



Convergence Cluster of the Food Industry

FOODPOLIS

Korea National Food Cluster



AGENCY FOR
KOREA NATIONAL FOOD CLUSTER

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Ministry of Agriculture,
Food and Rural Affairs



Jeonbuk



AMAZING
IKSAN



AGENCY FOR
KOREA NATIONAL FOOD CLUSTER

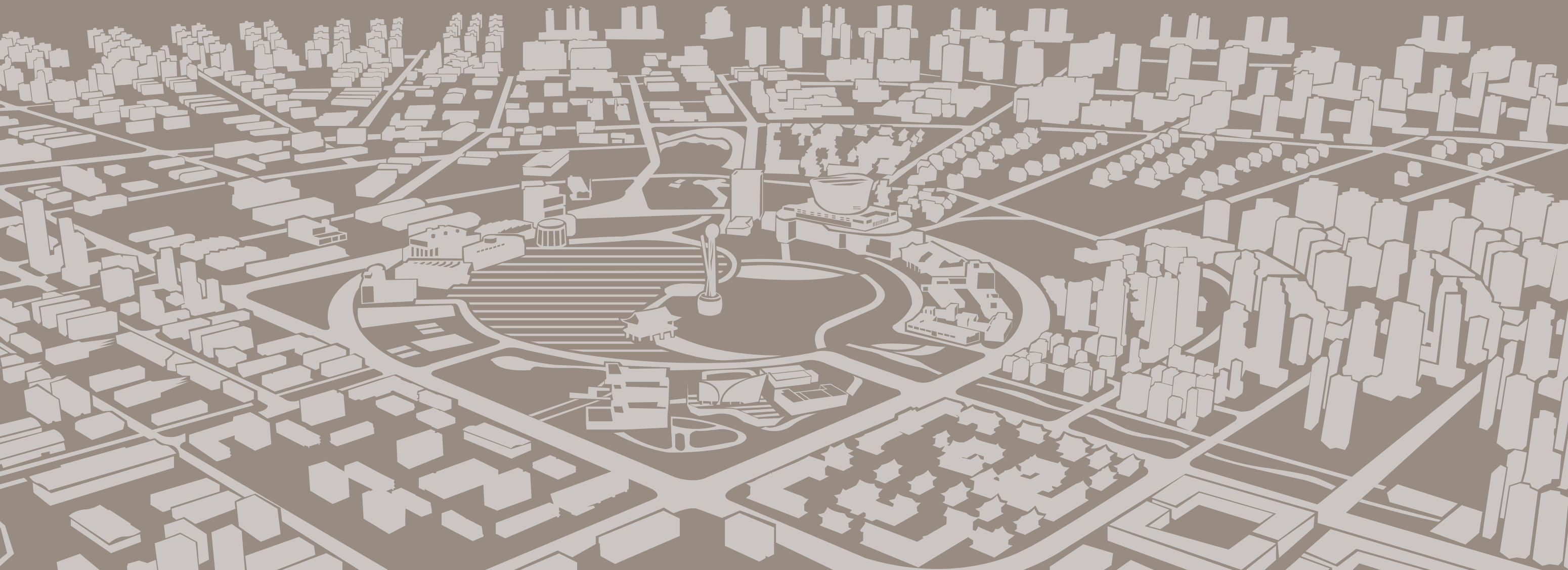


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FOODPOLIS

STRATEGIC
NORTHEAST ASIAN
FOOD INDUSTRIAL
COMPLEX



THE KOREA NATIONAL FOOD CLUSTER

The Korea National Food Cluster is a government-supported food industrial complex located in the heart of Northeast Asia.

Dubbed FOODPOLIS, the complex is currently being developed by the Korean government to have 2,320,000m² of industrial space, with another 1,260,000m² zoned for residential purposes for the people working there. Completion is scheduled for 2015. The cluster is situated on the west coast of Korea in a city called Iksan, giving it excellent access to Japan and the fast-growing Chinese market. Together with Korea, the region boasts a population of 1.5 billion people.

FOODPOLIS is now attracting investment from companies around the world who are eager to tap this Northeast Asian market.

THE NORTHEAST ASIAN MARKET

CHINA

KOREA

FOODPOLIS

JAPAN

The populations of China, Japan, and Korea comprise 1.5 billion people and, by 2020, the region is expected to account for one third of global trade volumes, making it the center of global economic development.

