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## MESSAGE FROM THE MAYOR

Ulsan is Korea's industrial capital and one of the 4 largest producing cities in Asia accounting for 13% of Korea's industrial production(2010), USD 101.5 billion in exports and USD 85.8 billion in imports(2011).

Ulsan is striving to foster eco-friendly green industries such as secondary batteries and solar cells etc. as future new growth engines and to advance three major industries which are automotive, shipbuilding, and petrochemical industries that form Korea's largest industrial cluster.

Ulsan is the ideal place to do business as it has access to vast markets, abundant industrial utilities, optimal logistics infrastructure, excellent human resources, state-of-the-art R&D centers and much more.

Ulsan strives to be the best industrial cluster in Northeast Asia by providing various substantive incentives and administrative support for investors with competitive special support system.

Our city is your loyal partner for the successful investment.

Thank you.

**Bak, Maeng-Woo**  
Mayor, Ulsan metropolitan city



# ABOUT ULSAN

**Ulsan is an energetic city leading the economic growth of Northeast Asia in the 21<sup>st</sup> century.**

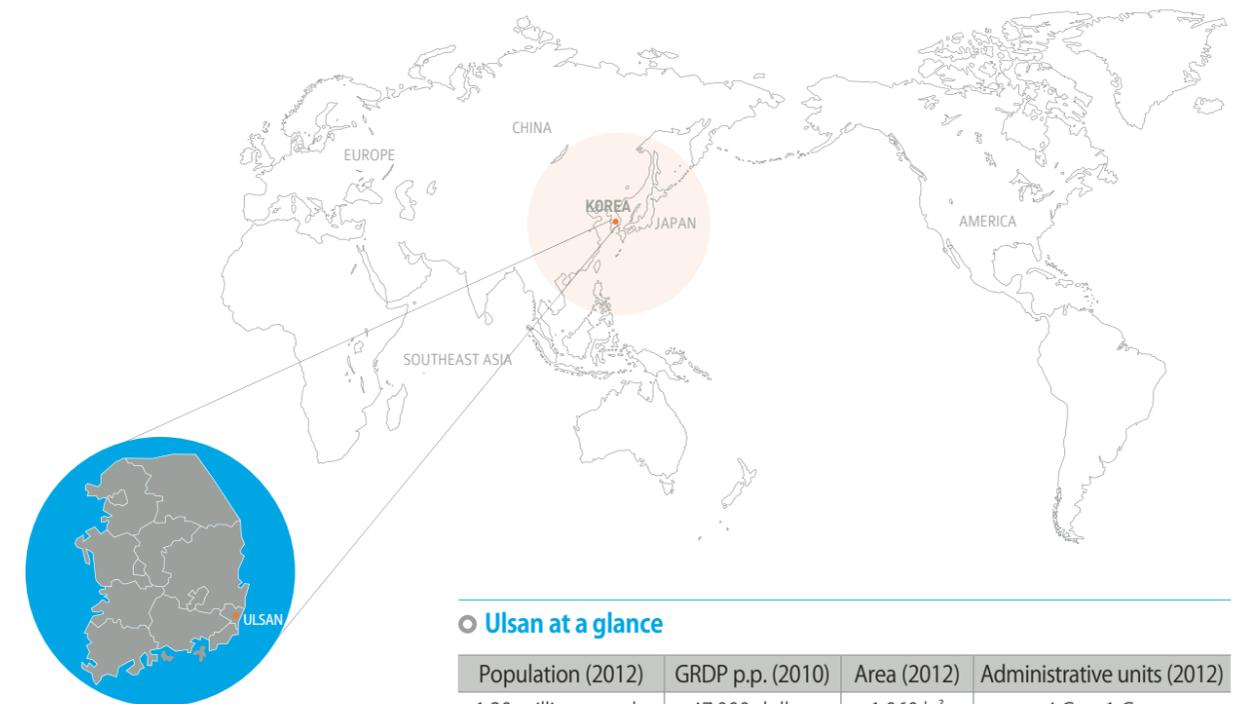


## Northeast Asia's strategic industrial stronghold

Ulsan is located in the Southeastern part of the Korean peninsula and maintains a warm temperature all year round. It is blessed with an ideal natural environment and is rarely affected by storms or floods. Ulsan covers an area of 1,060 km<sup>2</sup>, which is 1.7 times the size of Seoul with a population of 1.20 million.

Ulsan is strategically located in a point that links oceans and continents which offers easy access to other regions. In addition, the city is reachable within 2-hour flight from major cities in East Asia such as Beijing, Shanghai, Hong Kong, Tokyo and Osaka.

Its geographical location gives it an outstanding strategic industrial stronghold.



### Ulsan at a glance

| Population (2012)   | GRDP p.p. (2010) | Area (2012)           | Administrative units (2012) |
|---------------------|------------------|-----------------------|-----------------------------|
| 1.20 million people | 47,000 dollars   | 1,060 km <sup>2</sup> | 4 Gus, 1 Gun                |

### Climate of Ulsan

| Average temperature (2011) | 14.3 °C   | January | 1.5 °C  | August | 27.8 °C |
|----------------------------|-----------|---------|---------|--------|---------|
| Precipitation (2011)       | 1161.6 mm | January | 17.0 mm | August | 114 mm  |

## Northeast Asia's central city with vast markets

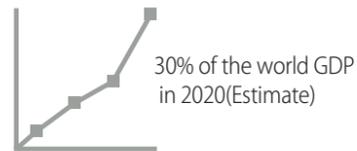
Northeast Asia which includes Korea, China, Japan and Taiwan, accounts for 25% and 22% of global population and GDP respectively, boasting the fastest economic growth in the world.

Northeast Asia will be the growth engine of the world economy in 2020 expected to produce 30% of the world's GDP

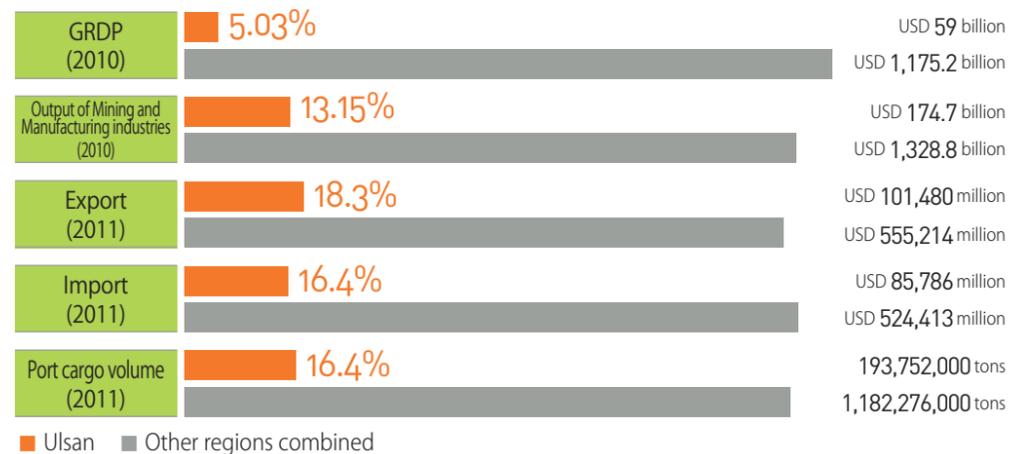
Ulsan is at the center of Northeast Asia that leads the world's economy with its active and powerful growth engine.



### Economic potential of Northeast Asia



### Ulsan's share of the national economy



## The largest Industrial cluster in Korea



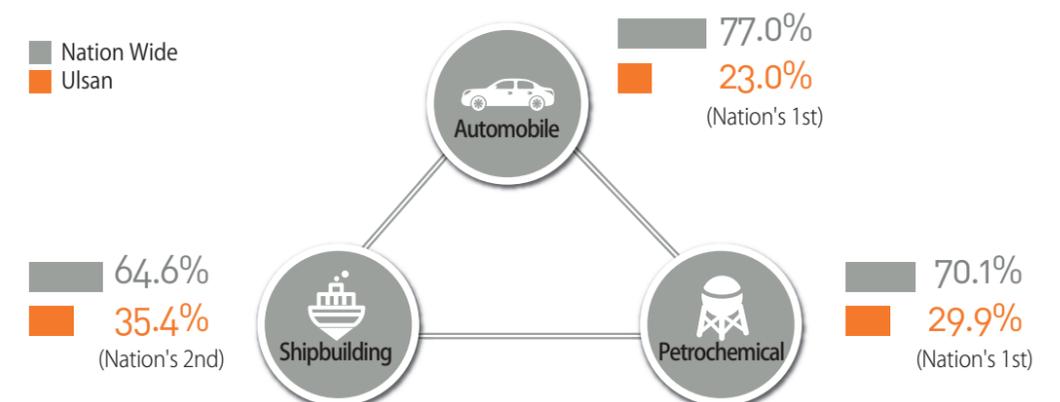
Ulsan is home to the largest industrial cluster for petrochemistry, shipbuilding, and automobiles.

Related industries are closely linked to grow together and create active and innovative synergy effect with the connection of industries of neighboring cities such as steel, machinery and port service in Pohang, Changwon and Busan.

Ulsan is becoming the representative industrial cluster in Asia offering an attractive investment environment and various business opportunities for investors.

### Key industries in Ulsan

(As of 2010, Production volume)



## Ecopolis, Ulsan

### Beautiful natural environment

Ulsan is surrounded by the Yeongnam Alps including mountains above 1,000m high such as Gajisan, Shinbulsan and Ganheolsan. Every year, salmon return to the clean and clear Taehwa river that flows across the city.

Also, it is a beautiful city next to the blue east sea with stunning beaches such as Jujeon, Jeongja and Jinha beach.

