KOREA NATIONAL FOOD CLUSTER
Perfect Partner for Your Food Business
Strong point of investment in Korea
Favorable Geostrategic Location for Trade

- Access to 60 major cities with 1M population in 2 hour flight range
- Complete 1-day travel transportation connection to China, Hong Kong and Japan
- Rapidly emerges as a major logistics zone in the world along with Europe and North America
Strong point of investment in Korea

Superb Transportation Infrastructure

Incheon International Airport and Incheon Seaport, a logistics hub in Northeast Asia

• The Incheon International Airport is ranked the world’s No. 2 in cargo volume.
• The region rapidly emerges as a major logistics zone in the world along with Europe and North America.
• After the completion of the Honam High-Speed Railroad (KTX) in 2014, access to major cities (Seoul, Daejeon, etc) within 1 hour.
Strong point of investment in Korea

Global Trade Conditions

- Korean government concluded **FTAs with 44 countries** that represent EFTA, ASEAN and EU.
- FTA implementation and negotiation are underway with major countries around the world such as the U.S and New Zealand.
- Korea became a member of **GATT** in 1967, a member of **WTO**, and a member of **OECD** in 1996.
Strong point of investment in Korea

Best Environment for Managing Businesses

Evaluation of business environment in Korea

- Inducing Human Talented Work Force (2nd)
- Improving Customer Satisfaction (3rd)
- Entrepreneur mind of Managerial (6th)
- Attitudes toward Globalization (8th)

Sovereign credit rating of Korea showing steady growth

- Standard & Poor’s: A
- Fitch: A+
- Moody’s: A1
Strong point of investment in Korea

Korea tops the world for Internet Penetration

• Korea’s mobile broadband penetration rate is 89.8%, placing the country on the top of the list all across the globe (OECD announcement in June 2011)

*** Average penetration rate for OECD countries: 41.6%.

• Korea ranks No. 1 among 152 countries in the Information Communication Technology (ICT) development index (use, skills, access).
Korea’s strong zeal for education and excellent human Resources highly recognized by US President Obama

“Our children _ listen to this _ our children spend over a month less in school than children in South Korea every year,”

“That’s no way to prepare them for a 21st-century economy.”

from US President Barack Obama’s speech (the U.S. Hispanic Chamber of Commerce.)

The Highest University Graduation Rate
(OECD average 35%)

- Canada
- New Zealand
- Ireland
- Belgium
- USA

‘Zeal for Education’ 2nd highest across OECD
(OECD average 34.2%)

- Canada
- Korea
- Russia
- Japan

**OECD 2010 Educational indicators**
• The 22% of corporation tax is quite competitive comparing to other major cities in Asia.
Outstanding investment environment of Korea

Strong point of investment in Korea

- Korea’s labor cost is only about 40 percent of that of Japan.
- Korea is highly competitive compared to China in terms of the cost to be borne to educate/train the Chinese workforce.
- The lowest land lease cost / business-friendly policy
- Low utility (electricity, tap water) costs.
Korea National Food Cluster, FOODPOLIS
- The New Center of Food Industry
At a Glance

Location

- Iksan, Jeollabuk-do, Korea
  - Adjacent to the places of a variety of agricultural produce as a breadbasket
  - A city of tourism with historical and cultural heritage

Phase II (2012-2015)
Create an R&D industrial complex specialized in food (Food Science Park)- 2,320,000㎡(232ha)
- Construct a residential complex (Food City)- 1,260,000㎡(126ha)

※ Phase III (2016~2025)
- Implementation to be determined based on the evaluation of demands At the completion of Phase II

Scale

- **Total project budget**: USD 440 million (KRW 553.5 billion)
- **Size of land**: 3,580,000㎡(358ha)
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Connection with Surrounding Area & Traffic