FOODPOLIS is the perfect beachhead for international food companies seeking access to the massive potential of Northeast Asia's consumer market, with government support, excellent air and shipping logistics, and a central location between Japan and China.

EXPORT SUPPORT SYSTEM

FOODPOLIS will establish a one-stop export support system to provide tenant businesses with comprehensive assistance that covers the entire export process, including export information and buyer consulting. A trade education program will be provided to enhance understandings of the dynamic Northeast Asian market.

GENERAL BONDED AREA

FOODPOLIS will operate a General Bonded Area to serve as an export springboard for tenant enterprises into neighboring markets. This will give tenants an exceptional advantage as customs and duties on raw materials are not due until processing and export are finalized.



DYNAMIC KOREA



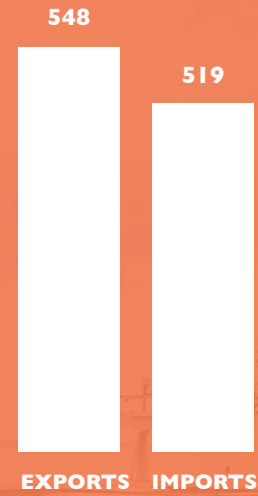
THE WORLD'S 8TH LARGEST TRADING PARTNER

Korea became the world's 8th largest trading nation in 2012, with annual trade volume exceeding one trillion dollars for two consecutive years.



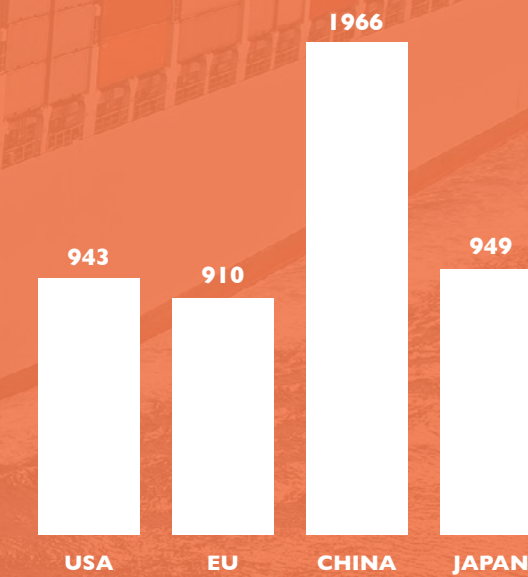
Korea's Trade Volume (2012)

(unit: USD billions)

