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1. Current Status of Busan Port
2. Busan New Port Development Project
3. Distripark Development Project
4. Busan North Port Redevelopment Project
1 Current Status of Busan Port
Past, Present and Future of Busan Port by Numbers
No. 1 Container Port in Korea

Targeting 20 million Container

World No. 3 Container Transshipment

Targeting 50 Thousand Cruise Passengers

Network with 00 Ports in the World

World No. 6 Container

Opening of the first Container Port in Busan

Opening of Busan

Completion of the North Port

1976 Opening of Busan

2019 Completion of the North Port
Current Status of Busan Port

North Port & New Port

**New Port**
- 5 CNTR Terminal Operators
- 9.2m TEU H/Capacity
- 23 berths

**North Port**
- 4 CNTR Terminal Operators
- 6.3m TEU H/Capacity
- 17 berths
Current Status of Busan Port

Busan Port T/put (2012~2016)

(Unit: '000 TEU)

<table>
<thead>
<tr>
<th>Year</th>
<th>Total</th>
<th>Local</th>
<th>T/S</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>17,046</td>
<td>8,898</td>
<td>8,148</td>
</tr>
<tr>
<td>2013</td>
<td>17,686</td>
<td>8,938</td>
<td>8,748</td>
</tr>
<tr>
<td>2014</td>
<td>18,683</td>
<td>9,238</td>
<td>9,445</td>
</tr>
<tr>
<td>2015</td>
<td>19,469</td>
<td>9,363</td>
<td>10,105</td>
</tr>
<tr>
<td>2016</td>
<td>19,455</td>
<td>9,620</td>
<td>9,835</td>
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</table>

L/C 2.7%  T/S -2.7%  Total -0.1%
Container T/put Trend of North Port & New Port

Current Status of Busan Port

(Unit: ,000 TEU)
World Container Volume Forecast

<table>
<thead>
<tr>
<th>Year</th>
<th>S.E. Asia (Unit: '000 TEU)</th>
<th>N.E. Asia (Unit: '000 TEU)</th>
<th>World (Unit: '000 TEU)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>273,353 (40.0%)</td>
<td>93,767 (40.0%)</td>
<td>682,260</td>
</tr>
<tr>
<td>2016</td>
<td>277,375 (40.1%)</td>
<td>95,199 (40.0%)</td>
<td>691,085</td>
</tr>
<tr>
<td>2017</td>
<td>283,346 (40.0%)</td>
<td>97,167 (40.0%)</td>
<td>707,571</td>
</tr>
<tr>
<td>2018</td>
<td>291,562 (40.0%)</td>
<td>100,184 (40.0%)</td>
<td>728,773</td>
</tr>
<tr>
<td>2019</td>
<td>301,131 (40.0%)</td>
<td>103,484 (40.0%)</td>
<td>752,017</td>
</tr>
<tr>
<td>2020</td>
<td>310,347 (40.1%)</td>
<td>106,978 (40.1%)</td>
<td>774,887</td>
</tr>
</tbody>
</table>

(Unit: ‘000 TEU)

* Source: Drewry Forecaster & Annual Review 2016/17
## World’s Top 10 Container Ports

