economic Belt, consists of three districts—the Pyeongtaek-Poseung (BX) District for high-tech, logistics, and distribution industries, the Hyesan-deok District, and the Sheung-Bueng District for the research and development of unmanned land/aerial vehicles.

**Advantages**

- **Largest knowledge-based manufacturing cluster in Korea**
  - Attracted around 9,300 global companies including Samsung Electronics, Hyundai Kia Motors, LG Display, Hyundai Steel, JM, Sempoa, Sanyo, and Bosch and more.
  - The area’s 11 semiconductor, microelectronics, and parts businesses account for about 60 percent of Korea’s knowledge-based manufacturing.

- **Forward base for exports to China and Northeast Asia**
  - The zone has the fastest access to China’s coastal industrial economic belt. (Distance from Pyeongtaek, Korea to Rongcheng, China: 398km)
  - It is close to Pyeongtaek port equipped with 63 berths which is directly connected to major ports in China and Southeast Asia.

- **Excellent proximity and investment environment**
  - It is connected to major highways and high-speed KTX railway.
  - Incheon International Airport andcheonju Airport are within two hours’ journey of Northeast Asia’s major cities.
  - It is near the enormous market of Seoul metropolitan areas and rich human resources.

- **Korea-China business valley**
  - The zone will develop the area into a hub for exchanges with China in commerce, tourism, medical services, and housing through investment by Chinese capital.
  - It will offer multifaceted facilities for international business, vacation and culture.
  - Center of the Yellow Sea Industrial Belt.

**Project status and feature**

<table>
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<tr>
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<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pyeongtaek BX</td>
<td>- Area: 3.25㎢, Development plan: Automotive parts, electronics, electronics, machinery.</td>
<td>- Automotive Component Complex, Value-added Logistics Machinery, Electronics, Chemical and more</td>
</tr>
<tr>
<td>Hyesan-deok</td>
<td>- Area: 2.2㎢, Development plan: Distribution, Commercial, Residential</td>
<td>- Northern Asia’s first and tourist hub and residential environment for foreigners</td>
</tr>
<tr>
<td>Sheung Bueng</td>
<td>- Area: 0.5㎢, Development plan: Unmanned ground/underwater/aerial vehicles, M&amp;G Manufacturing, advanced health industry</td>
<td>- Unmanned Mobile Vehicle, M&amp;G, Education, Biomedicine and more</td>
</tr>
</tbody>
</table>

**Neighboring resident companies**

- Samsung Electronics: Korea Electronics and semiconductor
- LG Innotek: Korea Materials and components
- Sanyo: Japan Electronics and electricity
- ENG Inc.: U.S. logistics
- Mitsubishi Motors: Japan Automobile

**Contacts**


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** GGFEZ **

** Gyeonggi Free Economic zone **

** Area:** 5.24㎢
** Anticipated population:** 34,000
** Development period:** Poseung, Hyesan-deok District: 2015 to 2020, Sheung Bueng District: 2020 to 2027
**Advantages**

- **Home to Korea's leading industrial clusters**
  - The DGF is at the heart of the "Auto Valley," connecting automotive electronics parts firms in Gumi, mechatronics in Daegu, and components in YoungSAN, Gyeongbu and Ulsan, shipbuilding in Busan and machinery and metal in Changwon.
  - Around Daejeon, it houses a semiconductor industry (POSIC, Hyundai Daejeon Steel), steel is produced.
  - It will have a 4.4 billion won state-supported medical cluster: New Drug Development Center, Medical Device Development Center, Laboratory Animal Center, Clinical Drug Manufacturing Center and Communication Center.
  - It has a 2% and Software industry cluster with firms for Samsung (Semiconductor, LG Display and Daewoo Systems).

- **R&D centers supporting new growth industries**
  - The zone has 135 R&D institutions including the Electronics and Telecommunications Research Institute, Korea Institute of Industrial Technology, and Korea Institute of Machinery & Materials.
  - It has two R&D specialties: Daegu Technopole and Yuseong Medical, CIGET and POSTECH.

**Rich human resources**

- There are 51 universities and colleges within the Daegu-Gyeongbuk region and 71,000 graduates including 10,000 in national science and engineering, enter the job market every year.
- It has 135 R&D institutions with 4,600 researchers.