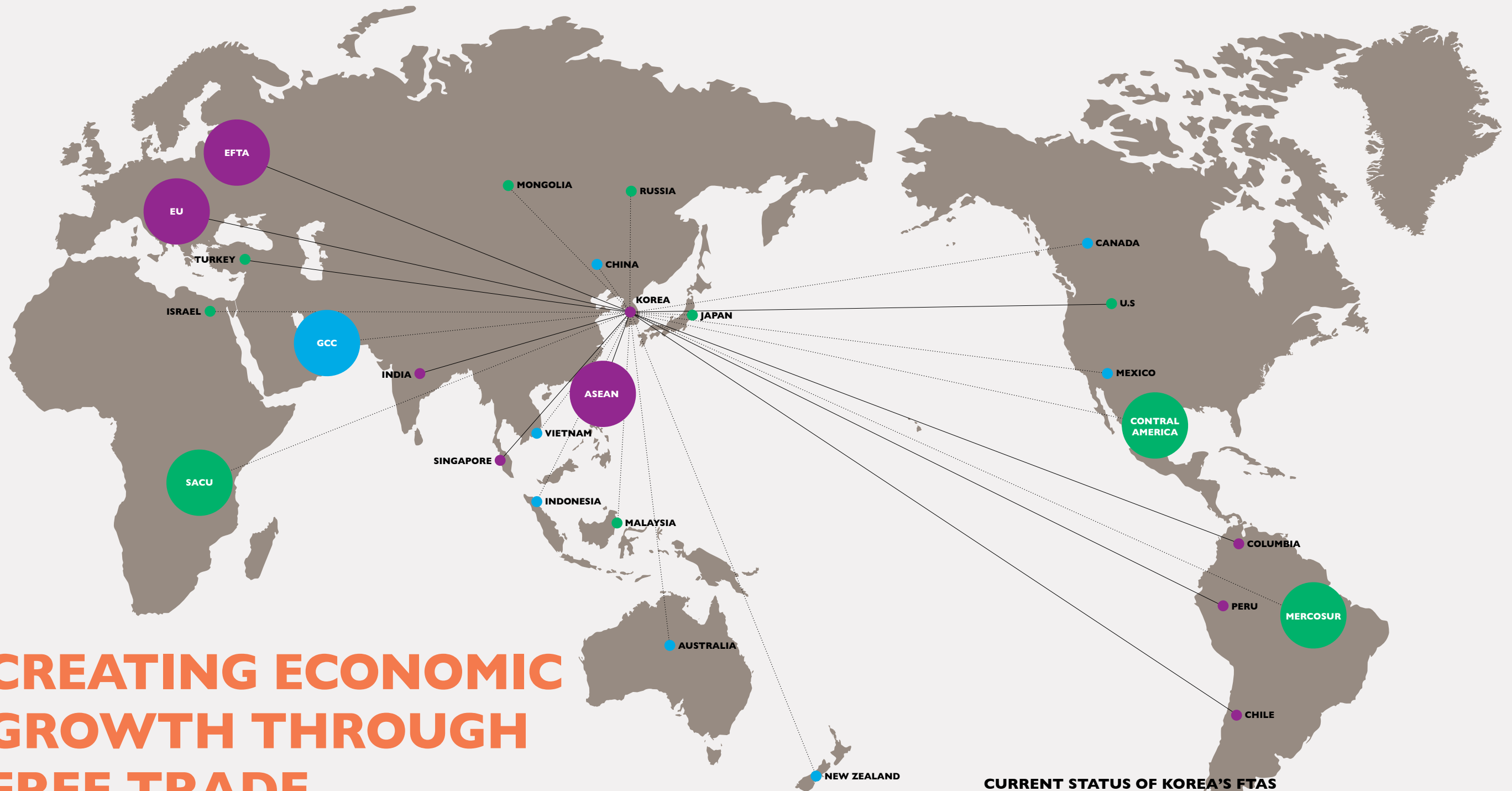


Korea's Top Trading Partners (2012)

(unit: USD billions)



*Source: Korea International Trade Association (KITA)



CREATING ECONOMIC GROWTH THROUGH FREE TRADE

As a trading nation at heart, South Korea is committed to free trade. The country's economic development has been cited as a model case of economic growth due to its vibrant trade with other countries and, recognizing that its success is tied to trade, South Korea has worked diligently to expand its free trade partnerships.

The Korean government has concluded eight FTAs with 47 countries that collectively account for 61% of global GDP, 46.2% of global trade, and 39.7% of the global population.

CURRENT STATUS OF KOREA'S FTAS

CURRENT STATUS OF KOREA'S FTAS EFFECTIVE & CONCLUDED

- Korea • USA (2012)
- Korea • EU (2011)
- Korea • Peru (2011)
- Korea • India (2010)
- Korea • ASEAN (2009)
- Korea • EFTA (2005)
- Korea • Singapore (2004)
- Korea • Chile (2002)

- Korea • Turkey (2012)
- Korea • Colombia (2012)

NEGOTIATING

- Korea • Canada
- Korea • New Zealand
- Korea • GCC
- Korea • Australia
- Korea • China
- Korea • Mexico
- Korea • Vietnam
- Korea • Indonesia

PREPARING FOR NEGOTIATIONS & JOINT RESEARCH

- Korea • Japan
- Korea • China / Japan
- Korea • MERCOSUR
- Korea • Israel
- Korea • Central America
- Korea • Malaysia
- Korea • Russia
- Korea • Mongolia
- Korea • SACU

OUTSTANDING HUMAN RESOURCES

South Korea's continued economic success is due in large measure to its outstanding human resources. The country is ranked 5th globally in terms of manufacturing productivity and has been benchmarked by the OECD for its high levels of workforce collaboration, work ethic, and higher education rate. This is a direct result of government education policies that encourage early childhood education and lifelong learning. More than half the population is currently engaged in self-development activities.



FOODPOLIS SUPPORT SERVICES



ONE-STOP SUPPORT

FOODPOLIS will provide one-stop support services to foreign businesses that decide to set up inside the cluster. These services include the assignment of a project manager to support each investment case, helping to make the investment process and setup as fast and convenient as possible. Support can cover everything from helping to prepare the initial project proposal to helping secure local financing and the required top-flight human resources.