7 out of 10 world’s busiest ports are in N.E. ASIA

<table>
<thead>
<tr>
<th>No.</th>
<th>Port</th>
<th>Country</th>
<th>2015 (Growth)</th>
<th>2016 (Growth)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Shanghai</td>
<td>China</td>
<td>36.54 (3.5%)</td>
<td>37.13 (1.6%)</td>
</tr>
<tr>
<td>2</td>
<td>Singapore</td>
<td>Singapore</td>
<td>30.92 (-8.7%)</td>
<td>30.90 (-0.1%)</td>
</tr>
<tr>
<td>3</td>
<td>Shenzhen</td>
<td>China</td>
<td>24.20 (0.7%)</td>
<td>23.99 (-0.9%)</td>
</tr>
<tr>
<td>4</td>
<td>Ningbo-zhoushan</td>
<td>China</td>
<td>20.63 (6.0%)</td>
<td>21.57 (4.6%)</td>
</tr>
<tr>
<td>5</td>
<td>Hong Kong</td>
<td>China</td>
<td>20.08 (-9.7%)</td>
<td>19.63 (-2.2%)</td>
</tr>
<tr>
<td>6</td>
<td>Busan</td>
<td>Korea</td>
<td>19.46 (4.0%)</td>
<td>19.45 (-0.1%)</td>
</tr>
<tr>
<td>7</td>
<td>Guangzhou</td>
<td>China</td>
<td>17.57 (5.7%)</td>
<td>18.82 (6.2%)</td>
</tr>
<tr>
<td>8</td>
<td>Qingdao</td>
<td>China</td>
<td>17.50 (5.3%)</td>
<td>18.01 (3.3%)</td>
</tr>
<tr>
<td>9</td>
<td>LA/LB</td>
<td>USA</td>
<td>15.59 (2.3%)</td>
<td>15.63 (1.8%)</td>
</tr>
<tr>
<td>10</td>
<td>Jebel Ali</td>
<td>UAE</td>
<td>15.35 (1.3%)</td>
<td>14.77 (-5.3%)</td>
</tr>
</tbody>
</table>

*source: Port Authority Websites, Alphaliner*
## World’s top 10 Container Ports

( Unit : 1,000 TEUs )

<table>
<thead>
<tr>
<th></th>
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<tbody>
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<td>Hong Kong</td>
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<tr>
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<td>(5,224)</td>
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<td>Singapore</td>
<td>Singapore</td>
<td>Shanghai</td>
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<td>Rotterdam</td>
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<td>Busan</td>
<td>Shanghai</td>
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<td>Shenzhen</td>
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<td>Kaohsiung</td>
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<td>Ningbo</td>
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<td>(16,830)</td>
<td>(17,327)</td>
<td>(18,652)</td>
<td>(19,469)</td>
<td>(19,455)</td>
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<td>Rotterdam</td>
<td>Ningbo</td>
<td>Guangzhou</td>
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<td>(8,300)</td>
<td>(11,226)</td>
<td>(12,550)</td>
<td>(14,743)</td>
<td>(15,520)</td>
<td>(16,624)</td>
<td>(17,570)</td>
<td>(18,820)</td>
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<td>Hamburg</td>
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<td>LongBeach</td>
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<td>(7,321)</td>
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<td>(16,160)</td>
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<td>(18,010)</td>
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<td>9</td>
<td>Busan</td>
<td>NY/NJ</td>
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<td>Tianjin</td>
<td>LA/LB</td>
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<td>(1,148)</td>
<td>(1,872)</td>
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<td>(10,830)</td>
<td>(11,146)</td>
<td>(12,295)</td>
<td>(13,641)</td>
<td>(15,161)</td>
<td>(15,352)</td>
<td>(14,772)</td>
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<td>10</td>
<td>LongBeach</td>
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<td>Dubai</td>
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<td>(1,141)</td>
<td>(1,828)</td>
<td>(2,329)</td>
<td>(4,082)</td>
<td>(4,777)</td>
<td>(6,429)</td>
<td>(10,320)</td>
<td>(11,146)</td>
<td>(12,295)</td>
<td>(13,461)</td>
<td>(15,161)</td>
<td>(15,352)</td>
<td>(14,772)</td>
<td></td>
</tr>
</tbody>
</table>

Current Status of Busan Port
Domestic CNTR Market Share in 2016

Total T/put in Korea: 25.95 million TEU

- Busan: 19,455 (74.9%)
- Incheon: 2,677 (10.3%)
- Gwangyang: 2,224 (8.6%)
- Others: 1,614 (6.2%)

