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4th Ministerial Meeting on Industrial Restructuring

GOVERNMENT DISCUSSES THE IMPACT OF HANJIN SHIPPING'S FILING FOR COURT RECEIVERSHIP AND SUBSEQUENT MEASURES

The 4th Ministerial Meeting on Industrial Restructuring was held on September 7, where ways to absorb shocks following Hanjin Shipping's filing for court receivership was the main topic of discussion. Deputy Prime Minister Yoo Il Ho emphasized close cooperation between the government and private entities involved in the Hanjin Shipping restructuring and showed firm determination to upgrade the country's shipping sector by successfully restructuring the industry.

The following is a summary of Deputy Prime Minister Yoo's keynote address:

Hanjin Shipping Co. filed for court receivership on August 31, despite government's support for restructuring, given on the basis of self-rescue efforts. The government, seeking effective cooperation among related ministries, will work closely with the company, whose largest shareholder is the Hanjin Group, to help resume suspended delivery.

To help resume suspended delivery,

- Local port authorities provided payment guarantees for cargo-related services, and as a result 8 Hanjin Shipping vessels have completed their job so far.
- Hanjin Shipping has applied for stay order in 43 countries, and the government had 25 Korean embassies in 18 countries form a taskforce to help get stay order as fast as possible.
- The government will designate 8 offshore base ports among those where stay orders have been issued, to help resume suspended deliveries as quickly as possible.

We are expecting that Hanjin vessels will be able to resume entering the Long Beach Terminal and unloading cargo this week.

The government is also working to help deliver cargoes waiting to be loaded on Hanjin vessels: We will increase alternative vessels by more than 20 for freight destined to the Americas, Europe and Southeast Asia, and find ways for Korean shipping companies or Hanjin's alliance to carry those waiting cargoes.

On top of that, we will launch support programs for those affected by the bankruptcy, such as crew members, subcontractors and others who lost jobs.

- The government will provide emergency financial support for SME exporters.
- In order to prevent large-scale layoffs in the affected industries, we will give companies support for retaining employees.
- The government will run programs for those losing jobs, which cover payment of delayed

wages and reemployment programs.

What is most important is that we should change today's hardship into an opportunity to upgrade the shipping industry. The government will do its utmost to help increase the competitiveness of shipping companies. I am asking all the parties involved, such as Hanjin Shipping Co. and its parent company, creditors and shippers, to be more cooperative in order to successfully ride out the hardship we are facing now. The government will soon announce measures to strengthen the shipping industry.