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2020



Global Financial Centres 2020

Focus On Busan

18 June 2020



Financial Centre Futures





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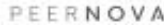
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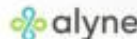


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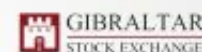


The Technium Global
SERVICE WITH INTEGRITY

Bronze
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Focus On Busan



Young ho Park
Head of Busan International Financial
City Promotion Center of Busan
Economic Promotion Agency



Professor Michael Mainelli
Executive Chairman
Z/Yen Group



Business Opportunities in Busan Financial Hub

TIME FOR BUSAN

18 June 2020



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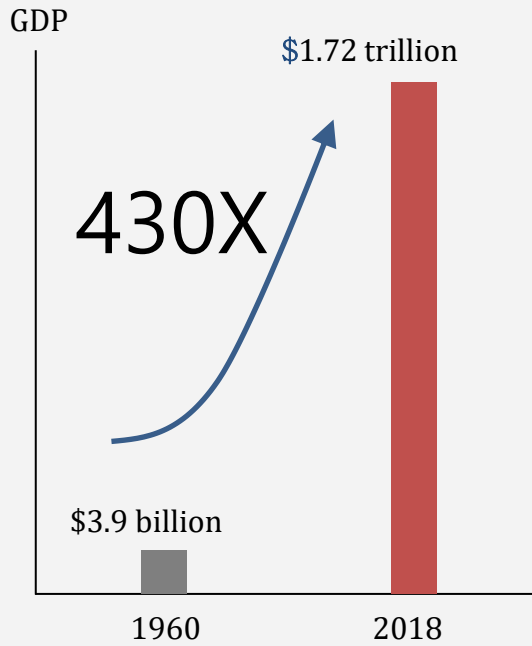
Overview Busan

