Energy Valley: The Future Gateway to the Energy Industry

Korea ramps up efforts to foster promising projects in the energy sector in 2016

What is Energy Valley?
Energy Valley is a project which aims to establish a global energy hub in Bitgaram Innovation City (BIC). This ambitious project seeks to establish business clusters of new energy industries, including renewable energy, ESS, MG and power-related ICT around BIC. As such, KEPCO (Korea Electric Power Corporation) has already signed an MOU with approximately 100 companies including GE and ABB for investing in Energy Valley, and more than 40 percent of these companies are in the new energy industries.

Location
Bitgaram Innovation City, the center of Energy Valley, is being jointly established by the city of Gwangju and Jeollanamdo (South Jeolla Province). The two local governments are providing their full support to the project so that the city can be successfully developed in the long run. The region is positioned in an optimal location, being just 25 minutes away from Muan International Airport and the Honam Express Way. At the same time, it is in close proximity to Mokpo Harbor and Yeosu Gwangyang Port, which connects Korea with China and other Asian countries.

Future Prospects
The energy industry is expected to serve as an engine of growth for future industrial development. At the recent UN conference on climate change in Paris, the Korean government pledged to cut its greenhouse gas emissions by tapping into the new energy industries and announced its 2030 plan for nurturing new energy industries that will create a market worth KRW 100 trillion (USD 80.9 billion). As a separate initiative from the government’s policy to foster the energy industry, Jeollanamdo has also come up with its own strategies to foster this sector, namely by making 50 inhabited islands nearby energy independent. It also plans to make Bitgaram Innovative City electric vehicle-friendly. As the energy industry’s production and R&D hub, Energy Valley will indeed provide an ideal environment for companies wishing to enter the energy market of Korea, and Asia and beyond.

Support
KEPCO is providing mutual support for investors in Energy Valley. To alleviate financial burdens, it is offering financial support for SMEs and running a preferential procurement system of products manufactured within the Valley. In addition, the R&D cooperation system with regional universities and research institutes has been established to provide an infrastructure for the development and commercialization of new technologies.

As local governments in Gwangju and Jeollanamdo consider Energy Valley one of their key businesses, they are working tirelessly to assist foreign investors by providing support and cooperation in a wide range of issues, including investment consulting, business incorporation, and dispute resolutions.

Investment Incentive Measures
Among the industrial complexes accessible to Energy Valley investors, the Naju Innovation Industrial Complex and the Naju General Industrial Complex are currently designated as special support zones for local SMEs. In terms of orders made by public organizations and municipal governments, companies that have production facilities in these areas can deliver products through limited competition a private contract, ultimately securing the market.

Furthermore, the Korean government designated a special industry for each region and is taking bold actions to reform regulations by operating “regulation free zones”. As Gwangju and Jeollanamdo were designated as a “regulation free zone” for the energy industry, regulations regarding electric vehicles and renewable energy are expected to ease up in the near future. KEPCO and Korea thus hope that companies seeking to find a new momentum of growth in the energy sector will turn their attention to Energy Valley.

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