1. Incheon Free Economic Zone

- **Location**: on the northwest coast of Korea - one-hour drive from Seoul
- **Size**: 209 km² (1/3 of Seoul or Singapore)
- **Planned population**: 512,000
- **Development period**: 2003~2020
2. IFEZ Mission

Business hub of North East Asia

New growth engine of 21st century Korea

Urban competitiveness = Country competitiveness

IT • BT  Education  Health care  International Business  Logistics  Tourism

3. Background of Free Economic Zone

Finding new growth engine and searching for ways to revitalize Korean economy with the foreign investment

- By maximizing the benefit of geo-economic location, develop Incheon Airport and major seaports as trading capitals of Northeast Asia

- Upgrade from manufacturing-oriented system, and utilize high-tech and knowledge-based high value added service industry

- Deregulate and reform administrative system to meet the global standards and to bring excellent manpower and multinational companies from abroad
4. IFEZ Benefits

1. Human resources
   - Abundant high educated workforces in Seoul Metropolitan area

2. Location
   - Competitive location: the center of northeast Asia

3. Infrastructure
   - Multi-facet transport systems and predominant IT Infra

4. Business incentives
   - Tax reduction, regulation alleviations and relatively low land price in the near area

5. Living environment
   - First-class education, health care and leisure activities with unparalleled amenities

4-1. World-class Human Resources

- 51% of Koreans between 25-34 have attained post-high school level education
- Korean students make up the largest group of foreign students in U.S. and China.
- The information technology skills of Koreans rank in the top three globally
- Korea ranks 3rd in patents granted to residents and 1st in patent productivity

<table>
<thead>
<tr>
<th>Information Technology Skills (2007)*</th>
<th>Higher Education Achievements (2006)*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Iceland</td>
<td>9.39</td>
</tr>
<tr>
<td>Israel</td>
<td>9.28</td>
</tr>
<tr>
<td>Korea</td>
<td>9.07</td>
</tr>
<tr>
<td>Singapore</td>
<td>8.85</td>
</tr>
<tr>
<td>Finland</td>
<td>8.80</td>
</tr>
<tr>
<td>Singapore</td>
<td>5.60</td>
</tr>
<tr>
<td>Canada</td>
<td>5.50</td>
</tr>
<tr>
<td>Japan</td>
<td>4.50</td>
</tr>
<tr>
<td>Korea</td>
<td>3.50</td>
</tr>
<tr>
<td>Hong Kong</td>
<td>3.50</td>
</tr>
<tr>
<td>USA</td>
<td>3.50</td>
</tr>
</tbody>
</table>

* Based on a scale of ten

Source: IMD World Competitiveness Yearbook – updated in Nov. 2008
4–2. Competitive Location

IFEZ is located in the center of Northeast Asia: one of the 3 largest trade blocks:
- 24% of global GDP:
- 1.5 billion population (1/3 of world’s population)

IFEZ is connected to 61 cities each with over 1 million population within three-and-a-half-hour-flight.

25 million domestic consumers are living in the vicinity of IFEZ.

4–3. Superior Infrastructures

Multi-facet transport systems provide convenient and efficient access to and from IFEZ and major markets.

World-best Incheon Int’l Airport
- Airport service level: world’s best
- Cargo volume: world’s 2nd (2008: 2.4 million tons)
- Passenger traffic: world’s 10th (2008: 30 million persons)
- 63 airlines connecting to 161 cities in 50 countries

Fast growing seaport
- Annual growth of over 20% from 2005 to 2007
- Incheon New Port by 2020 (30 container berths, 1.4km² hinterland)
- Occupying 65% of cargo volume to China

Inland transportation
- Incheon Grand Bridge: world’s fifth longest ocean crossing bridge (21.38km)
- The 1.2.3 Seoul-Incheon Expressways, 2nd Seoul Outer Beltway
- Incheon Airport Express railway, Incheon subway line, YeongJong magnetic levitation system
4–4. Business Incentives

**Tax reduction**
- Corporate tax, income tax: 100% for 3-5yrs, 50% for 2yrs
- Acquisition tax, Registration tax, Property tax: 10-15yrs 100%
- Tariff for capital goods: 3yrs

