

# *Air Freight Logistics*



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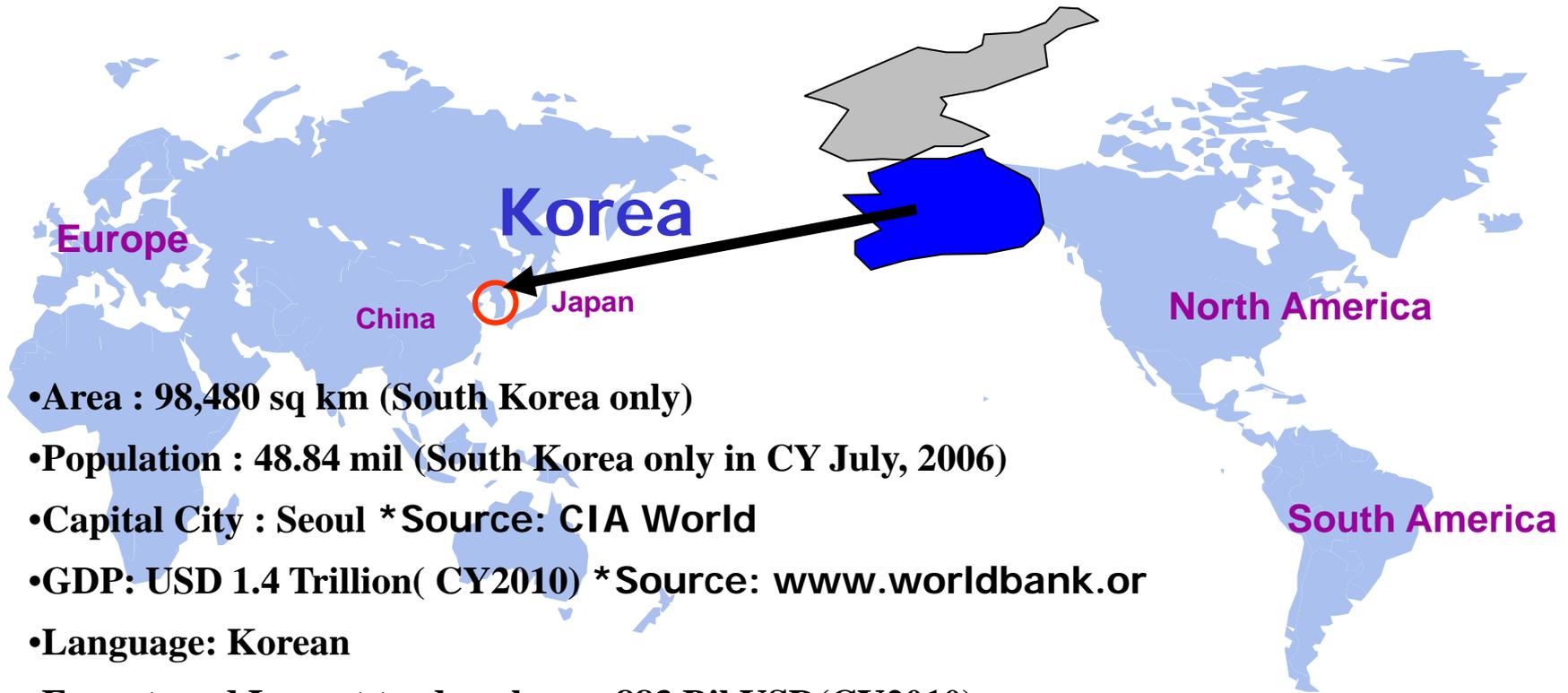


# Agenda

- **Korea Facts**
- **Korea Customs Clearance**
- **Korea Inbound Information**
- **Korea Special Services**



# Korea Facts



- Area : 98,480 sq km (South Korea only)
- Population : 48.84 mil (South Korea only in CY July, 2006)
- Capital City : Seoul \*Source: CIA World
- GDP: USD 1.4 Trillion( CY2010) \*Source: [www.worldbank.or](http://www.worldbank.or)
- Language: Korean
- Export and Import trade volume: 883 Bil USD(CY2010)
- BP Exchange Rate in FY11: USD1 = KRW 1100



# Korea Facts

## Latest Trading Data by major item

(Unit: USD Million)

Item	Export	Inc %	Import	Inc %
Total	36,046	18.6%	36,863	25.8%
Semicon	2,939	-8.3%	2,752	4.2%
Automobile	3,386	4.9%	334	25.9%
Wireless	3,256	41.5%	378	4.1%
Computer	1,114	4.9%	1,105	29.9%

