



EPC Project Development

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Proposal

Sales & Strategic Business Development Plan as a Representative for you under Korean EPC Contractors (the International Market, Specialized for the Mega Projects)

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Propose To: EPC Contractors

PROPOSAL IDENTIFICATION:

Over the past several decades, the Korean EPC contractors for the global projects have experienced explosive growth in the international market, especially in the Middle East, GCC and APAC regions.

According to ICAK (*The International Contractors Association of Korea*, www.icak.or.kr), currently more than 710 Korean companies in all matters relating to overseas construction and development activities, that explores overseas markets, developing projects, and negotiating contracts. It also works to increase cooperation and understanding between the Korean construction industry and those of other nations.

In particular, Korean EPC has been rapidly developed on their construction ability in a field of oil & gas, power plant and infrastructure including nuclear power plant across the world.

Therefore, there is a number of opportunities for the EPC industries under Korean EPC major contractors in this field but also international market, in order to provide the high quality services and products to those of Korean contractors through the strategic plan on the long term basis.

Since the 21C, for those countries of GCC, mainly UAE, KSA, Qatar, a number of Korean contractors have made a lot of prestigious construction and EPC projects in the Middle East. Now it has been expanding more opportunity to many EPC construction fields rapidly through other countries including APAC regions as developing countries. Thus, JKDG as a good partner of you, can be a representative in Korea for you and maximize the mutual profits through the relationship with Korean EPC contractors which could be a profitable chance both of us for business opportunities as well.

Therefore, we are looking for a partnership as a professional representative in Korea for you. This brief proposal can show you the serves for the general information about Korean EPC contractors and how to build up the mutual collaboration, approaching, closing the contract in terms of the sales and business development.

I Executive Summary

1-1 Introduction

This Business Proposal sets out the fundamental strategies of sales and business development cooperating with Korean EPC contractors.

In terms of the international EPC (Engineering, Procurement and Construction) market by Korean EPC contractors, as your Representative of EPC PD, JKDG, the Sales and Business Development at JKDG in the Korean territory, would be the most important issue in order to build up a long term based relationship with most Korean EPC for the international mega projects under the contractors.

JKDG, one of the world's leading company in this field, it can be considered the target of prospective Korean EPC contractors on sales and business development plans to:

- Significantly expand into the EPC project market to improve profit margins and increase the market share by Korean EPC through their global projects. .
- Expand high quality services and decrease costs by creating a future development with mutual relationship, as well as building up the relationship with Korean EPC in practice.
- Immediately starting the Sales and BD activities in the market and offering our services to the Korean EPC's on-going projects in the target region.

Therefore, this will be a great opportunity for YOU to be understood all about the Korean construction and to understand how they had a good reputation in this EPC industries across the world.

The Business Proposal will show you the precise and practical plan in detail why you have to choose JKDG as a mutual partner and representative in Korea working closely with Korean EPC and mutually future development together between YOU and JKDG.

Action Plan for Sales and Business Development:

The key words are Who? What? Where? When? Why? How?

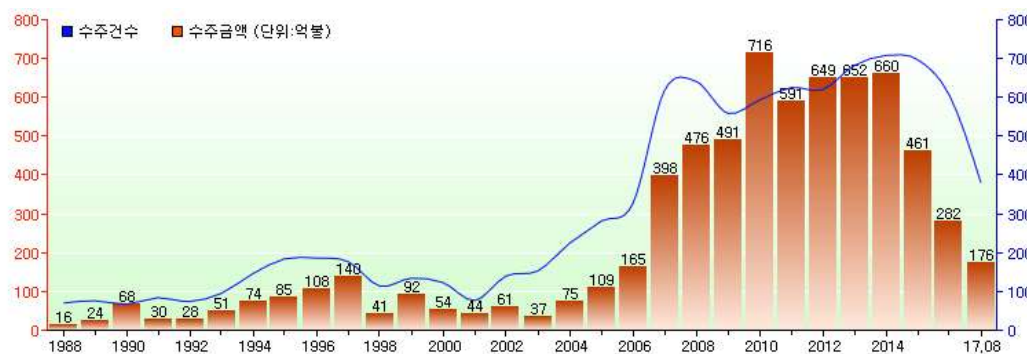
- | | |
|--------------|--|
| Who | <i>is my target?</i>
Related Korean EPC contractors and sub-contractors. |
| What | <i>do I provide them?</i>
Unique service and solution for Energy and Industry Division |
| Where | <i>are they located?</i>
HQ in Korea and their projects in worldwide |
| When | <i>will I approach them?</i>
Already in the market and have a good relationship with Korean EPC contractors |
| Why | <i>would they want to meet with me?</i>
As a service provider, high quality turnkey service with professional sales & BD skills |
| How | <i>will I reach them?</i>
Existing clients, strong good personal relationship, ex-colleagues, experiences |