- Incheon int’l airport (170mins)
- Incheon port (150mins)
- Pyeongtaek port (100mins)
- Honam High-Speed Railroad (KTX)
- West Coast Highway
- Gunsan port
- Gunsan Airport
- Gwangju airport (70mins)
- Mokpo
- Gwangju
- Gwangyang
- Jeonju
- Daegu
- Pohang
- Iksan-Pohang Highway
- Gunsan Airport (50mins)
- Gunsan port (50mins)
- Saemangeum new port (50mins)
- Jeonju
- Jeonbuk Innovation City
- Honam Expressway
- Nonsan-Cheonan Expressway
- Taehwa River
- Sejong Special Autonomous City
- Roheong
- Iksan-Jangsu Highway
- Gurye
- Iksan IC
- Gunsan
- Gwangyang
- Mokpo
- Gwangju
- Jeonju
- Pohang
- Iksan-Pohang Highway
- Gunsan
- Gunsan Airport
- Incheon
- Incheon port
- Pyeongtaek port
- Seoul
- Daejeon
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Connection with Surrounding Area & Traffic

- Port (Gunsan Port), Airport(Gusan Airport), Railroad(Honam High-Speed Railroad(KTX), Highway(Honam & West Coast Highway)

Favorable for inter-regional/global trade
The plan is to establish a 2,320,000 m² (232ha) national industrial complex specialized in food by 2017.

- Attract some 150 global food companies and 10 research institutes
- 6 government-support facilities such as 3 major R&D centers to reside in the complex

The residential area will have housing, healthcare, education and food-culture related facilities.
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Industrial Estate (Food Science Park) Plan

1. Enterprise Support Facilities Zone (10ea)
2. Private Research Facilities Zone (10ea)
3. Future Strategic Food Zone (50ea)
4. Foreign Investment Zone (30ea)
5. Logistics & Distribution Zone (5ea)
6. Unreclaimed Land Development Zone (15ea)
7. General Food Zone (50ea)
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Residential Area (Food City) Plan

1. Housing Zone
   - **Main Facility**: Foreigner’s Residence, Town House, Hanoak Village and Apartment etc., the advanced Housing
   - **Characteristics**: Giving Priority for Foodpolis employees

2. School Zone
   - **Main Facilities**: Ele • Mid • High, Under(Post) Graduate Schools
   - **Characteristics**: Creating Educational Environment which enables Global Education and Talented Education such as international Schools

3. Food Culture Complex Zone
   - **Main Facilities**: Food Exhibition & Taste Center, Global Food Center, Food Museum, 8 Province local food Center etc.
   - **Characteristics**: Four Season Food- Culture Event (Exhibition, Tasting, Visit etc.)

4. Food Commerce Zone
   - **Main Facilities**: Convention & Food Distribution Zone, Making Central Business Area
   - **Characteristics**: Korean Food street, Global Food Street etc.

5. Food Theme Park Zone (Theme Park +Urban Farm)
   - **Main Facilities**: Global Food Theme Park, Urban Farm, Outdoor Festival Arena etc.
   - **Characteristics**: Exhibition & Residential Food Holiday Center
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A bird’s-eye view
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6 H/W Facilities for Research and Companies

**Food functionality evaluation center**
- A specialized food functionality evaluation agency with high standards similar to those of advanced countries
- A one-stop support service for evaluating food functionality

**Food Quality and Safety Center**
- Implements 9 food safety-related legal regulations
- Institute Managing Taste Quality such as Flavor and smell at High Standard

**Rental/Lease Plants**
- Provides production space at a reasonable cost
- Nurtures food companies by utilizing new technologies such as IT and nanotechnology

**Agency for Korea National Food Cluster**
- Serves as a networking coordinator between local/global businesses and laboratories
- One-stop support for investments, businesses and laboratories
- Comprehensive management of the cluster

**Food packaging center**
- An R&D center focusing on state-art-of packaging technologies
- Prompt process of analyzing and testing food packaging upon business request
- Specialized workforce training by providing education/training and consulting

**Pilot Plant**
- The aim is to establish a world-class pilot plant.
- Produces/testis prototypes and trials

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Program to Enforce Power of Food Company (S/W)

Strengthening Food Businesses & Combined Growth
“Improving Food Businesses competitiveness · Increased Agro-Fish Income”

- Develop High Value-Added R&D Networks
- Serve as a food export base
- Help food companies develop export markets
- Create a logistics support system for companies in residency
- Promote Shared Growth between Agricultural/Fisheries and Food Industries
- Globalization of K-Food and making food The sixth industry
- Build a structure for shared growth
- Alleviate management burdens of food companies and strengthen their competencies
- Improve Food Business Competencies and Nurture Talents
- Support for talent attraction and nurturing by companies in residency
- Tripartite (industry-academia-research) network development
- Food product commercialization R&D support
- Functional product development and promotion
- Establish a global food processing trade base

