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Overseas Urban Development: Case Analysis & Market Entry Strategy

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I . Introduction to ICAK

Introduction to ICAK (International Contractors Association of Korea)

- ICAK (The International Contractors Association of Korea) was established in 1976 as a non-profit incorporated association under the Civil Act of the Republic of Korea and Overseas Construction Promotion Act
- ICAK, with the support of MOLIT (The Ministry of Land, Infrastructure and Transport), is working in collaboration with KIND to facilitate the growth of Korea's overseas construction sector
- Recently, ICAK has been systematically promoting initiatives aimed at advancing the sector toward high-value, technology-driven overseas construction by strengthening cooperation with MDBs, conducting in-depth studies on countries' sectors, and expanding activities in ODA and international GHG (greenhouse gas) mitigation

Core functions of ICAK



In-depth Research & Policy Proposal based on Industry Needs



Promoting International Partnerships through MDB Seminars, GICC, etc.



Executing agency for MOLIT ODA




Facilitating SMEs' Global Market Expansion



International GHG (GreenHouse Gas) Mitigation



Education and training programs for Construction & Engineering Firms



Statistics Management & Analysis of Overseas Projects



Market Intelligence & Information Sharing

[Icon Source: Freepik, Flaticon]



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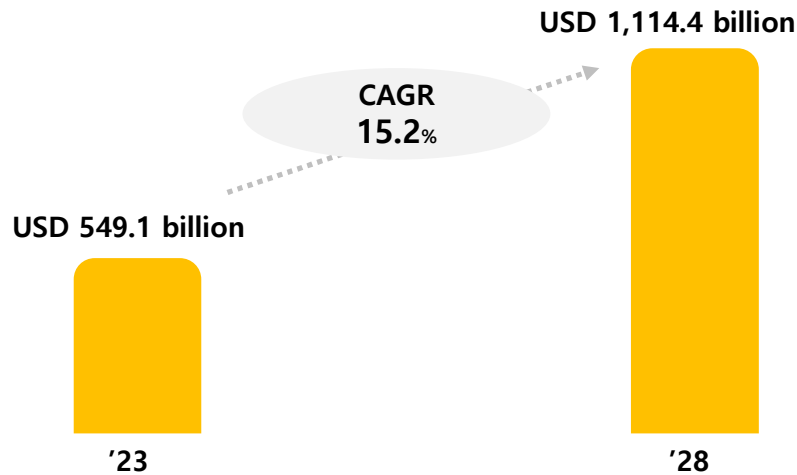
II. Global Smart City Market Outlook & Trends

Global Smart City Market Outlook

- According to the global market research firm Markets & Markets, the global smart city market is projected to grow from USD 549.1 billion in 2023 to USD 1,114.4 billion by 2028, representing a compound annual growth rate(CAGR) of 15.2%, driven by accelerating urbanization
- As a result, demand for infrastructure such as housing, water & wastewater systems, electricity, and is expected to surge. To systematically address these demands, urban development is anticipated to create new business opportunities not only in construction sector but also across a wide range of industries

Global Smart City Market Size Outlook

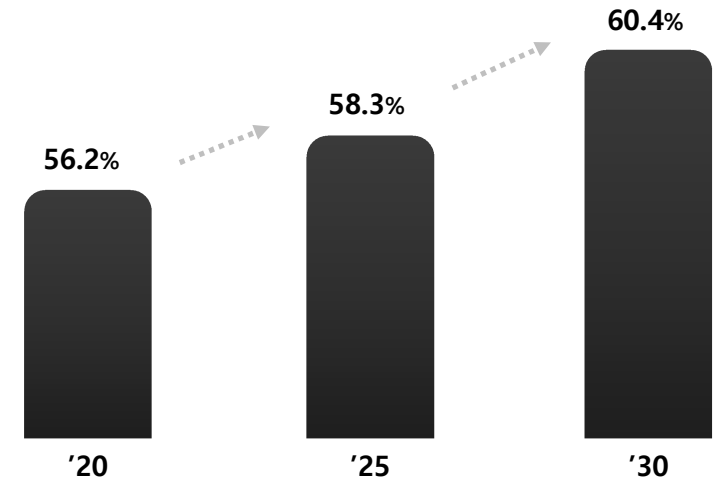
The global smart city market size is projected to grow from USD 549.1 billion in 2023 to USD 1,114.4 billion by 2028



