

Investment Proposal for Leisure Boating and Marinas in Jeollanam-do



CONTENTS

- Ⅰ Introduction to Jeollanam-do
- Ⅱ Boating Industry Status
- Ⅲ Leisure Boating in Jeollanam-do
- Ⅳ Investment Incentives

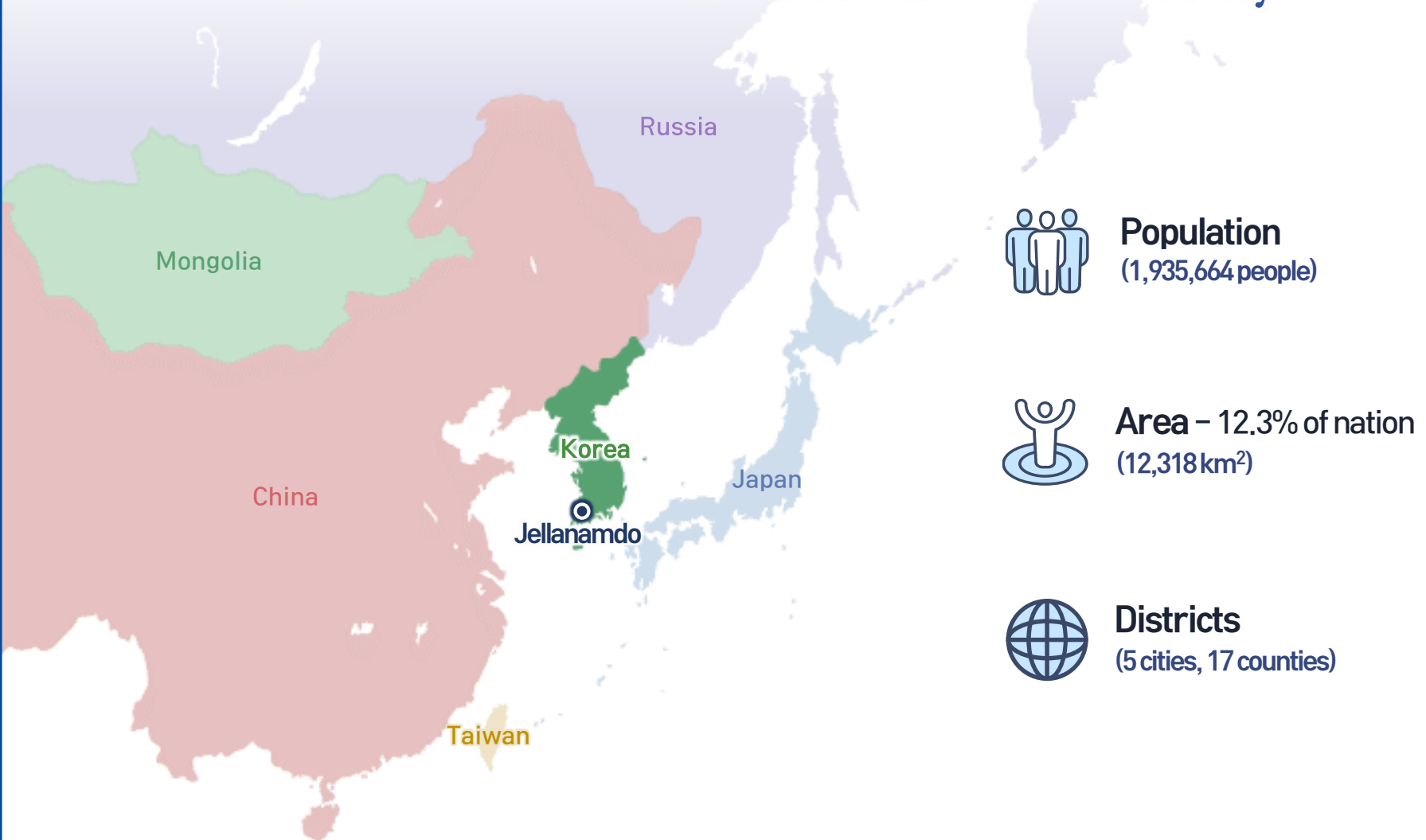


① Introduction to Jeollanam-do

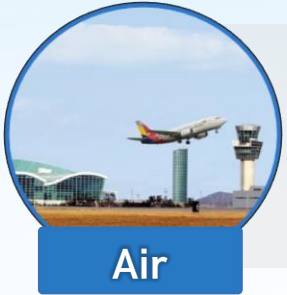


1 Introduction to Jeollanam-do

Northeast Asia Hub and Pacific Gateway



1 Introduction to Jeollanam-do



- **Muan International Airport: International Flights to 9 Countries / 12 Routes**
(Major Destinations: Shanghai, Tokyo, Osaka, Bangkok, Vladivostok, Taipei, Danang, etc)
- **Yeosu Airport: Domestic Flights** (Seoul: 8 flights/day, Jeju: 2 flights/week)



