



FINANCIAL CENTRES OF THE WORLD 2021: FOCUS ON BUSAN

Jong-hwa Kim, President, Busan Finance Center

S B Shin, Director, International Finance Division, Busan Finance Center

Webinar

22 June 2021, 08:00 BST

A Word From Today's Chairman



Mike Wardle
Director & Head Of Indices
Z/Yen Group

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Today's Agenda



- 08:00 – 08:05 Chairman's Introduction
- 08:05 – 08:25 Focus On Busan
 - Jong-hwa Kim, President, Busan Finance Center
 - SB Shin, Director, International Finance Division, Busan Finance Center
- 08:25 – 08:30 An External View
- 08:30 – 08:45 Questions, Answers & Observations

Today's Speakers



Jong-hwa Kim
President
Busan Finance Center



S B Shin
Director, International Finance Division
Busan Finance Center

FOCUS ON BUSAN

June 22, 2021

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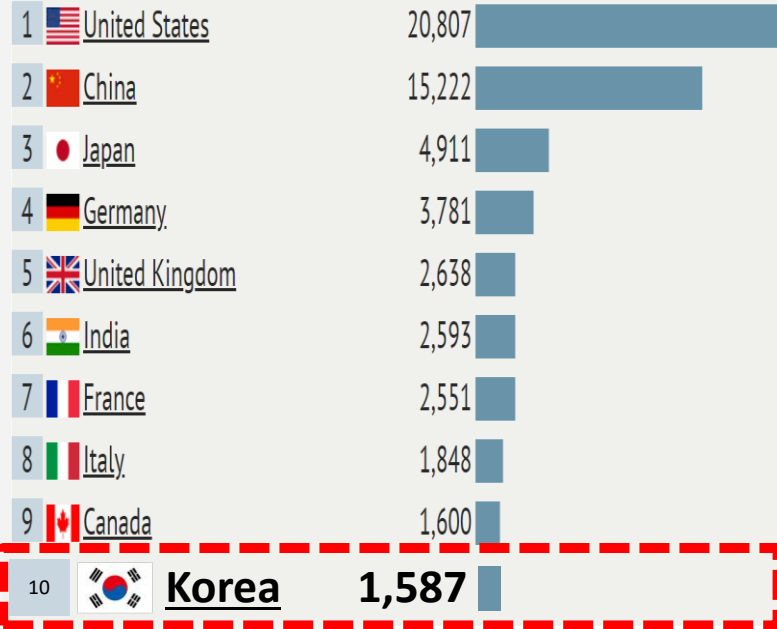
- 1. Introduction to Korea & Busan**
- 2. Current Status of Busan Financial Hub**
- 3. Prospects for Busan Financial Hub**



KOREA at a Glance

GDP in Current Prices

Billion USD



2020 World GDP Ranking by IMF

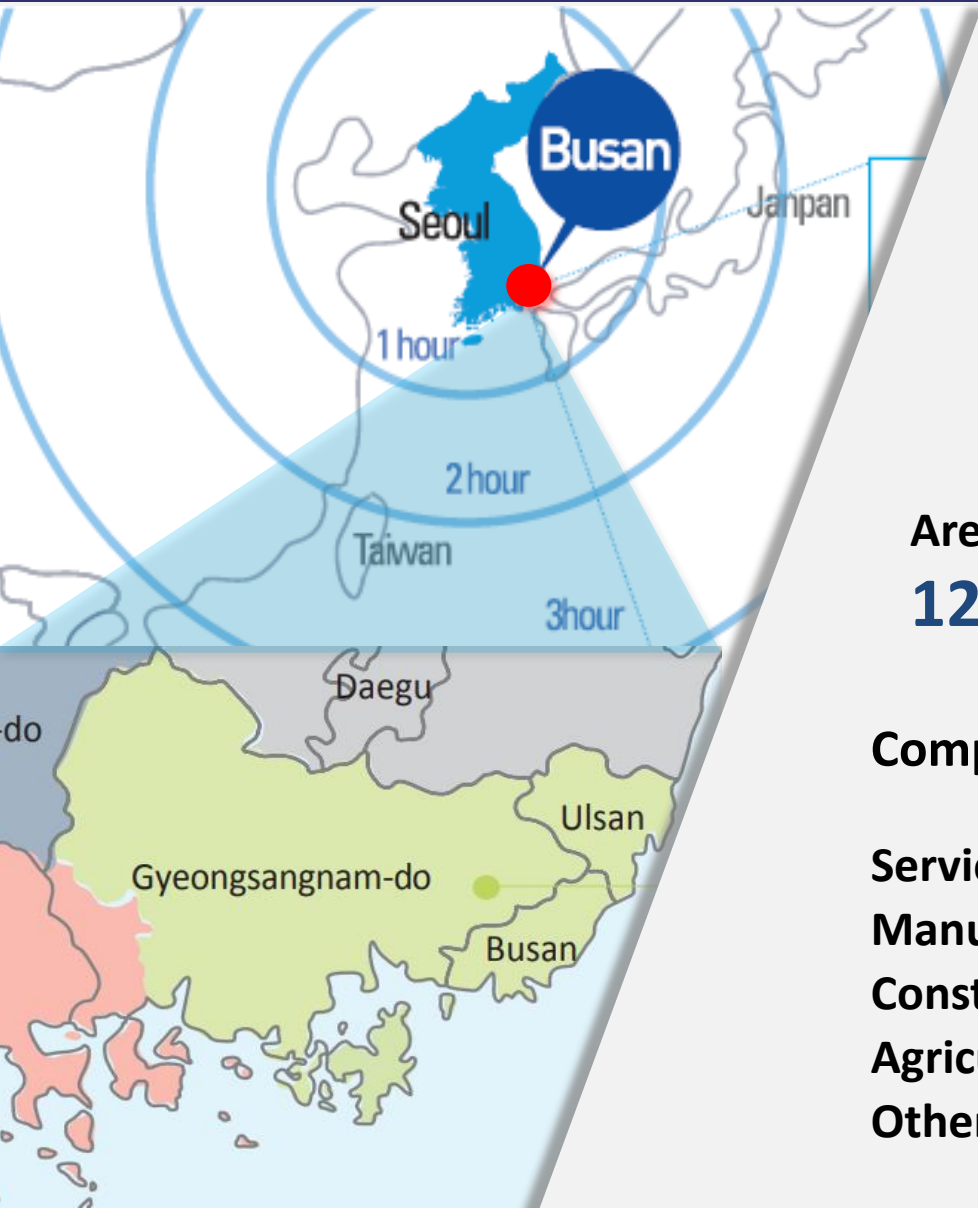
2021 Rank	Economy	Total Score	R&D Intensity	Manufacturing Value-added	High-tech Density	Patent Activity
1st	S. Korea	90.49	2	2	4	1
2	Singapore	87.76	17	3	18	4
3	Switzerland	87.60	3	5	11	18
4	Germany	86.45	7	6	3	14
5	Sweden	86.39	4	21	6	21
6	Denmark	86.12	8	17	8	23
7	Israel	85.50	1	30	5	8
8	Finland	84.86	11	12	13	10
9	Netherlands	84.29	14	26	7	9
10	Austria	83.93	6	9	23	15

