

Osong, the center of future industry

Research & Tourism Business District





Osong Research & Tourism Business District

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1. CBfez overview

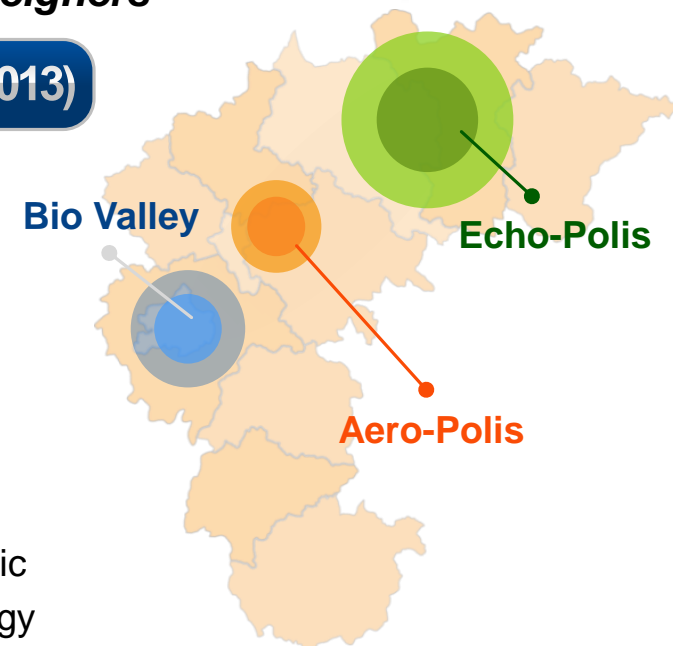


> Free Economic Zone ;

- *Free economic zone is an area created by national government, considering managerial environment of investment companies and living circumstance of foreigners'*

> Cungkuk Free Economic Zone (designated in Jan. 2013)

- **Bio Valley (4.41 km²)**
 - Bio-medical District: Cultivating global medical industry of next generation
 - **Research & Tourism·Business District : Fusion industry of State-of-the-art companies·BIT**
- **Aero-Polis (0.47 km²)** : Creating aviation maintenance complex
- **Echo-Polis (4.20 km²)** : Cultivating bio-leisure industry and electronic industry for automobile utilizing green energy



II. Basic Situation



➤ Research & Tourism-Business District

- Location/area: 3.28km² at Bongsanli, Osongjeup, Cheongju, S.Korea
- Developed project term: 2010 ~ 2016
- Start construction during July, '14
- **Start sales during late 2014**
- **Occupation available from 2017**