Busan as the Financial Hub

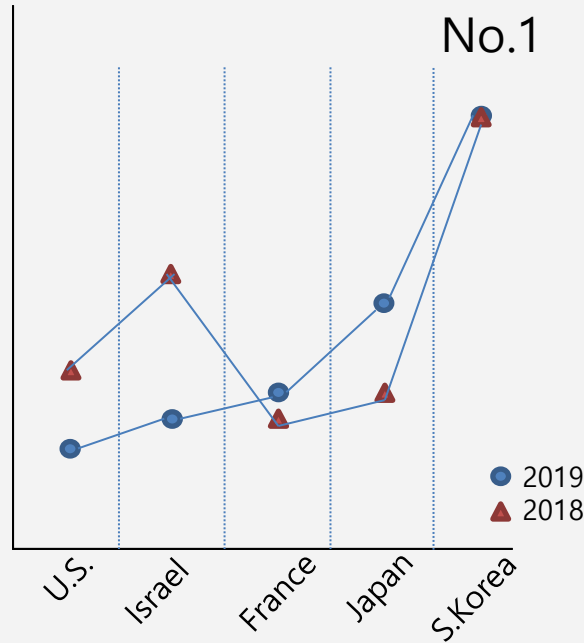
Busan's Future is Now

Why BIFC

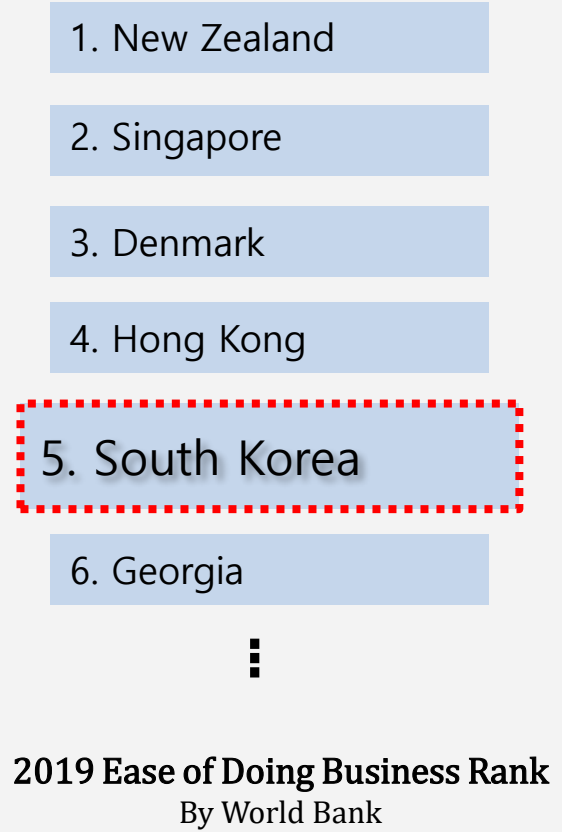
Amazing KOREA



Korea's GDP Change



2019 Bloomberg Innovation Index



Dynamic Busan



Gateway of the Northeast Asia

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
7,924,413
As of 2019

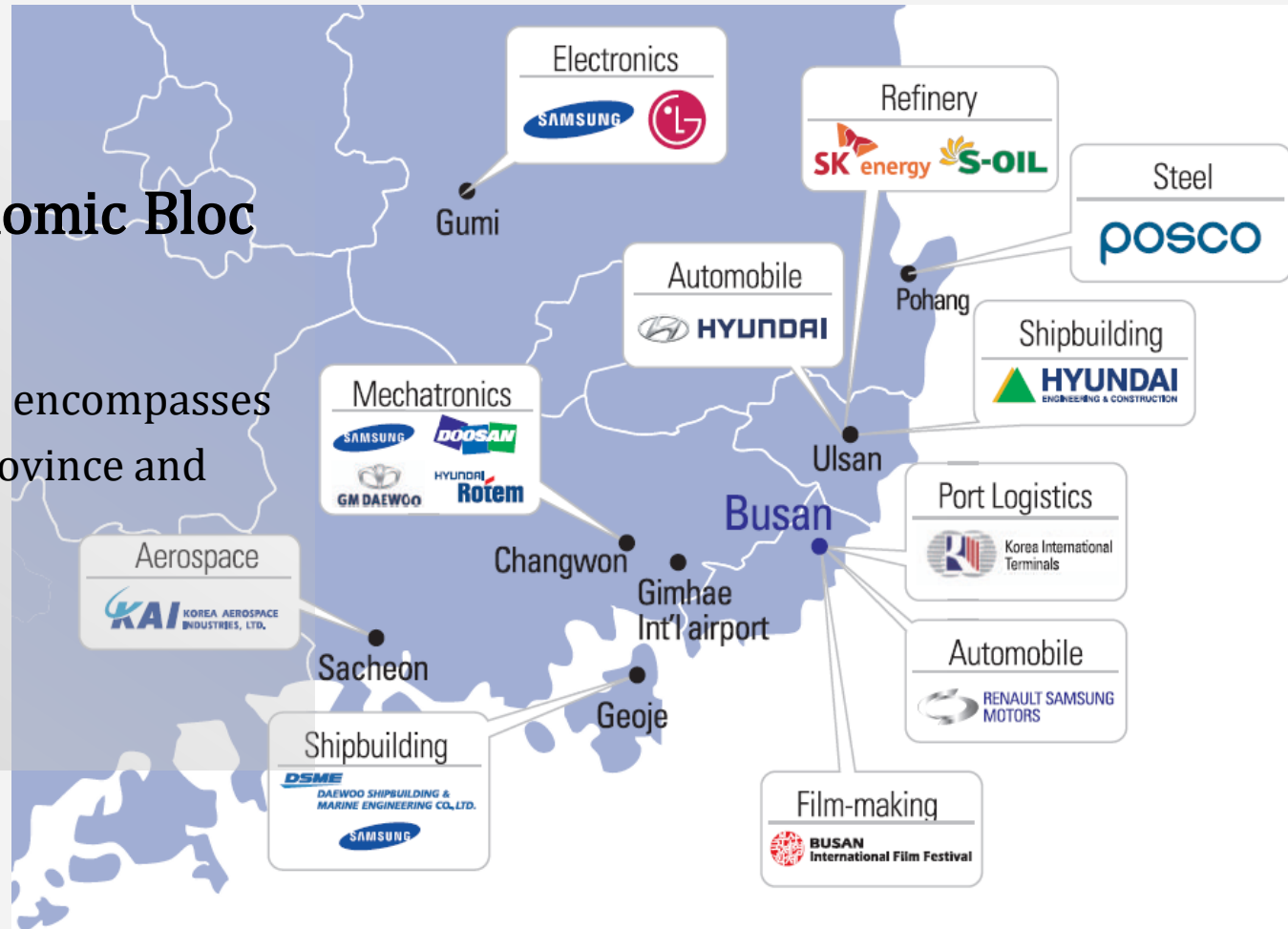
Gross Regional Domestic Product
\$235 billion
(277 trillion KRW)
As of 2018

