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INTRODUCTION

A Premier and Trustworthy Global Logistics Hub
01
Ranking Second in Global International Air Freight

Since its inception in 2001, Incheon International Airport has consistently upgraded its logistics infrastructure and network. By 2021 and 2022, it had fortified its role as a central logistics hub in Northeast Asia, processing the second-largest volume of international cargo worldwide.

Initially, Incheon International Airport managed a modest 1.19 million tons of cargo annually. However, by early 2006, just five years later, this figure rose to a cumulative 10 million tons. By the beginning of 2018, it reached 40 million tons, and impressively, the subsequent 3.5 years saw a leap to 50 million tons, showcasing the rapid expansion of its air cargo operations.

02
A Strategic Air Logistics Hub in Northeast Asia

In 2022, out of the 2.95 million tons of international air freight Incheon International Airport managed, transshipment cargo constituted 1.12 million tons, approximately 38% of the total. This significant transshipment ratio, higher than that of its neighboring airports, underscores Incheon’s leading role as a pivotal logistics hub in the region.

03
A Global Gateway with Extensive Air Routes

As of December 2022, Incheon International Airport offered non-stop connections to 152 cities in 53 countries through 87 airlines. The expansive network reaches destinations such as China (20 cities), Japan (6 cities), Southeast Asia (10 cities), North America (27 cities), Central and South America (5 cities), and Europe (18 cities).

04
Preparations to Become a Mega Logistics Hub with the Capacity to Handle 6.3 Million Tons through the Fourth Phase of Construction

Incheon International Airport’s ongoing Phase 4 construction project aims to transform itself into a ‘Mega Hub Airport’, boasting an annual passenger handling capacity of 106 million, facilitating 600,000 flight operations, and catering to a cargo capacity of 6.3 million tons.

The centerpiece of this phase, the fourth runway, was inaugurated on June 17, 2021. Moreover, the anticipated completion of the second passenger terminal by 2024 is set to further cement Incheon’s global prominence in business and logistics.
05
Rising as a Perishable Goods Hub with the Introduction of the Cool Cargo Center

In response to the challenges of the COVID-19 pandemic and the demands of a growing economy, Incheon International Airport has observed an annual 20% increase in temperature-sensitive cargo, which includes vaccines, bio-pharmaceuticals, and fresh produce. To efficiently address this growth, the airport introduced the ‘Cool Cargo Center’ in September 2021. Strategically located AIRSIDE, this cutting-edge facility ensures swift transfers between passenger flights and guarantees secure processing of goods, even in challenging weather conditions, enhancing Incheon’s reputation as a leading hub for perishable goods.

06
Enhancing Customer Competitiveness through Expansion of the Free Trade Zone

The Incheon International Airport Free Trade Zone comprises an airport logistics complex and a cargo terminal area. This structure offers clients an enhanced competitive environment, bolstered by efficient customs procedures, non-tariff benefits, and a range of incentives.

In April 2005, an area of 2.093 million square meters was designated as the Free Trade Zone. This was followed by the addition of 922 thousand square meters to the primary airport logistics complex in December 2007. By April 2020, another 326 thousand square meters was integrated into the Free Trade Zone. Companies operating within this zone enjoy the freedom of manufacturing, logistics, and trade activities and also benefit from reduced rental fees and tariff concessions.

Both the airport logistics complex and cargo terminal areas within the Free Trade Zone are interconnected, ensuring smooth transitions between them. This setup supports various activities, including basic processing, assembly, and specific end-user services, allowing companies to adapt swiftly in a rapidly changing global business environment.

Currently, the airport logistics complex houses 35 logistics firms and 1 manufacturing entities. These entities are evolving from standard import-export logistics to more sophisticated and high-value logistics operations.

The cargo terminal, which includes major airlines like Korean Air and Asiana, features 8 cargo terminals, 3 air freight warehouses, 4 specialized processing facilities, and 2 customs-bonded areas, solidifying its position as a key logistics hub.

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<td>Relevant Facilities</td>
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Sustained Operations Post-Inception and Pioneering in Global Customs Services

Since its establishment in 2001, Incheon International Airport boasts 190,000 hours of continuous and safe operations. Utilizing the sophisticated UNI-PASS electronic customs system of the Korea Customs Service, the airport offers unmatched customs services among the 177 nations affiliated with the World Customs Organization. The 24-hour customs capability ensures seamless logistics operations.

Incheon International Airport Secures the Highest Runway Operation Grade (CAT-III, RVR 75m) as the First in Asia

In 2003, Incheon International Airport became the first in Asia to achieve the highest runway operation grade, CAT-III. This grade corresponds to a Runway Visual Range (RVR) of 100m for landing and 175m for takeoff. Currently, all four of its runways operate under the CAT-III grade, which signifies an RVR of just 75m. This underscores the capability of aircraft to safely land in conditions with runway visibility as limited as 75 meters.
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WHY INCHEON AIRPORT CARGO

Outstanding Infrastructure

Non-Stop Connections to Every Continent, 365 Days a Year

As of December 2022, Incheon International Airport’s cargo transport network connects 43 countries and 107 cities through 25 airlines. When incorporating belly cargo from passenger aircraft, the network expands to 53 countries and 152 cities via 87 airlines. Incheon International Airport remains committed to enhancing its cargo routes consistently, ensuring non-stop connectivity with cities worldwide throughout the year.