### Pleasant city environment

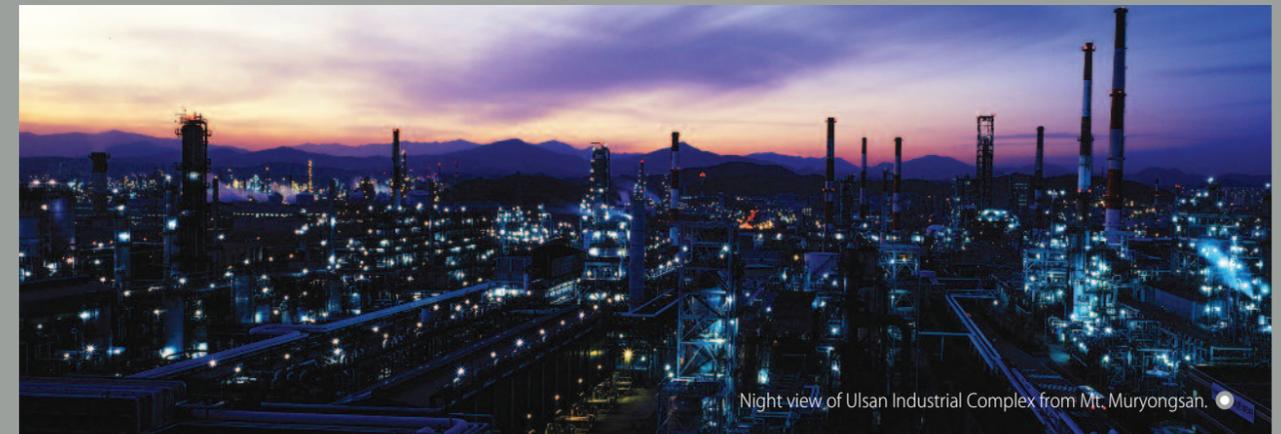
Culture and sports facilities like Ulsan Culture and Arts Center, Munsu World Cup Stadium and other convenient facilities like department stores, mega stores, luxury hotels and general hospitals form a pleasant city environment along with the beautiful natural environment.



Sunrise in Ganjeolgot where you can greet the first morning in Northeast Asia.



Bangudae - History Museum treasuring the mysteries of ancient times



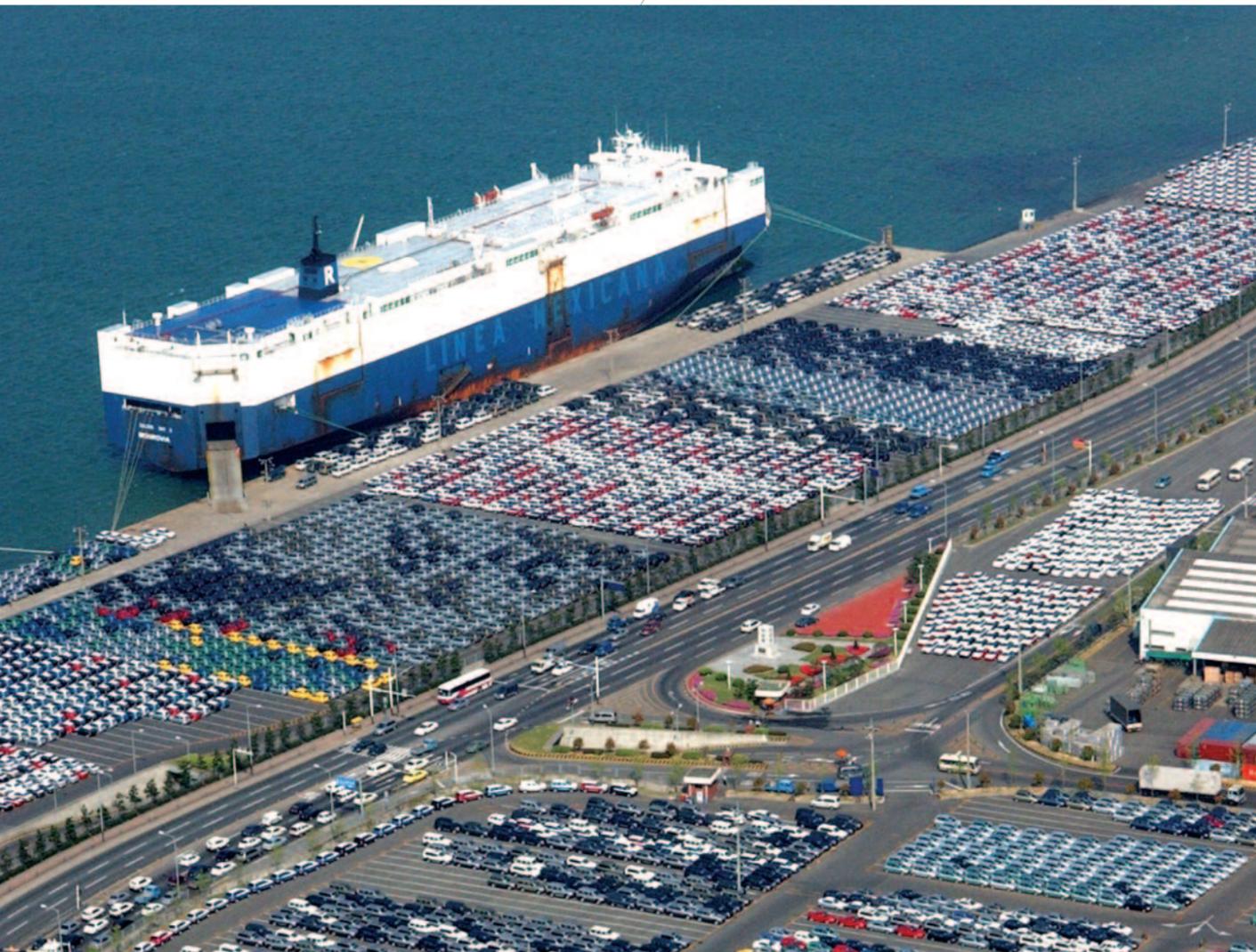
Night view of Ulsan Industrial Complex from Mt. Muryongsan.



Sweet Whisper from Sea of Silver Grass Plain.

# FDI STATUS

113 foreign enterprises are investing USD 3.5 billion in Ulsan



## Current status of FDI

Based on statistical analysis carried out at the end of 2011, 113 foreign enterprises are investing USD 3.5 billion in Ulsan. If you look at the investment size by country, foreign investors in Ulsan are from 23 various countries such as U.S, Japan, the Netherlands, and Germany.

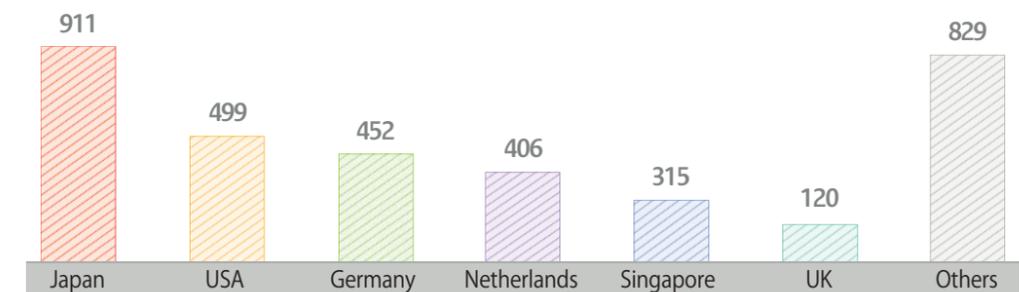
Investment by European companies has been particularly active and among them, German companies have invested the most. Looking at the investment by industry, traditionally FDI inflow has been concentrated on the core industries of Ulsan namely automobile, shipbuilding, and petrochemical industries.

There has also been robust FDI inflow into electric, electronic, energy, metal, machinery and service industries, signaling the growing attractiveness of Ulsan in more diverse sectors.



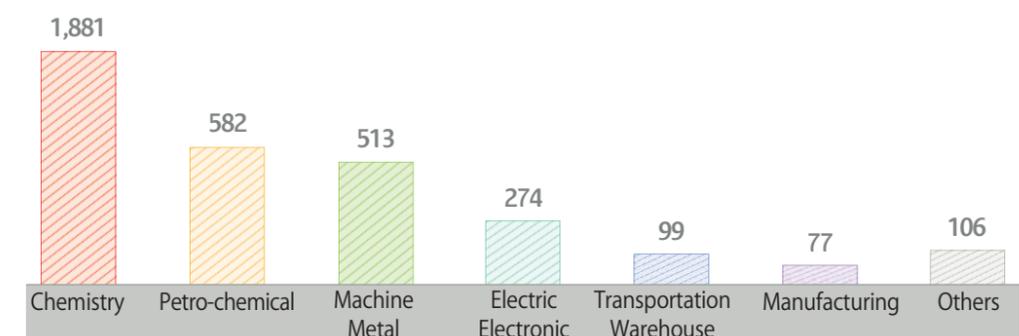
○ FDI by country

(unit : USD million)



○ FDI by industry

(unit : USD million)



# Message from the investors



**Chairman of Solvay group**

Mr. Christian Jourquin  
 At the press conference during his visit to Onsan factory

We have built a R&D center to develop materials for lithium - ion battery in Onsan of Ulsan, Korea, which started operating beginning of this year. It is because Korea is equipped with better industrial co-operation system than China and Japan, also safer place to receive protection of intellectual property rights



**Former President-CEO of Odfjell Terminals(Korea)**

Mr. Rob Meijboom  
 from his speech at a groundbreaking ceremony for further expansion

We will develop the Onsan port (Ulsan) where Odfjell Terminals (Korea) locates to be a hub of liquid cargo in Northeast Asia as it is the most important location for distribution and transportation of liquid petrochemical and chemical products.