- **Seoul ↔ Gwangju 1½ hours**
- **Seoul ↔ Mokpo under 2 hours**
- **Mokpo ↔ Busan under 2 hours** (will be completed by 2022)



- **Seohaean Expressway** (Seoul, around 3 hours)
- **Namhae Expressway** (Busan, around 3 hours)





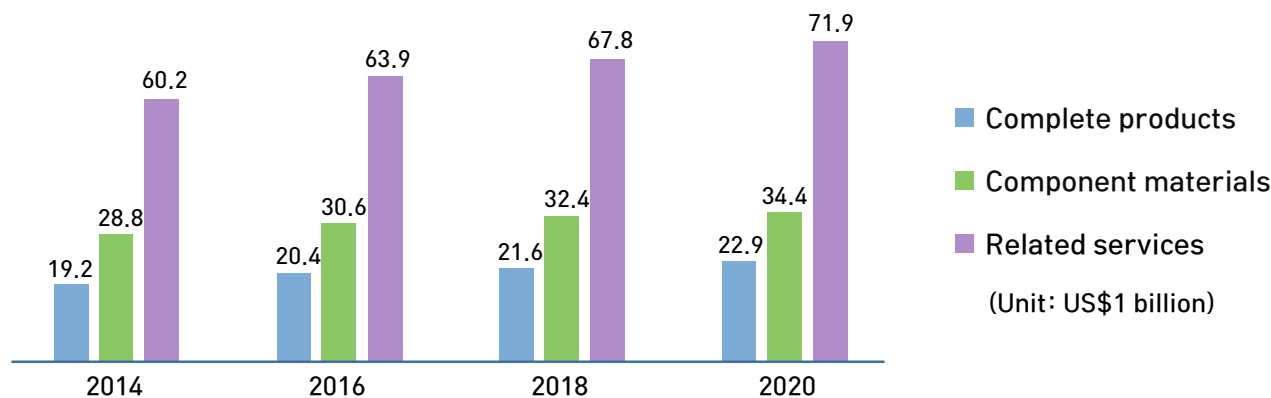
② Boating Industry Status



Global Leisure Boating Market

Total US\$129.2 billion

Complete boat products : \$22.9 billion, Component materials : \$34.4 billion, Related services : US\$71.9 billion



Korean Leisure Boating Market

Classification	2016	2017	2018	2019	2020
Markets for leisure boats, components, facilities	74	85	97	112	129

- Source: ICOMIA, annual industry statistical compilation, Bank of Korea - (Unit: US\$ million)

- ✓ Abolish special excise tax duties on yachts, etc. and improve related taxes, such as easing of local taxes in 2005.
- ✓ Pushing forward with first stage of marina harbor master plan (2010-2019) and preparing legal basis for development of marina facilities and industrial estates.
- ✓ Preparation of stimulus plan for marine leisure equipment industry.

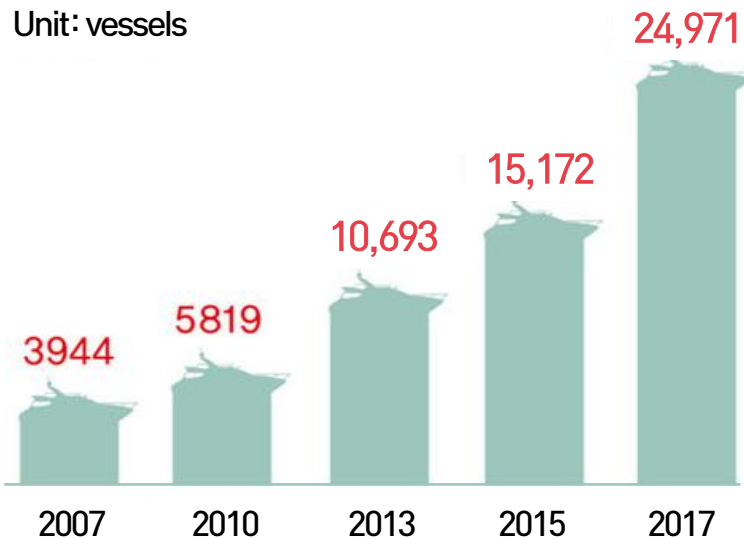
– Plan to reach 20% of global marine leisure market share by 2020 –

