

# **The Food and Beverage Market Entry Handbook: South Korea:**

**a Practical Guide to the Market in South Korea for European Agri-food  
Products**



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# 1 The Food and Beverage Market Entry Handbook: South Korea

This Handbook is intended to act as a reference for those agri-food producers planning for, or in the process of entering, the South Korean market. This Handbook provides **step-by-step guides** on entering the agri-food market in South Korea including relevant information such as **analysis of the South Korean market** for different product categories, **market access** and **market entry procedures**, **IP protection**, **referrals to professional buyers** and a signposting and referral system providing useful contacts and ways to penetrate the South Korean market.

## 1.1 How to use this handbook

Depending on your stage of market entry, company profile, and product range, different sections within this handbook will be helpful to a different extent for your business strategies.

For those wishing to learn more about the South Korean food and beverage market in general, section 2 provides a general country overview; section 3 provides an overview of the agri-food market; and section 4 an overview on market entry. These latter two sections contain information on: the food and beverage market, market access procedures, customs procedures, SPS and labelling requirements, intellectual property protection, including the status of geographical indications. The information contained within these sections is of a general nature and so may not be relevant for those in the more advanced stages of market entry.

If you want to find out more information relevant for your product, then check out the **Market Snapshots for Selected Products** (section 4.4). This content illustrates the market situation, market access procedures, SPS requirements etc. specific for this product or product category. This information will provide more industry specific information to consider as part of any market entry or market expansion strategies.

If you already have decided that the South Korean market is where you want to be, but you need some support, then the **Support Services Directory** can point you in the right direction. Contact information for a service provider, business facilitation support organisation, or from a business contact, could help put you in touch with the right parties who can help you to build your brand in the South Korean market.

## 2 Country introduction and overview



<b>Capital:</b>	Seoul
<b>Population:</b>	51.4 million (2017)
<b>Area:</b>	100 210 sq. km (140 757sq miles)
<b>Political structure:</b>	<ul style="list-style-type: none"> <li>• Presidential representative democracy</li> <li>• National Assembly as unicameral legislature</li> </ul>
<b>Major language:</b>	Korean
<b>Major religions:</b>	No formal affiliation (56%); Protestantism (20%); Buddhism (16%).
<b>Life expectancy:</b>	80 years (men), 86 years (women)
<b>Currency:</b>	South Korean Won (KRW); EUR 1 = KRW 1287
<b>GDP growth:</b>	3.1 % (2017)
<b>Exports:</b>	43.1% of GDP (2017)
<b>Imports:</b>	37.7% of GDP (2016)
<b>Main exports:</b>	Machinery (41%); Transportation Machinery (18%); Metals (8%)
<b>Main imports:</b>	Machinery (29%); Mineral products (22%); Chemicals (9%); Metals (9%)
<b>Unemployment rate:</b>	3.7% (2017)
<b>Labour force:</b>	63% (2017)
<b>Main industries:</b>	<ul style="list-style-type: none"> <li>• <b>Agriculture:</b> 2% GDP</li> <li>• <b>Industry:</b> 39% GDP</li> <li>• <b>Services:</b> 59% GDP</li> </ul>
<b>Household income:</b>	EUR 50 997 (2017)
<b>Household expenditure on food and beverages:</b>	EUR 4 702 (2017)
<b>Food and beverage market:</b>	EUR 90 billion (2017)

Sources: Statistics Korea (2016/18); Euromonitor International: Economies and Consumers, 2018; IMF; UN, World Bank; WHO, ECB

## 2.1 Country overview: South Korea at a glance

### 2.1.1 Past economic and political trends

- ***Fast economic growth mainly driven by export-led industrialisation following the establishment of the country (1948) and end of the Korea war (1953).***
- ***Country has emerged stronger from the Asian financial crisis of the late 90s, with a shift to market orientation and technological exports playing important roles in this.***
- ***The economy has been steady in recent years despite some recent turbulence in domestic politics.***

The First Republic of Korea was established in 1948 following World War II. Immediately after the war, the Korean peninsula was divided along the 38<sup>th</sup> parallel, with the north occupied by the USSR, and the south by the US. Efforts to reunify Korea as a whole failed, leading to the establishment of a government in the south, followed by the proclamation of a separate government in the north (Democratic People's Republic of Korea); events which effectively cemented the division of the Korean peninsula. In 1950, north Korean forces invaded the south, sparking the Korean war. Armistice negotiations were concluded in 1953 after two years of negotiations and three years of war. This led to the establishment of the present day 4km demilitarised zone (DMZ) between with north and south, which diagonally crosses the 38<sup>th</sup> parallel and separates the two countries.

Following the end of the Korean war, the country passed through 30 years of turbulence, with periods of more democratic rule interspersed with periods of more autocratic or military rule. Despite this turbulence, the economy grew quickly between the early 1960s and late 1980s; primarily driven by rapid, export-led industrialisation encouraged by the government. Indeed, GDP growth was generally above 10% during the 1970s, though inflation was also high. The sixth republic of Korea<sup>1</sup>, which was established in 1987 has stabilised as a democracy. The late 1980s and early 1990s were marked by high but falling GDP growth rates (e.g. almost 12% in 1988 falling to just under 7% by 1993<sup>2</sup>) and inflations rates fluctuating around 6%. The 1988 summer Seoul Olympics, the year after the establishment of the sixth republic, put South Korea on the world stage. Around the same time, a push towards production for high technology industries (in the place heavy industry) started; leading to the present-day recognition of South Korea as a major exporter of technology products.

South Korea joined the OECD in 1996, but the subsequent year it was hit by Asian financial crisis. While this hit east Asia as whole, South Korea was among the countries most affected. The currency, the south Korean won, lost over 50% of its value vs the dollar at the peak of the crisis; the economy shrank by 5.5% in 1998; and various large South Korean conglomerates failed. The country emerged from the crisis in 1999, and grew strongly in the early 2000s, spurred by a shift to a more market orientated economy (rather than the more centrally planned one which had remained since the earlier push for

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<sup>1</sup> This is also the sixth republic since the original establishment of South Korea in 1948.

<sup>2</sup> According to World Bank data <https://data.worldbank.org/indicator/NY.GDP.MKTP.KD.ZG?locations=KR>

industrialisation). Growth steadied around the 4-5% level in the mid-2000s before the recession of the late 2000s impacted demand for exports, and hence the economy. That said, increases in domestic consumption helped the country navigate the recession and exports have subsequently rebounded.

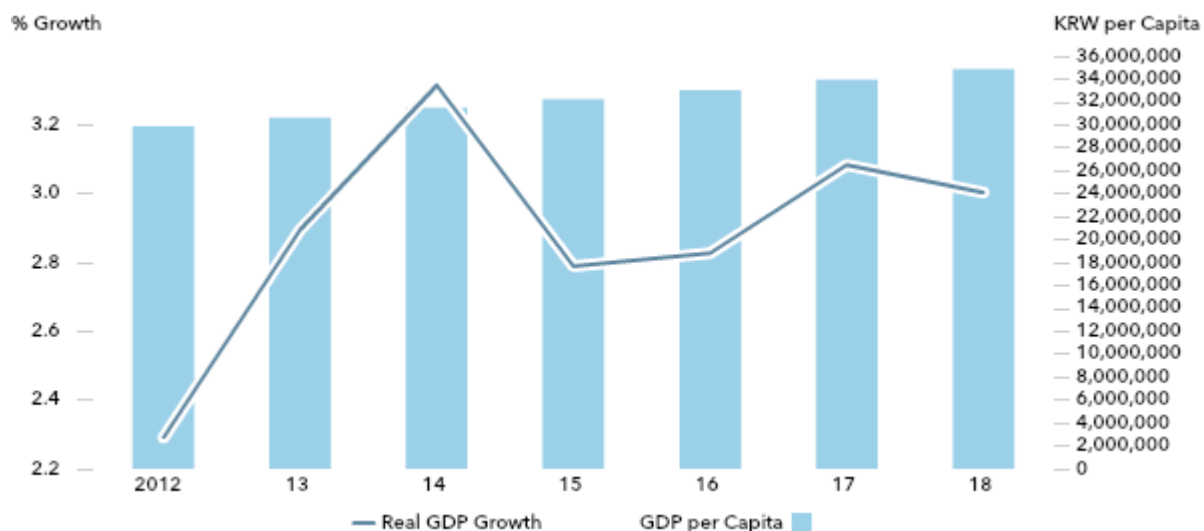
With the exception of the financial crisis, growth and inflation have remained fairly steady since the mid-2000s, despite some political turbulence. .

### 2.1.2 Current economic situation and mid-term outlook

- **Lower, but more stable growth and inflation in recent years.**
- **Stable growth expected for the immediate future; upward pressure on wages may increase consumption over the short term.**

Since the recession of the late 2000s and subsequent bounce back, growth has stabilised at a lot lower level (2-3%) than historically (often double digit). This may be considered a result of South Korea's transition to a developed economy. Indeed, it is now among the world's top 15 economies by overall GDP despite its modest size; with a per capita GDP comparable to that of many EU Member States (Figure 2-1). This economic stability has been achieved despite some disruptive events in domestic politics.

Figure 2-1: Real GDP Growth and Per Capita GDP in South Korea: 2012-2018



Note: Data for 2018 is forecast. GDP per capita are in constant 2017 prices

Source: Euromonitor International: Economies and Consumers, 2018

Looking forward, the economy is forecast to continue to grow around the 3% mark per year. There are however continued risks. Foreign Direct Investment has been volatile in recent years as foreign investors redirect it to markets which are considered more attractive – often emerging economies in the neighbouring region. While domestic consumption has become more important, the economy continues

to be influenced to a fair extent by global demand for its exports; electronics in particular. Indeed, the small recovery since 2016 was largely fuelled by demand for exports.

With nearly full employment – unemployment is under 4% - there is upward pressure on wages. The legal minimum wage was also recently increased by almost 17%, with a further increase of 11% expected in 2019. These two factors may increase disposable income and drive consumption in the short term. The aging population, which is shrinking the working age population may also have impacts on the economy over the longer term (see section 2.1.3)<sup>3</sup>.

### 2.1.3 Populations trends

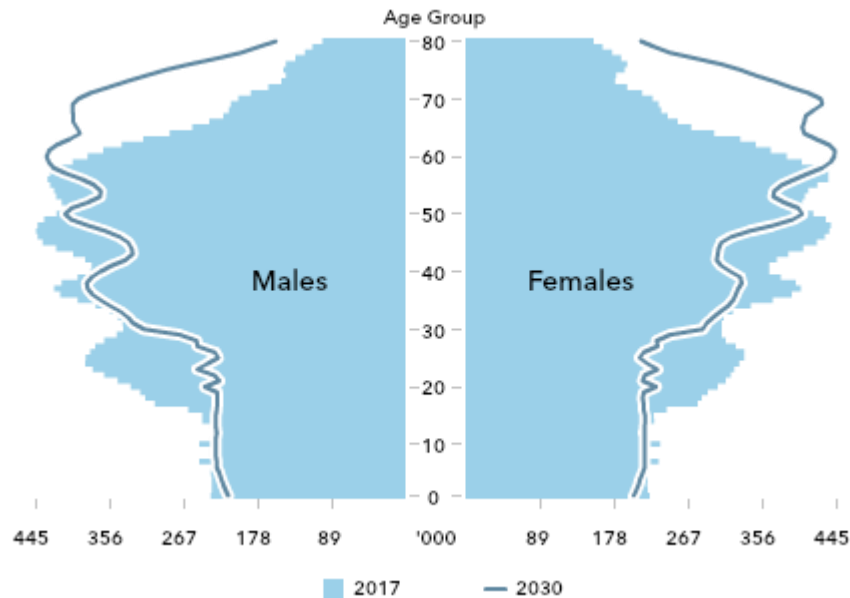
- ***Population is growing slowly and aging fairly quickly.***
- ***Labour shortages a risk over the medium term.***

Since mid-1990s, South Korea's population has grown slowly (under 1% per year) and at a decreasing rate; most recent figures place the growth rate at around 0.4%. This slow growth is expected to continue going forwards. At the same time, the population is aging; the average age was 41.9 in 2017 compared to 31.8 in 2000; and is forecast to continue increasing going forward (Figure 2-2). As there is nearly full employment in South Korea at present, these demographic factors – which mean the labour force is likely to shrink – may risk labour shortages and the associated economic impacts over the medium term if remedial action is not taken.

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<sup>3</sup> <http://www.oecd.org/economy/korea-economic-forecast-summary.htm>  
<https://www.reuters.com/article/us-southkorea-economy-growth/south-korea-cuts-economic-growth-outlook-wage-hikes-seen-choking-jobs-recovery-idUSKBN1K805Q>  
<https://www2.deloitte.com/insights/us/en/economy/asia-pacific/south-korea-economic-outlook.html>

Figure 2-2: Age Pyramid in 2017 and 2030 in South Korea



Source: Euromonitor International: Economies and Consumers, 2018

The population is fairly homogeneous – ethnic Koreans account for over 95% of the population. The largest minorities are Chinese, Vietnamese and North Americans. In terms of religion, the majority of the population has no official religious affiliation. Almost all of the 44% with an affiliation follow Protestantism (20%), Buddhism (16%) or Catholicism (8%).

The country is fairly densely populated as whole; and as large parts of the terrain (almost 70%) are effectively uninhabitable, the population is focused in certain very densely populated areas. It is unsurprising that the population is therefore mainly (82%) urban (see also section 2.2)<sup>4</sup>.

## 2.2 Geography and key markets

South Korea occupies the bottom half of the Korean peninsula; with North Korea (beyond the demilitarised zone) occupying the top half. With the exception of the border to the north, it is surrounded by sea. The terrain is mainly mountainous; indeed, only about 30% of the country is considered to be habitable lowland. More specifically:

- The **eastern** portion of the peninsula is mountainous with only a thin strip of lowlands along the coast.
- The **western** portion consists of plains along the sea which give way to mountains inland.
- The **south** consists of a combination of mountain ranges, valleys and, in the south east, plains.

<sup>4</sup> Statistics Korea

<https://data.worldbank.org/indicator/SP.RUR.TOTL.ZS>

<http://worldpopulationreview.com/countries/south-korea-population/>

This topography leads itself to a concentration of the population in the western part of the country, with a secondary concentration in the south-eastern corner; and relatively sparse population in the east.

Administratively, South Korea is split into 17 top tier administrative divisions. These top tier divisions are not all the same in nature; more specifically there are:

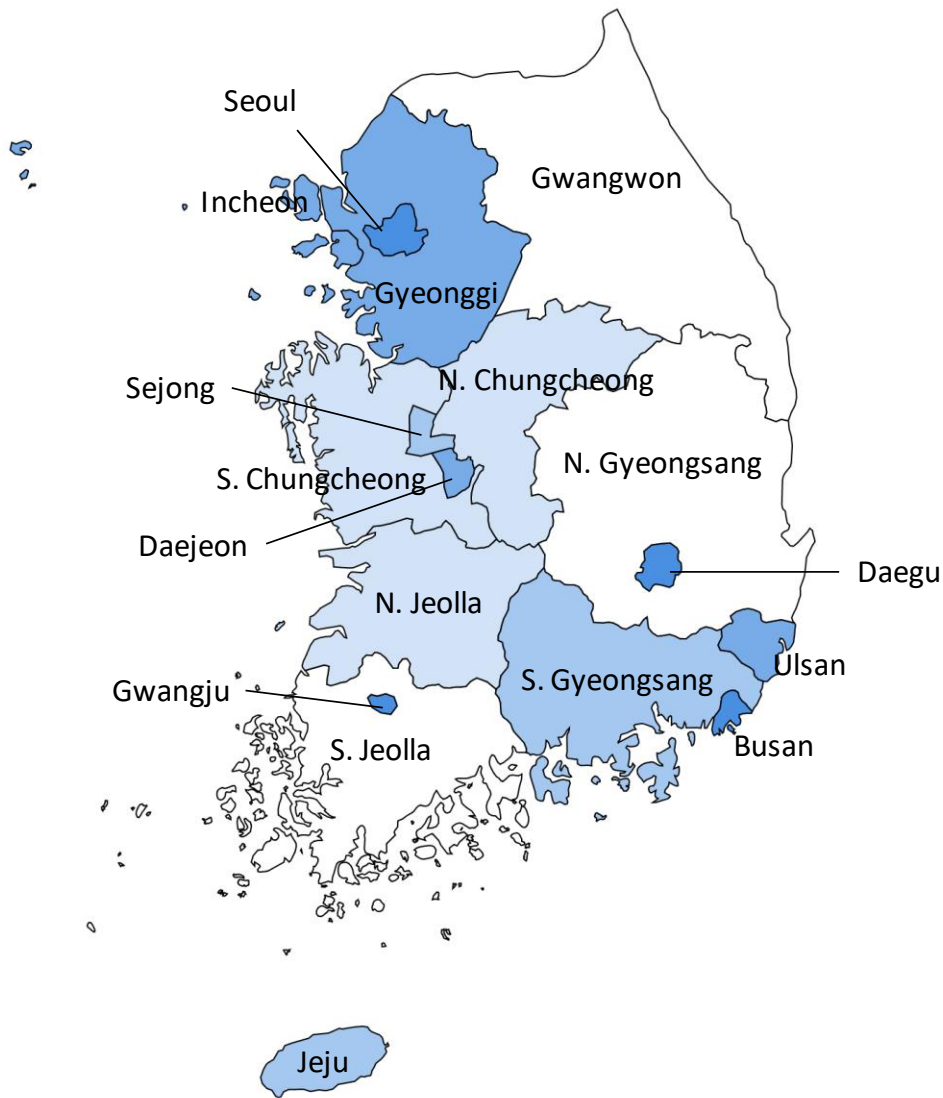
- 9 provinces (*do*)
- 6 metropolitan cities (*gwangyeoksi*)
- 1 special city (*teukbyeolsi*), which is Seoul
- 1 special autonomous city (*teukbyeol-jachisi*), which is Sejong

These top tier divisions are further administratively sub-divided. More details on the importance of the different top tier divisions are provided in section 2.2.1.

### 2.2.1 Overview of urban markets

As noted above, there are 17 top tier administrative divisions in South Korea. These, along with their population densities are presented in Figure 2-3. This shows the concentration of the population in the north west and the south east.

Figure 2-3: Administrative divisions in South Korea and their population densities



Source: Agra CEAS

Table 2-1 contains more details on top tier administrative divisions in South Korea; reaffirming the importance of the north western and south eastern areas; and highlighting the importance of cities. The capital Seoul and its immediate surrounding area including the province of Gyeonggi and neighbouring city of Incheon account for approximately 50% of the population of South Korea.



Table 2-1: key details of top tier administrative regions, by population

Name	Type	Population	Major industries (5 most populous regions)
Gyeonggi	Province	12.9m	Manufacturing, agriculture and fish
Seoul	Special city	9.8m	Finance, manufacturing, technology
Busan	Metropolitan city	3.5m	Shipping/logistics, services
South Gyeongsang	Province	3.4m	Manufacturing, agriculture and fish
Incheon	Metropolitan city	3m	Shipping/logistics, technology and biotechnology
North Gyeongsang	Province	2.7m	
Daegu	Metropolitan city	2.5m	
South Chungcheong	Province	2.1m	
South Jeolla	Province	1.9m	
North Jeolla	Province	1.8m	
North Chungcheong	Province	1.6m	
Gwangju	Metropolitan city	1.5m	
Daejeon	Metropolitan city	1.5m	
Gangwon	Province	1.5m	
Ulsan	Metropolitan city	1.2m	
Jeju	Special self-governing province	0.7m	
Sejong	Metropolitan autonomous city	0.3m	

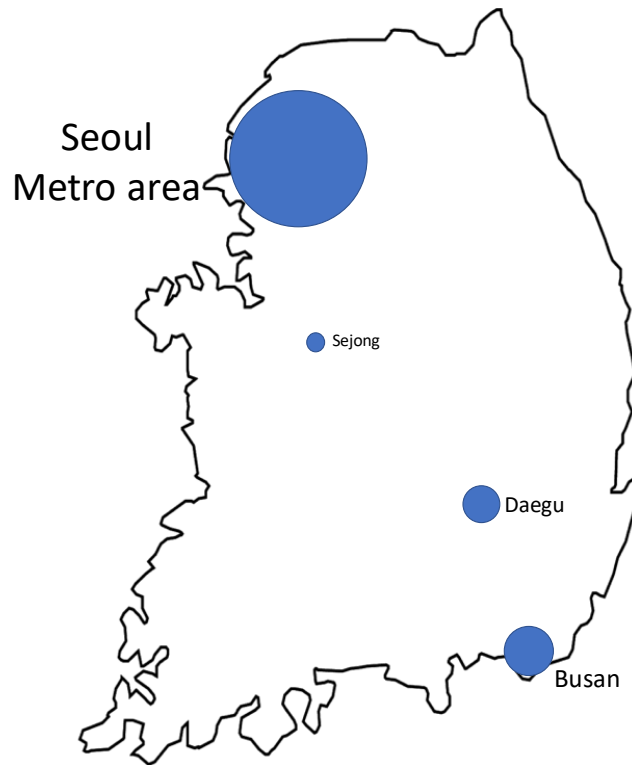
Source: Agra CEAS based on Statistics Korea and <http://www.businesskorea.co.kr/>

### 2.2.2 Snapshots of important markets

Following on from the findings of section 2.2.1, the key markets are:

- Seoul metropolitan area, including Incheon
- Busan
- Daegu
- Sejong

Figure 2-4: Location of focus markets



Source: Agra CEAS

**Seoul metro area****Key facts (2017/18):****Total GDP (current prices):***EUR 624 bn***Real GDP growth:***3.1%***Population:***9.8 million (city); ~25million (metro area)*

Seoul is the nation's capital. The city increased in population almost 10 times between the formation of South Korea in 1948 and the mid-1980s; and while the population of the city itself has remained fairly stable since, that of the surrounding area has increased, resulting in what is today the world's fourth largest metropolitan area. This area includes the province of Gyeonggi and the city of Incheon as well as Seoul itself. The city of Seoul itself has a very high population density (16 000 persons per km<sup>2</sup>); while density in the surrounding area is lower.

