Suseong Medical District

Future-Shaping Medical & IT Complex Aiming to Create a Competitive Advantage in Global Trade
The Hub of Korea’s Medical & Knowledge Based Industries!

Suseong Medical District
Here’s Where Daegu Metropolitan City Shapes Its Upcoming Future!

Center of Daegu Gyeongbuk Free Economic Zone/
New growth hub of the global knowledge-based industry/
The Suwon Medical District is at the very heart of the future knowledge information and the high-tech global era.

The Hub of Global Creative Economy Associated with the Medical, IT & SW Industries

Outstanding accessibility well-organized network with existing industrial complexes
The District is not only the hub for creative economy, with collaborative R&D base and SW convergence industry infrastructure, but also the mecca of Korea’s medical tourism and knowledge-based service industries.
Enormous Transport Network

The District’s Transport Network is widely connected to all directions, as well as to downtown Daegu.

Road, Air and Sea Transportation Networks Connected to All Directions Provide an Easy Access to Global Companies and Industrial Cities Near Daegu Metropolitan City

Convenient Transportation Infrastructure

- **Airport**: 1.5-minute distance from Daegu Intl Airport (5 Routes), 60-minute distance from Gimhae Ive Airport (41 Routes)
- **Port**: 60-minute distance from 4 International Ports (Gusan, Ulsan, Meean and Pohang)
- **Expressway**: Busan IC located within the District (Connected to 8 Expressways including Gyeongbu, Jungang, and Gwangan—Daegu Expressways)
- **Urban Road**: 1.5-minute distance from Dongdaegu Station and Daegu Intl Airport
- **Railroad**: KTX (Seoul—Daegu) (100 Minutes) and Dongdaegu—Busan (40 Minutes)
- **Metro Line**: Line 2 and 3 to be extended through the District

1-hour driving distance from National Industrial Complexes and Global Companies, such as SAMSUNG, HYUNDAI and LG, located in Gumi (electronics), Pohang (Steel), Ulsan (Shipbuilding and Automobile) and Changwon (Machinery)
Collaborative Network
The District Is Working Collaboratively with Nearby Industrial Complexes to Achieve Win-Win Growth!

Systematic Collaboration between Range of Companies in Various Local Industrial Complexes Offer business Synergy

Possible to Set Up a Collaborative Network in Association with Existing Industrial Complexes

- Industrial belt associated with completely constructed 1st and 2nd Dalseong Industrial Complexes, Seongseo Industrial Complex and Technopolis, as well as with Dalseong National Industrial Park under construction
  - Possible to set up a cluster of related industries and create new business opportunities
  - Seven foreign invested companies are located within the 2nd Dalseong Foreign Invested Industrial Complex For Foreign Investment
- Possible to set up a collaborative network associated with nearly 3,000 parts & components firms
  - 3,238 high-tech parts manufacturers are located: Machinery & capital (0.2, 41), automotive parts (2084), IT (1655), Medicine (97), Chemistry (043), Textile (038), and others (1751)

300 world-class businesses (20 selected by the Korean Ministry of Trade, Industry and Energy, Local small and medium enterprises 110 selected by the Korea Small and Medium Business Administration, 146 companies (145) and World Business Companies (11)

Systematic Collaboration between Range of Companies in Various Local Industrial Complexes Offer business Synergy
Creating a Global Base for the SW Convergence Industry That Builds the Infrastructure for the Knowledge-Based Industry And Takes the Lead in the Development of Various Technologies

Building the Optimal Infrastructure for the SW Convergence Industry
- The total number of IT/ SW companies in Daegu is 684 companies (in 2012) that consist of 384 SW & computer-related information service companies (50.3%), 191 information & communication service companies (27.1%) and 14 SW & information & communication device companies (21.2%).
- Their number was 66 companies in 2010, 619 companies in 2011 and 664 companies in 2012, respectively. There has been a continued increase in the number of IT/ SW companies in Daegu, on the basis of the SW development service market and SW-based digital content market.
- Commit status of Daegu IT/ SW Industries (as of 2012)

Enhancement Project of SW Convergence Technology
- The project is categorized into infrastructure work (KRW43.4 billion) and technology development work (KRW5.7 billion). The infrastructure work includes the construction of the SW Convergence Technology Support Center (total area: 4, 295m², total floor area: 2, 305m²) that will play a role in the SW convergence industry and test bed as the provision of enterprise support services. The technology development work consists of the development of SW convergence-related basic core technology and commercialized application technology.