**Major projects & Resident Companies**

<table>
<thead>
<tr>
<th>Project status &amp; feature</th>
<th>District</th>
<th>Outline</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Daengi Technopole</strong></td>
<td>- ULDU</td>
<td>- Development of automobile and ship components, electric machines, electric vehicles, green energy, and hospital industry, industrial robots, installation systems, telecommunication systems. - Information technology R&amp;D (Digital convergence products) for strategies emerging in science and engineering.</td>
<td></td>
</tr>
<tr>
<td><strong>Bukhansan Medical District</strong></td>
<td>- ULDU</td>
<td>- Development of medical products, biotechnology, stem cells, and medical industry - Medical facilities and medical complexes. - It has a new medical and regional medical complex for research and development of medical devices, research institutes, and medical facilities.</td>
<td></td>
</tr>
<tr>
<td><strong>Busan Medical District</strong></td>
<td>- ULDU</td>
<td>- Development of Indonesia medical and industrial medical towelling development, R&amp;D - Development of medical towers and medical facilities - It has a new medical facility and a new medical tower.</td>
<td></td>
</tr>
<tr>
<td><strong>International Innovation Park</strong></td>
<td>- ULDU</td>
<td>- Development of automobile and ship components, electronics, medical instruments, and medical R&amp;D - It has a unique medical complex (special hospital). - It is a large-scale medical complex (special hospital).</td>
<td></td>
</tr>
<tr>
<td><strong>Yongdungpo Industrial Park</strong></td>
<td>- ULDU</td>
<td>- Development of automobile and ship components, electronics, medical instruments, and medical R&amp;D - It is the center of Korea's leading companies. - It is a large-scale medical complex.</td>
<td></td>
</tr>
<tr>
<td><strong>Daejeon Industrial Park</strong></td>
<td>- ULDU</td>
<td>- Development of automobile and ship components, electronics, medical instruments, and medical R&amp;D - It is the center of Korea's leading companies.</td>
<td></td>
</tr>
<tr>
<td><strong>Cheongju Industrial Park</strong></td>
<td>- ULDU</td>
<td>- Development of automobile and ship components, non-medical materials, aerospace materials, medical devices, and commercial R&amp;D - It is the center of Korea's leading companies.</td>
<td></td>
</tr>
</tbody>
</table>

**Major Resident Companies**

- **KTM Co., Ltd.** - Korea Precision Multi-Tooling Machine
- **MR Innovation** - Korean Semi-Conductors, Bundy pasteurization
- **Alpha Air** - Korean Air (Air Conditioning, Control, Mechanical, Industrial, Construction, Machining Technology)
- **Regional Information** - Tokyo Electronics, Tokyo Machine, Machine Components
- **Health Korea** - Food processing and organic material in automobiles
- **Samyoung** - Korea,Korea, Korea, Korea, Korea
- **Korea TMC** - Korea, Korea, Korea, Korea, Korea
- **Hyundai Robocor** - Korea, Korea, Korea, Korea, Korea
- **Korea Machine, Korea, Korea, Korea, Korea
- **Samyoung** - Korea, Korea, Korea, Korea
- **Korea, Korea, Korea, Korea
EFEZ
East coast Free Economic Zone

High-end tourism and advanced materials industries right in the economic center of northeast Asia! East Coast Free Economic Zone

The EFEZ is a special economic area geared toward maximizing inward investment by offering economic autonomy to foreign-invested companies through the relaxation of regulations, offering tax incentives, and provision of convenient living environment and administrative services. Located in the East Sea area of Gangwon Province in an area where the living conditions for foreign workers have been improved, EFEZ is working to ensure that companies enjoy the freedom to engage in a broad range of business activities there. Located in the economic center of northeast Asia, EFEZ is focused on high-end marine tourism and the advanced parts industry, thanks to world-class development of a zone that combines the best of an international tourist city with key industrial facilities for advanced and ultrahigh materials and parts.

