

Trends & Challenges of Supply & Demand for Industrial Complexes

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- Korea has 1,137 designated industrial complexes covering 1,391 km², or 1.4 percent of national territory (as of June 2016).
 - Among the complexes, 41 were national (3.6 percent), 609 regular (53.5 percent), 19 urban high tech (1.7 percent) and 468 agricultural (41.2 percent). In designated area, national complexes occupied 790 km² (56.8 percent), regular 519 km² (37.4 percent), urban high-tech 6 km² (0.4 percent) and agricultural 76 km² (5.4 percent),

- The rate of industrial complex development continued to rise to 78.2 percent, with a high sale ratio of 95 percent.
 - But the rates for urban high-tech (26.3 percent) and complexes in Gyeonggi Province (62.5 percent) were considerably lower.

- In recent years, the number of new designations has continually declined but sales are smooth and the supply and demand of industrial complexes have reached a stable stage.
 - The 96 designated industrial complexes in 2008 were downsized to 53 parks in 2013 and further to 52 in 2015; their combined area plummeted from 86.8 km² in 2008 to 25 km² in 2013 and further down to 20.3 km² in 2015.
 - The area of sold units within the complexes, however, continued to rise from 12.1 km² in 2008 to 17.3 km² in 2013 and 22.7 km² in 2015; the latter figure was bigger than the designated complex area of 20.3 the same year.

- The decline of available land supply requires optimal supply to meet the locational demand of companies.
 - The area of available land supply (undeveloped + unsold) declined from 233.5 km² in 2010 to 170.7 km² in 2015.
 - Because the available land supply (170.7 km²) minus that of troubled complexes (97.7 km²) comes out to just 73 km², a supply shortage could ensue in that the supply period after designation is just three years as the yearly designated area is 20 km².

| Issues & Tasks |

- ① Recent stabilization trends showed short-term results from 2011–15 as showing sluggish new investment by manufacturers, and considering this, the drive to stabilize supply and demand is shaky and requires continued management.
- ② To continue the stabilization of industrial complex supply and demand over the long term, institutional plans are needed to resolve problematic complexes, designate small-scale complexes and boost the verification system for new designation.
- ③ To prepare for a sudden but temporary spike in corporate demand for complexes, the stockpiling concept for industrial complexes by the public sector is needed.