Construction of ICT Convergence & Creation Venture Center (lease-type Knowledge Industry Center)
- A lease-type knowledge industry center will be built within Geongju Medical District to create a cluster of local small and medium IT & SW companies. With a total project cost of KRW2.1 billion, the project will be completed by 2013 and will consist of 8 stories. The project aims to provide small businesses with commercial space while creating productive job opportunities for low-income individuals.

A New Paradigm Is Provided by Establishing Medical Collaborative Systems between Western and Oriental Medicines, Based on Outstanding Medical Infrastructure

Medi-City Daegu, the Heart of Medical Tourism
- The heart of Oriental medicine in Korea
- Daegu, Fongseong-rod with 35 years of tradition and history
- Operation of Comprehensive Integrated Medicine institute
- Unique medical collaborative system between Western and Oriental medicines, in association with leading local research centers including the Korean Medical Industry Promotion Agency
- A partnership agreement was made in September 2013 with Harvard University in the United States for the first time in Korea.
- A memorandum of understanding was signed with George town University to establish Korean campus of the graduate school of comprehensive integrated medicine (July 8, 2015).

- Outstanding medical staff and optimized medical services
- Diagnostic infrastructure with numerous local university hospitals
- 5 university hospitals, 12 general hospitals, 6 medical institutions designated by the Ministry of Health and Welfare, and more than 1,200 medical professionals
- Medical reimbursement facilities for foreigners
- A medical tourism program developed for the first time in Korea is provided for foreign medical tourists to secure medical safety

Stay-type Medical complex designed for stay, fun and medical care
- Infrastructure is established by selecting and strengthening excellent local medical technologies in order to attract international patients intensively
- Analysis of the domestic medical market

Current Status of Foreign Patients, Revenue and Number of Patients Countries

<table>
<thead>
<tr>
<th>Foreign Patients (100,000)</th>
<th>Revenue (billion)</th>
<th>Number of Patients (100,000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>151,611</td>
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</tr>
</tbody>
</table>

- The number of international patients has increased by more than 20% every year. There was a 51.7% patient increase from 135,464 in 2012 to 211,218 in 2013.
Abundance of Highly Qualified Human Resources

Customized Professional Workforce Is Educated on the Basis of Close Industrial and Academic Collaboration between Colleges and Company Research Centers

Korea’s Best Educational Infrastructure Designed to Easily Provide a Skilled SW Workforce on the Basis of Convenient Industrial and Academic Collaboration

- Current status of engineering workforce in Daegu: Nearly 50,000 competent engineering students are graduated from colleges and high schools every year.
  - Highly competent workforce (127,000 personnel): DaSTIF (IT, BT, MT), POSTEC (advanced materials), Kyungpook National University (Electronics), Yeungnam University (Convergent), Pohang University (Advanced)
  - Technical workforce (284,000 persons): 20,000 graduates from junior colleges, 4,000 graduates from technical high schools
  - National Technical Skill Competition: 1st place (2011), and 2nd place (2012)

- 230 IT departments of 11 universities and 44 technical and junior colleges in Daegu and Gyeongbuk areas provide education for more than 30,000 highly competent students. There are 45 IT related institutes of the government and universities, as well as 135 company research centers, in Daegu.

- Leading industrial and academic collaboration universities (Kyungpook National University and Yeungnam University) and junior college 15 colleges including Taegu Science University, engineering technology education innovation center (Yeungnam University College) for customized skilled workforce, hot line center (Kyungpook National University) to assist technical information and inquiries, research institutes to incubate innovative small- medium enterprises (4 universities including Kyungpook National University), and 175 R&D centers for collaboration with companies (nearly 4,000 research workers)

Procuring Abundant Human Resources and Physical Medical Infrastructure with High Quality within Local

- 5 university hospitals with a 100-year tradition and their outstanding medical staff.
  - 5 medical colleges, including Kyungpook National University, Yeungnam University and Yeungnam University, and their 277 related departments
  - Daegu is ranked as number one in the number of Korea’s medical colleges, based on population (Physicians graduated in Daegu and Gyeongbuk areas account for 20% of total domestic physicians)
  - Nearly 7,500 physicians and 10,000 annual cases of cancer surgery
  - Korea’s highest medical service self-sufficiency (81.5%)
Research & Support Institutes Available for Collaboration
Reliable Support Provided to Intensively Help Enterprises Achieve Success

Optimal Environment with a Variety of Research & Support Institutes
Korea’s Best Integration of SW & IT Convergence R&D and Support Institutes

- In Daegu and Gyeongbuk areas, there are numerous institutes related with SW, digital content and
  - convergence such as medical instruments, robots, mechanics and electronics in an integrative
  - manner
- A large number of research-supporting staff and equipments are available for industrial and academic
  - collaboration and industrial growth