2021 Innovation Index By Bloomberg

1. New Zealand
2. Singapore
3. Hong Kong
4. Denmark
- 5. South Korea**
6. U.S.A.

2020 Ease of Doing Business Rank By World Bank

BUSAN at a Glance



A Megacity encompassing Busan, Ulsan, Gyeongsangnam-do under discussion

Area

12,349.28 km²

Composition by Sector

Service **48.6%**

Manufacturing **40.0%**

Construction **6.4%**

Agriculture, Forestry and Fishery **1.9%**

Others **3.2%**



Population

7,856,759

as of 2021



Gross Regional Domestic Product

USD 250 Bil.

(KRW 280 Tril.)

as of 2019



1. Introduction to Korea & Busan

Center of Southeast Economic Bloc

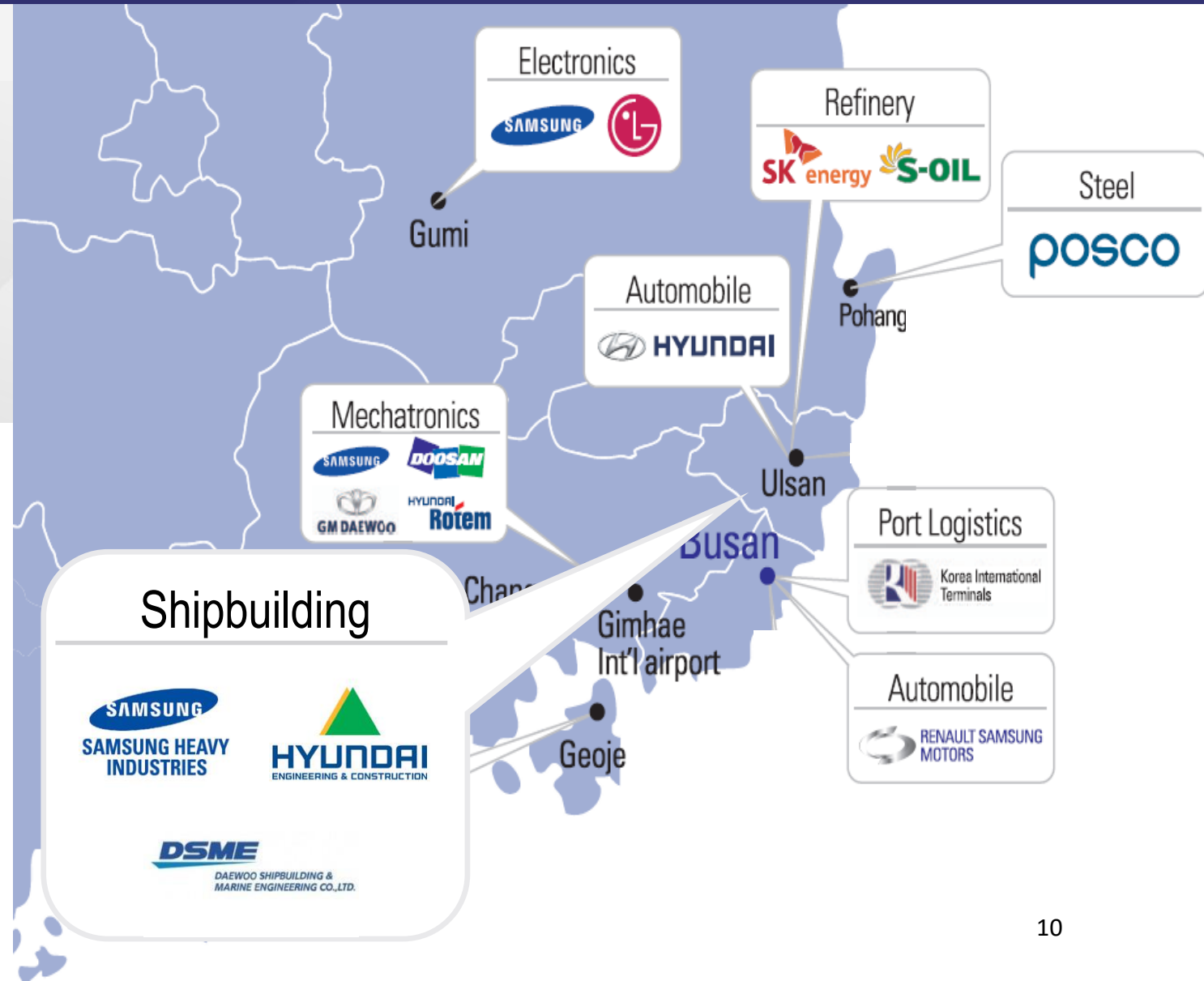
Home to the world's Big-3 shipbuilding companies, southeast economic bloc of Korea encompasses Busan, Ulsan, and Gyeongnam-do Province, where many world-class industries operate