Category	2013	2017	2020
Number of yachts and boats	10,500 vessels	25,000 vessels	30,000 vessels
Jobs created	2,256 people	10,256 people (increase: 8,000 people)	14,256 people (increase: 12,000 people)
Value added	US\$ 380 million	US\$ 1 billion (increase: US\$ 6.2 million)	US\$ 1.52 billion (increase: US\$ 1.14 billion)

3 Leisure Boating Industry Growth in Korea

Leisure vessel registrations

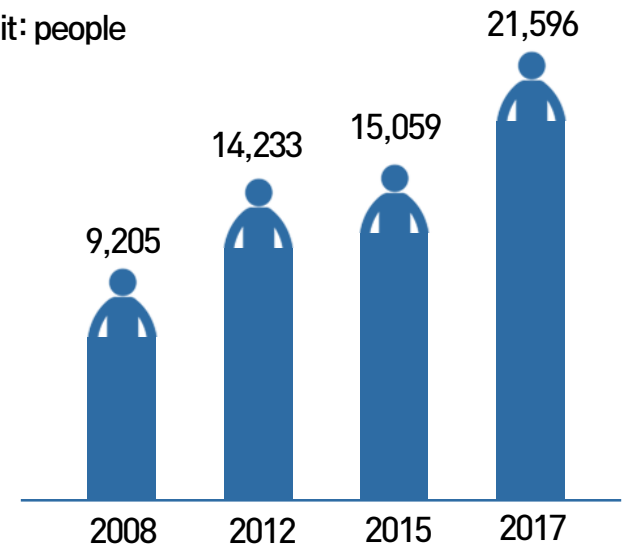
Unit: vessels



Source: Korea Coast Guard

New leisure vessel license acquisitions

Unit: people



Source: Korea Coast Guard



Ⅲ Leisure Boating in Jeollanam-do



1 Yachts and Marinas in Jeollanam-do

The best place in Korea for yacht tourism

- Marina infrastructure for 6,475km of coastline and 2,219 islands



Home to industrial complexes for leisure vessel construction and production of specialized components

- Daebul Industrial Complex, Samho General Industrial Complex, Sanjeong Agricultural-Industrial Complex (50 firms in the leisure vessel industry)
- * 73 shipbuilders, 220 marine equipment enterprises, US\$ 6.4 billion in sales, 28,807 jobs



