



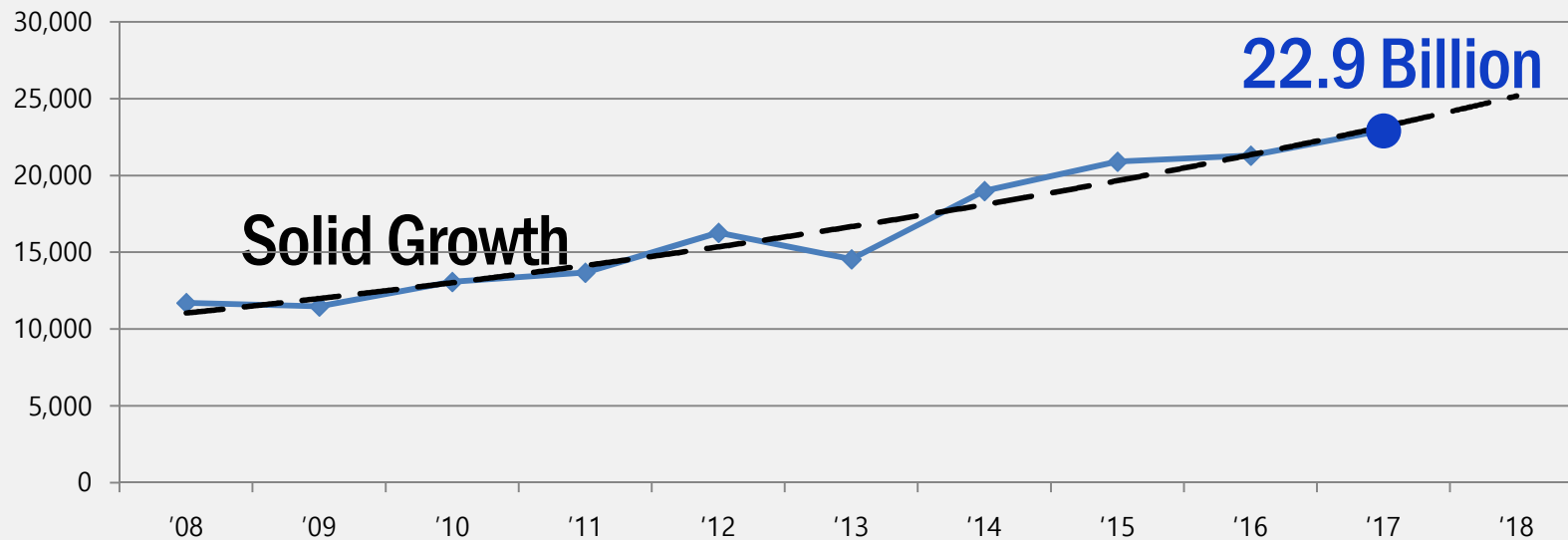
Korea's Foreign Investment Promotion Policy

2018. 12. 12.

