

## Incentive Payment Standards of Incheon Port for 2018

**Carrier incentives**

- Common standards

- ⊙ Carriers that are in default on port facility usage fees at Incheon Port are not eligible for incentives.
- ⊙ The total amount of incentives payable to any one carrier must exceed KRW 1 million before they can be paid.
- ⊙ Regarding the payment, the budget amount between each standards could be adjusted if necessary

- Standard 1: Carriers offering service along new route (including cooperating carriers)

<b>Subject</b>	Carriers participating in service along new routes in 2018 and carriers continuing to service existing routes in strategic areas									
<b>Details</b>	<p>- Payment standards per service by service area</p> <table border="1" style="width: 100%; border-collapse: collapse; margin-bottom: 10px;"> <thead> <tr> <th style="width: 15%;">Service area</th> <th style="width: 15%;">Budget</th> <th style="width: 70%;">Remarks</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">Strategic areas</td> <td style="text-align: center;">KRW 400 million</td> <td>· In case of Incheon to America and Incheon to Europe services, 2018 incentives shall be paid for both new and existing services.</td> </tr> <tr> <td style="text-align: center;">Other areas</td> <td style="text-align: center;">KRW 300 million</td> <td>· Payments shall be made to the extent allowed by the available budget and on a pro rata basis according to the maximum payment per service. · (Maximum payment per service by region): KRW 300 million for ocean service routes (India, Middle East, Africa, Oceania); KRW 200 million for Southeast Asia, FarEast Russia ; KRW 100 million for China, Japan, etc.</td> </tr> </tbody> </table> <p>- Payments shall be made after one full year of service.</p> <p>- Incentives apply if a carrier handles at least 20,000 TEU a year.</p> <p>· Considering the geographic features and trade volume of Oceanian and Indian services, the incentive shall be paid for handling over 10,000 TEU.</p> <p>- Only for weekly services, payments shall be made on a pro rata basis according to each carrier's percentage share of cargo processed (including space charters) during the one year after the commencement of the corresponding service.</p> <p>- New service routes are those which carriers did not previously offer at Incheon Port. The following are not recognized as new service routes:</p> <ul style="list-style-type: none"> <li>· When 50% or fewer of the existing ports of call are changed, this shall be regarded as adjustment of the route. Nevertheless, if the service area is changed or added, it is recognized as a new service route.</li> </ul> <p>- In other cases where it is difficult to recognize a new fleet, judgment shall be made through the Deliberative Committee.</p>	Service area	Budget	Remarks	Strategic areas	KRW 400 million	· In case of Incheon to America and Incheon to Europe services, 2018 incentives shall be paid for both new and existing services.	Other areas	KRW 300 million	· Payments shall be made to the extent allowed by the available budget and on a pro rata basis according to the maximum payment per service. · (Maximum payment per service by region): KRW 300 million for ocean service routes (India, Middle East, Africa, Oceania); KRW 200 million for Southeast Asia, FarEast Russia ; KRW 100 million for China, Japan, etc.
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<b>Budget</b>	<b>KRW 700 million (additional funds to be budgeted as necessary)</b>									

- Standard 2: Carriers with increased cargo volume

<b>Subject</b>	Among carriers that handle no less than 20,000 TEU in 2018, those whose handled volume increases 5% or more over 2017 (including all empty/full containers and export/import/transshipment cargo)
<b>Details</b>	<ul style="list-style-type: none"> <li>- For carriers whose processed volume has increased 5% or more, payments shall be made to the extent allowed by the available budget and on a pro rata basis according to each carrier's percentage share of the total volume of increased cargo.</li> <li>* In case the Incheon city government determines to support incentive budget, additional budget of 300 million KRW will be added and will be paid for the carriers that handled over 20,000 TEU and the handled volume increased no less than 10% over the previous year.</li> <li>· payments shall be made to the extent allowed by the available budget and on a pro rata basis according to each carrier's percentage share of the total volume of increased cargo.</li> </ul>
<b>Budget</b>	<b>KRW 200 million</b>

**Shipper incentives**

© Regarding the payment, the budget amount between each standards could be adjusted if necessary

- Standard 1: Shippers that contribute to activation of ocean service routes (General cargo)

<b>Subject</b>	<p>Shippers importing full containers of cargo from ports of call on existing strategic routes (Americas and Europe) or on new ocean routes* that began servicing Incheon Port from 2018</p> <p>* Ocean routes: Europe, Africa, Americas, Oceania, Middle East, India</p>
<b>Details</b>	<ul style="list-style-type: none"> <li>- (Import) KRW 10,000 per 1 TEU shall be paid to shippers importing at least 100 TEU per year</li> <li>- (Export) KRW 15,000 per 1 TEU shall be paid to shippers exporting at least 50 TEU per year</li> <li>- Evidence: Payments shall be made to importers and exporters indicated on BLs.</li> </ul>
<b>Budget</b>	<p><b>KRW 200 million</b></p> <p>(If necessary, the supplementary budget allotted from the Incheon city government could be used)</p>

- Standard 2: Shippers that contribute to activation of ocean service routes (Reefer cargo)

<b>Subject</b>	Shippers importing or exporting full containers of chilled & frozen cargo from ports of call on existing strategic routes or on new ocean routes that began servicing Incheon Port from 2018
<b>Details</b>	<ul style="list-style-type: none"> <li>- KRW 50,000 per 1 TEU shall be paid to shippers importing or exporting at least 10 TEU per year</li> <li>- Evidence: Payments shall be made to importers and exporters indicated on BLs.</li> </ul>
<b>Budget</b>	<p style="text-align: center;"><b>KRW 100 million</b></p> (If necessary, the supplementary budget allotted from the Incheon city government could be used)

**Forwarder incentives**

- Standard 1 : Forwarders with increased cargo volume

<b>Subject</b>	Forwarders whose export volume at Incheon port in 2018 increases 3,000ton or more over 2017 (including forwarders that newly handle export cargos over 3,000ton at Incheon port )
<b>Details</b>	<ul style="list-style-type: none"> <li>- Payments shall be made to the extent allowed by the available budget and on a pro rata basis according to each forwarder's percentage share of the total volume of forwarders' increased cargo exported through Incheon Port in 2018</li> <li>- Maximum payment per forwarder: KRW 30 million</li> <li>- The total amount of incentives payable to any one forwarder must exceed KRW 0.5 million before they can be paid.</li> </ul>
<b>Budget</b>	<p style="text-align: center;"><b>KRW 100 million</b></p> (The total budget could increase to 300 million KRW if the Incheon city government provides additional budget)