South Korea Cold Chain Market Future Outlook and Projections

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The report titled "South Korea Cold Chain Market Outlook to 2023 – By Cold Storage (Ambient, Chilled and Frozen Warehousing) and Cold Transport (Land, Sea, and Air), By Application (Dairy Products, Fruits and Vegetables, Meat and Seafood, Pharmaceuticals and Others) and By Ownership (Integrated and Third Party Logistics)" provides a comprehensive analysis of the cold chain market in South Korea. The report covers various aspects including overview and market size, market segmentation, stakeholders, value chain analysis, major players, competitive landscape, end-user potential in the cold chain industry and more. It also covers growth drivers, trends and developments, issues and challenges in the cold chain market along with the regulatory framework of the industry and SWOT. The report concludes with market projection for the various segments and analyst recommendations highlighting the major opportunities and cautions for the cold chain market.

South Korea Cold Chain Market Overview and Size

The market was observed to be at a growing stage owing to the increasing dependence of the country on imports of fruits and vegetables to meet its food requirements coupled with the rise of 3PL's and active participation by the pharmaceutical industry in the country. The growing the prominence of e-commerce coupled with the rise in consumer demand for perishable foods and expansion of food retail chains by multinationals have augmented the growth of the cold chain industry over the years. Increasing government investments in logistics infrastructure and warehouse management systems along with technological advancements in packaging, processing, and storage of seafood products are anticipated to drive future growth.

South Korea Cold Chain Market Segmentation

By Type of Market (Cold Storage and Cold Transport): The rising consumption of refrigerated products such as meat, seafood, fruits, and vegetables, dairy among others in the country are the major users of cold storage facilities which require cold transport facilities in order to be transported to the storage warehouses and then finally to the end-users, thus augmenting the growth of the cold chain industry in the country.

By End-User Application (Meat and Seafood, Fruits and Vegetables, Pharmaceuticals, Dairy Products, Bakery and Confectionery, and Others): Meat and seafood industry was analyzed to account for the majority share in terms of revenue in 2018. Active participation by the pharmaceuticals industry in recent years has positively impacted the cold chain industry in South Korea and contributed the second-highest revenue share followed by other categories such as Fruits and Vegetables, Dairy products, Bakery and Confectionery and Other products.

By Ownership (Owned and Third Party Logistics (3PL) Warehouses):

The Third Party Logistics (3PL) facilities dominated the Cold Chain market in South Korea, due to the increasing number of 3PL operators providing a wide variety of integrated services which are opted by cold chain operators as the cost of establishing cold storage warehouses and maintaining the fleet for refrigerated transportation is significantly high in the country.

South Korea Cold Storage Market Segmentation

By Temperature Range (Ambient, Chilled and Frozen): Out of the three temperature ranges, chilled storage was observed to be the leading contributor to the revenue of the cold storage industry owing to the huge demand for meat and seafood, pharmaceuticals and other processed foods in the country. The remaining revenue was contributed by ambient and frozen storages.

By Region (North, Central, and South): The northern region comprising of cities such as Seoul and Incheon was analyzed to account for the highest share in the revenue of the cold storage the market as it acts as a hub due to the developed infrastructure and highest population in the region. The central region contributed the second-highest share which was followed by the Southern region including Busan and more.

South Korea Cold Transport Market Segmentation

By Mode of Transport (Land, Sea and Air): Cold transport through the land contributed the highest revenue to the cold transport industry due to the excellent road infrastructure and connectivity in the country. Sea and air transport accounted for the remaining share in the industry.

By Mode of Land Transport (40 Footer Reefers, 20 Footer Reefers, and Others): Among the land transport facilities available in the country, the 40 footer reefers are the most commonly used ones because of cold transport business except the last mile delivery is usually done in bulk and the capacity of the truck in metric tons is much higher as compared to other reefers. The remaining share was captured by 20 Footer Reefers and others including 6 wheelers, 8 wheelers, and 10 wheelers.

By Location (Domestic and International): Cold transportation to domestic markets accounted for the majority of the revenue of the cold transport industry due to the reliance of the country on imports for its food requirements. International cold transport contributed a meager share to the revenue of the industry as very few products such as seafood and pharmaceuticals are exported.

Competitive Landscape in South Korea Cold Chain Market

The South Korea cold chain market is fragmented in nature with the presence of multiple domestic and international players, organized 3PLs and unorganized small players operating in the market. Companies were observed to compete with each other on the basis of parameters such as warehousing space, temperature range, price, location and the provision of another value-added service. Major players in the cold chain market include Lotte Logistics, CJ Logistics, Dongwon Industrial, Borim Logistics, Dongbu Express, Hansol Logistics, DB Schenker, Daelim Corporation, GS Global, DHL, Ottogi Logistics, Pantos Logistics, and Others.

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In the future, it is anticipated that South Korea Cold Chain market in terms of revenue will increase at a double-digit CAGR of 13.6% during the period 2018-2023E. The constantly rising demand for products such as meat and seafood, dairy products, fruits and vegetables and other frozen and processed foods in the country coupled with the active participation of the pharmaceutical the sector, increase in government initiatives to develop the logistics infrastructure is expected to propel the growth of the cold chain industry in the country. Additionally, increasing adoption of warehouse automation technologies such as EDI, RFID, AS/AR and others are expected to improve operational efficiency of South Korea cold chain market over the forecast period 2018-2023E.