Global Ship Orders

Korean shipbuilders (Hyundai, Daewoo, Samsung)

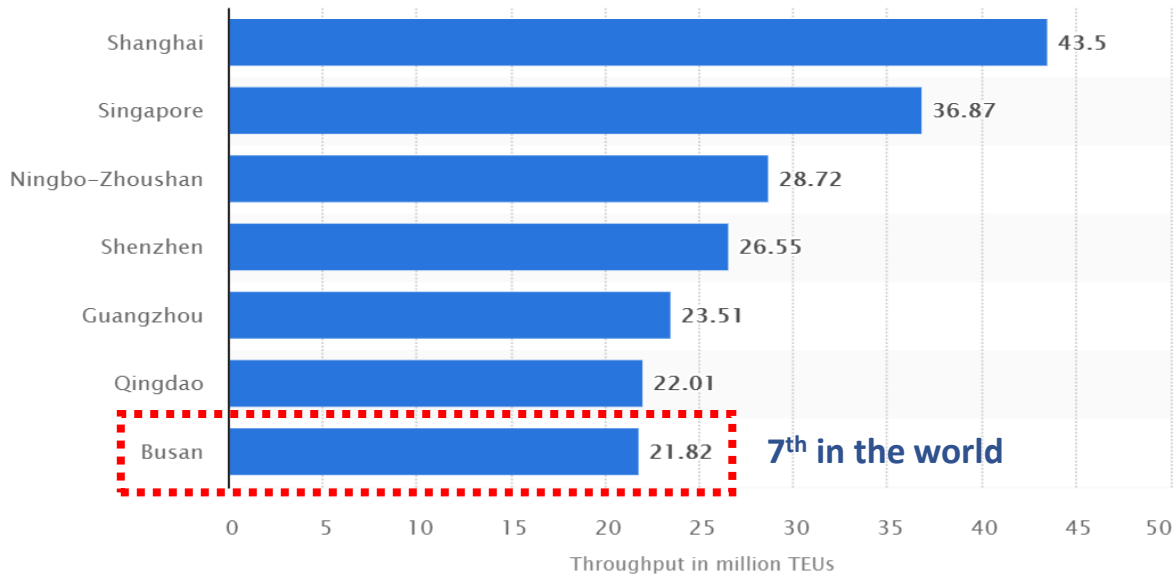
8,190,000 CGT (World No.1 order volume)

(Source : Clarkson Research, 2021)

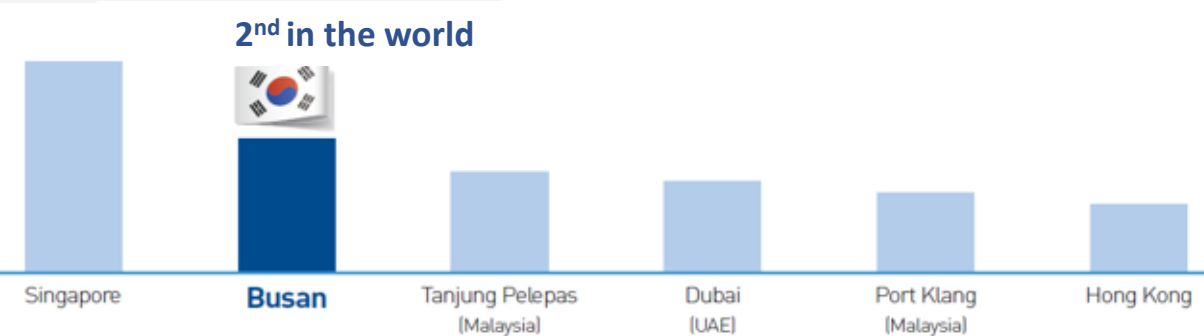


BUSAN, the Global Port & Logistics City

The largest container ports worldwide in 2020 (in million TEU)