The metropolitan area is very diversified in terms of economic activity. Business services and manufacturing each account for ¼ of activity; and construction and public services each a further 1/5. Labour productivity on the other hand is below both the average for South Korea, and that of other major developed cities. While there is a push to focus on more knowledge-based activities (including the finance industry) – partially to combat the threat from cities in neighbouring countries which are moving up the value chain - regulations have thus provided some obstacles to this.

In terms of demographics, the Seoul metro area diverges slightly from the trends for the whole of South Korea identified in section 2.1.3. The proportion of the working age population is larger than in South Korea as a whole; and the population growth rate is slightly higher. Nonetheless, the population is forecast to age going forwards.

Residents of the metro area have a high level of disposable income than that of South Koreans as a whole. That said, it is lower than that of most other major cities in the developed world. While income inequality is high by South Korean standards, it is moderate compared to other major cities. The metro area is the third largest urban consumer market in the Asia Pacific region. The low cost of housing for a developed city means that residents have a higher proportion of their money to spend on discretionary items than in most other developed cities; though it must be remembered that overall income is also generally lower

in comparison. Annual household expenditure on food and drink was estimated at EUR 4 370 in 2016 (above the national average); and on alcohol and tobacco at EUR 710 (slightly below the national average).

There are some differences between the different “components” of the Seoul metropolitan area – Seoul city, Incheon and Gyeonggi. Seoul city itself is very densely populated, and the population further swells during the day as commuters from the surrounding area come to the city for work. Economically, the city is fairly diversified in activity; it serves as the financial centre of the country; and traditionally has served as the administrative centre, though that is now changing with the establishment of Sejong. Gyeonggi has become a focal point for manufacturing in the Seoul metropolitan area and offers less crowded living conditions than Seoul city itself. Incheon is the key transportation hub of the metropolitan area as well as an important venue for international business and events; and an important free economic zone was established in the city in 2003 to assist its development in this and other respects.

**Sources:** Seoul Statistical Yearbook; Euromonitor International: Cities, 2018: <http://www.newgeography.com/content/002060-the-evolving-urban-form-seoul>; <http://www.koreaconvention.org/>;

## Busan



### **Key facts:**

**Total GDP (current prices):** EUR 83.6 billion (2016)

**Population:** 3.5 million

Situated in the south east of the country, Busan is home to the country’s biggest port and one of the largest ports in the world. It is estimated to handle over three quarters of South Korea’s container freight. As well as being an important logistical and industrial hub, it has a strong finance industry; and is also known for its international conferences/exhibitions and film festivals. Finally, given its location between coast and mountains, it is a popular tourist destination.

The city is generally considered more cultural and quirkier than other major cities in South Korea. The cuisine of Busan is fairly well known – seafood in particular - and includes various dishes which are specific to the city/region. There is also a growing craft beer industry in the city.

**Sources:** Statistics Korea; [www.busan.go.kr](http://www.busan.go.kr); <https://journals.umcs.pl/h/article/viewFile/1741/1356>; <https://craftbeerasia.com/korea/dir/busan/>; World Bank.

**Daegu****Key facts:****Total GDP (current prices):***EUR 51.6 billion (2016)***Population:***2.5 million*

Daegu is the fourth largest city of the country. Together with the province of North Gyeongsang which almost entirely surrounds it, it forms a market of 5m people. The city was particularly important during the economic development of South Korea between the 1960s and 1980s. Today, it is known for its textile and electronic industries; though the decline of the former in particular has posed challenges to the city in recent years. This has been reflected by its population which has fallen over the last decade and is forecast to continue falling going forwards. At roughly EUR 20 500, it also has the lowest GDP per capita of all top tier regions in South Korea. Nonetheless, several efforts have and continue to be made to encourage development in the city.

Climatically, the city is one of the hottest in Korea. It is generally considered to be one of the most conservative cities and hence there has been less outside influence (whether from e.g. Seoul or abroad).

Sources: Statistics Korea; <http://www.daegu.go.kr>; World Bank

## Sejong



### **Key facts:**

**Total GDP** (current prices):

*EUR 11.5 billion (2016)*

**Population:**

*0.3 million*

Sejong is a very new city, having only come into being in 2012 having only been conceived nine years earlier. The idea behind Sejong was for it to be the new administrative centre of the country, hence reducing reliance on and dominance of Seoul for government and the economy. While the original plan to move the capital to Sejong from Seoul has been overruled, a large number of government offices have been moved to the city, making it an administrative hub.

While the population of Sejong – 300 000 – is presently low in absolute terms, this figure does not reflect the potential of this market. This population has been formed over just five years from an initial base of 100 000; and it is forecast to reach 500 000 by 2030 – while most other major cities including Seoul, Daegu and Busan are expected to moderately shrink over the same period. Encouraged by local policies, the fertility rate is the highest of all provinces; and this no doubt plays a role in this expected growth. The average age (32) is considerably lower than the national average.

The city attracts a lot of couples with children as it is considered to be family friendly. Wages are higher than the South Korean average and that of all other major cities; and the city is generally considered to offer a better, more affordable quality of life. At the same time, its proximity to other large cities means that some residents may leave the city at weekends.

**Sources:** Statistics Korea; <https://qz.com/1275754/a-new-capital-built-from-scratch-is-an-unlikely-utopia-for-korean-families/>; [www.sejong.go.kr](http://www.sejong.go.kr); World Bank.

### Domestic agricultural production and regions

Domestic agricultural production is constrained by two main factors:

- **The availability of suitable land.** As highlighted in section 2.2, the terrain is mainly mountainous, and indeed under ¼ of the land is estimated to be suitable for arable farming.
- **The high level of urbanisation.** Largely driven by the rapid economic development, the rural population has fallen as people move to cities; and agricultural production has fallen with it. The high level of urbanisation also means that significant parts of the limited lowland are occupied by urban settlements.

As the population of Korea is highly concentrated around Seoul – and hence land in this area scarce – agricultural production tends to be focused in the southern provinces, notably:

- South Chungcheong
- North Gyeongsang
- South Gyeongsang
- North Jeolla
- South Jeolla

The last provinces (North and South Jeolla) in particular are have always been important for agriculture, and account for a large portion of South Korea's agricultural production.

In terms of production, the main products produced are:

- **Rice** – which accounts for around 90% of the country's grain production, and production generally more or less equals consumption. As it is difficult for South Korean rice production to be competitive internationally for climatic and structural reasons, rice production is generally consumed domestically. Self-sufficiency in grains other than rice is under 10% when animal feed is included.
- **Meat** – pork is the number one produced meat, followed by beef. Self-sufficiency rates fluctuate around the 70% and 40-50% levels respectively.
- **Vegetables** – a variety of vegetables are produced, and the overall production level of vegetables is close to self-sufficiency.

There is also notable seafood production, though self-sufficiency is generally only around the 50% level.

For various historical reasons, farms are generally small in size creating fragmented ownership. This has also encouraged the development of co-operatives<sup>5</sup>. Technology is increasingly used in farming to help boost production given the various constraints on the sector.

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<sup>5</sup> <http://www.intracen.org/exporters/organic-products/country-focus/Country-Profile-South-Korea/>;  
[https://www.researchgate.net/publication/308994993\\_THE\\_MAIN\\_CHARACTERISTICS\\_OF\\_THE\\_SOUTH\\_KOREAN\\_AGRICULTURE](https://www.researchgate.net/publication/308994993_THE_MAIN_CHARACTERISTICS_OF_THE_SOUTH_KOREAN_AGRICULTURE)  
[https://www.wto.org/english/tratop\\_e/agric\\_e/cnt\\_policy\\_korea\\_e.pdf](https://www.wto.org/english/tratop_e/agric_e/cnt_policy_korea_e.pdf)  
<https://www.usmef.org/koreas-growing-production-pushes-beef-self-sufficiency-above-50-percent/>

## 3 Introduction to the food and beverage market and consumers

### 3.1 Overview of the food and beverage market and demand for imported products

#### 3.1.1 F&B market summary

As set out at the end of section 2.2.2, agricultural production in South Korea is limited and hence the food and beverage market relies to a fairly high extent on imports. Indeed, it is estimated that roughly half of South Korea's food intake by calorific value is imported; with notable shortfalls for grains other than rice and certain types of meat in particular<sup>6</sup>.

#### 3.1.2 International trade in F&B

As noted above, South Korea is a net importer of agri-food products as a whole, and it particularly relies on imports for some categories. The number one overall partner for agri-food and seafood trade is the USA with a market share of 24% (in value terms) in 2016. China follows with 14%. Australia and the EU are next with slightly under 10% each<sup>7</sup>.

Given the limited agricultural production, it is not surprising that the EU has a strong positive agri-food trade balance with South Korea. The value of agri-food imports to South Korea from the EU has increased fairly steadily since 2009 to reach EUR 3bn in 2017. South Korean exports to the EU remain just a fraction of that at EUR 200m (Figure 3-1).

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<https://en.yna.co.kr/view/AEN20160529000900315>

<https://www.oecd.org/korea/40417830.pdf>

<sup>6</sup> <http://localejournal.org/issues/n4/Locale%20n4%20-%2007%20-%20Jung%20and%20Pearson.pdf>

<sup>7</sup> [https://www2.gov.bc.ca/assets/gov/farming-natural-resources-and-industry/agriculture-and-seafood/business-and-market-development/market-development/international-market-development/export\\_market\\_guide\\_-\\_south\\_korea\\_-\\_final\\_may\\_31\\_2017.pdf](https://www2.gov.bc.ca/assets/gov/farming-natural-resources-and-industry/agriculture-and-seafood/business-and-market-development/market-development/international-market-development/export_market_guide_-_south_korea_-_final_may_31_2017.pdf)

[https://ec.europa.eu/agriculture/sites/agriculture/files/trade-analysis/statistics/outside-eu/countries/agrifood-south-korea\\_en.pdf](https://ec.europa.eu/agriculture/sites/agriculture/files/trade-analysis/statistics/outside-eu/countries/agrifood-south-korea_en.pdf)



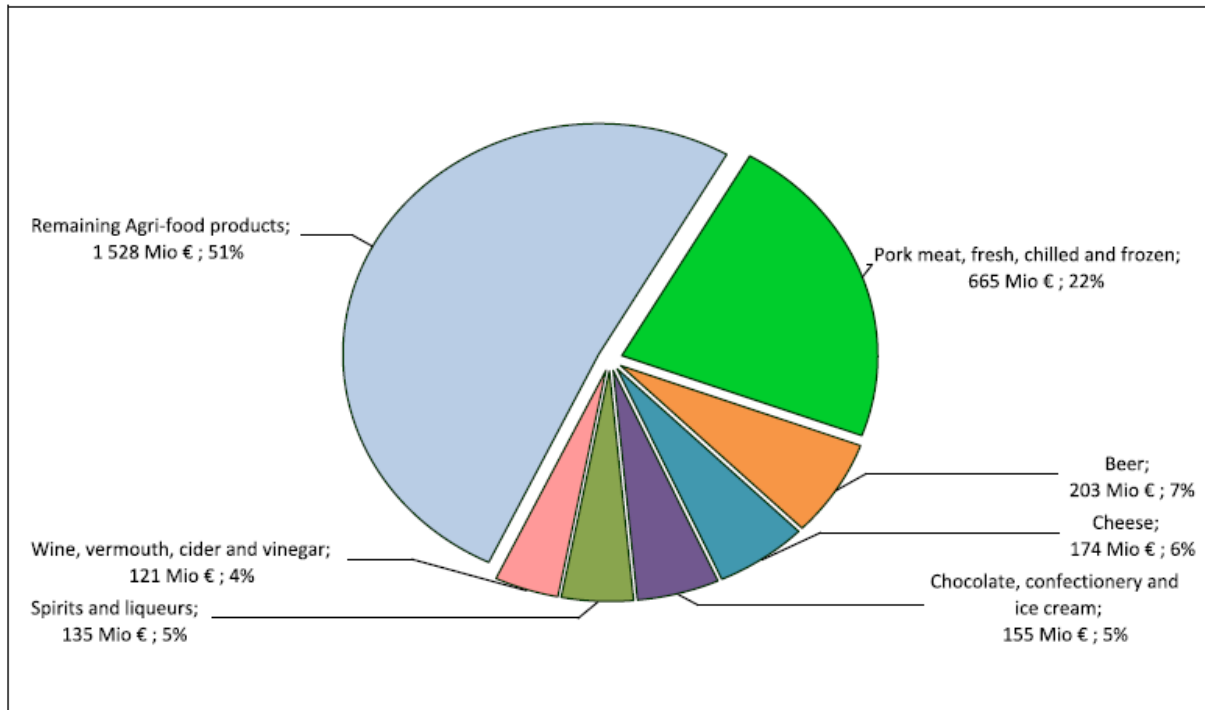
Figure 3-1: Structure of EU agri-food trade with South Korea, 2007 to 2017



Source: European Commission: agri-food trade statistical factsheet, European Union – South Korea. Based on Eurostat-COMEXT data

The key three EU exports to South Korea are: pig meat (22% of exports by value); beer (7%); and cheese (6%). Other notably categories (each accounting for under 5%) include: chocolate, confectionery and ice cream; spirits and liqueurs; wine, vermouth and cider (Figure 3-2).

Figure 3-2: Top EU agri-food exports to South Korea in 2017



Source: European Commission: agri-food trade statistical factsheet, European Union – South Korea. Based on Eurostat-COMEXT data

### 3.1.3 The market for imported F&B

As noted in section 3.1.2, South Korea has a structural deficit in food as a whole; and this shortage by default creates a market for agri-food imports. Traditionally, the South Korean diet has centred around rice accompanied by fish, vegetables, soy and barbecued or boiled meat; and while domestic production of rice is generally sufficient to meet demand, there is a deficit of the other ingredients to different extents. Furthermore, the popularity of non-traditional imported agri-food products is increasing. For example, data from the Korean Food and Drug Administration showed a strong increase (+38%) of the consumption of imported processed foods over the period 2010-14; and more recently there has been strong interest among consumers in imported beers. In effect, this means imported foods are in demand both as ingredients for traditional cuisine; and as distinct, non-traditional final products<sup>8</sup>.

<sup>8</sup> Euromonitor international: Consumer lifestyles in South Korea 2018; USDA GAIN report on Retail Foods in the Republic of Korea

[https://gain.fas.usda.gov/Recent%20GAIN%20Publications/Retail%20Foods\\_Seoul%20ATO\\_Korea%20-%20Republic%20of\\_8-16-2018.pdf](https://gain.fas.usda.gov/Recent%20GAIN%20Publications/Retail%20Foods_Seoul%20ATO_Korea%20-%20Republic%20of_8-16-2018.pdf) .

## 3.2 Growth Drivers and Trends

The key factors affecting the food and beverage market are<sup>9</sup>:

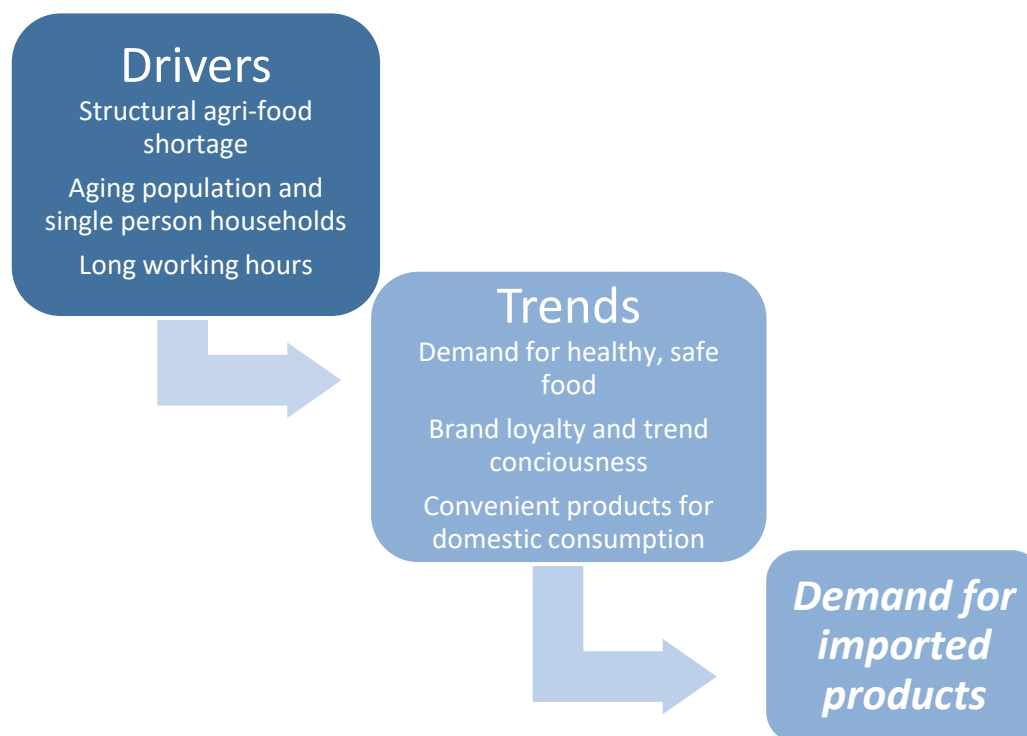
- **A structural shortage of agri-food products.** As noted above, South Korea needs to import food in order to meet domestic demand, and while production in some areas (e.g. rice, the key staple) is sufficient to meet demand, it is not in others. With young consumers in particular increasingly exposed to foreign cultures through travel or education, there is demand for speciality imported agri-food products as well as for the import of products for meeting the demands of the traditional Korean diet.
- **Demographics: increase in single person households and an aging population.** Single person households now account for a quarter of all south Korean households. The population of South Korea is also aging. There are a few impacts of these factors; the most notable ones being: a stabilisation of the population level; and an interest from both groups for simple, easily accessible food options.
- **Long working hours.** There is a culture of working long hours in South Korea; indeed, South Koreans work the second longest hours among OECD countries, some 17.5% more than the OECD average. The country has recently reduced the maximum hours worked per week from 68 to 52 to address the practice of working long hours. These practices of long working hours, and also the efforts to address it have impacts on the methods of food and drink consumption.

Figure 3-3 presents an overview of the interlinkages between drivers and trends.

