



04

Policies and Incentives

The Korean government has pursued various policies to boost the logistics industry, with the objective of:

- promoting Korea as the logistics center of Northeast Asia (2002)
- fostering logistics companies (2006)
- establishing the master plan for the logistics industry (2001-2016)
- bringing the Korean logistics industry in line with advanced markets (2009-2013)

National Logistics Master Plan (2016–2025)

The National Logistics Master Plan guides the government's policies across various sections of the logistics industry. The plan was revised for the 2016-2025 period, and proposes a direction for Korea's logistics policies in the future based on the current progress, logistics environments in Korea and overseas, and projections for the industry.

Classification	Old Paradigm	New Paradigm
Main player	Dependent on government support, government-led logistics.	» Private-led logistics to promote creative services.
Goal	Logistics for import/export to spur economic growth.	+ Logistics for people's daily lives (B2C, C2C, M2C, etc.).
Format	Standalone, isolated logistics by different ministries/industries.	» Convergence logistics to promote sharing and cooperation.
Role	Logistics led by the manufacturing/distribution industries.	» Logistics leading the manufacturing/distribution industries.
Scope	Localized logistics based on domestic networks.	» Globally expanded logistics for a united Korea and the growth of Eurasia.

Source: Ministry of Land, Infrastructure and Transport, National Logistics Master Plan (2016–2025)

Success Case

Nippon Express

Nippon Express established a corporation in Korea and has offices and warehouses at seven locations including Seoul, Busan, and Incheon.

In April 2016, the company launched the Nex-Busan Global Logistics Center (Nex-BGLC) inside the Hinterland Logistics Complex (HLC) of Woong-dong at Busan New Port (Free Trade Zone).

KOTRA WORLD WIDE

As Korea's Trade-Investment Promotion Agency, KOTRA has 127 overseas offices and 10 headquarters worldwide.

* Invest Korea(IK), Korea's national investment promotion agency, was established as part of KOTRA to support the foreign businesses in Korea.



Headquarters

CIS

Tel: (7-495)258-1627
E-mail: moscow@kora.or.kr

Europe

Tel: (49-69)2429-920/9
E-mail: frankfurt@kotra.or.kr

Middle East

Tel: (971-4)450-4360
E-mail: ktcdxb@emirates.net.ae

Africa

Tel: (27-11)784-2940
E-mail: kotra@kotra.org.za

China

Tel: (86-10)6410-6162
E-mail: 712461@kotra.or.kr

Japan

Tel: (81-3)3214-6951
E-mail: kotratky@kotra.or.jp

Southwest Asia

Tel: (91-124)4628-500
E-mail: ktcdelhi@ktcdelhi.net

Southeast Asia & Oceania

Tel: (65)6426-7200
E-mail: kotrasin@singnet.com.sg

South America

Tel: (52-55)5514-3173
E-mail: mexico@kotra.or.kr

North America

Tel: (1-212)826-0900
E-mail: kotrany@hotmail.com

Head Office

13, Heolleung-ro, Seocho-gu, Seoul, Republic of Korea (06792)
Tel: (82-2)1600-7119 Fax: (82-2)3460-7920
E-mail: ikonline@kotra.or.kr



www.investkorea.org

www.kotra.or.kr

[linkedin.com/company/invest-korea](https://www.linkedin.com/company/invest-korea)



KOREA'S LEADING INDUSTRIES

LOGISTICS



01

Korea's Logistics Industry

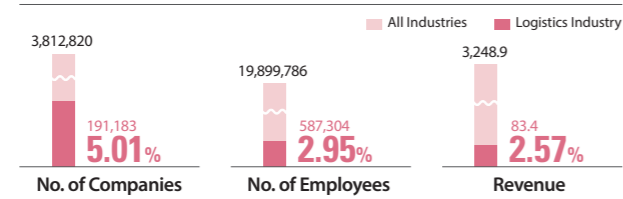
Ninth Largest Industry in Korea

Logistics makes up the ninth largest industry in Korea in terms of sales revenue and is one of the key drivers of Korea's economic growth, accounting for 3.41% and 5.43% of gross added value and national employment, respectively.

