

Development of Civil Aviation in the Republic of Korea

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Contents

I

Growth of civil aviation in Korea

II

Global Status of Korea's civil aviation

III

International cooperation in aviation

IV

Airports of Korea

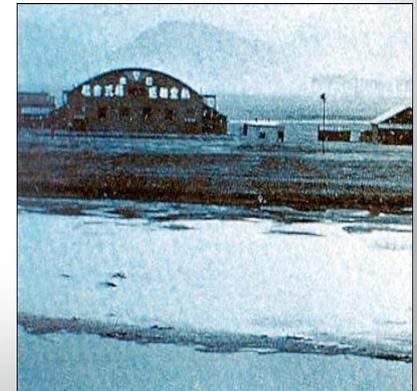
V

Boosting int'l cooperation & readying for future

I. Growth of Civil Aviation in Korea

1. Commencement of Air Services in Korea

- ◆ **Sept. 1913: First airplane flown in Korea's airspace**
- ◆ **Mar. 1916: Airfield construction in Seoul at Yeouido**
 - ❖ **Additional airfields built at Pyeongyang, Shineuiju, Ulsan, Hamheung, and Cheongjin in 1929**
- ◆ **Dec. 1922: Changnam Ahn becomes the first Korean pilot to fly an aircraft in Korean airspace**
- ◆ **1939: Gimpo Airport opens after completion of a runway**
 - ❖ **1945: US airlines Northwest Orient launches services between Seoul and Tokyo**
 - ❖ **1946: Northwest Orient launches domestic operations on 4 routes including between Seoul and Busan**



I. Growth of Civil Aviation in Korea

2. Birth of Commercial Airlines

- ◆ 1946: Korean National Air (KNA) established with 100% private capital



- ◆ Oct. 1948: Seoul-Busan operations launched
 - ❖ Sept. 1948: Northwest Orient begins services on Seattle-Tokyo-Seoul route flying 2 times a week
- ◆ Sept. 1950: Services launched on Busan/Jeju and Busan/Daegu routes
 - ❖ Dec. 1953 - Jan. 1954: Test flights begun between Seoul and Hong Kong (72 person capacity DC-4)
- ◆ Dissolved in 1962 due to deficits

I. Growth of Civil Aviation in Korea

3. Birth of Korean Air

- ◆ **1962: Korea Airline Corporation founded as a government-owned public corporation**
- ◆ **1968: Hanjin takes over Korean Airline**
 - **1971: Changed name to Korean Air**
 - **2006: Ranked 16th in int'l passenger transports and 1st in cargo transports**
 - **World's top international air cargo carrier from 2004 to 2008**
- ◆ **June 2009: Operating to 101 cities/39 countries on 135 routes (124 aircraft)**

4. Era of Multiple Air Carriers

- ◆ **1988: Asiana Airlines established and era of multiple air carriers begins**
 - **1990: Begins international services with Seoul-Tokyo operations**
 - **2006: Ranked the 35th in int'l passenger and 15th in cargo transports**
- ◆ **June 2009: Operating to 70 cities/23 countries on 87 routes (66 aircraft)**

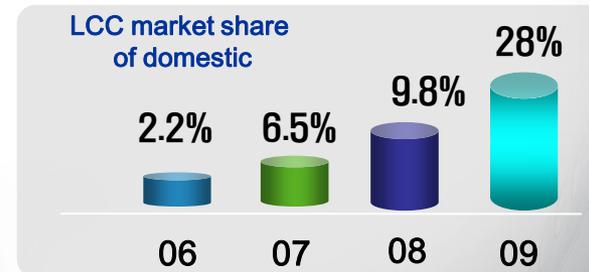
I. Growth of Civil Aviation in Korea

5. Appearance of Low Cost Carriers

- ◆ **New airlines focusing on low cost operations emerge**
 - **Hansung Airline, 100% privately owned and Korea's first local carrier begins services in August 2005**
 - **Jeju-based joint private/public owned Jeju Air begins operations in June 2006**
 - **Followed by Jin Air in July 2008, Air Busan in October 2008, and Eastar Jet in January 2009**
 - ❖ **4 LCCs have 20 aircraft, 15 jet and 5 turboprop**

- ◆ **Diversification of air transport services**
 - **Fares are about 70% of major airlines**
 - ❖ **28% of domestic market share (June 2009)**