[Source : Markets & Markets]

Global Urbanization Outlook


The urbanization rate is projected to steadily increase to 56.2% in '20, 58.3% in '25, and 60.4% in '30



[Source : UN]


National Groups by Smart City Implementation Pattern & Objective

① Government-Led Smart City Leaders

 Saudi Arabia: Mega projects including Neom and Oxagon

 Singapore: Centered around the Smart Nation strategy

 China: Planning the construction of 500 smart cities


 Spain: Implementation of the Spanish National Plan for Smart Cities

② City-Led Smart City Leaders

 United Arab Emirates: Driven by the Smart Dubai strategy


 Poland: Implementation of Polish Urban Policy 2030 and the Program for Cities

 Czech Republic: Promoting an innovation-based economy centered on urban centers

 United States: Plans to invest \$4 trillion over the next 20 years in cities like New York and Seattle

③ Emerging Smart Cities for National Growth

 Vietnam: Developing Hanoi, Ho Chi Minh City, and Da Nang in accordance with ASCN

 Malaysia: Combining green growth with smart city development


 Thailand: Guided by the Thailand Smart City Roadmap

 Qatar: Part of the National Digitalization Program.

④ Emerging Smart Cities Focused on Digital Infrastructure

 Indonesia: Promoting the development of 100 smart cities by 2045

 India: Advancing smart cities to establish digital infrastructure

 Colombia: Focused on digital transformation through smart city initiatives

 Chile: Implementation of the National E-mobility Strategy

[Source: 2023 Smart City Overseas Expansion Strategy Report (MOLIT, KOTRA)]



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III. Global Smart City Case Studies

Hanoi Starlake City in Vietnam

Category	Key Details
Location	West of West Lake, Hanoi, Vietnam
Background	New urban development for the relocation of dispersed government agencies in Hanoi
Scope	Relocation of Central Government Complex, development of luxury residential areas and office buildings, etc.
Period	'06~'62(Phase 1: '10~'24 / Phase 2: '17~'28)
Total Area	186.3 ha(Phase 1: 114.8 ha / Phase 2: 71.5 ha)



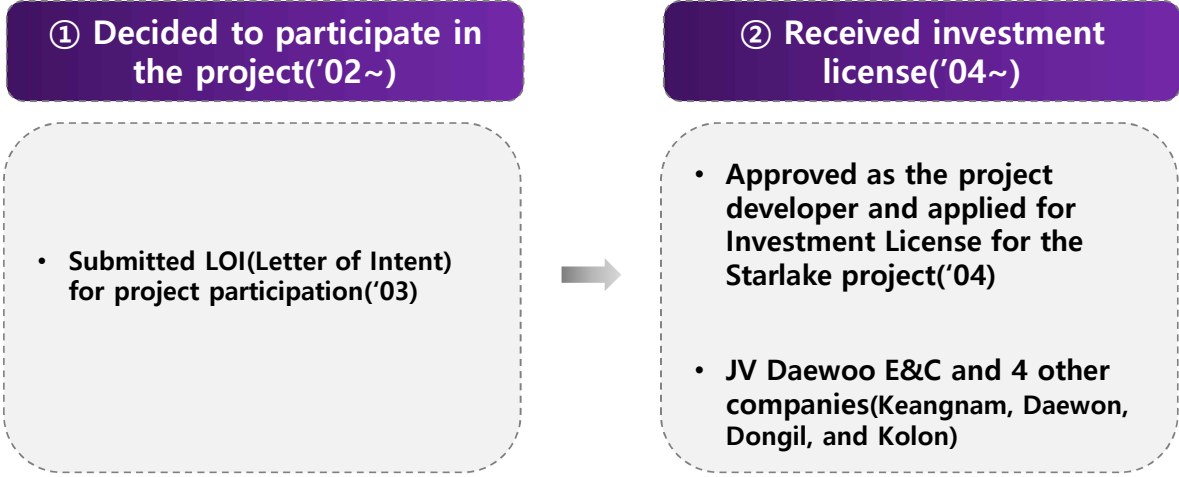
[Residential development]