Annual Cargo Handling Capacity of 6.3 Million Tons

Incheon International Airport (as of Dec. 2022) is equipped with a logistics infrastructure capable of managing 5 million tons of air cargo annually. Following the completion of its fourth phase of construction, the airport’s capacity is expected to increase to 6.3 million tons per year. Incheon International Airport is strategically positioned for a transformation into a mega hub airport, with plans to progressively develop new cargo terminals to efficiently handle increasing volumes of export-import cargo, specialized consignments, and perishables.

Accelerated Expansion of Freight Terminals for Global Enterprises in the US and Germany

The AACT, a global logistics company, has initiated operations in a new freight terminal, supplementing its existing Atlas Air Cargo Terminal.

DHL, a globally recognized express courier company, has committed to an investment of approximately 175 billion KRW by 2023. This significant investment aims to expand its dedicated cargo terminal at Incheon International Airport to nearly three times its current size. An expansion of the DHL Incheon Hub Terminal, established in 2007, means its hourly express cargo handling capacity is anticipated to rise by 227%, increasing from 8,100 to a remarkable 26,480 items.

Meanwhile, through the customer-tailored development initiative (Build To Suit), the FedEx-exclusive cargo terminal—now expanded to approximately three times its original size—commenced operations in October 2022. The terminal’s annual handling capacity is projected to exceed 170,000 tons.

Enhancing Port Connectivity

Incheon International Airport is actively working to establish and expand an integrated logistics transportation system through the Incheon Port. This strategic move aims to unify South Korea, China, and Japan into a consolidated logistics market. Notably, the Incheon Port, located just 11 km away from the Incheon International Airport logistics complex, boasts 38 shipping lines that deploy 192 vessels, amounting to 89 dockings per week. Furthermore, this port connects to 31 routes in Northeast Asia, covering regions like Japan and China, and another 32 routes in Southeast Asia, reaching places like Vietnam and Singapore. When synchronized with Incheon International Airport’s air cargo network, it offers the potential for efficient management of combined Sea&Air cargo.

In addition, the anticipated introduction of the Road Feeder Service (RFS) offers an exciting prospect. This service envisions domestic freight vehicles in China directly loading cargo onto ferries for seamless transportation to Incheon International Airport. Such an innovative system is expected to reduce the time required for customs clearance and transshipments, enhancing the efficiency of handling Sea&Air cargo in comparison to traditional methods.
Korea’s Leading Integrated Logistics Enterprises Enter the Logistics Complex

As of December 2022, Phase 1 of the Airport Logistics Complex encompasses an area of 992,000 m², with an additional 922,000 m² allocated for the Phase 2 of the expansion. At present, it boasts a 100% contract completion rate and houses 36 prominent domestic and international enterprises, including 35 logistics companies and one manufacturing firm. The diverse business models represented here range from international freight forwarding, Sea&Air combined cargo transportation, commercial shippers, cargo consolidators, to Global Delivery Centers (GDC). A focal strategy for the future is to emphasize attracting emerging growth cargo sectors, such as e-commerce, pharmaceuticals, and perishables. This initiative aims to ensure consistent growth in cargo volume and to drive significant economic value.

The logistics complex also takes pride in its collaboration with iHerb, a renowned global direct purchase platform. This partnership has established iHerb’s international logistics center for the Asian region within the complex. This state-of-the-art logistics center, roughly equivalent in size to four football fields (approximately 10,000 pyeong), is fully operational. With its establishment, it has generated employment opportunities for over 300 individuals and has also generated an economic impact worth 100 billion KRW, marking a significant contribution to the national economy.

Despite the extended challenges posed by the COVID-19 pandemic, the airport logistics complex has maintained a consistent annual cargo volume growth rate of 18% over the past five years. In 2021, the complex welcomed the nation’s top air consolidated cargo company and a premium logistics enterprise that manages e-commerce shipments from China. The momentum continued into 2022 with the successful integration of Hyundai Glovis, South Korea’s premier logistics company, further boosting cargo volume generation.

Completion of Infrastructure Development and Investment Attraction for the 2nd Airport Logistics Complex

To address the evolving dynamics of the air cargo market, a foundational infrastructure has been established to consistently attract global logistics companies. The 2nd Airport Logistics Complex, covering 326,000 m² and divided into 20 plots, represents this initiative.

The 2nd Airport Logistics Complex is strategically advancing its development in three main sectors: promoting emerging growth cargoes, such as pharmaceuticals; generating transshipment cargo; and attracting investments for small to medium enterprises. This is achieved through emerging growth cargo business rights, Global Delivery Center (GDC) business rights, and social value business rights. Recognized as both an economic free zone and a free trade zone, the complex offers an investor-friendly environment with financial incentives based on investment amounts and advantageous tax reductions. Moreover, in alignment with the digital transformation trend in the logistics industry, investment solicitation is centered around forward-thinking business models.

* Enterprises interested in participating in private sector proposals for the development of the 2nd Airport Logistics Complex and the cargo terminal are encouraged to reach out to the Logistics Development Team at the Logistics Department (032-741-2276).
WHY INCHEON AIRPORT CARGO

The Smart Digital Transformation

Introducing the World’s First 100% Online Customs Clearance System, Providing the Fastest Service Among 177 WCO Member Countries

UNI-PASS, an advanced electronic customs clearance system developed by the Korea Customs Service, stands as the world’s first platform enabling entirely online customs clearance. This digital innovation ensures expedient customs procedures, leading to significant cost reductions in the logistics sector. Among the World Customs Organization (WCO)’s 177 member countries, this system offers unmatched efficiency, providing a 24-hour customs clearance environment without delays.

