The Core of The Energy Industry in Korea

Bitgaram Energy Valley
I. Full of Life, Jeollanamdo

II. The Current State of Energy Industry and Development Plans

III. Bitgaram Energy Valley

IV. Business Supports and Investment Incentives

V. Investment proposals
I. Full of Life, Jeollanamdo
Introduction of Jeollanamdo
Introduction of Jeollanamdo

Population: 1,930 thousand
Area: 12,309 km²
Administrative District:
- Cities: 5
- Towns: 17
Introduction of Jeollanamdo

Gross Agricultural Output (2016)

US$ 6.2 billion
(24% of the whole country)

*Source: National Statistical Office (NSO)

Gross Fisheries Output (2016)

US$ 1.9 billion
(31.5% of the whole country)

*Source: National Statistical Office (NSO)

Tourists at Jeollanamdo (2016)

39.68 million people
(The 2nd of the whole)

*Source: Korea Culture & Tourism Institute

A Clear and Mild Climate

- 2,138 Sunshine hours every year
- Average temperature: 14°C
  (*National average: 12.9°C)
The Main Industry of Jeollanamdo

The Amount of Production of The Main Industry in Jeollanamdo

**Chemistry**
(US$ 80.4 billion)

**Steel**
(US$ 22.3 billion)

**Shipbuilding**
(US$ 6.3 billion)

*Source: National Statistical Office (2016)*
The Main Industry of Jeollanamdo

Development of New Growth Power Industry in Jeollanamdo

- Bio Industry
- Energy Industry
- High-tech Industry

Pushing ahead with enhanced industrial structure and business diversification to strengthen competitiveness!
II. The Current State of Energy Industry and Development Plans
### The Change of Giant Market, Global Energy Industry

#### Cumulative Investment in The Power Sector by Region and Type in The New Policies Scenario, 2016–2040

<table>
<thead>
<tr>
<th></th>
<th>2016 – 2025</th>
<th>2026 – 2040</th>
<th>2016 – 2040</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Fossil fuels</td>
<td>Nuclear</td>
<td>Renewables</td>
</tr>
<tr>
<td><strong>OECD</strong></td>
<td>285</td>
<td>222</td>
<td>1,115</td>
</tr>
<tr>
<td><strong>Non-OECD</strong></td>
<td>863</td>
<td>307</td>
<td>1,429</td>
</tr>
<tr>
<td><strong>World</strong></td>
<td>1,148</td>
<td>529</td>
<td>2,544</td>
</tr>
</tbody>
</table>

US$ Billion

*Source: IEA, World Energy Outlook(2016)*

#### Global Cumulative Investment in The Power Sector by Type in The New Policies Scenario, 2016–2040

- **Power plants**
  - 7.0 Trillion
    - Other: 0.5 Trillion
    - Bioenergy: 0.6 Trillion
    - Hydro: 1.7 Trillion
    - Solar: 1.8 Trillion
    - Wind: 2.4 Trillion

- **Infrastructure**
  - 8.1 Trillion

*Source: IEA, World Energy Outlook(2016)*
The Current State of Energy Industry in Korea and The Plan for Development

Energy Landscape and Policies in Korea

“Will develop the new energy industry into Korea’s next growth driver”

- Keynote address by President of the Republic of Korea at the 21th UN Framework Convention on Climate Change (30 Nov 2015) -


Vision
The world’s 1st Nation in Energy Solution System

Goal
Creating US$ 100 billion growth engine with 500,000 new jobs
Reducing greenhouse gas emission by 55 million metric tons


Public and private investments of US$ 16.5 billion

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>• 50 Energy Independent Islands</td>
<td>• Industrial Land of 3.3 Million m²</td>
<td>• Renewable Energy</td>
</tr>
<tr>
<td>• EV Industry</td>
<td>• Skilled Labor of 6,700 Individuals</td>
<td>Self-sufficiency Rate</td>
</tr>
<tr>
<td>• Energy City</td>
<td></td>
<td>4%→30% by 2025</td>
</tr>
</tbody>
</table>
### The Tendency of Supply and Demand in Domestic Electricity Industry

