

The Perfect Partner for Your Food Business

FOODPOLIS

KOREAN NATIONAL FOOD CLUSTER



Location **Iksan, Jeollabuk-do, Korea**

- Southwest part of Korean peninsular
 - Adjacent to places that contain a variety of agricultural produce
 - A city of tourism with historical and cultural heritage
-

Construction Period **2012~2015**

- Creating a R&D-oriented industrial complex - 2,320,000m² (232ha)
 - Constructing a residential complex - 1,260,000m² (126ha)
-

Scale **Total project budget** : USD 480 million (for industrial complex)
Size of land : 3,580,000m² (358ha)

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Organizer Ministry for Food, Agriculture, Forestry and Fisheries /
Jeollabuk-do Provincial Government / Iksan City Government

Enforcement Korea Land and Housing Corporation

A bird's-eye view of the Korean National Food Cluster, FOODPOLIS





Why invest in Korea?

Favorable Geostrategic Location, Transportation Infrastructure

- | Located between Japan and China, Korea serves as a strategic gateway to Northeast Asia.
- | The Incheon International Airport is ranked the world's No. 2 in cargo volume.
- | Can access major cities around the world within two-hour flights.
- | Acts as a transportation hub in the region that enables one-day travel to China, Japan, and Hong Kong.

The borderless trade environment brings new market opportunities

- | The Korean government concluded 8 FTAs with 47 countries that represent the EFTA, ASEAN, EU and USA.
- | FTA negotiations and considerations are underway with major countries including China.
- | Korea became a member of GATT in 1967, and a member of WTO and OECD in 1996.

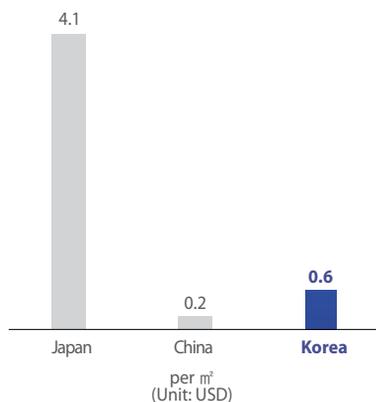
Korea's IT technology is in the worlds top-tier

- | Korea as an IT powerhouse also has an advanced food safety system
- | Korea tops the world in terms of telecommunications and Internet penetration (No. 1 among the 34 OECD members in terms of wireless high-speed Internet penetration (89.8%))

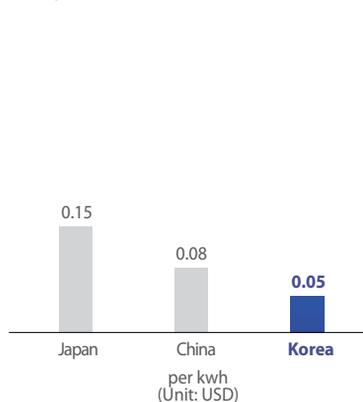
Business operating costs in Korea, China, and Japan

- | The low land lease cost / business-friendly policy
- | Low utility (electricity, tap water) costs
- | Korea is highly competitive compared to China in terms of the cost to be borne to educate/train the Chinese workforce

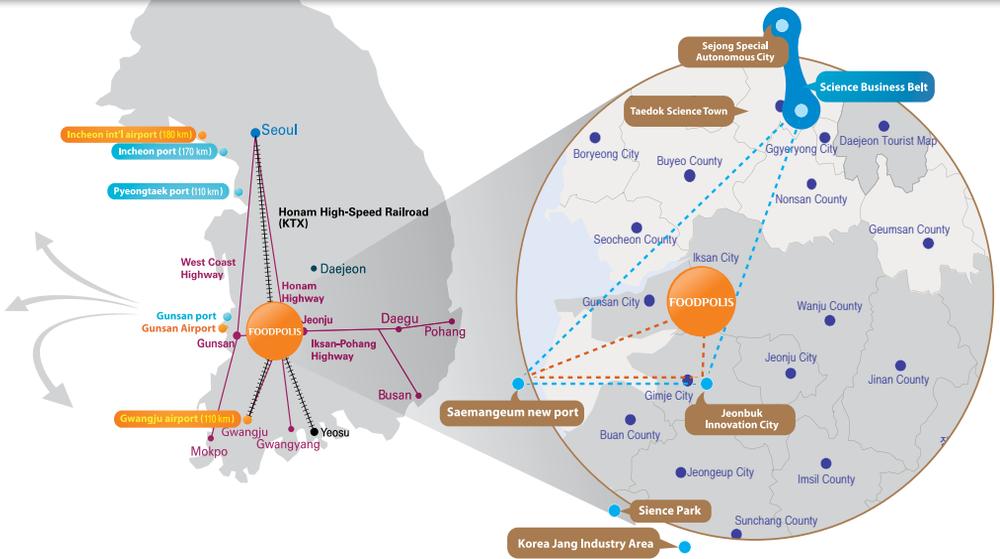
Tap Water



Electricity



Where is FOODPOLIS ?