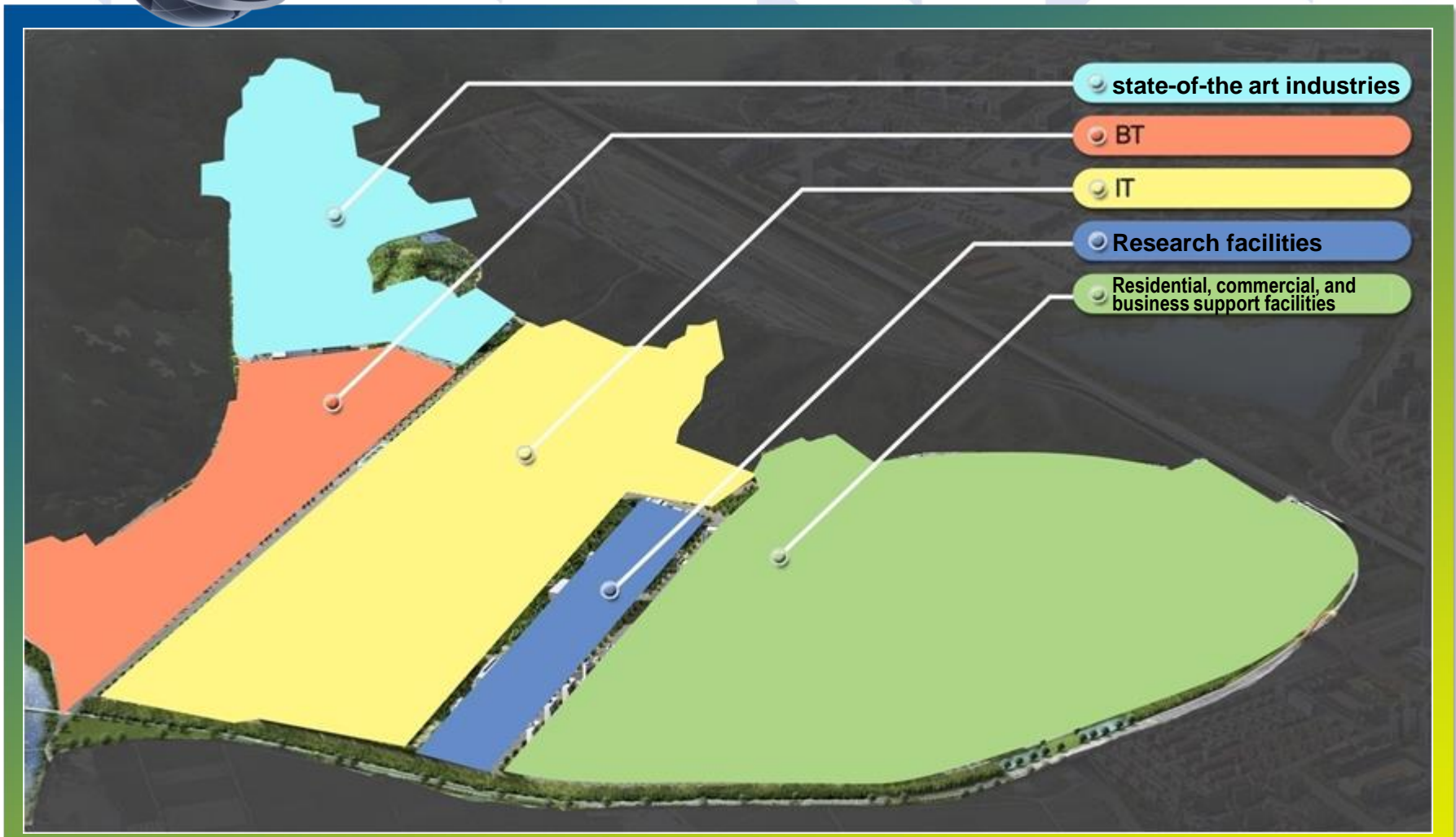
III. Industries being attracted

III. Research & Tourism-Business District **Industries being attracted**



➤ Specialized zone for education, medical, culture, tourism, and bio industries

III. Research & Tourism-Business District **Industries being attracted**



IV. Optimal investment environmental infrastructure

- 1** Transportation and logistic hub
- 2** Main infrastructures nearby Osong
 - Bio-medical District
 - Osong Bio-health Science Complex
 - Osong Health, Medical, and Administration Town
- 3** Sejong Special Self-governing City, the new administrative capital

1 Transportation and logistic hub “Expressways”



1 Transportation and logistic hub “Railroads”



➤ **Osong Junction Station for KTX**
KTX Gyungbu Line and KTX Honam Line created

1

Transportation and logistic hub “Airport”