Category	Phase 1	Phase 2
Commercial, Office & Mixed-use Land	29.3 ha, 33 Blocks	9.3 ha, 21 Blocks
Villas	364 Units, 6 Blocks	239 Units, 3 Blocks
Apartments	603 Units, 1 Block	1,432 Units, 2 Blocks
Investment Certificate	'06. 1	
Initial Capital Contribution	'06. 3	



[Hotel, Office Development]

[Source: Daewoo E&C]

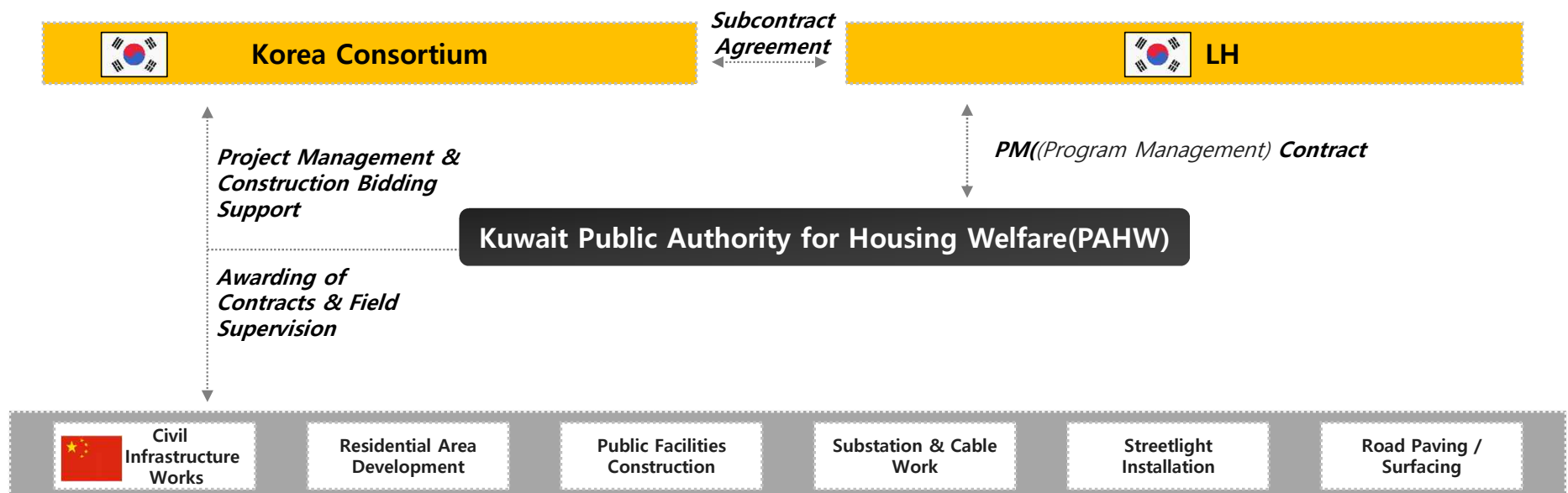


[Source: Daewoo E&C]

