

04

Policies and Incentives

Government Support for Foodpols

The support system strives to meet the needs of resident businesses.

A total of 10 business support programs will be provided (in relation to human resources, exports, R&D and connections with the agricultural industry, with priority given to tenant companies).

Government Subsidies for Foodpols

Subsidy	Details
Investments	Large-Scale: Jeollabuk-do: within 10% of investments that exceed KRW 1 billion, KRW 10 billion maximum Iksan: within 5% of investments; KRW 10 billion maximum
	General: Jeollabuk-do: within 10% of investments that exceed KRW 1 billion; KRW 5 billion maximum Iksan: within 5% of investments that exceed KRW 1 billion; up to KRW 5 billion
Employment	Jeollabuk-do: KRW 1 million for every person hired after the workforce reaches 20 employees, every month for 6 months, and up to KRW 1 billion per company
	Iksan-si: When employing more than 20 employees, KRW 0.5 million for every person hired after the workforce reaches 20 employees, every month for 6 months, and up to KRW 200 million per company
Education and Training	Jeollabuk-do: Up to KRW 0.5 million for every local resident newly hired after the workforce reaches 20 employees, for 6 months, and up to KRW 500 million per company
	Iksan-si: Up to KRW 0.5 million for every local resident newly hired after the workforce reaches 20 employees, for 6 months, and up to KRW 200 million per company
SMEs	Subsidies for facilities and transportation (Jeollabuk-do), market development, and marketing activities (Iksan)

Source: Foodpolis website

Success Case

Gold of Prague

Gold of Prague, a beer manufacturer in the Czech Republic, directly invested in Foodpolis as a stepping stone to enter the greater Northeast Asian beer market.

The decision to invest was made in consideration of the various business support systems and incentives for the foreign investment companies being provided through Foodpolis.

The site can be used for up to 50 years for an annual rent equaling 1% of the land acquisition value, where 75 to 100% of the rent may be exempted, depending on the size of the investment and employment, and use of Korean basic ingredients, etc.

KOTRA WORLD WIDE

As Korea's Trade-Investment Promotion Agency, KOTRA has 127 overseas offices and 10 headquarters worldwide.

* Invest Korea(IK), Korea's national investment promotion agency, was established as part of KOTRA to support the foreign businesses in Korea.



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KOREA'S LEADING INDUSTRIES

FOOD & BEVERAGE

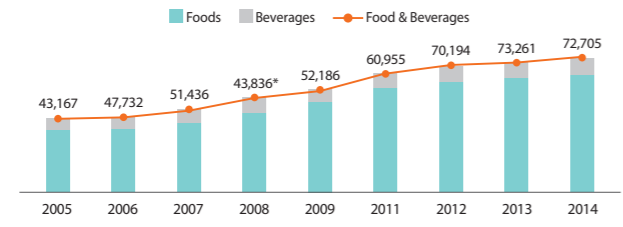


01

Korea's Food & Beverage Industry

The Korean food industry has dramatically grown since the 1970s due to rapid economic growth and the resulting increase in consumer spending. Since 2005, Korean food industry production has increased at an average annual rate of 6.9%, reaching USD 72,705 million in 2014.

Production Scale of the Korean Food Industry (USD million)



Source: Statistics Korea
 Note: From 2007 to 2008, the USD amount decreased due to the exchange rate surge in 2008 (global finance crisis), but the actual production scale in KRW increased during the period

Korean food exports have rapidly increased by 10%, reaching about USD 4.1 billion in 2015, due to the popularity of Korean processed foods in East Asian countries, including China.

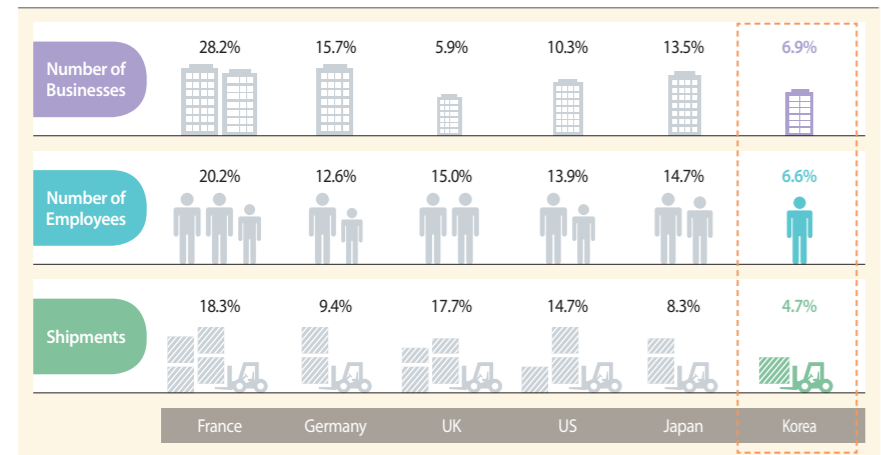
Korean Food Industry Import and Export Trends (USD million)



Source: Korea International Trade Association

Food manufacturing takes up a small portion of the Korean economy compared to other countries, meaning there is still room for growth in the future.

Importance of Food Industry in the Economy by Country



Source: Statistics Korea

02

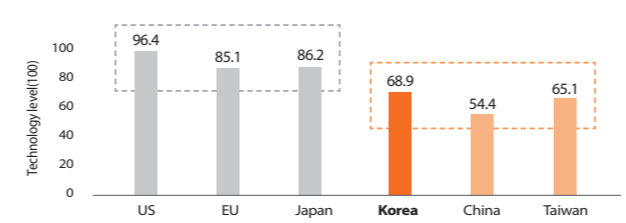
Competitiveness

Technology

Korea's technological prowess in the agri-food industry is about 70% of that of advanced countries.

The technological prowess of advanced economies, such as the US, EU and Japan is about 85 to 95%, resulting in a substantial gap with much lower figures for Korea, China and Taiwan, among others.

Food Industry Technological Competitiveness by Country

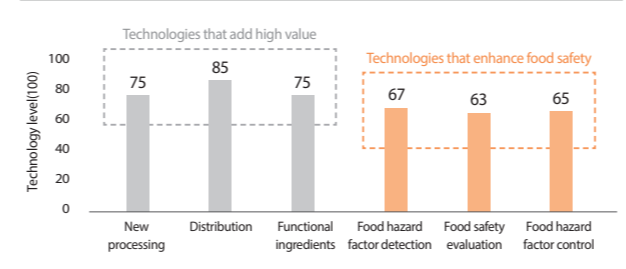


Source: Korea Institute of Planning and Evaluation for Technology in Food, Agriculture, Forestry and Fisheries (IPET, 2010)

R&D Capability

The Korean food industry boasts a mid to upper level in R&D capacity and relative technological advantages in adding high value to processed foods.

Korean Food Industry Capabilities by Technology



Source: Korea Institute of Planning and Evaluation for Technology in Food, Agriculture, Forestry and Fisheries (IPET, 2010)

03

Industry Clusters

Foodpolis: a one-stop support system for all food manufacturing procedures.

A low-cost, high-efficiency distribution system will be established by selecting full-service distribution companies capable of supporting resident food companies. Locational strengths include connections to main national roads, railroads, as well as airport and harbors.

Foodpolis is set to play a pivotal role in national food R&D. A close R&D network will be fostered in connection with the adjacent Daedeok Science Complex, Sejong Government Complex and six R&D institutes in Jeonju.

An efficient human resources matching system will be launched to connect food companies with professionals seeking jobs. Human resources training will be customized for each company through opportunities in industry-university cooperation research, internship programs and food academies.

Foodpolis Location

