

Metropolitan area logistics planning incorporating regional characteristics

Summary

□ The Korean government has so far ramped up sites for large scale logistics facilities such as complex logistics terminals and logistics complexes according to the National Logistics Master Plan (2011~2020). However, given the changing logistics paradigm in metropolitan areas, the move by the government has the following limitations.

- Logistics facilities have been supplied by taking a top-down approach based on the nation's estimated total demand rather than based on actual demand by sector and region.
- Specific regional characteristics such as traffic accessibility have not been incorporated into planning.

□ To overcome these limitations, the authorities should map out logistics plans by metropolitan area based on detailed functional analysis, and create a corresponding legal and institutional foundation.

- The characteristics of logistics in metropolitan areas should be taken into account to analyze logistics demand, when establishing logistics plans by metropolitan area.
- Traffic accessibility and rental availability should be considered in selecting a location of logistics facilities.

Policy recommendations

- ❶ To secure sites for logistics facilities in metropolitan areas, logistics characteristics should be taken into account in drawing up the metropolitan area logistics master plan.
- ❷ It is suggested to amend the article 14 of the logistics policy basic act and the article 4 of the act on logistics facility development and operation to choose items for metropolitan areas, estimate demand by item and select location of logistics facility by item.
- ❸ To secure basic data that are necessary to devise logistics plans for metropolitan areas, it is required to diversify items into fresh food and parcel service and overhaul the survey method by Korea Transport Database to narrow down the survey areas to smaller district units, *eup, myeon and dong*.

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