The Ministry of Trade, Industry, and Energy

1. Foreign Investment Trend in Korea

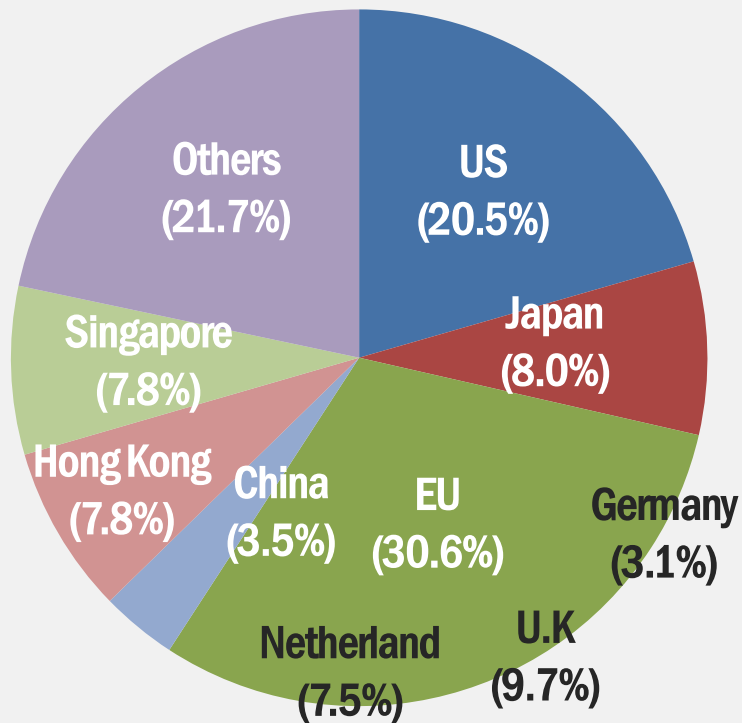
FDI Statistics



- Foreign Investment in Korea → Steadily Increasing
- Already 3-consecutive years → Surpass \$20B

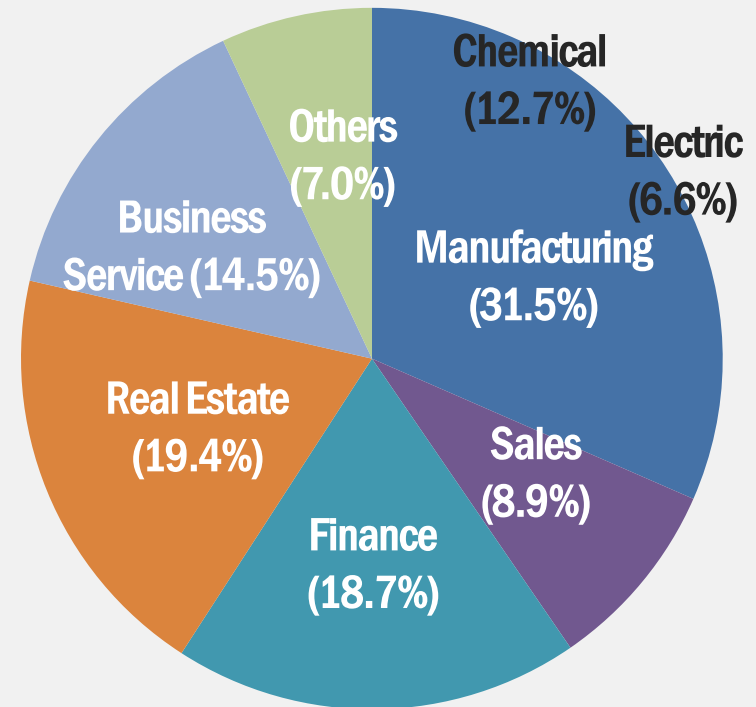
1. Foreign Investment Trend in Korea

FDI in Korea by Country('17)



- EU > US > China/HongKong > Japan > Singapore

FDI in Korea by Industry('17)