The Korean logistics industry has grown in a stable manner since 2000, thanks to a significant increase in the volume of transported goods from China.

Korean Logistics Industry Details (2014)

(no. of companies, employees, USD billion)

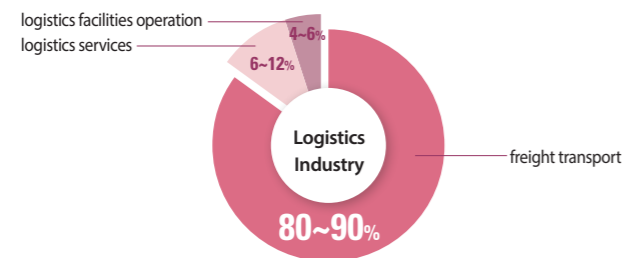
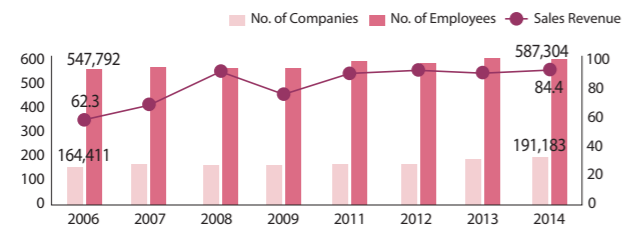


Source: Statistics Korea, 2016

Around 191,000 logistics companies operate in Korea as of 2014, employing a total of 587,000 workers. The combined sales revenue stands at USD 84.4 billion, showing a high annual growth rate of 5.9% since 2006.

Korean Logistics Industry by Year

(no. of companies, employees, USD billion)



Source: Statistics Korea

02

Competitiveness

Geographical Advantages

Neighboring logistics giants, such as China and Japan, and connected with various Asia-Pacific, Eurasian, and American countries by sea, Korea is located at the heart of the world's logistics industry.

Infrastructure

Korea also boasts a world-class logistics infrastructure. The country's highly advanced ports and airports offer fast connection to various cities and countries across the world.

Korea's marine transport & aviation industry is the fifth to sixth largest in the world. Incheon International Airport is the world's second-best international freight airport and Busan Port is the world's fifth largest container port.

Logistics Performance Index (LPI)

Korea ranked 24th (3.72 points) in the 2016 World Bank Logistics Performance Index (LPI), which compares 160 countries around the world in terms of logistics competitiveness.

Korea is also known for its outstanding logistics infrastructure (20th, 3.79 points), tracing (24th, 3.78), and timeliness (23rd, 4.03).

Korea's Standing on the World Bank LPI (2016)

Overall	24th	3.73 points
Customs	26th	3.45 points
Logistics Infrastructure	20th	3.79 points
International Shipment	27th	3.58 points
Logistics Competence	25th	3.69 points
Logistics Tracking	24th	3.78 points
Timeliness	23rd	4.03 points

Source: World Bank, "Logistics Performance Index."



03

Industry Clusters

FTZ and FEZs for Logistics

Most Korean logistics firms are located in the capital area including Seoul (25.2%) and Gyeonggi-do (20.9%). Busan has the next largest number of logistics companies (7.8%), followed by Daegu (5.8%) and Gyeongsangnam-do (5.2%).

By operating Free Trade Zones (FTZs) and Free Economic Zones (FEZs) and other special economic zones for local development, Korea seeks to integrate the logistics/distribution functions and processing/manufacturing functions to ultimately boost international trade.

Each free economic zone plays a different role in the logistics industry.

- Chungbuk Free Economic Zone : Electronic auto parts manufacturing and logistics/distribution
- East Coast Free Economic Zone : Logistics/business hub
- Yellow Sea Free Economic Zone : Auto parts manufacturing complex, electronic/chemical/value-added logistics
- Gwangyang Bay Free Economic Zone : International logistics complex
- Busan-Jinhae Free Economic Zone : logistics hub port
- Incheon Free Economic Zone : air, logistics, leisure, etc.

FEZs and FTZs