Dynamic Busan



Center of Southeast Economic Bloc

Korea's southeast economic bloc encompasses Busan, Ulsan, and Gyeongnam Province and many of world-class industries reside in the region





Global Port and Logistics City

Busan Port is the world's **6th** largest in terms of container cargo handling volume

21,950,000 TEU (75% of national total)
National total 28,970,000 TEU (as of 2019)

Dynamic Busan



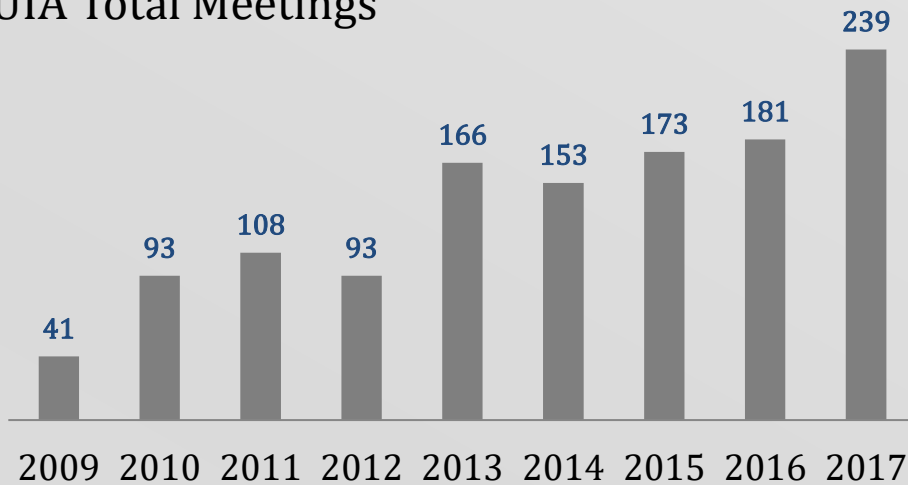
Global MICE City

850 or more conferences per year

12th in the world in terms of the number of international conferences held

The Fastest Growing Convention City

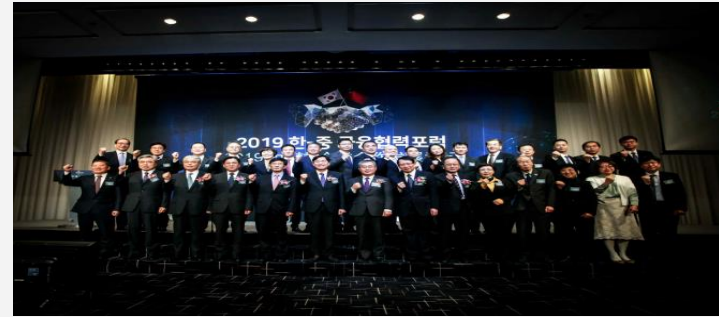
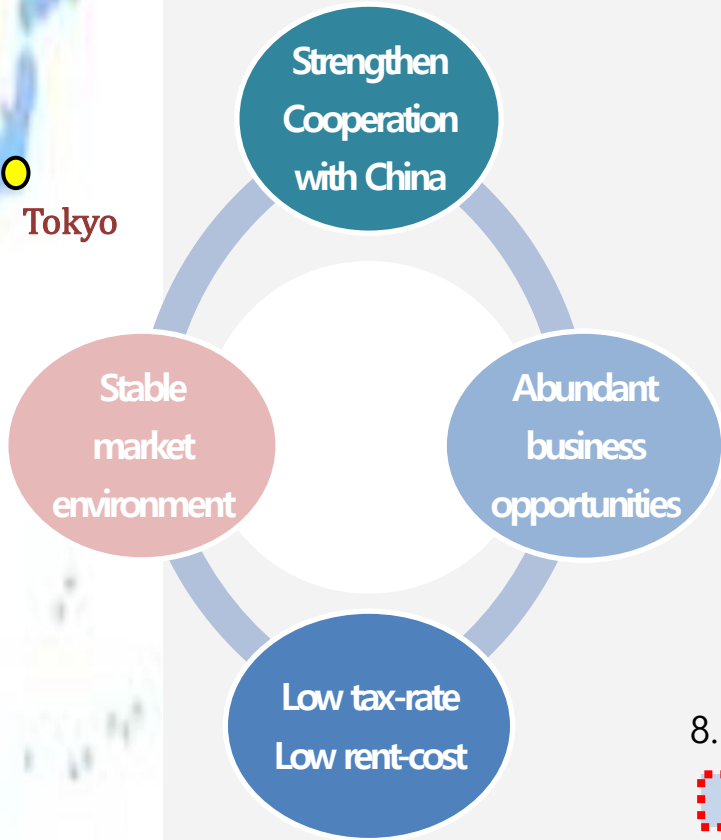
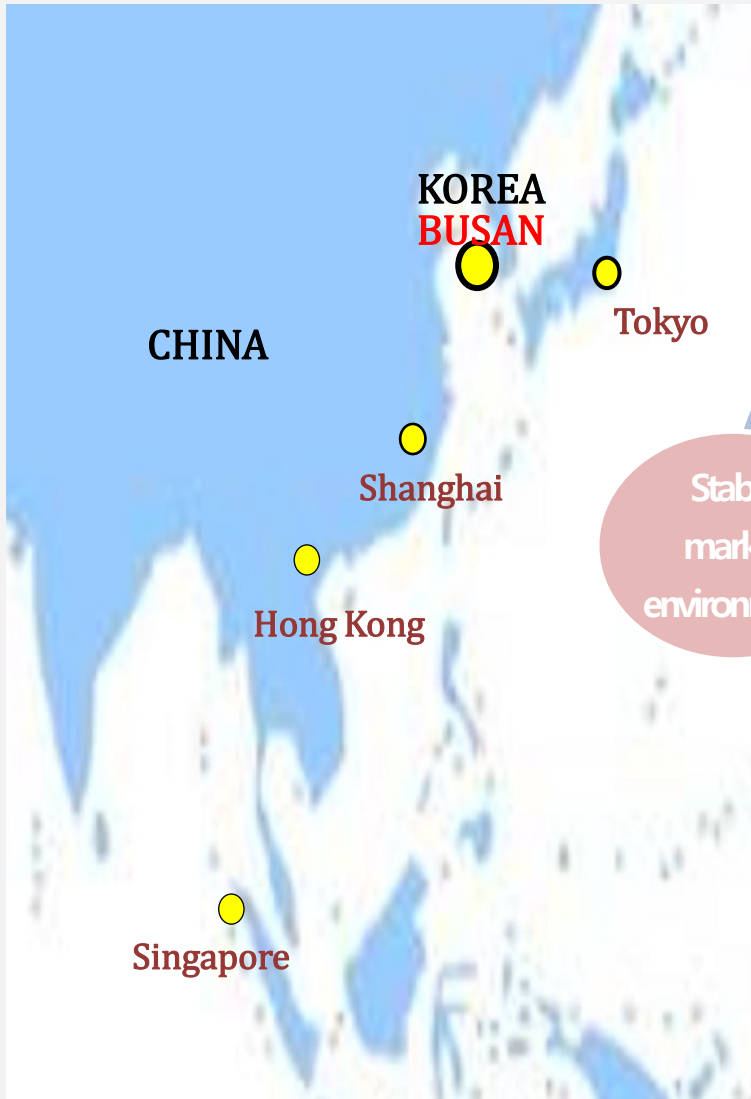
UIA Total Meetings