<table>
<thead>
<tr>
<th>Division</th>
<th>`16</th>
<th></th>
<th>Outlook of `17</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Amount</td>
<td>Rate of Percentage(%)</td>
<td>Amount</td>
<td>Rate of Percentage(%)</td>
</tr>
<tr>
<td>Production(US$ million)</td>
<td>39,066</td>
<td>- 2.8</td>
<td>40,101</td>
<td>2.7</td>
</tr>
<tr>
<td>Export(US$ million)</td>
<td>13,089</td>
<td>- 6.7</td>
<td>13,861</td>
<td>5.9</td>
</tr>
<tr>
<td>Import(US$ million)</td>
<td>10,786</td>
<td>- 5.9</td>
<td>11,109</td>
<td>3.0</td>
</tr>
<tr>
<td>Trade balance(US$ million)</td>
<td>2,303</td>
<td></td>
<td>2,752</td>
<td></td>
</tr>
</tbody>
</table>

*Source: KOREA Electricity Industry Association*

### Facility Investment Plan of Energy Industry

(Unit: US$ million)

<table>
<thead>
<tr>
<th>Year</th>
<th>Transmission and distribution facility</th>
<th>Nuclear power generation facility</th>
<th>Thermal power generation facility</th>
<th>New and renewable generation facility</th>
<th>Etc (IT/Intangible asset)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013(A)</td>
<td><img src="image1.png" alt="Graph" /></td>
<td><img src="image2.png" alt="Graph" /></td>
<td><img src="image3.png" alt="Graph" /></td>
<td><img src="image4.png" alt="Graph" /></td>
<td><img src="image5.png" alt="Graph" /></td>
</tr>
<tr>
<td>2014(A)</td>
<td><img src="image6.png" alt="Graph" /></td>
<td><img src="image7.png" alt="Graph" /></td>
<td><img src="image8.png" alt="Graph" /></td>
<td><img src="image9.png" alt="Graph" /></td>
<td><img src="image10.png" alt="Graph" /></td>
</tr>
<tr>
<td>2015(A)</td>
<td><img src="image11.png" alt="Graph" /></td>
<td><img src="image12.png" alt="Graph" /></td>
<td><img src="image13.png" alt="Graph" /></td>
<td><img src="image14.png" alt="Graph" /></td>
<td><img src="image15.png" alt="Graph" /></td>
</tr>
<tr>
<td>2016(E)</td>
<td><img src="image16.png" alt="Graph" /></td>
<td><img src="image17.png" alt="Graph" /></td>
<td><img src="image18.png" alt="Graph" /></td>
<td><img src="image19.png" alt="Graph" /></td>
<td><img src="image20.png" alt="Graph" /></td>
</tr>
<tr>
<td>2017(E)</td>
<td><img src="image21.png" alt="Graph" /></td>
<td><img src="image22.png" alt="Graph" /></td>
<td><img src="image23.png" alt="Graph" /></td>
<td><img src="image24.png" alt="Graph" /></td>
<td><img src="image25.png" alt="Graph" /></td>
</tr>
</tbody>
</table>

*Source: KOREA Electricity Industry Association*
III. Bitgaram Energy Valley
Introduction of Bitgaram Energy Valley

Bitgaram Energy Valley (BEV)

Constructs **Smart Energy Hub** creating future values by making industrial ecosystem concentrated on power, new energy industry, new and renewable energy, ICT convergence industry around the **Bitgaram Innovation City**
Introduction of Bitgaram Energy Valley

Bitgaram Energy Valley (BEV)

Constructs Smart Energy Hub creating future values by making industrial ecosystem concentrated on power, new energy industry, new and renewable energy, ICT convergence industry around the Bitgaram Innovation City.
Introduction of Bitgaram Energy Valley

The Vision and Strategy of Bitgaram Energy Valley

Glocal Energy Hub Creating Future Value

**Attraction of the energy business leading technology & mutual growth**
- Building environment to attract business
- Intensive transfer of related companies
- Building energy industrial ecosystem
- Improvement of regulation related to investment

**Expansion of R&D cooperation & training for high skilled manpower**
- Building R&D infrastructure
- Development of convergence R&D task
- Strengthening foundation of training talented individuals
- Training high skilled manpower in energy

**Promotion a growth engines industry with specialized company**
- Building Test-bed
- Provision of track record

**Reinforcement communications of communities & promotion co-living developments**
- Social contributions for shared values
- Reinforcement of the communication with communities
- Building co-living developmental system by the activation of local economy
KEPCO, A Leading Bitgaram Energy Valley Company

Introduction of KEPCO


- **Year of establishment**: 1898
- **The number of employees**: 20,603
- **A subsidiary company**
  - 13 companies including Korea, Hydro & Nuclear Power and Korea South-East Power
- **Overseas branch**
  - 7 branches including Beijing and New York