Land Use Plan (Industrial Estate / Residential Area)



FODDPOLIS next-steps

2012

Official designation of the national food cluster

- Provide land compensation
- Design business support facilities

2013

Industrial complex development

- Start construction work for support facilities
- Start residential area construction

2014

Industrial complex development

- Prepare for lot sales for businesses
- Continue business support facilities construction

2015

Completion of industrial complex

- Completions business support facilities construction
- Business relocations starting

Six business support systems to strengthen the competitiveness of residential enterprises



Food Quality and Safety Center

- | Implements nine food safety-related legal regulations
- | Institute managing taste quality such as flavor and smell at high standard



Food Functionality Evaluation Center

- | A one-stop support service for evaluating food functionality



Food Packaging Center

- | State-art-of packaging technologies
- | Prompt process of analyzing and testing food packaging upon business request
- | Specialized workforce



Agency for Korean National Food Cluster

- | Around permanent 40 staffs to provide comprehensive services
- | Serves as a networking coordinator between local/global businesses and laboratories
- | General management of the cluster



Rental Plants

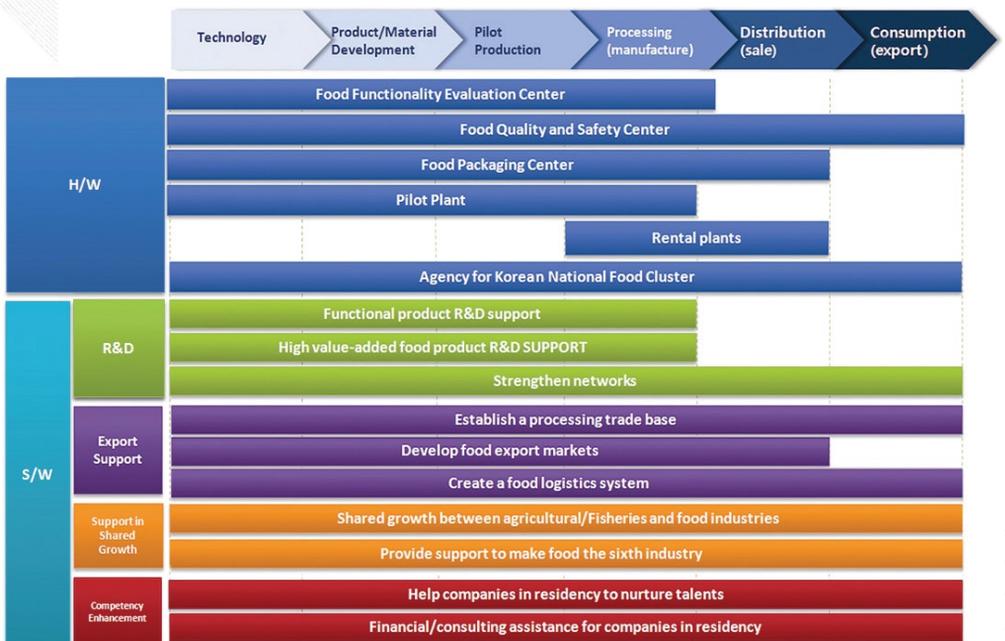
- | Provides production space at a reasonable cost for small and medium food companies



Pilot Plant

- | Produces/test's prototypes and trials
- | The aim is to establish a world-class pilot plant

Methodical Business Supporting System



Benefits for those who move into FIZ (Foreign Investment Zone)

Incentive Programs		Benefits	
Foreign Investment Zone(FIZ)	National tax	(Corporation tax, Income tax) 100% exemption for the first three years, 50% reduction for following two years	
	Local Tax	(Acquisition tax, registration tax, and property tax) 100% exemption for fifteen years	
	Tariff exemption	Exemption applied to capital goods inflow raised from the acquisition of new stocks	
	Free/reduced land lease	Land lease benefits (free of charge or at least 50% reduction) for 50 years, duration extendable (up to 100 years)	
Subsidy	Investment Subsidy	Jeolla buk-do (Province)	Minimum investment amount of USD 8.5 million, the subsidy to be provided within 5% of the invested amount up to USD 4 million
		Iksan-si (City)	USD 4 million of the maximum per company in 5% of the investment amount if investment exceeds over USD 85,000
	Employment Subsidy	Up to USD 430 per person for up to six months / the subsidy ceiling to be USD 430,000 per company	
	Education/ Training Subsidy	Jeolla buk-do (Province)	USD 90 ~ 430 per person for six months, USD 430,000 per company
		Iksan-si (City)	USD 90 ~ 430 per person for six months, USD 430,000 per company USD 520/month per person for six months, USD 170,000 per company
	Consulting Subsidy	1% of the final investment amount, within the limits of USD 88,000	