S/W Programs
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Food Intelligence Belt

- Korea Food Research Institute
- Rural Development Admin.
- Nat’l Institute for Horticultural & Herbal Science
- Nat’l Academy of Agricultural Science
- Nat’l Institute of Animal Science
- Hankook Institute of Life Science-Jelloa office
- Korea Institute of Toxicology-Jeongeup office

- Jeongeup (Atomic Energy Research Institute, +2)
- Gochang (Gochang Blackrasberry Institute, +1)

- Seoul National Univ.
- Yonsei Univ.
- Korea Univ.

- Global food companies, R&D centers
- Local private companies, Research institutions
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Integrated System

- Technology
  - Food Functionality Evaluation Center
  - Food Quality and Safety Center
  - Food Packaging Center
  - Pilot Plant

- H/W
  - Rental plants
  - Agency for Korea National Food Cluster

- R&D Support
  - Functional product R&D support
  - High value-added food product R&D SUPPORT
  - Strengthen networks

- Export Support
  - Establish a processing trade base
  - Develop food export markets
  - Create a food logistics system

- Support in Shared Growth
  - Shared growth between agricultural/Fisheries and food industries
  - Provide support to make food the sixth industry

- Competency Enhancement
  - Help companies in residency to nurture talents
  - Financial/consulting assistance for companies in residency
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Optimal R&D network environment

1. Atomic Energy Research Institute
2. Gochang Blackrasberry Institute
3. Hankook Institute of Life Science-Jeolla office
4. Korea Institute of Toxicology- Jeongeup office
5. Nat’l Institute for Horticultural & Herbal Science
6. Korea Food Research Institute
7. Nat’l Institute of Animal Science
8. Rural Development Admin.
Incentive Programs
Incentive Programs

Customized incentives for business

- Foreign Investment Zone / Tax
- Subsidy
- Business Support
- Top resident environment

- Clean & green city
- Natural sceneries that change with 4 seasons
Incentive Programs

Foreign Investment Zone (FIZ)

Federal tax
- 100% exemption for the first three years, 50% reduction for following 2 years

Local tax
- (Acquisition tax, registration tax and property tax) 100% exemption for 15 years

Tariff exemption
- Exemption applied to capital goods inflow raised from the acquisition of new stocks

Free Land Lease
- Land lease benefits (for free of charge or at least 50% reduction) for 50 years, duration extendable (up to 100 years)
Incentive Programs

Subsidy

**Investment Subsidy**
- **Jeollabuk-do(Province):** USD 4,320,000 of the maximum in 50% of the investment amount If invest over USD 10 million
- **Iksan(City):** USD 4,320,000 of the maximum per a company in 50% of the investment amount If invest over exceeds USD 860,000
  (**Not support dually to the subsidy for the industrial location and the investment)**

**Employment Subsidy**
USD 430 per person for 6 months, USD 430,000 per a company

**Educational Training Subsidy**
- **Jeollabuk-do(Province):** USD 90 ~ 430 per person for 6 months, USD 430,000 per a company
- **Iksan(City):** USD 520/month per person for 6 months, USD 170,000 per a company

**Consulting Cast Subsidy**
- With 1% of final investment amount, within the limits of USD 88,000
Incentive Programs

Business Support

- Designated as a bonded area, streamlined customs procedures
- Use of 6 main (hardware) facilities before move-in
- 10 business support programs (software)
- Provision of support for attracting investment and legal support by allocating PMs for individual investors (support center · local government) that provide one-stop administration services for potential residents
- Easing of administrative inconvenience for potential residents
- Exemption of traffic occurrence charges when constructing facilities within the FIZ
Incentive Programs

Top Resident Environment

• Residential area (rent) exclusively for non-Koreans
• Guesthouses (rent) for non-Koreans for short-term stay
• Education facilities and services including international schools
• Provision of clean drinking water and water for Food companies
• Clean & green city
• Natural sceneries that change with 4 seasons
We’ll be perfect partner for your food business