Transshipment (11,638,000 TEU)



Busan Maritime ranking

10th as a Leading Maritime Capital of the world

1st in objective indicators of Maritime Technology
(Shipyard, patents, market value of ships built at shipyard)

(Source : Menon Economics, 2019)



BUSAN, the Cluster of Major Financial Institutions

2014

2018

2022~

63rd floor

Financial
Institutions

49th, 36th floor

Offices,
Hotels,
Performance halls

50th floor

Fintech, Startups
Accelerators

- Relocated major financial institutions
- Korea Exchange: TR, CCP
- Korea Housing Finance Corp.: Issued USD 40 Bil. of ESG bond

10 public financial institutions 9 private financial institutions 5 finance related institutions 1 international organization 7 other institutions



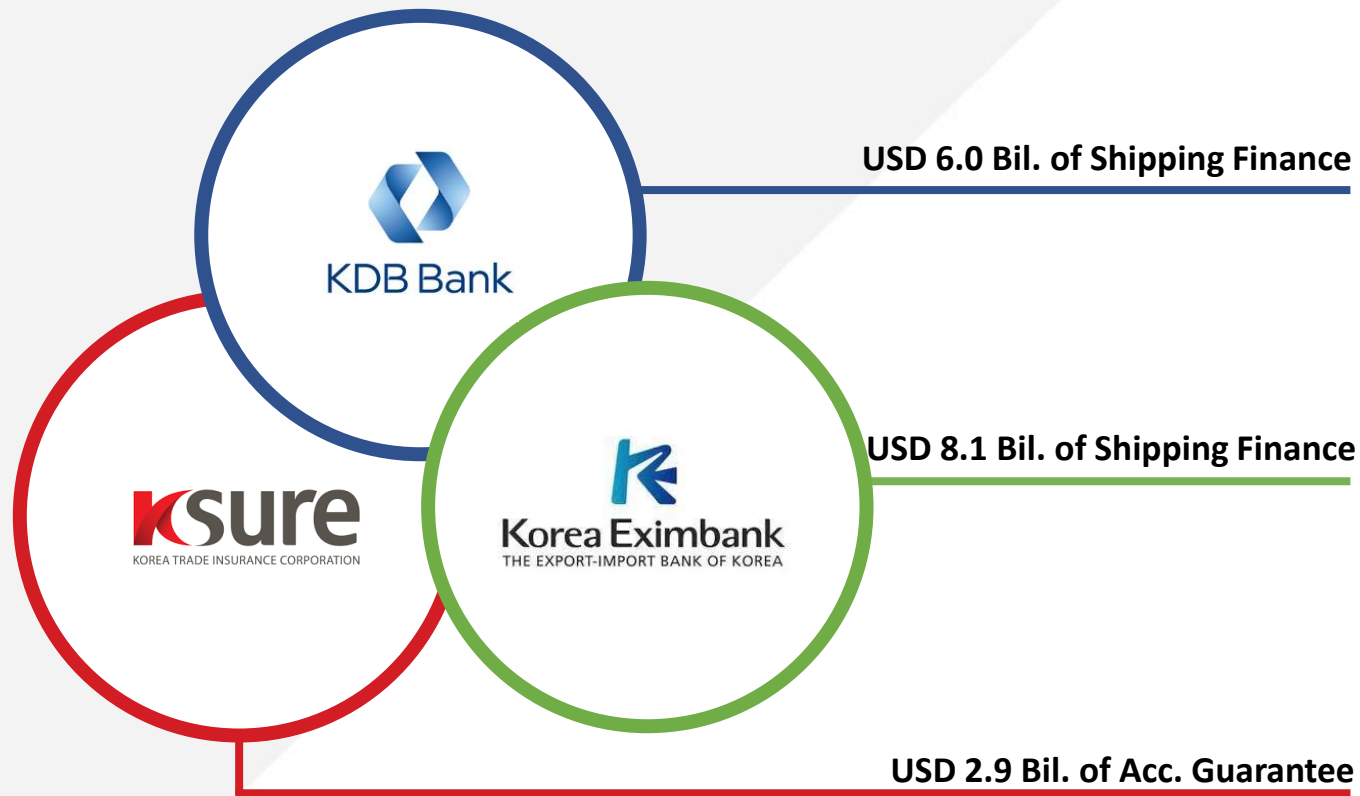
Total Assets of
Tenant Institutions
in BIFC(As of 2019)

USD 177 Bil.