- ◆ **Expanding operations to international services**
 - **Jeju Air: Incheon – Osaka & Incheon – Kitakyushu in March 2009**



II. Global Status of Korea's Civil Aviation

1. Global Standing in Aviation

- ◆ **9th largest passenger transport and 5th largest cargo transport country in the world (international routes as of 2006)**
 - ❖ **Passengers: 66,452 million passenger-kilometers**
 - ❖ **Cargo: 7,638 million ton-kilometers**

- ◆ **World's leading airlines and airport**
 - ❖ **Korean Air: Number 1 cargo carrier for 5 years in a row**
 - ❖ **Asiana Airlines: Voted Airline of the Year in 2009 by Air Transport World**
 - ❖ **Incheon Airport: Best Airport Worldwide winner for 4 straight years**

- ◆ **Scheduled air transport network connecting the whole world**
 - ❖ **59 airlines provide services to 146 cities in 45 countries on 265 routes (2,241 flights per week)**

- ◆ **Compliance rating of 98.89% in ICAO USOAP conducted in June 2008**

II. Global Status of Korea's Civil Aviation

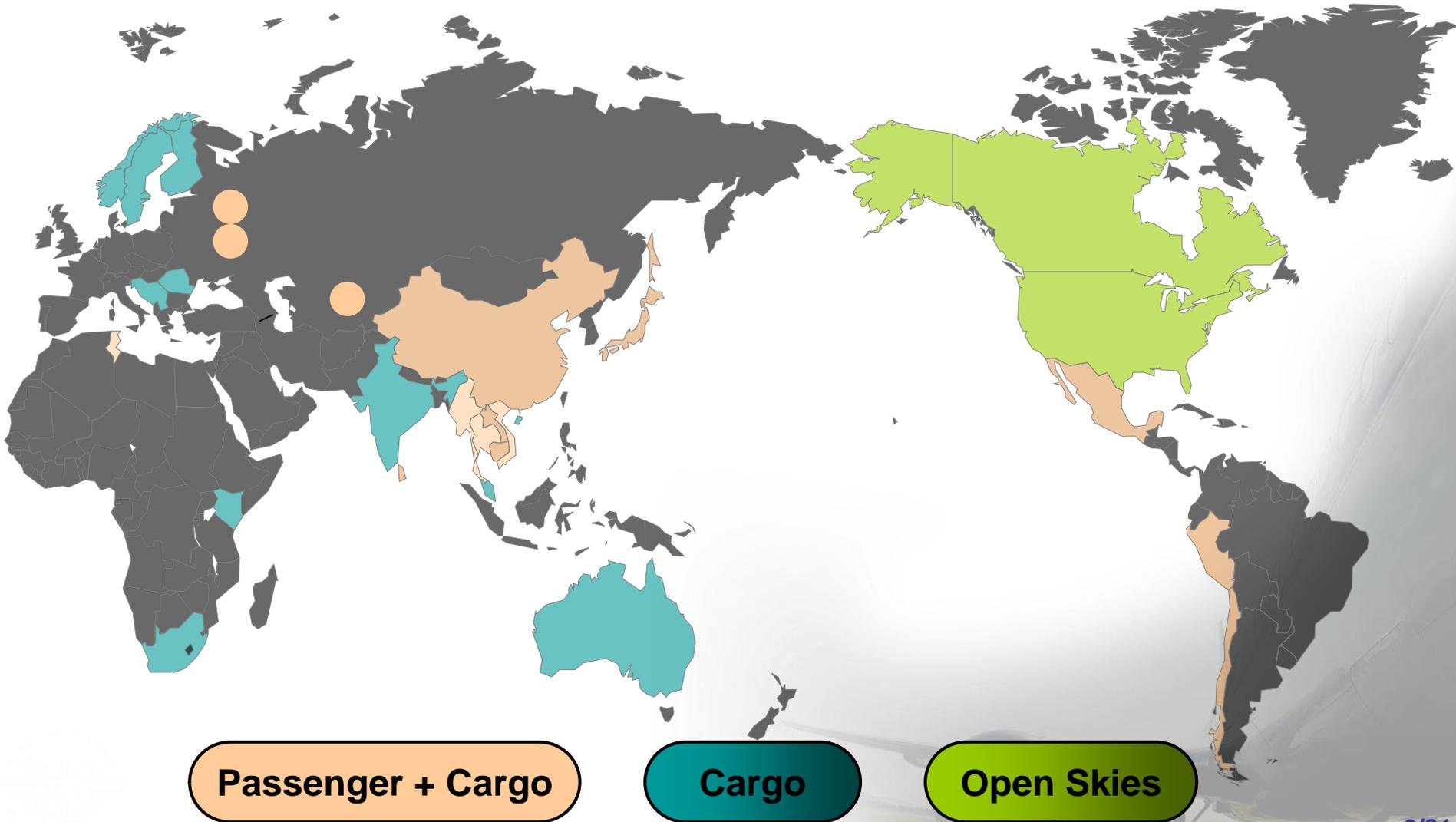
2. Expansion of Air Services Liberalization