For instance, after the introduction of UNI-PASS, export customs procedures, which previously took more than a day, are now completed in just 1.5 minutes. Import customs processes that used to span two days are completed within 1.5 hours, customs refunds that previously took over three days are processed in 5.2 hours, and customary payments that extended beyond four days are now settled in 10 hours. The benefits of UNI-PASS include time-saving efficiency, accessibility through online and mobile platforms, instantaneous declarations and verifications, and adherence to international standards, all emphasizing its capability to deliver swift and reliable services.

The Air Cargo Information System (AIRCIS) : A Comprehensive Platform for Collaborative Aviation Logistics

AIRCIS serves as a pivotal aviation logistics information infrastructure, built on a foundation of standardized processes. It enables collaboration among diverse civil aviation logistics stakeholders, including airlines, forwarders, handling agents, and customs transportation firms. In addition, AIRCIS delivers B2G services, such as hazardous material declarations, within the cargo sector overseen by the Ministry of Land, Infrastructure, and Transport.

Developed through the synergistic collaboration of the Ministry of Land, Infrastructure, and Transport, Incheon International Airport Corporation, and national airlines, AIRCIS supports standardized workflows and seamless real-time logistics information connectivity. AIRCIS significantly enhances the competitive stance of the aviation logistics industry by reducing logistics lead time.

AIRCIS offers a diverse range of services, such as schedule consultations, cargo booking and tracking, terminal operation inquiries, and D/O checks. These are readily accessible across various platforms, including EDI, web, and open APIs.

Promoting a Paperless Import Cargo Release Process

Since April 2021, AIRCIS launched an EDI-based service for the release of imported goods. This evolution marks a notable shift toward a paperless paradigm in aviation logistics. By replacing traditional paper documents, which customs transporters previously submitted to cargo terminals, with electronic versions, several procedural steps, including document printing and manual submission, have been eliminated. This transformation accelerates the cargo release lead time and boosts operational efficiency. The long-term vision is to expand this paperless approach, aiming for a wholly paper-free process across all phases of imported cargo management.

Electronic Submission of Compliance Documentation

The e-NOTOC service offers a web-based NOTOC drafting tool and platform for the electronic declaration of hazardous materials by airlines. This system is available via both web and EDI interfaces, facilitating airlines in fulfilling their legal reporting obligations in a more organized and secure manner.

Information on hazardous materials aboard aircraft, collated by AIRCIS, reinforces the regulatory functions of the national aviation security control tower. Furthermore, AIRCIS’s statistical services supply the government with pertinent logistics-related policy insights.
Blueprint for a Futuristic
Smart Cargo Terminal Infrastructure

In a joint venture with Korean Air and Asiana Airlines, an agreement has been formalized to establish a pioneering testbed at the Incheon International Airport cargo terminal, named the ‘Future Smart Cargo Terminal Construction Business Agreement’. This initiative seeks to formulate a forward-looking operational model through collaborative research and discussions with on-site operations experts. The ambitious project envisions the integration of Fourth Industrial Revolution innovations, such as unmanned robotics, artificial intelligence (AI), and big data analytics, into the entire span of air cargo operations, targeting the full establishment of this testbed by 2027.

Through the establishment and operation of a testbed, the financial viability and IT technical suitability of the cargo terminal operation will be assessed. With an extensive repository of operational insights at their disposal, the objective is to initiate the operations of the futuristic smart cargo terminal and reallocate airlines by 2030.
Navigation Safety System: 190,000 Hours of Uninterrupted, Accident-Free Performance for Over 21 Years

The Navigation Safety System provides crucial navigational information to ensure the safe transit of aircraft to their destinations. This system comprises:
1. Instrument landing facilities that use radio signals to guide aircraft during landings.
2. Aeronautical communication infrastructure for wireless voice and data transmission between aircraft and ground equipment.
3. Radar installations designed for detecting aircraft locations and assisting in air traffic control.
4. Aeronautical lighting systems that highlight and guide using lights on runways and taxiways.

Incheon International Airport currently operates 50 different navigation safety systems. Since its launch on March 29, 2001, the airport has delivered consistent navigation safety services over 190,000 hours without any safety incidents.

Leading Asia with the Highest Runway Operational Classification (CAT-III, RVR 75m)

In 2003, Incheon International Airport became the first in Asia to secure the highest runway operational classification (CAT-III, with a landing visibility threshold of RVR 100m and a takeoff visibility threshold of RVR 175m). Currently, all four of its runways operate under the CAT-III standard (RVR 75m), ensuring that aircraft can safely land in conditions with as limited as 75 meters of runway visibility.

Integrated Safety Management through the Safety Management System (SMS)

Incheon International Airport utilizes the Safety Management System (SMS) to systematically implement and uphold proactive and integrated safety initiatives. Seamlessly integrated into the broader organizational management structure, the SMS encompasses aspects such as the organization’s framework, available resources, role distribution among staff, and the prescribed authority, responsibilities, decision-making, and oversight protocols.

Three critical indicators guide this system: aviation safety discrepancies, ground safety incidents, and airport facility functional failures. Specifically, aviation safety discrepancies relate to situations where aircraft either collide with equipment or other vehicles or with another aircraft. Ground safety incidents refer to collisions involving vehicles or equipment within specific safety zones. Functional failures of airport infrastructure occur due to issues like inadequate movement area management or when aviation lighting systems cease to operate. Striving to meet these three safety benchmarks, Incheon International Airport collaboratively works with airlines, operations teams, and related agencies.