➤ The largest foothold airport in Central Area

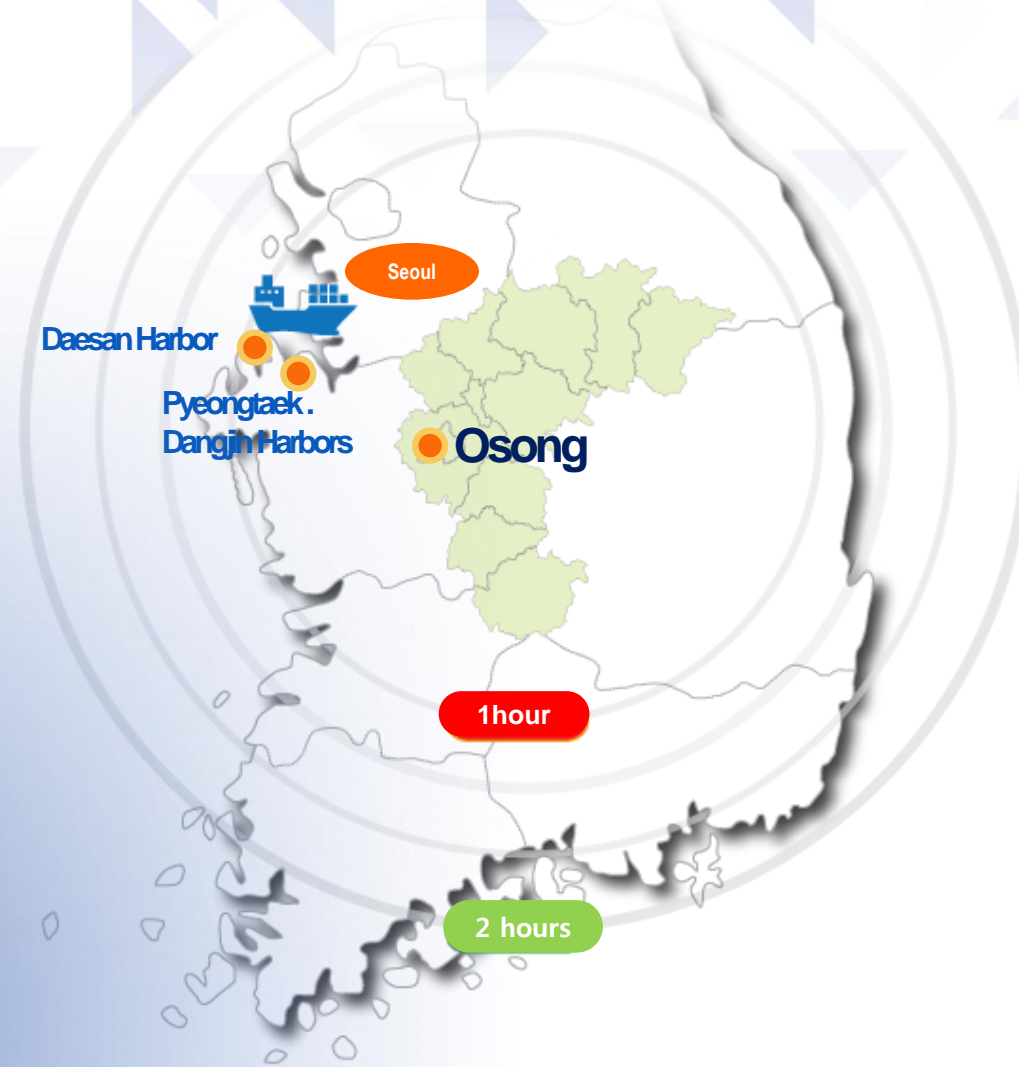
1 Transportation and logistic hub “Airport”



