

*Maritime Finance of KOBC,*

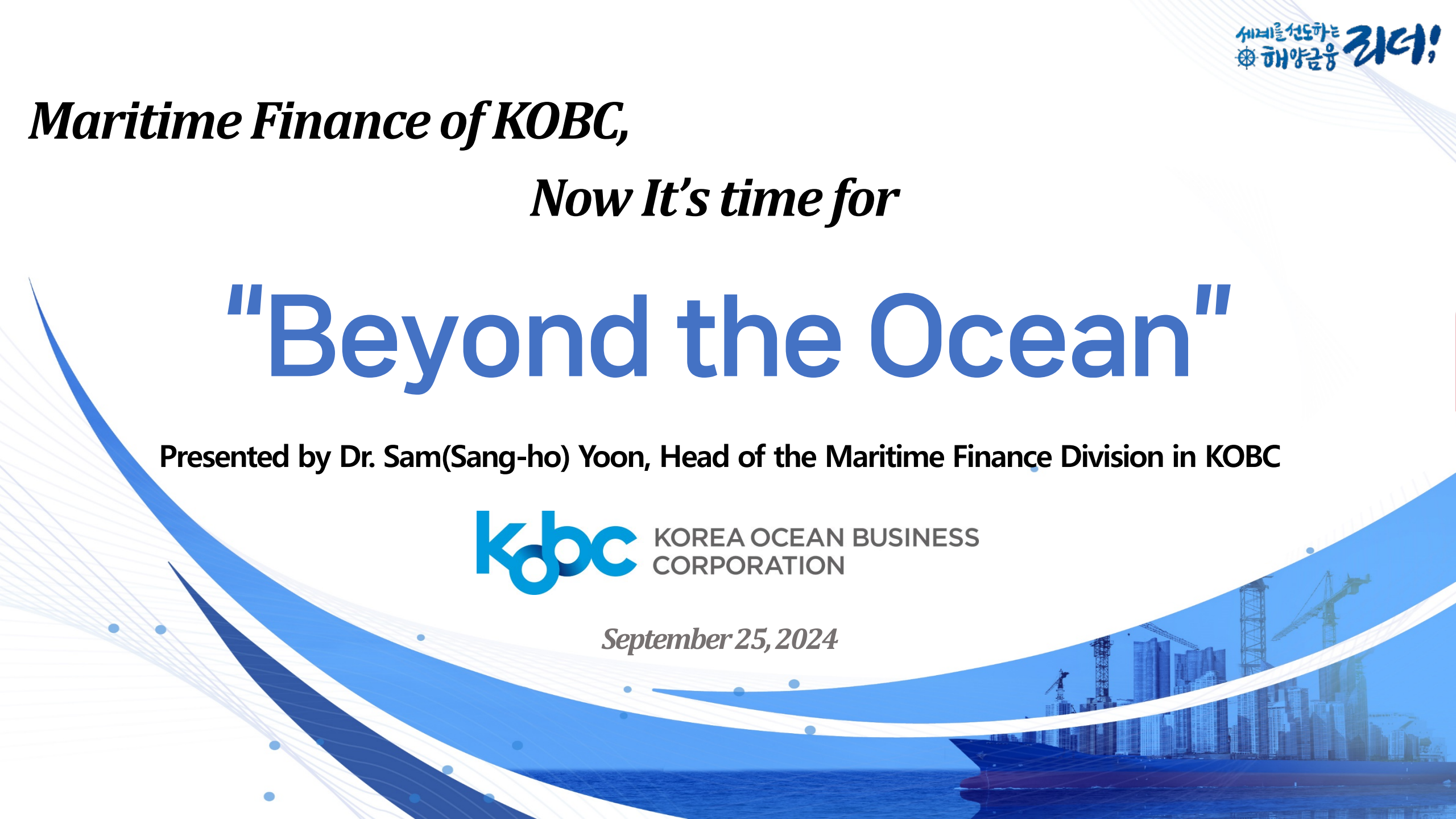
*Now It's time for*

# "Beyond the Ocean"

Presented by Dr. Sam(Sang-ho) Yoon, Head of the Maritime Finance Division in KOBC