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<sup>9</sup> <https://data.oecd.org/emp/hours-worked.htm>; Euromonitor international: Consumer lifestyles in South Korea ; Market guide for British Columbia agri-food exporters to South Korea: [https://www2.gov.bc.ca/assets/gov/farming-natural-resources-and-industry/agriculture-and-seafood/business-and-market-development/market-development/international-market-development/export\\_market\\_guide\\_-\\_south\\_korea\\_-\\_final\\_may\\_31\\_2017.pdf](https://www2.gov.bc.ca/assets/gov/farming-natural-resources-and-industry/agriculture-and-seafood/business-and-market-development/market-development/international-market-development/export_market_guide_-_south_korea_-_final_may_31_2017.pdf); USDA GAIN report on Retail Foods in the Republic of Korea [https://gain.fas.usda.gov/Recent%20GAIN%20Publications/Retail%20Foods\\_Seoul%20ATO\\_Korea%20-%20Republic%20of\\_8-16-2018.pdf](https://gain.fas.usda.gov/Recent%20GAIN%20Publications/Retail%20Foods_Seoul%20ATO_Korea%20-%20Republic%20of_8-16-2018.pdf) .

Figure 3-3: Growth drivers and trends – the South Korean food and beverage market



Source: Agra CEAS based on European Commission agri-food factsheet; USDA GAIN reports, agriculture and agri-food Canada and British Columbia reports and Euromonitor International.

In terms of trends, the following stand out<sup>10</sup>:

- Demand for healthy safe food and organic products** – there is a long-standing connection between food and its impact on health in Korea. Partly as a result of this, there is a strong sensitivity to food safety issues; and consumers have tended to trust local products over imported ones. For example, there was high concern over the safety of seafood products from Japan after the 2011 nuclear incident; and a ban was imposed by the South Korean government. However, imported products which convey that the origin can be trusted will also be well received. More recently, increasing demand for healthy products primarily comes from the aging population. Most notably, this has resulted in a recent trend of functional foods. There has also been some interest in organic foods; the market has been growing at around 10% per year (albeit from a small base), with dairy products, olive oil, wines and baby food in particular standing out as particular opportunities. Restrictions on organic labelling, which favour processed products, must

<sup>10</sup> USDA Gain report: Republic of Korea: [https://gain.fas.usda.gov/Recent%20GAIN%20Publications/Exporter%20Guide\\_Seoul%20ATO\\_Korea%20-%20Republic%20of\\_11-21-2017.pdf](https://gain.fas.usda.gov/Recent%20GAIN%20Publications/Exporter%20Guide_Seoul%20ATO_Korea%20-%20Republic%20of_11-21-2017.pdf). Market guide for British Columbia agri-food exporters to South Korea: [https://www2.gov.bc.ca/assets/gov/farming-natural-resources-and-industry/agriculture-and-seafood/business-and-market-development/market-development/international-market-development/export\\_market\\_guide\\_-\\_south\\_korea\\_-\\_final\\_may\\_31\\_2017.pdf](https://www2.gov.bc.ca/assets/gov/farming-natural-resources-and-industry/agriculture-and-seafood/business-and-market-development/market-development/international-market-development/export_market_guide_-_south_korea_-_final_may_31_2017.pdf); <https://www.convenience.org/Media/Daily/ND1219165>

be borne in mind (see section 4.2.3); though there is also some interest in organic products which cannot be labelled as such.

- **Brand loyalty and trend consciousness** – almost half of consumers prefer to buy branded products during their main domestic shop; and Korean consumers tend to be brand loyal. These characteristics can be at least partly connected to the strong consumer focus on food safety. While the brand loyalty trend does create some barriers for new products to enter the market, it also rewards products which stay on the market over the medium to long term. That said, convenience store chains have been successful with their own private label brands of late; demonstrating the ability for newer and cheaper brands to enter the market. As noted above, with young consumers increasingly exposed to foreign cultures (and hence food), there is an increasing interest in products from other countries. The continued growth of the South Korean economy also allows consumers to try new tastes and access a more diverse range of products.
- **Convenient products for domestic consumption** – this trend marries two differing factors. On one hand, the long working hours leave limited time for shopping and preparing food. On the other hand, Koreans are spending increasing amounts of time at home, with the recent restrictions on maximum working hours further contributing to that. The outcome of these two factors is a trend in products which facilitate healthy home cooking or home food consumption – i.e. meal kits, premade sauces and ready meals. Against the background of the increasing number of single person households and the aging population, portions are being adapted to specifically target these groups; and convenience stores playing a particularly important role in distribution. However, this trend of domestic consumption does not apply to all meals; lunch during the working day however is frequently eaten out.

Further details on consumer profiles and preferences are presented in section 3.3.

### 3.3 Consumer profiles and preferences

#### 3.3.1.1 Consumer profiles

As noted in section 2.1.3, South Korea has a high level of ethnical homogeneity. Furthermore, it has a fairly high level of income equality; according to the latest data from the OECD, its level of income equality is similar to France, Germany and Poland; and a lower level of income inequality than several other EU Member States<sup>11</sup>. Around 65% of the South Korean population can be considered middle class. In view of this, there are certain fairly universal characteristics of consumers which should be considered<sup>12</sup>:

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<sup>11</sup> GINI index for 2015; see <https://data.oecd.org/inequality/income-inequality.htm>

<sup>12</sup> Euromonitor international: Consumer lifestyles in South Korea ; Market guide for British Columbia agri-food exporters to South Korea: [https://www2.gov.bc.ca/assets/gov/farming-natural-resources-and-industry/agriculture-and-seafood/business-and-market-development/market-development/international-market-development/export\\_market\\_guide\\_-\\_south\\_korea\\_-\\_final\\_may\\_31\\_2017.pdf](https://www2.gov.bc.ca/assets/gov/farming-natural-resources-and-industry/agriculture-and-seafood/business-and-market-development/market-development/international-market-development/export_market_guide_-_south_korea_-_final_may_31_2017.pdf); <https://www.convenience.org/Media/Daily/ND1219165>; [https://www.lek.com/sites/default/files/insights/pdf-attachments/Consumer%20Spotlight\\_South%20Korea\\_1113.pdf](https://www.lek.com/sites/default/files/insights/pdf-attachments/Consumer%20Spotlight_South%20Korea_1113.pdf)

- **Key trends identified above** (safe food; brand loyalty and trend consciousness; and convenient products for domestic consumption). These trends are universally valid to at least some extent and should be borne in mind when addressing all South Korean consumers.
- **High level of digital connection.** Almost 80% of the population owns a smartphone, and nearly the entire population uses the internet regularly. This has boosted to popularity of online shopping, included for food; with many operators offering free and speedy home delivery of grocery shopping. It also means that internet-based campaigns can be effective.
- **Preference for efficient spending.** With growth slowing and the middle-class stabilising, consumers have become more cautious, seeking value for money. This has favoured mid-range brands in areas where products are more differentiated; and private labels in areas where goods are more undifferentiated. It has also further encouraged purchasing through channels which are considered to offer better value for money, including online channels in some cases.

There are some segments with nuances also worth considering<sup>13</sup>:

**Affluent segment.** The “super rich” are a growing segment in Korea; there are now over 200 000 millionaires in Korea, making it the country with the 13<sup>th</sup> highest number in the world<sup>14</sup>. Roughly 70% of these millionaires live in Seoul metro area (with the Gangnam area of Seoul south of the Hangang River particularly popular). Koreans as a whole are tracking more diverse international markets and adopting international food culture and products; this is particularly true of the affluent segment.

**Single household segment.** As already noted, single person households now account for ¼ of all South Korean households. They are generally found in urban areas, with people who choose to live alone living in apartments. For this segment, the suitability of products to their lifestyle is important. They are interested in smaller portions (e.g. suitable for one) and items which fit in smaller apartments. In terms of distribution channels, convenience stores and online shopping are particularly popular with this segment for the purchase of groceries.

**Mid-lifer segment (45-60).** This segment accounts for almost ¼ of the Korean population. Not only is the segment interesting due to its size, but also due to its purchasing power; income tends to peak between the age of 45-49. With the high income, saving for retirement is one of the key focuses of this segment; though around 1/4 of this segment prefer to spend money on experiences rather than material objects,

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<sup>13</sup>[http://english.chosun.com/site/data/html\\_dir/2017/10/10/2017101001436.html](http://english.chosun.com/site/data/html_dir/2017/10/10/2017101001436.html);  
<http://www.koreaherald.com/view.php?ud=20160707000755>; USDA Gain report: Republic of Korea:  
[https://gain.fas.usda.gov/Recent%20GAIN%20Publications/Exporter%20Guide\\_Seoul%20ATO\\_Korea%20-%20Republic%20of\\_11-21-2017.pdf](https://gain.fas.usda.gov/Recent%20GAIN%20Publications/Exporter%20Guide_Seoul%20ATO_Korea%20-%20Republic%20of_11-21-2017.pdf); Euromonitor international: Consumer lifestyles in South Korea ; Market guide for British Columbia agri-food exporters to South Korea: [https://www2.gov.bc.ca/assets/gov/farming-natural-resources-and-industry/agriculture-and-seafood/business-and-market-development/market-development/international-market-development/export\\_market\\_guide\\_-\\_south\\_korea\\_-\\_final\\_may\\_31\\_2017.pdf](https://www2.gov.bc.ca/assets/gov/farming-natural-resources-and-industry/agriculture-and-seafood/business-and-market-development/market-development/international-market-development/export_market_guide_-_south_korea_-_final_may_31_2017.pdf); <https://www.convenience.org/Media/Daily/ND1219165>

<sup>14</sup> In USD terms, and based on financial assets other than real estate.

highlighting the potential for food-based experiences. As noted in section 3.2, there is a trend in demand for healthy food, and this is particularly relevant for this segment.

### 3.3.2 Cultural Sensitivities and Other Considerations

#### 3.3.2.1 Traditional cuisine

The traditional cuisine is based on steamed rice, seasoned and fermented vegetables (*kimchi*), legumes, fish/seafood and beef. Fermentation has traditionally played an important role in preservation of foods.

There are some regional nuances to the overall cuisine set out above. Grain-based dishes are traditionally more popular in the plains; seafood dishes in oceanic regions; vegetable dishes in mountainous regions; and dishes with freshwater fish or clams in regions near rivers.

Traditionally, communal eating is fairly common. Various items will be put on the table - one or two main dishes, based on the diet above; and these will be accompanied by a variety of small bite dishes (*banchan*). There is also a sauce (*jang*) normally based on fermented soy.

The traditional cuisine has inevitably influenced the palate and method of eating; though as noted above there is an increasing openness to new tastes, and convenience is becoming increasingly important<sup>15</sup>.

#### 3.3.2.2 Colours

The traditional Korean colour spectrum identifies five colours, which reflect the main directions and elements:

- **Red:** *south; fire*. It is commonly associated with life and passion. It is also associated with masculinity. However, a person's name written in red is considered a taboo as the colour red was historically used to write the names of dead people in the family register.
- **Blue:** *east; wood*. Considered to be the counterpart to red; and hence to represent passivity and death. That said, it is not necessarily considered to be a negative colour, but rather one that enriches the meaning of other colours. It also represents feminism.
- **Yellow:** *centre; earth*. It is often associated with the starting point for expanding knowledge.
- **White:** *west; metal*. It is commonly used and may even be considered the national colour. Historically, only the upper class and royalty were allowed to wear colours other than white. It is generally associated with purity, innocence and peace.
- **Black:** *north; water*. It is often associated with wisdom, darkness and death.

Green and blue are sometimes considered to be similar on the spectrum; though green tends to signify a fresh start, youth, or new energy. Subsequently this colour has been used recently by traditional institutions to change their image.

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<sup>15</sup> Kim et al (2016) Korean diet: Characteristics and historical background. <https://www.sciencedirect.com/science/article/pii/S2352618116300099>

### 3.3.2.3 Gift giving

Gifting is common in South Korea; both in the personal context when invited to someone's home, and in the professional context at a first business meeting. Common gifts in the former context include confectionery, cakes, flower and fruit. In the context of a first business meeting, good quality spirits (e.g. scotch) and fruit are particularly common food and beverage gifts; though other gifts which suggest a high quality (at a reasonable price) may be suitable, and origin may play an important role in this perception of high quality.

Gifts may also be given around the major celebrations of *Seol-nal* (the Korean lunar new year, normally in late January or early-mid February) and *Chuseok* (Autumn eve, normally in September). Gift baskets with food are particularly common for these events<sup>16</sup>.

Nonetheless, professionals must be aware of the '**Improper Solicitation and Graft Act**', which affected the gift giving habits by introducing a price ceiling of W 50 000 (less than EUR 40) for gifts offered to public officials<sup>17</sup>.

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<sup>16</sup> [http://www.ediplomat.com/np/cultural\\_etiquette/ce\\_kr.htm](http://www.ediplomat.com/np/cultural_etiquette/ce_kr.htm) ;

<http://www.1worldglobalgifts.com/southkoreagiftgivingetiquette.htm>;

[https://koreanconsulting.typepad.com/files/kcts-2008\\_the-top-10-gifts\\_v02-4.pdf](https://koreanconsulting.typepad.com/files/kcts-2008_the-top-10-gifts_v02-4.pdf)

<sup>17</sup> <http://www.acrc.go.kr/en/board.do?command=searchDetail&method=searchList&menuId=020504>



## 4 Market access and entry

This section provides details on the necessary requirements for entry in to the South Korean market, outlining existing market access restrictions and explaining procedures. The summary, containing the SWOT analysis, of market access and entry is presented in section 4.1.

### 4.1 Summary SWOT analysis

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>• Structural shortage of most agri-food products.</li> <li>• High average level of income with a very large middle class.</li> <li>• High level of concern for food safety and quality.</li> <li>• Increasing demand for imported products.</li> <li>• Geographically focused population centres, and a well-developed logistical service.</li> </ul>	<ul style="list-style-type: none"> <li>• Generally strict import requirements; particularly strict requirements in the case of fresh products.</li> <li>• Distant market (+/- 50 sailing days) limits products which can be shipped; and may favour geographically closer competitors.</li> <li>• Access for individual countries needs to be negotiated for several fresh products, and this considerable takes time. There are some products for which access is not currently possible (e.g. beef).</li> </ul>
Opportunities	Threats
<ul style="list-style-type: none"> <li>• EU-South Korea FTA can both facilitate trade relations and offers more attractive terms to EU exporters than to competitors for most products.</li> <li>• Protection and increasing level of awareness of EU GI products.</li> <li>• Quality EU products (including GIs) have a good reputation. Forthcoming legislation on labelling will permit additional quality marks (after application).</li> <li>• Food safety is important, and EU standards mean that EU products are generally well regarded in this respect.</li> <li>• Different harvest times from some southern hemisphere competitors (e.g. Australia, New Zealand) may provide seasonal opportunities.</li> <li>• Organic market shows potential, supported by a bilateral EU-Korea organic equivalency recognition for processed products (labelling restrictions limit the market for fresh organic produce).</li> </ul>	<ul style="list-style-type: none"> <li>• Multiple FTAs with other countries; and the likelihood of further FTAs in the future. Direct competition from USA in particular, which offers similar products to EU countries.</li> <li>• Access for some products can be withdrawn (notably meat products); this can be further accentuated by the non-application of regionalisation by Korea in some cases of disease outbreaks.</li> <li>• Some ingrained preferences for products from other countries (e.g. Californian oranges, Chilean wine).</li> <li>• New legislation on import tolerances for pesticides currently a threat to fruit and vegetable imports, though work is ongoing to mitigate this.</li> </ul>

## 4.2 Food and beverage legislation and regulations

### 4.2.1 Import requirements/restrictions, customs procedures and documentation

#### Import requirements/restrictions

The import clearance process of agri-food products involves several bodies, namely:

- the Korea Customs Service (KCS)
- the Ministry of Food and Drug Safety (MFDS)
- the Ministry of Agriculture, Food and Rural Affairs (MAFRA)
- the Animal and Plant Quarantine Agency (APQA under MAFRA)

The first step to complete prior to import is registration. There are two general different types of registration:

- **Overseas Manufacturing Facility Registration** – if food products are to be imported, the name, the address and production item of the overseas manufacturing facility must be registered with MFDS prior to import clearance. For companies which produce/process livestock products for import to South Korea, an application for registration must be placed with the MFDS/MAFRA via the exporting country's government. The form (see below) can be completed in Korean or English.
- **Business registration** – is required for the entity in Korea which is importing the food.

Following registration, on-site inspection may occur; this is generally random.

**Overseas manufacturing registration form**

1 ■ 수입식품안전관리 특별법 시행규칙 [별지 제1호서식]

2 민원24(www.mirwon.go.kr)에서도 신청할 수 있습니다.

3 해외제조업소

- 등록신청서** Application for Registration of Foreign Food Facility
- 변경등록신청서** Application for Updating Registration of Foreign Food Facility
- 등록갱신신청서** Application for Renewing Registration of Foreign Food Facility

※ [ ]에는 해당되는 곳에 √표를 합니다. Check the applicable brackets  
 (인터넷으로 구매를 대행하여 수입하는 경우는 제외 Business of online purchasing of imported food, etc by proxy is excluded from registration) (앞쪽 Front page)

접수번호 Receipt number	접수일자 Date of receipt 년 year 월 month 일 day	처리기간 Processing time 3일 3 days
등록코드(변경등록 또는 등록갱신인 경우) Registration code (For update of registered information or renewal of registration)		

신청인 Applicant Information	<input type="checkbox"/> 해외제조업소의 설치·운영자 Person who establishes and operates a foreign food facility <input type="checkbox"/> 수입자 Importer ※ 수입자인 경우 아래 사항을 작성 If "Importer", provide the below information	
	<input type="checkbox"/> 업소명 Company name ( )	<input type="checkbox"/> 영업등록번호 Business registration No. ( )
	<input type="checkbox"/> 소재지 Address ( )	<input type="checkbox"/> 전자우편주소 E-mail address ( )
	<input type="checkbox"/> 전화번호 Phone number ( )	
등록유형 Type of Registration	<input type="checkbox"/> 최초등록 Initial registration <input type="checkbox"/> 변경등록 Update of registered information <input type="checkbox"/> 등록갱신 Renewal of registration	
업소정보 Facility Information	업소명 Name of facility	대표자 Representative
	소재지 Address	국가 Country
	전화번호 Phone number including area/country code	
	전자우편주소 E-mail	
	팩스번호(선택) Fax number including area/country code, <i>Optional</i>	
식품정보 Food Information	생산 품목 Type of food	(「식품위생법」 제7조 및 제9조, 「건강기능식품에 관한 법률」 제14조 및 제15조에 따른 기준 및 규격에서 정하는 유형 Types of food set by standards and specifications pursuant to Articles 7 and 9 of the Food Sanitation Act and Articles 14 and 15 of the Functional Health Foods Act) <input type="checkbox"/> 농산물 Agricultural products <input type="checkbox"/> 가공식품 Processed foods <input type="checkbox"/> 기구·용기·포장 Apparatus, or containers and packages <input type="checkbox"/> 수산물 Fishery products <input type="checkbox"/> 식품첨가물 Food additives <input type="checkbox"/> 건강기능식품 Functional health foods

210mm×297mm[백상지(80g/㎡) 또는 중질지(80g/㎡)]



General requirements	
<b>Port Entry Declaration</b>	Notifying the authorities of the arrival of a vessel or an aircraft and summarising the goods it contains.
<b>Customs Import Declaration</b>	The official form for customs clearance, which must be completed on arrival at latest but can be completed prior to this
<b>Declaration of Customs Value</b>	Containing the value of the shipment. To be completed on arrival at latest.
<b>Commercial Invoice in English</b>	An origin declaration is also needed for preferential treatment under the EU-South Korea FTA. This should state: <i>The exporter of the products covered by this document (customs authorisation No ...) declares that, except where otherwise clearly indicated, these products are of ... preferential origin.</i> For shipments with values exceeding 6 000 EUR, the operator completing this must be an approved exporter authorised by KCS.
<b>Packing List</b>	Which contains the details of the shipment and serves as a basis for customs treatment. Three copies required.
<b>(a) Certificate of Non-Preferential Origin or (b) Proof of Preferential Origin</b>	(a) is only required if the origin is non-preferential or the importer specifically requests this. The requirements for (b) can be fulfilled with the commercial invoice (see above)
<b>Air Waybill or Bill of Lading</b>	Depending on whether goods imported by air or sea; to be prepared by the carrier or their agent.
Specific requirements	
<b>Registration of Importers of Foodstuffs</b>	See above; a pre-requisite.
<b>Registration of Foreign Manufacturers of Foodstuffs</b>	See above; a pre-requisite.
<b>Import Permit for Products of Animal Origin</b>	This is required for the import of products of animal origin and is valid for one import only. The processing time varies depending on the kind of inspection performed, but as it can take up to 26 days this should be submitted well in advance.
<b>Import Permit for Goods in Approved Packaging Materials</b>	Required to ensure packaging material meets Korean standards. This is valid for one import only. Processing time is 14 days and application must be made with the Ministry of environment.
<b>Quarantine Permit for Animal Products</b>	Required for the import of products of animal origin. It allows the quarantine of animal products in order to prove compliance with the requirements of APQA. To be submitted to APQA.
<b>Quarantine and Import Permit for Plants and Plant Products</b>	Required for the import of products of plant origin that are subject to the Korean Plant Protection Act. It allows the quarantine of animal products in

	order to prove compliance with the requirements of APQA. To be submitted to APQA.
<b><i>Licence to Import and Deal in Alcohol</i></b>	Required by the importer to confirm they are authorised to import and deal in alcohol products. To be applied for by the importer against a fee at the competent district tax office; processing time 45 days. Currently there are over 500 licensed liquor importers, but only nearly 50 of them maintain an active business, with around 12 of them managing over 70% of total imports.
<b><i>Certificate of Organic Food</i></b>	Required for products to be sold as organic. It certifies that organic food or single components of organic foodstuffs conform with Korean standard. To be submitted to MAFRA. In this context, it should be noted that there is a bilateral organic equivalency recognition between the EU and South Korea for processed organic products. See <a href="https://ec.europa.eu/agriculture/newsroom/188_en">https://ec.europa.eu/agriculture/newsroom/188_en</a> for more information.
<b><i>Veterinary Health Certificate for Animal Products</i></b>	Required for the import of products of animal origin. It confirms that products of animal origin to be imported have been inspected according to appropriate procedures; do not carry contagious diseases; and conform with current South Korean veterinary regulations. To be submitted to MAFRA and MFDS.
<b><i>Import Declaration for Foodstuffs</i></b>	Declares the intention to import foodstuffs. To be submitted to MFDS, can be submitted up to 5 days in advance.
<b><i>Country of origin labelling</i></b>	Korean Customs has a sample form for this, though other forms of certifying origin may be accepted.