> 1 hour to Osaka, Japan
2 hours to Beijing, China
3 hours to Hong Kong

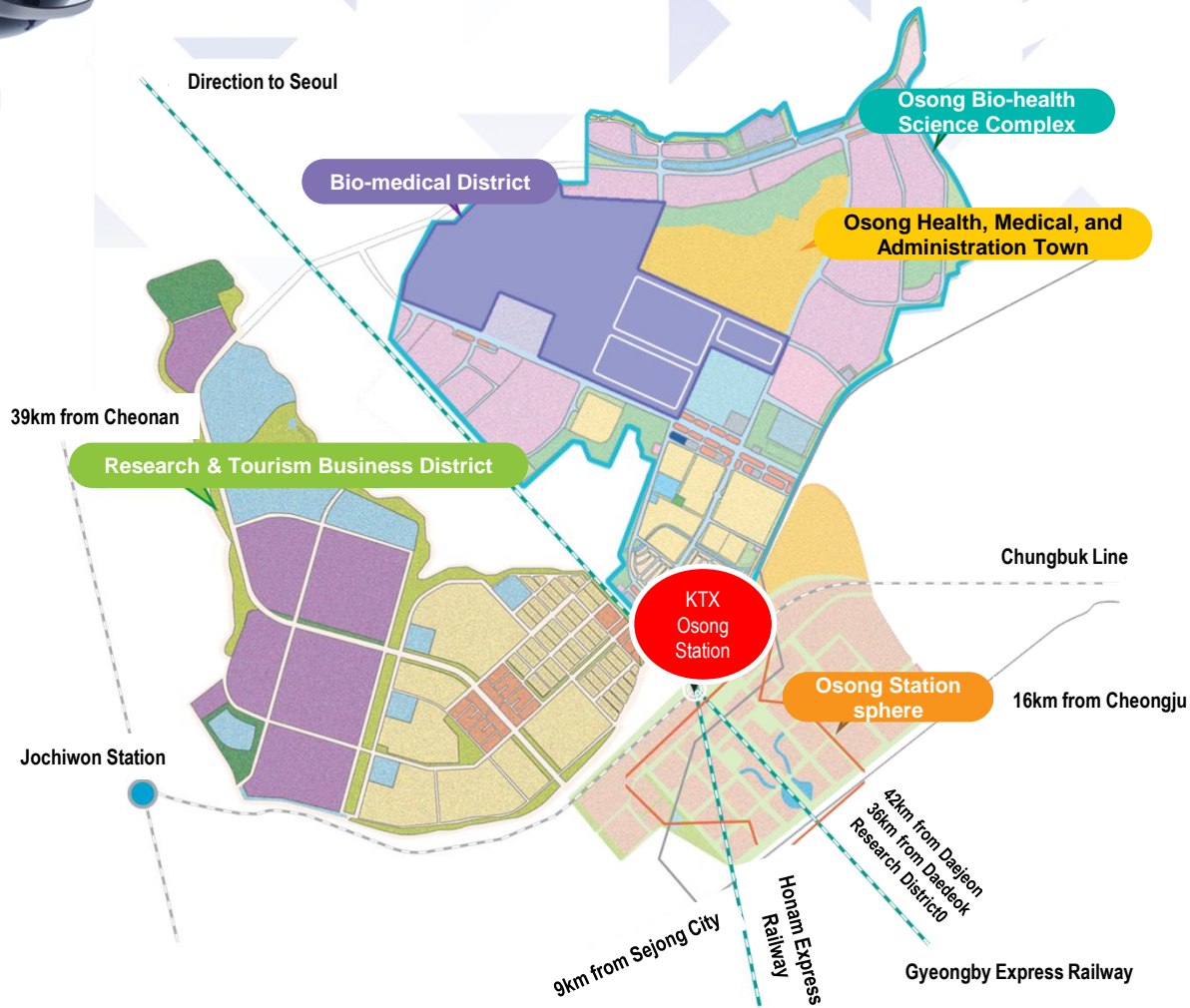


1 Transportation and logistic hub “Harbors”





2 Main infrastructures nearby Osong





2-1 Bio-medical District

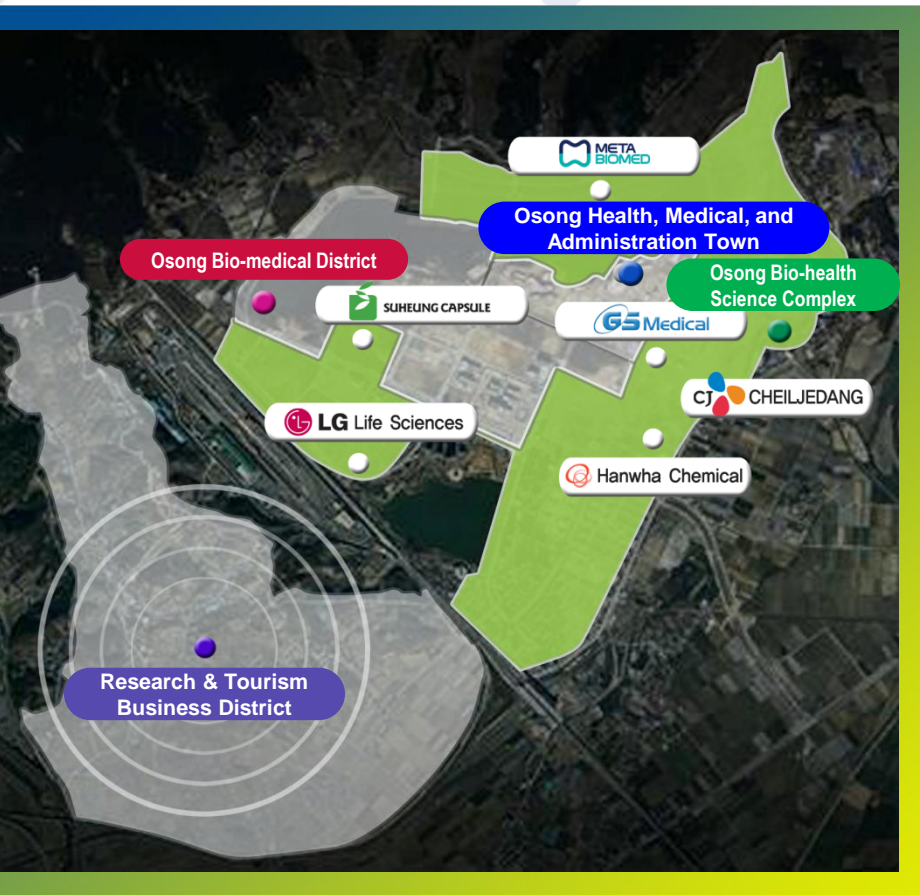
Bio-medical District

- Site area: 1.13km²
- Project term: 2009 ~ 2038
- Subjects agencies: Medical research & developers, state-of-the-art clinical test center, and research hospitals, etc.





2-2 Osong Bio-health Science Complex



Osong Bio-health Science Complex

- Site area: 3.09 km²
 - Project term: 1997 ~ 2008
 - Subjects agencies: Medicine, cosmetics, medical device, and food/beverages
 - Number of occupants: 60 companies
- * 51 companies, among these occupants, accompany research center



2-3 Osong Health, Medical, and Administration Town



Osong Health, Medical, and Administration Town

- Site area: 0.4 km²
- Occupied by 6 national healthcare organizations
Ministry of Food & Drug Safety, National Institute of Food and Drug Safety Evaluation, Korea Centers for Disease Control and Prevention, Korea National Institutes of Health, Korea Human Resource Development Institute for Health & Welfare, and Korea Health Industry Development Institute
- Main functions: Pharmaceutical/medical devices licensing, disease research, and policy development



3 Sejong Special Self-governing City, the new administrative capital



> Sejong Special Self-governing City

- Accomplish population of 800 thousands by 2030
- Complete transfer of central governmental organizations and government-funded organizations by end of 2014
 - 36 central governmental organizations including Prime Minister's Office, Ministry of Planning & Finance, and Ministry of Land, Transport and Maritime Affairs
 - 16 government-funded organizations including Korea Research Institute for Human Settlements and Korea Institute for International Economic Policy