- ◆ Liberalized passenger services with 19 countries and cargo services with 31 countries

Year	Passenger Services	Cargo Services
~ 2005	Maldives, USA, Chile, Peru	Maldives, USA, Chile, Peru, Austria, Australia, Sweden, Denmark, Norway, India, Germany, Thailand, Kenya
2006	Vietnam, Thailand, China (Shandong Province, Hainan Island), Cambodia, Myanmar, Ukraine, Azerbaijan, Sri Lanka	Vietnam, China, Cambodia, Myanmar, Finland, Ukraine, Azerbaijan, Sri Lanka,
2007	Kenya, Malaysia, Japan (excluding Tokyo)	Malaysia, Greece, Japan
2008	Mexico, Canada	Macau, Uzbekistan, Mexico, Canada, South Africa
2009	Tunisia, Belarus	Tunisia, Belarus
	19	31

Korea's Air Services Liberalization

➤ Passenger: 19 States, Cargo: 31 States



II. Global Status of Korea's Civil Aviation

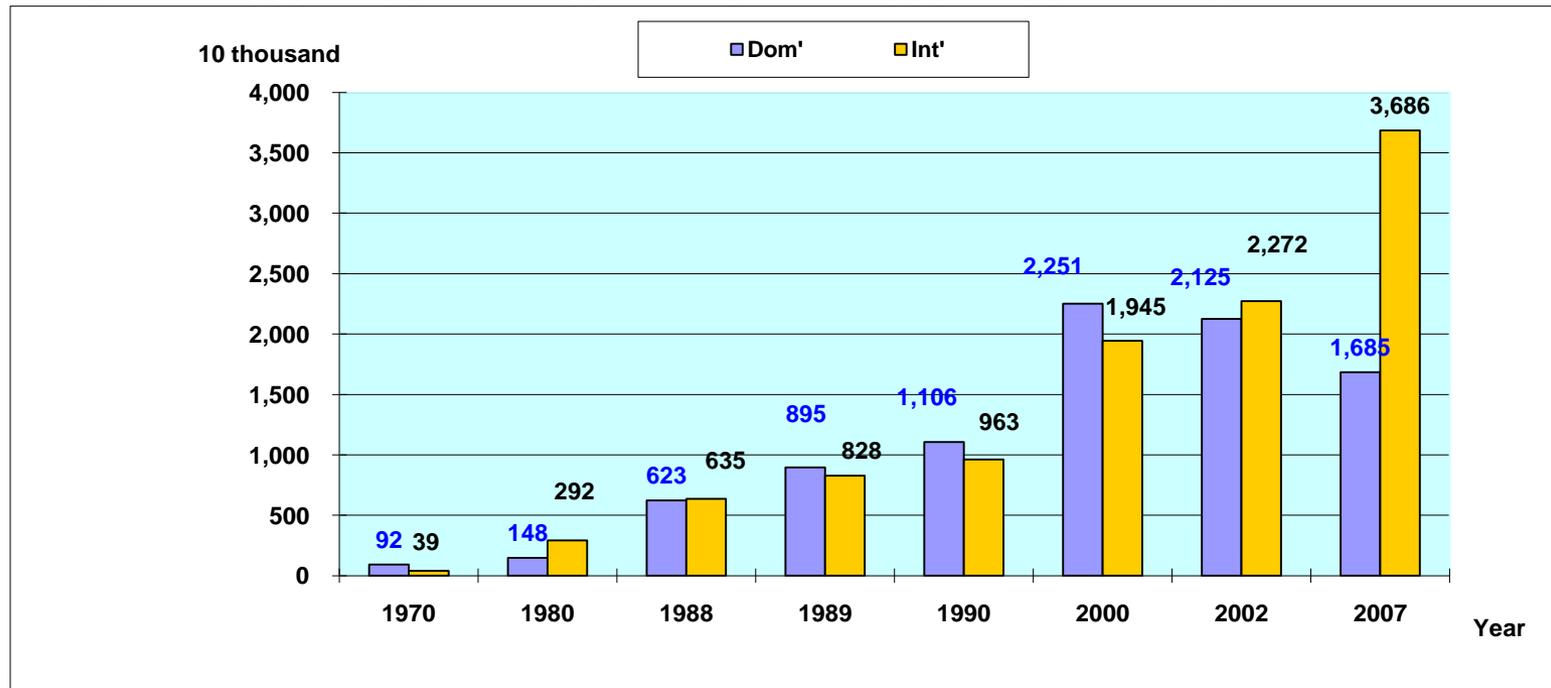
3. Growing Air Transport

◆ 1989: Restriction on overseas travels removed

- International and domestic passenger volumes rose 30.4% and 42.2%, respectively, from 2008 to 2009