In addition to these requirements, there are some requirements for very specific products (e.g. the market needs to have been opened to exports from countries in the case of meat, fruit and vegetable products; identification numbers are required for imported beef<sup>18</sup>) which are detailed in the corresponding market snapshots (section 5).

Finally, it should be noted that any food imported into Korea for the first time will be subject to tests; the nature of which varies by product. These tests will be repeated every five years thereafter.

#### **Preliminary Prediction Import Inspection System (OPERA)**

MFDS operates an import prediction system, the Observation & Prediction by Endless Risk Analysis (OPERA) that classifies imported food into different grades by analysing the manufacturer history, importer history and inspection results. It takes into account factors including country, item, ingredients, manufacture process, importer and manufacturer in order to make recommendations for certain

<sup>18</sup> Though it should be noted that at the time of writing (January 2019), the Korean market is not currently open to beef imports from the EU.

inspections; and hence focus inspections on those consignments which are considered by the system to have higher risks.

#### 4.2.2 Food safety and other food certification requirements

The main ministries responsible for regulating the food system in South Korea is the **Ministry of Food & Drug Safety** (MFDS). Its main role is to protect public health and safety; and as subsequently it is responsible for all food related safety requirements (including the import inspection of livestock products along with MAFRA). More specifically, the three key pieces of relevant legislation for which MFDS is responsible are:

1. **The Food Sanitation Act.** This is the legal basis for the food safety-related work conducted by MFDS. Functional Food Act. This provides the legal basis for the oversight of functional foods, including health foods and nutritional supplements.
2. **Special Act on Imported Food Safety Management.** This provides a framework for imported food polices. Its implementation in 2016 consolidated all imported food regulations which were previously spread across other different acts. A notable new provision which was not previously in other acts is the pre-registration of foreign facilities.
3. **Food Code.** This sets out the standards and specifications for food across the lifecycle (manufacturing, processing, usage, cooking, storage). It also specifies maximum residue levels for agricultural chemicals and veterinary drugs, radioactive ray standards, and contaminants as well as testing methods.

There is other legislation with some relevance for which MFDS is also responsible. This includes:

- **The Food Additive Code**, which defines standard specifications for individual food additives and their usage standards (a positive list of food additives exists; it is available in Korean only at: [https://www.foodsafetykorea.go.kr/portal/safefoodlife/foodAditive/foodAdditiveRvlv.do?page\\_gubun=1&procs\\_cl=1&menu\\_grp=MENU\\_NEW04&menu\\_no=2877](https://www.foodsafetykorea.go.kr/portal/safefoodlife/foodAditive/foodAdditiveRvlv.do?page_gubun=1&procs_cl=1&menu_grp=MENU_NEW04&menu_no=2877) ).
- **Inspection Guidelines for Imported Food**, which contains a checklist for imported food products; and includes details on testing, sampling and inspection.
- **The Functional Food Code** which contains standards for functional foods.
- **The Special Act on Children’s Dietary Life Safety Management**, which focuses on the oversight of food products consumed by children. It restricts the sales and advertisement of certain foods (high-calorie, low-nutrient food products and high caffeine food).
- **The Livestock Product Sanitary Management Act**, which acts as the legal basis for sanitary standards for livestock products.
- **Labelling standards.** In addition to a general labelling standard there are additional ones for GM food and livestock products (see section 4.2.3).

Finally, the **Liquor Tax Act** (which is under the responsibility of the National Tax Service) also has some relevance. Under this agreement, traders who wish to import or export alcoholic beverages must secure a license from the National Tax Service to sell alcoholic beverages. In absence of this licence, import or export of alcoholic beverages will not be allowed.

### **Website on MFDS legislation and processes; and law in Korea**

The MFDS maintains a website in English with relevant regulations listed and summaries of the processes they use to ensure food safety. This website can be consulted for more information:

<http://www.mfds.go.kr/eng/index.do?nMenuCode=120>

The Korean government also maintains a website with legislation in English. Legislation can be search for by term, and the latest version of legislation along with any previous versions will be displayed. The website is:

<http://www.law.go.kr/LSW/eng/engMain.do>

In addition to MFDS, the following ministries/bodies also play a role in agri-food import:

- the Ministry of Agriculture, Food and Rural Affairs (MAFRA); which together with its agencies is responsible for regulations related to overall agricultural policy, including GMOs in the agricultural and livestock sectors. It also performs the quarantine inspection of agricultural products.
- .
- the Prime Minister's Office (PMO); which performs a co-ordinating role across the other ministries and their agencies.

### **4.2.3 Labelling Requirements**

There are five key pieces of legislation relating to labelling:

1. The labelling standard for foods
2. The labelling standard for livestock products
3. Labelling standards for unprocessed agricultural products
4. Liquor labelling (administered by the tax authorities)
5. Country origin labelling (administered by the Ministry of Agriculture, Food and Rural Affairs)

### **Forthcoming new legislation on food labelling**

Note: A new piece of legislation, the Act on Food Labelling and Advertising, is set to enter into force in March 2019. It brings together labelling standards which were previously spread across the Food Sanitation Act, Health Functional Foods Act, and Livestock Products Sanitary Control Act (and subservient legislation of the three). The act is not yet available in English, but the main change relevant for EU products it is understood to introduce the ability to indicate other quality certifications and guarantees provided by private entities (e.g. quality certification for olive oils) following documentary justification. This was not previously possible.



The **labelling standard for foods** is the main piece of legislation that imported foods must comply with<sup>19</sup>. According to this standard, all imported foods should carry legible labels in Korean; and these labels should not cover the original label or be easily removable. Labels must contain:

- Product name
- Product type
- Importer's name and address
- Manufacture date (for certain kinds of products)
- Best before date (or shelf life in some cases)
- Ingredient names and contents (if the display panel is less than 30cm<sup>2</sup> then only the main 5 are required).
- Ingredient names used in making a composite ingredient, if it amounts to over 5% of the product by weight).
- Additives (using the full or abbreviated name, or purpose that is listed in the Food Additive Code).
- Allergens (even if at minimal levels; and if raw materials are used that are processed in the same facility as a raw material which causes an allergy this must be indicated)
- Nutrients (see box)

In some specific cases there are additional items to this that must be detailed; this includes functional food which has specific labelling requirements, and high caffeine products (>0.15mg/ml). There are also specific requirements in the case that the claims "halal", "kosher", "gluten-free" and "non-alcoholic" are to be used.

#### **Nutritional labelling requirements**

***This is obligatory for the majority of processed food.*** This includes: special purpose foods; bakery products; noodles; edible oils and fats; dumplings; confectionery goods and biscuits; snacks; jam; beverages; soy sauces; frozen desserts; fish sausages; sandwiches; hamburgers; and (from 2020) breakfast cereals and instant food.

The information to indicate on the nutritional label includes:

- Calories
- Sodium
- Carbohydrates (of which sugars)
- Fats (and trans fats and saturated fats)
- Cholesterol
- Protein
- Any nutrient which is emphasize on the packaging

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<sup>19</sup> Exemptions exist e.g. for agricultural products and foods to be used for manufacturing; but in practical terms the labelling standard can be considered to apply to all imported foods sold to consumers.

**Claims on foods in Korea**

The forthcoming legislation on food labelling will define more clearly what is and is not permitted in terms of claims. In very broad terms, the claims which are and are not permitted are comparable to those which are and are not permitted under EU legislation. It should however be noted that there is a strong reluctance in Korea to authorise claims which include words such as “natural” and “pure”. In short, any food that has passed through a process other than the removal of inedible parts or a ‘minimum physical process’ cannot use such terms. Consequently, products which have been sterilised or pasteurised, for example cannot use the term “natural”. Extreme care must therefore be taken with the use of such terms to avoid problems.

**GM labelling; and Non-GMO / GMO-free labelling**

The biotech labelling requirements in Korea were updated in 2017. This included restrictions on the cases that non-GMO and GMO-free claims can be used. Most notably:

- Such claims are banned on products that do not have biotech counterparts.
- If biotech counterparts exist, the non-GM ingredient must be the top ingredient or contents of Non-GM ingredient must be more than 50% of total ingredients for these claims to be permitted; and a zero tolerance applies to the adventitious presence of GM component in the finished product.

In addition to this, **seven agricultural products are subject to GMO legislation**. These are: corn (maize), soybeans, cotton, canola, sugar beet, alfalfa and potatoes. Products using these seven agricultural products as ingredients (and processed products from these) must bear the labelling “GMO <PROUDCT>” or “may contain GMO <PROUDCT>” on the label. To be exempt from this labelling requirement, one of the following can be provided:

1. A certificate issued by the government
2. An Identity preservation certificate
3. An inspection certificate
4. A certificate issued by the manufacturer (only applied to processed food). This can, for example, state that the product has been manufactured using ingredients segregated and handled separately from any genetically-modified foods.

More information on the GM labelling requirement can be found at:

[https://members.wto.org/crnattachments/2018/TBT/KOR/18\\_4348\\_00\\_e.pdf](https://members.wto.org/crnattachments/2018/TBT/KOR/18_4348_00_e.pdf)

**Colour-coded labelling for Children’s foods**

A voluntary colour-coded “traffic light” labelling was introduced in 2010. Under this system, the following nutrients may be labelled using red, yellow and green colours:

- Total fat
- Saturated fat
- Sugar
- Sodium

There is also a red colour coding for high caffeine food for children. In reality though, the system of colour-coded labelling is not widely used.

**The labelling standards for livestock products** (including meat and dairy) are broadly similar to the general requirements for other foods imported into Korea, with a few small differences:

- Name and address: not only is the importer's name and address required, but also that of the processing plant in the exporting country.
- Shelf life is required for all livestock products except ice cream, for which the manufacture date is required.
- Nutritional labelling is required for most dairy products and most processed meat products.

Exemptions from the Korean language requirement exist for imported carcasses, bulk livestock products and raw materials imported for further processing.

**The labelling standards for unprocessed agricultural products** largely contains labelling provisions relating to the genetic modification and permits the use of non-GMO and GMO-free claims in certain circumstances.

**Liquor labelling** requires the use of one of the following warning statement against excessive drinking:

- Alcohol is a carcinogen and excessive drinking causes liver cancer, stomach cancer, etc. Drinking in pregnancy raises the risk of birth with a congenital anomaly.
- Excessive drinking is the cause of cancer development. Drinking in youth hinders physical growth and brain development and drinking in pregnancy raises the risk of congenital anomaly or miscarriage.
- Excessive drinking causes stroke, memory impairment, or dementia. Drinking in pregnancy raises the risk of birth of congenital anomaly.

Alcoholic product usage must be indicated. More information on this is provided in the corresponding market snapshots.

**Finally, the country of origin labelling** requires that several agricultural products identify their country of origin. Specificities vary between product, but in general terms:

- The specific protocols negotiated with countries for market access contain provisions for country of origin labelling for **fresh products** (e.g. meat subject to quarantine procedure, fresh fruits and vegetables).
- For **processed foods** it is necessary to indicate only the origin of the top three ingredients and the place of final production.
- For **processed livestock products** (that are not subject to quarantine), the place of final processing generally has to be indicated.

More information can be found in the Act on labelling of agricultural and fisheries products, available at: <http://www.law.go.kr/LSW/eng/engLsSc.do?menuId=2&section=lawNm&query=origin+agricultural+products&x=0&y=0#liBgcolor0>

#### 4.2.4 Protection of intellectual property rights, including geographical Indications (GIs)

##### IPR protection framework

Trademarks in Korea are protected under the **Trademark act**. This has been amended a couple of times in recent years; including in order to prevent the registration of trademarks that are similar to registered geographical indications following the agreement of the FTA between the EU and South Korea (more details on the relevance of this act to GIs is below). In brief, trademarks in South Korea:

- Must distinguish one's goods from another's.
- Must be relevant to the identification of the owners and not only present to either: inspire users with aesthetic nature; or only act as a price mark (with a few exceptions, e.g. for collective marks).
- Must not be similar or identical to a geographical indication already protected by the EU-South Korea FTA or by Korean laws.

The Trademark Act includes provisions for the following to be considered as trademarks:

- collective marks (intended to be used by members of the entity which registered the mark);
- certification marks (an entity which manage the quality, origin, production methods etc. of a specific good other than meat), and;
- business emblems (marks used by entities engaged in non-profit businesses).

The Korean Intellectual Property Office (KIPO) is the government agency which is primarily responsible for handling IPR issues in South Korea. Subsequently it handles applications for and the subsequent protection of trademarks.

##### Checking and monitoring registered intellectual property in Korea

There is a website run by a combination of KIPO and the Korean Institute of Patent Information (KIPI) which allows users to search for registered industrial property containing certain terms. This website can be accessed in English at the following link:

<http://eng.kipris.or.kr/enghome/main.jsp>

Some Member State authorities have also been known to monitor applications to prevent the registration of names similar to those of its GIs. If this is an issue of concern, it may be worth contacting your national authorities to check if they are performing such monitoring at present.

Finally, the European Chamber of Commerce in Korea (ECCK) may be able to provide some further information regarding any notable historical issues with GIs.

##### South Korea's Geographical Indication (GI) protection system

GIs in South Korea are not limited to agricultural and marine products but can include all types of industrial products. GI are protected under several laws in South Korea, namely:

- **The Agricultural Products Quality Control Act and the Marine/Fisheries Products Quality Control Act.** These acts, for use only by Korean GIs, enable the individual registration of a GI for agricultural and marine products respectively. An individual or legal entity with justifiable claims

to the use of a GI may file for registration of this GI under this act. This application must be accompanied by various documents (which vary based on the application) such as for example a production plan. The application and documents will be reviewed, and if no reason for rejection is identified, the application will be published. It remains published for a period of two months during which third parties can indicate their opposition. Once a GI is registered under this act, the holder has the right to use the GI and to prevent third parties from using an identical or very similar sign on identical or similar products. This right extends to promotional material.

- **The Trademark Act.** The updated trademark act allows foreign and national GIs to be protected as a collective/certification mark. GIs are provided the same scope of protection under this act as individual trademarks with one minor difference<sup>20</sup>. Furthermore, for the specific case of wine or spirits the GI of a place of production in a WTO member country blocks the registration of any third-party trademark which includes such a GI.
- **The Unfair Competition and Trade Secret Protection Act.** While this act does not provide the possibility to register GIs, it provides protection. Notably, it:
  - Prohibits the causing confusion about the origin of a good by falsely marking its source of origin or using a mark that would mislead the public with regards to the place of origin.
  - Provides protection to GIs protected under free trade agreements by prohibiting: the use of such GIs separately without indicating the authentic place of origin; the translation of a GI for use; the use of expressions such as “kind”, “type”, “mode” etc. with the GI.

Ultimately, holders of EU GIs which are not currently protected in Korea have three options for protecting their GI in the country:

1. Through requests for modification of the list of protected GIs in the EU-Korea FTA (see section 4.3.3).
2. Through the Korean trademark act as a collective mark (see above).
3. Through the Madrid protocol, which facilitates protection of trademarks in up to 119 countries. If the application is successful, the GI will be protected as a collective mark in Korea. For more information see [www.wipo.int/madrid/en](http://www.wipo.int/madrid/en)

#### 4.2.5 Relevant authorities for IPR and GI protection and further contacts

##### Competent Authorities for IPR and GI protection

##### Korean Intellectual Property Office (KIPO)

***For general IPR; GIs registered as collective / certification marks under the Trademark Act***

International Co-operation Division

Government Complex Daejeon Building 4, 189,

Cheongsa-ro, Seo-gu,

<sup>20</sup> For trademarks, protection extends to goods that are similar to the designated goods of the trademark. For GIs this protection is limited only to goods that fall within the scope of what is considered identical to the designated goods with GIs.

Daejeon, 35208

Tel: +82-42-481-5008

<http://www.kipo.go.kr/kpo/user.tdf?a=user.english.main.BoardApp&c=1001>

**The Ministry of Agriculture, Food and Rural Affairs**

***For agricultural GIs under the Agricultural and Marine Products Quality Control Act***

94 Dasom2-ro, Government Complex-Sejong,

Sejong-si 339-012,

Tel: +82-2-1577-1020

<http://www.mafra.go.kr/english/>

**Ministry of Oceans and Fisheries**

***For marine GIs under the Agricultural and Marine Products Quality Control Act***

Sejong Government Complex, 94, Dasom 2ro,

Sejong-si 30110

Tel: +82-44-200-5555

<http://www.mof.go.kr/eng/index.do>

**Legislation, Regulations and Administrative Measures**

***The Trademark Act (2016 version)***

Available in English at: [http://www.kipo.go.kr/upload/en/download/TRADEMARK\\_ACT\\_2016.pdf](http://www.kipo.go.kr/upload/en/download/TRADEMARK_ACT_2016.pdf)

***Decree enforcing the Trademark Act (2016 version)***

Available in English at:

[http://www.kipo.go.kr/upload/en/download/ENFORCEMENT\\_DEGREE\\_OF\\_THE\\_TRADEMARK\\_ACT\\_2016.pdf](http://www.kipo.go.kr/upload/en/download/ENFORCEMENT_DEGREE_OF_THE_TRADEMARK_ACT_2016.pdf)

***The Unfair Competition and Trade Secret Protection Act (2017 version)***

Available in English at:

[http://www.kipo.go.kr/upload/en/download/UNFAIR\\_COMPETITION\\_PREVENTION\\_AND\\_TRADE\\_SECRET\\_PROTECTION\\_ACT\\_2017.pdf](http://www.kipo.go.kr/upload/en/download/UNFAIR_COMPETITION_PREVENTION_AND_TRADE_SECRET_PROTECTION_ACT_2017.pdf)

***Enforcement decree of the Unfair Competition and Trade Secret Protection Act (2017 version)***

Available in English at:

[http://www.kipo.go.kr/upload/en/download/ENFORCEMENT\\_DEGREE\\_OF\\_THE\\_UNFAIR\\_COMPETITION\\_PREVENTION\\_AND\\_TRADE\\_SECRET\\_PROTECTION\\_ACT\\_2017.pdf](http://www.kipo.go.kr/upload/en/download/ENFORCEMENT_DEGREE_OF_THE_UNFAIR_COMPETITION_PREVENTION_AND_TRADE_SECRET_PROTECTION_ACT_2017.pdf)

***The Agricultural and Marine Products Quality Control Act (2016 version)***

Available in English at: <http://extwprlegs1.fao.org/docs/pdf/kor166983.pdf>

***Enforcement Decree of the Agricultural and Fishery Products Quality Control Act (2016 version)***

Available in English at: <http://extwprlegs1.fao.org/docs/pdf/kor168001.pdf>

## 4.3 International trade

### 4.3.1 South Korea and foreign trade

Trade is key to South Korea. It is the fifth largest export economy in the world with a strong positive trade balance. As noted in section 2.1.1, trade has played an important role in the development of the country. The Ministry of Trade, Industry and Energy has the primary responsibility for trade policy in South Korea. South Korea has been a member of GATT since 1967 and became a member of the WTO in 1995. More recently, as a trade-orientated country, South Korea has been generally in favour of multilateral trade liberalisation.