V. Why CBfez?

1 Premium industrial circumstances

- Support superior labor force
- Low parcel price
- Complete infrastructure

2 Many Korean, foreign global companies moved into

3 Optimal location for state-of-the-art industry without disasters

4 Good residential condition



1-1 Support superior labor force

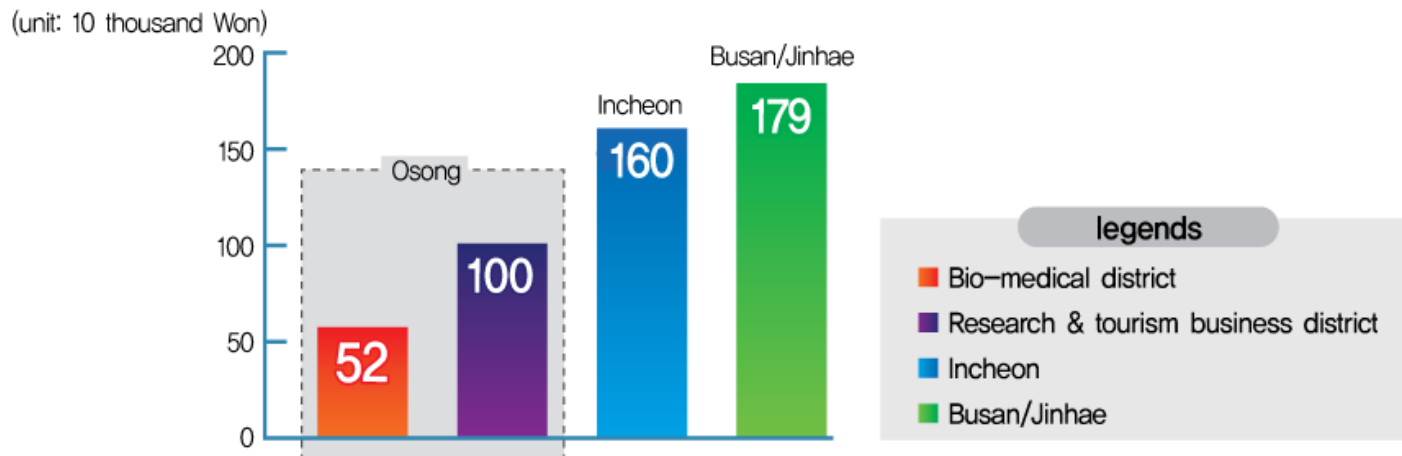
- **Population of 2.5 million in 1 hour distance, sufficient labor force**
 - 0.84 million in Cheongju, 0.13 mil. in Sejong, and 1.53 mil. in Daejeon
- **Available to cultivate labors customized to demand of companies**
 - Cultivate high-quality human resources including 900 from 7 BT-related colleges, 2,200 from 13 IT-related colleges, and 800 from automobile-related colleges
 - Cultivate functional labor forces through specialized high schools including Chungbuk Semiconductor High School, and Chungbuk Energy High School





1-2 Low parcel price

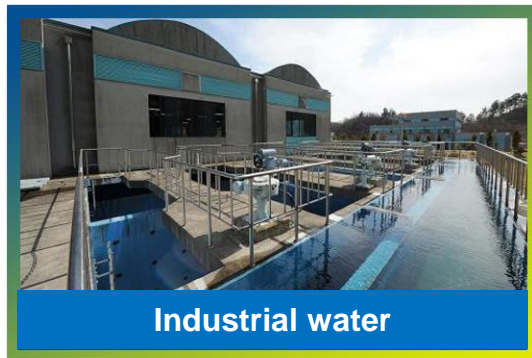
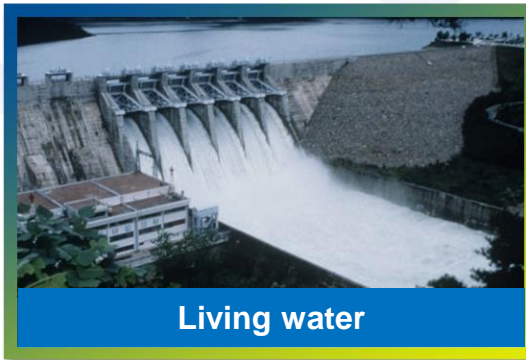
- Lower price of production site compared with other areas
- Minimized investment cost realized



Comparison of parcel prices for free economic zones (3,3m²)