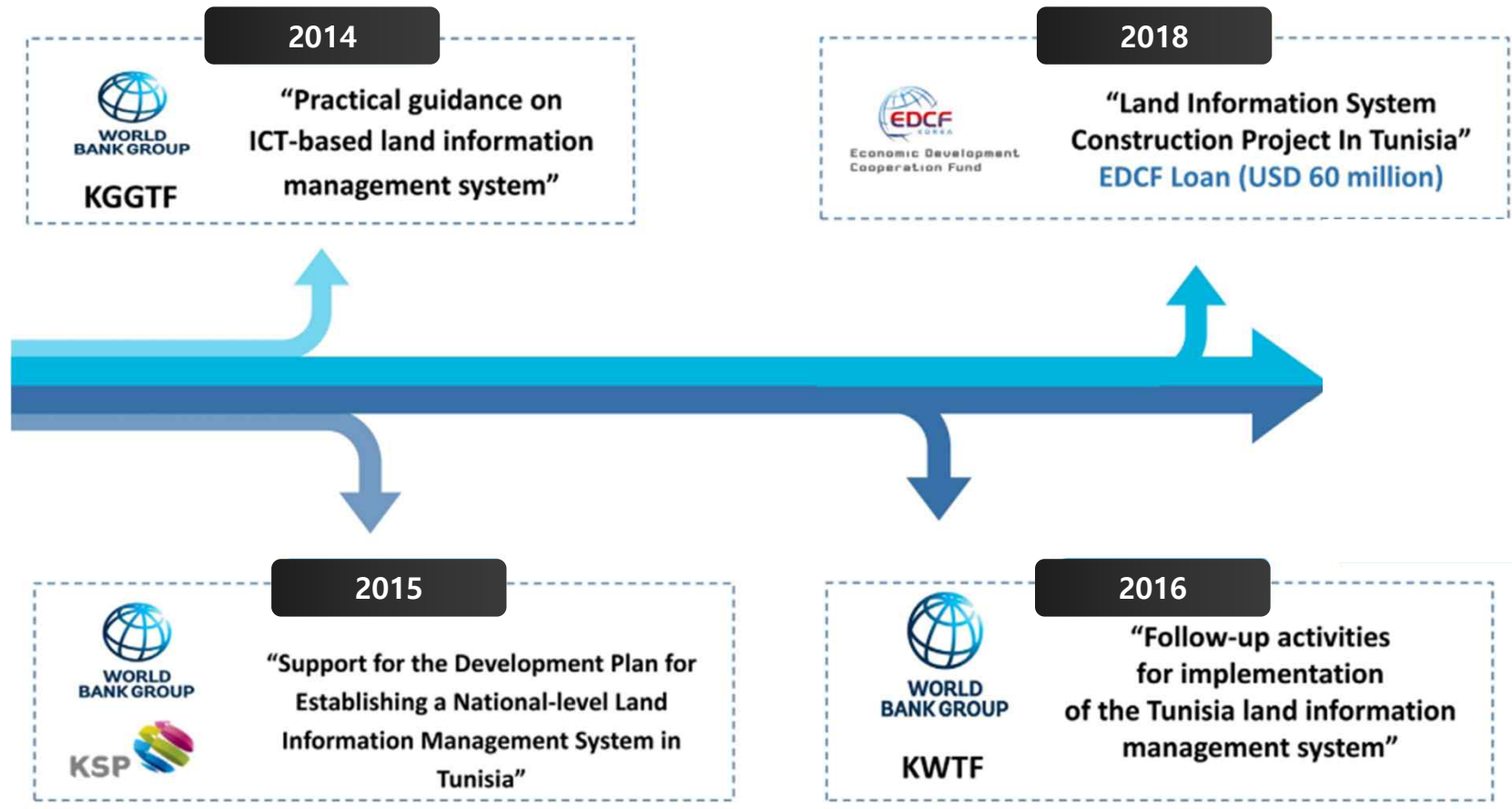
Abdullah New City PM in Kuwait

- MOU was signed in '14 between Korea's Ministry of Land, Infrastructure and Transport(MOLIT) and Kuwait's Ministry of Housing. Based on the Abdullah New Town Development Cooperation MOU('16), a contract for the Master Plan(MP) and detailed design services was awarded in '17, followed by preliminary completion in '22
- Subsequently, agreement was reached to pursue a negotiated contract with Korea Land and Housing Corporation(LH) as the overall project manager for infrastructure works. LH was awarded the project management(PM) contract by the Public Authority for Housing Welfare('23), with services commencing in '24