- **Sales**: US$ 60.2 billion
- **Operating profit**: US$ 12.2 billion
- **Total amount of market price**
  - US$ 28.3 billion (KOSPI No.4)
  *1st Samsung (US$ 254 billion), 2rd SK hynix (US$ 32.5 billion), 3rd Hyundai (US$ 32.3 billion)*
Main Technical Development Field of Bitgaram Energy Valley

New Technology
- ESS (Energy Storage System)
- EV (Electric Vehicle)
- Micro-Grid: Product of electronic power in small areas ↔ consumption system
- New and renewable energy: Wind Power (on land or at sea), solar energy (advancement of technology)
- HVDC (High Voltage Direct Current)

Advancement of Technology
- Transformer of power transmission and distribution: Ecofriendly, high efficiency, transformer of self diagnosis system
- Switch blocking device: Ecofriendly, High speed, highcapacity switch, blocking device
- Superconducting wire with highcapacity and low loss, cable, insulator

ICT Technology
- Intelligent ICT electricity system: A construction of electrical grid and optimization of operating systems
- ICT infrastructure and safety: Self Communications network and management technology of communications network
- Diagnosis of utility based ICT and additional service: A diagnosis of power utility and operating skills

DR/EE Technology
- DR (Demand Response): Energy Management system, automatic demand response system, the largest management system for electric power
- EE (Energy Efficiency): High efficiency inverter, premium motor, high efficiency refrigerator
## KEPCO’s Promotion for Energy Growth Engines Industry

### Bitgaram Energy Valley Investment Plan (2016 – 2020)


(Unit: US$ million)

<table>
<thead>
<tr>
<th>Division</th>
<th>Business Contents</th>
<th>Business Expenses by Year (’16~’20)</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>New energy industry</td>
<td>13 businesses including ESS for F/R, EV charge, new generation, etc</td>
<td>3,833.8 2,190.9 333.2 274.8 268.9</td>
<td>6,901.6</td>
</tr>
<tr>
<td>Transmission and transformation of electric power</td>
<td>5 businesses including HVDC superconduction, etc</td>
<td>294.4 290.9 129.9 195.9 153.5</td>
<td>1,064.6</td>
</tr>
<tr>
<td>Electric power distribution</td>
<td>7 businesses including DC electric power distribution, facility management for IoT utility</td>
<td>332.2 155.1 183.9 195.6 227.5</td>
<td>1,094.3</td>
</tr>
<tr>
<td>ICT</td>
<td>3 businesses including big data utility and smart office, etc</td>
<td>11.1 23.0 35.1 32.3 32.2</td>
<td>133.7</td>
</tr>
<tr>
<td>R&amp;D</td>
<td>3 businesses energy including prosumer technology, etc</td>
<td>102.4 162.2 229.1 239.1 217.9</td>
<td>950.7</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td>4,573.9 2,822.1 911.2 937.7 900.0</td>
<td>10,144.9</td>
</tr>
</tbody>
</table>
KEPCO’s Promotion for Energy Growth Engines Industry

Expansion of Verification Business to Secure Track Record

**MG (Micro-Grid) Field**
- Technical development and verification of island area micro grid (Gasa Island etc)
- Construction of smart energy campus

**SG (Smart-Grid) Field**
- Pilot project of smart home service based on SG
- Construction and connection of SG office stations for an energy public institution (KEPCO, KPX, KDN etc)

**ESS (Energy Storage System) Field**
- Continuous expansion of ESS business for frequency matching (nation) 184MW, (local) 24MW
- Introduction of ESS to Island areas on Diesel development (Pyeong · Sonjook Island etc)
KEPCO’s Promotion for Energy Growth Engines Industry

Expansion of Verification Business to Secure Track Record

**HVDC/LVDC**
- Promotion of direct current distribution network development
  (Shinan Hataedo Island 46 households, load 80kw)
  *Localization with coresearch on HVDC technology development*

**EV (Electric Vehicle)**
- Star network construction of electric vehicle charge
  - 345 in 122 branches of the nation, 73 in 15 branches of locals
- Testbed construction for V2G (lifting peak in case of emergency) verification (GIST, Seoul National Univ)

**IoT (Internet of Things) / Big Data**
- Self-diagnosis by smart sensor to monitor power equipments (Daegu·Gwangju City etc)
- Business Cooperation on social security network service for the elderly living alone or dementia with AMI network usage
Introduction of Bitgaram Energy Valley Industrial Complex