Achieving “ZERO” Major Accidents

Incheon International Airport has refined its industrial safety and health measures for the workforce’s welfare. By establishing and maintaining a rigorous safety management system, the airport actively pursues measures aimed at enhancing worker safety and preventing potential accidents.

A Trustworthy Airport with Established Systematic Processes, Including Fire Prevention Drills

Despite the challenges brought about by the COVID-19 pandemic, Incheon International Airport has maintained uninterrupted operations for its import and export air cargo. This resilience stems from its deeply ingrained culture of valuing life, coupled with a comprehensive disaster response mechanism. Incheon International Airport, through collaborative efforts, has strengthened the safety consultation framework within the FTZ, ensuring a secure environment for its workers. Regular fire evacuation drills and safety training sessions are conducted for customs brokers and logistics companies. Moreover, with a dedicated airport firefighting brigade available 24/7, swift responses to emergencies are guaranteed, minimizing potential casualties.
WHY INCHEON AIRPORT CARGO

Incomparable Advantage

Expansion of the Free Trade Zone: Simplified Customs and Duty-Free Advantages

The Free Trade Zone (FTZ) at Incheon International Airport, which comprises both the airport logistics complex and the cargo terminal area, offers its clients a distinct competitive edge. This advantage arises from streamlined customs operations, duty-free benefits, and a diverse range of incentives. Companies within this zone enjoy the freedom to undertake manufacturing, logistics, distribution, and trading activities, all the while availing benefits such as reduced rents and deferred duty privileges.

Optimizing E-commerce through the Global Distribution Center (GDC)

The Global Distribution Center (GDC) serves as an international logistics center where products from global shippers are stored. When individual orders are placed, these products are sorted, repackaged, and dispatched. This center is predominantly utilized by e-commerce entities.

Incheon International Airport offers a range of incentives to logistics firms that manage a GDC on its premises. In partnership with affiliated organizations, such as the Customs Office, the airport continuously strives to offer efficient and prompt services. At present, the U.S.-based e-commerce distributor, Spasys1, and Germany’s global logistics firm, DB Schenker Korea, are in the process of establishing their respective distribution centers at Incheon International Airport.

Implementation of Incentives to Attract Cargo Airlines and Global Corporations

As of 2022, Incheon International Airport has been offering a variety of incentives aimed at attracting cargo airlines and major global logistics corporations. Cargo airlines benefit from reductions in landing fees based on different criteria, such as launching new routes, nighttime operations, or initiating new flights. Notably, airlines can receive up to a 100% discount for introducing new services. Moreover, if the annual cargo volume shows an increase over the previous year, proportional incentives are granted.

On the other hand, logistics companies, depending on their investment size, can receive up to 100% waivers on land leases for a period of seven years. Logistics companies can also earn additional incentives if they report a year-on-year increase in cargo volume.

Customized Services for Workers in Incheon International Airport’s Free Trade Zone

Free Trade Zone (FTZ). These services aim to foster collaborative growth conditions, improve worker convenience, and bolster safety measures. In addition, the airport is committed to improving the working environment for its residents by introducing eco-friendly renovations of outdated facilities and bolstering transportation infrastructure.

To accurately gauge on-the-ground perspectives, the airport conducts an annual satisfaction survey targeting the residents of the FTZ. This approach helps in understanding the unique needs of each enterprise and identifying areas of improvement. Furthermore, in a bid to establish a platform for mutual cooperation, the airport facilitates operational committees and safety consultation bodies, holding bi-annual meetings to maintain open channels of communication.
Establishment of an Air Transport System for Temperature-Sensitive Medicines

Acquisition of IATA’s CEIV Pharma Certification: Validation of Incheon International Airport’s Capabilities in Transporting COVID-19 Diagnostic Kits and Vaccines

According to the UK-based market analysis firm, Evaluate Pharma, the global biopharmaceutical market is on a trajectory of consistent growth, with projections placing its worth at $505 billion by 2026. Recognizing this potential, Incheon International Airport is positioning itself at the forefront of the air transport market for pharmaceuticals. The airport’s efforts are concentrated on shaping an industrial ecosystem where all air transportation stakeholders can prosper collaboratively.

In 2019, Incheon International Airport, as a community entity, was bestowed the CEIV Pharma Certification from the International Air Transport Association (IATA). This recognition underscored the airport’s proficiency in handling temperature-sensitive pharmaceuticals such as vaccines. Following the outbreak of COVID-19, Incheon International Airport has showcased its unparalleled expertise in facilitating the global logistics of COVID-19 diagnostic kits and vaccines. Furthermore, in September 2022, the airport successfully secured recertification, underscoring its commitment to maintaining the highest standards in aviation transport quality. This recertification process, rigorous in nature, involves on-site audits and evaluations conducted every three years.

* The CEIV Pharma Certification is a specialized quality assurance system from the International Air Transport Association (IATA) for the air transportation of pharmaceuticals, including vaccines.
Establishment of Infrastructure for Perishable Goods through AIRSIDE Facility Operations and Certification

Initiation of Perishable Goods Facilities to Meet Rising Demand

In September 2021, in response to an annual growth rate of approximately 20% in perishable goods demand, Incheon International Airport became the first in Asia to inaugurate an AIRSIDE (aircraft operation area) perishable goods handling facility known as the Cool Cargo Center. The strategic initiative has effectively minimized transit times while maximizing the preservation of product freshness.

With the introduction of the Cool Cargo Center, Incheon International Airport is now better positioned to adapt to the changing nuances of air cargo trends. Furthermore, it provides a strong foundation for the safe processing of temperature-sensitive items, including pharmaceuticals. This effort cement Incheon International Airport’s status as a pivotal cold chain hub. Beyond pharmaceuticals, the facility is set to handle a diverse range of perishable goods, from delicate foods to plants. Future plans include the establishment of a terminal exclusively dedicated to cold chain cargo.