**Cash grant**
- Funds for the construction of facilities or the purchase of equipment related to the investment: universities and research centers

**Real estate benefits**
- Offer a reasonable price for land purchase: at a land development cost level
- Relatively low price for Seoul Metropolitan Area
- Reduction or exemption of rental fees for public land

**Loan programs**
- Loan programs for facilities with an affordable interest rate: cultural facilities, sports facilities, tourist facilities

**Strong intellectual property rights protection**
- Enhanced IPR protection measures

**Tailor-made incentive package**
- Developing tailor-made incentive packages for global anchor companies

4–5. Living Environment

*Guaranteeing Quality of Life*

**International Schools**
- World-class educational programs (K-12) with excellent facility: Digital library, Pool, Gym, Auditorium, Music center, Sports ground etc.

**International Hospital**
- 300~500 beds general hospital operated by top US hospital and Seoul National University Hospital
- Qualified medical services with the world’s best facilities and staffs

**Housing**
- Specially reserved for employees of foreign-invested enterprises
- Providing diversified housing types to serve a variety of lifestyle

**Leisure & Culture Facilities**
- For quality of life, providing culture & leisure facilities
- IFEZ Arts center, prestigious golf courses, Museum and Design Hall in Milano Design City, Motor Speedway & Marina
5. IFEZ Development Strategy

To Create the most Sustainable Condition for both Living and Business.

- **Compact City**
  - Business, High-tech industry, Medical, Education, Culture & Art, Shopping, Tourism, Golf & Leisure
  - Self Sufficient City within 5km radius or 5 minute’s Driving distance

- **Smart City**
  - Just Plug-In: Established IT network infrastructure with other urban infrastructures in the common utility-pipe duct
  - U-transit, U-security, U-environment protect, U-disaster prevention, U-information service will be available

- **Green City**
  - Greenery & Waterfront accounts for 32% of total area
  - ‘Green Urbanism’ pilot project for LEED for Neighborhood Development certification
  - Underground Garbage Processing Systems & Water Recycling system

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6. IFEZ Development Phase

- **1st Phase**
  - 2007~2010
  - Foundation establishment period
  - Creating infrastructure and completing master plan

- **2nd Phase**
  - 2011~2015
  - Urban construction period
  - Promoting key anchor facilities & creating industry-based cluster

- **3rd Phase**
  - 2016~2020
  - Expansion period
  - Reaching sustainable growth

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**Development method**

- Private-led development: application of development surplus
- IFEZ-led development: application of surplus other than private-led development projects

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*LEED(The Leadership in Energy and Environmental Design): Green Building Rating System, developed by the U.S. Green Building Council*
7. **Songdo** *International Business & Knowledge Industries*

- **Logistic area**
  - Port support facility

- **Landmark City**
  - Incheon Tower, Lake Park, Hi-quality residential facility

- **International Business District**
  - International business office and supporting facility

- **Bio-Medi Park**
  - High-tech bio-research complex

- **New Port Logistic Complex**

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- **Residential Area**
  - Residential & Retail

- **Yonsei International Campus**
  - Yonsei University

- **Global University Campus**
  - Foreign universities

- **International Academy & Research Cluster**
  - IT·BT·BIT Cluster
    - Academy & Research

- **Knowledge-base Industry Complex**
  - Foreign-invested companies in knowledge-base industry

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- **Aviation Cluster**

- **Airport Logistics Park**
  - (3.1 km²)

- **Incheon Int’l Airport**
  - (46.6 km²)

- **Yongyu& Muui Tourism Complex**
  - (24.4 km²)

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- **Woonbook Leisure Complex**
  - (2.7 km²)

- **Yeongjong Brodway**
  - (0.6 km²)

- **Milano Design City**
  - (3.7 km²)

---

**Area**: 53.4 km²
**Population Projection**: 252,000
**Major Development Projects**
- IT·BT·International Business, Education, Research, Amenities

**Area**: 138.3 km²
**Population Projection**: 169,000
**Major Development Projects**
- Logistics, Tourism, Health Care, Education/Culture

---

**Songdo** is focused on international business and knowledge industries, with major development projects in IT·BT·International Business, Education, Research, and Amenities. It features essential infrastructure like Logistic areas and Landmark Cities, designed to support high-quality residential and business environments.