※ Busan Share 2010 (73%) → 2016 (74.9%)
## Busan Port T/Put by Nation in 2016

- **Top three nations (CHN, USA, JPN) account for 54.2% of total volume**

<table>
<thead>
<tr>
<th>RANK</th>
<th>PORTS</th>
<th>2016 (TEU)</th>
<th>YoY GROWTH RATE(%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>TOTAL</td>
<td>L/C</td>
</tr>
<tr>
<td>-</td>
<td></td>
<td>19,455,038</td>
<td>9,619,856</td>
</tr>
<tr>
<td>1</td>
<td>China</td>
<td>4,904,684</td>
<td>1,857,161</td>
</tr>
<tr>
<td>2</td>
<td>USA</td>
<td>2,834,487</td>
<td>1,341,154</td>
</tr>
<tr>
<td>3</td>
<td>Japan</td>
<td>2,810,772</td>
<td>1,340,595</td>
</tr>
<tr>
<td>4</td>
<td>Vietnam</td>
<td>545,212</td>
<td>341,383</td>
</tr>
<tr>
<td>5</td>
<td>Mexico</td>
<td>541,289</td>
<td>310,541</td>
</tr>
<tr>
<td>6</td>
<td>Canada</td>
<td>520,968</td>
<td>193,614</td>
</tr>
<tr>
<td>7</td>
<td>India</td>
<td>382,138</td>
<td>267,918</td>
</tr>
<tr>
<td>8</td>
<td>Russia</td>
<td>370,458</td>
<td>154,977</td>
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<td>9</td>
<td>Chile</td>
<td>350,935</td>
<td>118,249</td>
</tr>
<tr>
<td>10</td>
<td>Thailand</td>
<td>347,001</td>
<td>161,371</td>
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</tbody>
</table>
Current Status of Busan Port

Competitiveness of Busan Port - ①

Location: Between the World’s Factory & 3rd Largest Economy

※Source: Alphaliner
(Unit: 1,000 TEUs, 2016)
Competitiveness of Busan Port - ②

Connectivity (Ocean-going) → 531 weekly services in 2017

- N.America: 90.7
- Korea
- S.America: 52
- Europe: 33.7
- China: 62
- M.East: 26.2
- S.E. Asia: 137.5
- Japan: 88.5
- Oceania: 26
- Africa: 3
- Russia: 11.5

Current Status of Busan Port
Current Status of Busan Port

Competitiveness of Busan Port - ③

Connectivity (Feeder Network)

Japanese : 79 ports
China : 62.5 ports
Russia : 9.5 ports

Source: BPA
(Unit: 1,000 TEUs, 2013)
Competitiveness of Busan Port - ④

Service and Productivity

- Gifted Natural Environment
- Excellent Port Infrastructure
- High Productivity and Service
- Stable Labor Relationship
Competitiveness of Busan Port - ⑤

Deep Water

Water Depth: 15~16m (17m in 2017)
Little Tidal Difference: 1.3m

The World’s Largest vessels calling at Busan Port

18,270 TEU vessel
“Maersk MC-Kinney Moller”
(July 15, 2013)

19,224 TEU vessel
“MSC Oscar”
(Jan. 8, 2015)

Source: BPA
(Unit: 1,000 TEUs, 2013)
2 Busan New Port Development Project
Busan New Port

- 5 Container & 1 Multipurpose
- 23 berth(CNTR 21 + Multi 2)
- Quay Length : 7.5km
- 9.5m TEU H/Capacity

- Period : 1995~2020
- Total Budget : USD 16.7 billion
- 45 berth(CNTR 40 + General 5)
- Quay Length : 14.71km
- 16m TEU H/Capacity
Busan New Port Development Plan

- **HJNC(4)**
  - 3 berths, Length: 1,050m
  - Capacity: 1.2m TEU/year
  - BPA Development
  - 10-year construction (by 2019)
  - TOC Bidding: 2017 (expected)
  - → International Bidding