Sources : UIA's Meetings Statistics

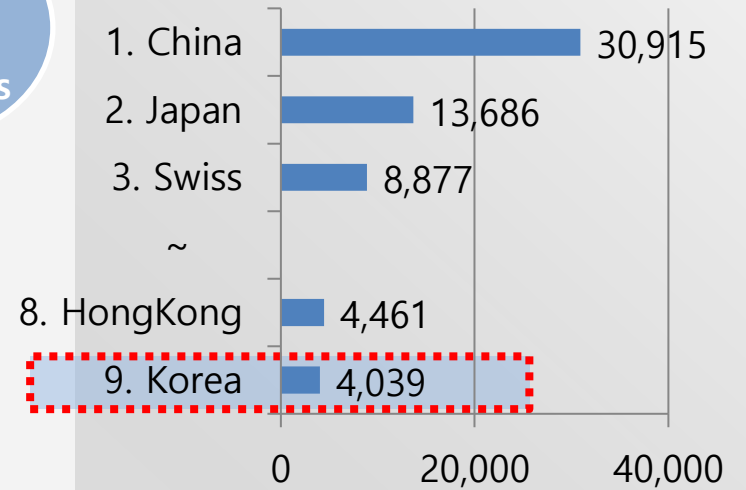


Global Busan



Korea-China Financial Forum

FX-reserves(100M dollars)

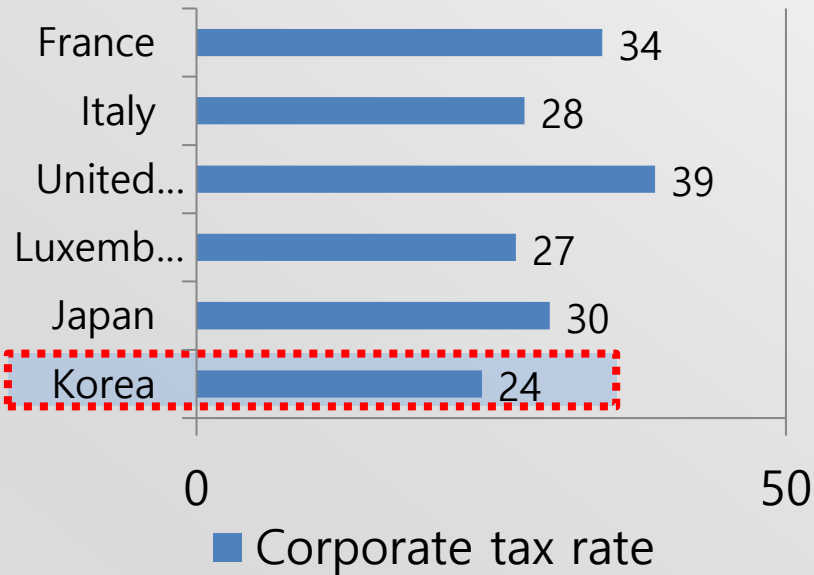


Stable exchange-rate market

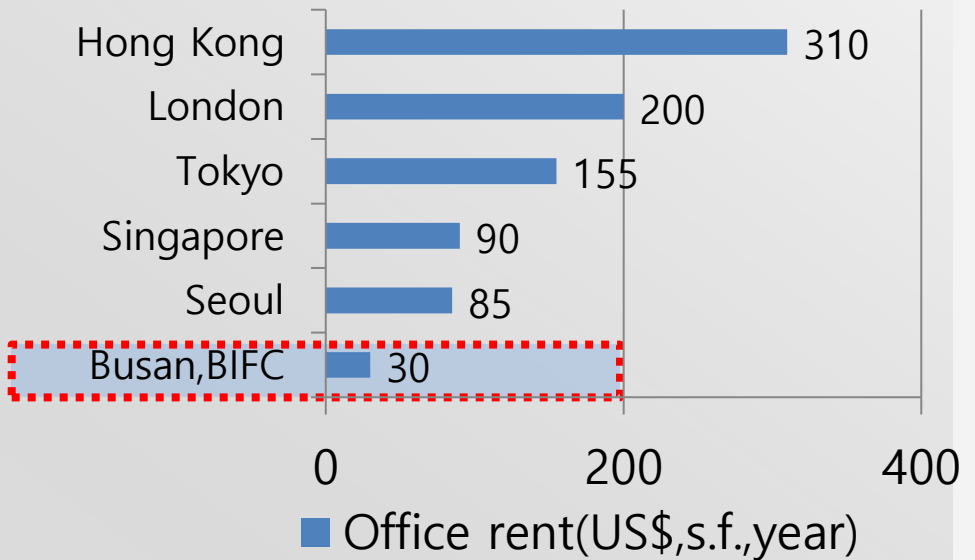
Business-friendly Busan



Corporate tax rate



Office rent(US\$,s.f.,year)