Maritime Finance in Busan

Marine Finance Center : Collaborative body of **KDB, Korea Eximbank, K-SURE (2014)**

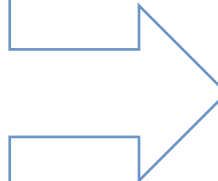


3 policy financial institutions (KDB, KEXIM, K-SURE) cover 80% of total shipping finance

Maritime Finance in Busan

Korea Ocean Business Corporation: Integration of three existing organizations (2018)




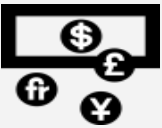



Korea Maritime Guarantee Insurance
Korea Shipping and Maritime Transportation
Maritime Exchange Information Center



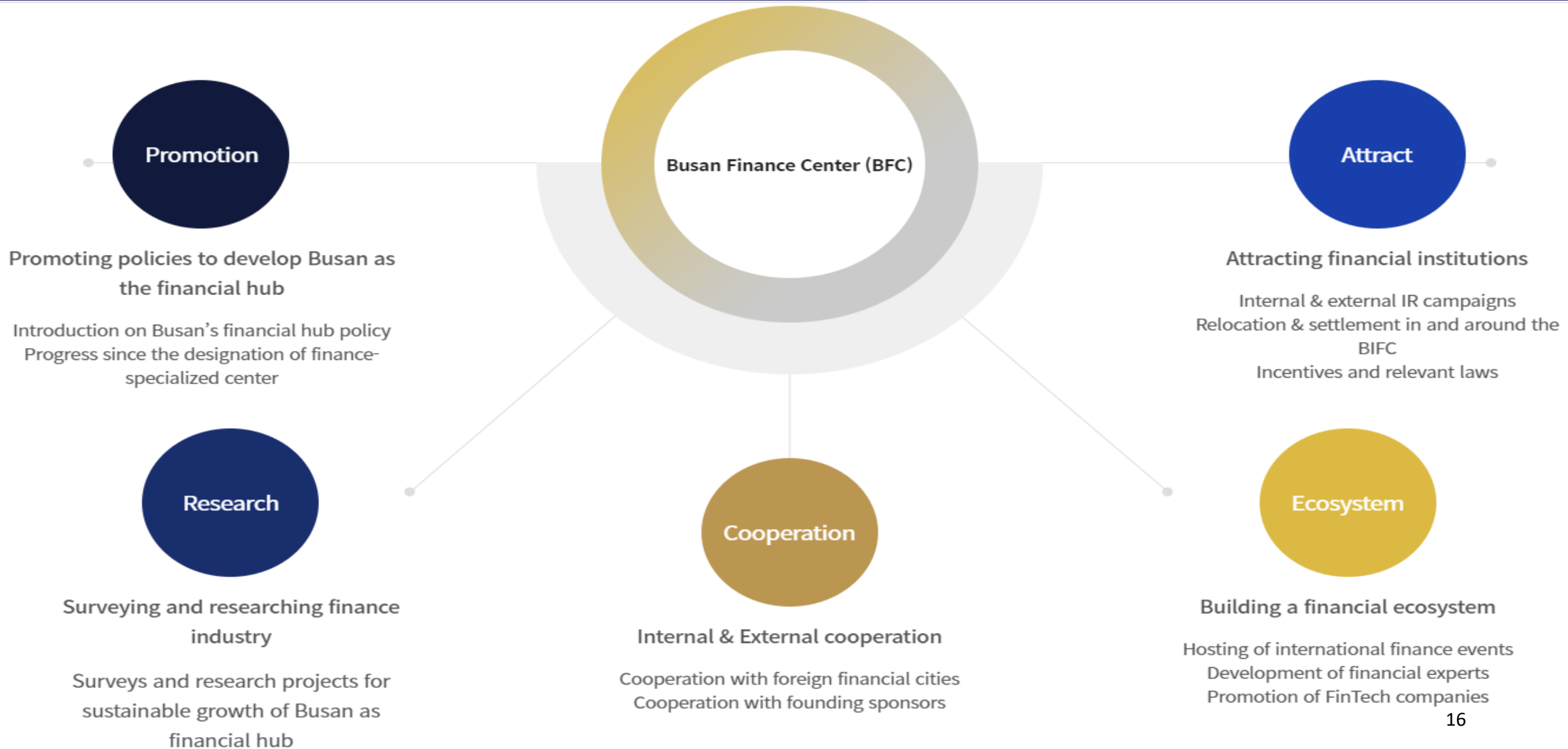
Korea Ocean Business Corporation (KOBC)



Blockchain Regulation-free Zone

Classification		Definition	Regulatory Exception
Logistics		Smart marine logistics service	Personal Information Protection Law
Tourism		Smart tour service	
Public Safety		Public safety video reporting service	Location Information Law
Digital Voucher		Digital ledger-based regional economy revitalization service	Electronic Financial Transactions Law
Real Estate		Real estate collective investment and profit sharing service	Capital Market Law
Data Utilization		Data reward and transaction service	Medical Law
Medical data		Medical non-face-to-face service	

Busan Finance Center



Eco Delta & Green Smart City Project

A city where ecological environment and key technologies of the Fourth Industrial Revolution are harmonized with the center of three rivers.