Source: Korea International Trade Association (<http://global.kita.net>)



# ***Korean Customs Clearance***

**Inbound Customs Environment**

**Outbound Customs Environment**



# *KR Inbound Information*

## For Smooth Customs Clearance

1. Clearly indicate Correct Harmonized Code (HS) of the commodities on both AWB and CI
2. Fill in Correct Quantity, Declared value, Description of the Commodity and Weight on both AWB and CI.
3. Fill in right and detailed Consignee Name, Contact Number and Address on AWB



# Customs Clearance Procedures

## ICN Inbound Clearance Categories

Doc	Name	Declared Value	Duty	Paperwork
Doc	Document (Docs)		Non-dutiable  (Low Value Shipments)	AWB  Manifest Clearance
Non-Doc	Informal-A	CIF US\$1 ≤ DV ≤ CIF US \$100  Personal Use /Personal Gift / Sample for Commercial shipment		
	Informal-B (Paperless)	CIF US\$100.1 ≤ DV ≤ \$2000	Dutiable	AWB+CI+ Business.ID# +  Statement+ Etc
	Formal  (Paperless/  Paper)	CIF US\$2000.1 ≤ DV		

# KR Inbound Information

## Basic Duty & Tax Formula

<b>CIF Value</b>
$\text{FOB(Invoice value) + Freight Charge}$
$\text{CIF Value} \times \text{Exchange rate}$
<b>Duty</b>
$\text{CIF Value} \times \text{Tariff(\%)}$
<b>V.A.T.</b>
$\text{CIF Value} + \text{Duty} \times 10\%$
<b>Duty &amp; Tax</b>
$\text{Duty amount} + \text{VAT amount}$