1-2 International Market under Korean EPC

Since the Mid-1960's, Korean EPC contractors have successfully participated in more than 7,360 contracts in 127 Countries, with total worth of over USD \$768 Billion as of July 2017. To remain highly competitive in a complex and rapidly changing overseas construction market, Korean contractors are striving to develop new engineering methods and explore new market.

They are also sparing no effort to reignite their growth potential by enhancing their financing capabilities, and business identification and planning abilities.

In the early 1960's, Korean construction companies started their projects in abroad. The first project was a *highway project* by Hyundai E&C in Thailand, in 1965. After that, more construction projects in the Middle East were built and developed by many of Korean EPCs until now.



Source by ICAK (International Contractors Association of Korea)

As of 2017, the total number of being constructed by the countries are 153 territory occupied and 1,111 construction companies had 12,092 projects which is still working for that.

The total amount for the overseas projects cost are now around \$768 Billion and there is still a number of on-going projects through the international projects.

총괄

(단위: 천만원)

구분	총누계	2016년 동기	2017년 현재	증감율(%)
수주금액	767,997,303	17,002,915	17,565,888	↑ 3%
수주건수	12,086	357	380	↑ 6%
시공건수	10,915	1,575	1,778	↑ 13%

구분	총누계	2016년 동기	2017년 현재	증감율(%)
진출국가	152	91	89	↓ -2%
진출업체	1,111	188	210	↑ 12%
최초진출 ¹⁾	1,111	28	39	↑ 39%

However, focus on EPC market, Korean EPC has been invited by reputable clients especially oil and gas, infrastructure, energy field and successfully completed the most mega projects in time.

Since early 2000's, Korean EPC's reputation has been raised by their clients through the world, and was invited for the bidding and tender, made a contract, completed the projects as agreed. These developments are very important in this market and Korean EPC now is one of top EPC contractors in the world.

Comparing by the other EPC nations like European, American EPCs, and Korean EPC provides effectively and efficiently projects completion all the projects with a reasonable price and time concerns. In this light, even though some of Korean EPC lost a huge amount cost on their projects, however they continued all the project as agreed. Therefore, most clients are satisfied.

As of 2017, most projects were in the Middle East, GCC regions until year 2014, however, since the oil price has decreased less than \$50 per barrel, Korean EPC were looking for the projects in APAC regions.

As shown the below figure, currently Korean EPC has made 80 projects in Asian countries in 2016, however, 53 projects in the Middle East in same year. Until now in 2017, 90 projects in ME and 77 in APAC. A bit increasing the number of projects in ME however 77 projects are still on-going in Asian countries by Korean EPC.

해외건설 수주현황 1 2 3 4 5 6

지역별 (단위:억불)

구분	누계	2016동기	2017현재	증감%
중동	4,179	53	90	71 ↑
아시아	2,393	80	77	-4 ↓
태평양-북미	300	14	1	-94 ↓
유럽	194	4	3	-16 ↓
아프리카	228	6	2	-60 ↓
중남미	386	15	2	-84 ↓

Source by ICAK (International Contractors Association of Korea)

Apart from the ME and APAC market, it also shows that other markets are North America and Pacific region, Europe, Africa and South America. For those markets are still very low contracts but also prospective market for Korean EPC.

Therefore, as a sales and business development team at JKDG, should focus on the international market which is still increasing the projects according to IACK and internal information by Korean EPC. Many of them are on tender stage and mostly infrastructure, oil and gas projects.

ME market is also very important for Korean EPC and need to keep going to look for the rest of the international market on a regular basis.

Most of Korean EPC's HQ are located in Seoul, Korea and should build up the relationship with all the decision makers including senior directors and managers to get the practical information for their global projects.