**Advantages**

- Creation of an ultrahigh nonferrous metals industrial cluster
- Ideal location for the advanced materials industry by leveraging both domestic and overseas resources
- Technical support provided through the nearby R&D center (Gangwon Technopark, RITECH-Gangwon Regional Office)
- Center of logistics and business in the northeast Asian economic area
- It is a logistics hub connecting to several major cities in Japan, Russia, and China
- The population of the East Sea economic area is estimated to be 306 million
- The economic size of the region is expected to grow to $12.9 trillion by 2020, which is 51 percent of that of the FCL
- Provides optimal conditions for building a sustainable tourism city
- The clearest sea, the greatest forests, and the best air quality in Korea
- Becoming an attractive investment region for companies doing business in the Northern Economic Zone (an area that includes the three Northeastern Provinces in China, the Far Eastern region of Russia, the Korean Peninsula, and part of Japan), the only economic free zone on the east coast
- Favorably positioned to attract tourists from the northeast Asian areas of China, Japan, and Russia (The clearest sea, the greatest forests, and the best air quality in Korea)

**Major projects & Resident companies**

**Project status and feature**

<table>
<thead>
<tr>
<th>District</th>
<th>Outline</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Busan Port</td>
<td>• Area: 6.9 km² • Development plan: Hub of logistics business in the East Sea region, industrial hub of advanced materials and parts</td>
<td>• Single sales and imports at East Sea logistics business hub • To develop industrial complex for advanced materials and parts • Leading companies related to nonferrous metals industry (Dongbuk Metal, LS Cable &amp; System, etc.)</td>
</tr>
<tr>
<td>Gugyeong International Business Free City</td>
<td>• Area: 3.5 km² • Development plan: Hotel &amp; resort, residences, health care &amp; healing facilities, foreign educational institutions, etc.</td>
<td>• To develop as an international complex tourist city • To be a central hub of business and recreation in Northeast Asia • To combine provincial local attractions in connection with East Sea</td>
</tr>
<tr>
<td>Orye High-tech material parts convergence and integration complex</td>
<td>• Area: 0.9 km² • Development plan: Cluster of ultrahigh material industries, R&amp;D complex for advanced materials</td>
<td>• Cluster of advanced materials industries, using plentiful local resources • Leading companies related to nonferrous metals industry (Dongbuk Metal, Teramoly production is world’s second largest)</td>
</tr>
</tbody>
</table>

**Contacts**

- **Homepage**: [http://www.efez.go.kr](http://www.efez.go.kr)
- **Tel**: 033-439-7600
- **Investment consultation**: 033-439-7665 / 7663

**Major companies**

- Dongbuk Metal • Ferromoly production (Korea)
- LS Cable & System • Submarine power cables production (Korea)
- POSCO • Lithium and copper rolled production (Korea)

**Area**

- 4.8km²

**Anticipated population**

- 13,000

**Development period**

- 2013 to 2024
Center of Korea’s transportation
- The zone has access to the Seoul metropolitan area in one hour and other parts of the nation in two hours.
- Seven highways pass through the zone, Daejeon Station, the only station where the Gyeongbu Line intersects with the Hwasung Line, connects all parts of the county.
- Cheongju International Airport, the hub of the central region, is nearby.
- Cheongju International Airport is the only airport that route 24 hours for freight air carriers.
- The CBFEZ has access to major Asian countries such as China and Thailand within one to three hours.
- It takes 10 minutes to get to Daejeon City, the new administrative capital of Korea, and one hour to get to Pusan or Incheon, the center of marine logistics from the zone.

Fostering the future high-tech aviation industry
- Hub of the aviation industry (IBT Focus, Aerospace, Engineering, ENM Tech., etc)
- Human Resources for the Aviation Industry (Korea exports every year from 5,000 and 1 major high school)
- Integrated with Korea’s biggest R&D centers around Cheongju International Airport/International Science Business Park, Daedeok Research Town, Ochang Science Industrial Complex, etc.

Korea’s only bio hub with one-stop support for all industrial processes
- Cheongju Bio-Health Science Complex is Korea’s only bio-complex built by the government. Cheongju high-tech Medical Complex has ideal human resources and infrastructure to develop new medicines and advanced medical devices. This zone also has a biomedicinal administration town where six main institutions in health and medical services, such as the Ministry of Food and Drug Safety are located.
- It has 4 major government research facilities and national biomedicinals like NKB.
- It can offer one-stop support for all stages of bio-manufacturing from clinical trials to approval to manufacturing and marketing.
- It is home to more than 60 biomedical companies, 120 bio-related company-affiliated research centers and three universities specialized in biotechnology.