**CEO of Air Products and Chemicals, Inc.**

Mr. John E. Mc Glade

AP Ulsan plant has been successfully constructed based on various support from Ulsan city. Therefore, we offer NF3 smoothly to the semiconductor and display manufacturing companies all over the world. And we are pleased to contribute some parts of creating employments and to expend the capacity of the company through the additional investments to Ulsan city. Wish the continuous success of Ulsan city and Air Products Korea Ulsan plant.

Major foreign companies investing in Ulsan

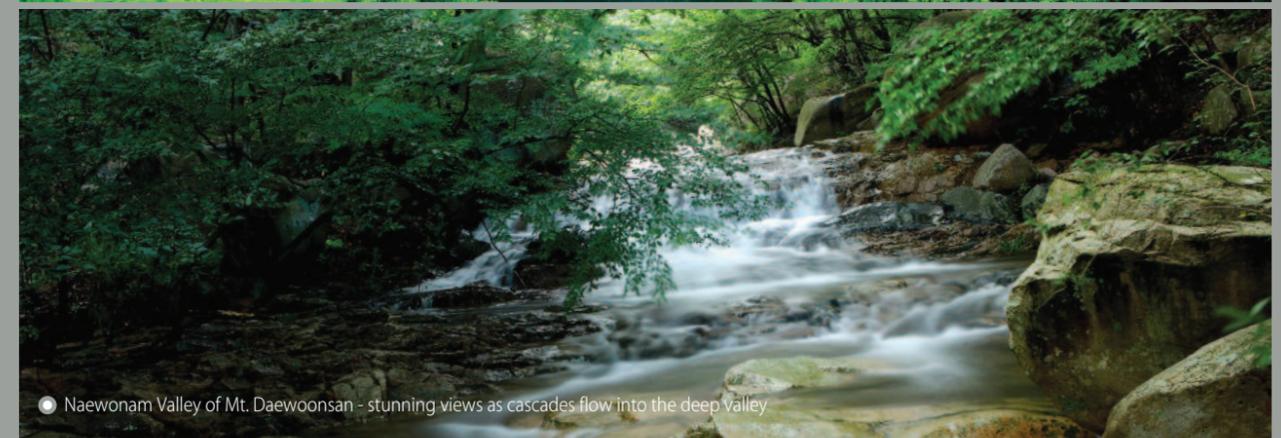
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|--|--|--|--|--|--|
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |



Jakgwe stream, a heavenly resting place in the heart of the forest.



Paraeso, a natural waterfall in the primeval forest.



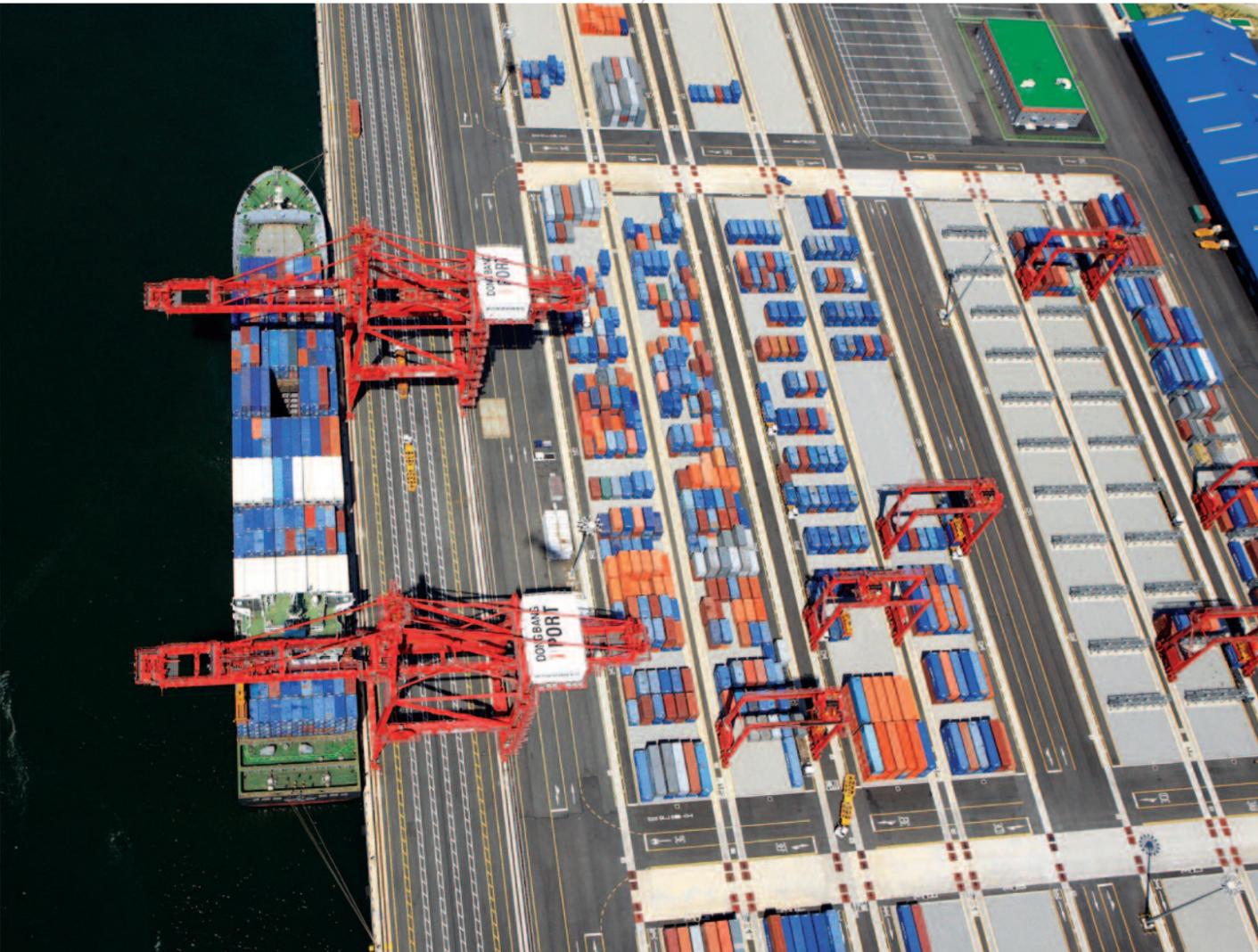
Naewonam Valley of Mt. Daewoonsan - stunning views as cascades flow into the deep valley



Daewangam & Pine forest on the island in the East Sea where the legend of a dragon that protects the nation lies.

# WHY ULSAN

Ulsan, the best business-friendly city in Korea, offers the best investment environment.

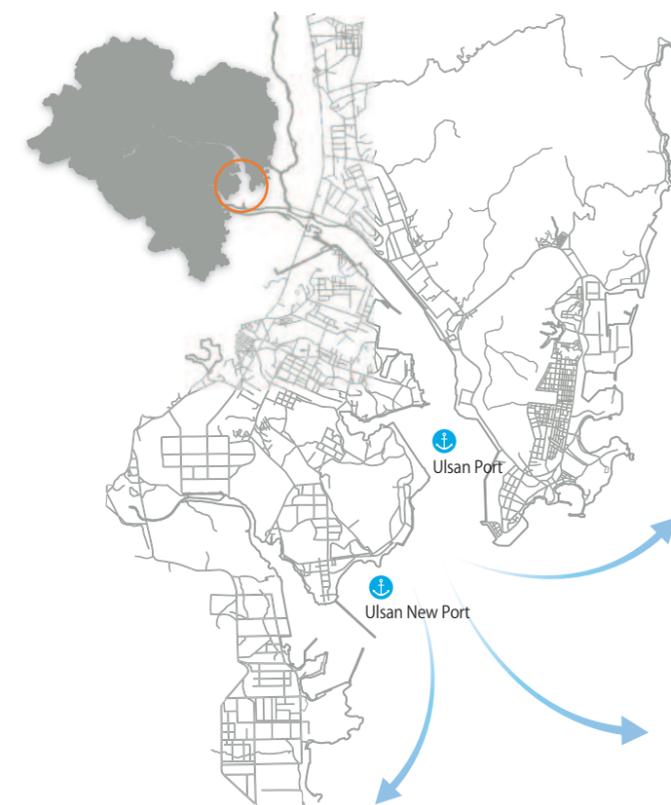


## Hub port for international industrial logistics in the 21C

Ulsan Port is Northeast Asia's biggest industrial logistics port and processes the largest amount of liquid cargo in the region, ranking 4th worldwide.

As of the end of February 2012, the port has a berthing capacity of 107 ships and annually processes 193 million tons of cargo being transported across the world. It is close to major industrial complexes acting as a gateway for businesses in the industrial complexes as they expand into domestic and foreign markets.

When Ulsan New Port that is under construction is completed in 2020, Ulsan Harbor will have berthing capacity of 132 ships and annual handling capacity of 88 million tons of cargo and will grow as a Northeast Asia's oil hub port that handles 19.2% of the world's petroleum consumption.