*September 25, 2024*



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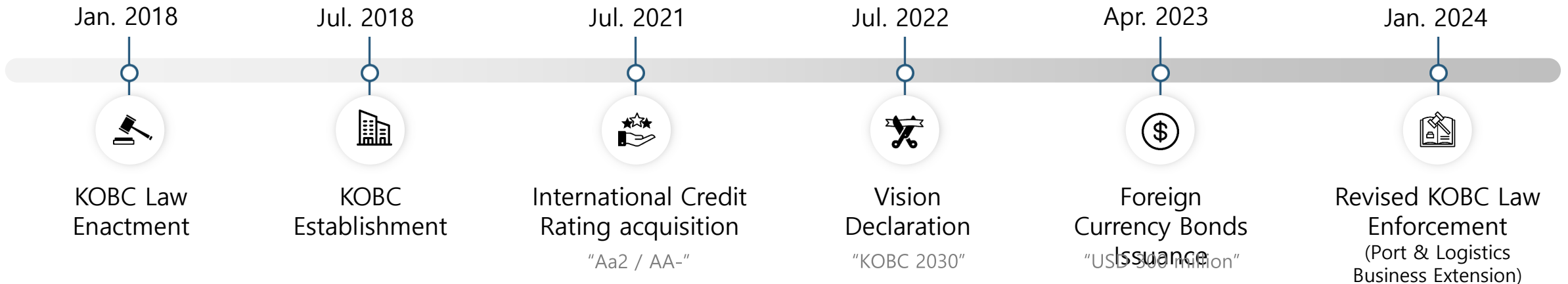
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# Introduction of KOBC

## General Information

- ✓ **Company Name: Korea Ocean Business Corporation**
- ✓ Established in 2018, headquartered in Busan
- ✓ Capitals: KRW 5 Trillion
- ✓ International Rating: Aa2(Moody's), AA-(Fitch)
- ✓ **Main Job: Finance(Investment, Guarantee), Policy support, Market Intelligence**

## Milestone of KOBC



➔ KOBC's  
achievement  
in Number

Financing for **USD 8.4Billion**

**132** Companies   **323** Vessels   **10** Logistics Assets

Ship  
Finance

61%

Liquidity  
Support

23%

Port &  
Logistics

4%

\* Since the establishment  
(July 2018) of KOBC  
to May 2024

## II Key Issues in Global Supply Chain(Circumstance)

### 1 Tariff



Trade Dispute between USA-CHINA

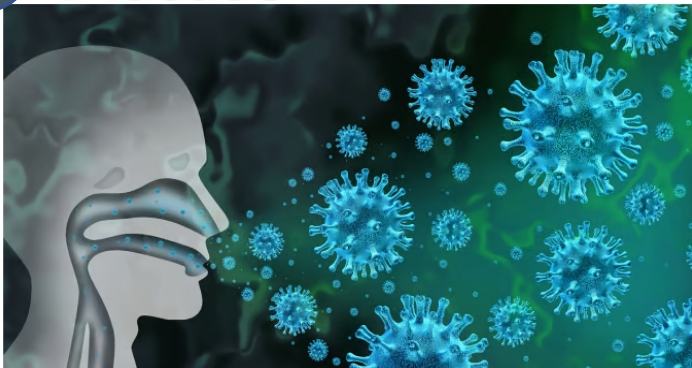
→ Relocation of manufacturing facilities from China to Vietnam, India, etc

### 2 War



Regional WAR between 1) Russia-Ukraine, 2) Israel-Hamas • • • • • ?

### 3 Disease



Global trade decline and Enhancing of protectionism due to pandemic-related disruptions like COVID-19

### 4 Inflation



Rising costs of transportation and raw-materials  
→ Reducing Project Feasibility and delaying decision-making

## II Key Issues in Global Supply Chain(Circumstance)

### 1 Tariff

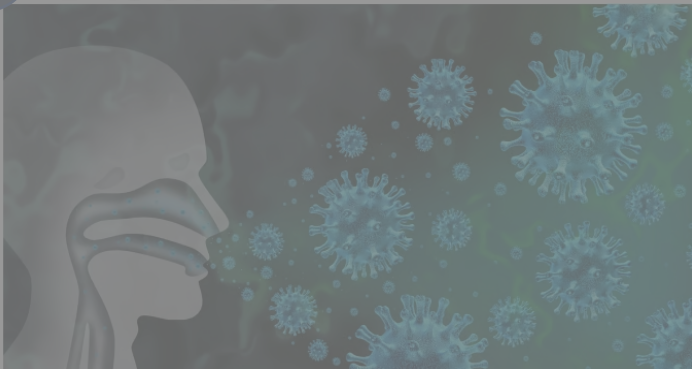


### 2 War



***Due to uncertainty of global geo-political Issues and Inflation in various sectors, Many of global companies are “restructuring its global supply and value chain”***