Securing IATA’s CEIV Fresh Certification:
Validating the Quality and Reliability of Perishable Goods Air Transport

The global perishable goods market is projected to reach an impressive $4.9 trillion by 2030. Simultaneously, the domestic market has shown consistent growth, recording an average annual increase of 9% over the previous five years. Anticipating this rise, Incheon International Airport proactively formed a comprehensive airport community, comprising the Incheon International Airport Corporation, airlines, and logistics companies. This collaboration resulted in the achievement of the IATA CEIV Fresh Certification in November 2022, denoting a high standard in temperature-controlled supply chain management.

This accolade from IATA is a testament to Incheon International Airport’s rigorous standards in perishable goods air transportation, reflecting the excellence of the facility, expertise, and overall management approach. This certification elevates Incheon International Airport’s brand and solidifies its position as a key logistics hub airport. In the future, the airport and its associated companies plan to intensify their collaborative marketing efforts, attracting more perishable cargo.

* The CEIV Pharma Certification is a specialized quality assurance system from the International Air Transport Association (IATA) for the air transportation of perishable goods.
Lithium Batteries

Achieving the World’s First Certification in Lithium Battery Air Transport Quality

Incheon International Airport has become the first globally to secure a certification for lithium battery air transport quality. As a result, Incheon International Airport has achieved international recognition in air transport safety across three key sectors: pharmaceuticals in 2019, perishables in 2022, and, most recently, lithium batteries. With this certification, Incheon International Airport not only establishes itself as the pioneering airport with a quality certification for lithium battery air transport but also as the exclusive airport to simultaneously hold CEIV certifications in pharmaceuticals, perishables, and lithium batteries.

Given the exponential growth of the electric vehicle industry, the trade volume related to lithium batteries has witnessed a remarkable surge. Notably, between 2020 to 2022, the value expanded from 443 million dollars to 628 million dollars, showcasing an impressive average annual growth rate of 19%.

Upon receiving the Lithium Battery CEIV certification, Incheon International Airport is expected to positively influence the attraction of high-value air cargo. Moreover, this distinction reinforces its position as a prominent cargo hub airport in Northeast Asia.

* The CEIV Li-Batt Certification is a specialized quality certification system from the International Air Transport Association (IATA) tailored for the air transport of lithium batteries, considered as hazardous materials.
Fortifying the Logistics Competitive Edge for E-commerce Goods in Asia

Global Distribution Center: An Advanced, Safe, and Smart Logistics Solution
The Global Distribution Center (GDC) is designed to import, store, and subsequently re-export international goods, responding to anticipated domestic demand based on global customer orders. With the increasing prominence of cross-border e-commerce, the significance of such centers has magnified. Incheon International Airport offers a range of incentives to logistics companies operating these global distribution centers. In collaboration with entities such as the Korea Customs Service, the airport is committed to delivering the most efficient and prompt services.

Locational Competitiveness of Incheon International Airport’s GDC
With an extensive connectivity system that covers regions from China and Japan to Southeast Asia, Incheon International Airport presents unmatched locational benefits for the GDC. As a pivotal logistics hub in Northeast Asia, the airport facilitates direct connections to 20 cities in China, 6 in Japan, and 10 in Southeast Asia.

iHerb, an esteemed e-commerce company from the U.S. specializing in dietary supplements, utilizes Incheon International Airport’s GDC for product storage, ensuring rapid deliveries to markets like Japan, Hong Kong, and Singapore. Similarly, the Netherlands-based semiconductor photolithography equipment manufacturer, ASML, stores its newly produced semiconductor equipment and parts at the airport, ready to quickly ship worldwide based on customer requests.

Global Distribution Center (GDC) Construction: Transitioning to an E-commerce Hub
Within the Free Trade Zone of Incheon International Airport, several distinguished entities are in operation. These include the international logistics center of iHerb, a leading U.S.-based e-commerce company specializing in health supplements; the global distribution center of ASML, a semiconductor photolithography equipment manufacturer from the Netherlands; and the global distribution center of Hanjin, a foremost domestic logistics enterprise.

Furthermore, preparations are underway for the design and construction of GDCs by various firms, including Spasys1, a U.S.-based e-commerce logistics company, and DB Schenker Korea, a German global logistics enterprise. Following an agreement reached in 2020, DB Schenker began the construction of their global distribution center in November 2021 and completed constructions in April 2023. It is projected that by 2026, this center’s transshipment cargo will approximate a hefty 17,000 tons.
GLOBAL RECOGNITION

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Reflecting the Rigorous Demands of Global Enterprises: Strategic Expansion and Augmentation

FedEx and DHL Cargo Terminal Enhancement and Expansion

Enhanced Business Efficiency Through Terminal Expansion, Supported by Incheon International Airport Corporation’s Proactive Initiatives

Incheon International Airport recorded the world’s second-highest cargo volume in 2022, building on its record-breaking performance in 2021. This achievement can be attributed to the persistent efforts of the Incheon International Airport Corporation, including strategic investments in airport logistics complexes, cargo terminals, and the successful onboarding of enterprises capable of generating substantial cargo traffic. Leading air cargo companies FedEx and DHL, long-term partners with Incheon International Airport since its opening, have successfully expanded their dedicated cargo terminal facilities, aided by proactive support from the Incheon International Airport Corporation.