### Ulsan port

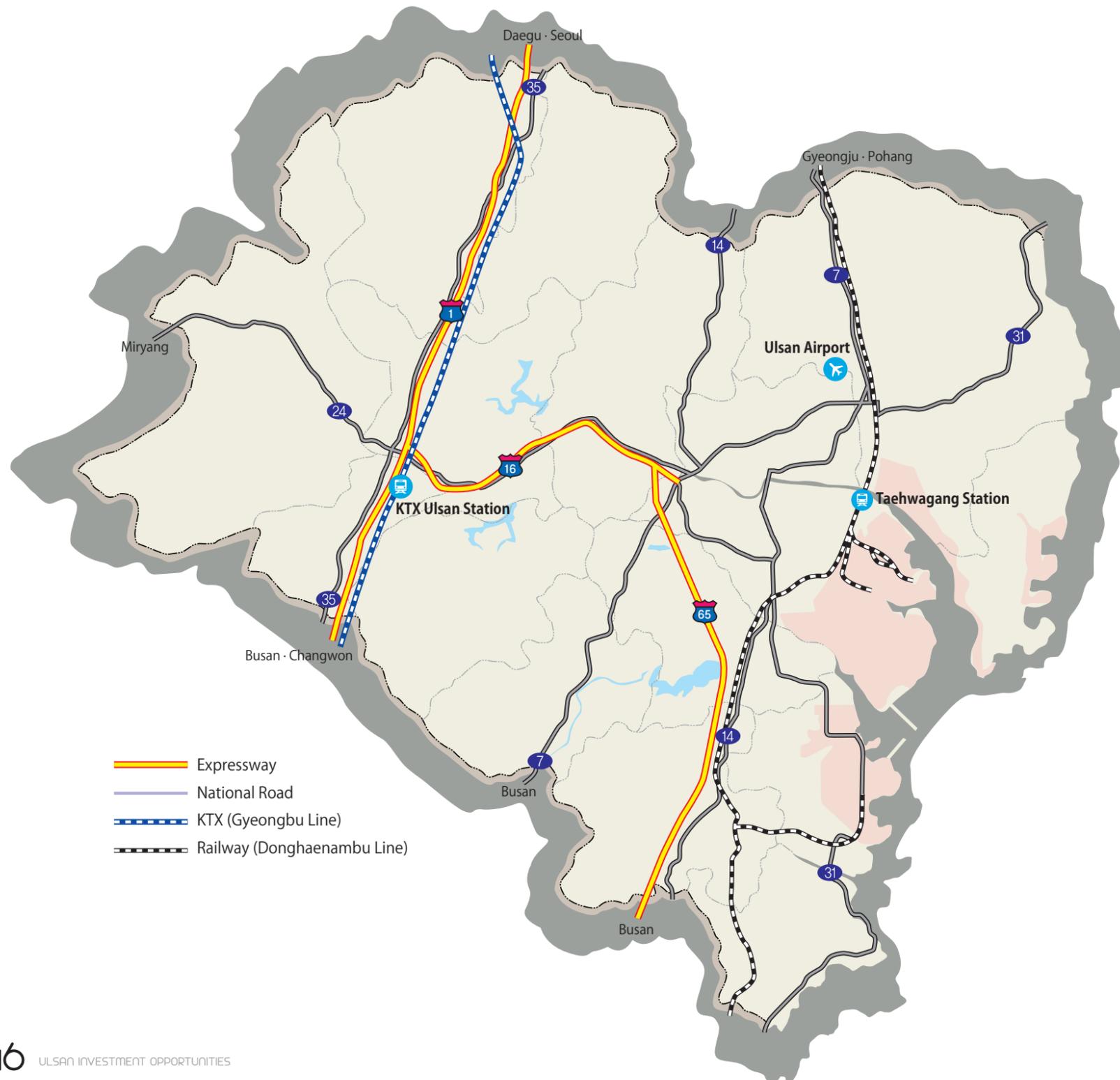
Nation's highest liquid cargo handling volume  
 Annual handling volume of 193 million tons  
 (16.5% of Korea's total)  
 107 berths

### Ulsan new port

Under construction to be developed as a logistic hub of Northeast Asia  
 Completion by 2020 :  
 - Annual handling capacity of 32 million tons  
 - 33 berths

# Advanced transportation infrastructure

Ulsan, equipped with most developed land transportation infrastructure in Korea provides the best accessibility.



## Road transportation

Road Transportation throughout Ulsan is provided by 5 National roads and 3 expressway. They link the industrial complexes with big cities like Seoul and Busan as well as downtown Ulsan.

## Railway transportation

With the help of the bullet train KTX, approximately 2 hours is all you need to reach Seoul. Also, railroads are built within the industrial complex so it is convenient to transport large amounts of products or raw materials.

## Air transportation

Ulsan airport is located near the city center with regular flights to Seoul daily and Kimhae international Airport is only an hour drive away providing access to a variety of international destinations for your convenience.



## Superior manpower

Ulsan is known for its skilled manpower due to its history as an industrial city for 50 years, where the citizen average age is 35 years of age. It is the youngest city in Korea. Also, around 3,000 engineers in environment, energy, chemical, shipbuilding, automotive fields graduate every year from Ulsan University, UNIST and 60 other universities nearby.



### No. of universities and colleges near Ulsan

|  |              |                 |
|--|--------------|-----------------|
|  | Universities | 36 Universities |
|  | Colleges     | 28 Colleges     |

### Annual graduates

|  |                          |                                       |
|--|--------------------------|---------------------------------------|
|  | Automobile engineering   | University / 1,200<br>College / 1,000 |
|  | Shipbuilding engineering | University / 200<br>College / 50      |
|  | Chemical engineering     | University / 2,000<br>College / 1,000 |

## Labor-management culture of cooperation and harmony

Well-known for its business-friendly environment, Ulsan has actively promoted the "Business friendly Campaign" since 2005. Both labor and management have endeavored to improve regional competitive power by establishing a harmonious labor-management culture.



## Abundant industrial utilities

Ulsan has two power plants including Yeongnam Thermal Power Plant and Ulsan Thermal Power Plant with power capacity of 3.4 million kW that supply stable power to Ulsan and its neighboring areas.

The full capacity of industrial water is about 1,545 thousand m<sup>3</sup>/day and the actual demand of water is only 60% of it. The city is well-equipped with essential industrial facilities such as sewage disposal, waste incineration plants and landfills.



### Electricity rates

| Industrial service(A) :<br>Contract demand of 4kW or more and less than 300kW     | Classification   | Demand charge (Won/kW) | Energy charge(Won/kW) |                  |              |
|---|------------------|------------------------|-----------------------|------------------|--------------|
|   |                  |                        | Jul-Aug               | Mar-Jun, Sep-Oct | Nov-Feb      |
|   | Low~High voltage | 4,610~5,200            | 64.40~69.30           | 47.60~52.20      | 56.90~62.30  |
| Industrial service(B) :<br>Contract demand of 300kW or more and less than 1,000kW | Classification   | Demand charge (Won/kW) | Energy charge(Won/kW) |                  |              |
|   |                  |                        | Jul-Aug               | Mar-Jun, Sep-Oct | Nov-Feb      |
|   | High voltage     | 5,570~6,970            | 41.50~114.20          | 41.50~78.40      | 45.20~99.20  |
| Industrial service(C) :<br>Contract demand of 1,000kW or more                     | Classification   | Demand charge (Won/kW) | Energy charge(Won/kW) |                  |              |
|   |                  |                        | Jul-Aug               | Mar-Jun, Sep-Oct | Nov-Feb      |
|   | High voltage     | 5,550~7,000            | 40.20~152.50          | 40.20~89.30      | 43.40~116.50 |

### City gas rates

| Classification                   | Consumer rates(Won/m <sup>3</sup> ) |
|----------------------------------|-------------------------------------|
| Commercial heating               | 848                                 |
| Transportation                   | 740.99                              |
| Cooling                          | 487.49                              |
| Industry                         | 689.07                              |
| Cogeneration and district energy | 487.31                              |

### Industrial water

| Classification     | Won / m <sup>3</sup> |
|--------------------|----------------------|
| Raw water          | 213                  |
| Precipitated water | 298                  |



## State-of-the-art research facilities and optimum R&D environment

Ulsan continuously strives to strengthen innovation and research and development capability of the region by cooperating with 250 enterprise-affiliated R&D centers and public research centers.

### Automotive Parts Innovation Center

Automotive Parts Innovation Center is an overall supporting institution of auto parts industry, co-funded by the Ministry of Knowledge Economy and Ulsan City Government. It is playing a pivotal role in implementing the Auto Valley Project which is the core strategic project of Ulsan city. It is also implementing other projects to maintain the competitiveness of the auto industry by developing new technologies through close consultation with auto parts companies in the south-eastern region.

#### Projects

|                        |                              |                     |
|------------------------|------------------------------|---------------------|
| Device sharing         | Joint technology development | Industry support    |
| Education and training | Networking                   | Business incubation |



#### Main equipment list

| Test evaluation                                      | Safety test  | Research development | Parts development              |
|--|--|----------------------|--------------------------------|
| Six Axis Road Simulator(Half Car)                    | Towing device for crash test vehicles              | Hyperworks           | Three dimensional probe        |
| MAST(Multi-Axial Simulation Table)                   | Dummy  | Deform               | Rapid Prototype Machine(FDM)   |
| Linear Hydraulic Pressure Durability Testing Machine | Digital high speed camera                          | Abaqus               | 5axes high speed processor     |
| Two-axle engine Fatigue testing machine              | Europa Side Impact Test Cart                       | Nastran              | Electric Spark Machine         |
| Noise Analysis System                                | USA Side Impact Test Cart                          |                      | Laser Welding Machine          |
| Vibration Analysis System                            | Static Overturn Equipment                          | Patran               | Laser Heat Treatment Equipment |
| Multiarticular Durability Testing machine            | Rear fuel leakage crashing of Hand Push Type Car   | Magma                | Large Nitriding equipment      |
| CT-X Ray Testing Machine (non-destruction)           | Multi-Articular Three Dimensional Measuring Device | Pam-Stamp            |                                |
| Component Analysis Machine(EPMA)                     | Pedestrian Protection Testing Equipment            |                      |                                |
| Video Microscope                                     | Collision Test Fixed Wall                          |                      |                                |

#### Facilities



#### Safety test center



**Ulsan Fine Chemical Industry Center**

Ulsan Fine Chemical Industry Center is a research support facility, co-funded by the Ministry of Knowledge Economy and Ulsan City Government to support R&D, product certification and evaluation for chemical companies in the city.