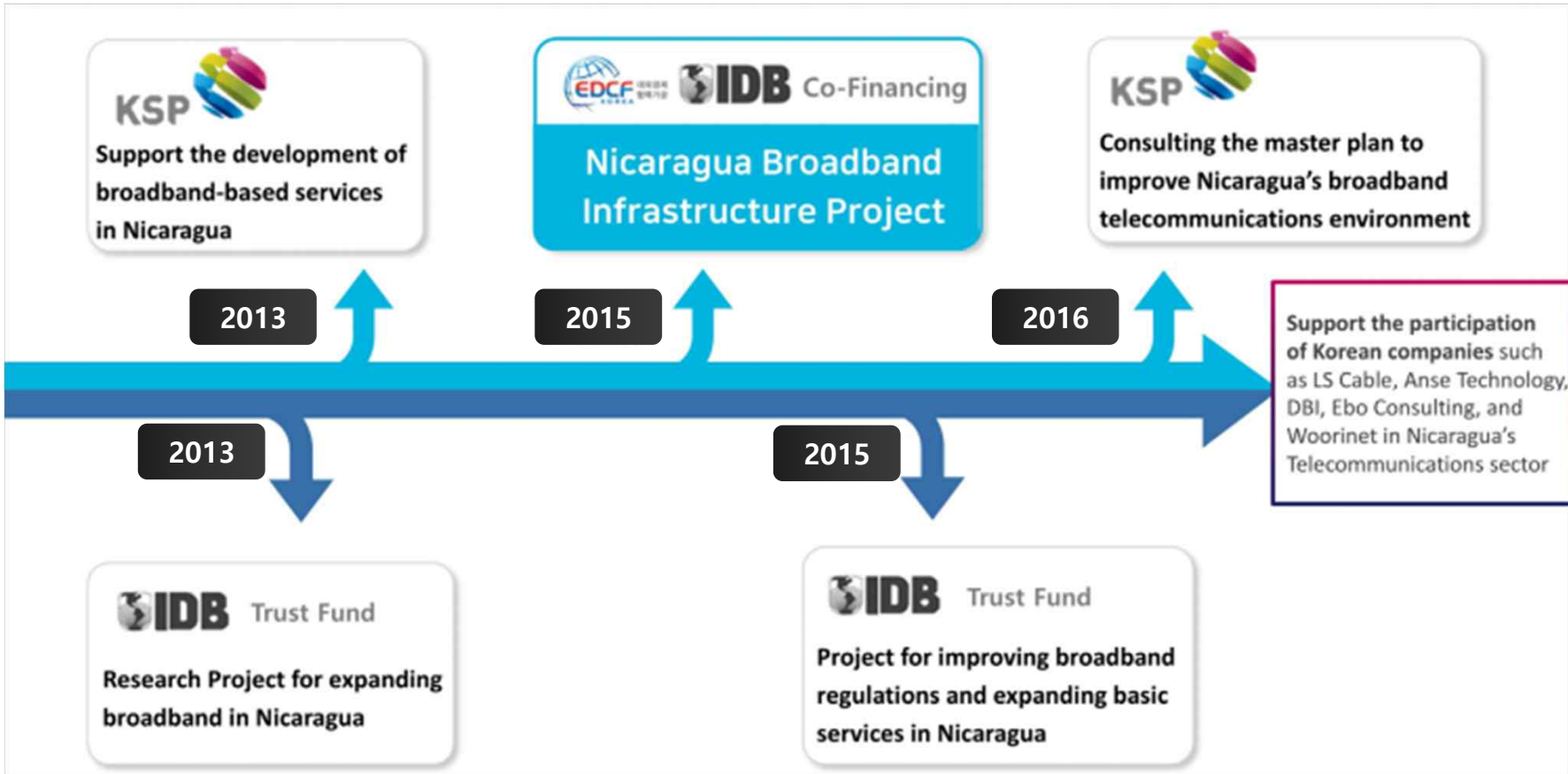
Abdullah New City Structure



[Source: Land & Housing Institute]



[Source: KEXIM, MDB Trust Funds of the Korean Government(2025.11),]



[Source: KEXIM, MDB Trust Funds of the Korean Government(2025.11),]

