

International Airport, increasing the capacity of this principal gateway by 1.5 times at a total cost of 197,500 million won (approx. \$295 million). The Government also has a plan to construct a new international airport at a total investment of \$648.8 million during the period 1985-1991.

Recent improvements in the nation's highway network and the extensive use of coastal shipping make it possible for cargo to be forwarded within Korea with little delay. The three largest Korean freight forwarders are Hanjin Transportation, Dong Bang Forwarding Co., and Korea Express Co.

Rail:

The total share of freight carried by rail has increased in recent years despite increased expressway and harbour construction. Due to subsidization the freight rate structure is extremely attractive. All major urban areas are connected by railroad. At the end of 1982, the total track length was 6,113 kilometers. The government-owned and operated Korea National Railway (KNR) maintains a commercial network of 3,121 kilometers.

During the Fifth Five-Year Plan, the double-tracking of certain lines continues and the major ports of Pusan and Inchon are connected to Seoul by double tracks.

Roads:

Road transportation is expanding rapidly. An extensive highway network for shipping materials and products is already in place, and all major cities are connected by hardsurfaced roads. The total road mileage is 53,936 kilometers of which 19,283 are paved.

There are 1,169 privately-owned trucking companies serving major cities and urban areas. Of the total, 25 handle route cargo and the remainder local cargo. Road freight rates vary depending upon the kilometric tonnage transported and are US\$167 for 411-460 tons for one way. Discounts of 20 percent are allowed for round trips.

DISTRIBUTION:

The distribution channels for food and food products is dependent primarily on a large number of small-sized wholesale and retail units. These distribution networks are traditional as well as costly and accounting for a large portion of sales costs.