



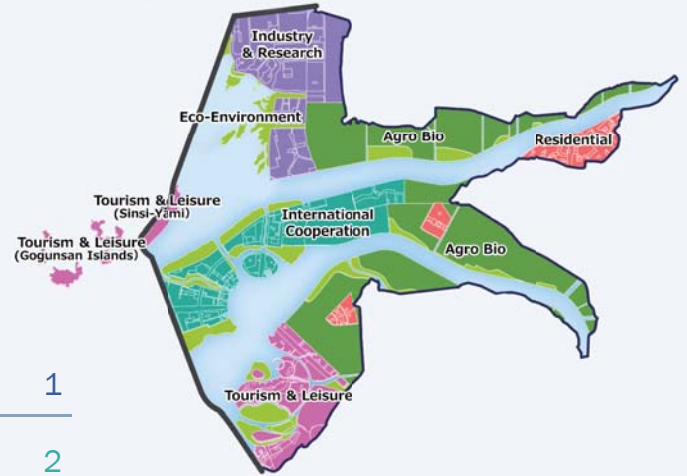
SAEMANGEUM INVESTMENT INCENTIVES

Photography by Sun-young Hwang



Saemangeum Development
and Investment Agency

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OUR PLACE...

Our place is Saemangeum, a newly created area by constructing the world's longest seawall stretching 33.9km. Saemangeum is a brand-new city developing step by step to become the future growth engine of Korea.

Investors who choose Saemangeum as their investment destination can enjoy various kinds of aid in the form of investment incentives. Since Saemangeum is a vast area as large as 409km², almost four times the central Paris and 60% of Singapore, with six functional areas, foreign-invested companies can enjoy a wide-range of investment incentives depending on their investment area and volume, employment, etc. under different Acts. Already all possible incentives and benefits are listed on KOTRA and SDIA websites but it is difficult for the foreign-invested company to find the right incentives that fit their conditions.

This leaflet intends to briefly and clearly state core benefits and incentives for major target industries : Manufacturing and Engineering, Tourism and Leisure

RELATED LAW / GOVERNING LAW

“Special Act on Promotion and Support for Saemangeum Project(Saemangeum Special Act)” is the main governing law along with Foreign Investment Promotion Act. Other related laws include Restriction of Special Taxation Act and local government ordinances such as Jeollabuk-do Ordinance on Attracting Companies and Investment, Jeollabuk-do Ordinance on Provincial Tax Reduction, and other Ordinances on City Tax Reduction.

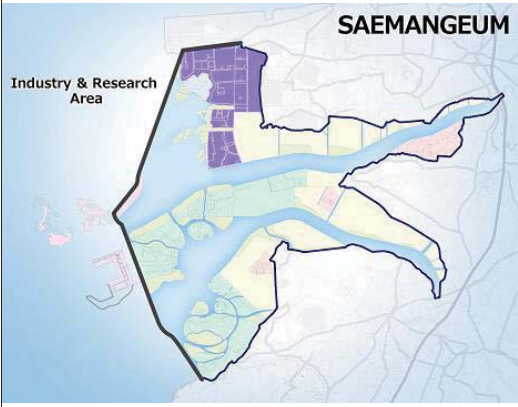
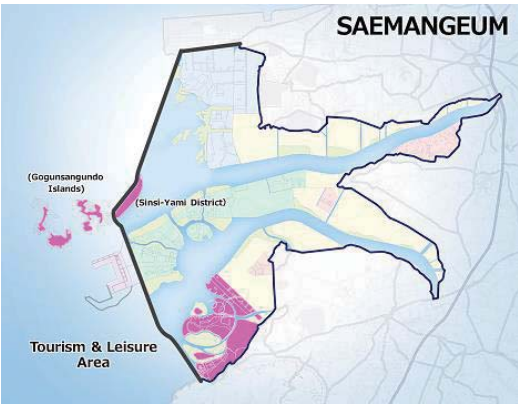
TYPES OF INVESTMENT INCENTIVES

- **Corporate Tax Reduction or Exemption**
 - Corporate Tax Relief
 - Exemption from Property Tax and Customs
 -
- **Local Tax Reduction or Exemption**
- **Exemptions from Customs Duties, etc.**
- **Cash Grants**
- **Industrial Site Support**
- **Issuance of Short-term Visa**



LOCATION

There are six(6) Functional Areas in Saemangeum. Companies can choose the most appropriate area to start their business depending on their field of business.

Industry	Manufacturing · Engineering	Tourism · Leisure
Recommended Area	Industry & Research Area	Tourism & Leisure Area
Map	 The map shows the Saemangeum peninsula with various functional areas color-coded. The 'Industry & Research Area' is highlighted in purple in the northern part of the peninsula. Other areas include green for agriculture, yellow for general development, and blue for water bodies.	 The map shows the Saemangeum peninsula with various functional areas color-coded. The 'Tourism & Leisure Area' is highlighted in pink in the southern part of the peninsula. Other areas include green for agriculture, yellow for general development, and blue for water bodies. Specific labels on the map include '(Gogunsangundo Islands)' and '(Sinsil-Yami District)'.
Advantage	<ul style="list-style-type: none">▶ Adjacent to existing industrial complexes – possible synergy effect▶ Transportation hub with intermodal connectivity – expressway, railway, seaport, airport▶ Currently designated as FEZ – eligible for the same benefits with other FEZs	<ul style="list-style-type: none">▶ Adjacent to national mountain, park, and beautiful beach▶ Abundant natural resources that well preserves the pristine nature▶ 2023 World Scout Jamboree will be hosted in Tourism & Leisure District 1

TAX SUPPORT (REDUCTION OR EXEMPTION)

Companies from following industries will be able to enjoy the following benefits provided by the central and local governments of Korea. Details of each criteria may vary depending on certain conditions.