### 3 Disease



Global trade decline and Enhancing of protectionism due to pandemic-related disruptions like COVID-19

### 4 Inflation



Souring cost of transportation and raw-materials  
→ Reducing Project Feasibility and delaying in decision-making

# Key Issues in Global Supply Chain(Strategies of Makers)

*The US “Buy-America” Plan and Tariff War in global economy encourages Korean Companies to move its major supply chain to US and Europe*

US

- ☑ IIA\* effected in Y2022: Planning to spend U\$ 1.2 Trillion in US Infrastructure, BABA\*\* implemented(Made in USA)  
\* Infrastructure Investment and Jobs Act(Bipartisan Infrastructure Law) / \*\* the Build America, Buy America Act

China

- ☑ Internalization in National supply chain
- ☑ Strengthening EV Car & Eco-friendly Industries by various subsidy

## Recent Overseas Investment of Korean companies

SAMSUNG

- US Texas Semiconductor Factory (\$ 44B)
- Hungary EV Battery Factory Expansion (\$0.7B)



LG

- US Arizona EV Battery Factory (\$5.3B)
- Expansion in Poland Factory



- US Georgia EV Battery Factory (\$2.2B)
- Hungary Komarom, Ivancha



Hanwha

- US Georgia Solar Panel Factory (\$2.3B)
- US PA Ship-building Company M&A (\$0.1B)



HYUNDAI

- US Georgia(Savannah) EV Factory (\$5.5B)
- US Alabama EV Factory (\$0.3B)

\* Exchange Rate: 10/9/2024 Trading Standard Rate (KRW 1,345)

## Key Issues in Global Supply Chain(Changes in Shipping Sector)

*Global Shipping Players also compete to acquire the share of container terminals and expanding business to 3PL sectors together with major financial Investors*

**MSC**  
(Swiss)

- ✓ Acquisition of 3PL company "Bollere Africa Logistics" ('22.12), Italian based Rail transportation company "ITARO"
- ✓ HHLA(German Terminal Operator / On finalizing), French 3PL Clasquin EQT 42% ('24.3)

**Hapag-Lloyd**  
(Germany)


- ✓ Spin-off Terminal business and integrating into "Hanseatic Global Terminal" ('23.6) \* 11 Nations, 20 Terminals
- ✓ Chile based Port and Logistics Company "SAAM Puertos" ('23.8)

**CMA CGM**  
(France)

- ✓ Acquisition of NY GCT(Global Container Terminals) EQT 100% ('23.8)
- ✓ Acquisition of Global Top tier 3PL company Bollere ('24.1)

**Maersk**  
(Denmark)

- ✓ Various cases of Terminal development are on going by "APM Terminals" (Vietnam Hai pong, Croatia Rijeka, Brazil)
- ✓ Multi-ful M&A of 3PL(Portugal : HUUB, Hong Kong: LF Logistics, USA Visible SCM, Germany: Senato)

 ***Fading of Logistics internal Industry boundary, Integration of relevant territory take place in Shipping***

## Key Issues in Global Supply Chain(Changes in Logistics Sector)

*Global Leading Logistics Companies are enhancing their logistics services internationally or in their home countries through acquisitions of logistics and related companies*

**DHL**  
(Germany)

- Acquisition of Turkish Parcel Delivery Company "MNG Kargo" ('23.7)
- Acquisition of a Majority Stake in Dutch E-Commerce Company "Monta" ('22.9)

**DB**  
**Schenker**  
(Germany)

- Sale in Progress(Estimated Enterprise Value: \$5.6~6.1 Billion)
  - Leading Potential Buyer: CVC Capital Consortium\*, DSV(Danish International Logistics Company)
- \* CVC Capital, Abu Dhabi Investment Authority, Singapore Sovereign Wealth Fund(Temasek)

