



TOGETHER
for a sustainable future

OCCASION

This publication has been made available to the public on the occasion of the 50th anniversary of the United Nations Industrial Development Organisation.



TOGETHER
for a sustainable future

DISCLAIMER

This document has been produced without formal United Nations editing. The designations employed and the presentation of the material in this document do not imply the expression of any opinion whatsoever on the part of the Secretariat of the United Nations Industrial Development Organization (UNIDO) concerning the legal status of any country, territory, city or area or of its authorities, or concerning the delimitation of its frontiers or boundaries, or its economic system or degree of development. Designations such as “developed”, “industrialized” and “developing” are intended for statistical convenience and do not necessarily express a judgment about the stage reached by a particular country or area in the development process. Mention of firm names or commercial products does not constitute an endorsement by UNIDO.

FAIR USE POLICY

Any part of this publication may be quoted and referenced for educational and research purposes without additional permission from UNIDO. However, those who make use of quoting and referencing this publication are requested to follow the Fair Use Policy of giving due credit to UNIDO.

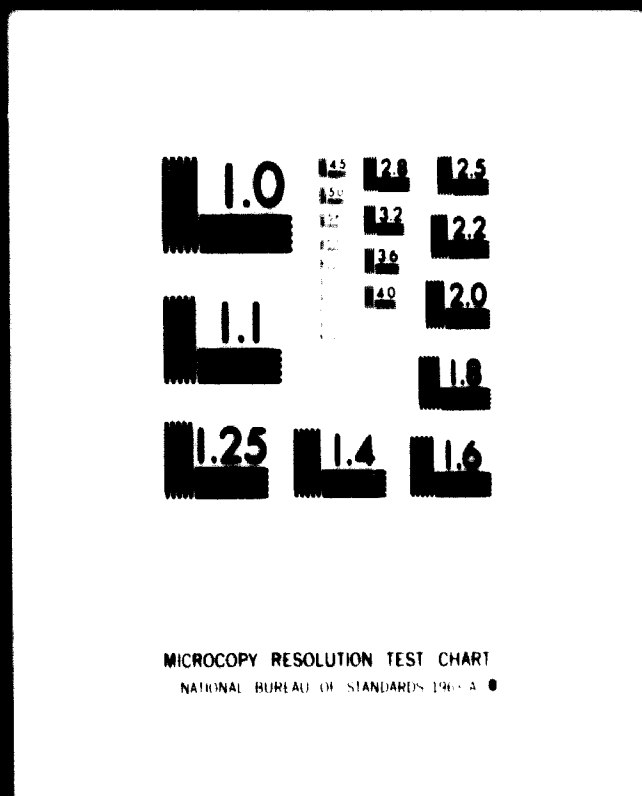
CONTACT

Please contact publications@unido.org for further information concerning UNIDO publications.

For more information about UNIDO, please visit us at www.unido.org

1 OF 1

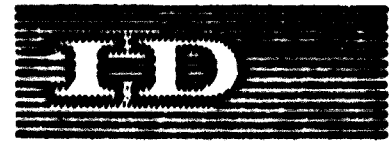
02052



24x
C



02052



United Nations Industrial Development Organization

Distr.
LIMITED
IPPD/KOR/18/Rev.1
24 August 1973
ORIGINAL: ENGLISH

Third Asian Meeting to Promote
Industrial Projects

Kuala Lumpur, Malaysia, 14-21 November 1973

Project Information Sheet

PRINTED CIRCUIT BOARDS

COUNTRY

Republic of Korea

PROJECT

Manufacturing facilities for printed
circuit board

Total Investment: US\$ 761,000

Capacity: 50,000 square metres
per annum

FOREIGN CONTRIBUTION REQUIRED

Equity

Know-how

Sponsored by: The Economic Commission for Asia and the Far East (ECAFE) and
the United Nations Industrial Development Organisation (UNIDO).

IMPORTANT NOTICE

The basic purpose of this meeting is to provide an Exchange or Market Place for the initiation of contacts on specific industrial projects between their proponents from the Asian countries and potential suppliers of capital, finance, equipment or know-how, as the case may be, from the industrialised countries.