Potential for marina construction throughout the archipelago

- Maximization of small investment impacts by utilizing under-used harbors



2

Marinas in Jeollanam-do



Mokpo Marina

Cost: US\$ 8.1 million

Mooring: 290 berths



Yi Sun-sin Marina

Cost: US\$ 12.9 million

Mooring: 150 berths



Bibong Marina

Cost: US\$ 3 million

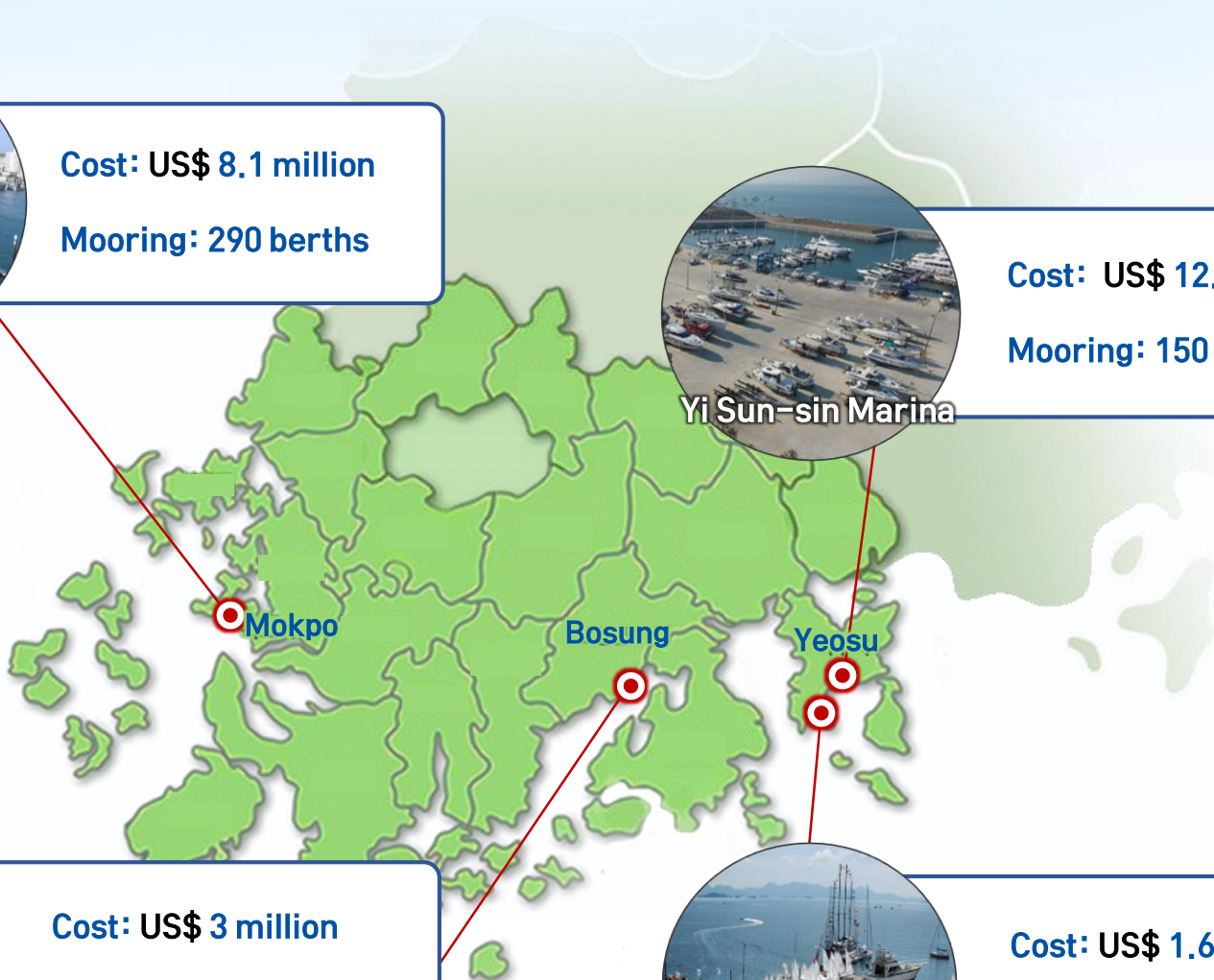
Mooring: 24 berths



Soho Marina

Cost: US\$ 1.62 million

Mooring: 50 berths



Mokpo Yacht Marina

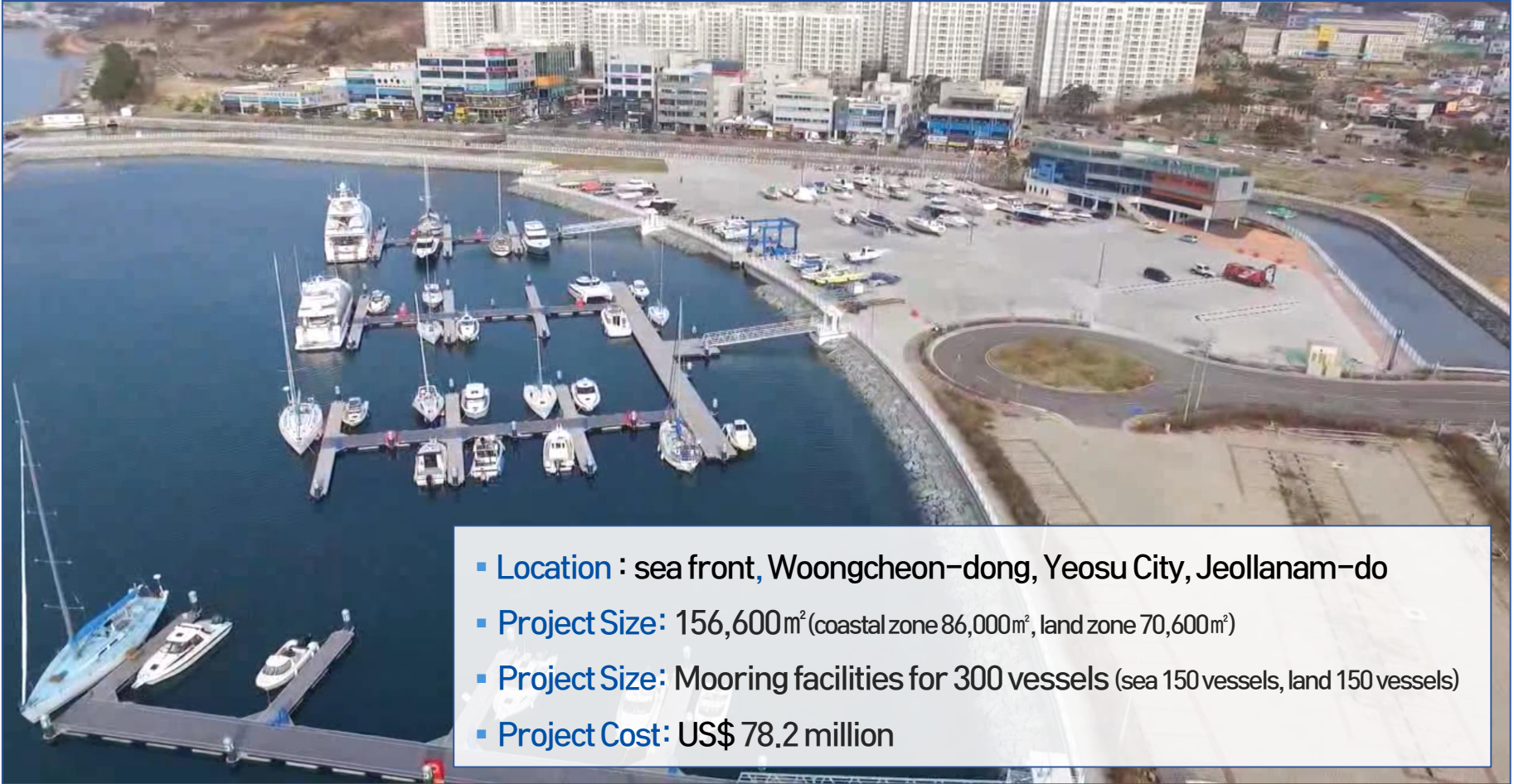


- **Location:** Mokpo (Completed in 2009)
- **Business Scale:** Floating Marina Facility Mooring Capacity
- **Total Cost:** US\$ 8 million
- **Facilities:** Mooring ground, club house, training center, yard, hoist