◆ Economic growths and income increases leading to increased passengers

- 20 M in 1990 → 30 M in 1994 → 40 M in 2000 → 50 M in 2007



III. International Cooperation in Aviation

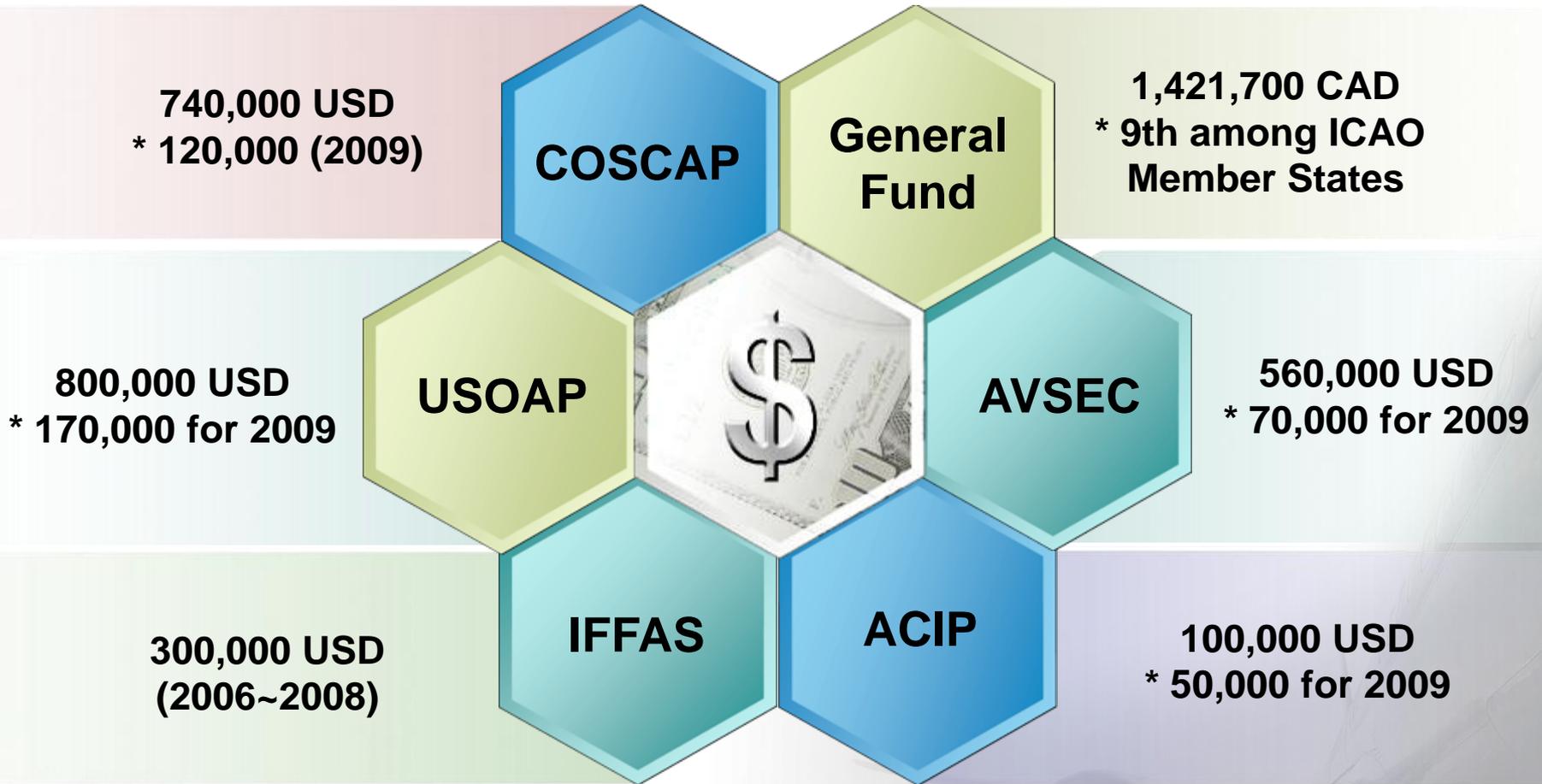