Eco Delta City

Area: 11.77 km²

Period: 2012 - 2023

Target Population: 76,000 (30,000 households)

Focus:

- Waterfront city thriving with leisure & culture
- Ecological city surrounded by mother nature
- Global futuristic city

Green Smart City

Area: 2.8 km²

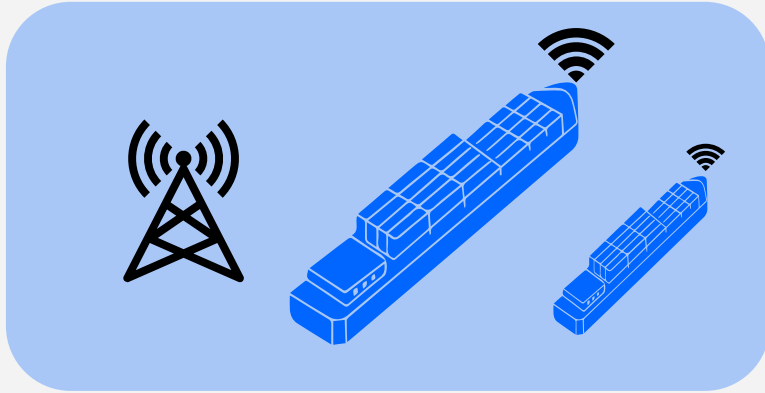
Target Population: 8,500 (3,380 households)

Focus:

- Hydro power plant
- 100% of water recycled
- Renewable energy sharing ratio: 120%
- CO2 emissions 50%↓

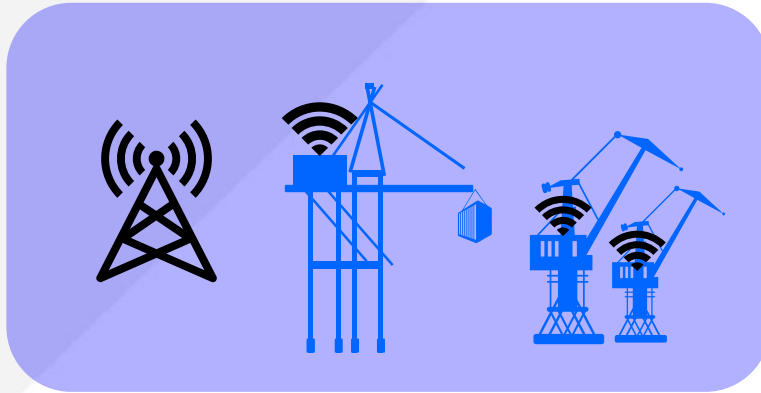
Smart Logistics Port

1. Safer entry and departure of vessels



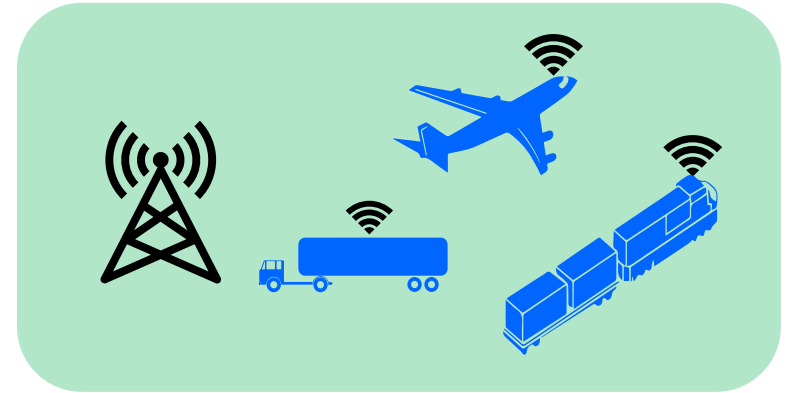
Entries & exits simulated for ship GIS platform

2. Better port productivity



Optimized operation simulated, cargo handling device monitored

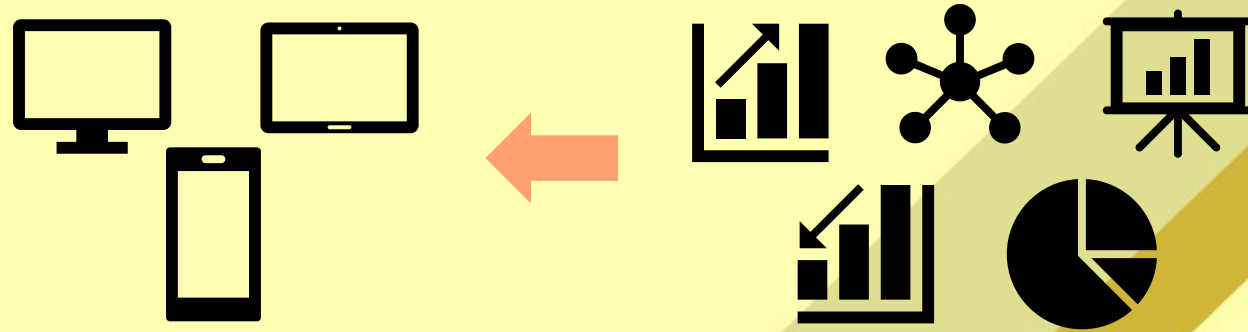
3. Higher back-end logistics connectivity



