

# Comparison of Sites

	Free Economic Zones (9 zones)	Foreign Investment Zones Complex-type (28 zones)      Individual-type (78 zones)	Free Trade Zones 7 industrial complexes, 6 ports/airports		
Statutory grounds	Special Act on the Designation and Operation of Free Economic Zones	<b>Foreign Investment Promotion Act</b>			
Procedure	Requested by provincial governors or mayors ▶ Review and resolution by the committee ▶ Designated by the Minister of Trade, Industry & Energy	Requested by provincial governors or mayors ▶ Review by the committee ▶ Designated by provincial governors or mayors			
Eligibility for tenancy	<ul style="list-style-type: none"> <li>Local businesses</li> <li>Foreign-invested companies</li> </ul>	<ul style="list-style-type: none"> <li>Foreign-invested companies                             <ul style="list-style-type: none"> <li>* Ratio of foreign investment 30% ↑, KRW 100 million ↑</li> <li>* New growth engine industry technology business, advanced manufacturing businesses, R&amp;D, and logistics industry</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Minimum required investment amount for foreign-invested company and by industry (identical to requirements for tax reduction)                             <ul style="list-style-type: none"> <li>Manufacturing: USD 30million ↑</li> <li>Logistics industry: USD 10 million ↑</li> <li>Tourism service: USD 20 million ↑</li> <li>R&amp;D: USD 2 million ↑ &amp; 10 ↑ researchers hired</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Domestic manufacturing                             <ul style="list-style-type: none"> <li>* Export 50% ↑ (SMEs: 30% ↑) (Middle-standing: 40% ↑)</li> </ul> </li> <li>Foreign manufacturing                             <ul style="list-style-type: none"> <li>* Export: 30% ↑</li> </ul> </li> <li>Wholesale                             <ul style="list-style-type: none"> <li>* Import/export 50% ↑</li> </ul> </li> <li>Logistics                             <ul style="list-style-type: none"> <li>* Supported businesses</li> </ul> </li> </ul>	
Tax reduction	Eligibility	Foreign-invested business or company	Foreign-invested business or company		Foreign-invested businesses
	Requirements	<ul style="list-style-type: none"> <li>Manufacturing: USD 30 (10) million ↑</li> <li>Logistics industry: USD 10 (5) million ↑</li> <li>Tourism service: USD 20 (10) million ↑</li> <li>R&amp;D: USD 2 (1) million ↑ &amp; 10 ↑ researchers hired</li> <li>Medical institutions: USD 5 million ↑</li> <li>Development service: USD 30 million ↑</li> </ul>	<ul style="list-style-type: none"> <li>Manufacturing: USD 10 million ↑</li> <li>Logistics industry: USD 5 million ↑</li> </ul>	<ul style="list-style-type: none"> <li>Manufacturing: USD 30 million ↑</li> <li>Logistics: USD 10 million ↑</li> <li>Tourism: USD 20 million ↑</li> <li>R&amp;D: USD 2 million ↑ &amp; 10 ↑ researchers hired</li> </ul>	<ul style="list-style-type: none"> <li>Manufacturing: USD 10 million ↑</li> <li>Logistics industry: USD 5 million ↑</li> </ul>
	Local tax	<ul style="list-style-type: none"> <li>Eligible businesses, reduction amount &amp; period, reduction rate shall be pursuant to the standards prescribed by the Restriction of Local Taxation Act.</li> <li>* The tax credit period may be extended up to 15 years as set forth in municipal ordinances (Acquisition tax, property tax, etc.)</li> </ul>			
	Customs duties	<ul style="list-style-type: none"> <li>100% exemption on imported capital goods for 5 years</li> <li>* For 7-year reductions, individual consumption tax and VAT are reduced</li> </ul>	<ul style="list-style-type: none"> <li>Imported capital goods: 100% exemption for 5 years</li> <li>* Individual types: Individual consumption tax and VAT reduction</li> </ul>	<ul style="list-style-type: none"> <li>Exempted</li> </ul>	
Support for location	<ul style="list-style-type: none"> <li>State or publicly-owned land: Rent reduction (50-100% for up to 50 years)</li> </ul>	Rent reduction (1% of the land price, 75-100%)		<ul style="list-style-type: none"> <li>Purchased inclusively by the central or municipal government</li> <li>State-owned land: Leased up to 50 years (1% of the land price, 50-100% reduction)</li> </ul>	

For further inquiries, please contact the Investment Consulting Center

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