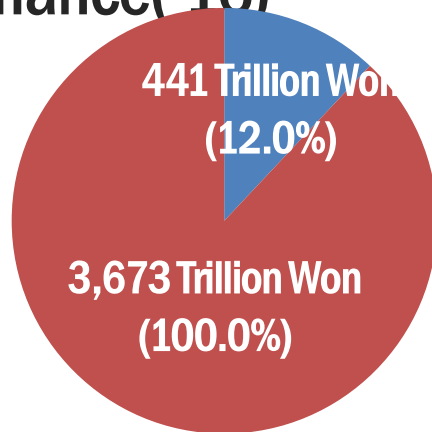


- Manufacturing > Real Estate > Finance > Business service > Sales

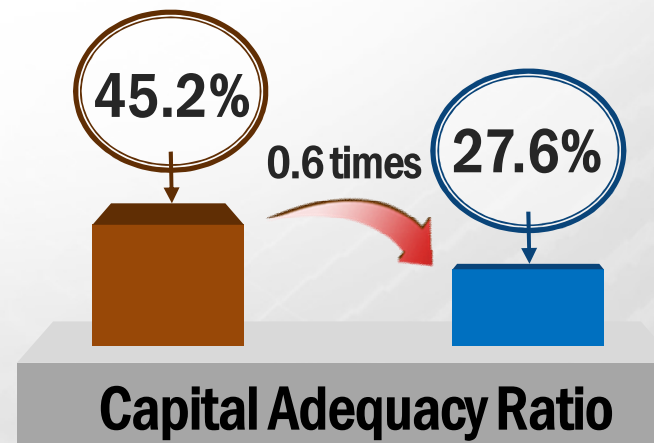
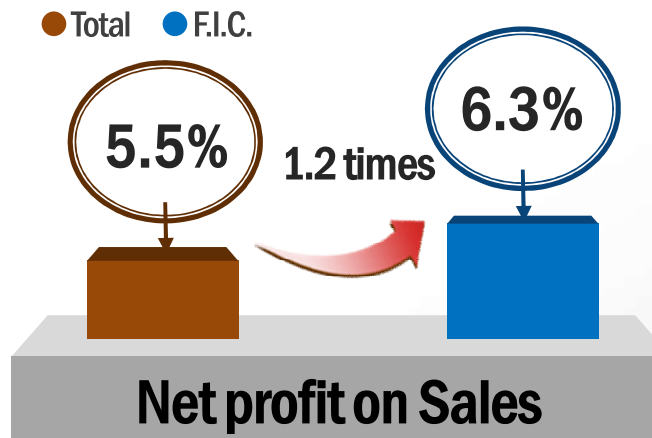
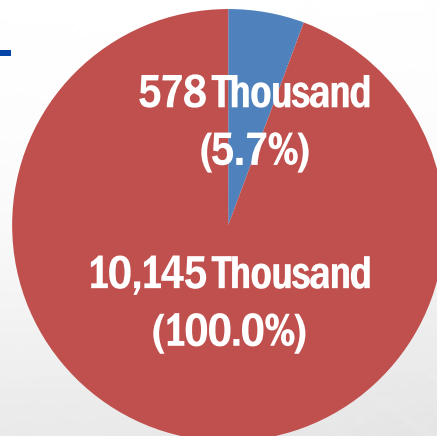
2. F.I.C.s' Performance in Korea