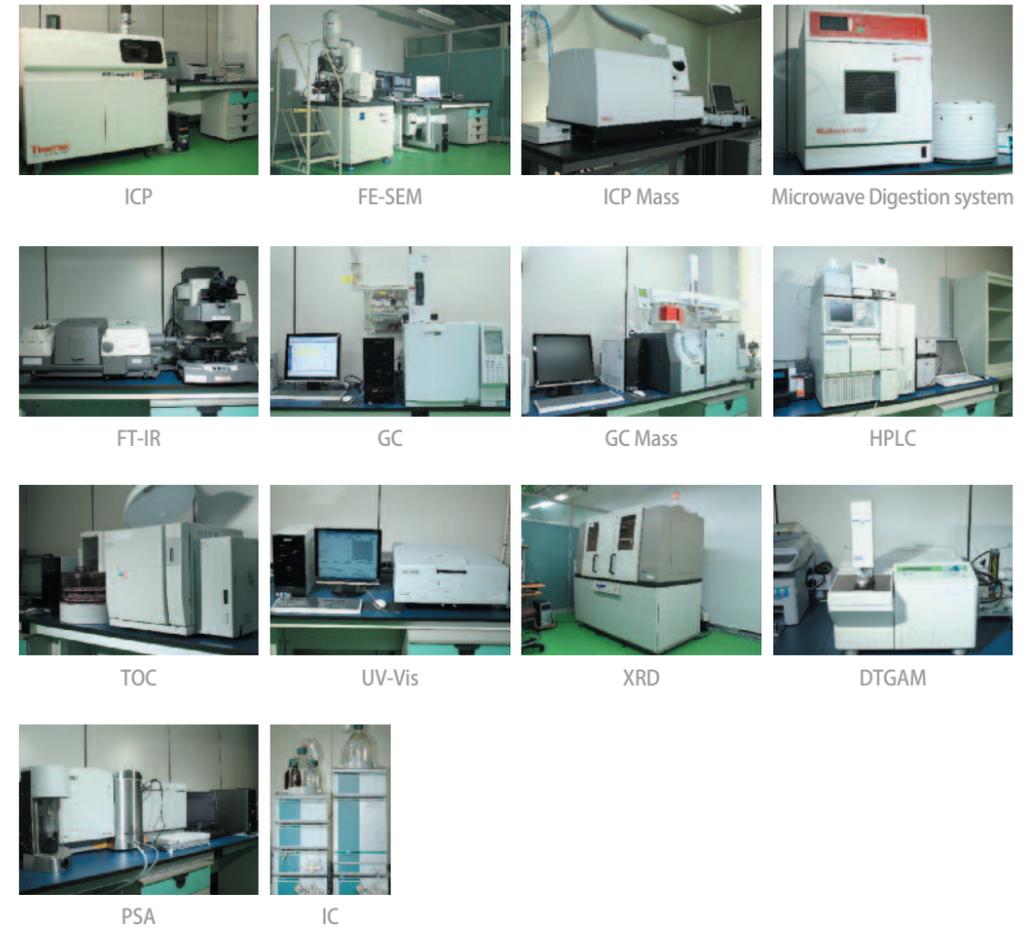
The center is taking a central role in developing the traditional petrochemical industry into a high-value added and technology-intensive fine chemical industry as it is well-equipped with advanced facilities. The center also has the ability to develop market-oriented technologies and form close networks with industry and academia.

**Projects**

|                        |                     |                     |                                   |
|------------------------|---------------------|---------------------|-----------------------------------|
| RIS business           | Networking business | Incubation business | Research and development business |
| Education and training | Pilot production    | Equipment use       |                                   |



**Equipment list (Analysis of material)**



**Equipment list (Pilot production)**



Yeongnam  
Main Office of  
Korea Testing &  
Research  
Institute

Korea Testing and Research Institute provides testing, inspection, product certification and assessment. The center provides traditional testing and analysis service and also sophisticated testing, evaluation, quality assurance and certification service which conform to the standards of advanced countries.

Projects

|   |
|---|
| R&D for standardization   |
| Support project : Consortium between industry, academia and research institutes for joint technology development / technology evaluation for patent / Support for Alternative Cleaning Technologies |
| Product certification : Q mark(quality guarantee) / GQ mark(superior products by an SME) / S mark(certification mark accredited by KAS(Korea Accreditation Society))                                |
| Certification : KS certification / JIS certification / RW TÜV Certification(Germany) / Designated certification institute for SG(Japan)   |



Ulsan New Chemical  
Commercialization  
Center of Korea  
Chemical Technology  
Research Institute

KRICT researches and develops advanced chemical technologies such as new drugs, new materials and chemical technologies for sustainable development to improve quality of life and environment of us and the next generation as well.

Projects

| Green energy materials                   | Efficient petrochemical processes   | New fusion materials   | Advanced fine chemicals  |
|--|---|--|--|
| Renewable energy (hydrogen/solar energy) | P2P advanced integration network, new catalysts, new processes, reutilization of wastes | High performance new material development for auto/shipbuilding industries | Research for high-value added products and commercialization of transferred technologies |

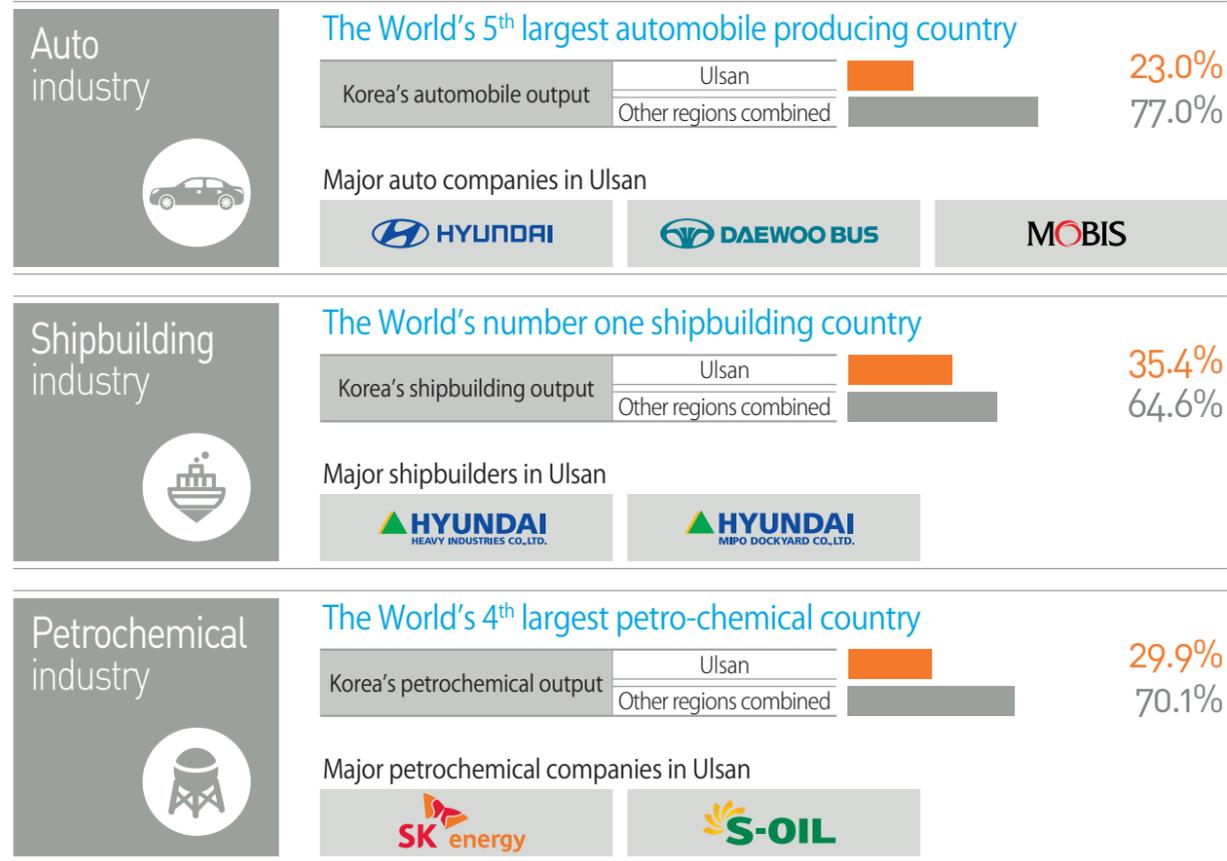


# MAJOR INDUSTRIES

Ulsan focusing on automobile, petrochemical, fine chemical and shipbuilding industries is Asia's representative industrial cluster.



## Major industries



## New growth industries



## Automobile industry

Ulsan is the 5<sup>th</sup> largest automotive producer in the world. Ulsan produces 23% of the nation's total output making it the Mecca of automobile industry in Korea.

Hyundai Motor's main production facility, the Ulsan Plant is the world's largest automobile plant and it is still growing with 900 parts companies. Daewoo Bus Corp. and parts companies moved to Ulsan to add to its reputation as a major cluster of the auto industry.

Ulsan is strengthening technology development through establishing a research base for green electric motors and Green Car Auto-Valley to be well-prepared for the future of the auto industry.

Ulsan is being nurtured into a center for the electric vehicle industry. Ulsan has now started full-fledged development of environmentally friendly vehicles such as electric, hybrid electric, and hydrogen fuel cell vehicles.