Agri-food products accounted for 6.5% of imports in 2016 compared to only 1.4% of exports. As noted in section 3.1.2, the main origins of these imports are the US and China; followed by Australia and the EU.

### 4.3.2 Key trade agreements, present and future

Against the background set out above of South Korea generally begin in favour of multilateral trade liberalisation, it follows that South Korea has several free trade agreements. The key ones are set out below:

FTA / Partner	Entry into force
EU	2015
US (KORUS FTA)	2012
Australia	2014
Canada	2015
China	2015
India	2010

There are also further trade agreements with countries such as Turkey, Vietnam, India, Chile and New Zealand.

**The EU-South Korea FTA** which entered into force in 2015 removed Import tariffs on over 98% of goods over a period of 5 years.

Going forward, it is expected that South Korea will enter more trade agreements in the future. Notably:

- **TPP-11:** South Korea has expressed its interest in this FTA which has already been ratified by seven signatories (Mexico, Japan, Singapore, New Zealand, Canada, Australia and Vietnam). The stumbling block to full membership is that it may impact Korea's ability to negotiate trade agreements bilaterally. A kind of associate membership of this FTA has therefore also been under consideration. Nonetheless, the Korean government has decided to conduct informal bilateral

consultations with member countries during the Spring of 2019 with a final decision about participation scheduled for thereafter.

- **China-Japan-South Korea FTA:** 13 rounds of talks have been completed on this FTA on which work started in 2012.
- **MERCOSUR:** the first round of these negotiations took place in September 2018 following a successful exploratory dialogue between the two parties in the prior year.

Korea is also understood to be in early discussions with Russia about an FTA.

### 4.3.3 EU South Korea FTA

In 2017, the EU and South Korea enjoy a strong economic relationship, which has been further deepening since the entry into force of the EU-Korea Free Trade Agreement in 2015. Korea is currently the EU 8<sup>th</sup> largest export market, while the EU is the 2<sup>nd</sup> largest exporter to South Korea<sup>21</sup>.

The EU-South Korea FTA was provisionally applied from July 2011. In 2015 it entered formally into force after ratification by EU Member States. The Additional Protocol to the FTA to take into account the accession of Croatia to the EU was provisionally applied from May 2014 and entered into force in 2016. The EU-South Korea free trade agreement eliminates duties for industrial and agricultural goods in a progressive, step-by-step approach. The majority of import duties, including duties on agricultural products, were removed in 2011. The FTA also addresses non-tariff barriers to trade.

The EU-South Korea Free Trade Agreement benefits the European companies, in terms of:

- **Removal of customs duties and duty-free quotas:** before the Agreement, only 2% of EU agricultural exports entered Korea duty-free. The FTA fully eliminated duties for nearly all EU agricultural exports following a progressive approach (Table 4-1). Most tariffs of agricultural products were eliminated: wine is duty-free from the entry into force, whisky since year three, some pork products since year five. Nonetheless, for some most sensitive product (such as frozen pork belly) a longer transition period was foreseen<sup>22</sup>. Products which are not of EU importers interest, such as rice, sweet peppers, garlic, onions and condensed milk, were excluded from the FTA<sup>23</sup>.
- **Elimination of non-tariff barriers:** under the FTA, the EU and Korea agree to cooperate on standards and regulations to reduce technical barriers to trade (TBTs). Furthermore, Sanitary and phytosanitary (SPS) measures may be introduced in order to protect human, animal or plant life

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<sup>21</sup> European Union-South Korea: Trade and Investment

[https://eeas.europa.eu/sites/eeas/files/eu\\_factfileen\\_final\\_0909.pdf](https://eeas.europa.eu/sites/eeas/files/eu_factfileen_final_0909.pdf); [https://eeas.europa.eu/delegations/south-korea/53658/node/53658\\_en](https://eeas.europa.eu/delegations/south-korea/53658/node/53658_en)

<sup>22</sup> The EU-Korea Free Trade Agreement in practice,

[http://trade.ec.europa.eu/doclib/docs/2011/october/tradoc\\_148303.pdf](http://trade.ec.europa.eu/doclib/docs/2011/october/tradoc_148303.pdf)

<sup>23</sup> Evaluation of the Implementation of the Free Trade Agreement between the EU and its Member States and the Republic of Korea, [http://trade.ec.europa.eu/doclib/docs/2017/june/tradoc\\_155673.pdf](http://trade.ec.europa.eu/doclib/docs/2017/june/tradoc_155673.pdf)



or health, but South Korea and the EU will ensure that the effects of these measures on the development of trade is minimised.

Table 4-1: Schedule of the elimination of customs duties, under the FTA

Year	Tariff line liberalisation (% of all agricultural products)
Year of entry into force	40%
Year 3	45%
Year 5	65%
Year 10	85%
Year 18	95%

Source: The EU-Korea Free Trade Agreement - The tariff liberalisation schedule for goods, [http://eeas.europa.eu/archives/delegations/south\\_korea/documents/eu\\_south\\_korea/presenter\\_1-1\\_tariff\\_liberalisation\\_en.pdf](http://eeas.europa.eu/archives/delegations/south_korea/documents/eu_south_korea/presenter_1-1_tariff_liberalisation_en.pdf)

- **Protection of geographical indications (GIs):** 164 agricultural and foodstuff products and alcoholic beverages are recognised as GIs under the FTA. The full list of products registered as GIs in South Korea is reported in section 8.5. Examples include:
  1. Alcoholic beverages: *Champagne, Irish whisky, Grappa, Ouzo, Polska Wódka, Vinho Verde, Tokaji wine, Bordeaux wine, Rioja wine, Bayerisches Bier, České pivo*
  2. Processed meat: *Prosciutto di Parma, Szegedi szalámi, Jambon de Bayonne*
  3. Dairy: *Manchego, Parmigiano Reggiano cheese*<sup>24</sup>.

Furthermore, there are clear provisions for the addition of GIs to the list of those recognised under the FTA. While no GIs have so far been added, there are ongoing discussions regarding updating the list.

#### Benefitting from zero/reduced tariffs under the EU-South Korea FTA

It should be noted that certain actions must be taken to ensure a shipment benefits from the tariff benefits under the EU-South Korea FTA. Notably:

- The approved exporter number must be provided.
- Goods must be shipped directly from the EU, i.e. without stops in bonded warehouses on the territory of non-EU countries.

If an exporter wishes to benefit from reduced tariffs, fulfilment of conditions should be ensured before shipping.

**Import duties and taxes for the export of food to South Korea can be consulted here:**

[http://madb.europa.eu/madb/datasetPreviewFormATpubli.htm?datacat\\_id=AT&from=publi](http://madb.europa.eu/madb/datasetPreviewFormATpubli.htm?datacat_id=AT&from=publi)

<sup>24</sup> The EU-Korea Free Trade Agreement in practice, [http://trade.ec.europa.eu/doclib/docs/2011/october/tradoc\\_148303.pdf](http://trade.ec.europa.eu/doclib/docs/2011/october/tradoc_148303.pdf)

#### 4.3.4 WTO disputes and other trade barriers

While South Korea is involved in some WTO disputes at present, none of these relate to the agri-food sector.

**An up to date list of trade barriers can be consulted here:**  
[http://madb.europa.eu/madb/barriers\\_result.htm?isSps=false&countries=KR](http://madb.europa.eu/madb/barriers_result.htm?isSps=false&countries=KR)

#### 4.3.5 Summary of key trade barriers

Import requirements for Korea in general are fairly strict; and this can be further complicated by the requirements of some certificates requested to confirm full compliance with Korean legislation. Requirements for fresh products, including fresh fruit and vegetables and non-sterilised livestock products are particularly stringent. More details on these can be found in section 4.2 and in the corresponding product market snapshots in section 5; however, to date the notable specific barriers are the following:

- **Ban on imports of beef from the EU.** The market has been closed to EU importers since 2001 due to the issue of BSE, though some Member States are currently under negotiations to ensure market access.
- **Regionalisation for disease outbreaks.** Though it should be applied due to certain provisions in the EU-Korea FTA, regionalisation is not applied by Korea for EU meat products. Furthermore, Korea does not follow the rules of the OIE terrestrial code for regaining access after a disease outbreak for certain diseases.
- **National applications for fruit and vegetable exports.** The eight-step procedure employed by the Korean authorities for opening the fruit and vegetable market to a country takes a long time (e.g. up to 10 years). Furthermore, it works on a product by product basis; and only one application from a country can be open at a given time.
- **Import tolerances for pesticides (fruit and vegetables).** MRLs for generic substances were abolished at the beginning of 2019, though there is a transitional period for some active substances; and alternatives for addressing this barrier are being explored with Korean authorities. More details are provided on this in section 5.11.4

In addition, the existence of country of labelling origin needs to be borne in mind. While this creates particular complexities for livestock products due to potential differences in places of birth, raising, slaughter and processing, bilateral protocols have largely addressed these issues. Finally, there have been cases in which importers have noted a high level of sample taking by Korean authorities during import.

### 4.4 Operating in the South Korean food and beverage market

#### 4.4.1 Logistical services and transportation infrastructure

South Korea has established very advanced and modern transportation network, which has been developing since 1960s. Nowadays, both public and private sector are involved in expanding the infrastructure capacity by investing in various construction and logistical projects and initiatives.

## Shipping

The South Korean network of sea ports and harbours is located throughout country, with particular focus on the southern part of the peninsula. In terms of cargo handled, in 2017, ports in South Korea reported an increase of 4.1% having handled over 1.57 billion tonnes of cargo<sup>2526</sup>. The major terminals are presented in Figure 4-1. Busan is the largest and busiest port; followed by Kwangyang and then Gunsan.

Figure 4-1: Major ports and terminals in South Korea



Source: Agra CEAS based on MOLIT and World Port Source.

## Air freight

There are 8 international airports in South Korea and several ones targeted for domestic transportation. The Incheon International Airport is the biggest one in the country, operating both in the cargo and passenger areas. Figure 4-2 shows the locations of main international airports in South Korea.

<sup>25</sup> South Korean Ports See 4.1 Pct More Volume in 2017; <https://worldmaritimenews.com/archives/242189/south-korean-ports-see-4-1-pct-more-volume-in-2017/>

<sup>26</sup> It should be note that final amount includes also non-agricultural products and goods.

Figure 4-2: Main International airports in South Korea

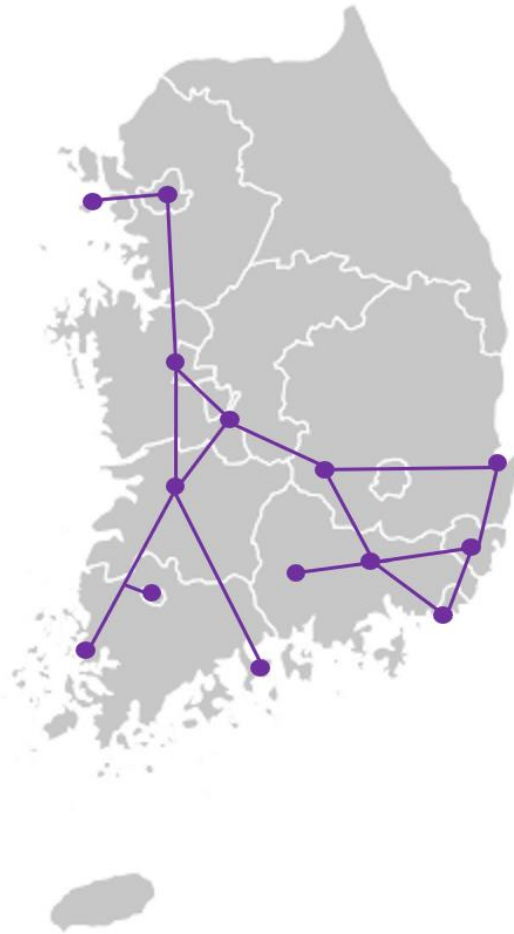


Source: Agra CEAS based on MOLIT

### Rail freight

Figure 4-3 presents simplified railway network in South Korea, which extensively covers the most populated areas of the country, i.e. northwest, south and south-east. Railways were not developed in the non-populous northeast nor on Jeju island. It should be pointed out that South Korea established four main railway lines namely: Gyeongbu, Honam, Gyeongjeon and Jeolla, which guarantee the smooth transportation of passengers and goods in the country from the main urban locations. In 2017, KORAIL – South Korea’s public railway operator, launched the longest freight train in country reaching 1.2 kilometres long.

Figure 4-3: Railway network in South Korea



Source: Agra CEAS based on MOLIT and KORAIL

### Road Freight

The system of roads in South Korea is considered to be well-kept and reaches every part of the country. In terms of freight, the roadway system tends to serve as the main way of transporting goods inside the country.

#### 4.4.2 Distribution

Distribution channels in South Korea have gone through the period of transformation and nowadays the retail market tends to be controlled by domestic players, sometimes forming multi-layered organisations having wide organisational capacity, similar to conglomerates. Furthermore, the importance of online distribution channels has increased greatly, as more and more South Koreans are considering making their purchases online. Indeed, according to figures from January 2018, above 70% of consumers purchased a

product or service online in the month, with over 55% doing so via mobile device<sup>27</sup>. In addition, South Korea is characterized by a strong culture of malls, with large scale complexes.

#### 4.4.2.1 Retail channel overview

##### Supermarkets & hypermarkets

Supermarkets and hypermarkets constitute one of the primary channels for consumers in South Korea. These shops guarantee a wide selection of choice and are due to its often location – shopping malls – offer additional convenience added value. These types of store combined accounted for 57% of the average household's grocery spend in 2017. They tend to be visited during large scale shopping trips, although not exclusively.

##### Convenience stores

The role of convenience store has been changing in recent years due to the growth in the number of single households as well as due to evolution of convenience stores, which nowadays offer variety of basic services, such as eating areas, music headsets, collect points, banking, shipping etc. In effect, South Koreans, due to their busy lifestyle, appreciate the convenient services and long opening hours. Moreover, convenience stores have become an important retail channel for selling alcoholic drinks<sup>28</sup>. The largest domestic companies include GS25, CU, Seven-Eleven, Buy Wayway, Minstop, SeaSpace<sup>29</sup>.

##### Department Stores

South Korea, as a country with strong culture of malls, is characterized by considerable number of department stores available in urban locations. Given that in general, such stores consist of numerous facilities, e.g. restaurants, cinema and cultural centres, they are very often visited by South Korean consumers<sup>30</sup>. Accessibility and a wide selection of products combined with other facilities included are key factors driving department stores' importance in South Korea.

##### Hotels, restaurants, and cafés

The dining culture in South Korea is strong. Traditionally it has never involved dining alone; instead it has usually centred around family dining or other social gatherings. However, due to ongoing societal changes, so called "*honbap*" – dining alone, has become a trend<sup>31,32</sup>.

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<sup>27</sup> Euromonitor International: Economies and Consumers, 2018.

<sup>28</sup> Convenience stores become biggest seller of alcohol drinks; <https://en.yna.co.kr/view/AEN20161130001600320>

<sup>29</sup> [Market Analysis] Characteristics and Growth of Convenience Stores (CVS) Industry; <http://www.newstown.co.kr/news/articleView.html?idxno=243630>

<sup>30</sup> [Market Analysis] Characteristics and Growth of Department Store Industry; <http://www.newstown.co.kr/news/articleView.html?idxno=244157>

<sup>31</sup> Table for One?: How Dining Culture Is Changing in South Korea; <http://keia.org/table-one-how-dining-culture-changing-south-korea>

<sup>32</sup> One's company for South Koreans dining out; <https://www.straitstimes.com/asia/east-asia/ones-company-for-s-koreans-dining-out>

The South Korean restaurant and café industry has evolved to include more large-scale franchised outlets at the expense of small scale-independent establishments<sup>33</sup>. The sector is characterized by a high level of diversification of menus, with many foreign and ethnic dishes and products available.

### eCommerce

Online retailing has grown significantly in recent years. Most notably, the growth of mobile shopping has considerably accelerated, making it the most popular platform for online-shopping – which is at least partly due to a very high smartphone penetration rate among South Koreans<sup>34</sup>. E-commerce has swiftly become one of the favourite retail channels in South Korea, fueled by busy lifestyles and an emphasis on convenience; factors addressed by technologies such as delivery apps and large online malls. The latter category, however, has booked repeated losses due to high competition on the market – despite growing sales<sup>35</sup>.

#### 4.4.2.2 Intermediaries

In general terms, it is strongly recommended that a Korean partner be sought for parties wishing to sell their products in Korea. This is because the linguistic and legislative issues provide particular barriers to non-Korea based operators; and local partners understand better both the market and the culture (for example, for the distribution of some products there are a small number of large retailers who can play a key role in the success of a product, and local partners should be able to assist in identifying and reaching these companies). A local partner may be an agent, distributor or joint venture partner depending upon the particular situation. For example, a distributor may make a better partner if an exporter is specifically targeting the sale of their products through large retailers such as supermarkets; while an agent may be a more suitable partner for companies selling to the wholesale sector or aiming for their product to be sold through a variety of channels.

Important factors to bear in mind when looking for a partner are:

- **Partner reputation and long-term relationships** – in some sectors (e.g. meat), the industry is dynamic with new importers or agents entering and exiting the market. When starting to work with a new partner, particularly one which has not been established, it is prudent to start with small volumes in order to develop trust and the relationship. A long-term relationship is ultimately very beneficial in Korea. Issues early in the relationship such as cancelled orders may provide an indication that a partner would be less reliable for the long term.
- **Price/quality relation** – product quality will be a key consideration for many partners, but price is also a key consideration.

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<sup>33</sup> Korea, Republic of, Food Service – Hotel Restaurant Institutional, Biennial Report ; <https://gain.fas.usda.gov/Recent%20GAIN%20Publications/Food%20Service%20-%20Hotel%20Restaurant%20Institutional%20Seoul%20ATO%20Korea%20-%20Republic%20of%202016-02-11.pdf>

<sup>34</sup> E-commerce seeks better profits with mobile shopping; <http://www.koreaherald.com/view.php?ud=20170910000158>

<sup>35</sup> Online malls suffer losses in keen competition despite growing sales: sources; <https://en.yna.co.kr/view/AEN20171213002700320>

- **Regularity of supply** – stable supply is favoured by many importers, particularly in more commodity orientated markets. It also allows a stable market share to be maintained. In some markets there may be periods in which market prices are lower and prices must subsequently be lowered to maintain market share; and doing so will allow market position to be maintained in the long term.
- **Volumes** – the volume imported may influence the partner obtained (e.g. large importers prefer to work with large volumes). However, for many partners, the certainty from the regularity of supply trumps volume.

**Business Contact Database:**

A database of importers, wholesalers, retailers and distributors can be found in section 8.5

*N.B. due diligence will have to be performed for any contacts on this database as no warranty is given as to the standing of these individuals, organisations or firms and no corresponding responsibility or liability is accepted by the authors.*

### 4.4.3 Business environment

South Korea is generally rated as an easy place to do business in terms of administrative requirements. Nonetheless, it is important to note that there is a specific business etiquette that should be respected. Section 7 contains some more information on etiquette, along with some do's and don'ts.

### 4.4.4 Key operational considerations and challenges: summary

As outlined in section 4.4.2.1, hypermarkets and supermarkets have had a strong presence in distribution of goods in South Korea. Due to the fact that South Koreans are in general rather loyal consumers, they often choose domestic stores. This may inadvertently pose a challenge to introducing foreign products on to the market as dealing with such stores is likely to require strong business relationships. EU producers planning to export their products to South Korea should take note of growing market for online retailing – which comprises numerous e-commerce platforms, and thus inevitably is highly competitive.

### 4.4.5 Other relevant information

#### 4.4.5.1 Methods of payment in South Korea

South Korea is known for its non-cash transactions, which cover about 20% of total financial operations in the country. Although credit card remains the dominant method of payment, *T-Money* is also growing in importance. The latter works very similar to a regular debit card, which additionally is very often linked to the consumer's mobile device. It is mostly used for public transportation; however, it may also be used in shops and restaurants. Generally speaking, in South Korea, a regular MasterCard or Visa card are sufficient to easily make payments.