- R&D Institutes
  - DGIST: New compound, IT, OLED, energy and brain science
  - Korea Electronics and Telecommunications Research Institute: IT, convergence core technology
  - Korea Institute of Industrial Technology: New renewable energy, IT convergence industry technology
  - Korea R&D Institute of Machinery and Materials: Research and development of machine, parts and materials, mechanical and robots
  - Korea Automotive Technology Institute: Research and commercialization of intelligent vehicles and development of powertrain parts
  - Korea Institute for Robot Industry Advancement: Commercialization and technical development of intelligent robots
  - Korea Basic Science Institute: State-of-the-art research, equipment development and analysis of new
  - compound and materials
  - Korea Institute of Science and Technology Information: Science and technology information development and supercomputing
  - Korea Dyeing & Finishing Technology Institute: Dyeing & finishing technology development and production
  - Korea Brain Research Institute: Development of brain research core technology

- Support Institutes
  - Daegu Technopark: Support for Nano, mobile convergence, 5G and oriental medicine companies
  - Daegu Digital Industry Promotion Agency: Promotion of SW digital industry and support for the image and new media industry
  - Daegu Electronics & Materials Institute: IT convergence, mold technology, thermal application and manufacturing
  - Daegu Gyeongbuk Advanced Parts Promotion Foundation: Intelligent vehicle test equipment manufacturing and automotive parts research and performance test & evaluation
  - Daegu Gyeongbuk Design Center: Support for small & medium business product development and design
  - Industry promotion
  - Research & Development Promotion Foundation: Special technology commercialization and full design business
  - Daegu Science Technology Promotion Center: Support for research and development activities within Seongseo Industrial Complex
  - Energy Management Agency: Support for energy-related R&D and workforce training & education
  - 3D Convergence Technology Center: Construction of foundation for the 3D convergence industry

Supreme Medical Technology and Specialized Medical Services

- Leading National Medical Projects Designed to Attract Foreign Patients
  - 2010: Hair transplantation center project (Kyungpook National University Hospital)
  - 2011: Global medical tourism project (11 locations, including Kyungpook National University Hospital)
  - 2012: Cell (iP) and cell paste production (Heiligwang University Dongsan Medical Center)
  - 2013: Latest treatment of colon cancer (Daegu Fatima Hospital)
  - 2014: Latest treatment of respiratory diseases (Gyeongsang University Medical Center)

- Medical sectors specialized by major hospitals
  - Kyungpook National University Hospital (570 physicians, 2,000 staff members and 1,400 beds)
    Hair transplantation / square hair transplant / cataract surgery / surgery of colon cancer, breast cancer
    and stomach cancer / pediatric cardiac surgery
  - Konkuk University Dongsan Medical Center (37 medical departments, 1,000 beds and 2,300 staff members)
    Women cancer center / cardiac center / Center for age disease / sleep disorder center / Bariatric center / Cell (iP)
    & stem cell in age disease
  - Daegu Catholic University Hospital (42 medical departments, 400 physicians, 640 beds and 1,660 staff members)
    Coronary artery bypass graft / hepatic transplantation & liver rejection / artificial joint surgery / Korea-Western
    medicine collaboration / clinical data standardization
  - Daegu Chonnam University Hospital of Daegu Hanyang University
    (Clinical medical center / ENT medical center / Medical center for hearing / Medical center for spine / Medical
    center for kidney disease / Medical center for regenerative medicine)
  - Youngnam University Medical Center
    (Non-surgical treatment of chronic back pain / Thyroid cancer surgery / one-stop cancer treatment system / stroke)
  - Daegu Fatima Hospital (31 medical departments, 220 physicians and 1,400 staff members)

Specialized medical centers (critical care centers for foreign patients / neurosurgical surgery / skin graft / hematology)
Suseong Medical District, as the Base of ICT Creative Economy Belt, Cooperating with Daegu City, Companies, Colleges and Support Institutes

**Building the ICT Belt for Creative Economy**

- **ICT Creative Economy Belt**
- **Suseong Medical District**, as the Base of ICT Creative Economy Belt, Cooperating with Daegu City, Companies, Colleges and Support Institutes

**Sections in the ICT Belt**

- **ICT Creative Economy Belt**
- **Support for Creative Economy**
- **Suseong Medical District**
- **Daegu Creative Economy Complex**

**Building the ICT Belt for Creative Economy**

- **Daegu Creative Economy Complex**
  - Location: Former Chol Industries Co., Ltd.'s position / 43,049m²
  - Project period: 2015-2016
  - Total project budget: KRW490 billion / Samsung C&T Corporation
  - Project overview: Start-up support center, SIS center, innovation center for culture & arts, cultural center for young and others

**SW Convergence Cluster Project**

- Location: Suseong Medical District / 116,965m²
- Project period: 2013-2017
- Total project budget: KRW400.1 billion / KRW134.6 billion in 2015
- Project overview: Acceleration of SW convergence technology and establishment of SW Convergence Technology Support Center, Knowledge Industry Center and cluster of SW companies.