FedEx’s Tailored Business Model Enhanced by Incheon International Airport Corporation’s BTS

FedEx, one of the top three global air cargo companies, maintains a strong presence within the Free Trade Zone of Incheon International Airport. Starting from October 2022, they embarked on the expansion of their dedicated cargo terminal, which is now adept at managing an annual cargo traffic of around 170,000 tons. This revamped terminal boasts an advanced automated sorting system, capable of processing up to 12,000 parcels per hour – a figure representing more than a twofold increase in efficiency.

Importantly, the development of FedEx’s upgraded terminal was facilitated under the purview of the Incheon International Airport Logistics Office’s Build To Suit (BTS) initiative. From the early stages of its design, the facility incorporated most of FedEx’s specific requirements, ensuring an optimized structure. Outfitted with rooftop solar panels, the terminal has earned recognition as an environmentally-friendly building by Europe’s G-SEED. Strategically conceived with considerations such as its adjacency to the apron, the terminal seamlessly addresses the intricate demands of global corporations, epitomizing FedEx’s unique operational prowess.

“"When planning our new facility, we approached the Incheon International Airport Corporation with a series of specific requirements to ensure the design would complement FedEx’s current operational efficiency. The corporation not only accommodated all our inquiries but also fulfilled every specification during the building handover to FedEx. We are immensely pleased with our collaboration.”

- Director Jong Yun Kim, FedEx Air & Package Operations -
Proactive Support Enhancing Accessibility and Locational Benefits for DHL’s Terminal Expansion

DHL, another key entity managing the movement of goods within Incheon International Airport, has undergone a significant facility upgrade through a horizontal terminal expansion. The first phase commenced in 2020 and concluded the following year, with the renovated terminal becoming operational since December 2022. The completion of the second phase is anticipated in the latter half of 2023. Occupying a vast 20,000 square meters, the new DHL terminal is three times larger than its predecessor, boasting a cargo handling capacity that’s increased by 2.5 times. Integrated with cutting-edge logistics equipment, such as automated X-ray scanners, a 4km conveyor belt, and an advanced cargo sorting mechanism, the terminal now ensures faster and safer import-export processes.

Furthermore, the expanded cargo handling space has led to a 2.5-fold increase in docking positions. At present, they process 20,000 logistical units per hour, signaling a notable rise in both productivity and efficiency. This capacity caters not only to the growing cargo volume of Incheon International Airport but also contributes significantly to its quantitative and qualitative expansion.

“For air freight operators, aircraft accessibility is paramount. Our expanded terminal specifically addresses these locational prerequisites. The proactive involvement and support from the Incheon International Airport Corporation were invaluable, especially during the business permit approval process. We deeply appreciate their unwavering commitment.”

- Branch Manager Seung Chan Ho, DHL Airport Operations Team -

The role of Incheon International Airport as a central hub in the Northeast Asian logistics market is expected to become increasingly significant. The Incheon International Airport Corporation has actively invested and provided strong support to meet a variety of locational requirements, keeping in mind the successful business operations and efficiency of its global partners, such as FedEx and DHL. This timely and strategic expansion of services is anticipated to act as a promising indicator for Incheon International Airport’s future goal of achieving the highest cargo volume.
Pioneering New Logistics Trends and Unlocking Advanced Growth Opportunities

Re-certification for CEIV Pharma by the Incheon International Airport Corporation, Korean Air, Asiana Airlines, and Schenker.

Acquisition of CEIV Fresh certification by the Incheon International Airport Corporation, Asiana Airlines, LX Pantos, and Seoul Air Cargo.

Incheon International Airport distinguishes itself as the world’s first to secure certifications in pharmaceuticals, perishable goods, and lithium batteries.

With the Incheon International Airport Corporation’s proactive community engagement, educational funding, and provision of resources, the organization has secured the IATA CEIV certifications in Pharma, Fresh, and Lithium Batteries, all of which guarantee stringent quality standards.

Recently, there has been a marked rise in the demand for high-value-added air cargo sectors such as cold chains and biologics. Simultaneously, Incheon International Airport’s capacity for handling perishable cargo has grown at an average annual rate of 11% over the past five years. Moreover, with the explosive demand in the electric vehicle sector, trades related to lithium batteries have witnessed significant expansion.

To navigate these evolving logistics trends, the Incheon International Airport Corporation has bolstered partnerships concerning certifications for pharmaceuticals, perishable goods, and lithium batteries. This collaborative approach has positioned the airport as the world’s inaugural institution to achieve the globally-recognized IATA certifications in CEIV Pharma, CEIV Fresh, and CEIV Lithium Batteries.

The IATA’s meticulous management and certification system for air transportation include CEIV Pharma (introduced in 2017), CEIV Fresh (introduced in 2019), and CEIV Lithium Batteries (introduced in 2021). Each sector demands distinct expertise, given their commitment to ensuring reliable transportation quality.

Incheon International Airport Community (Incheon International Airport Corporation, Korean Air, Asiana Airlines, DB Schenker) Obtains CEIV Pharma Certification (2019) and Re-certification (2022)

The Incheon International Airport Corporation, in collaboration with Korean Air, Asiana Airlines, and DB Schenker, initially attained the IATA CEIV Pharma Certification in June 2019. Complying with regulations that require re-certification every three years, the community successfully underwent the re-certification process in September 2022. Since obtaining its initial CEIV Pharma certification, Incheon International Airport has consistently recorded growth in the handling of pharmaceutical cargo. Over the past three years, the airport has achieved an annual average growth rate of 11.2% in cargo volume (approximately 30,000 tons to 42,000 tons) and an annual increase of 7.3% in value ($14 billion to $17.3 billion).