Abundant business opportunities

- **Business opportunities** from maritime cluster
- Pivotal city in southeast economic block
- Diverse regional development projects : East Busan Tourism Complex, North Port Redevelopment Project



Respond to COVID-19

Figure 1: Covid-19 Situation in Korea

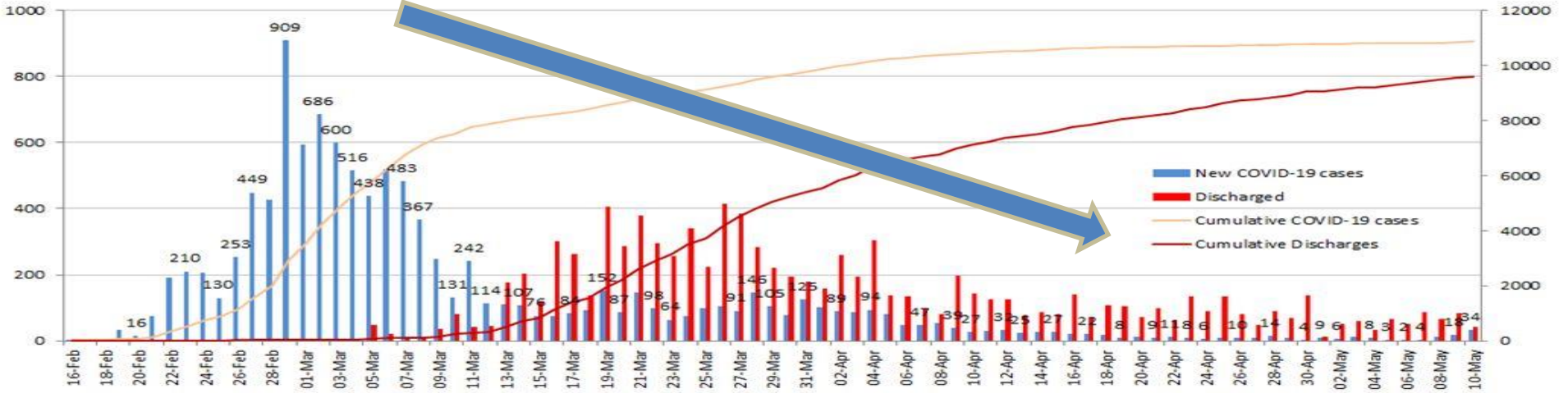


Figure 2: Drive-through and Walk-through Screening Stations in Operation



Best response and results



10 Best Practices of the Republic of Korea for COVID-19

- Case 1 | Self-Quarantine Safety Protection App

- Case 2 | Self-Health Check App

- Case 3 | AI Care Call Service
(for active monitoring)

- Case 4 | Mask Rationing System and Mask Alert Apps

- Case 5 | Informing the Public of Confirmed Cases

- Case 6 | Self-Quarantine

- Case 7 | Screening Stations
(Drive-Thru and Walk-Thru)

- Case 8 | Living Treatment Centers

- Case 9 | National Safe Hospitals

- Case 10 | Temporary Quarantine Facility
(Quarantine facility for short-term foreign inbound travelers)

a speech
at the World
Health Assembly
on the Corona 19
About
Model response

**Fast and
transparent
administration**
+
**Advanced IT
environment**
+
**Mature civic
awareness**

Busan as the Financial Hub

Support by Government

Specialized Finance

Strong IT Ecosystem



Support by Government

Busan was designated as a financial hub by Korean government in 2009

Area

102,352 m²

Complex Development Project

2014

63rd floor

Financial
Institutions

2018

49th, 36th floor

Offices,
Hotels,
Performance
halls

2020~

50th floor

Fintech,
Startups
Accelerators



Specialized Finance

Cluster of Financial Institutions

10 public financial institutions

9 private financial institutions

5 finance related institutions

1 international organization

5 other institutions



KRX KOREA EXCHANGE
KDB Bank Korea Eximbank Ksure KOREA TRADE INSURANCE CORPORATION
KSD Korea Securities Depository kamco KOREA ASSET MANAGEMENT CORPORATION HF KOREA HOUSING-FINANCE CORPORATION HUG Korea Housing & Urban Guarantee Corporation
KIBO koscom BNK BUSAN BANK TREIN