Classification	Use	Area
Total		25,884㎡
Marine Part	Yacht mooring facilities (for 32 50ft yachts)	10,160㎡
Land Part	Mooring ground (for 25 boats)	8,264㎡
	Parking lot (for 30 cars)	1,364㎡
	Lobby, shower room, lounge, toilets	480㎡
	Cafeteria, toilets, veranda	180㎡
Hoist	lifting leisure boat of less than 40ton and 16 meters in length	20.6m × 24.0m, height 10.0m



Woongcheon Marina Port in Yeosu, Jeollanam-do (in Development)



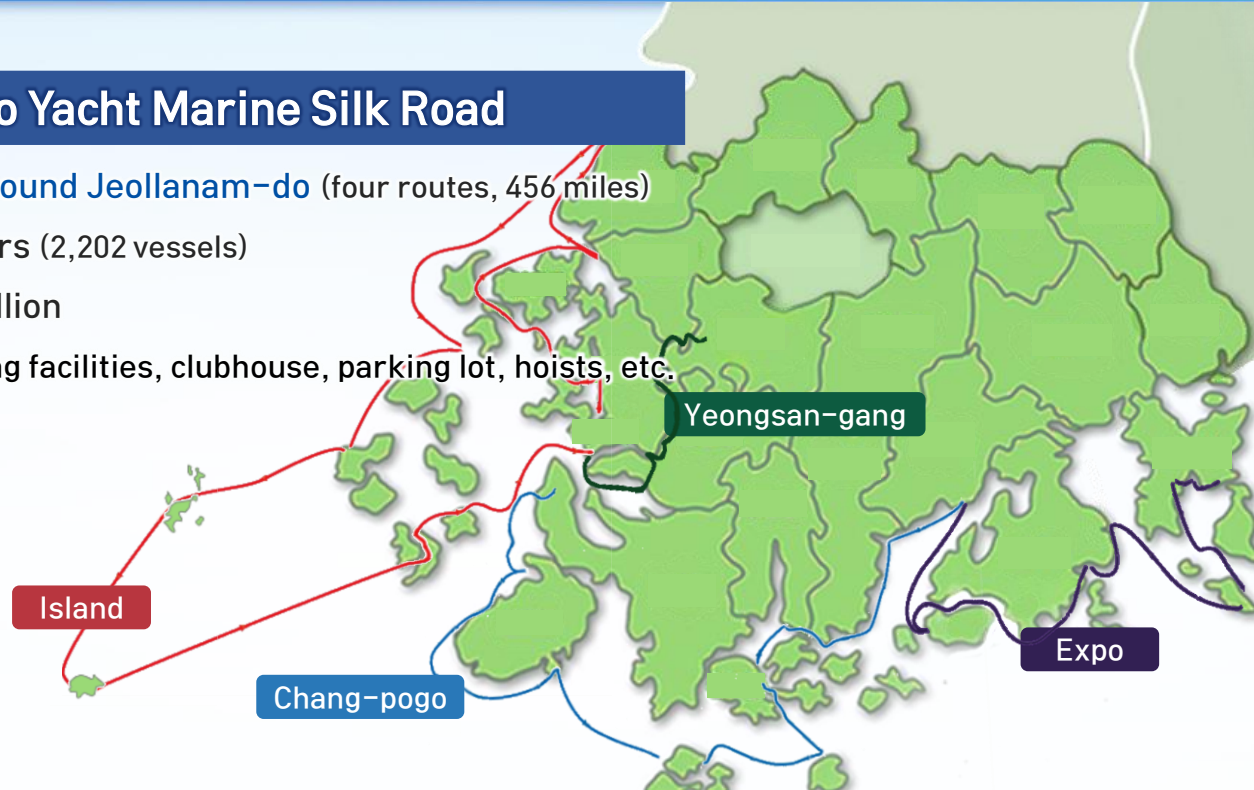
- **Location** : sea front, Woongcheon-dong, Yeosu City, Jeollanam-do
- **Project Size**: 156,600m² (coastal zone 86,000m², land zone 70,600m²)
- **Project Size**: Mooring facilities for 300 vessels (sea 150 vessels, land 150 vessels)
- **Project Cost**: US\$ 78.2 million