Scope of Pharmaceutical Cargo Handling at Incheon Airport
Incheon International Airport Community (Incheon International Airport Corporation, Asiana Airlines, LX Panto, Seoul Air Cargo) Obtains CEIV Fresh Certification (2022)

In November 2022, another milestone was achieved when the Incheon International Airport Community, which includes the Incheon International Airport Corporation, Asiana Airlines, LX Panto, and Seoul Air Cargo, obtained the IATA CEIV Fresh certification. Given the shifting trajectory in air cargo towards a larger share of high-value commodities, the decision to swiftly pursue the CEIV Fresh certification was strategic. In this venture, the Incheon International Airport Corporation collaborated with its three partners—Asiana Airlines, LX Panto, and Seoul Air Cargo—over an approximate year-long preparation phase, culminating in the collective acquisition of the CEIV Fresh certification.

Incheon International Airport Corporation’s Leadership in IATA Certification: From Funding to Multi-Tasking Support

In pursuit of the stringent IATA certification, the Incheon International Airport Corporation took the initiative to identify and engage partner companies, leading the formation of a collaborative community. Beyond establishing partnerships, the Corporation acted as a pivotal coordinator, managing meetings between partners and IATA. Particularly for IATA certification, the Corporation facilitated training venues and shouldered the entire training expenses for each company. This commitment significantly eased their financial constraints, enabling each company to train at least two representatives, and in some cases, up to five considering job transfers and mobility.

Having attained the CEIV Fresh certification, Asiana Airlines emerged as the first domestic airline to simultaneously achieve fresh produce (CEIV Fresh) and pharmaceutical (CEIV Pharma) air transport accreditations. From 2019, they successfully transported approximately 85,000 tons of pharmaceuticals worldwide. Amidst the COVID-19 pandemic, Asiana Airlines emerged as a leader, pioneering the transportation of the COVID-19 vaccine as a flagship South Korean carrier.

“The Incheon International Airport Corporation was instrumental in our CEIV Fresh accreditation journey. Their comprehensive support, spanning from offering training venues to covering education expenses, and their active coordination with IATA, was invaluable. The financial assistance, in particular, made a significant impact.”

- Manager Min Park, Asiana Airlines -

“The certification process requires a meticulous checklist of over 300 items – from basic refrigeration and monitoring systems to detailed process manuals. Throughout the evaluation phase with IATA, the consistent assistance from the Incheon International Airport Corporation was indispensable. We’re deeply grateful.”

- Senior Manager Ki Ho Lee, LX Panto Incheon Airport Center -

“With facilities including a 1000m2 refrigerated warehouse and a roughly 400m2 freezer warehouse, we’ve been addressing the growing demand for fresh cargo. The support from the Incheon International Airport Corporation enabled us to secure the CEIV Fresh certification. Given the intricacy of IATA’s certification processes, navigating this terrain independently would have been daunting.”

- Director Yoon Jae Won, Director, Seoul Air Cargo -
After obtaining fresh cargo certification last year, Seoul Air Cargo inaugurated its logistics center in the Incheon International Airport’s logistics complex in November 2019. After achieving an annual air cargo volume of 20,000 tons in 2013, they sustained growth, reaching an air export volume of 30,000 tons by 2015 and consistently registering an annual throughput of 40,000 tons in both 2016 and 2017.

Incheon International Airport Corporation and 10 Partners Secure CEIV Lithium Batteries Certification in May 2023
Acquisition of Joint Certification through the Leadership of the Incheon International Airport Corporation and Community Collaboration

For obtaining the Lithium Batteries transportation certification, adherence to the 10 global safety standards outlined by IATA is imperative. These standards encompass various domains: from manufacturing, testing, packaging, labeling, and documentation procedures for lithium battery transportation to other aspects like transportation procedures, facilities, equipment, and regulations. Benefitting from its prior experience with certifications concerning pharmaceuticals and perishables, the Incheon International Airport Corporation spearheaded a joint certification initiative in December 2022. Collaborating with 10 major stakeholders—including airlines, forwarders, and ground handlers—the collective aimed to ready themselves for the CEIV Lithium Batteries certification. After an exhaustive five-month period of rigorous training and evaluation, all entities successfully achieved the lithium batteries certification by May 2023. Notably, Incheon International Airport Corporation stands as the world’s first institution to secure three distinct CEIV certifications, leading the effort in a collaborative certification manner.

CEIV Lithium Batteries-Certified Entities

<table>
<thead>
<tr>
<th>public corporation</th>
<th>Incheon Airport</th>
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<tbody>
<tr>
<td>Airlines</td>
<td>KOREAN AIR, ASIANA AIRLINES, JEJU AIR</td>
</tr>
<tr>
<td>Ground Handlers</td>
<td>Swissair, LOTTE GLOBAL LOGISTICS</td>
</tr>
<tr>
<td>Logistics Companies</td>
<td>SUNJIN, SCHENKER, LX 환토스, HYUNDAI GLOVIS</td>
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Validation of Incheon International Airport Corporation’s Transport Expertise Through Triple IATA CEIV Certification

Incheon International Airport has set a global standard by becoming the world’s first airport to achieve international recognition across three key sectors: Pharmaceuticals, Perishables, and Lithium Batteries, via IATA’s CEIV Pharma, CEIV Fresh, and CEIV Lithium Batteries certifications.