#### 4.4.5.2 Travel from the EU to South Korea

Travel to South Korea from the EU is not a subject of any visa-related restrictions. EU citizens may enter the country visa-free up to 90 days<sup>36</sup>.

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<sup>36</sup> In case of some countries, the period might be shorter – e.g. Portugal – 60 days.

## 5 Market Snapshots for Selected Products

This section provides specific information for various food and beverage categories and products. This information covers three main categories:

- **Consumption:** data on the evolution of consumption; consumer profiles and any notable consumer trends;
- **Offer:** domestic production; imports and exports; the competitive landscape; relevant specific customs procedures/import considerations;
- **Distribution:** main distribution channels used; domestic and imported offer;

Furthermore, each category contains a SWOT analysis and a key takeaways message.

Fresh meat	Dairy	Beer
Chocolate and confectionery	Spirits	Wine
Baked goods	Pasta and other staples	Olive oil
Processed fruit and vegetables	Fresh fruit and vegetables	Processed meat
Live plants	Processed cereals	Honey

## 5.1 Fresh meat

### 5.1.1 SWOT analysis

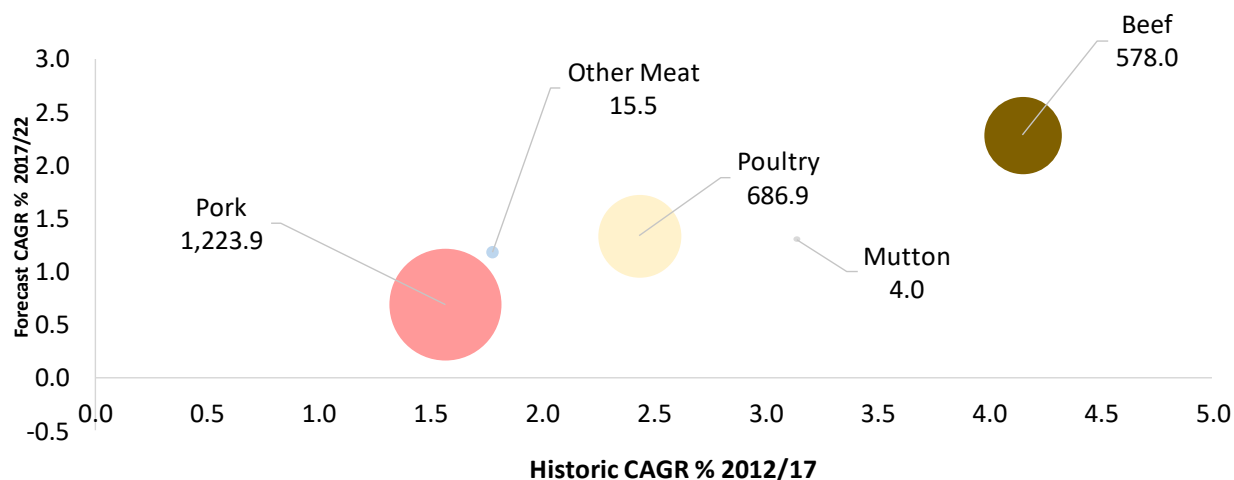


### 5.1.2 Consumption

#### 5.1.2.1 Evolution of consumption

The market for fresh meat in South Korea has been growing, as all segments noted a positive CAGR in last years and are projected to keep the upward trend albeit at a lower rate (Figure 5-1). Pork is by far the largest category in the market in terms of total volume, as its market size is almost twice as big as the second segment – poultry. Pork consumption has been on the rise, however its CAGR is expected to slow down, falling to 0.7% per year over the forecast period to 2022. Poultry, similarly, noted a positive growth of 2.4% per year between 2012 and 2017 and is predicted to rise further, however also at lower pace. The highest growth in terms of total volume was recorded by beef – the third biggest category, which rose by 4.2% per year in years 2012-2017 and is expected to grow further by 2.3% per year going forwards.

Figure 5-1: Evolution and forecast of fresh meat market (000 tonnes) in South Korea, total volume 2012-2022



Source: Euromonitor International: Fresh Food, 2018

### 5.1.2.2 Consumer profile and purchase criteria

#### Consumers



South Korean cuisine is considered as one of the healthiest in the world, combining variety of vegetables, fish, soy beans and rice. Moreover, one of the key features of this cuisine is fermentation, which is regarded as a cornerstone of South Korean diet, as food improves its taste and nutritional properties. However, a typical dish in South Korea may also include variety of meat – especially pork and beef. South Korean consumers traditionally have had a general preference for beef, even if that implies higher price, but recently this has shifted with consumers stating their preferred meat is now pork, fuelled by the enduring popularity of grilled pork belly<sup>37</sup>. That said, beef is still very popular and the fairly strong domestic beef production is well regarded. Consumption of pork is mainly driven by financial aspects, as this type of meat tend be less pricey and may serve as an alternative of beef or constitute a main ingredient of South Korean dish; explaining its position now as the most popular meat. As noted above, pork belly in particular is popular in Korea. Poultry is perceived as rather healthy food, eaten especially during summer season when consumption is much higher than in other months or during international sports events, when fried chicken is a typical dish and/or snack<sup>38</sup>.

<sup>37</sup> Korea - Republic of Livestock and Products Annual; USDA Gain Report; [https://gain.fas.usda.gov/Recent%20GAIN%20Publications/Livestock%20and%20Products%20Annual\\_Seoul\\_Korea%20-%20Republic%20of\\_9-10-2018.pdf](https://gain.fas.usda.gov/Recent%20GAIN%20Publications/Livestock%20and%20Products%20Annual_Seoul_Korea%20-%20Republic%20of_9-10-2018.pdf)

<sup>38</sup> Korea - Republic of Poultry and Products Annual; [https://gain.fas.usda.gov/Recent%20GAIN%20Publications/Poultry%20and%20Products%20Annual\\_Seoul\\_Korea%20-%20Republic%20of\\_9-4-2018.pdf](https://gain.fas.usda.gov/Recent%20GAIN%20Publications/Poultry%20and%20Products%20Annual_Seoul_Korea%20-%20Republic%20of_9-4-2018.pdf)

### Drivers and method of consumption

Consumption of fresh meat in South Korea is mainly driven by dietary habits of consumers, which have started to include more meat-based dishes. Furthermore, the choice of meat largely depends on pricing – especially in case of beef vs other meat - as well as flavour preferences. In terms of method of consumption, South Koreans tend to prepare fresh meat over a fire in front of a table, when dining out (*Korean barbecue*) or simply fry it. There is abundance of popular dishes based on meat, i.e. *samgyeopsal*, *daeji bulgogi*, *haejangguk* and many other stews. South Koreans usually look the most for single rib pork bellies, collar butt and ribs; and in case of poultry – the whole chicken or chicken legs instead of wings or breasts.

### Purchase criteria

As far as purchase criteria go, consumers in South Korea have a preference of domestic products over imported ones when it comes to fresh meat. It is mainly due to concerns over the safety of imported meat and outbreaks of various diseases. However, it is also influenced by the fact that domestic production is sold chilled, while the majority of imported production will be sold as frozen; and with the exception of lower income consumers and single-person households, chilled meat is clearly preferred in retail channels over frozen (under 10% of beef and pork in retail channels is sold as frozen). The aforementioned groups show interest in frozen meat for reasons related to price and convenience respectively.

After the country of origin, the price also plays a crucial role. South Koreans, as mentioned in section 3.3.1.1, are rather price-conscious and look for efficient spending; this has only been accentuated of late due to some slowing in the economy. Historically, price is a more important criterion for pork than it is for beef, with the low price of pork effectively being taken for granted. That said, in the particular case of beef, price has recently led to the increased popularity of imported beef as it is cheaper than the domestically produced beef.

Lastly, in case of fresh meat, consumers pay great attention to the freshness of product, which simultaneously is considered to indicate its quality<sup>39</sup>. This is particularly true in the case of beef, for which quality-related flavour and texture considerations are particularly strong.

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<sup>39</sup> Korea - Republic of Livestock and Products Annual; USDA Gain Report; [https://gain.fas.usda.gov/Recent%20GAIN%20Publications/Livestock%20and%20Products%20Annual\\_Seoul\\_Korea%20-%20Republic%20of\\_9-10-2018.pdf](https://gain.fas.usda.gov/Recent%20GAIN%20Publications/Livestock%20and%20Products%20Annual_Seoul_Korea%20-%20Republic%20of_9-10-2018.pdf)

### 5.1.2.3 Recent market trends

The fresh meat market in South Korea has been on rise and it is projected to grow further, however not at the high pace as it has in the last few years. Beef has been receiving high and continuous attention, as consumers appreciate its flavour. The national palate does also appreciate pork; as noted above it has become the preferred meat in the country and its popularity has been boosted due to the price-consciousness of consumers. Grilled pork belly (*samgyeopsal*) is particularly popular, including in restaurants where the meat used for the preparation may be frozen. Iberian pork has received some interest of late in Korea. Considering other types of meat, poultry is generally particularly popular around international sports events as well as summer season (barbecue time) due to tradition of fried snacking (i.e. wings, legs etc.). Indeed, consumption of chicken is usually much higher in these months than in others; and chicken is often consumed with beer.



There is an emerging organic meat trend in Korea, however this is still very young. The first formally labelled beef was released in 2017 by Haenam Ttangkkeut Organic Hanwoo Farming Corporation. It is currently sold at twice to three times the price of average Korean *hanwoo* beef, but consumers have so far expressed satisfaction. 8Corners (8corners.kr) is the first and only retailer of organic pork in Korea. However, despite this emerging trend, the challenges surrounding the organic labelling of fresh products (including meat – see section 4.1) and some recent issues with inaccurate labelling should be borne in mind.

Last but not least, as an aftermath of the introduction of Improper Solicitation and Graft Act in September 2016, beef manufacturers in South Korea have seen their businesses struggling due to lower frequency of gifting traditional beef (Korean beef - *hanwoo*) boxes of steak around Lunar New Year and Korean Thanksgiving. The main reason is that such boxes exceed the price threshold and therefore are regarded as crime when offering the gift to public servants (including teachers among many other professions)<sup>40</sup>.

## 5.1.3 Offer

### 5.1.3.1 Domestic production

Domestic production of fresh meat has continued to rise to try to satisfy growing demand; nonetheless the country is not self-sufficient. The ratio of cow slaughter in country slightly dropped in 2018, however

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<sup>40</sup> A year after South Korea passed an anti-corruption law, some businesses say it goes too far; <https://www.pri.org/stories/2017-11-29/year-after-south-korea-passed-anti-corruption-law-some-businesses-say-it-goes-too>

increase in inventories effectively paved the way for an increase in cow stock – simultaneously fuelling domestic beef production (from the *hanwoo* breed of cow)<sup>41</sup>.

Similarly, in the sector for pork, farmers have continued to increase the herd size to meet growing demand and in effect the production has remained on rise. In March 2018, the South Korean government introduced a new law on estimating swine inventory which included swine that was being raised on corporate farms, not only on privately-owned farms as in the past. As a result, the inventory statistics gathered by Korea Statistics Service have increased. Lastly, Korea's black hog meat produced on Jeju Island has been popular, however its price is higher than regular pork.

As far as poultry production goes, the increase in total metric tonnes has been mainly driven by high competition fuelled by growing capacity from new slaughtering facilities as well as stable demand for poultry.

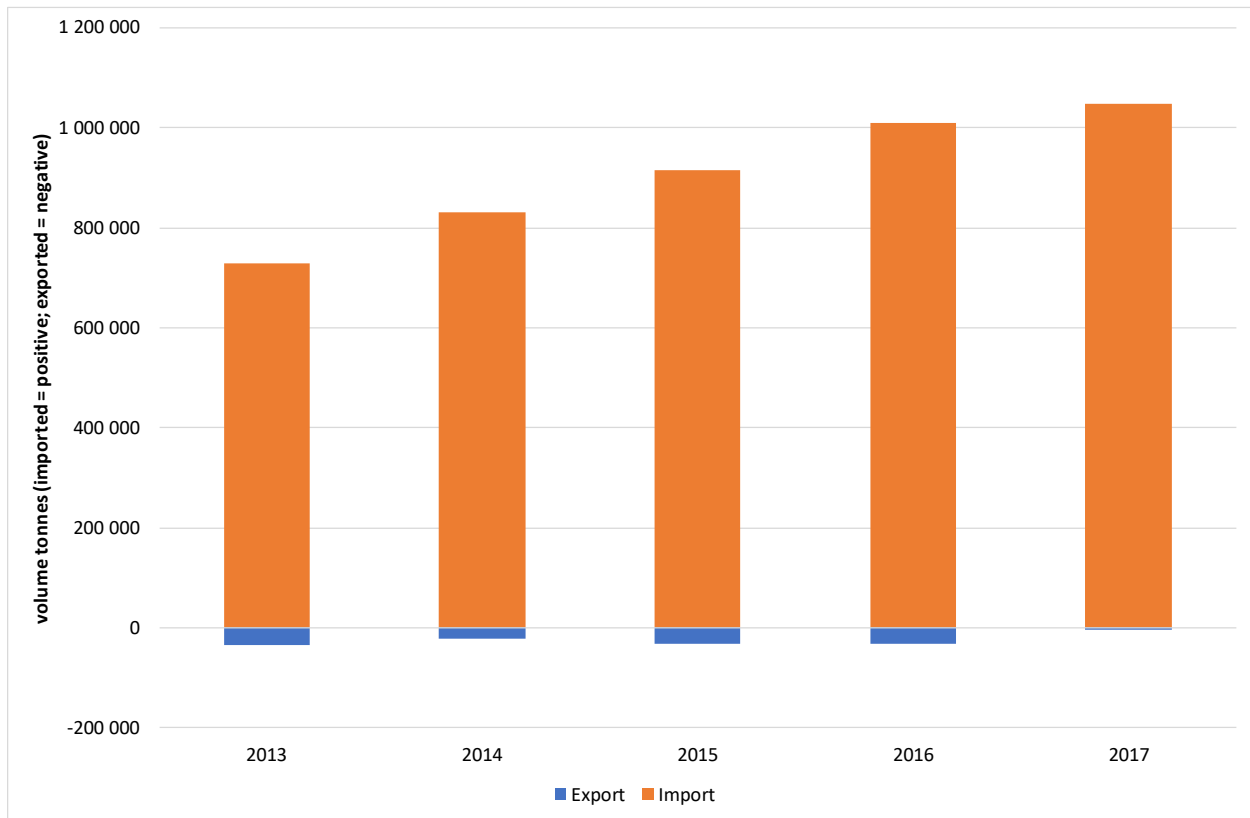
### 5.1.3.2 Imports and exports

As seen in Figure 5-2, South Korean imports significantly outweigh export volumes. Imported volumes of fresh meat have been gradually increasing, reaching above 1 million tonnes in 2017, whereas exports are very marginal. Piguineat is the most common imported fresh meat by South Korea, reaching almost half of imports in 2017, followed by bovine which imports reached almost 400 000 tones the same year. Imports of poultry were much smaller – 100 000 tonnes (Figure 5-2). As presented in Figure 5-4, imports of fresh meat to South Korea come from several countries. Top exporters of fresh meat include USA, Australia and Germany, followed by various EU countries (e.g. Spain, Denmark) and other countries, e.g. Chile, Canada, New Zealand. All major countries' shares have remained stable.

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<sup>41</sup> Korea - Republic of Livestock and Products Annual; USDA Gain Report; [https://gain.fas.usda.gov/Recent%20GAIN%20Publications/Livestock%20and%20Products%20Annual\\_Seoul\\_Korea%20-%20Republic%20of\\_9-10-2018.pdf](https://gain.fas.usda.gov/Recent%20GAIN%20Publications/Livestock%20and%20Products%20Annual_Seoul_Korea%20-%20Republic%20of_9-10-2018.pdf)

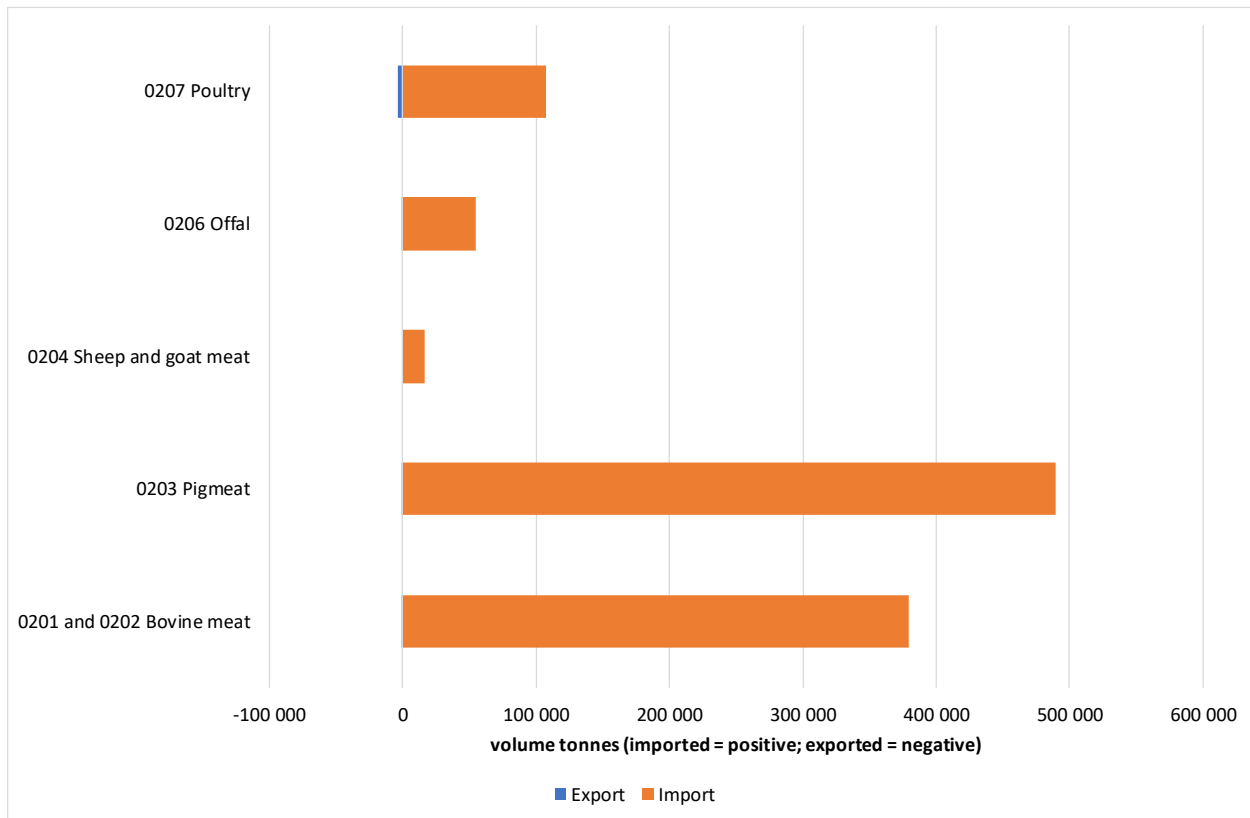
Figure 5-2: Trade balance (imports and exports) of fresh meat in South Korea, 2013-17; tonnes



Source: Trade Map, International Trade Centre - <https://www.trademap.org/> Data for CN code 0201, 0202, 0203, 0204, 0206, 0207



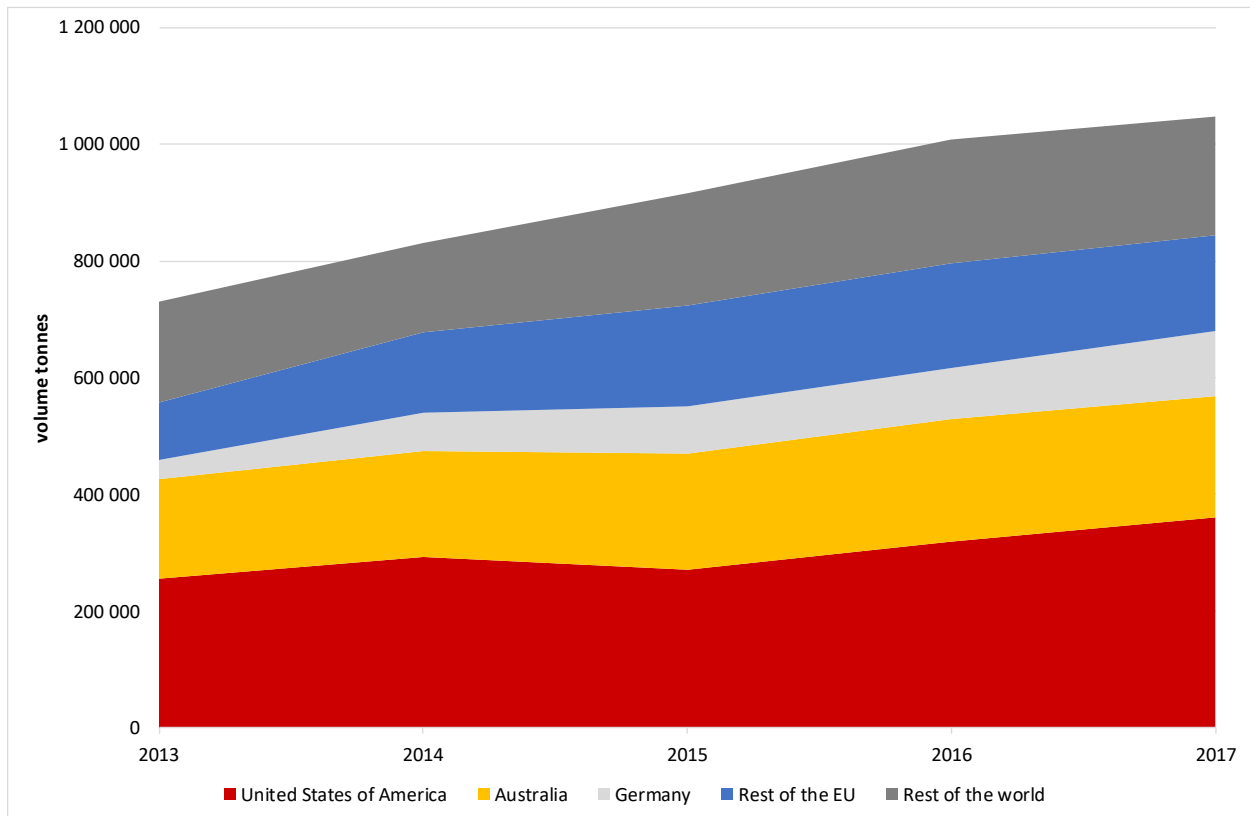
Figure 5-3: Trade balance (imports and exports) of fresh meat in South Korea, by type, 2017; tonnes



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

Data for CN code 0201, 0202, 0203, 0204, 0206, 0207

Figure 5-4: South Korean imports of fresh meat by country, 2013-17; tonnes



Source: Trade Map, International Trade Centre - <https://www.trademap.org/> Data for CN code 0201, 0202, 0203, 0204, 0206, 0207

### 5.1.3.3 EU GI products

Based on the EU-South Korea free trade agreement (section 4.3.3), 164 EU GIs agricultural products found recognition and protection on the South Korean market. Among them, however, there are no fresh meat products, as all listed meat items are processed.