Cargo ETA, city traffic monitoring

4. Common data platform

Integrated analysis of each digital data
Port operated according to change of vessel ETA
Optimization of back-end logistics



Vision for North Port Route

**North Pole route from Busan to Rotterdam
expected to position Busan as Global Logistics Hub**

Shipping time
from Busan to Rotterdam

14 days (or 15,000 km)

VS

Current Suez Canal route

24 days (or 22,000 km)

**North Pole route
connecting the world faster and shorter**



Vision for Tri-port

Seaport

2nd New Port

One-Stop logistics

Maritime Logistics Complex



Expansion of new port railway infra.

Railway Logistics Complex



Railway

Airport

New Airport

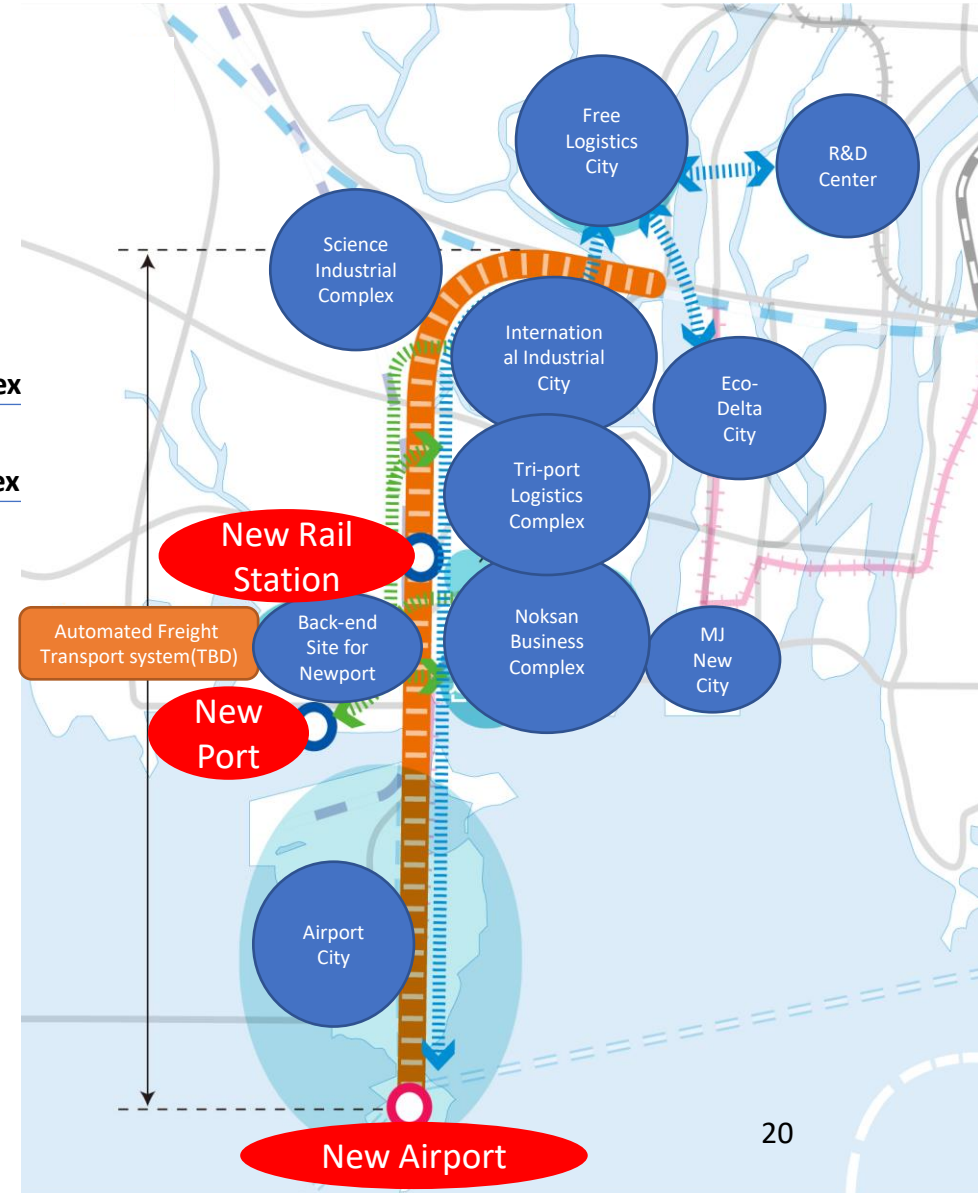
Industrial Complex

Air Logistics Complex



Continental Railway Base

Tri-Port



Sustainable Financial Hub

Eco-friendly LNG carriers to lead global response to climate change

Global Economic Recovery

Global Transshipment ↑

Environment Regulation by
International Maritime Organization



Global Shipbuilding orders: 50% increase from 795 in 2020 to around 1,200 vessels in 2021-2022 annually
Demands for replacement (2023-2031) also more than doubled to 1,800 vessels annually
Orders for Korean shipbuilders' flagship vessels (15,000TEU+ container ships) to double/triple from 105 in 2020 to 250-300 vessels in 2021-2031 annually