ICAO Activities

Participation in ICAO Activities



Financial Contributions to ICAO

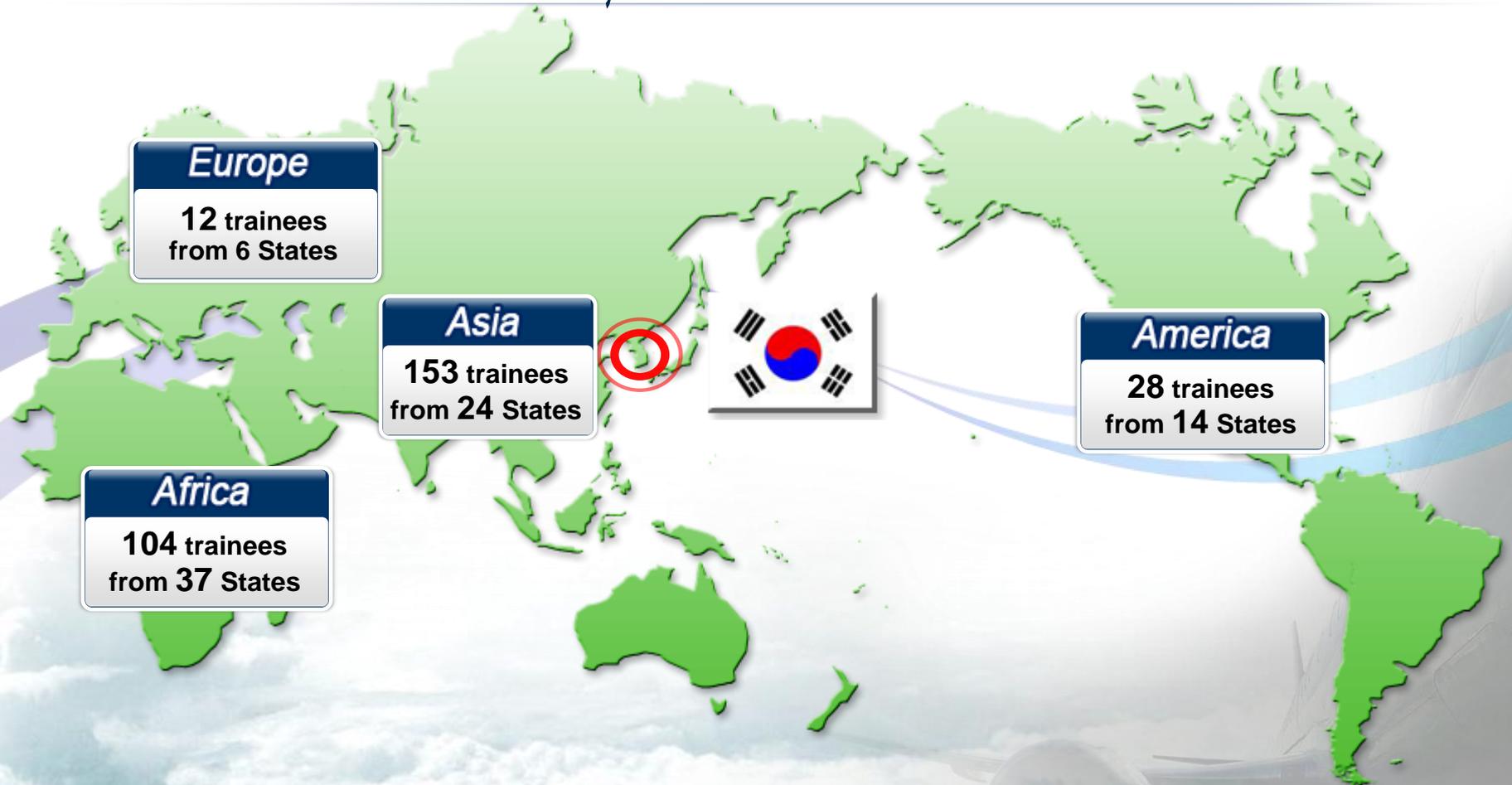
2003 ~ 2009: 12.4 million USD



CASP : 105,000 USD (2006~2007)