✓ F.I.C.s' Business

Performance('16) Sales



Employ- ment

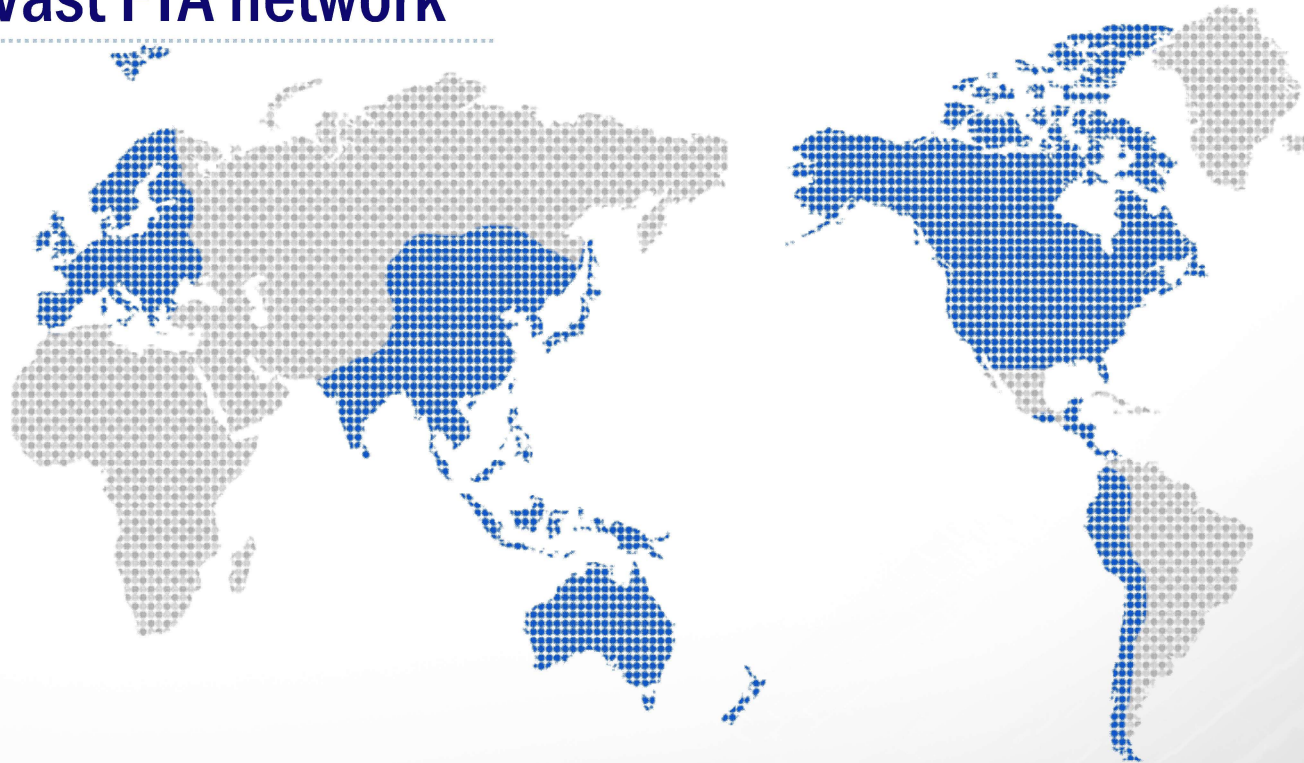


Source: Kotra, KIET

3. Why Korea?

01

Vast FTA network



✓ Linked with 77% of the world market through huge FTA network

➔ Strengthen FTAs with ASEAN and India

➔ Expanding Korea's FTA network with emerging countries

3. Why Korea?

02

Good Business Infrastructure

Stable Infrastructure

- Electricity, Water, Gas, Heat Supply
- World Best IT Infrastructure
- World Class Public Transportation

High Quality Workforce

- Highly-skilled Workers
- Highest College Graduation rate among OECD nations

Outstanding Business Environment

- High Competitive Industries
- Best Innovative Capability(BB 1th)
- 5th in the Doing Business Index(WB)

Steady Marketability

- 13th Domestic Market Size
- Steady Economic Growth('18, 2.9%)
- Stable Credit Rating(Moody's AA)

4. Korea's Foreign Investment Promotion Policy

01

Government's strong incentive for Foreign investment

Tax support

- ✓ Corporate tax exemption up to 7yrs
- ✓ Local tax exemption up to 15yrs

Site support

- ✓ Long-term rent supply on factory site
- ✓ Factory site rent reduction up to 100%