1-3 Complete infrastructure





2 Many Korean, foreign global companies moved into

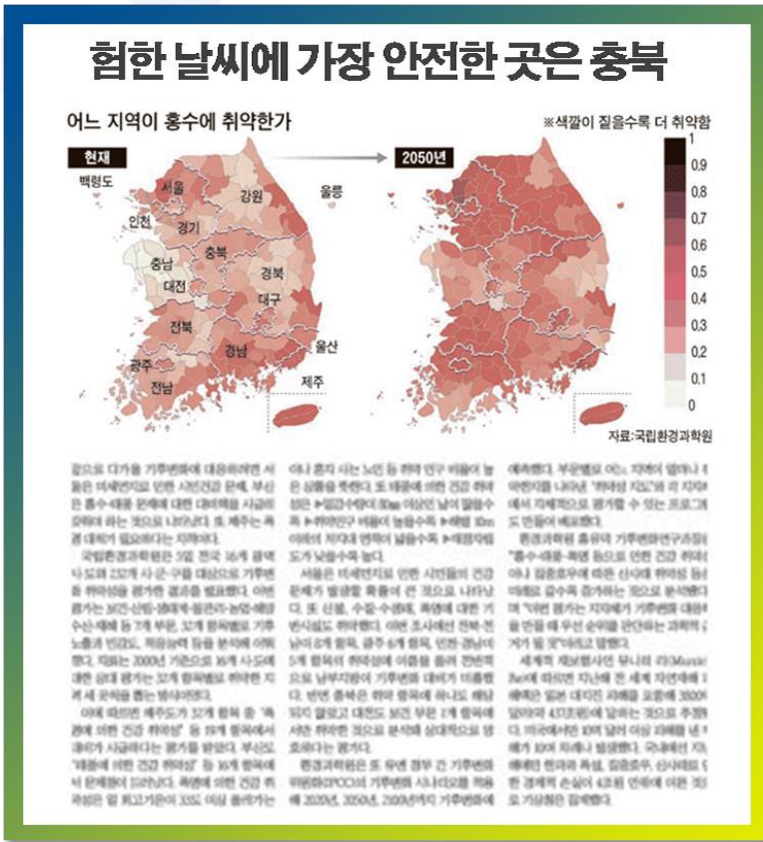


- 200 thousands workers are working for about 7,500 companies at 38 industrial districts including Osong Life Science Complex and Ochang Foreign Investment Complex

※ **231 foreign investment companies are operating actively**, including W-Scope and Celgard, among them



1-2 Optimal location for state-of-the-art industry without disasters



Result of assessment by National Institute of Environmental Research

Selected as the most safe location from flooding, typhoon, and intense heat

No vulnerable item of 32 items including flooding and typhoon, most safe in nationwide



4 Good residential condition

- Chungbuk has such superb residential condition that **Cheogju** has been **ranked 6th** in terms of quality of living

Source: Competitive index for Korean Local Brands 2014

- **Created foreigners-friendly residential condition**
 - Provide dedicated residences for foreigners
 - Establish schools, hospitals, and pharmacies for foreigners



Establishment of an International School, Hospital and Pharmacy



Provision of Exclusive Residential Lot for Foreigners



VI. Benefits for the foreign investment companies



> Tax cut

Corporate tax / income tax

Subjects \ Benefits	100% for 3 years, 50% for following 2	100% for 3 years, 50% for following 2 years
Manufacturing	\$ 10 million ↑	\$ 30 million ↑
Tourism	\$ 10 million ↑	\$ 20 million ↑
Logistics	\$ 5 million ↑	\$ 10 million ↑
R&D facility	\$ 1 million ↑	\$ 2 million ↑

- Tariff: **100%** for 5 years
- Acquisition tax : **100%** for 15 years
- Property tax: **100%** for 10 years, **50%** for following 5 years

Research & Tourism Business District,
where gate to the success opens to anyone,
invites you so that you can open up the way
to much bigger success.



Thank you.