# KR Inbound Information

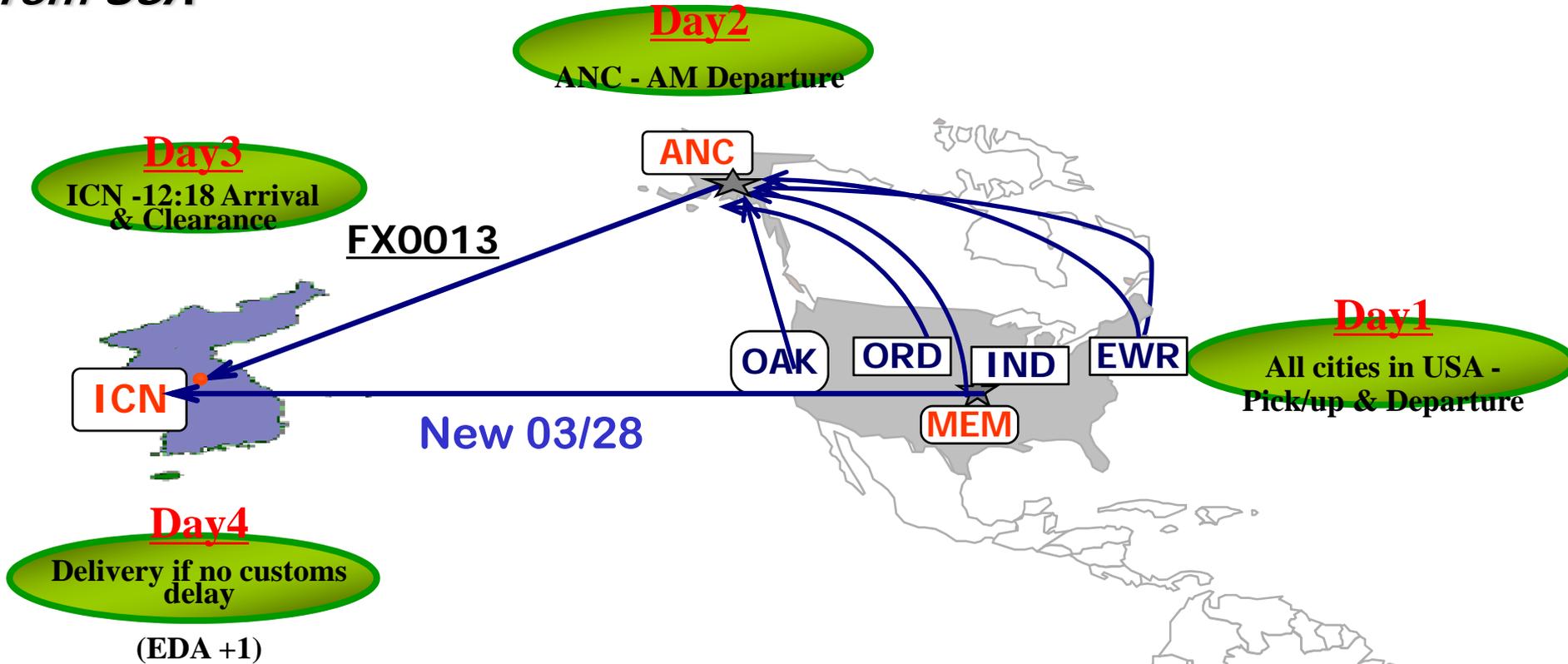
## Prohibited Goods

- Dehydroepiandrosterone (DHEA) hormone drug
- Narcotic drugs
- Stamps, collectible
- Forgeries
- Soil
- Foodstuffs\*\* - shipper must be informed of destination's quarantine required under importer's responsibility
- Firearms
- Pornography
- Full list is available



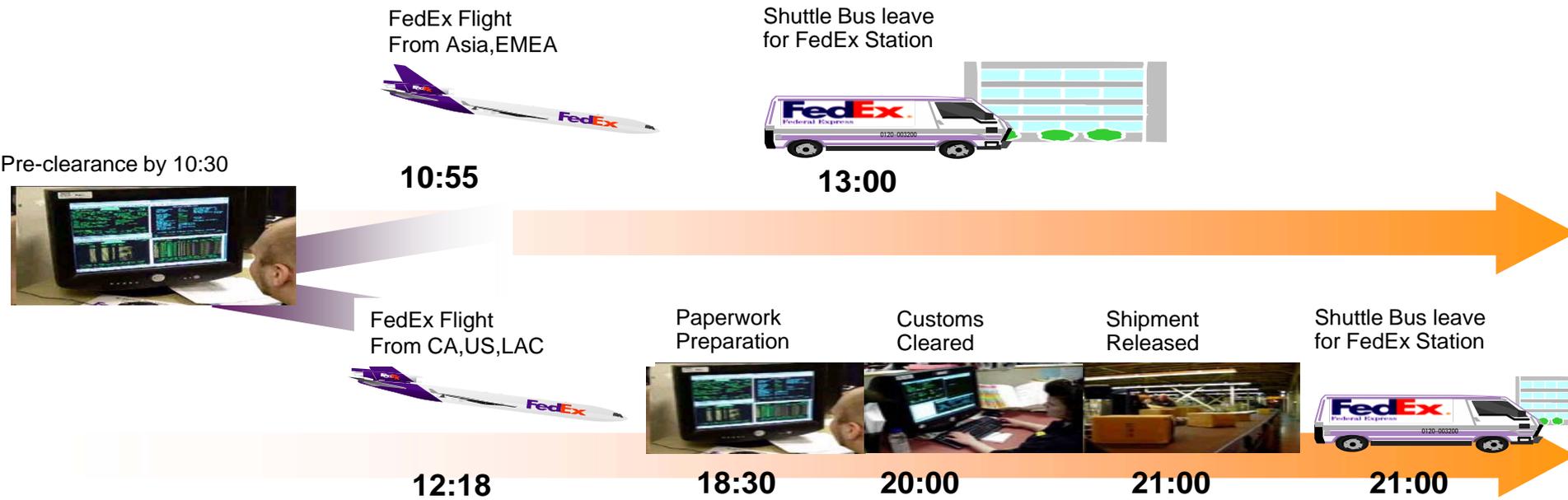
# Inbound Route Map

from USA



# Customs Clearance Procedures

## ICN Inbound Operation Time line



# KR Inbound Information

## *Ancillary Charges other than Duty/Tax*

### \* Warehouse fee

*case 1. BSO shipments not cleared in 3 days after arrival in ICN*  
Carriers may charge from 4th day

*case 2. IP shipments not cleared in 10 days after arrival in ICN → FDX*  
Carriers may charge from 4th day

- Cost calculated based on shipment's weight,  
declared value and Dwell time, etc.

### \* ACR charge

- Consignee's address changed prior to delivery



# KR Service Information

## Bonded Transfer

### What kinds of Bonded Areas in Korea ?

Bonded Factory  
Bonded Warehouse  
Free Export Zone

### Who wants Bonded transfer ?

By Customers who want to use IPBSO option

### Why Customers want Bonded transfer ?

In Most cases, Consignees are using their Bonded Facilities wherein to clear customs by their assigned customs brokers

