

Thank you, Madam President.

Please allow me to start by expressing my sincere appreciation to the Secretary General's preparation and introduction of the report and also appreciate the hard work former council president and MIT research team have done.

The Republic of Korea was deeply impressed by the MIT presentation last week about four financial models. We believe this workshop was very useful because we have come up with more advanced alternatives to implement the principles set out in the Implementation Agreement.

In developing deep-sea mineral resources, the financial model should be based on the same or similar criteria as land-based mining. This is a basic requirement in the Convention and an important criterion for the commercial development of deep-sea mineral resources. As we've seen in the MIT presentation, 15 percent of IRR is required to attract investment in case of land-based mining. By contrast, 17 percent of IRR is expected in the sea-bed mining. Given that the sea-bed mining has high risks, we wonder whether 17 percent of the IRR would be

sufficient to attract investment of sea-bed mining. This suggests that the ISA and contractors need to develop a win-win financial model and an incentive to reduce the risk of developers. The commercial development of deep-sea mineral resources should be carried out in a way that can distribute the profits of development to the member countries as a common heritage of mankind.

And one of the key factors in the calculation of royalties is the price of the minerals. The prediction of these mineral prices is neither easy nor possible. There are 17 polymetallic nodule contractors. If these 17 entities commercialize the minerals at the same time, we need to think about whether mineral prices proposed in economic assessment can be maintained. Given that the commercial development of deep-sea mineral resources is going to take place in the Area under the jurisdiction of the ISA and in the EEZ of the coastal states simultaneously, a more in-depth study of the changes in mineral prices should be carried out.

Thank you.