Saemangeum: Ushering in a New World

Opportunities for development and success abound in the special government project zone of Saemangeum

Saemangeum is a government project zone on the west coast of the Korean peninsula designed to develop the region — including the world’s longest sea dike (33.9 km), reclaimed land and a freshwater lake within the area of the dam — into a global free trade hub by dividing the region into areas for industry research, international cooperation, tourism and leisure, agro-bio, hinterlands and eco-environments.

The land being reclaimed is larger than one would imagine but will become a compound city representing Asia. This large, human-friendly compound city will be on 409 km² of land that has been developed for more than 30 years since 1991, with a total project budget of KRW 22.2 trillion (USD 20.1 billion).

Saemangeum, also referred to in Korean as “ariul,” which means “city of water,” is a special economic zone governed directly by the central government of Korea. Speedy project implementation and customized support are possible here, as a special act has been enforced to execute and support development projects. Developers may be granted discretionary development rights, and land may be sold to investors in their original form or after infrastructure facilities have been installed.

What sets the development of Saemangeum apart from other regions is the borderless and open special zone that is being developed jointly by the government and businesses through mutual cooperation that pursues win-win prosperity using free trade agreement (FTA)-based trade conditions. The Korea-China Economic Cooperation Complex will be developed as Korea’s first international economic cooperation district. The success of this will be expanded through the development of special economic districts with other countries.

Though conditional, various incentives and forms of support will be provided to foreign businesses, including reductions in corporate and personal income tax for seven years (100 percent in the first 5 years, 50 percent in the next 2 years), a subsidy of up to 5 percent of the invested amount and a 50-year free lease of the factory site. The investing businesses may use the area as a base for export sales to Europe and ASEAN countries that have signed FTAs with Korea by setting up production facilities in the industrial compound using such incentives.

In addition, the area will be a bridgehead for export to China, as it is located close to the huge market. The zone will have an even greater advantage as an export base with the Korea-China FTA.

The area also boasts strong distribution infrastructure, including an airport, sea ports, expressways and railroads that are connected to key base points at home and abroad. The zone is poised to be a competitive hub of East Asia. Furthermore, sales routes may be easily explored, as industrial complexes are located around Saemangeum, which is home to global businesses representing Korea.

Saemangeum at a Glance

- Area: 409 km² (Reclaimed land 291 km², lake 118 km²)
- Project budget: KRW 22.19 trillion
- Planned population: 758,700 people

Key Industries

- Advanced materials, chemicals, auto parts, power
- Energy-related industries, MRO (aircraft maintenance) industries
- Industrial distribution, advanced knowledge-based industries and R&D, international cooperation and culture, tourism functions and high-order service

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