Industry	Manufacturing · Engineering		Tourism · Leisure	
Corporate Tax	Investment Requirement	Benefit	Investment Requirement	Benefit
	USD 30M or more (Manufacturing)	100% exemption (first 5 yrs) + 50% reduction (next 2 yrs)	USD 20M or more	100% exemption (first 5 yrs) + 50% reduction (next 2 yrs)
	USD 10M or more (Manufacturing, Engineering)	100% exemption (first 3 yrs) + 50% reduction (next 2 yrs)	USD 10M or more	100% exemption (first 3 yrs) + 50% reduction (next 2 yrs)
Local Tax (Acquisition-Property Tax)	Under ordinances, reduction or exemption period may be extended by up to 15 yrs			
Customs Duties	Exempted for the capital goods used directly in the business for 5 yrs			
Other Support	Tax Support for Foreign Engineers (50% reduction of income tax on wage and salary income for 2 yrs)		-	
Support System	<div>※ Advance Ruling System</div> <div>The system allows foreign investors to resolve uncertainties in interpretation of tax laws and ensures predictability of business activities. You shall disclose the applicant's identity as well as specific facts and circumstances of the transaction or situation in question in the form.</div> <div>* For more information, please find 'Doing Business in Korea 2017'(KOTRA, p.53).</div>			

STATE SUPPORT

The central government provides special incentives for foreign investors in order to promote and facilitate foreign investment. Investor may enjoy either the ‘cash grants’ or ‘site support’.

CASH GRANT

Qualification
<div>1. New growth driver industry technology, source technology, etc.</div> <div>2. High value-added parts and materials with advanced technology</div> <div>3. R&D facility with 5 or more researchers</div> <div>4. Investment with significant contributions to the domestic economy</div>
Allotment Ratio (Central : Local)
60 : 40
Support System
<div>※ Pre-Evaluation Policy for Cash Grant</div> <div>The Pre-Evaluation Policy is aimed at actively inducing foreign investments that are expected to have a major impact on the national economy. Under the policy, KOTRA pre-evaluates projects and presents recommendations to the related Ministry to determine whether to approve cash grant. The decision on whether the cash grant is to be provided is made before the application is filed.</div> <div>* For more information, please find ‘Doing Business in Korea 2017’(KOTRA, p.59).</div>

SITE SUPPORT

Qualification	
<div>Foreign Investment Zone (FIZ)</div> <div>- Individual-Type Foreign Investment Zone</div>	<div>Free Economic Zone (FEZ)</div> <div>- Saemangeum Industrial Complex + Saemangeum Tourism & Leisure Area</div>
Manufacturing	USD 30M↑
Tourism	USD 20M↑
Lease Period	
100yrs (50+50)	
Rent & Reduction	
100% Exempted	<div>(Industrial Complex) 75~100% Reduced</div> <div>(Tourism & Leisure Area) land price x 1%</div>

LOCAL SUPPORT / FINANCIAL SUBSIDY

Foreign investors are eligible to receive the following incentives provided by the local government. However, those who have already enjoyed financial support by the state government shall not be provided with funding and cash grant more than once for the same item under the “Operation Guidelines for the Cash Grant System”.

Large-Scale Investment Subsidy	(Investment Amount - KRW 1B) x 10% (Maximum KRW 10B)
Employment Subsidy	Monthly maximum KRW 1M /person for the number of regular employees > 20 persons for the number of newly hired persons residing in the province (up to 6 months, Maximum KRW 1B/company)
Education and Training Subsidy	Monthly KRW 100th~500th/person for the number of newly hired regular employees > 20 persons (up to 6 months, Maximum KRW 500M/company)

OTHER BENEFITS

Customs Duties Custom Clearance	Exempted for the capital goods used directly in the business for 5 yrs Saemangeum Industrial Complex Lot 1 & 2 : General Bonded Area
Immigration	Short-term Visa(C-3, 90 days) Issuance available with Recommendation from SDIA
Other Support	One-Stop service for Authorization and Permission
	Foreign worker quota 20% → 30%

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Saemangeum is a NEW PLACE for ALL

Saemangeum has the great potential as the gateway to China and beyond to Northeast Asia. Saemangeum has changed the landscape of Korea with the world's longest sea wall, and now aims to change the paradigm of how people work, live, and play.

Saemangeum is Korea's DREAM PROJECT

In order to develop a new global city, the Korean government has put in various support from establishing a committee chaired by Prime Minister to creating a central government agency Saemangeum Development and Investment Agency(SDIA). Saemangeum is now poised to become the new economic hub of Asia.



Photography by Mi-ja Gang



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