Co - Financing Facility between CABI - EDCF

Construction of Viaduct and Expansion of Highway "Los Chorros", El Salvador

CABI

Financing
US\$411.4 million

Ministry of Economy and Finance



3000 linear meters of retaining walls and mitigation works

Annual savings in travel time: **US\$2.4 million**

11 pedestrian overpasses

337 thousand people benefited in the area

Awarded Korean companies

<p>Dongbu</p> <p>Civil Works</p> <p>US\$372.62 million</p>	<p>DOHWA</p> <p>Project Supervision</p> <p>US\$12.45 million</p>
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[Source: KEXIM, MDB Trust Funds of the Korean Government(2025.11),]



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IV. Market Entry Strategies for Smart City

① The definition of smart cities and the required technology and quality levels differ across countries



- Utilizing EIPP and KSP to match the needs of foreign officials with our technological capabilities
- Establishing a perspective on business development by activating smart city tour programs through invitation training

② Excessive time & cost are incurred in the processes of land acquisition, permits, and compensation



- Promoting administrative smoothness through consultations with G2Gs and local governments
- Utilizing joint ventures with local companies

③ The difficulties of investment, financing, and guarantees in securing business rights



- MDB Finance, including MDB Trust Funds, and KIND's PIS Fund
- Activation of ECA Finance by Export-Import Bank of Korea and K-Sure

④ Difficulties in customized design and construction considering the needs of developing countries



- Design of residential and supporting complexes considering local income levels and culture at the corporate level
- Securing material suppliers considering local demand, etc.

⑤ Operating revenue must meet expectations during the operation phase following EPC



- Providing mechanisms to minimize the impact of demand risks, such as AP and MRG, through G2G consultations

- The global construction financing gap for the period '26~'30 is estimated at approximately USD 4.4 trillion, and this shortfall is expected to be addressed in part through the mobilization of private capital, including investment development projects
- By region, around USD 1 trillion is required in Asia, the Americas, and Africa, respectively. By sector, the largest gaps are in roads(USD 1.6 trillion), followed by energy(USD 0.6 trillion) and railways(USD 0.2 trillion)
- While Korea contributes approximately 2% of total funding to major multilateral development banks (MDBs), Korean companies account for only about 0.3% of MDB project participation.

Korea's Paid-in Capital and Participation in Major MDB Projects(Unit: USD million)

Category	Total		Performance('24)		
	Approx. Callable Capital(USD bn)	Korea's Capital Share (%)	MDB Procurement Volume('24)	Korean Firms' Participation('24)	Share
WB	5,463	1.67%	17,164	33.8	0.2%
ADB	6,974	5.03%	12,992	51.4	0.4%
AIIB	3,787	3.83%	2,298	0.7	0%
IDB	424	0.004%	2,446	30.6	1.2%
EBRD	300	1.01%	2,247	0	0%
AfDB	753	0.461%	2,335	0.5	0%
Total	17,701	1.9%	39,482	117	0.3%

[Source: <https://www.molit.go.kr/USR/NEWS/dtl.jsp?cmspage=1&id=95091515>]