KOREA - ICAO Fellowship Training Programme

➤ 3 courses, 297 trainees from 81 States



KOREA - ICAO Fellowship Training Programme

➤ 3 courses (DVOR, GNSS, RAC Courses) for 45 trainees in 2009



SMIS shared with 40 States



➤ SMIS: SARPs Management & Implementation System



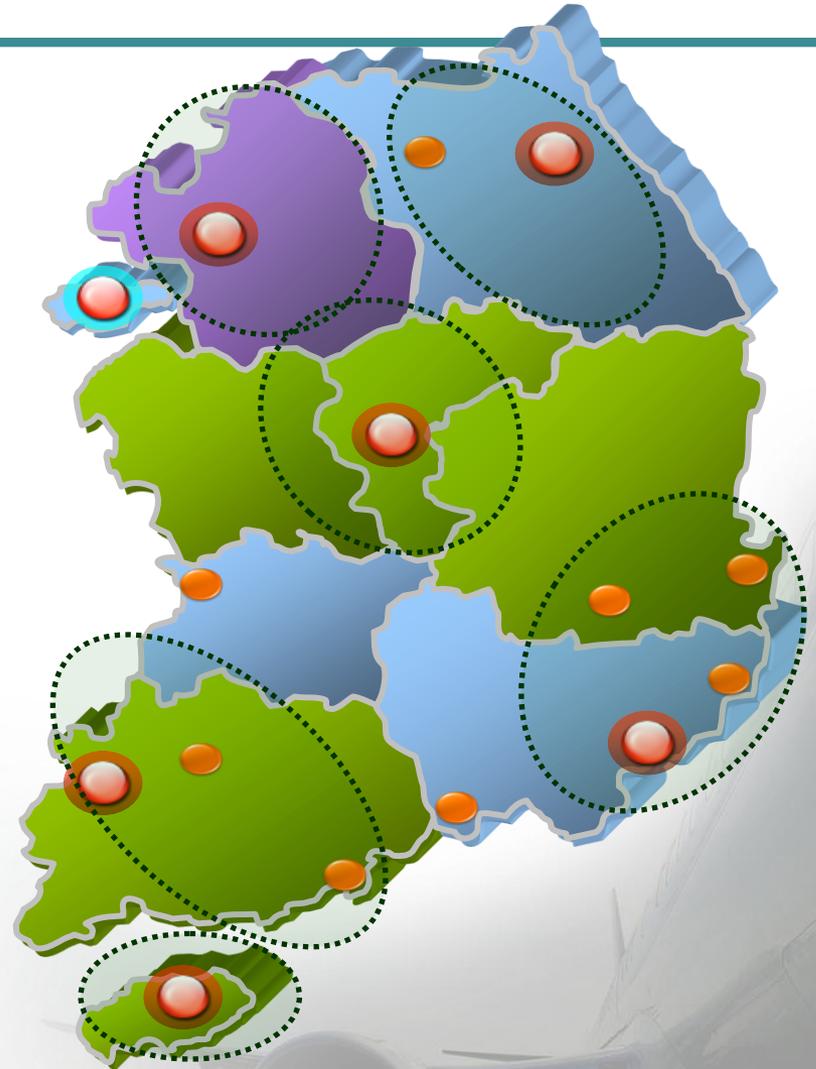
IV. Airports of Korea

1. Airports in Korea

- ◆ 15 airports in operation
 - ❖ 1 national hub: Incheon Airport
 - ❖ 6 regional hubs:

Gimpo	Yangyang
Cheongju	Gimhae
Jeju	Muan
 - ❖ 8 local airports:

Wonju	Gunsan
Daegu	Ulsan
Pohang	Sacheon
Yeosu	Gwangju



IV. Airports of Korea

1. NE Asia's Hub – Incheon Airport

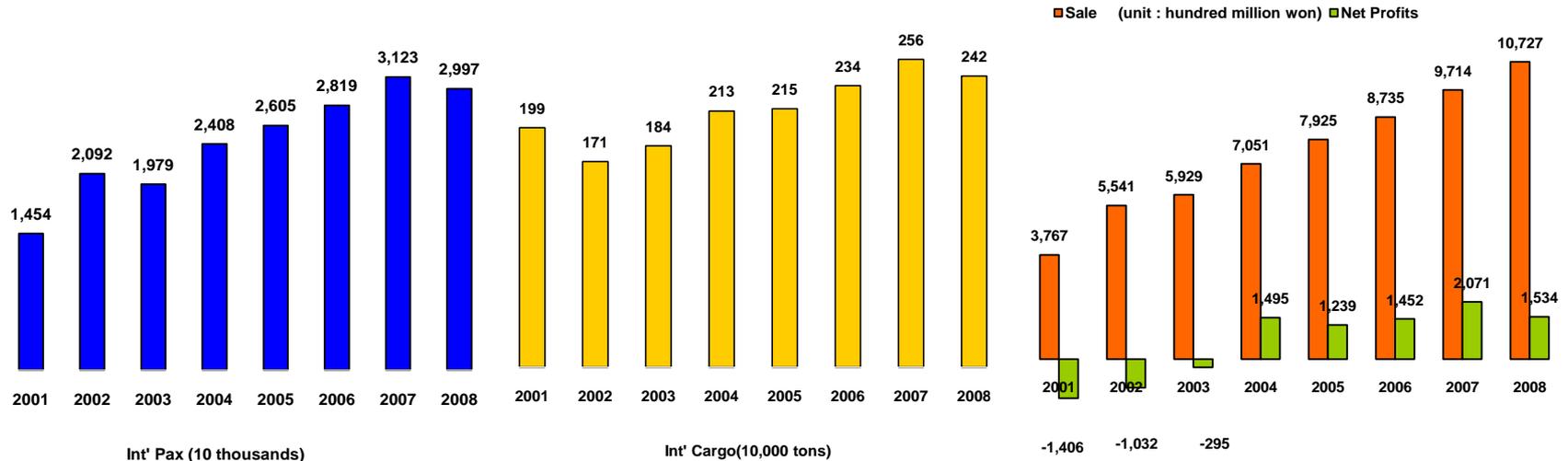
- ◆ **Opened in March 2001 after Phase 1 and Phase 2 completed in June 2008**
 - ❖ **3 runways, passenger terminal, concord (construction cost 8.7 trillion won)**
 - ❖ **Can handle 44 million passengers, 3.8 million tons of cargo, and 410,000 flights per year**



IV. Airports of Korea

2. Statistics of Incheon

- ◆ 11th in passenger and 2nd in cargo transports in 2008
- ◆ Started earning net profits beginning 2004
- ◆ Selected the Best Airport Worldwide for 4 consecutive years (2005~2008) in ACI surveys