### 5.1.3.4 Main competitors

As identified in section 5.1.3.1, domestic producers have been gaining a stronger presence, as their business have been growing due to enlarged capacity based on constant demand. Moreover, as seen in 5.1.3.2, imported volumes of fresh meat have been increasing gradually, with the major importers involved being from USA and Australia, as well as Germany. The former two countries dominate imports for the beef market in particular. Furthermore, these countries are geographically closer, so may be able to export fresh meat to Korea (the preferred consumer option); while the +/- 50-day sea shipping time means that frozen meat is more likely to be exported from the EU.

## 5.1.4 Specific market entry requirements

### Market Access and Entry

Imported fresh meat products are subject of market entry requirements set out in the Act on Prevention of Contagious Animal Disease, Food Sanitation Act, Special Act on Imported Food Safety Management, Food Code and the Livestock Product Sanitary Management Act, as described in section 4.2.1.

In addition to this, it is important to note that the individual countries must have been approved for import into Korea on a product by product basis; and the Korean market must be open to imports from this country at the time of import. While there is no official publicly available list of approvals / access in EU languages, at the time of writing:

- several EU Member States have access for pork;
- few EU Member States for poultry, and;
- no EU Member States have access for beef (the market has been closed since 2001 due to BSE concerns; several Member States are believed to be close to regaining access).

An unofficial translation dating from 2016 can be found here:

<https://www.livsmedelsverket.se/globalassets/produktion-handel-kontroll/export-import-handel/export/sydkorea/countries-regions-allowed-for-import-of-livestock-prod>

It is important to note the information in the link above is neither official nor up to date; and hence current accuracy can be in no way guaranteed. It is therefore strongly recommended that you contact the responsible government authority in your country, to check on the current status of market access prior to starting import procedures; and ideally obtain further details of the negotiated protocol in place at the same time (see section 8.2 for a list of embassies in Korea)<sup>42</sup>. In this context, it should be noted that access may be withdrawn due to disease outbreaks, even if a protocol facilitating market access has already been negotiated. In such cases, reopening of the market may take time. Finally, Korea does not fully apply regionalisation measures for disease outbreaks, meaning that in some cases diseases outbreaks in other areas of the country, access for the whole country may be restricted (HPAI is an example of a disease for which regionalisation is not applied).

Finally, foreign establishments involved in production for export of livestock products need to be registered. This includes establishments which are involved in slaughter, processing and storage of fresh meat products. This requires the completion of forms which must be submitted to MFDS and MARFA through the government of the exporting country. Decisions will be taken on the basis of a documentary review and on-site inspection. In order to start this procedure, the responsible government authority in your country should be contacted; though a sample of the form required is provided in the MFDS handbook (see box below).

**Handbook by MFDS on the import policy for livestock products from February 2016.**

MFDS published a handbook on import requirements for livestock products following policy changes in 2016. This provides some more details on requirements. While not currently on the MFDS website, a version has been uploaded here:

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<sup>42</sup> Protocols are also available in Korean only on the website of the Korean Ministry of Agriculture.

[https://www.flandersinvestmentandtrade.com/export/sites/trade/files/attachments/Leaflet\\_SpecialAct\\_ImportedFood.pdf](https://www.flandersinvestmentandtrade.com/export/sites/trade/files/attachments/Leaflet_SpecialAct_ImportedFood.pdf)

While a useful source, it is important to note it is not fully up to date and hence the relevance of all information at the time of reading cannot be guaranteed.

### Customs procedures

A list of standard documents as well as the overview of the procedure is presented in section 4.2.1. It should be noted though that importing fresh meat products might require providing additional documentation concerning the Livestock Product Sanitary Management requirements.

### SPS measures

Import of fresh meat products to South Korea comes with specific requirements and imposing set of documents to be delivered, certifying products' safety and quality:

- Import Permit for Products of Animal Origin
- Import Permit for Goods Subject to the Washington Convention (CITES)
- Import Permit for Wild Animals
- Quarantine Permit for Animal Products
- Certificate of Organic Food (*if applicable*)
- Veterinary Health Certificate for Animal Products
- Identification Number of Imported Beef (0201)
- Country of Origin Labelling (exact requirements in the case of fresh meat products are generally determined by the bilateral protocol for market access negotiated between the Korean authorities and that of the country of origin of the product; and so these protocols should be checked. In some cases it is necessary to have documents to substantiate locations across the entire process from birth to packaging.

**Up to date information on appropriate documents concerning SPS measures be consulted on European Commission website: <http://madb.europa.eu/madb/indexPubli.htm>**

### Labelling

As described in section 4.2.3, the labelling of imported products is set out by the labelling standards for livestock products, which are similar to the general requirements, with a few small differences:

- Name and address: not only is the importer's name and address required, but also that of the processing plant in the exporting country.
- Shelf life is required for all livestock products except ice cream, for which the manufacture date is required.
- Nutritional labelling is required for most dairy products and most processed meat products.

### 5.1.5 Distribution

Retail and food service are the two most important channels for the distribution of fresh meat. However, there are some differences in the importance of channels based on the nature of the meat. As noted above, pork belly is particularly popular through food service channels, and restaurants may purchase the product frozen, providing opportunities for EU based exporters. On the other hand, the majority (60-65%) of domestically produced pork and beef – which is more likely to be chilled – is sold through retail channels rather than food service or institutional channels.

In terms of retail channels, distribution is dominated by a combination of hypermarkets and wet markets; each accounts for around ¼ of the volume of pork and beef distributed through retailers to consumers. Wet market also play an important intermediary role in the meat supply chain in Korea; they distribute large volumes of meat for the packing industry.

### 5.1.6 Challenges for EU products

The main challenge EU producers would have to face is stringent and lengthy market entry procedures. Secondly, as mentioned in section 5.1.2, consumers in South Korea tend to be loyal and prefer domestic fresh meat products due to their cautiousness towards diseases outbreaks and any food safety scandal; though it must be remembered that domestic production does not fully satisfy demand. The beef market provides a microcosm of these two issues; the market is not yet open to imports from EU countries, and there is anyhow a preference for locally produced beef following some historical issues with other third countries (indeed opening the Korean market to beef imports has become a politically sensitive topic). Finally, there are still tariffs on some EU meat exports such as certain types of pork. The tariffs are being phased out, and in many cases the tariffs are more favourable than those imposed on major competitors such the US; however, there are some cases in which EU tariffs are slightly higher/being phased out more slowly (e.g. chilled pork bellies).

#### Market Takeaway: Fresh meat

**Consumption:** Consumption of fresh meat has been steadily increasing and is projected to remain on upward trend; pork is the largest segment on the market, however beef market has been growing faster

**Competition:** the market heavily depends on imports; however pork, beef and poultry domestic production are steadily growing.

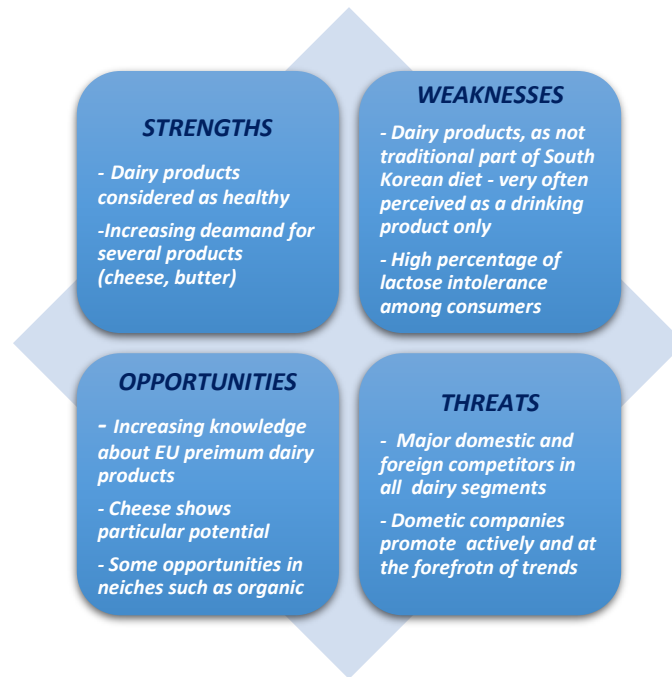
**Distribution:** Wet markets and hypermarkets important for retail distribution.

**Challenges:** Stringent control measures related to livestock product quarantine, which arise from reoccurring disease outbreaks. Relative consumer loyalty of South Koreans, especially in case of fresh meat products fuelled by food scandals.

**Opportunities:** Increasing consumption of fresh meat; EU producers among top importers of fresh meat to South Korea; pork belly particularly popular and restaurants may buy this frozen; possibility that the beef market opens to EU imports in the near future.

## 5.2 Dairy

### 5.2.1 SWOT analysis



### 5.2.2 Consumption

#### 5.2.2.1 Evolution of consumption

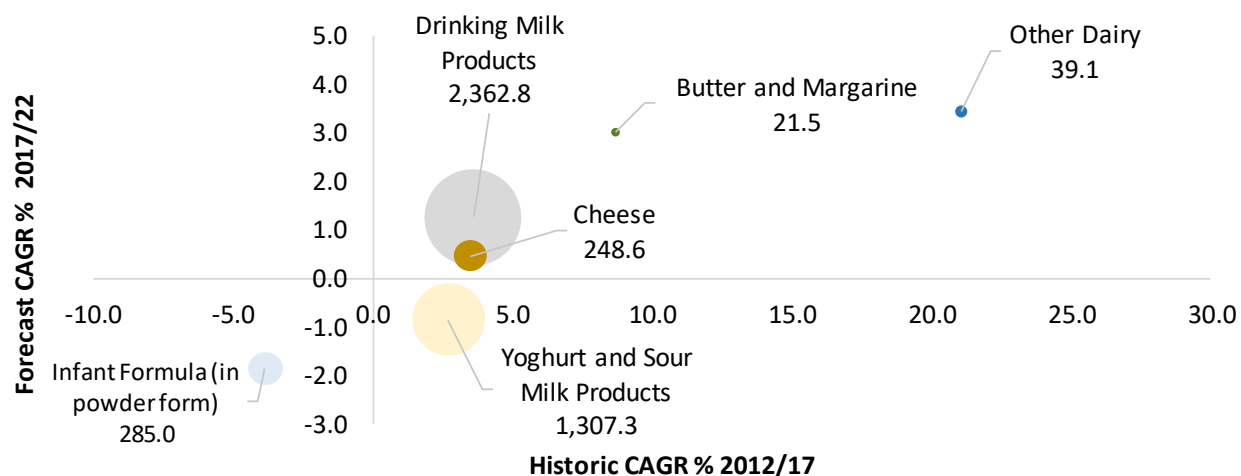
The market for dairy in South Korea as a whole has been on rise, however consumption in some segments is projected to fall going forwards (Figure 5-5). The market size of drinking milk products has been by far the largest, in retail value terms, growing by 3.6% per year in years 2012-2017. Next years are projected to bring continuous growth in consumption however at lower pace (1.3% per year). The second biggest category on the market – yoghurts and sour milk products after a period of stable growth is expected to note a negative CAGR (-0.8% per year).

The market sizes of other categories are considerably smaller, as the leading segments – drinking milk products and yoghurts established a solid and much bigger consumer base. Therefore, markets for infant formula, cheese, followed by other dairy and butter have been less significant in terms of retail value. The market for infant formula has been gradually decreasing (3.9% per year between 2012 and 2017) and is expected to fall further over the forecast period (1.9% per year), partly due to significant decreases of birth rate in the country<sup>43</sup>. Cheese, on the other hand, recorded a growth of 3.5% per year in years 2012-2017, however it is expected to slow down to 0.5% per year in the coming years. Other dairy products recorded a massive increase of 21.1% per year in last years and its growth is predicted to be set on 3.5%

<sup>43</sup> South Korea's fertility rate is the lowest in the world; <https://www.economist.com/asia/2018/06/30/south-koreas-fertility-rate-is-the-lowest-in-the-world>

per year in the incoming years. Butter, after a period of growth (8.7% per year) is projected to keep the upward trend, reaching 3.0% per year over the forecast period.

Figure 5-5: Evolution and forecast of dairy market (000 tonnes) in South Korea, retail value 2012-2022



Source: Euromonitor International: Packaged Food, 2018

### 5.2.2.2 Consumer profile and purchase criteria

#### Consumers



Dairy is not perceived as a part of traditional South Korean cuisine. Consumers have familiarized themselves with dairy products in the twentieth century, especially after introducing Dairy Industry Promotion Plan (1967)<sup>44</sup>, which impacted the development of the dairy industry in the country. Furthermore, lactose intolerance among certain consumers has some impacts on dairy consumption. Taking into account the national palate, it

is useful to differentiate between the different types of dairy product:

- **Drinking milk products:** South Koreans consume milk on a daily basis, often combining it with breakfast cereals. Milk is provided to primary schools. However, recently consumption has started to decline – especially in case of fresh milk, the fall in which can be connected to the low fertility rate<sup>45</sup>. In general, South Koreans tend to be loyal towards domestic products and dislike UHT

<sup>44</sup> Overview of the Korean dairy sector; <https://www.agroberichtenbuitenland.nl/binaries/agroberichtenbuitenland/documenten/rapporten/2017/12/30/korean-dairy-sector/Korean+Dairy+Sector.pdf>

<sup>45</sup> Korea - Republic of Dairy and Products Annual 2018 Dairy and Products; [https://gain.fas.usda.gov/Recent%20GAIN%20Publications/Dairy%20and%20Products%20Annual\\_Seoul%20ATO\\_Korea%20-%20Republic%20of\\_11-2-2018.pdf](https://gain.fas.usda.gov/Recent%20GAIN%20Publications/Dairy%20and%20Products%20Annual_Seoul%20ATO_Korea%20-%20Republic%20of_11-2-2018.pdf)

products, which are regarded as cheap<sup>46</sup>. On the other hand, flavoured milk products have been on rise, as the sector has been introducing innovative products as well as packaging. Lastly, given that consumers in South Korea are generally sensitive towards food safety issues, consumption of organic and milk from antibiotic-free animals has been growing.

- **Yoghurts and sour milk products:** South Korean consumers have a strong preference towards drinking yoghurts, however consumption of spoonable products is projected to increase, especially flavoured ones. Moreover, kefir – a sour milk product, has been gaining popularity based on claims about health benefits.
- **Cheese:** due to relative unfamiliarity with cheese products, the Korea Dairy Committee launched set of advertising programmes, such as “cheese making experience”, in which consumers in South Korea were able to familiarize themselves with the process of cheese making etc<sup>47</sup>. Generally speaking, South Koreans prefer soft cheese, i.e. mozzarella, ricotta, brie etc, as cheese is regarded mostly as snack (also grilled) or ingredient of Western-style dishes, e.g. pizza. However, as hard cheese is generally considered safe for the mildly lactose intolerant, there are also some consumers who prefer firmer, natural cheeses. Furthermore, there is also a new wave of re-invented Koreans meals using cheese as an ingredient, e.g. Octopus Fondue, Cheese Jokbal. Additionally, some consumers appreciate spreadable type of cheese which are imported in high volumes; cream cheese is the second most-imported types of cheese<sup>48</sup>.
- **Butter and margarine:** due to lack of awareness, the market for butter and margarine remains rather small, with consumers not able to tell the difference between the two products. At the same time, the market has been on rise, with the development of new tastes and varieties, e.g. salted, fermented etc.
- **Other dairy:** within this segment, cream and whipping cream is a top choice for South Koreans, mostly due to culinary purposes, e.g. baking. Other products, e.g. coffee whiteners, chilled snacks have not been particularly popular among consumers<sup>49</sup>.

As previously mentioned, given the low fertility rate in South Korea and continuous decline, consumption of infant formula products has been gradually decreasing.

Finally, demographics impact dairy consumption to some extent:

- **Gender:** women purchase milk more frequently and are the main consumer group for yoghurt drinks.

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<sup>46</sup> Overview of the Korean dairy sector; <https://www.agroberichtenbuitenland.nl/binaries/agroberichtenbuitenland/documenten/rapporten/2017/12/30/korean-dairy-sector/Korean+Dairy+Sector.pdf>

<sup>47</sup> Promoting milk consumption; [http://www.dairy.or.kr/english/2-3-1\\_bu\\_projects.htm](http://www.dairy.or.kr/english/2-3-1_bu_projects.htm)

<sup>48</sup> Overview of the Korean dairy sector; <https://www.agroberichtenbuitenland.nl/binaries/agroberichtenbuitenland/documenten/rapporten/2017/12/30/korean-dairy-sector/Korean+Dairy+Sector.pdf>

<sup>49</sup> Euromonitor International: Packaged Food, 2018



- **Income:** higher income consumers place more importance on the Korean origin of milk (plus some dairy products); are more brand loyal; and prefer natural cheese. Lower income consumers are more likely to choose based on price.
- **Age:** cheese is more commonly consumed by young adults and children (aged 2 to 18). Traditional yoghurts are more popular with infants (under 5 years).

### Drivers and method of consumption

Consumption of dairy products in South Korea is mainly driven by their added value for health. Consumers perceive them as nutritious and beneficial for bones and the digestive systems among others. Secondly, given the rising availability of foreign products, some consumers have developed a novelty-seeking approach, which results in them intentionally trying new products and tastes. In terms of method of consumption, South Koreans historically perceive dairy primarily as a drinking product – either milk, yoghurt or sour milk products. Subsequently, the market for dairy in South Korea is characterized by a relative lack of awareness of case of products other than milk and/or yoghurt. Nevertheless, these trends have been changing, as new types of dairy products have emerged. Hence, products such as cheese, for instance are being more widely recognised as dairy. Cheese is mostly regarded as a snack or an ingredient of various dishes as well as a spread.