II Business Overview

2-1 Market Analysing

The Strategy of Sales Account and Business Development is vital to build up the relationship with Korean EPC contractors. In general, it means that Korean companies and labours work very hard and respect for business norm and culture. Most of Korean work effectively and efficiently, especially in construction industry to meet the time line.

In respect of the Korean business development, especially in EPC field, it is recommended to understand of Korean business standard as a service provider, sub-contractors. It should set out a standard approach for developing new opportunities, either from within existing clients or by proactively targeting new potential clients and then working to close them.

According to the market research by MEED, more than 60% of the overseas project by Korean contractors has been made in the Middle East Countries. Comparing by the early year 2010s, the total amount of the contract cost has been raised until 2014, apart from the Nuclear Plant project delayed in UAE, which was the biggest project for Korean EPC history.

For the year 2017 in the construction market in GCC, the total amount of market value would be struggling than previous year due to the oil price has gone down. During the year 2010 and 2014, it hugely increased around US\$ 60-70 Billion.

However, as a result, it decreased the total amount of the contract. Comparing by the recent years. It means the GCC market was an opportunity for Korean contractors however, since year 2014, the nitch emerging market has been raised to Asian regions such as Vietnam, Cambodia, Thailand, Laos, and Indonesia etc under Korean EPC contractors.

Therefore, in terms of the closing the contract between Korean EPC contractors and your company, the sales strategy is more crucial for the future development and an aggressive marketing within the local market is also important for the company in order to occupy the market dominance.

JKDG would have more opportunities for this market as a frontier with a reputation and providing high quality consulting, engineering and services on this demand. Thus, we recommend you to work with us for the future developments together.

In this light, the goals are to prepare the entire business plan in practice as well as sales and marketing strategy within the company. This document highlights the key issues we should consider prior what to do and sales activities for Korean EPC contractors.

The key word is 'Strategy Sales', because we are creating a workable and achievable set of objectives in order to exceed the company annual target.

This shows the total amount of the yearly contract cost by Korean EPC contractors from the international projects in abroad. As of year 2017, the total amount shows around \$176 Billion.



Source by ICAK (International Contractors Association of Korea)

In addition, the most projects are industrial projects rather than civil and architectural work as shown below figure. The other sectors are for electric, communication and labours which are lower value with Korean EPC projects.



Source by ICAK (International Contractors Association of Korea)

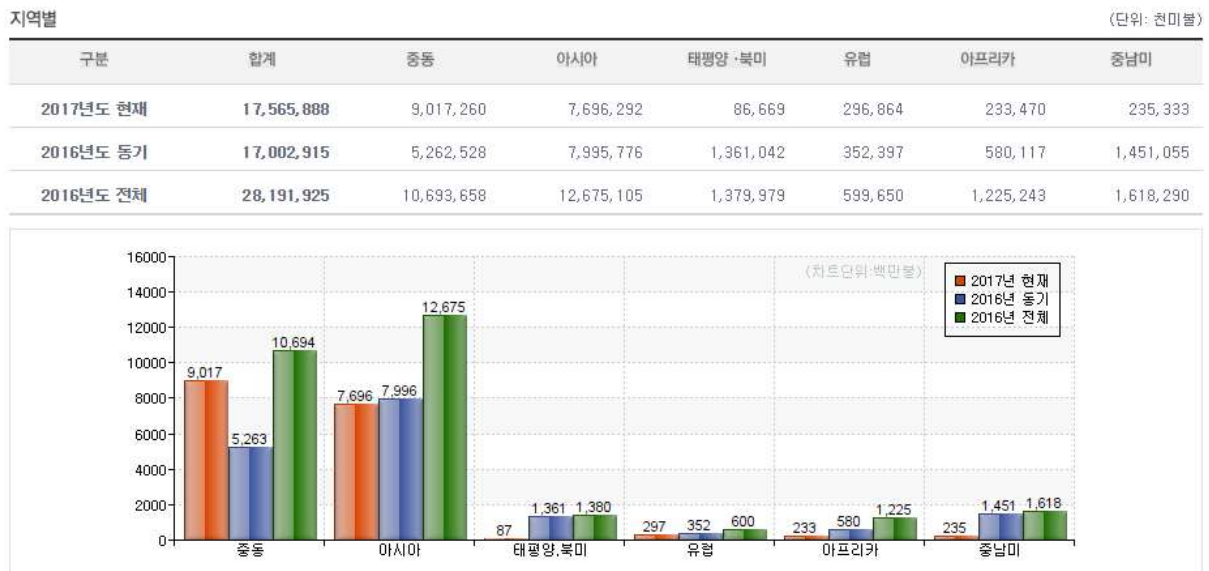
However, apart from this figure, civil and architectural work are still in good market comparing by industrial market such as oil and gas, power plant etc. For those industrial projects are huge amount by Korean EPC for the international projects which costs around \$12-13 Billion and still half of the year has passed. More projects by Korean EPC is expecting within this year.