**Kuehne**  
**Nagel**  
(Swiss)

- Acquisition of Canadian Customs Brokerage Company "Farrow" ('23.12)
- Acquisition of Malaysian Logistics Company "CZE(City Zone Express)" ('24.3)

**UPS**  
(USA)

- Acquisition of USA Pharmaceutical Logistics Specialist "MNX Global Logistics" ('23.11)

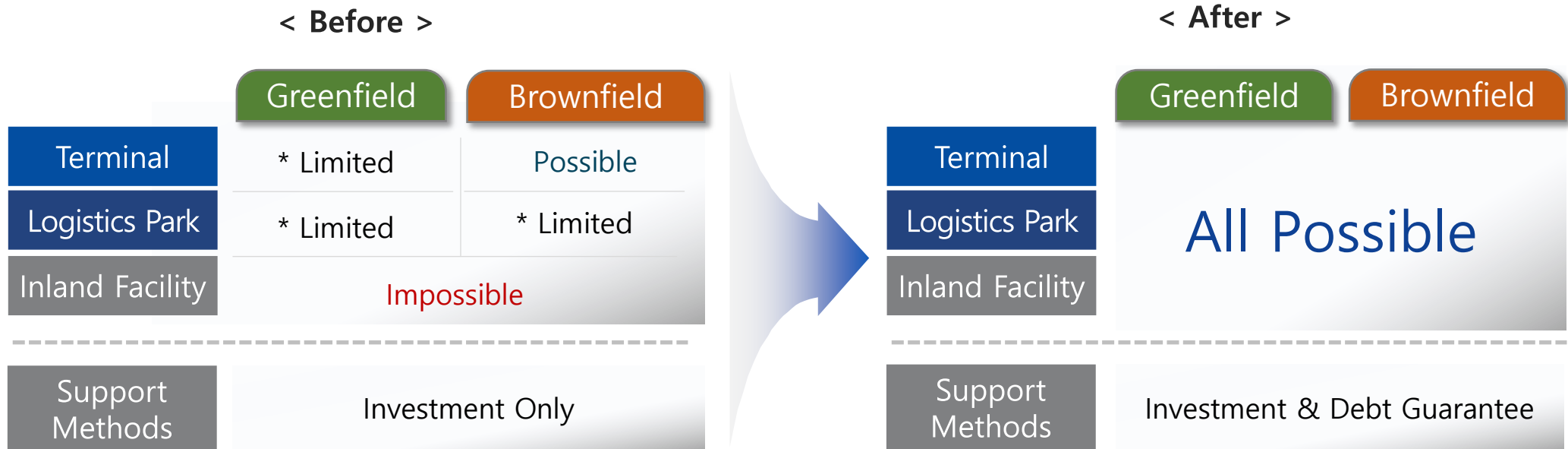


***Continued M&A to expand global or internal networks amid intense logistics competition***

# Reactions of Korean Government

## ➔ KOBC Act Revision

- ☑ Revision of the KOBC Act : To support and finance(**Investment and Guarantee**) in the sector of  
**1) Overseas Port and Terminal Construction** and **2) Overseas Port & Logistics Business**



➔ ***Reduction of logistics costs for import/export companies and inducing private financial investment***

## Reactions of Korean Government

### ➔ (So-called) "Stabilizing Supply Chain Law" Enactment

- ✓ *Under the law, KOBC is assigned as **a specialized support agency***
- ✓ *KOBC is required to be essential role of supporting in **Port and Logistics sectors***