The Status of Industrial Complex Around Innovational City

<table>
<thead>
<tr>
<th>Name</th>
<th>Area</th>
<th>Sale Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Naju Innovation</td>
<td>1,785 thou. m²</td>
<td>US$ 190/m²</td>
</tr>
<tr>
<td>Naju Sindo</td>
<td>227 thou. m²</td>
<td>US$ 245/m²</td>
</tr>
<tr>
<td>Yeonggwang Daema</td>
<td>1,652 thou. m²</td>
<td>US$ 119/m²</td>
</tr>
<tr>
<td>Mokpo Daeyang</td>
<td>1,551 thou. m²</td>
<td>US$ 267/m²</td>
</tr>
<tr>
<td>Eastern Hampyeong</td>
<td>738 thou. m²</td>
<td>US$ 112/m²</td>
</tr>
<tr>
<td>Damyang</td>
<td>583 thou. m²</td>
<td>US$ 150/m²</td>
</tr>
<tr>
<td>Gangjin Environment</td>
<td>657 thou. m²</td>
<td>US$ 94/m²</td>
</tr>
<tr>
<td>Hampyeong Bitgreen</td>
<td>4,060 thou. m²</td>
<td>Unsettled</td>
</tr>
</tbody>
</table>
Introduction of Bitgaram Energy Valley Industrial Complex

- **Naju Innovation Industrial Complex**
- Advanced base of industrial development, covers co innovation cities of Gwangju and Jeollanamdo

**Location**: Wanggok-myeon (Deoksan-ri, Jangsan-ri, Yangsan-ri) and Dongsudong, Naju, Jeollanamdo

**Area**: 1,785 thousand m²  
**Sales price**: US$ 190/m²

**Categories of businesses**: Electricity materials, electronic components, machine and equipments etc
Introduction of Bitgaram Energy Valley Industrial Complex

Yeonggwang Daema Industrial Complex

Yeonggwang industrial complex of electric vehicle is taking a leap to specialized area of environment friendly electric vehicles. This complex reduces greenhouse gas and makes a cluster producing environment friendly vehicles.

- Location: Namsan-ri and Songjuk-ri, Daema-myeon, Yeonggwang, Jeollanamdo
- Area: 1,652 thousand m²
- Sales price: US$ 119/m²
- Categories: Electricity materials, machines, electronic component etc.
Introduction of Bitgaram Energy Valley Industrial Complex

Mokpo Daeyang Industrial Complex

Mokpo Daeyang industrial complex suburban industrial complex to intensively foster new growth electric power promoted

- **Location**: Daeyeang-dong, Mokpo, Jeollanamdo
- **Area**: 1,551 thousand m²
- **Sales price**: US$ 267/m²
- **Categories of businesses**: Electronic materials, ceramic, solar energy, vehicle manufacturing
### Bitgaram Energy Valley – Investment Attraction Achievement

#### Achievement

**Attraction of 200 Businesses**

<table>
<thead>
<tr>
<th>Sector</th>
<th>New Energy Industry</th>
<th>Electric Equipment</th>
<th>Etc.</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>No.</strong></td>
<td>155</td>
<td>42</td>
<td>3</td>
<td>200</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Business Type</th>
<th>Foreign</th>
<th>Large</th>
<th>Midsize</th>
<th>Small</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>No.</strong></td>
<td>6</td>
<td>7</td>
<td>3</td>
<td>184</td>
<td>200</td>
</tr>
</tbody>
</table>

**Investment attraction worth of US$ 815 million with 5,658 new jobs**

- 117 businesses realized the investments. 
  (60% of the total contracts)
  - Purchase of Industrial Site: 29 businesses
  - Start of Construction: 26 businesses
  - Occupancy: 62 businesses
VI. Business Support and Investment Incentives
## KEPCO’s Program for Business Support – R&D Support