**Yeongjong** is dedicated to international logistics and tourism, with a focus on airports and leisure complexes. It includes major development projects in logistics, tourism, health care, and education/culture, ensuring a balanced and diversified economic landscape.
9. Cheongna  *International Business & Leisure*

- Area: 17.6 km²
- Population Projection: 90,000
- Major Development Projects:
  - Int’l Business, Hi-tech Industry, Leisure & Sports

10. IFEZ High-tech Cluster

**Vision**
A Hub of East Asian Knowledge based industry focused on IT & Electronics

**Business Scope**
- **RFID/USN**
  - RFID Anchor company (Alien Technology)
  - RFID/USN center
- **Aerospace**
  - Aviation training center (Boeing)
  - Aerospace engineering
- **Renewable Energy**
  - Renewable energy cluster
- **Automobile Parts**
  - Advanced auto parts & electronics
  - Mando-Hella Electronics
- **IT based contents**
  - Game, Music, Animation related company

**Target Clusters**

1. Knowledge-based Industrial Complex
2. IT Convergence Valley
3. Aviation Cluster
4. Vehicle Cluster
### 11. IFEZ Medical & Bio Cluster

**Vision**
East Asian Medical & Bio Cluster with world leading innovative technologies

**Target Sectors**
- Personalized medicine
- Regenerative medicine

**Business Scope**
- **Medical services**
  - Innovative therapies
  - Clinical research
- **R&D and production**
  - Bio pharmaceuticals
  - New medical devices
  - Pre-clinical, clinical research
- **Infra**
  - U-Health
  - Fusion technology

**Strategic Direction**
1. Induce local/foreign anchor companies/institutes
2. Facilitate biotechnology funds
3. Build strong network of local/foreign partners
4. Establish and operate management committee

### 12. IFEZ Education & Research Cluster

**Vision**
Optimum Education & Research Superhub of Northeast Asia

**Business Scope**
- **Global Universities**
  - SUNY Stony Brook
  - NC State Univ
  - U of Southern California
  - George Mason Univ.
  - Univ of Delaware
- **Domestic Universities**
  - Yonsei Univ.
  - Univ. of Incheon
  - Inha Univ.
  - Korea Univ.
  - Sogang Univ.
- **Research Institutes**
  - Salk Institute
  - University of Utah
  - POSCO R&D Center
  - Microsoft
  - MD Anderson (Preclinical Center)

**Strategic Direction**
1. East Asian studies & research base for overseas institutes
2. Human resources powerhouse for global corporations and research institutes
3. Global education & research opportunity for Korean institutes
12–1. IFEZ Education & Research Cluster

World renowned universities will be located in the Global Campus, unrivaled by any other regional clusters.

Ease of access to rich human capital and collegiate research institutes

13. IFEZ Culture & Tourism Projects

**Vision**

The most attractive tourist spots in the Northeast Asia

Enhanced quality of life through raising the level of culture & leisure infrastructure

**Business Scope**

<table>
<thead>
<tr>
<th>Hotel</th>
<th>Casino Resort</th>
<th>Leisure Sports</th>
<th>Theme Park</th>
<th>Culture facilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Hotels for business &amp; tourism</td>
<td>• Large scale integrated casino resorts</td>
<td>• Motor Speedway • Golf courses • Marina</td>
<td>• Robot land • Holyland (theme park for kids) • MGM</td>
<td>• Art center • Musical concert hall • Exhibitions</td>
</tr>
</tbody>
</table>

**Major projects**

1. Yongyu-Muul Tourism Complex
2. Woonbook Leisure complex
3. Milan Design City
   (Triennale Design Hall, Science Museum, Music conservatory)
4. IFEZ Arts Center
IFEZ Partners

High-tech

Bio-pharm / Medical Device

Songdo

Digital Contents

Alternative Energy

Youngjong

Aviation Cluster

Cheongna

Vehicle Cluster