Following the acquisition of IATA CEIV Pharma (along with its subsequent re-certification) and CEIV Fresh, the CEIV Lithium Batteries certification further emphasizes the Incheon International Airport Corporation’s steadfast commitment. Looking ahead, the Corporation is has positioned itself to actively seek collaborative opportunities to attract both local and global stakeholders in pharmaceuticals, fresh produce, and the burgeoning lithium battery industry. With its unwavering dedication, the corporation plans to bolster investments in its logistics infrastructure, reinforcing its competitive stance as a leading cargo hub in Northeast Asia.
Launch of the LCC Industry’s First Cargo Air Route

Jeju Air Cargo Route

Strengthening Bonds through Incentives and Collaboration:

The Partnership between Incheon International Airport Corporation and Jeju Air

In 2022, Jeju Air pioneered the LCC sector by inaugurating its dedicated cargo-flight services. Beginning with a route between Incheon and Hanoi, the airline has expanded its operations, currently offering 15 flights across three routes, including Yantai and Qingdao in China’s Shandong region, as well as Hanoi. Out of an impressive cargo transport record of 11,200 tons, 8,700 tons are credited solely to its cargo aircraft.

Jeju Air’s choice for cargo operations, the B737-800BCF (Boeing Converted Freighter), aligns with the model of their existing passenger fleet. This strategic decision not only led to considerable cost savings but also enhanced operational efficiency.

Jeju Air’s venture into the cargo domain was a calculated move towards diversifying its operations and widening its reach. The challenges of 2020, especially the downturn caused by the COVID-19 pandemic’s impact on passenger flights, played a substantial role in this transition. Moreover, an anticipated steady rise in air cargo demand further influenced their decision.

Currently, Jeju Air’s cargo operations mainly cater to specialized deliveries and e-commerce packages, including products from Japan’s iHerb, as well as electronic components like those for vehicles and smartphones. Given the intricacies of transporting lithium batteries, the airline has undertaken certification training for their shipment and is proactively planning for its expansion.

The Success Story Behind Jeju Air’s Cargo Route

Central to Jeju Air’s unexpected success in the cargo sector is the relentless support from Incheon International Airport Corporation. From the cargo service’s conceptualization to its official inauguration, the corporation extended its comprehensive assistance, most notably in securing stable slots – a critical aspect for smooth cargo operations.

Jeju Air and Incheon International Airport Corporation’s Win-Win Project

On May 31st and June 1st in Hanoi, Vietnam, Jeju Air and the Incheon International Airport Corporation co-hosted a seminar titled ‘Enhancing Cargo Volumes for Vietnamese Forwarders.’ The event welcomed 61 Vietnamese forwarders and logistics firms. As part of a cooperative marketing strategy, the seminar utilized the ‘cargo incentive’ funds that the Incheon International Airport Corporation provides to airlines, with the primary objective being to engage and educate Vietnamese logistics companies in collaboration with Jeju Air.

During the seminar, the Incheon International Airport Corporation emphasized the strengths of Incheon International Airport’s state-of-the-art logistics infrastructure and its competitive position in the cargo network. In the spirit of this joint marketing initiative, Jeju Air expressed its hope to consistently pursue mutually beneficial win-win projects with the Corporation in the future.

“"When we embarked on our cargo service journey, the Incheon International Airport Corporation showed us unparalleled cooperation, providing substantial support during both the introductory and official launch ceremonies. For cargo operations, a consistent slot, tailored to each country and route’s unique requirements, is an important factor. The corporation’s efforts in slot coordination were a major driving force behind our success.

Introducing our cargo services resulted in a notable achievement with a 12,000-ton transport record, further creating synergistic effects for our passenger routes. As partnerships continue to develop and cargo volumes grow, we remain optimistic. The enduring support and trust from Incheon International Airport Corporation will surely cultivate a lasting win-win relationship between our entities.”

- Head of Cargo Operations Team, Ji Hoon Park, Cargo Business Division, Jeju Air -
Global Awards

2022
- **2022 Asian Freight, Logistics And Supply Chain Awards (Asia Cargo and Logistics Awards)**
  - Best Green Airport Award - Organized by: Asia Cargo News / Awarded Year: 2022
- **25th Korean Logistics Award**
  - Organized by: Korean Logistics Society / Awarded Year: 2022
- **2022 National Service Award (Airport Logistics Division Grand Prize)**
  - Organized by: The Institute for Industrial Policy Studies / Awarded Year: 2022

2021
- **Asian Freight, Logistics And Supply Chain Awards (Asia Cargo and Logistics Awards)**
  - Best Green Airport Award - Organized by: Asia Cargo News / Awarded Year: 2021

2020
- **2020 Asian Freight, Logistics And Supply Chain Awards (Asia Cargo and Logistics Awards)**
  - Best Airport in Asia (Over 1 Million Tons)
  - Organized by: Asia Cargo News / Awarded Year: 2020

2019
- **2019 Asian Freight, Logistics And Supply Chain Awards (Asia Cargo and Logistics Awards)**
  - Best Airport in Asia (Over 1 Million Tons)
  - Organized by: Asia Cargo News / Awarded Year: 2019

2018
- **Air Cargo Excellence Awards**
  - Global Best Airport Award
  - Organized by: Air Cargo World / Awarded Year: 2018

2017
- **Air Cargo Excellence Awards**
  - Best Airport in Asia, Best Fresh Cargo Handling Airport in Asia
  - Organized by: Air Cargo World / Awarded Year: 2017

2016
- **Air Cargo Excellence Awards**
  - Best Airport in Asia
  - Organized by: Air Cargo World / Awarded Year: 2016
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