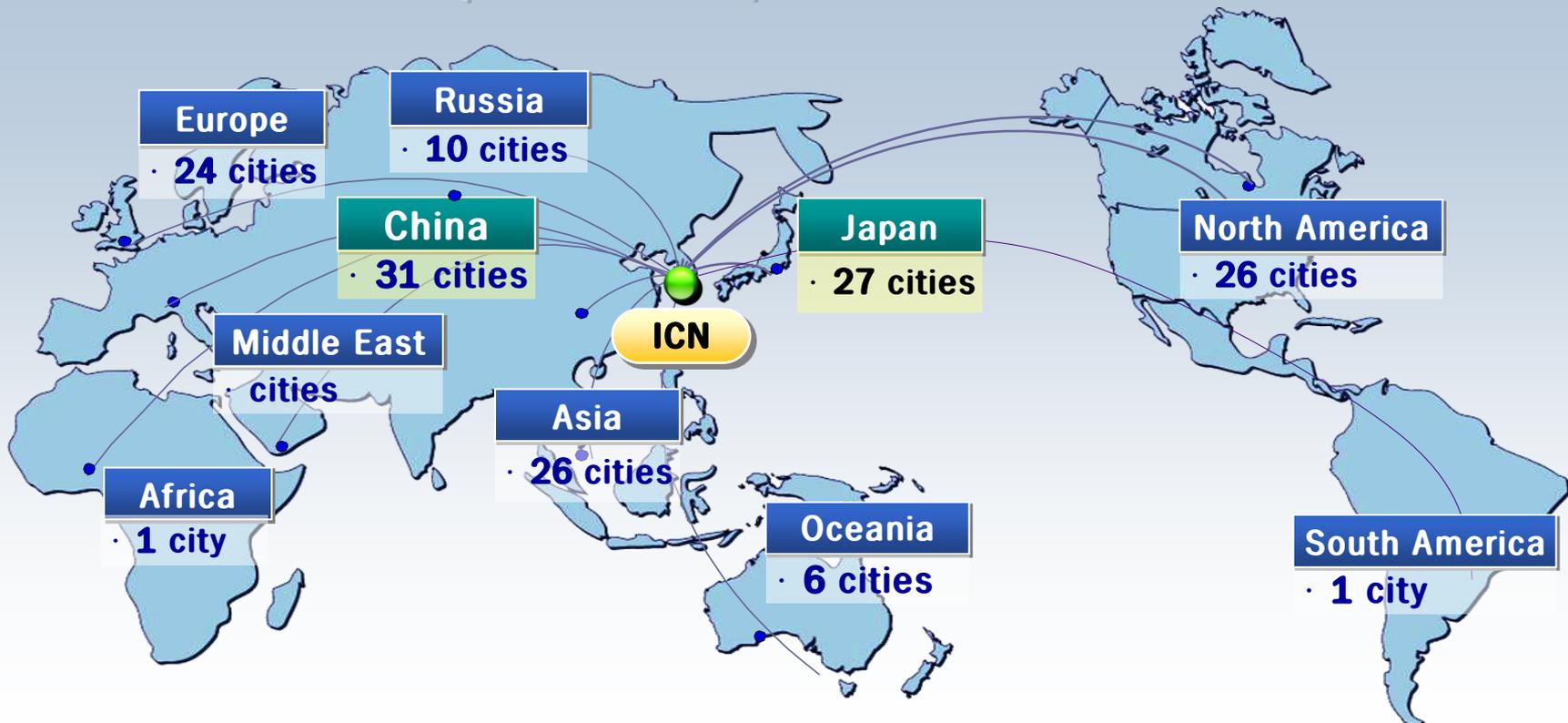
IV. Airports of Korea

3. International network of Incheon

ICN serves 58 airlines connecting 158 cities in 49 countries

◇ CONNECTIVITY, No.1 Gateway to NE Asia

(as of June 2009)



※ At the time of opening in 2001, ICN served 47 airlines connecting 109 cities in 33 countries

V. Boosting Int'l Cooperation and Ready for Future

1. Rejuvenate the air transport industry

- ◆ Revised the air transport licensing system (September 2009)
 - Scheduled/Non-scheduled → International/Domestic/Small-sized (19 seats or less) air transport businesses
 - Responding positively to diverse demands such as air taxis, small volume transports, and various business demands

2. Advancement of Aviation Technologies

- ◆ R&D in progress to develop 4 seater aircraft and developing independent certification technologies and infrastructures
 - ❖ 2007 - 2014: Approx. 120 billion won
- ◆ Research next generation satellite navigation and ATC systems
 - ❖ 2007 - 2014: Approx. 32.9 billion won
- ◆ Develop RFID-based airport passenger/logistics system
 - ❖ 2007 - 2012: Approx. 19.0 billion won



V. Boosting Int'l Cooperation and Readying for Future

3. Boosting International Cooperation

- ◆ **Making greater contributions to ICAO**
 - Financial contributions to ACIP: \$100,000 (2009 – 2010)
 - Financial support of ICAO's aviation safety improvement project (building paperless environment): \$150,000
 - In-kind contributions to ICAO's AVSEC and USOAP (2 experts)
- ◆ **Hosted ICAO led international conferences, COSCAP-NA Operation Committee meeting, and involved in more and more international activities**
- ◆ **Expanding scope of participation in ICAO activities**
 - Planning to send experts to serve on Dangerous Goods and Instrumental Flight Procedures Panels
- ◆ **Strengthen supports to developing countries**
 - Providing customized training for the African region beginning 2009 (13 trainees in air navigation facilities course)
 - Supply to SMIS to more countries and build a permanent system for installation/operation/support of SMIS
 - Provide consultations to interested Asia Pacific countries on ICAO USAOP

➤ Thank You !