Major resident companies
- National Biosciences Korea, Bio–Industry
- National Center for Medical Information and Knowledge, Korea medical research
- National Center for Stem Cell and Regenerative Medicine, Korea managing stem cell resources and research information
- Civiomed Korea, Korea Medical technology and services

Contact
Homepage: http://www.cbfez.go.kr | Tel: 043-290-8932 | Investment consultations:
Cheongju Bio Valley: 043-290-8932 | Cheongju Aéroport: 043-290-8932
Gwangju Free Economic Zone

A hub of new convergence industries based on win-win approach and AI

The Gwangju Free Economic Zone (GJFEZ) is growing as a base for global new industries, such as AI, future cars, and smart energy, through the localized industrial upgrading, innovative growth, and job creation program tailored to the local conditions of Gwangju.

Major Projects & Resident companies

- **Advantages**
  - **Innovative city**
    - Gwangju’s talents and industry are creating a new paradigm of management culture and job creation.
  - **Fourth industrial revolution projects**
    - The Energy Industry Convergence Complex makes Gwangju a perfect location to become a base of Korea’s new energy industries and convergence between energy and other industries.
    - Gwangju has been designated as a regulatory Free zone for unmanned Low Speed Special vehicles and green energy LST development.
    - The Artificial Intelligence Industry Convergence Complex offers advanced infrastructure, such as big data centers.
  - **Abundant high-quality manpower and innovative institutions**
    - Gwangju Institute of Science and Technology’s Graduate School of Artificial Intelligence, and Gwangju Artificial Intelligence Academy.
    - KEPCOTech: a university specialized in energy, to be established in March 2022.
    - 4 research institutes, 8 supporting institutions, and 9 educational institutions located in the downtown area.
  - **A pleasant and livable city**
    - The National Asian Cultural Center: a window into the culture of Asia.
    - A pleasant living environment for the employees of resident companies.

- **Project status and feature**

<table>
<thead>
<tr>
<th>District</th>
<th>Outline</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Future automobile industry district</td>
<td>Area L4/A6F</td>
<td>Development plan: Finished car factory (Gwangju Auto) job creation program, Advanced parts and materials, Automotive R&amp;D Center, Industry-Academy Convergence Center</td>
</tr>
<tr>
<td>Convergence District</td>
<td>Area L4/6</td>
<td>Development plan: Future-centered R&amp;D research industrial complexes</td>
</tr>
</tbody>
</table>

- **Major resident companies**
  - Gwangju Global Motors: Korea_Automobile
  - LS ELECTRIC: Korea_Smartenergy
  - Envision PMP: U.S._Artificial Intelligence (energy big data)
  - Artificial Intelligence Industry Cluster Agency: Korea_Artificial Intelligence
  - Ecofriendly car parts cluster: Korea_Automobile
  - Korea Electrotechnology Research Institute (Gwangju branch): Korea_Smartgrid

<table>
<thead>
<tr>
<th>Area</th>
<th>4,371 ha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population</td>
<td>29,249 people</td>
</tr>
<tr>
<td>Business period</td>
<td>2020 – 2025</td>
</tr>
</tbody>
</table>

Contacts

- Homepage: [http://www.gwangju.go.kr](http://www.gwangju.go.kr) | Representative number: 0624134023 |
- Investment Consultation: 041-613-4043 | Vehicle: 062-413-6061 | Energy: 062-413-6072
An energy hub of Northeast Asia! A driving force of Ulsan! The future of Korea!

The Ulsan Free Economic Zone (UFEZ), located near the downtown area of Ulsan and a KTX station, is comprised of three districts specialized in hydrogen-based energy industries with a total area of 477ha. The UFEZ is growing as an energy hub of Northeast Asia on the back of well-established automobile, shipbuilding, petrochemical infrastructure, innovative infrastructure that supports global companies and maneuver and clusters of various industries.

**UFEZ**

**An energy hub of Northeast Asia! A driving force of Ulsan! The future of Korea!**

The Ulsan Free Economic Zone (UFEZ), located near the downtown area of Ulsan and a KTX station, is comprised of three districts specialized in hydrogen-based energy industries with a total area of 477ha. The UFEZ is growing as an energy hub of Northeast Asia on the back of well-established automobile, shipbuilding, petrochemical infrastructure, innovative infrastructure that supports global companies and maneuver and clusters of various industries.