2-2 Business Opportunity

Working with Korean EPC in this field by regions and sectors, it is considered to divide the target market as the figure shown by cost. Thus, strategic plan of approaching to Korean EPC through the international market, can be a crucial issue.

Priority Target Market

1. Middle East (\$90B)
2. Asia (\$77B)
3. North America and Pacific (\$0.8B)
4. Europe (\$3B)
5. Africa (\$2B)
6. South America and others (\$2B)



Source by ICAK (International Contractors Association of Korea)

As of July 2017, the total projects cost are \$176 Billion and bit increasing the total amount comparing by the last year.

Therefore, as a priority market, county by county, we need to collaborate with each branch of you sharing all the information about Korean EPC, which is benefit and good opportunity to other competitors in this field. More business opportunity can be made.

III Sales & Business Development

3-1 Sales & Marketing Strategy

Sales Target

The sales target for the Korean EPC

- The major Korean EPC construction companies in Korea and other regions
Hyundai E&C, Daewoo E&C, SK E&C, Samsung Engineering, Doosan E&C etc
- The sub-contractors of the Korean EPC (MEP, PM etc)
- The developers and Construction Management Companies in Korea and other regions

Marketing Strategy

In order to promote “your company” for Korean EPC Contractors, sales promotion should be

- Regular meeting with those EPC contractors providing the latest information
- Local promotions, newspaper, magazine, presentation and so on
- Visiting the HQ & construction site on a regular basis, Feedback for the companies

Sales Activity

Getting to Know Korean Culture? Korean Business Meeting Etiquette!

Korean business meeting etiquette is highly ritualized, as the Koreans' appreciation of conformity, rules and order dictates specific ways of doing business in Korea. Here are some Korean business etiquette tips to help you appropriately interact with our foreign colleagues:

- Avoid saying 'no' directly. Instead, indicate disagreement or reluctance by inhaling air through closed teeth, tipping your head backwards and/or saying 'maybe.'
- It is also important to remember that Korean businesspeople will likely ask you many questions (often a similar question in a variety of ways), so be patient.
- Send proposals and meeting agendas ahead of time so that the Korean colleagues can review them. As with our business cards, be sure that each business document is available with a Korean translation if possible. This demonstrates respect for your Korean colleagues and ensures that they understand our goals for the meeting.

Other helpful etiquette tips for Korean business meetings include:

- Acknowledge those with the highest status first, then acknowledge those who are the oldest, as it's important to show respect for status and age.
- Expect our Korean colleagues to deliberate in a group before making decisions. Collectivity and teamwork are valued in Korean business transactions.

Therefore, these kind of activities should be well prepared before approaching the prospective clients with using the sources. Do the action in advance and get the result.

3-2 Management and Implementation

Management

Once the sales and business development activity is being discussed with Korean EPC contractors, the management and implementation is also more important than sales activities. This is very important for Korean clients before and after closing the contract.

On the other hand, the management must be considered all the time as a supporter of the project, and check out what they need, so that after completing the project, there will be an another opportunity for the other projects in the future. Thus, the consideration of management for this point is also needed before acting.

Implementation

Through this document mentioned above, the first step of implementation is also discussed within the internal issue in the company. In order to act as planned, from the market researching to activity, should be workable in any cases.

