OPPORTUNITIES FOR GROWTH IN SOUTH KOREA

Following a recent AsBAA Discovery led visit to business aviation facilities in South Korea, we caught up with Jaeseong (Jason) Lim to establish the opportunities for the industry and what to expect now the Olympics are over.

What is the status of the maturity of the business and general aviation market in South Korea?

Most flights into South Korea are for business and tourism purposes. The market has slightly improved since the opening of the VIP terminal for business jets in Gimpo Airport (RKSS) in 2016. However, there are only four operators, which are owned by major companies in South Korea. By comparison, there are more than ten handlers and they are very competitive. Public opinion is still a large factor affecting the industry. Many people choose not to use private jets because of the public’s perception of them.

Business jets tend to choose Gimpo (RKSS) over Incheon (RKSI) because of faster CIQ clearance and its closer location to downtown Seoul. The addition of SGBAC (Seoul Gimpo Business Jet Aviation Center) has also improved processes for BA in South Korea.

Although the last quarter was slow, the Winter Olympics had a positive impact on the industry. The breakdown of airport usage can be seen below:

- RKSS (40%) – Most convenient and fast CIQ clear (VIP terminal)
- RKPC (27%) – No visa required for tourism and Casino business
- Rksi (27%) – 24 hrs operation, Convenient for tech stop
- RKPK (5%) – Reliable for visiting shipbuilding companies in South region of Korea

Although the market is small, is there an opportunity for growth?

Yes. The flights are increasing year-on-year and I believe that we will see gradual growth, especially as understanding and processes improve.

The market is also affected by the political environment in Korea. It is expected that flights for business jets will increase as a result of the current “peaceful mood” that is now felt in Korea following the Korea Summit 2018, the US-North Korea Summit and the Winter Olympics 2018.

What services and service providers are needed to make this growth a reality in South Korea?

We need more VIP Terminals in South Korea – especially at RKPC, RKSI airports.

We also need qualified and flexible CIQ services that understand our industry. Now, CIQ in South Korea is very strict because of a lack of familiarity and understanding of business jets. This results in CIQ handling being problematic. With communication and continuous discussion between CIQ and GA companies we can easily improve this issue. Efforts in this regard have already been on-going for some time; the CIQ services in Korea will be stable soon.

Is there an awareness of and interest in the industry among local engineers and other skilled workers?

There is no ground handler who owns FBO and covers full maintenance. Also, there are no aircraft management companies. The Airport Authority and CAB do not assure a terminal belonging to a private company and getting a business jet license is not an easy thing.

Since the business aviation market is still small in South Korea, handlers and operators get support from commercial airlines for ramp handling and mechanics. Now, business jet companies tend to lean on commercial jet companies regarding of ground handling, however when the market is developed, soon business jet companies will be able with full coverage services including their own ramp manpower, ramp equipment and maintenance. Also, when the market for business jet in Korea grows, there will be aircraft managements and charter companies. This will require a bigger workforce but there is limited awareness of the industry as a job creator. The recent AsBAA Discovery visit which brought students from the University of New South Wales to visit facilities in South Korea was a good start. We can start to raise awareness of the industry, the jobs it creates, as well as inspiring young people to join us for their future career.

How do you see the industry changing in South Korea in the next five years?

If we maintain positive and constructive communications with the Airport authorities and CIQ, the industry will rapidly grow. Also, if the economy in South Korea grows, public opinion about business jets will be positive and the acceptance and therefore popularity of private jets will increase. The business jet market in South Korea will also grow if a peaceful situation between South, North Korea and United States can be maintained. In time, there will also be lots of business jets going to North Korea.

Did the Winter Olympics have an impact on the industry?

Yes, it had an impact on the private jet industry in South Korea. In preparation for the Winter Olympics, aviation industries had more interest in business aviation and procedures became much more organised. There were so many flights in Feb 2018 - three times more than last year. It was a great opportunity to prepare an organised system for future business jet industry growth.

Starting with Winter Olympics 2018, the political atmosphere is stabilising to become very peaceful between North and South Korea. The business jets who has postponed their travel because of war risks, are starting their trips again and travelers started to visit South Korea often after they learn about South Korea with Winter Olympics 2018.

Anything else to add for AsBAA members?

Currently slots and parking limited in RKPC and RKPK due to commercial flights taking priority. We recommend having your schedule confirmed early with surplus time for slot confirmation. Earlier settlement of schedule is recommended as parking spot and slots are allocated on a ‘first-come, first-serve’ basis. Also, most of the other rural airports have lack of parking because of commercial flights. As the airports have only 1-2 parking spots, we recommend parking in RKSI (3 days available) or RKSS (7 days available).