

## 5. The Function and Economic Effects of Establishing Logistic Free Zone in the Port of Pusan

무역학과 손애휘  
지도교수 이수호

This paper probes the necessity and feasibility of establishing a logistic free zone in Port of Pusan. It considers the logistics function of Pusan Port and the economic effects of establishing the logistic free zone, and suggests policy prescriptions for introducing the free zone system and improving the logistics functions of Pusan Port.

Using input-output table data, the regression analysis was able to provide a quantitative prediction on effects of making the Pusan Port a tariff-free zone. Influence for the regional economy due to the enforcement of the free zone system, we found that a strong positive effects should be expected on the Pusan regional economy once the logistic free zone would be set up at the Port of Pusan. The positive economic effects on Pusan regional industries might be further strengthened if the value-added logistics function of Pusan Port could be supplemented by linking to the hinterland of Pusan Port.