30 companies / 3,800 employees

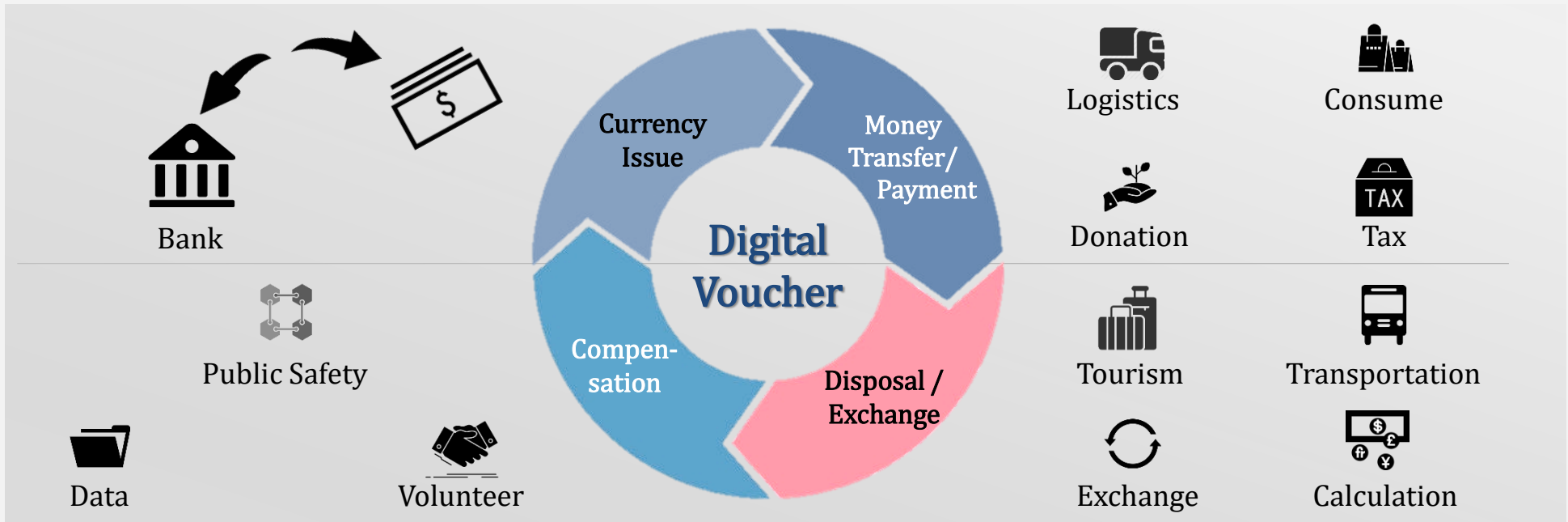
Total Assets of Tenant Institutions in BIFC

\$140 billion



Strong IT Ecosystem

Blockchain Regulation-free Zone



Incentives for Fintech Institutions in Fintech Hub Center

Recruitment of youth supports \$ 17,000 annually for 3 years

Support 80% of office rent for 3years

Busan's Future is Now

Smart City

New Economic Map

Establishment of BFC

Busan's Futures is Now

Smart City



**B u s a n
E c o D e l t a
S m a r t C i t y**

was selected
as the national smart city model city

New Economic Map : Connecting Busan and Eurasia

Busan will be the center to support North Korea's establishment of a financial system



Challenge to establish North Korean Development Bank in Busan

Busan's Futures is Now

Set up a new control tower – Busan Finance Center



In July 2020

Establishment of BFC

12 experts

Development BFC **Strategy**

Fostering the financial industry

Hold fairs, **seminars** and forums

attracting financial institutions

**maritime, logistics
and derivative financing**





Why BIFC



63rd Floor, Landmark of BIFC

Special Long-term Rent-free Provision

Rental Area

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

Savings

- ✓ Annual rent \$ 50000 x 25years
= \$ 1.25 million (for each 165m² area)