Effective Date

July 27, 2024

Function

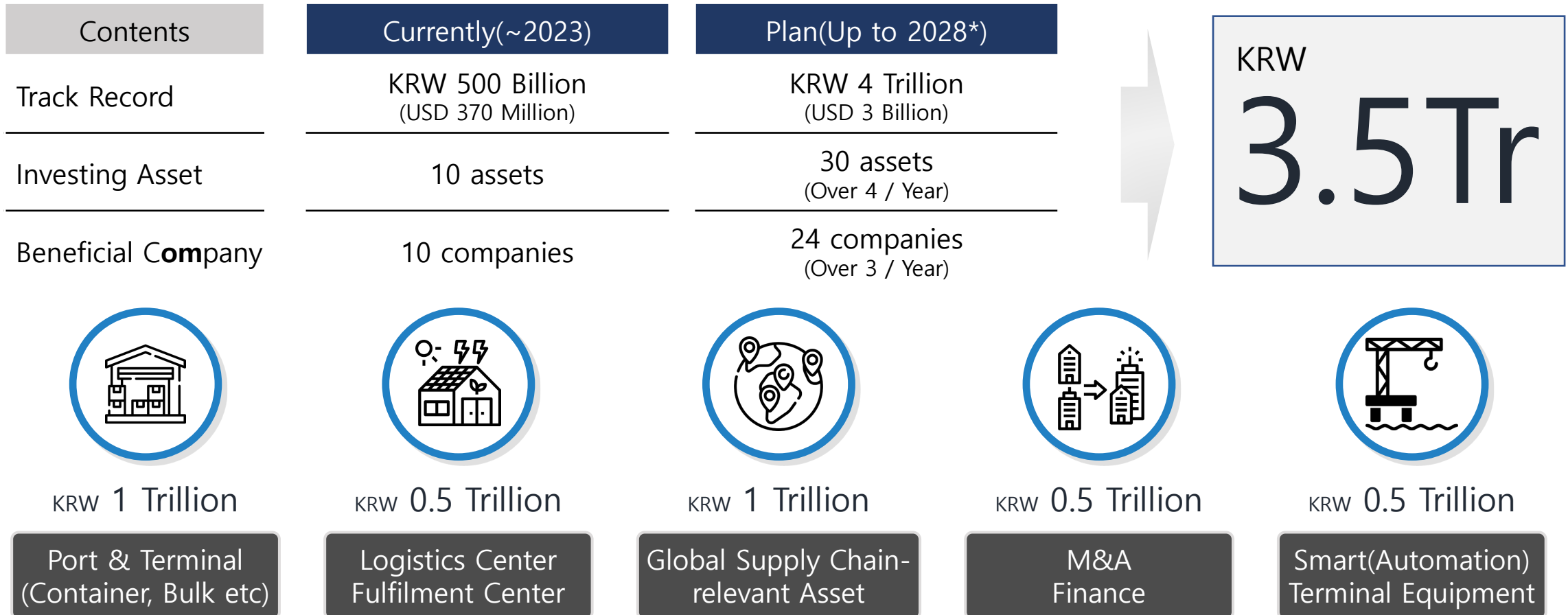
- Establishing support systems to prevent supply chain risks
- developing a supply chain risk management system  
→ Establishment of a whole-of-government supply chain stabilization management system

Fund

- Fundraising(Plan): KRW 5~10 trillion(\$ 3.7~7.4 Billion) through bond issuance(with government guarantee)
- Support Areas: Contributing to supply chain stabilization from an economic security perspective
- Management organization: KEXIM(EXport-IMport bank of Korea)

# KOBC's Plan in Port and Logistics(Infrastructure) Finance

*By Expanding investments in Port & Logistics Infrastructure, KOBC will enhance Korean companies and entire industry competitiveness*



# KOBC's Plan in Port and Logistics(Infrastructure) Finance

*Leveraging KOBC's strong financial credit,  
We support companies with various financial tools at competitive rates*



**Equity investment to secure control over terminal operations**



**Construction Loan for the Multi-purpose logistics center in PUS/ICN/KAN**



**Joint Venture Investment (Direct) for acquiring 3 major logistics center in US**



**Container terminal re-financing by CLO(Collateralized Loan Obligation)**

# KOBC's Plan in Port and Logistics(Infrastructure) Finance





# Focus - ON

Secure Gateway

Global Container Terminal  
Grain/Chemical Terminal

Eco-Friendly Facilities

LNG Transportation  
Methanol/Hydrogen

Smart Technology

A/I technology  
Automation Facility

Human Resource

Maritime + Finance  
(Hybrid knowledge)  
Industrial Manpower

## Public Sector(Collaboration and Support)

- Collaboration with relevant public sector align with development in global supply chain
- KOBC(Shipping, Port, Logistics)
- KIND/LH(Construction, Development)
- KOTRA/KOSME(Export/Import)
- KDB/KEXIM(Debt Finance)

## Private Sector(Industrial Ecosystem)

- Partnership between Shippers and Service Providers  
- Co-investment, Long-term Contract
- Strengthen Human Resource Pool in Supply Chain  
- Sharing of Information/Knowledge to participants
- Inducing bigger participating from private finance

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**Thank**

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**you**