### Current status of Ulsan automobile industry(2010)

|                   |                        |       |                    |
|-------------------|------------------------|-------|--------------------|
| Production volume | Ulsan                  | 23.0% | USD 33.61 billion  |
|                   | Other regions combined |       | USD 146.19 billion |
| Value added       | Ulsan                  | 24.2% | USD 10.98 billion  |
|                   | Other regions combined |       | USD 45.35 billion  |
| No. of companies  | Ulsan                  | 7.0%  | 243                |
|                   | Other regions combined |       | 3,475              |
| No. of employees  | Ulsan                  | 16.1% | 44,632             |
|                   | Other regions combined |       | 276,702            |

### Current status of complete automobile production corporate

| HYUNDAI Ulsan factory        |                                 |
|------------------------------|---------------------------------|
| • Factory size               | : 5,050 thousand m <sup>2</sup> |
| • Number of workers          | : 34,000                        |
| • Production capacity        | : 5,400 units per day           |
| • Production(2011)           | : 1,525 thousand units          |
| DAEWOO Bus                   |                                 |
| • Factory size               | : 73,847 m <sup>2</sup>         |
| • Annual production capacity | : 10,000 units per years        |
| • Number of workers          | : 360                           |



# Shipbuilding industry



Korea is the world's number one shipbuilding country where 7 out of the top 10 shipbuilders in the world are based. Two of them including Hyundai heavy industry, the world's largest shipbuilder and Hyundai Mipo Dockyard, the world's 5th largest shipbuilder are located in Ulsan. HHI sits on a 6.04 million m<sup>2</sup> site with a production capacity of 9,200 thousand GT annually. HMD can produce 1,191,513 GT a year which makes it the 5th largest in the world in terms of production volume. The two shipbuilders account for 40% of Korea's total production and 16% of world's, making Ulsan the world's largest shipbuilding city.



### Current status of Ulsan shipbuilding industry(2010)

|                   |                        |       |                   |
|-------------------|------------------------|-------|-------------------|
| Production volume | Ulsan                  | 35.4% | USD 25.95 billion |
|                   | Other regions combined |       | USD 73.36 billion |
| Value added       | Ulsan                  | 42.9% | USD 10.23 billion |
|                   | Other regions combined |       | USD 23.84 billion |
| No. of companies  | Ulsan                  | 16.8% | 202               |
|                   | Other regions combined |       | 1,200             |
| No. of employees  | Ulsan                  | 28.9% | 37,354            |
|                   | Other regions combined |       | 129,071           |

### Shipbuilders in Ulsan(2010)

| Section                | HYUNDAI Heavy Industries | HYUNDAI Mipo Dockyard |
|------------------------|--------------------------|-----------------------|
| Established            | '73. 12. 28              | '75. 4. 28            |
| Employees              | 24,982                   | 3,650                 |
| Sales                  | USD 21.1 billion         | USD 3.71 billion      |
| Orders (1,000CGT)      | 1 ships / 16             | 5 ships / 59          |
| Ships built (1,000CGT) | 101 ships / 3,421        | 61 ships / 1,050      |
| Export                 | USD 19.02 billion        | USD 3.68 billion      |

[Reference] Official notice of Financial Supervisor in Business report Order and building statistics are from 2010 shipbuilding materials (Korean shipbuilding community, 2010)



# Petrochemical industry



Korea is the world's 4th petrochemical production country and Ulsan hosts World leading petrochemical companies such as SK Energy, S-oil, Solvay, Eastman, Rhodia, bp, Mobil and Dupont.

In addition, R&D facilities including Ulsan Fine Chemical Industry Center, Ulsan New Chemical Commercialization Center of Korea Chemical Research Center, Biochemical Commercialization Center provide support for the growth of biochemical and petrochemical industries, to be prepared for a world without oil.

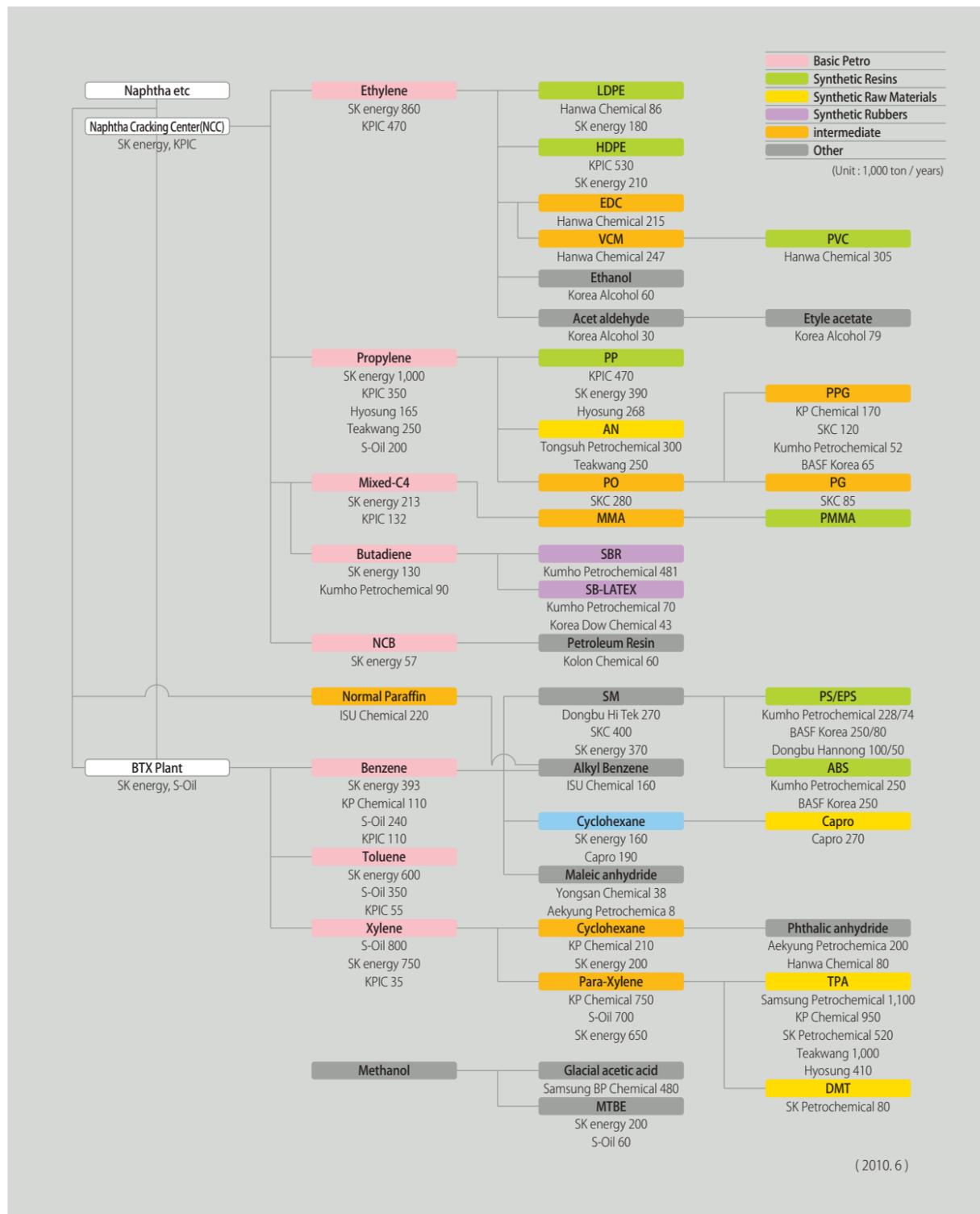


### Current status of Ulsan petrochemical industry(2010)

|                   |                        |       |                    |
|-------------------|------------------------|-------|--------------------|
| Production volume | Ulsan                  | 29.9% | USD 88.14 billion  |
|                   | Other regions combined |       | USD 295.03 billion |
| Value added       | Ulsan                  | 19.0% | USD 12.92 billion  |
|                   | Other regions combined |       | USD 68.03 billion  |
| No. of companies  | Ulsan                  | 2.6%  | 214                |
|                   | Other regions combined |       | 8,231              |
| No. of employees  | Ulsan                  | 6.1%  | 20,382             |
|                   | Other regions combined |       | 334,628            |



## Major petrochemicals produced by companies in Ulsan



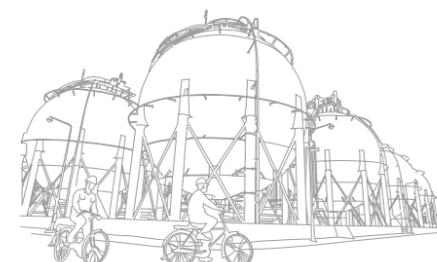
## Battery industry

Ulsan is fostering the battery industry as a new growth engine. Ulsan will grow to be a base of the battery industry as it hosts Samsung SDI that produces lithium-ion secondary batteries for vehicles and secondary batteries for IT, Solvay that produces electrolyte additive for secondary batteries and its R&D center for solar cells, and Hanwha chemicals that produces Cathode material for Lithium-ion secondary batteries and solar cells.



## Energy industry

The energy industry of Ulsan will make a new leap forward as Donghae-1 gas field in Ulsan offshore produces 1,000 tons of LNG a day and the Northeast Asia Oil Hub project gets under way. Moreover, energy related institutions such as Korea National Oil Corporation, Korea Energy Management Corporation, Korea Energy Economics Institute will move to Ulsan.