Here is the business development plan by time concerned

- Making the weekly, monthly, quarterly, half yearly, yearly business plan
- Acting with scheduled plan for sales and target purposes
- Review the result and make the revised target
- Gathering latest information in advance and feedback all time

Monumental Projects by Korean Contractors

Project Type	Country	Project Name	Contract Amount	Construction Period
Refinery	Egypt	ERC Hydrocracker Project	2,063	2007 ~ 2012
	UAE	Ruwais Refinery Expansion Project	6,401	2009 ~ 2014
Petro-chemical	Saudi Arabia	Tasnee Ethylene	882	2005 ~ 2008
	Saudi Arabia	Kayan Petrochemical Complex Project	1,347	2007 ~ 2010
	Oman	Sohar Aromatics	1,181	2006 ~ 2009
Power	Iraq	Al-Mussaib Thermal Power	730	1984 ~ 1988
	Bahrain	Al Dur Independent Water and Power Project	1,742	2008 ~ 2011
	Qatar	Ras Laffan C Iwpp Project	2,071	2008 ~ 2011

	UAE	Nuclear Energy Power Plant	18,600	2009 ~ 2020
Desa- lination	Saudi Arabia	Marafiq IWPP	1,063	2007 ~ 2010
	UAE	Al-Shuweihat S2 IWPP	810	2008 ~ 2011
	UAE	Fujairah Desalination & Power Project	800	2001 ~ 2003
Oil & Gas	Qatar	Pearl GTL	1,293	2006 ~ 2010
	Nigeria	Gbaran/Ubie Integrated Oil & Gas	875	2006 ~ 2009
	Iran	South Pars Gas Field (Phase I ~ X)	3,457	1999 ~ 2005
	Kuwait	Gathering Center & Boosting Station	1,221	2005 ~ 007
Industrial	China	Shandong Cement Plant	310	1995 ~ 2001
	Vietnam	Phu My Fertilizer	198	2001 ~ 2004
Bridge	Malaysia	Penang Bridge	328	1982 ~ 1985
Irrigation	Libya	Great Man-made River (Phase I,II)	10,390	1984 ~ 2003
Port	Saudi Arabia	Jubail Industrial Harbour	931	1976 ~ 1980
	Hong Kong	Terminal 9 Development	510	2000 ~ 2004
Highway	Pakistan	Lahore-Islamabad Motorway	1,197	1992 ~ 1997
Railway	Taiwan	Taiwan High Speed Rail	1,177	2000 ~ 2004
Subway	Singapore	MRT(C 701, 703, 706, 711)	721	1997 ~ 2002
Complex Building	Malaysia	Petronas Tower	227	1994 ~ 1997
Hospital	Saudi Arabia	Riyadh Hospital Complex	659	1984 ~ 1994
Hotel	Singapore	Marina Bay Sands Resort	686	2008 ~ 2010
Airport	Saudi Arabia	King Fahad International Airport	116	1985 ~ 1987
	Indonesia	Hang Nadim Airport (Phase 3)	283	1993 ~ 1996
New Town	Vietnam	Tay Ho Tay Development in Hanoi	902	2007 ~ 2011

Source by ICAK (International Contractors Association of Korea)

How to get the Project Information

The status of the contract on-going project by Korean EPC Contractors

For instance - Project in 2012

Location	UAE	Contractor	GS E&C
Project Name	Takeer Inter Refinery Pipeline Project 2		
Client	Abu Dhabi Oil Refining Co.	Cost US\$	613,122
Architecture	GS E&C	Consultant	Tebodin (Holland)

More project details can be found at the MEED and ICAK website.

In this case, all the overseas projects contracted must be informed to the Department of Construction & Transportation in the Government of Korea. You may find out all the project list and details upon request on the website.

Therefore, as a member of the organization, we could research the current and on-going projects through this site. As doing a sales and marketing for Korean EPC construction projects, there would be a source to get the information in details by visiting the ICAK and arrange the appointment with key person in their construction company in advance.

This shows that we can act for sales more effectively and are able to find the specific market on demand in searching the source.

It states that market research and targeting could be developed on a regular basis easily and makes the plan with up to date. Using ICAK, KOTRA in any other countries are available on request, so that we can achieve what we need for the sales and business development.

IV Conclusion

Working with Korean EPC contractors are not so easy to handle with, but also hard to get the relationship at first. However, JKDG as your representative in Korea, we have been working a number of mega projects and can be your representative for Korean EPC projects. It would be an advantage for closing the contract with us in the international basis.

Therefore, we strongly recommend you working with us as a mutual partner and there will be a lot of opportunity to have more possible projects along with Korean EPC contractors and building up the mutual benefits together on the long term basis.

If you would like to be a part of this challenge, JKDG's reputable service as your Representative in Korea, can make you an opportunity together with us in near future.

Please contact us for further enquiry, ask us how to cooperate as your Representative in Korea

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