

of mortgages on land and, less frequently, equipment. As a rule, the value of the land and buildings, as determined by the Korea Appraisal Board, must be equal to 125 percent of the loan amount.

TARIFFS: See Appendix 2.

TRANSPORT:

Marine:

Most imports enter Korea through Pusan, the country's major port, or through Inchon, which is the port of Seoul. Other major ports include Gunsan, Mukho, Masan, Pohang, and Mokpo.

Korea has a total cargo handling capacity of 95.5 million tons; the Pusan harbor has a cargo handling capacity of up to 25.5 million tons and Inchon, 11.7 million tons; both ports have undergone improvement and expansion. Both Pusan and Inchon are serviced by American, Japanese, and other foreign flag lines, including about 510 Korean flag carriers owned by 70 shipping companies. In 1984, the Korean Government initiated plans to combine many of the numerous Korean flag carriers and rationalize their services to the various markets. Each month, about 700 international vessels, primarily from Japan and the United States, land at Korea's ports. Containerized shipping has been increasing rapidly, with an annual growth rate of about 12 percent. Both Pusan and Inchon have well-equipped container terminals; these two ports handle nearly all of Korea's container commerce. (See Appendix 5).

Air:

Korea has three international airports that have facilities for handling jet aircraft: Kimpo Air port for Seoul and Inchon, the Pusan-Kimhae Airport, and the Cheju Island Airport. Kimpo Airport is served by fourteen international airlines that handle cargo: Korean Air Lines, Northwest Airlines, Japan Airlines, Cathay Pacific Airlines, Pan Am World Airways, Philippine Airlines, Inc., Singapore International Airlines, China Airlines, Thai International Airlines, Air France, Saudi Arabian Airlines, Kuwait Airways, Malaysian Air System and Flying Tiger Airlines.

Korea's airport facilities for passengers and cargo have also been greatly improved during the past several years and are due for further expansion and improvement. The Korean Government is further expanding the facilities at Kimpo.