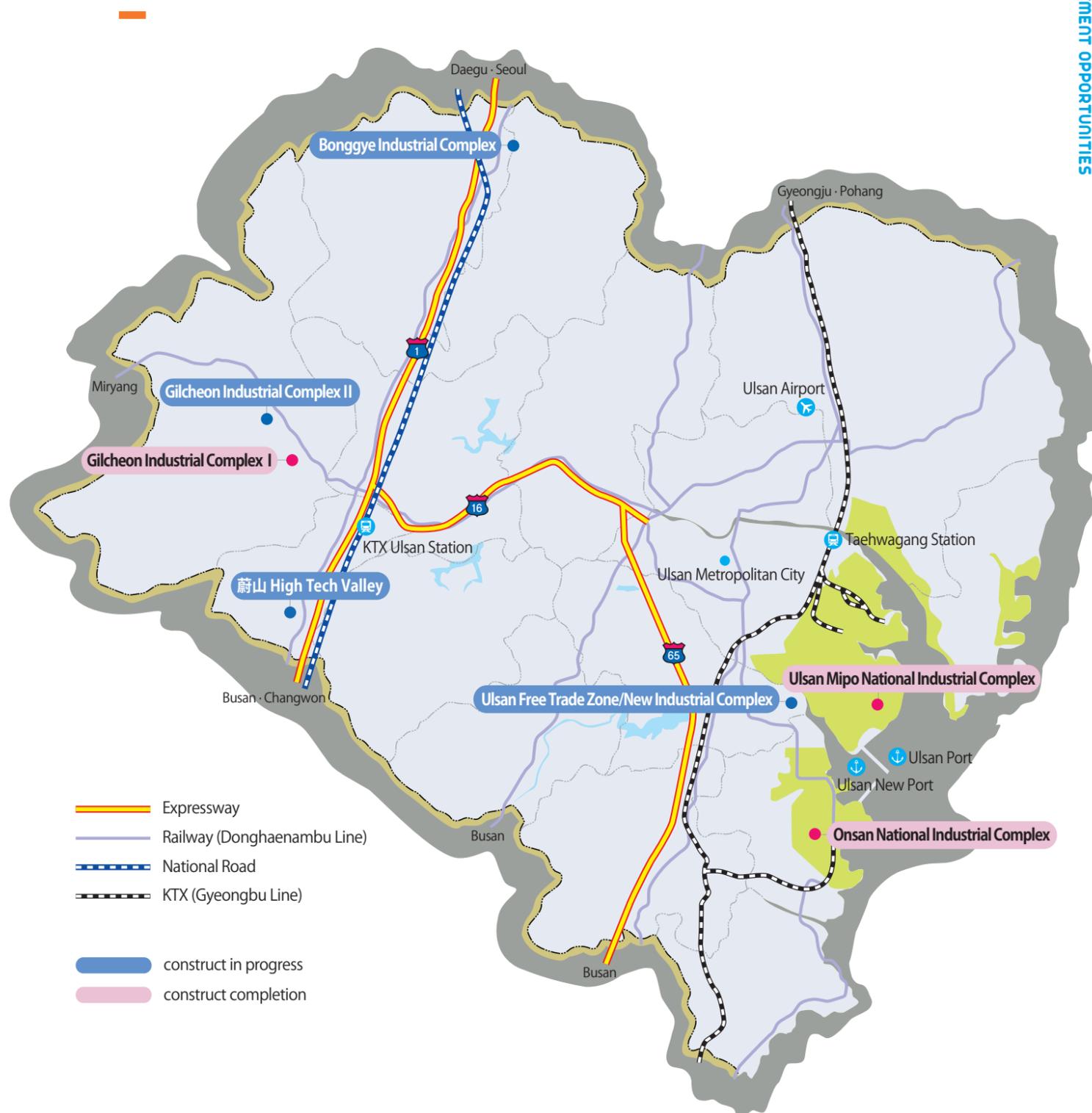


# INVESTMENT OPPORTUNITIES

We guarantee the best investment environment and great results from your investment.



## Promising investment sites in Ulsan



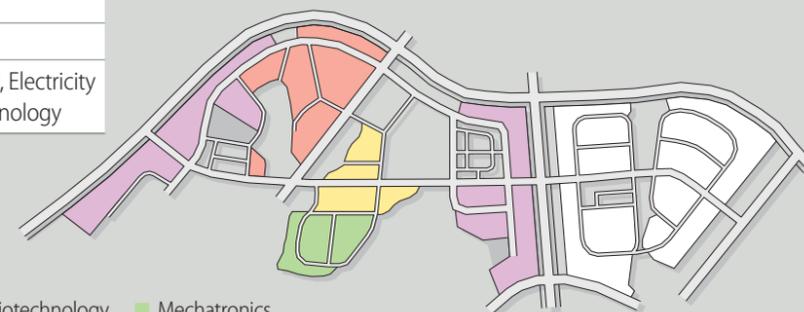


## Ulsan Free Trade Zone

The Ulsan FTZ is a cluster for foreign-invested and export-oriented companies. It will be grown to be a cluster for new industries by advancing existing industries and attracting new growth industries closely related to regional ones. It covers 0.8 million m<sup>2</sup> among 2.5 million m<sup>2</sup> of New Industrial Complex at Ulju-gun Onsan-eup and Cheongnyang-myeon, Ulsan. It will be nurtured to gain a foothold of the East-sea Economic Bloc by linking it to Ulsan New Port which is well-equipped with optimal industrial infrastructure such as roads, railways, and ports etc and international logistics.

### Basic information

|                     |  |
|---------------------|--|
| Location            | Ulju-gun Onsan-eup,<br>Ulju-gun Cheongnyang-myeon                    |
| Size                | 837,502m <sup>2</sup>  |
| Project period      | 2009 ~ 2012  |
| Eligible industries | Coarse grain and Metal, Electricity<br>and Electronic, Biotechnology |



■ Fabricated Metal 
 ■ Electronics 
 ■ Biotechnology 
 ■ Mechatronics



## Gilcheon industrial complex

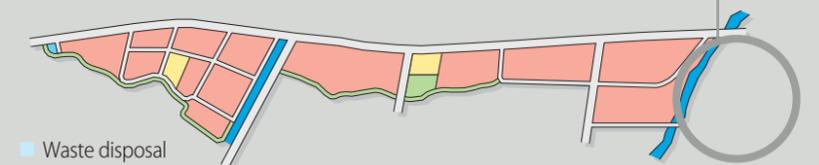
Gilcheon Industrial Complex is home to Daewoo Bus Corp. that produces 10,000 buses a year. About 100 parts suppliers will relocate here soon. It has excellent accessibility to major cities like Seoul and Busan as Gyeongbu Highway and the KTX high-speed train station are only 5 minutes away.

### Basic information

|                     |                            |
|---------------------|----------------------------|
| Location            | Ulju-gun Sangbuk-myeon     |
| Size                | 1,548,250m <sup>2</sup>    |
| Project period      | 2005 ~ 2012                |
| Eligible industries | Auto-related manufacturing |



|                            |                        |
|----------------------------|------------------------|
| Annual production capacity | 10,000 units per years |
| No. of employees           | 930                    |
| Size                       | 247,250m <sup>2</sup>  |



■ Industrial Facilities 
 ■ Support Facilities 
 ■ Park 
 ■ Waste disposal

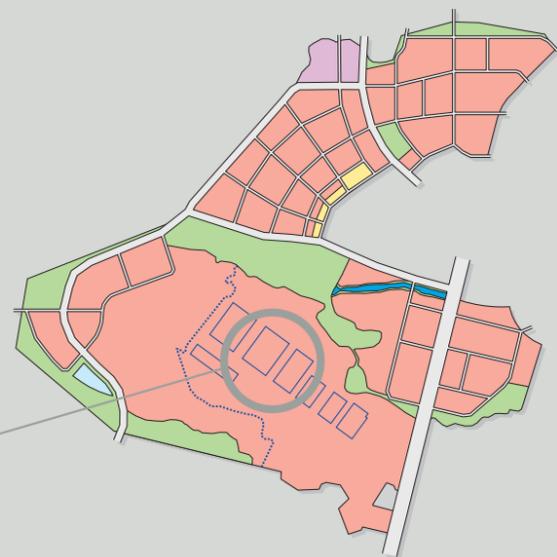


## Ulsan high tech valley

Ulsan High Tech Valley has manufacturing facilities of Samsung SDI's PDPs, lithium-ion secondary batteries and Samsung Mobile Display. It will be a base for the battery industry with the excellent accessibility as Gyeongbu (Seoul-Busan) Highway and KTX high-speed train station are nearby.

### Basic information

|                     |   |
|---------------------|---|
| Location            | Ulju-gun Samnam-myeon   |
| Size                | 2,920,280m <sup>2</sup>   |
| Project period      | 2006 ~ 2014   |
| Eligible industries | Electronic, Electricity, Advanced materials, Precision instrument manufacturing |



Industrial Facilities Support Facilities Park Waste disposal Residential area Parking lot

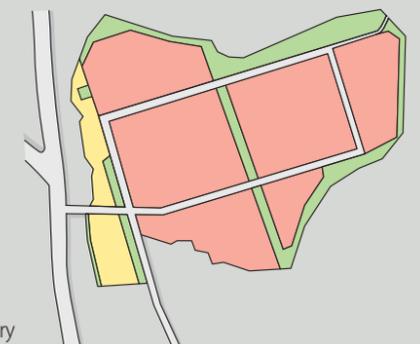


## Bonggye industrial complex

Bonggye Industrial Complex provides customized plant sites for different industries. Eligible industries include auto-related, machinery and equipment manufacturers. It forms an industrial belt that links Dudong and Duseo agricultural industrial complexes with nearby Gyeongbu (Seoul-Busan) Highway and National roads.