* **Marina Ports in Korea**: 34 ports in total (by end of 2018)

* **Marina Ports under development**: 17 (11 general marinas, 6 robust marinas)

Jeollanam-do Yacht Marine Silk Road

- **Location:** Coastal area around Jeollanam-do (four routes, 456 miles)
- **Business scale:** 23 harbors (2,202 vessels)
- **Project Cost:** US\$ 520 million
- **Features:** Seawall, berthing facilities, clubhouse, parking lot, hoists, etc.



Route Name	Hub Port	Via	Length		Development Scale
			mile	km	
Four Routes		23 ports	456.8	845.8	2,202 vessels, US\$ 520 million
Island	Mokpo Port	6 ports	130.5	241.4	390 vessels, US\$ 66.1 million
Chang-pogo	Wando Port	9 ports	152.9	283.2	483 vessels, US\$ 171.4 million
Yeongsan-gang	Woongcheon Port	7 ports	125.9	233.2	1,279 vessels, US\$ 275.5 million
Expo	Yeongsanpo	1 port	47.5	88.0	50 vessels, US\$ 7 million

Number of leisure boat manufacturers supplying Jeollanam-do is large
(in order of supply volume at each location)



Establishment of Technical Support Center for leisure vessel equipment and parts



Project Vision

- Vision: Establishment of East Asia leisure ship industry base
- Objective: Integration of leisure vessel parts&equipment industry
- Action Plan: Establishment of Test Certification System for leisure vessel parts and equipment

Structure Advancement	Reinforcement of Technological Competitiveness	Reinforcement of Market Competitiveness
• Integration of parts and equipment businesses • Cultivate leading companies • Develop professional and technical manpower	• Establishment of test evaluation base • Product development and technical support • Support for training of advanced design professionals • Test certification support	• Overseas marketing support • Strengthen network with overseas affiliates • Advanced product support

- Project period : 2017–2021 (5 years)
- Project cost : US\$ 20.3 million
(national government: U\$ 10 million, Jeollanam-do: US\$ 9 million, private sector: US\$ 1.3 million)
- Project Subject :
Research Institute of Medium & Small Shipbuilding

Establishment of Technical Support Center for leisure vessel equipment and parts

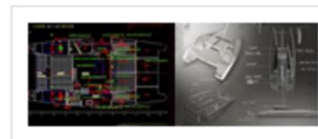
- Site area: 10,000m² (includes 2,658m² for Research Center, 1,800 m² for Production Support Center)
- Test evaluation equipment (21 kinds), prototype development

Establishment of corporate support service system for technological improvements

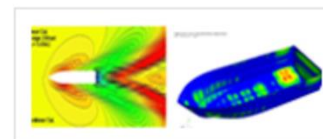
- Technical support: support of localization of parts and equipment
- Manpower training: support for training of advanced design professionals
- Fostering collaboration: supporting the establishment of business-to-business collaboration systems

R&D Support

- Liner development and standardization of technology
- Design/planning
- Structural analysis and heat/fluid analysis
- System/component design and performance evaluation
- Reliability of marine equipment



Design / planning



Structural analysis and heat / fluid analysis

Utilization of Support Equipment

- Operation of production support center for marine recreational equipment and tenant company in the southwest area
- Production equipment support for ship interiors
- Light alloy/composite material ship production support
- Design software and quality measurement equipment
- 2D, 3D software Design, Basic software calculation
- Heat/Fluid analysis and structural analysis software
- hardware only for computational analysis



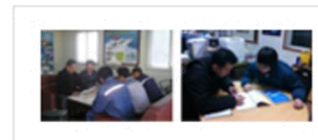
Production equipment Support for ship interiors



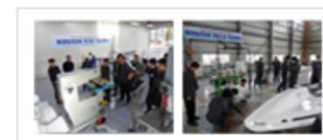
Light alloy /composite material ship production support