### R&D Support of KEPCO by Institutions Related Energy and Research Institute

<table>
<thead>
<tr>
<th>Energy Valley R&amp;D Center</th>
<th>Energy Valley Research Development Institute</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Naju (‘16~’20)</strong></td>
<td><strong>Naju Innovation City (‘15~’17)</strong></td>
</tr>
<tr>
<td><strong>Business expense</strong>: US$ 100 million</td>
<td><strong>Business expense</strong>: US$ 23.5 million</td>
</tr>
<tr>
<td><strong>Fostering new energy industry, research, general center of verification</strong></td>
<td><strong>Support center of small business R&amp;D, educational facility, test for material and equipment</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>KEPCO KPS R&amp;D Complex</th>
<th>Korea testing institute for electric and electronic machine</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Naju (‘13~’17)</strong></td>
<td><strong>Gokseong (‘16~’19)</strong></td>
</tr>
<tr>
<td><strong>Business expense</strong>: US$ 59.8 million</td>
<td><strong>Business expense</strong>: US$ 38 million (33,000㎡)</td>
</tr>
<tr>
<td><strong>Developmental facility and oceanic plant R&amp;D, research and educational facility</strong></td>
<td><strong>A performance test of industrial high tension direct current device</strong></td>
</tr>
</tbody>
</table>
"Energy Valley Research Center" R&D Cooperation

- R&D co-development by Industry-University-Institute Collaboration
  - Investment around US$ 10 million (national R&D US$ 23 million)
  - (‘16) 92 proposal → Selected 18 proposal main research task

- R&D task contest specialized energy valley and development
  - Period: Twice/yr (every January, July)
  - Category: Energy New Industry, convergence technology, electricity new technology

Start-Up and System of Research Institute Business

<table>
<thead>
<tr>
<th>Hunting Start-Up</th>
<th>R&amp;D Support</th>
<th>Support for Business</th>
</tr>
</thead>
<tbody>
<tr>
<td>Technology transfer</td>
<td>1. R&amp;D plan and cooperation</td>
<td>Outlet: Pre purchase for product goods, etc</td>
</tr>
<tr>
<td>Promotion and contest</td>
<td>2. Funding for research and test infra</td>
<td>Marketing: Using the name of KEPCO offering consulting, etc</td>
</tr>
<tr>
<td>Counseling for founders</td>
<td>3. Funding for loan and investment</td>
<td></td>
</tr>
</tbody>
</table>
Business Support Programs by KEPCO / Financing

New Energy Industry Promotion Fund

- US$ 2 billion
- Investment Areas
  - Electric Technical Developments: substation ICT, IoT, energy efficiency, CCS, etc
  - New Industry Promotion: EVs, ESS, MG/SG, energy control system, etc.
  - Large Power Projects: solar/wind power stations, power grid export, etc.

Business Loan for SMEs

- US$ 200 million
- The Bank of Korea Base Rate
  + 0.95% + Interest Rate Reduction up to 1.3%
- US$ 75 million loans for 63 businesses completed

SME Promotion Fund

- US$ 80 million
- Funding Types
  - New Energy Industry Fund (US$ 50 million)
  - Energy Valley Fund (US$ 25 million)
  - Bitgaram Fund (US$ 13 million)
KEPCO’s Program for Business Support - Training Talented Individuals

Business Support Programs by KEPCO / Training

- **Employment Support Program** [600 people/2 yrs]
  - KEPCO
    - Offering OJT at KEPCO’s expense
  - Vendors
    - Hiring OJT trainees after training
  - Joint Selection of Job Seekers

- **Finance Support by KEPCO and the Government**
  - Training Course - 2 months
    - Selection Cost
      - US$ 500 a month (US$ 1,000 bonus after course completion)
  - Internship Course - 3 months
    - Course Expenditure
      - All-expense-funded

New Energy Industry Training Program

- **Specialized Training Course**
  - For junior and senior university students
  - 16 weeks
  - New energy technologies

- **OJT Course**
  - For vocational school students
  - 40 hours
  - On-the-job training in new energy industry

- **PRIME Course**
  - For students from Dongshin Univ. and Honam Univ.
  - Recruiting students from 2017
  - Establishment of new colleges for energy ICT convergency
Plan for Special R&D Region Designation of Bitgaram Energy Valley

Special R&D Region Outline

- **Target region**: Bitgaram Innovation City, Naju Industrial Complex, Dongshin Univ
- **Designated area**: 3.2 km²
- **Specialized field**: Energy & ICT convergence industry (superconductor)
- **Benefits for occupied companies**
  - Tax reduction
    - National Tax: Corporate tax, income tax 100% for 3 yrs, hereafter 50% for 2 yrs
    - Local Tax: Acquisition tax free, property tax 100% for 7 yrs, hereafter 50% for 3 yrs
  - Funding: More than US$ 10 million for promoting technical commercialization
FTA Platform Application