### Basic information

|                     |   |
|---------------------|---|
| Location            | Ulju-gun Dudong-myeon                                     |
| Size                | 253,833m <sup>2</sup>                                     |
| Project period      | 2008 ~ 2012   |
| Eligible industries | Automobile and Trailer manufacturing, Other manufacturing |



Industrial Facilities Public facilities Park, Greenery



## New industrial complex

The New Industrial Complex will be a multi-purpose complex to nurture new industries that advance the structure of major industries and to transfer existing industries into knowledge-based high value ones of the 21c. The complex possesses the most favorable conditions for logistics as it is 14km away from Ulsan New Port. In addition, industrial and national roads are directly linked to the complex and even railroads are running through it.

### Basic information

|                     |  |
|---------------------|--|
| Location            | Ulju-gun Onsan-eup, Ulju-gun Cheongnyang-myeon     |
| Size                | 1,590,525m <sup>2</sup>                            |
| Project period      | 2005 ~ 2012  |
| Eligible industries | General manufacturing, Mechatronics, Biotechnology |



Industrial Facilities Support Facilities Park, Green belt Free Trade Zone



## Northeast Asia Oil Hub Ulsan Project

Ulsan will strengthen the capability to respond to oil shock and predominate the oil logistics market of Northeast Asia that accounts for 19% of world's petroleum consumption. Besides, it will grow as one of the top 4 oil hubs in the world by equipping a petroleum trading system including oil storage and processing facilities, financial infrastructure and so on.

### Basic information

|                |  |
|----------------|--|
| Location       | Southern and Northern parts of Ulsan Port  |
| Size           | 899 thousand m <sup>2</sup> (1st phase : 295 thousand m <sup>2</sup> / 2nd phase : 604 thousand m <sup>2</sup> ) |
| Scale          | 28.4 million barrels(1st phase : 9.9 million barrels / 2nd phase : 18.5 million barrels)                         |
| Project period | 2010~2015(1st phase), 2016~2020(2nd phase)   |
| Total Cost     | 1,639.7 billion won(Nation subsidy : 564.9 billion won / Private Fund : 1074.8 billion won)                      |



Come and enjoy the benefits that Ulsan city proudly offers.

# INCENTIVES



## Tax incentives

### > Eligibility

Businesses with high technology, industry support services, Stand-alone type, businesses in Foreign Investment Zone

### > Support

|   |  |
|---|--|
| National tax (corporate and income taxes) | 100% exemption for 5 years and 50% for the following 2 years |
| Local tax (acquisition taxes)             | 100% exemption for 15 years                                  |
| Local tax (property tax)                  | 100% exemption for 7 years and 50% for the following 3 years |



## Special support for large-scale investments

### > Eligibility

More than USD 50 million of foreign investment or more than 300 regular workers

### > Support

- Financial support within 20% of total investment for land purchase and factory construction
- Full or partial financial support for building of infrastructure such as roads, ports, water, sewage and waste water treatment facilities, power, communication or gas facilities

## Subsidies

### ; Subsidies for employment

#### > Eligibility

When employing more than 20 Ulsan residents that have lived in Ulsan city for more than 6 months within 5 years after registration as a foreign-invested company

#### > Support

USD 500 per extra employee every month for up to 6 months

### ; Subsidies for employee training

#### > Eligibility

When training more than 20 new workers within 5 years after registration as a foreign-invested company

#### > Support

USD 500 per employee every month for up to 6 months limited to USD 0.2 million per company

### ; Subsidies for facility construction and expansion

#### > Eligibility

When businesses with high technology or industry support services invest more than USD 3 million in facility construction or expansion

#### > Support

Up to 2% of the amount spent over USD 3 million with a maximum limit of USD 0.2 million per company(subject to approval)

## Cash grants

### > Eligibility

To become eligible for a cash grant, the foreign investment ratio shall be over 30% and meet one of the following requirements :

- ▶ Construction or addition of factory facility in order to operate Industrial support service industry, high technology accompanying business, component and material business
- ▶ Construction or addition of factory facility which could create the number of jobs that exceeds the number of required regular workers decreed by president
- ▶ Has more than 5 researchers who possess master's degree in the field of industry support service, high technology or bachelor's degree in related industry while having research experience for more than 3 years
  - Construct or increase research facility for research and development activities for the business
- ▶ In the case when Foreign Investment Committee recognizes it deserves the support due to its highly influential nature on the local economy from huge investment
  - As a foreign company which operates business in more than 3 countries, establish a local headquarter in Korea which has jurisdiction over 2 countries
  - When running Regional Strategic Industry or Regional Leading Industry, it should be able to contribute to regional economic development

### > Support

The cash grant ratio shall be determined through negotiation and deliberation with the Foreign Investment Committee

### > Usage

- Land purchase or lease for plants or R&D facilities
- Construction cost for plant facilities or research facilities
- Capital goods/research equipment purchasing costs for plant facilities or research facilities
- Foundation facilities installation cost (electricity, communication etc) for plant facilities or research facilities
- Funds to support employment and training

## Designation of Foreign Investment Zone

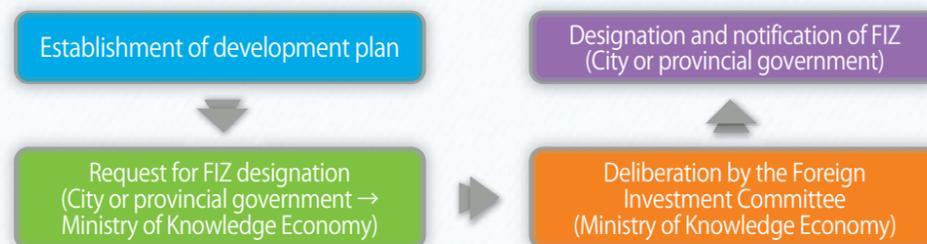
### > Types of Foreign Investment Zone

Complex type, Stand-alone type (Individual place of business)

### > Designation and support for Foreign Investment Zone(Stand-alone type)

- ▶ **More than US\$ 30 million worth of investment**
  - Manufacturing or industry support service business, business that involve high technique
- ▶ **More than US\$ 20 million worth of investment**
  - Resort condominium business, tourist hotel business, water tourist hotel business and Korean traditional hotel business
  - Professional resort business, total resort business and universal amusement facility business, international conference facility, Youth training facility
- ▶ **More than US\$ 10 million worth of investment**
  - Complex distribution terminal business, business that builds and operates a joint terminal facility center
  - Business that operates harbor facilities and distribution industry managed by harbor rear complex
  - Business that operates the airport facilities and distribution industry managed within the airport district
  - Business that builds society based facilities for the implementation of social overhead capital
  - Business that builds society based facilities for the implementation of social overhead capital
- ▶ **More than US\$ 2 million worth of investment**
  - To implement research development activity for industry support service business and high technique involved business setup and establish new research facilities (employment of research exclusive manpower with more than 3 years of research experience and above master degree in the related area should be more than 10 people)

### > Designation procedure



### > Support

|                                    |   |
|------------------------------------|---|
| National tax (exemption/abatement) | 100% exemption from Corporate and income taxes for 5 years, 50% for the following 2 years   |
| Local tax (exemption/abatement)    | 100% exemption from acquisition and registration taxes for 15 years, 100% exemption from property tax for 7 years and 50% for the following 3 years |
| Further support                    | Exemption from tariff on capital goods for 5 years, Special Excise Tax and Value Added Tax  |

## Administrative support

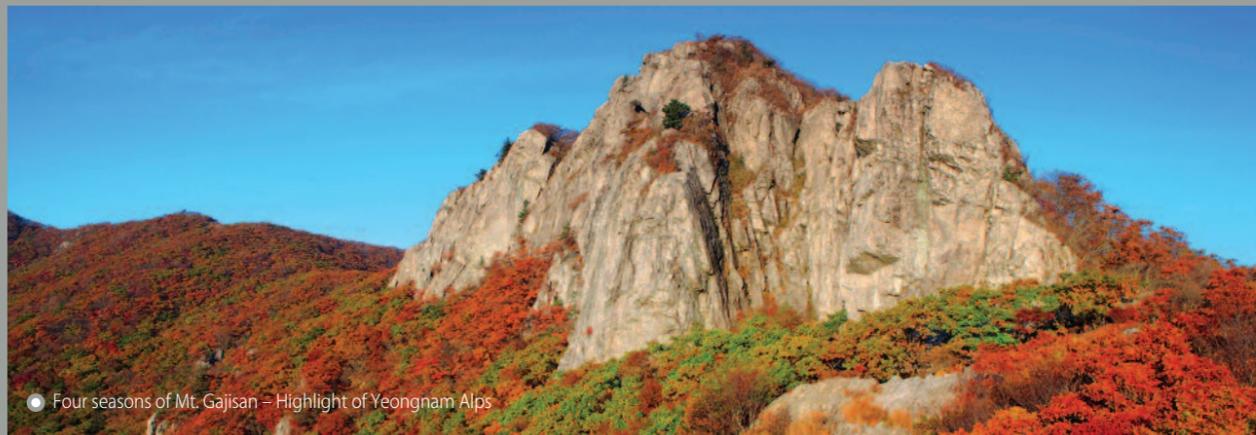
### > One-stop service

- ▶ We have established strategic alliance among related organizations to provide a one-stop service for foreign investors. Project managers are assigned to each investor to offer the best help possible
- ▶ We offer necessary information related to land purchase, current status of Ulsan businesses, etc. Comprehensive services are also provided including investment counseling, permission process, and resolution of problems after business start-up





● Ulsan Sports Park – a city park with a representative World Cup Stadium



● Four seasons of Mt. Gajisan – Highlight of Yeongnam Alps



Towering Rock – Natural Panorama paved by 40 km of stretching waterways ●



Gangdong & Jujeon beaches - Irresistibly alluring waves in the blue sea ●