**Plan to Specialize**

- **Image Media Center** (2010-)
  - Contents Korea Lab
  - Daegu (2010-16), Mobile Game Center (2011-16) and
  - IT Convergence Contents Support Center (2015-16)

- **Former Gwangyang-Saikyo-dong Province Site** (2011-16)
  - R&D and Practical Experiments
  - ICT, big data, CT convergence technology

- **Daegu Metropolis City** (2011-16)
  - SW Convergence Technology Support Center (2014-15)
  - Knowledge Industry Center (2015-16)
  - Chaebol’s small and medium enterprises (2015-16)
  - Welfare facilities for SW developers (2015-16)
Outstanding & Comfortable Living Environment

Provides an Opportunity for You to Enjoy a High Level of Living Standard

Live a Healthy, Happy and Relaxing Life in a High Tech City with a Better and More Comfortable Living Environment

Premium City with Outstanding Educational, Cultural, Medical and Residential Environments

- Educational Environment
  - Korea’s highest academic performance city
  - Daegu’s elementary & middle school students achieved the highest levels of academic performance in Korea
  - Ranking the top 20 scores for the Government-Sponsored Scholastic Aptitude Test for University Admission (Suseong-gu)
  - Daegu International School (established in 2010) to foster global talents
  - Daegu Science High School (designated as a special purpose high school for the gifted in 2008), Daegu Science High School (Established in 2011)
  - 92 high schools, including Gyeonggi High School with 4 students who got perfect scores in 2014, 124 middle schools and 221 elementary schools
  - 34 elementary schools, 22 middle schools and 17 high schools in Suseong-gu District

- Comfortable Residential Environment Designed for Foreigners within Suseong Medical District
  - Ready to be used for 30,000 foreign households
  - Various welfare facilities and water front park for a better life
  - Support for medical facilities designed for foreigners moving to the District

- Cultural Life
  - Diverse and unique culture
  - A variety of international events take place, including Infl. Opera Festival, Infl. Musical Festival and Daegu Chimec Festival (Deep Wind Chimes)
  - Many facilities & public space for cultural & physical activity
  - Daegu Stadium, Daegu Athletic Promotion Center, Daegu Art Museum, Daegu Samsung Lions Park, Daegu National Museum etc.

- Medical Services
  - Nearly 3,000 medical institutions, including 5 university hospitals, 12 general hospitals and 6 specialized medical institutions designated by the Ministry of Health and Welfare
  - Korea’s top medical service self-sufficiency (91.5%)

'2016 Local Residents Satisfaction and Quality of Life Survey’ showed that Suseong-gu, Daegu, including Daegu Medical District, ranked Korea’s 6th highest city among 229 local government districts

- Education (2nd place), housing (5th place), culture (6th place) and transportation (6th place)
Customized Incentives

Foreign Invested Companies

- **Low Profit Land**
  - Requirements: Foreign direct investment (FDI) should amount to one (1) time more than land price. Foreign investment should account for more than 30% of total investments.
  - Price: Below construction cost.
  - Logos shall be customized for the needs of applicant companies.

- **Financial Support**
  - Target: High-level technology accompanying business.
  - Incentive: Manufacturing business regularly employing more than 300 people.
  - Incentive: Regularly employing more than 5 people who have either an education degree higher than master's degree or more than 3 years of experience in research.
  - Support: Tools for the support of the R&D cost of high-quality sensor equipment, research equipment, and manufacturing facilities.

- **Tax Incentives**
  - Classification: Companies moved from the capital area and making large-scale investment.

<table>
<thead>
<tr>
<th>Classification</th>
<th>5-year tax incentive</th>
<th>7-year tax incentive</th>
</tr>
</thead>
<tbody>
<tr>
<td>R&amp;D budget: FDI amount over US$10 million</td>
<td>• 100% for 5 years and 50% for additional 2 years</td>
<td>• 100% for 5 years, 50% for additional 2 years, and 5% for the next 2 years</td>
</tr>
<tr>
<td>R&amp;D budget: FDI amount over US$10 million &amp; master's degree or higher</td>
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</tr>
<tr>
<td>R&amp;D budget: FDI amount over US$10 million &amp; master's degree or higher &amp; regular employment to 10 research staff members or more</td>
<td>• 100% for 5 years and 50% for additional 2 years</td>
<td>• 100% for 5 years, 50% for additional 2 years, and 5% for the next 2 years</td>
</tr>
<tr>
<td>R&amp;D budget: FDI amount over US$10 million &amp; master's degree or higher &amp; regular employment to 15 research staff members or more</td>
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</table>

Foreign Education & Research Organization

- **Foreign Education Organization**
  - Target: Foreign education organization that needs to establish a branch school within the Free Economic Zone.
  - Requirements: Establishing new departments or international schools.