<table>
<thead>
<tr>
<th>Area</th>
<th>477ha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Planned population</td>
<td>21,000 people</td>
</tr>
<tr>
<td>Business period</td>
<td>2020 ~ 2030</td>
</tr>
</tbody>
</table>

**Advantages**

- A business-friendly city
  - Large companies in automobile, shipbuilding, and petrochemical industries
  - National Bio Cluster, Samsung, Hyundai, Hyundai Heavy Industries, SK Innovation, Sarens, etc.
  - Public institutions and research institutes related to the chemical and electronic industry
  - Korea ARPF: H.E.E.P. demonstration Center: Energy Economics Research Institute, etc.
  - Ulsan Port, the world’s fourth largest liquid cargo handling port, has a capacity to store large volumes of liquid cargo.

**Hydrogen (energy) industry innovation ecosystem infrastructure**

- The city announced a vision of the "2050, World’s Best Hydrogen City!!" and 10 projects on August 29, 2020.
- Half of hydrogen hydrogen in Korea is produced in Ulsan (400,000 tons)
- A 150km-long hydrogen pipeline, 86% of hydrogen pipelines in Korea and 10 hydrogen charging stations.
- The world’s largest hydrogen town (140 units)

**Conditions for fostering new growth industries based on eco-friendly green new deal special economic zones**

- "The Hydrogen Green Mobility Free Regulatory Zone" to lead the hydrogen economy.
- A stable of 1,000 hydrogen fuel cell vehicles: Hydrogen ships, high-efficiency hydrogen supply systems
- "The Genome Service Industry Free Regulatory Zone" to lead the bio industry
- A stable of 1,500 hydrogen fuel cell vehicles: Hydrogen supply systems, hydrogen fuel cells
- "The Small Giants R&D Special Zone" to establish industry innovation clusters
- A stable of 1,000 hydrogen fuel cell vehicles: Hydrogen supply systems, hydrogen fuel cells
- "The Nuclear & Hydrogen Power Plant Decommissioning Energy Industry Convergence Complex" to lead the nuclear and hydrogen industry
- A total area of 500ha to develop a hydrogen industry

**Hydrogen (energy) R&D support organizations**

- The NanoConvergence Hydrogen Energy Convergence Technology Research Center: Research, development, and demonstration of hydrogen power plant technology
- The Hydrogen Park Demonstration Center: Development and demonstration of hydrogen fuel cells
- The Korea Institute of Energy Research: Research and development of hydrogen fuel cells

**Project status and feature**

<table>
<thead>
<tr>
<th>District</th>
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</thead>
<tbody>
<tr>
<td>Hydrogen Industry Base District</td>
<td>Area: 127ha</td>
</tr>
<tr>
<td>Development site: Hydrogen industry (fuel cell)</td>
<td></td>
</tr>
<tr>
<td>Electrification Auto Valley</td>
<td>Area: 23ha</td>
</tr>
<tr>
<td>Development site: Electric industry (smart city)</td>
<td></td>
</tr>
<tr>
<td>R&amp;D Business Valley</td>
<td>Area: 23ha</td>
</tr>
<tr>
<td>Development site: Hydrogen industry (fuel cell)</td>
<td></td>
</tr>
</tbody>
</table>

**Details**

- Technical demonstration for the Hydrogen industry and cluster: development of research institutes
- The leading city in the hydrogen economy
- Supporting hydrogen vehicle parts production facilities: Creation of eco-friendly automotive parts cluster

**Major companies attracting domestic and foreign investment**

- **Hydrogen Industry Base District**
  - Hyundai Motor
  - Hyundai Heavy Industries
  - Hyundai Motor

- **Electrification Auto Valley**
  - Samsung
  - LG
  - LG Electronics

- **R&D Business Valley**
  - Hyundai Motor
  - Hyundai Heavy Industries

**Contacts**

- Homepage: [http://www.ulsan.go.kr](http://www.ulsan.go.kr) | Representation number: 053-120
Korean Free Economic Zones