### If you have query about Bonded Transfer service ?

Please send an e-mail to “KR-CCO-IMPORT”  
for more detailed information

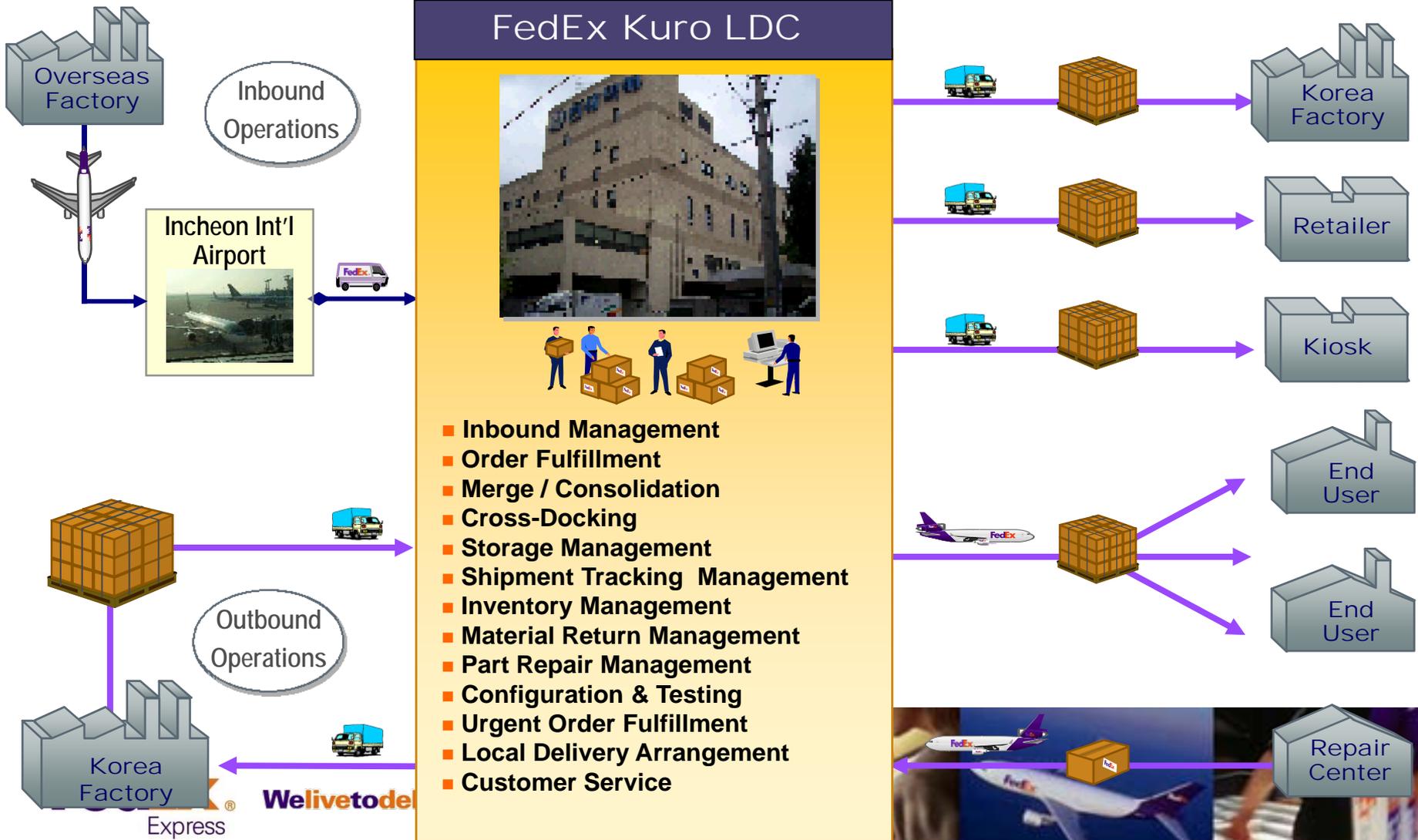
\*\* FedEx does not provide customer with bonded trucking svc.

\*\* FedEx's responsibility and/or svc is to be ended up at the point of releasing transportation ppwk to customer at Gateway



# KR Service Information

## LDC in Korea



# KR Inbound Information

## Useful Websites

Korea Customs Service → <http://www.customs.go.kr>

Ministry of Commerce, Industry and Energy → <http://www.mocie.go.kr>

Korea Int'l Trade Association → <http://www.kita.net>

Korea Trade-Investment Promotion Agency → <http://www.kotra.or.kr>

Korea Environment & Resources Corporation → <http://www.envico.or.kr>

National Plant Quarantine Service → <http://www.npqqs.go.kr>

Strategic Trade Information Systems → <http://www.sec.go.kr>

Korea Food & Drug Association → <http://www.kfda.go.kr>

Korea Medical Devices Industry Association → <http://www.kmdia.or.kr>



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QUESTIONS ?