- **Multipurpose TML**
  - 3 berths, Length: 1,050m
  - Capacity: 1.5m TEU/year
  - Budget: KRW 6446.6 billion
  - BTO Development
  - 4-year Construction (by 2019)
  - 30-year Operation

- **PNC(6)**
- **PNIT(3)**
- **BNCT(4)**
- **HPNT(4)**

**Private Investment**

**BPA Concession**

**Future Plan**

**Source:** BPA

(Unit: 1,000 TEUs, 2013)
Busan New Port in 2020

- High-tech New Terminal
- Competitive Distribution Center
- Bunker Station
- Ship Repair dry-dock
Distripark Development Project
Business Model

Overseas → Busan Port Distripark (FTZ) → Overseas
Business Opportunity in Distripark

- **Total 9.4 Mil. m² Distripark**
- Cargo Generation : 1.7M TEU(2016)
- Competitive Rent & Incentives for FTZ
Distripark Development Project

Functions of Distripark

Applicable Business
- Assembling
- Packaging
- Storage
- Labeling

Tax Incentive & Benefits
- **Lease Terms and Conditions**
  - Lease Period: Max 50 years
  - Lease Fee: 27~40 cents/㎡/month

- **Direct Tax**
  - 100% exemption for first 3 years
  - 50% exemption for next 2 years

- **Indirect Tax**
  - 100% exemption
  - Zero VAT
### Tenants in Distripark

<table>
<thead>
<tr>
<th>Phase</th>
<th># of companies</th>
<th>Consortium</th>
<th>Lease Area (m²)</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>Northern (phase 1-1~4)</td>
<td>30</td>
<td>46 48</td>
<td>1,010,338</td>
<td>30 companies in operation</td>
</tr>
<tr>
<td>Ung-dong (phase 1-1~3)</td>
<td>38</td>
<td>63 42</td>
<td>1,336,184</td>
<td>32 companies in operation and 6 companies in preparation for operation</td>
</tr>
<tr>
<td>Total</td>
<td>68</td>
<td>119 90</td>
<td>2,346,522</td>
<td>-</td>
</tr>
</tbody>
</table>

< Foreign Investors >

- Japan (40 Companies, 44%), China (21, 23%), U.S./Canada/U.K (12,13%), Singapore (6, 7%), Others (11, 12%)
Busan North Port Redevelopment Project
Busan North Port Redevelopment Project

Project Outline

- Redevelopment Target Area
- Size: 1,511,450 m²
- Total Budget: USD 8.5 billion
- Period: 2009~2019
  (Infra + Superstructure)

Key Areas:
- Pier 1
- Pier 2
- Pier 3
- Pier 4
- Central Pier
- HBCT
- UTC
- DPCT
- BPT
Busan North Port Redevelopment Project

Transformation of North Port – Cruise Infra

Busan
Cruising to the heart of Asia

Busan Port Int'l Passenger and Cruise Terminal
1. Berth length 360m | Water depth 12m
2. Berth length 234m | Water depth 9m

Gamman Pier
Berth length 450m | Water depth 15m

Yeong-do Cruise Terminal
Berth length 360m | Water depth 11.5m
### Busan North Port Redevelopment Project

## New International Passenger Terminal

<table>
<thead>
<tr>
<th>Total Budget</th>
<th>Opening</th>
<th>Wharf</th>
<th>Terminal Building</th>
<th>Est Yearly Passengers</th>
</tr>
</thead>
<tbody>
<tr>
<td>234mUS$</td>
<td>Aug. 2015</td>
<td>One 100,000-Cruiseship</td>
<td>5-story Building, 92,826m²</td>
<td>2.8m</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Five 20,000-Passengership</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Six 500-Speed Ship</td>
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</tbody>
</table>
Busan North Port Redevelopment Area in 2020

Busan Stn.  Int’l Passenger TML
Thank you