This Project Information Sheet has been prepared as a basis for such contacts. Its purpose is not to present detailed information about the project but to provide the recipient with an outline sufficient to determine tentative interest in principle. Any further available information on the project will be furnished on request to interested parties at the Meeting.

Experience has shown that industrialists frequently prefer to carry out their own further investigations in detail into projects in which they are interested, but assistance from UNIDO in these matters can be rendered to the Asian country concerned on request.

This Information Sheet contains only the information supplied to UNIDO by the proponent of the Project. UNIDO can therefore take no responsibility for its accuracy.

PRINTED CIRCUIT BOARD

I. INTRODUCTION

The Project

The electronics industry in Korea is rapidly expanding. Under a long-term plan it is intended to set up a number of component factories to substitute for those components now being imported.

It is proposed to establish a factory for the manufacture of printed circuit board with an annual capacity of 50,000 square metres.

The Proponent

FINE INSTRUMENTS CENTER, SEOUL (Government Agency for the promotion of the electronics industry in Korea).

Government Attitude

The encouragement of the electronics industry in Korea was initiated by the Government in 1969. The electronics industry is highly emphasized as a strategic export industry and an eight-year development plan was made to assist in expanding its production and to develop the necessary techniques. In 1971 Korea exported US \$38,603,000 worth of electronics components, second only to textile exports.

Therefore, the Korean Government considers the prospects of this industry very positive and it will grant full support to electronics firms. A number of attractive incentives will be granted (see IV).

II. COMMERCIAL ASPECTS

In 1971 the total domestic consumption was 29,000 square metres (US \$ 260,000). Thereof 2,000 square metres (US \$17,000) came out of domestic production and 27,000 square metres (US \$ 243,000) were imported.

For 1972 estimates of the domestic consumption are 45,000 square metres, value US\$ 360,000.

<u>Price</u>	<u>US\$</u>
Present price is about	8.50 per sheet
Target price is	8.00 per sheet
Import price is about	9.00 per sheet

III. PHYSICAL ASPECTS

Location

Kumi Industrial Estate, Korea, or another convenient location.

Land and Buildings

Land: 40,000 square feet
Building: 25,000 square feet

Labour

Workers of all skills are readily available. Wages per month, US\$ as of August 1971:

Technicians: Maximum 92, minimum 40, average 57
Workers: Maximum 39, minimum 17, average 23

Raw Materials

Raw materials will have to be imported mainly from Japan.

Infrastructure

The plant will be located in an industrial estate. Therefore, it has easy access to all infrastructural facilities.

Utilities

Electricity US \$0.019 per kWh
Water US \$0.034 per MT

IV. ECONOMIC ASPECTS

Importance

One company which produces printed circuit board cannot cover more than 6%. Under the present plan it is intended to increase its production and quality. The project is motivated by import substitution aspects and the need to develop techniques.

Incentives

A number of incentives are granted under the Foreign Capital Inducement Law to export industries and import substitution industries with foreign investment components. They include: exemption for five years from corporation tax, income tax, property tax and property acquisition tax. A 50% reduction of these taxes for the ensuing three years is allowed. Customs duties on capital goods to be imported for investment purposes and on raw materials for the manufacture of export goods are exempt.

V. FINANCIAL ASPECTS

Estimated Investment

	<u>Local Cost</u>	<u>US\$ Foreign Exchange</u>	<u>Total</u>
Land	5,000	-	5,000
Building	15,000	-	15,000
Machinery	120,000	-	120,000
Working capital	54,000	-	54,000
Total	194,000	-	194,000

It is estimated that total investments may come up as high as US\$751,000. A detailed financing plan should be worked out in close co-operation with the foreign partner.

VI. ADDITIONAL RELEVANT INFORMATION

Legal Structure

Private Limited company

Documentation

The Fine Instruments Center, Seoul, is in a position to supply further information.



B - 346



80.11.21