Domestic Companies

- **Low Profit Land**
  - Target: Companies moved from the capital area and making large-scale investment.

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<thead>
<tr>
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- **Financial Support**
  - Target: Companies moved from the capital area and making large-scale investment.

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Top 12 Attractions in Daegu

- Pohang San mountain
- Biseul San mountain
- Gucheonsong memorial park
- Dongseonno street
- Seomun market
- Daegu tower
- Daegu stadium

Numerous global companies located near our district have been successful in their business based on outstanding investment environments.
Daegu-Gyeongbuk Medical Cluster

Daegu Medical Cluster, established by the government to strategically foster the high-tech medical instrument industry, aims to lead the knowledge economy industry and to increase competitive advantages of the local industries by building an important base of Daegu & Gyeongbuk Economic Region and local R&D activities.

I Major Research Facilities

- New Drug Development Support Center
- Medical Service Development Support Center
- Laboratory Animal Center
- Clinical Drug Manufacturing Center
- Korea Brain Research Institute
- Dental Medicine Technology Application Center
- High-Tech Genomic Medicine Research Institute
- National Bi-Imaging Center

I National Research Institutes

- Korea Foundation for the Promotion of Private School
- Korea Gas Corporation
- Korea Credit Guarantee Fund
- National Information Society Agency

Daegu Innovation City (Palgong Innovalley)

Knowledge-creating city in harmony with people, nature, science and culture

I Current Status of Public Organizations in Daegu Innovation City

- Central Physical Examinator Center of Military Manpower Administration
  - Site: 7,033m²
  - Start of construction: May 27, 2011
  - Completion: December 15, 2012
  - Number of staff: 42

- Korea Education & Research Information Service
  - Site: 6,833m²
  - Start of construction: April 18, 2011
  - Completion: September 7, 2013
  - Number of staff: 219

- Korea Industrial Complex Corp
  - Site: 175,000m²
  - Start of construction: December 15, 2011
  - Completion: November 14, 2013
  - Number of staff: 112

- Korea Foundation for the Promotion of Private School
  - Site: 5,814m²
  - Start of construction: December 13, 2011
  - Completion: May 31, 2014
  - Number of staff: 33

- Korea Gas Corporation
  - Site: 3,272m²
  - Start of construction: May 30, 2011
  - Completion: August 30, 2014
  - Number of staff: 784

- Korea Credit Guarantee Fund
  - Site: 1,32,716m²
  - Start of construction: May 30, 2011
  - Completion: November 22, 2013
  - Number of staff: 595

- National Information Society Agency
  - Site: 1,11,656m²
  - Start of construction: January 10, 2012
  - Completion: July 25, 2013
  - Number of staff: 207
**Appendix**

**Foreign Investment Process and Investment Attraction Process**

### Foreign Investment Process

1. Foreign Investment notification
   - NOTRA or Foreign Exchange bank in Korea
2. Remit investment capital to Korea
   - Foreign Exchange bank in Korea or carrying cash after customs clearance
3. Register the foreign investment company
   - HQ notification authority
4. Transfer contributed capital to a corporate bank account
   - receipt exchange bank in Korea
5. Establish and register corporation
   - Court registry
   - Register a corporation
   - Register a business
   - NOTRA
   - Tax office

### Investment Attraction Process

1. Find investors and consulting services (exchange of investment proposal and investment plans)
   - Notary Public or Attorney in London
2. Create an investment attraction plan
   - Free Economy Zone Authority
3. Apply for the confirmation of location standards
   - Free Economy Zone Authority
4. Company — Free Economy Zone Authority
5. Occupancy agreement
   - Free Economy Zone Authority
6. City Councils approval
   - In the event the a subcity assessing R&I bill is subject
7. Free Economy Zone Authority — City's department of investment and trade
8. Examination of City's business attraction committee
   - City's department of investment and trade
9. Company — Free Economy Zone Authority
10. Land sale agreement
    - Company in Seoul, Urban Development Corporation
11. Construction approval
    - Free Economy Zone Authority
12. Factory registration

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![Image of cityscape with two business people shaking hands](image)