Tax Support

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

Financial Support

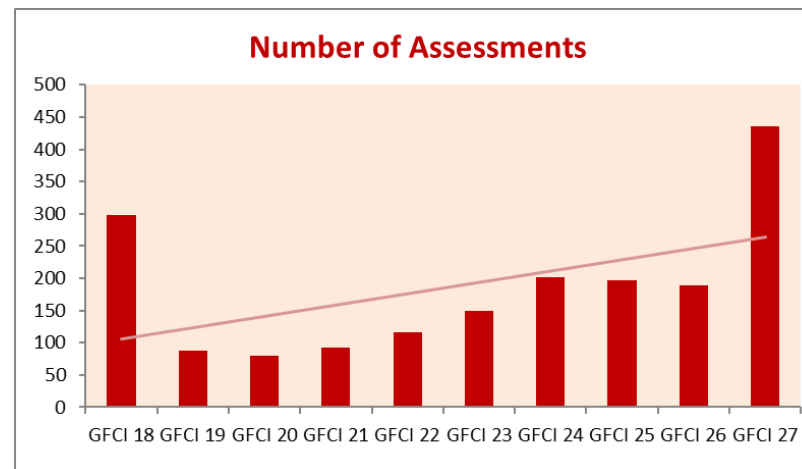
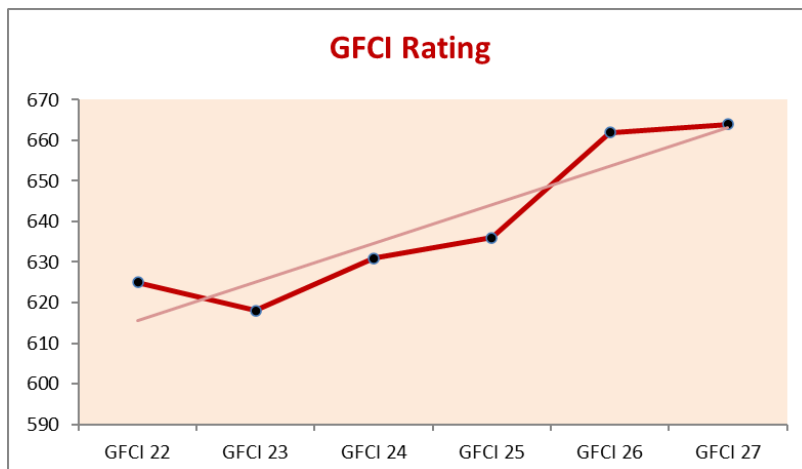
- ✓ Land/building purchase expense
- ✓ Office rent expense employment
- ✓ Education/Training
- ✓ Business facility installation expense

**Thank
you**

Contact : kianue@korea.kr
Website : www.bifc.kr/eng



Busan – An External View



- ◆ Gaining ground in recent editions of the Global Financial Centres Index (GFCI), with a solid improvement in ratings
- ◆ Well-connected as shown by the increase in assessments received by the centre in the GFCI



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Busan Strengths



- ◆ Specialist centre in maritime and derivatives – specialisation is an important strategy in developing a financial centre
- ◆ Highly-educated workforce – key to high quality finance and fintech development
- ◆ Regulatory strength, including the fintech bridge between the Korea Financial Services Commission and the UK FCA
- ◆ Volume of share and value of bond trading – ranked in top five
- ◆ World-class digital infrastructure





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Busan For The Future



- ◆ Further progress in the areas of digital and fintech, using Busan's status as a blockchain regulatory free zone
- ◆ Creation of Busan Finance Center should help bring the public and private sectors together to develop and promote Busan's finance industry
- ◆ Continuing focus on maritime and potentially wider trade finance
- ◆ Building on partnerships with other financial centres to collaborate and develop together





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Questions, Comments, And Answers



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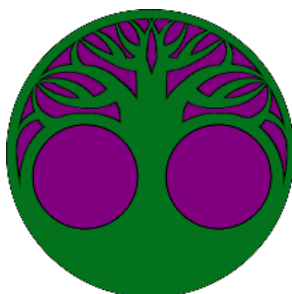


Get Involved



Global Financial Centres Index

www.globalfinancialcentres.net



Global Green Finance Index

www.greenfinanceindex.net



Smart Centres Index

www.smartcentresindex.net



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Thank You

Global Financial Centres Index 28 September 2020



Take the GFCI survey at:

www.globalfinancialcentres.net/survey/



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