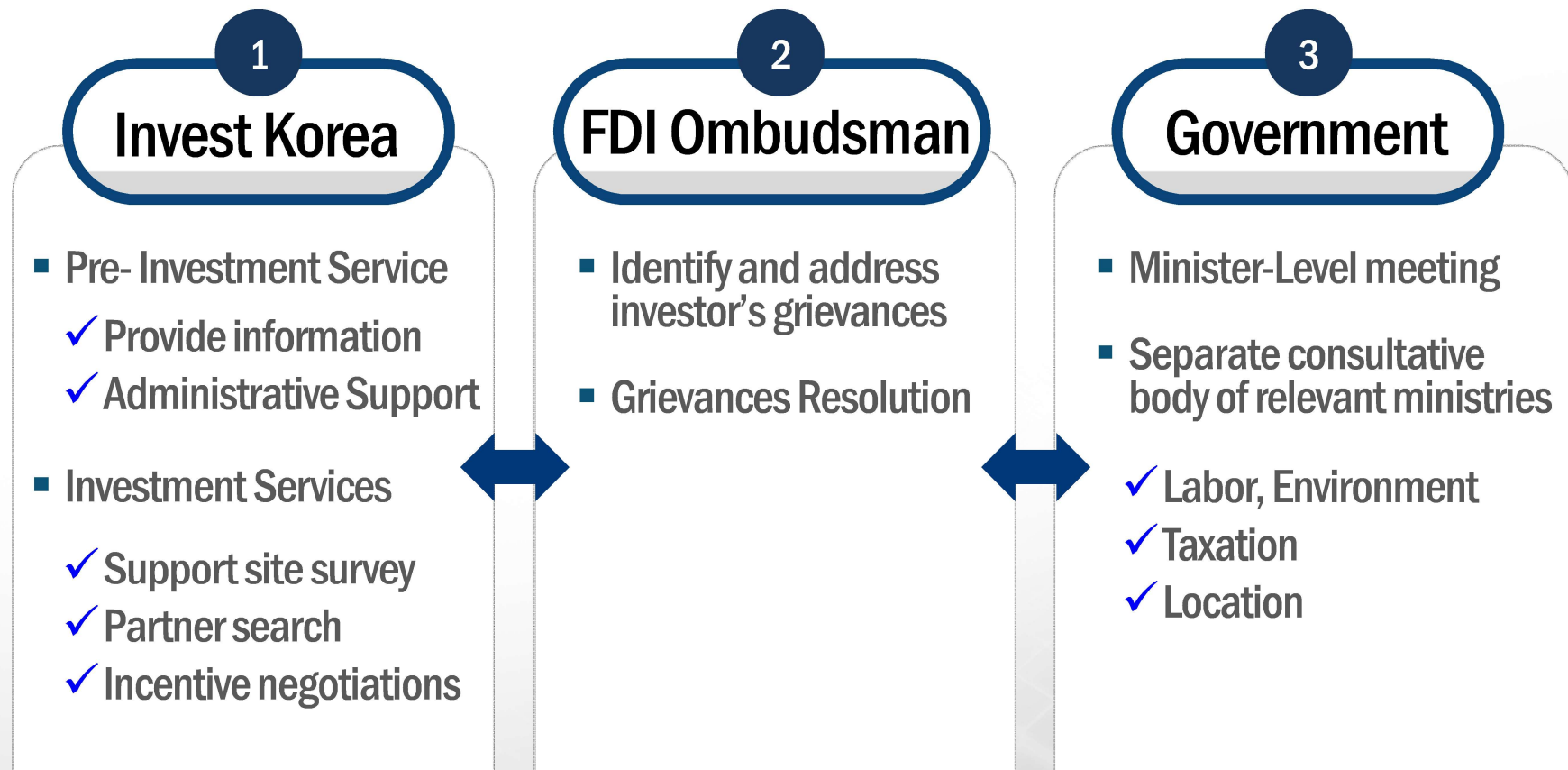
Cash Grant

- ✓ Land purchasing
- ✓ Construction
- ✓ Equipment purchasing

4. Korea's Foreign Investment Promotion Policy

02

One-stop Service : Information + Grievance Settlement



5. Recent Improvement on the Present Policy

01

Background & Progress

New Administration's Economic Policy Directions('17.7)

- Wage-led Growth
- Growth Through Innovation
- Fair Competition

EU Tax Haven Blacklist('17.12) & Promise between EU and Korea

- Korea's Discriminatory Corporate Tax Exemption pointed out by EU
- Revision Promise on Corporate Tax Exemption by the end of 2018

Investment Promotion Support Policy('18.7.18)

5. Recent Improvement on the Present Policy

02

Main Features of Recent Improvement

Tax Support

- Abolishment of discriminatory Corporate Tax exemption for foreign investment companies
- Target Addition and Requirement Reduction of Tax credit on New Technology Investment

Cash Grant

- Target Addition : Advanced Technologies
- Limit Increase
- Advantage on Qualified Job Creation company

Observance of Global Tax Standard

Enforcement of Job Creation & New Industry Support



THANK YOU