* Source: Clarkson Research Forecast Club, 2020

Incentives at BIFC



63rd Floor, Landmark of BIFC

Special Long-term Rent-free Provision

Rental Area

- ✓ 63rd floor of the BIFC Building
- ✓ 165m² each for three companies

Savings

- ✓ Annual rent USD 53,600 x 20 years
= USD 1.1 Mil. (for each 165m² area)

Tax Support

- ✓ Corporate/Income- tax exemption
- ✓ Property tax- exemption
- ✓ Acquisition tax -exemption

Financial Support

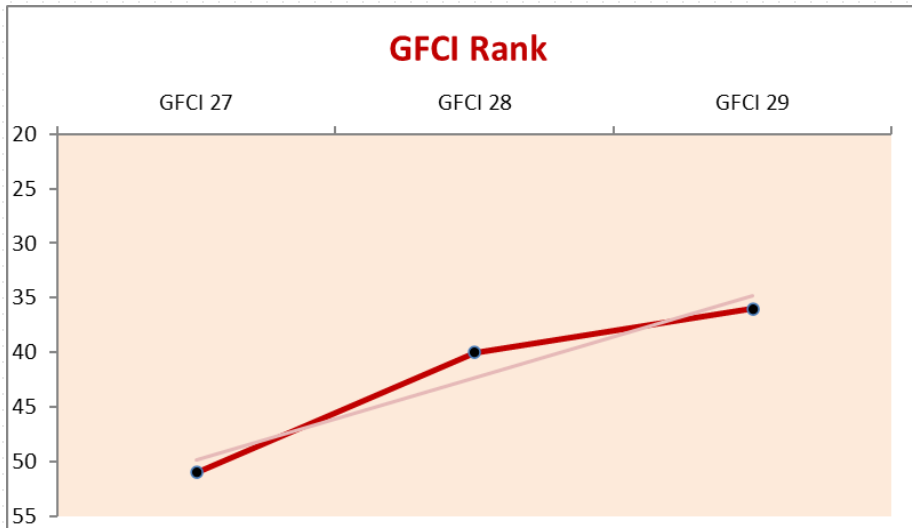
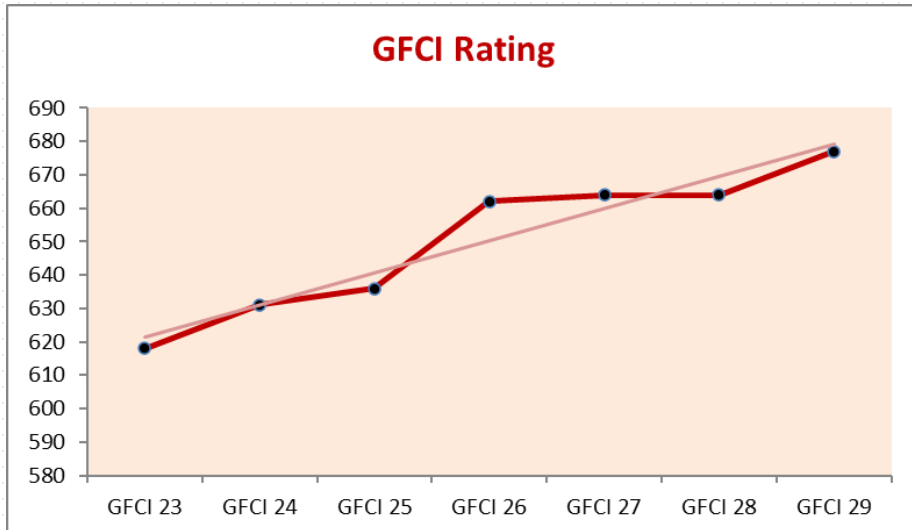
- ✓ Land/building purchase expense
- ✓ Office rent expense
- ✓ Education/Training
- ✓ Business facility installation expense

✘ Several foreign financial institutions to relocate in 2nd half of 2021



Thank you

An External View



- Rapid improvement in GFCI Rating over last five years
- Global rank in the GFCI has risen to 36th in GFCI 29
- Strong in business environment and financial sector development factors



Questions, Answers & Observations





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THE TECHNIMUM GLOBAL SERVICE WITH INTEGRITY



expert.ai



Expect Excellence

P2 CONSULTING

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Thank You For Listening



Forthcoming Events

- Tuesday 29 June (10:00) Impact Investing – The Future?
 - Wednesday 30 June (11:00) Fraud & Pandemics From The Spanish Flu To The Present
 - Wednesday 30 June (16:00) Why AI Needs Another "AI" - Anthropology Intelligence
 - Monday 5 July (16:00) The Psychology Of Seduction
-
- Visit <https://fsclub.zyen.com/events/forthcoming-events/>