To that end, FOODPOLIS will maintain a human resource database from universities to help companies hire highly skilled employees, while international recruiting will attract overseas talent to the cluster.

R&D Support System

FOODPOLIS will operate various R&D support systems that enable tenant companies to take care of administration procedures such as applications, contract signing and process management. The program will also support matching services via a domestic and overseas specialist database and industry-university network to provide the technology needed by tenant companies.

Food Quality & Safety Center

The Food Quality & Safety Center will conduct research in partnership with companies to improve their production process and enhance food quality.

Food Functionality Evaluation Center

The Food Functionality Evaluation Center is being designed to evaluate the functionality and safety of food. It also provides training and consulting services via specified processes in the development of functional food and helps gain required legal approvals.

ONE-STOP SUPPORT

Food Packaging Center

The Food Packaging Center provides packaging services that fully protect food with guaranteed safety, affording consumers the confidence to enjoy the full taste of their food without compromise. The center can also analyze and test food packaging upon request by tenant companies.

Preferential Financial Services

FOODPOLIS will provide financial support to tenant companies by choosing commercial banks and operating FOODPOLIS support funds. The main bank will offer favorable business loans as well as financial and management consulting. FOODPOLIS funds will support land purchase and construction for early stage companies in 2013 and 2014.

SITE AND FACILITIES PLAN

FOODPOLIS SITE PLAN

Residential Zone

The residential area of 1,260,000m² (126ha) will accommodate housing, healthcare, education and food culture-related facilities.

1. Housing Zone

Main Facilities: Foreigner residences, town houses, apartments, and traditional Korean housing, with priority given to employees of companies located inside the cluster.

2. Food Commercial Zone

Main Facilities: Convention Center, Business Area, Korean food street, Global food street.

3. Universities & Education

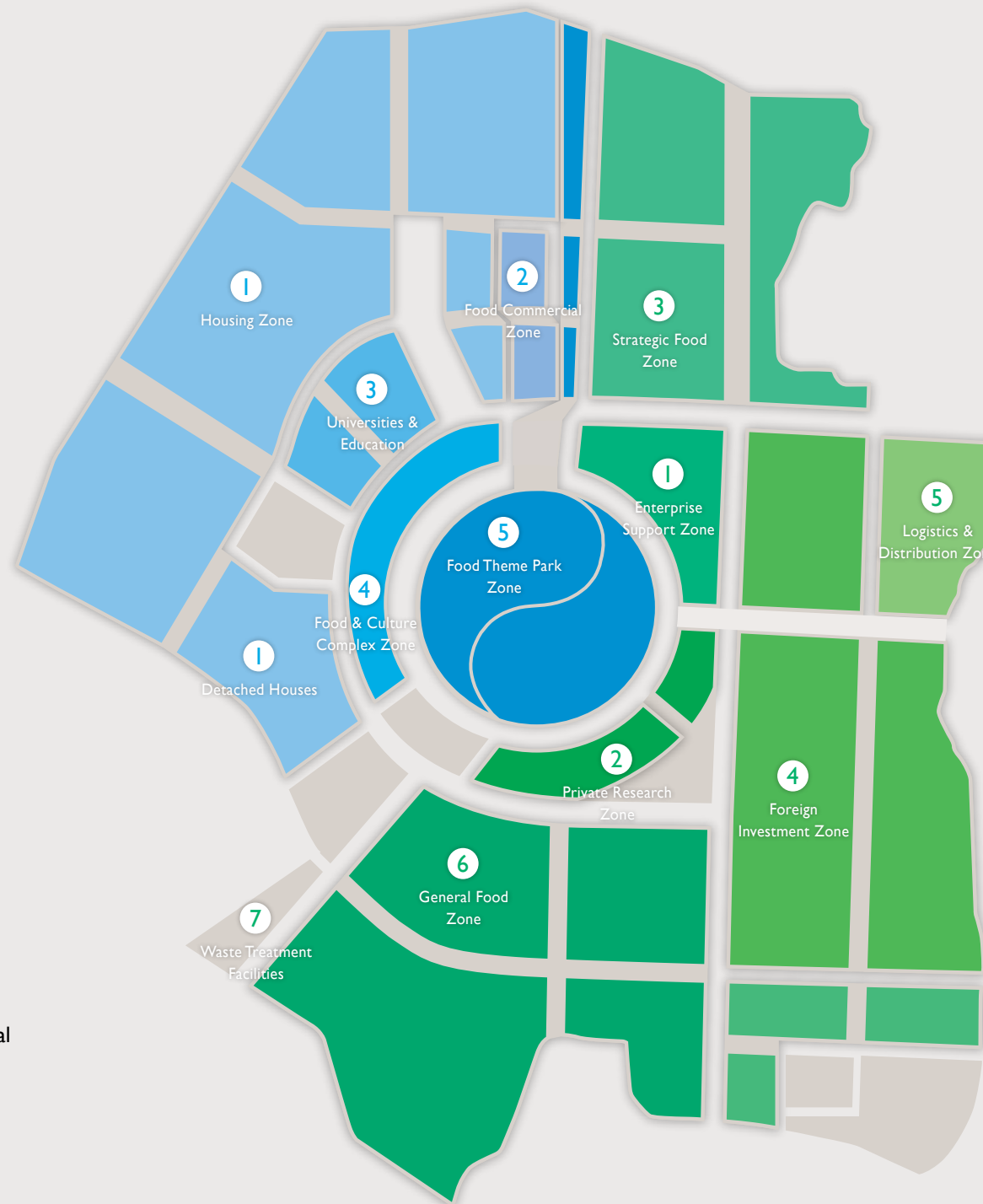
Main Facilities: Elementary schools, middle schools, high schools, an international school, and education institutes specializing in food.