Business Support

- New/existing shipbuilding design, supervision&technical review
- Support for ships/related equipment
- Development of production method&product design support
- Support for automation of production process
- Support for technology seminar and workshop



Support for automation of production process



Support for technology seminar and workshop

9 Development of 100ft Yacht Line

- **Period of Project:** 2015 – 2019 (5 years)
- **Project Costs:** US\$ 28 million (national government: US\$ 21 million, private sector: US\$ 7 million)
- **Organizer:** GHI Yachts
 - *Specialized organization: Korea Institute of Marine Science & Technology Promotion (KIMST)
- Participants** Mokpo National Maritime University, Korea Maritime and Ocean University, KookminUniversity, Mokpo University of Science, Korea Maritime Consultants Co., Ltd., Woojin Industry, Namyang Novitech Co., Ltd., IS Engineering Co, Ltd., ACEPACK
- **Project Information:** Length: 100ft (about 30m, speed: 30 knots)
Yacht development (Design + Technology Development + Drying)



Establishment of Large Yacht,
put a new outfit on

'Power Nation of Shipbuilding'



- ✓ Establishing a basis for entry into the global market by securing formidable track record of large yacht lines
- ✓ Converting business into high value-added future industry through business diversification into leisure ship sector after restructuring of shipbuilding industry



- **Type:** Catamaran Sailing Yacht (51ft), Aluminum alloy
- **People on board:** 27 people (24 passengers, 3 crew)
- **Manufacturer:** GHI Yachts * construction in 2010
- **Construction cost:** US\$ 936,493

Weight	Length	Line width	Depth	Speed	HP
19 tonnage	13.92m	5m	2.49m	10 knots (18.52 km/hr)	163hp

- ✓ Explanation of tourism investment attraction and sailing experience events
- ✓ Marine tourism industry marketing promotion using yachts plus festivals and events

11 Aquatic Leisure Sports Competition 2018

International Powerboat Grand Prix - Mokpo -

- **Period:** September 8-9, 2018
- **Project cost:** US\$ 271,019
- **Participating Nations:** 8 (Korea, USA, Finland, Latvia, Lithuania, Portugal, Slovakia, Sweden)
- **Number of Participants:** 5,000 (249 competition-related, 4,751 visitors)



National Boat Competitions in Jeollanam-do

- **Venues:** Yeosu, Boseong, Muan, Hampyeong
- **Number of Participants:** 4,950 people
- **Project Costs:** US\$ 318,425





- **Project Period:** March to November 2018
- **Project sites:** Five cities and counties
- **Budget:** US\$ 253,000
- **Features:** marine leisure sports and safety training (canoes, boats, windsurfing, etc.)

Cities / Counties	Classes	Major Events	Time	Project Budget (million won)	Number (people)
5 cities	7 classes			253	28,794
Mokpo	Yacht school	Yacht	May to September	20	2,304
Yeosu	Yacht school	Dinghy boat	May to September	47	5,422
	Marine leisure school	Cruiser, Paddle boat	May to September	66	6,101
	Scuba diving	Snorkeling, Scuba diving	May to September	55	4,437
Boseong	Marine leisure sports	Yacht, Kayak	June to November	20	1,285
Jangheung	Water leisure experience	Canoe, Wooden boat	July	20	8,437
Hampyeong	Nasangang river kayak	Kayak, Rafting	June to September	25	808

13 Recommended Locations for Marina Tourism Development



- Project period: 2006 to 2025
- Budget: US\$ 8 billion 226.5 million (33.9km²)
- Districts developed: Samho, Sampo and Guseong districts
- Promising Investment Areas: Hotels, theme parks, **marinas**, golf resorts, etc.



14 Recommended Locations for Marina Tourism Development

Hwayang District Gwangyang Bay Area Free Economic Zone

- **Project period:** 2003 to 2020 (9,167km²)
- **Content:** Maximizing tourism facilities linked with Hallo Marine National Park, Dadohae Marine National Park
- **Promising Investment Areas:** Marine Tourism Hub, develop advanced marine tourism resort complex (tourism, leisure, hotels, marina resorts, etc.)