The Current State of Republic of Korea’s FTA

- FTA with 52 countries around the world
  - The 3rd in the world
  - 73.4% of GDP total amount all over the world (US$ 40.3 trillion)
    * The world’s 1st: Chile, The world’s 2nd: Peru

- FTA with the U.S, the EU and China
  - The world’s 2nd, Asia’s 1st
    * The world’s 1st: Chile  (source: Ministry of Trade)

Major Customs Tariff of Korea&China FTA Energy Field

<table>
<thead>
<tr>
<th>Name of Item</th>
<th>Current Tax Rate (%)</th>
<th>Types of Concession</th>
</tr>
</thead>
<tbody>
<tr>
<td>Generator</td>
<td>10</td>
<td>15</td>
</tr>
<tr>
<td>Aerogenerator</td>
<td>8</td>
<td>15</td>
</tr>
<tr>
<td>Inverter</td>
<td>10</td>
<td>15</td>
</tr>
<tr>
<td>Uninterruptable Power Supply</td>
<td>10</td>
<td>15</td>
</tr>
</tbody>
</table>

* Types of concession: Tariff elimination by tariff reduction at a constant rate for 15 yrs
Investment Incentives

**Tax Reductions**

### Foreign Investment Zone
- **Requirements**: 30% or more foreigner investment ratio, US$ 30 million or more investment in manufacturing, US$ 2 million or more investment in R&D facility
- **Tax reductions**
  - Corporate Income Taxes: full exemption for the first 5 years and 50% for the next 2 years
  - Aquisition Property Taxes: full exemption for the first 15 years
  - Tariff, Individual Consumption Tax, VAT: full exemption for the first 5 years

### New Growth Industry
- **Requirements**: 30% or more foreigner investment ratio, US$ 2 million or more investment
- **Tax reduction**
  - Corporate Income Taxes: full exemption for the first 5 years and 50% for the next 2 years
  - Aquisition Property Taxes: full exemption for the first 15 years
  - Tariff, Individual Consumption Tax, VAT: full exemption for the first 5 years

### Special Economic Zone for SMEs
- **Requirement**: Setting up a business in the designated zones*
  *Naju Innovation Industrial Complex, Naju General Industrial Complex, Jangheung Bio Food Industrial Complex, Gangjin Environment Industrial Complex
- **Tax reduction**: Corporate or Income Tax: 50% reduction for the first 4 years
# Investment Incentives

## Subsidies

### Subsidy for New Growth Industry
- **Requirements**:
  - 30% or more foreigner investment ratio
  - US$ 2 million or more investment
  - 5–10% of the total FDI inflow, for infrastructure or construction spending

### Provincial Subsidies
- **Requirement of subsidy**:
  - 30% or more foreigner investment ratio
  - No minimum investment requirement
- **Subsidy Types**
  - Land Subsidy: up to US$ 400,000 within 30% of the total land value
  - Facility Subsidy: up to US$ 500,000 within 5% of the total investment of more than US$ 2 million
  - Employment Subsidy: up to US$ 600 monthly for each new hire from the 11th employee within a 12-month period
    - To qualify: A company should have more than 10 full-time employees.
  - Training Subsidy: up to US$ 600 monthly for each new hire from the 11th employee within a 12-month period
    - To qualify: A company should have more than 10 full-time employees.

### Special Subsidy
- **Requirement**:
  - US$ 50 million investment or full-time employment more than 100 individuals
V. The Investment Proposal
Business Model Proposal

The Growth of Business Values and The Generation of Revenue

Advanced Technology and Global Business Network

- Working with KEPCO on a joint project
- The development of technology and the training program for professional manpower
- Synergy creation by an integration of related businesses
- An advanced industrial complex

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- Expansion to Chinese market by using FTA
- Customs benefits
- Tax reductions and subsidy incentives
- Pleasant settlement conditions
Jeollanamdo Provincial Government

Investment Attraction Division
1 Oryong-gil, Samhyang-eup, Muan,
Jeollanamdo, 58564, Republic of Korea
Tel. +82-61-286-5120~3, Fax. +82-61-286-4746

Jeollanamdo Europe Representative Office
Mergenthaleralle 77, 65760 Eschborn Germany
Tel. +49-(0)196-973-9989, Fax. +49-(0)6196-973-9991

Jeollanamdo USA Representative Office
460 Park Avenue, Suite 430, New York, NY10022, U.S.A
Tel. +1-1-212-223-3636, Fax. +1-1-212-223-2256

www.jeonnam.go.kr