4. Food & Culture Complex Zone

Main Facilities: Food Exhibition & Taste Center, Food Museum.

5. Food Theme Park Zone

Main Facilities: Global Food Theme Park, Urban Farm, Outdoor Festival Arena.



Industrial Zone

Establish a 2,320,000m² (232ha) national food industrial complex by 2015

1. Enterprise Support Zone

Main Facilities: 3 R&D centers, rental plants, pilot plants, Agency for the Korea National Food Cluster

2. Private Research Zone

Main Facilities: Food research institutes

3. Strategic Food Zone

Main Facilities: Functional foods, biofoods, fermented foods, natural food additives

4. Foreign Investment Zone

5. Logistics & Distribution Zone

6. General Food Zone

7. Waste Treatment Facilities

SIX BUSINESS SUPPORT FACILITIES



Food Functionality Evaluation Center

- A one-stop support service for evaluating food functionality



Food Quality and Safety Center

- Implements food safety regulations



Food Packaging Center

- State-of-the-art packaging technologies
- Quick testing and analysis of food packaging



Pilot Plant

- Produces prototypes and trial projects
- Establishes a world-class pilot plant



Rental Plants

- Provides production space at reasonable rates for food companies



Agency for Korea National Food Cluster

- Provides comprehensive services with permanent staff
- Serves as networking coordinator between local & global businesses, and R&D facilities
- General management of the cluster

TAX EXEMPTIONS, SUBSIDIES, AND OTHER BENEFITS



FOREIGN INVESTMENT ZONE BENEFITS

National Tax

(Corporate tax, Income tax)
100% exemption for the first three years, 50% reduction for following two years

Local Taxes

(Acquisition tax, Registration tax, Property tax)
100% exemption for fifteen years

Tariff Exemption

Exemption applied to capital goods inflow raised from the acquisition of new stock

Free/Reduced Land Lease

Land lease benefits (free of charge or at least 50% reduction) for 50 years, with duration extendable for up to 100 years

SUBSIDIES

Investment Subsidy

North Jeolla Province: On minimum investment amounts of \$10 million, a 5% subsidy is available (maximum \$4 million)

Iksan City: On investments exceeding "USD" 850,000, a 5% subsidy is available (maximum "USD" \$4 million)

Employment Subsidy

North Jeolla Province: Up to \$430 per employee for up to six months, to a maximum of \$430,000 per company

Iksan City: Up to \$430 per employee for up to six months, to a maximum of \$170,000 per company

Education & Training Subsidy

North Jeolla Province: \$90-430 per employee for six months, to a maximum of \$430,000

Iksan City: \$430 "USD"/month per employee for six months, to a maximum of \$170,000 "USD"

(All figures in US dollars, calculated on exchange rates quoted on January 21, 2013. Final amounts may vary due to FX fluctuations)