ocean
RESORT 4 ALL

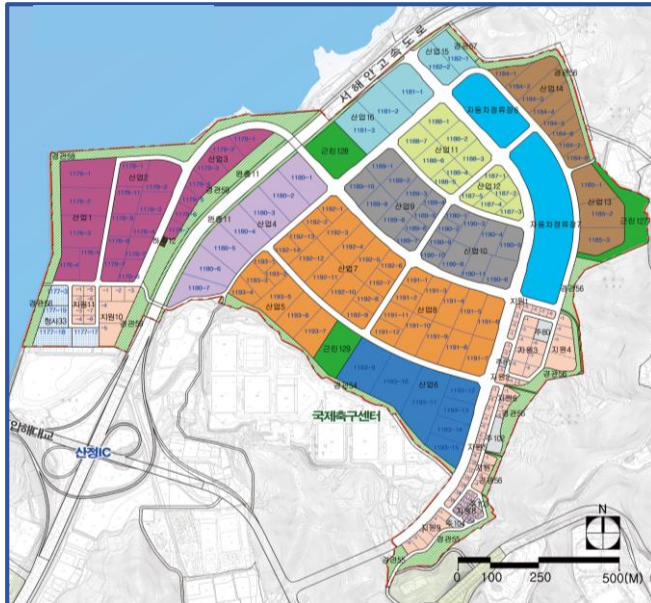
- **Project period:** All road, electricity, water and sewer infrastructure completed from 1994 to 2018 (5.073 km²)
- **Project Costs:** US\$ 118.9 million
- **Promising Investment Business :** Marina, Golf Course, Shopping Mall, Seawater Town



14 Recommended Locations for Factory Development

Dae Yang General Industrial Complex

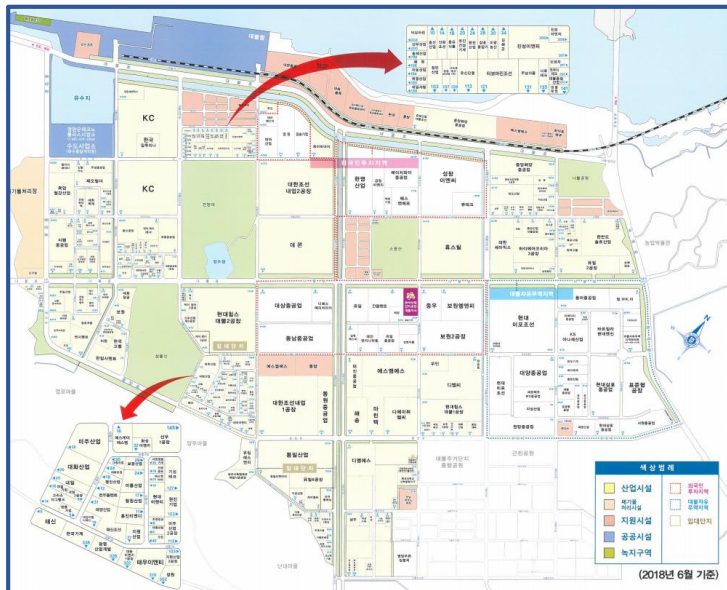
- **Location:** Mokpo-si, Jeollanamdo
- **Developing Period :** February, 2013. ~ April, 2016.
- **Developing Area:** 1,545,759㎡ (※area for parcel out: 1,068,095㎡)
- **Category of Business :** components of leisure boats, electric equipment, car, ceramic, etc.
- **Budget(gross) :** US\$ 282.7 million



14 Recommended Locations for Factory Development

Dae Bul National Industrial Complex

- **Location:** Samho-eup, Yeongam-gun, Jeollanamdo
- **Developing Period:** Oct. 1989. ~ Aug. 1997.
- **Developing Area:** 11,524,000㎡ (※Area for parcel out: 7,195,000㎡)
- **Category of Business:** Components of ship, machine, imperfect metal, food and beverage, etc.
- **Budget(gross):** US\$ 411.2 million





IV Investment Incentives



Easing regulations, removing barriers! Marina and yacht industries lead to the blue ocean



Marina Port Development

- 100% reduction in water fees for private marinas
- Marina complex development permissions for housing, resorts, etc.
- Easing requirements for marina developers
- Simplification of approval process



Marina Service Industry Stimulus

- Establishment of yacht rental business and mooring services
- Significant relaxation of business start-up standards such as rental businesses
- Introduction of marina yacht membership and sales systems

Qualification

Foreign investment with a foreign investment ratio of 30%

Cash Grant

Decided by a committee for determining the cash grant ceiling comprised of five persons or more from the central government, local government, KOTRA and the private sector.

- Land purchase and lease expenses
- Building construction expenses, expenses for purchasing capital goods and research equipment expenses and R&D
- R&D facility purchase and lease expenses

Legal Usage

- To purchase or lease land or a building for the installation of a factory or research facility
- To construct a factory or research facility
- To purchase capital goods and research equipment to be used at a factory or research facility



JeollaNamdo

Jeollanamdo Provincial Government

1, Oryong-gil, Samhyang-eup, Muan-gun,
Jeollanam-do, 58564, Republic of Korea

www.jeonnam.go.kr

Tel. +82 - 61 - 286 - 5121
+82 - 61 - 286 - 5123

Fax. +82 - 61 - 286 - 4746

Mobile. +82 - 10 - 4624 - 7559