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## Incheon Port's Incentive Payment Standards for 2016

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### ☐ **Carrier incentives**

#### - Common standards

- ◎ Carriers that default on port facility usage fees at Incheon Port are not eligible for incentives.
- ◎ If the total amount of incentives payable to any one carrier does not exceed KRW 1 million, it shall not be paid.

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

Subject	Carriers participating in service along new routes in 2016 (Including the existing carriers calling at Incheon, based on the cargo volume processed as part of new services)		
Details	- Payment Standards for specific regions served		
	Service area	Incentive amount	Remarks
	China and Japan	KRW 30 million per service	Incentive to be paid for at least 30,000 TEU processed per year
	Southeast Asia (including Hong Kong), Russian Far East	KRW 50 million per service	
	India, Oceania, the Middle East, Africa	KRW 100 million per service	
•Only for weekly service, 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 since the commencement of the corresponding service.			

	<p>* If the total amount of incentives payable does not exceed KRW 1 million, it shall not be paid.</p> <p>·Payments shall be made after one full year of service, and no overlapping payment due under other standards shall be made.</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> <p>* 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.</p> <p>- e.g.: (Incheon ~ China)→(Incheon ~ China ~ Southeast Asia) or (Incheon ~ Southeast Asia)</p> <p>* In other cases where it is difficult to recognize a new fleet, judgment shall be made through the Deliberative Committee.</p>
<b>Budget</b>	<b>KRW 300 million (additional budget funds to be assigned as necessary)</b>

- Standard 2: Carriers deploying medium- & large-sized ships (including participating carriers)

<b>Subject</b>	<ul style="list-style-type: none"> <li>- Carriers deploying medium- &amp; large-sized ships (4,500 TEU or larger) in regular service (at least one weekly call at Incheon Port and continuous service for no less than a year since the first call at the port)</li> </ul>										
<b>Details</b>	<ul style="list-style-type: none"> <li>- Subject: Carriers providing service along different routes where medium- &amp; large-sized ships operate (including space charters)</li> <li>· Only for routes providing weekly services, payments shall be made within the limit of the amount payable and on a pro rata basis according to each carrier's percentage share of cargo processed (including space charters) during the first year of operation of medium- &amp; large-sized ships.</li> </ul> <table border="1" data-bbox="371 1368 1369 1592"> <thead> <tr> <th>Ship size</th><th>Amount payable per fleet</th></tr> </thead> <tbody> <tr> <td>6,500 TEU</td><td>KRW 300 million</td></tr> <tr> <td>5,500 TEU ~ up to 6,500 TEU</td><td>KRW 200 million</td></tr> <tr> <td>5,000 TEU ~ up to 5,500 TEU</td><td>KRW 150 million</td></tr> <tr> <td>4,500 TEU ~ up to 5,000 TEU</td><td>KRW 100 million</td></tr> </tbody> </table> <p>* Ship size: The average shipping space of a fleet used for service to Incheon Port during one year. To be confirmed after receiving the list of ships used for such service during one year and evidence of their specifications.</p>	Ship size	Amount payable per fleet	6,500 TEU	KRW 300 million	5,500 TEU ~ up to 6,500 TEU	KRW 200 million	5,000 TEU ~ up to 5,500 TEU	KRW 150 million	4,500 TEU ~ up to 5,000 TEU	KRW 100 million
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·When servicing the Americas and Europe with medium- & large-sized ships, an additional 100% of the amount payable shall be paid.

\* Fleets are expected to change greatly in 2017 as a result of substantial alliance reorganization, and this will particularly affect service to the Americas and Europe. Regarding 2016 incentives for these services, service results shall be evaluated and payments be made every six months.

· Carriers eligible for incentives for operation of new/ocean service routes in the directly previous year: Payments shall be made if the service is maintained for another one year (to be eligible for 2016 incentives) after one year has passed since commencement (eligible for 2015 incentives). The ship size shall be calculated based on the period subject to eligibility for 2016 incentives (For service to the Americas and Europe, the average shipping space used in service for six months shall be applied, respectively).

· When a fleet of medium- & large-sized ships is newly dedicated to existing service routes: Eligible for incentives, but the ship size shall be calculated based on the average design capacity during the one year

	<p>after such fleet commences service (For service to the Americas and Europe, the average shipping space of six months shall be applied, respectively).</p> <p>· Payments shall be made after one full year, and no overlapping payment due under other standards shall be made.</p>
<b>Budget</b>	<b>KRW 400 million (additional budget funds to be assigned as necessary)</b>

- Standard 3: Carriers with increased cargo volume

<b>Subject</b>	- Among carriers that handle no less than 20,000 TEU in 2016, those whose handled volume increases 10% or more compared over the previous year (including all empty/full containers and export/import/transshipment cargo)
<b>Details</b>	<p>- For carriers whose processed volume has increased 10% 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 to the total volume of increased cargo.</p> <p>- Maximum payment per carrier: KRW 30 million</p> <p>- No overlapping incentive shall be paid with payments due for new service routes or for operation of larger ships.</p>
<b>Budget</b>	<b>KRW 200 million</b>

☐ **Incentives for shippers importing livestock products**

<b>Subject</b>	- Shippers using Incheon Port in 2016 for import of reefer cargo of livestock products (excluding poultry)
<b>Details</b>	<ul style="list-style-type: none"><li>- For shippers that annually import no less than 20 TEU of livestock products by reefer, payments shall be made according to each shipper's share to the import cargo volume.</li><li>· Payment limit per shipper (based on a business license): KRW 50 million</li><li>· Payment limit per TEU : KRW 25,000</li><li>· Evidence: BLs are used as evidence, and to be paid to importers.</li></ul>
<b>Budget</b>	<b>KRW 100 million</b>