Expanding Business Opportunities through MDB Partnerships

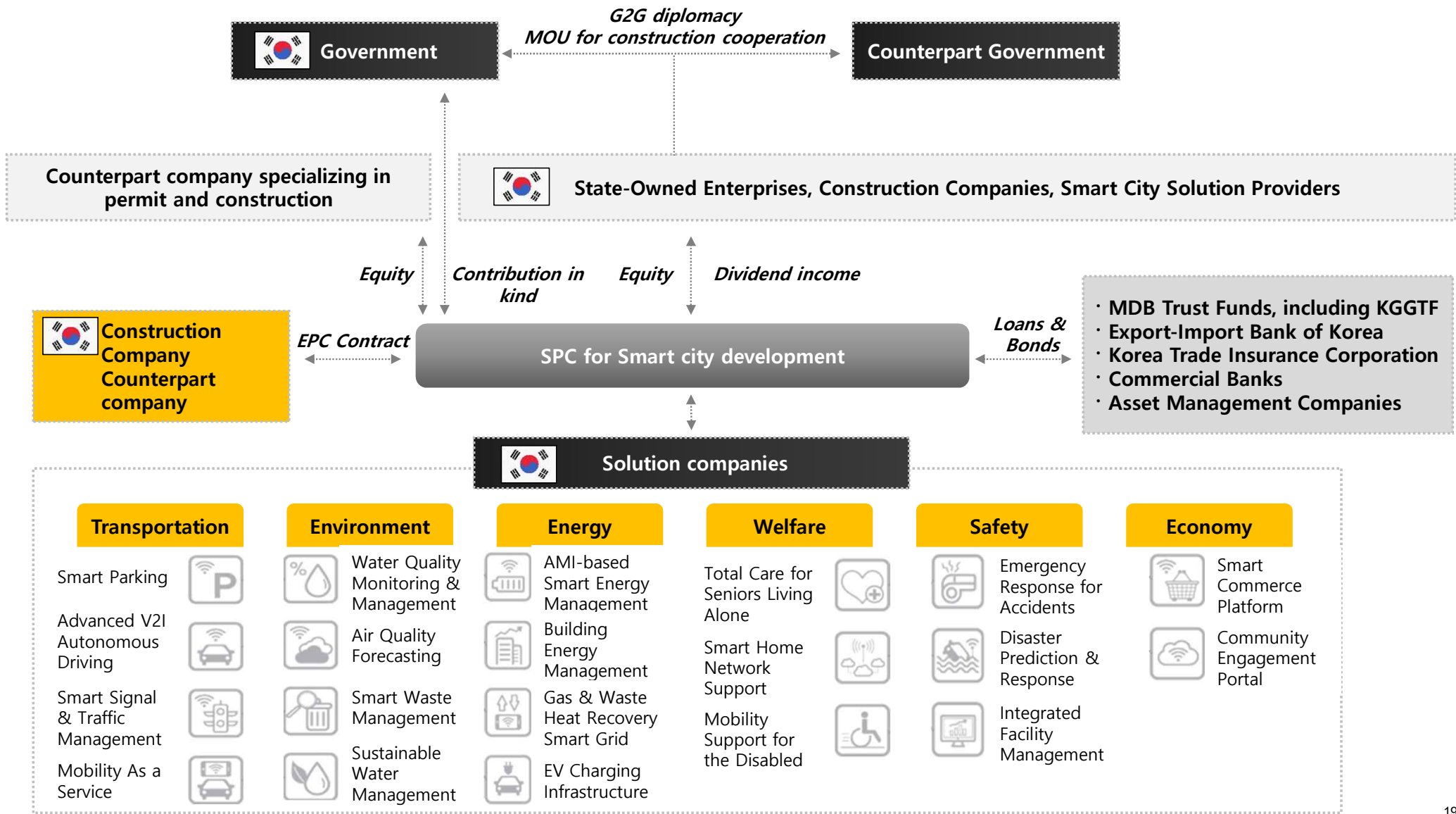
- Expand support for participation in early-stage consulting projects commissioned by MDBs to ensure that business conditions favorable to Korean companies can be reviewed from the initial phase of the project
- Co-host training programs, local seminars, and expert workshops with major MDBs to actively promote Korean companies and technologies, and link these efforts to securing contracts for main projects
- Korea contributes approximately 2% of total funds to major MDBs, yet the share of Korean companies' participation in MDB projects remains at only about 0.3%

Implementation Plan

Category	Key Highlights
 <p>MDB cooperation channels</p>	<ul style="list-style-type: none"> • Designate KIND as the dedicated point of contact for MDB cooperation projects to collect and provide bidding information • Support for our company's consulting business bid document and proposal preparation
 <p>Revitalizing MDB projects through collaboration with experts</p>	<ul style="list-style-type: none"> • Utilizing MDB consulting projects through a pool of infrastructure sector experts • Provision of qualified expert matching services in the event of a need for MDB cooperation

[Source: <https://www.molit.go.kr/USR/NEWS/dtl.jsp?lcmepage=1&id=95091515>]

Strategic Market Entry Model Utilizing SPC and JV Frameworks





Q & A

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