### Purchase criteria

Price and expiry date are the key considerations for consumers when purchasing dairy products. The overall preference for domestic products is a further notable criterion for many South Korean consumers when purchasing some categories of dairy product. In some cases, it is due to flavour-related matters which favour fresher products (e.g. the avoidance of UHT milk, which is not preferred), and in others it has to do with sensitivity towards food safety issues. Furthermore, given the low awareness concerning foreign and unknown products, consumers tend to base their approach on brand, namely – the most popular brands are seen to guarantee both the quality and tastiness of a product (e.g. butter). In view of this, some domestic producers have invested in advertising (TV) to promote their brands.

Finally, health considerations can play a role. This is particularly true for milk; the vast majority of Korean consumers prefer low fat or low-calorie milk for health-related reasons.

### 5.2.2.3 Recent market trends

As mentioned in previous section, South Koreans perceive dairy products mostly as drinking beverages and yoghurts. However, due to increasing awareness among consumers, cheeses have started to gain more popularity. Generally speaking, consumption of dairy is associated with high health benefits, which will remain a key driver for increasing demand. Effectively, dairy products are very often distributed in schools and promoted by e.g. Korea Dairy Committee as highly nutritious products. Furthermore, consumers with above average socio-economic indices show particular interest in natural and healthy dairy products.



Cheese, having short culinary history in South Korea, has been subject of wide advertising campaigns, aimed at raising awareness as well as familiarizing with method of consumption. Nowadays, consumers in South Korea have started to regard cheese mostly as snack, often served with alcoholic beverages. Due to internationalisation of South Korean cuisine and influx of Western dishes, e.g. pizza – consumers have discovered the use of cheese as an ingredient. As a result, some South Korean dishes have been re-invented using cheese as an ingredient. Despite these efforts and developments, there is still scope for further promotion of cheese and awareness raising of possible methods of consumption in the Korean context (e.g. with spicy food, bread or wine).

Apart from cheese market, which has been emerging alongside the well-established market for drinking milk products, the market for kefir – a type of sour milk product – has been on rise. South Korean consumers consider kefir as a healthy product due to clumps of bacteria and their beneficial effect on digestive system.

Given that year 2018 was the year with the hottest summer in 111 years in South Korea, production of raw milk in August 2018 dropped by approx. 10%, due to the susceptibility of cows to heat stress – particularly in the case of Holstein breed – a major breed in South Korea. This effectively may have an impact on further supply and fluctuations of prices<sup>50</sup>.

Finally, some specific types of production have been gaining momentum in recent years:

- Lactose free milk has been emerging in the country and is growing at a relatively fast rate, but it still amounted for under 1% of all milk product sales in 2017.
- An increasing number of organic products have entered the market, led by Maeil Dairies. This is partly due to broader demand for organic products, and partly as a way of trying to realise value growth in the slowing dairy market. Overall, the production of domestic organic milk increased four-fold over the period 2013-18. Domestic organic products include drinking milk, yoghurt and cheese. In terms of imports, organic unsalted butter has been popular (e.g. from US producer Organic Valley and French producer Lactalis), assisted by marketing which highlights their healthy attributes. On average, organic dairy products retail for about 40% more than standard products.

## 5.2.3 Offer

### 5.2.3.1 Domestic production

Production of raw milk in South Korea has been declining, and in 2017 it accounted for 50.3% of consumption in comparison to 71.8% in 2008<sup>51</sup>. Farmers associations argue that this has been a result of stagnation in the area of national support; while according to the Ministry of Agriculture, Food and Rural

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<sup>50</sup> Korea - Republic of Dairy and Products Annual 2018 Dairy and Products; [https://gain.fas.usda.gov/Recent%20GAIN%20Publications/Dairy%20and%20Products%20Annual\\_Seoul%20ATO\\_Korea%20-%20Republic%20of\\_11-2-2018.pdf](https://gain.fas.usda.gov/Recent%20GAIN%20Publications/Dairy%20and%20Products%20Annual_Seoul%20ATO_Korea%20-%20Republic%20of_11-2-2018.pdf)

<sup>51</sup> S. Korea's raw milk self-sufficiency falls to lowest at 50.3%; <https://pulsenews.co.kr/view.php?year=2018&no=630174>

Affairs, drops in self-sufficiency and lower domestic production outputs are combined with consumers buying imported products more often despite high consumer loyalty. Nevertheless, the dairy processing industry in South Korea remains one of the largest food processing industry in the country<sup>52</sup>.

Domestic production of dairy products generally relates to drinking milk products as well as yoghurts; whereas cheese production remains smaller in terms of total output. The domestic cheese producers that exist are particularly focused on producing processed cheese, as the market for fresh cheese is almost exclusively dominated by imported products. In 2017, processed cheese production reached approx. 90% of consumption<sup>53</sup>. In addition, domestic producers have launched tailor-made products, e.g. for children, as the consumption of cheese highest among this group; as well as special cubed cheese products. In case of raw milk production in South Korea, as previously mentioned, domestic output is forecast to decline in near future due to recent unfavourable weather conditions.

The major players in the domestic market include notably the Seoul Dairy Cooperative – a leader offering a wide selection of products including fresh milk, milk drinks as well as cheese products. On the other hand, in the market for yoghurt and sour milk products, Korea Yakult leads the market with a wide variety of drinking yoghurts. Other major domestic manufacturers include Maeil Dairies, Binggrae and Namyang Dairy Products<sup>54</sup>. Domestic producers have been quite active in advertising and promotion in recent years in order to promote specific brands. Concrete examples include: TV adverts for Enfant Kkayokayo Cheese (2016) and Kuwokuwo Cheese (2017) by Seoul Dairy co-operatives; and various promotions of Sangha Cheese by Maeil Dairies (gift box promotion of for the PyeongChang Winter Olympics of 2017; TV advertisement in 2018, raffle ticket competition in December 2018).

### 5.2.3.2 Imports and exports

As presented in Figure 5-6, South Korea is a net importer of dairy products, whereas exports have remained marginal. Imported volumes have been gradually increasing, reaching almost 250 000 tonnes in 2017. The largest part of imported dairy products comprises cheese which accounts for about half of total imports in 2017, followed by whey and milk constituents.

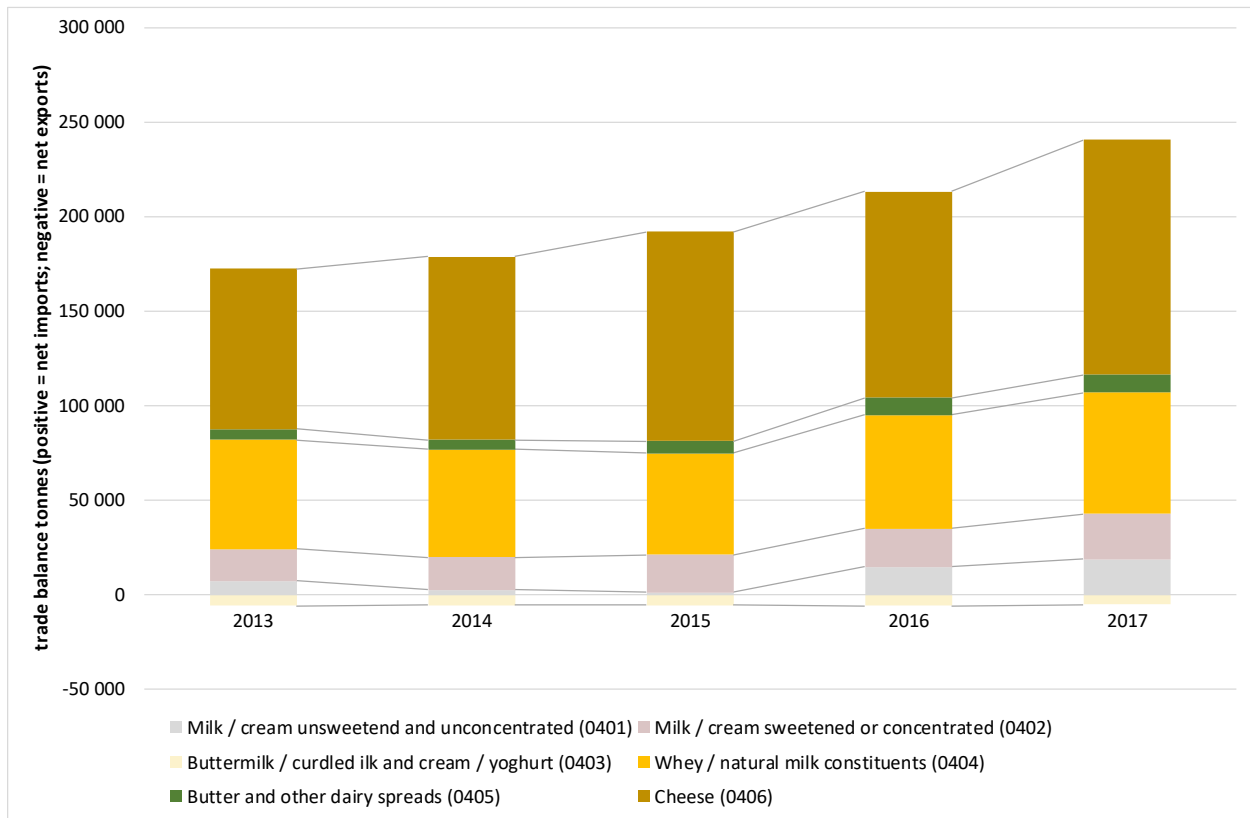
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<sup>52</sup> Overview of the Korean dairy sector; <https://www.agroberichtenbuitenland.nl/binaries/agroberichtenbuitenland/documenten/rapporten/2017/12/30/korean-dairy-sector/Korean+Dairy+Sector.pdf>

<sup>53</sup> Korea - Republic of Dairy and Products Annual 2018 Dairy and Products; <https://gain.fas.usda.gov/Recent%20GAIN%20Publications/Dairy%20and%20Products%20Annual%20Seoul%20ATO%20-%20Republic%20of%2011-2-2018.pdf>

<sup>54</sup> Euromonitor International: Packaged Food, 2018

Figure 5-6: Trade balance (imports and exports) of dairy in South Korea, 2013-17; tonnes



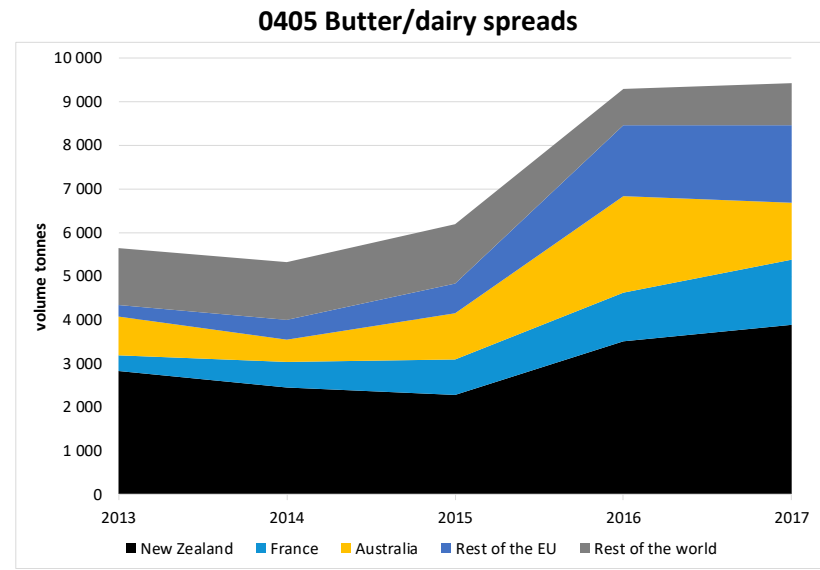
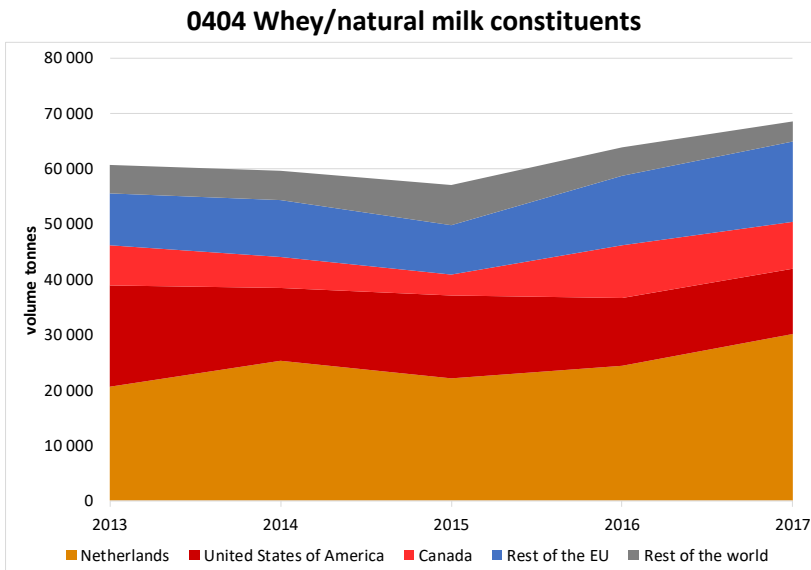
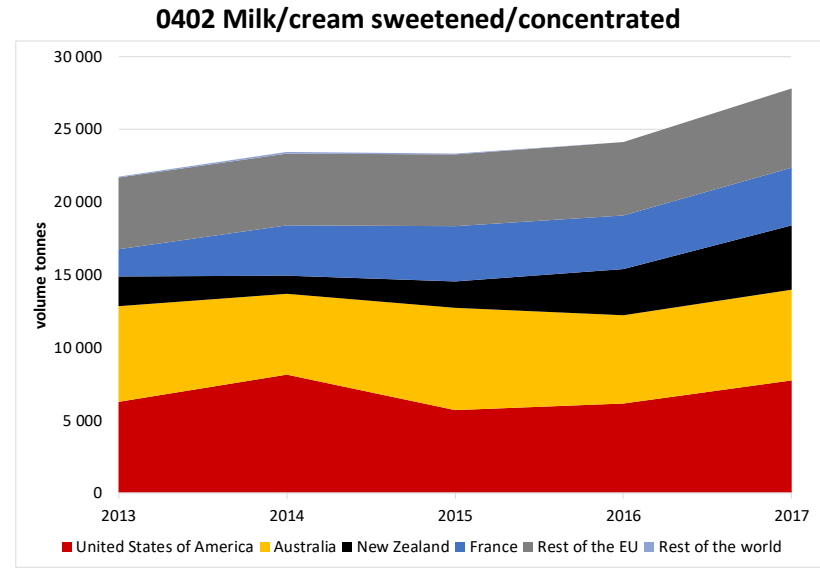
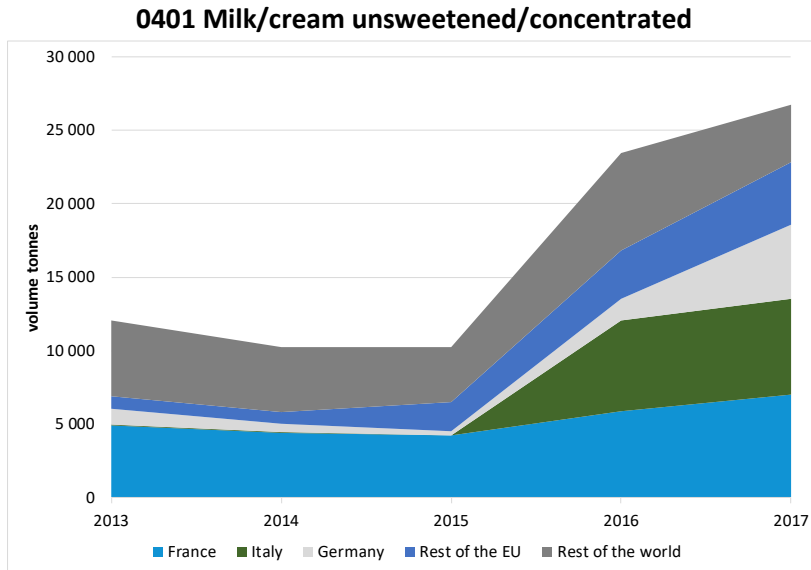
Source: Trade Map, International Trade Centre - <https://www.trademap.org/> CN codes in brackets

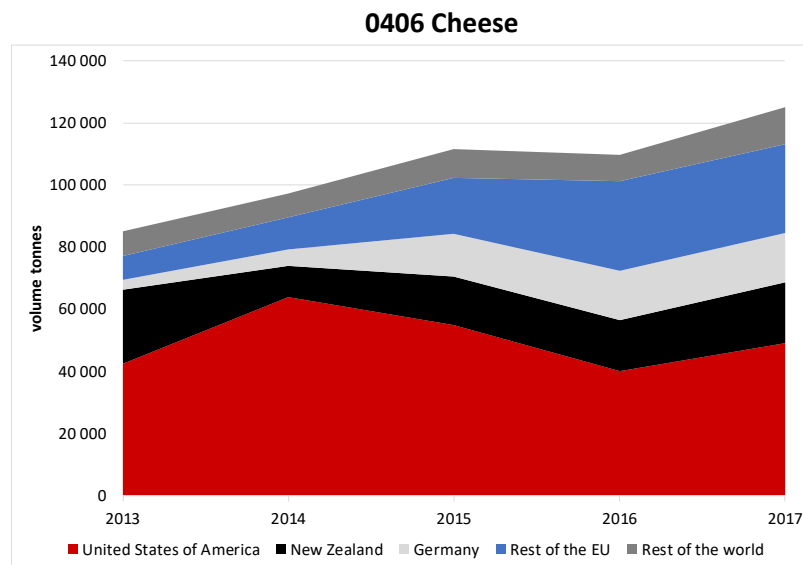
South Korea has imported dairy products from various countries. In case of cheese, the major importers have included USA, New Zealand, Germany and other EU countries. In 2014, US imports considerably dropped at the expense of EU products, the volume of which has significantly increased since that year (Figure 5-7). Whey products have been mostly imported from the Netherlands and USA, followed by Canada and other EU countries. No major fluctuations have occurred beyond the slight and continued increase of Dutch imports.

In other segments, South Korea has relied on diverse importers, i.e. USA and Australia in case of sweetened milk, and, France, Italy and Germany in case of unsweetened and/or concentrated milk. In 2016, imported volume of unsweetened milk considerably grew exceeding 25 000 tonnes, whereas in the market for sweetened milk products, no major fluctuations have been observed. Lastly, New Zealand has led butter imports to South Korea, accounting for a large part of imported volumes. Other countries have included France, Australia and several EU and non-EU countries. Similarly, to the market for unsweetened milk, imported volumes of butter went up in 2016.

Market Entry handbook

Figure 5-7: South Korean imports of different dairy categories by country, 2013-17; tonnes





Source: Trade Map, International Trade Centre - <https://www.trademap.org/> CN codes in brackets

### 5.2.3.3 EU GI products

Based on the EU-South Korea free trade agreement (section 4.3.3), 164 EU GIs agricultural products found recognition and protection on the South Korean market. Among them, there are following dairy products:

- Comté (France)
- Reblochon (France)
- Roquefort (France)
- Camembert de Normandie (France)
- Brie de Meaux (France)
- Emmental de Savoie (France)
- Φέτα -Feta (Greece)
- Provolone Valpadana (Italy)
- Taleggio (Italy)
- Asiago (Italy)
- Fontina (Italy)
- Gorgonzola (Italy)
- Grana Padano (Italy)
- Mozzarella di Bufala (Italy)
- Parmigiano Reggiano (Italy)
- Pecorino Romano (Italy)
- Queijo de São Jorge (Portugal)
- Mahón-Menorca (Spain)
- Queso Manchego (Spain)

### 5.2.3.4 Main competitors

As outlined in sections 5.2.3.1 and 5.2.3.2, the market for dairy in South Korea relies on imported products, however, in case of fresh milk and yoghurts, domestic producers have kept their strong presence, despite declining self-sufficiency in milk production. In some cases, imported dairy products (including notably those from Europe) are seen as better quality and cheaper than domestic ones. Cheese is the main example: the cheese market has been dominated by imports from USA and New Zealand, although EU producers have managed to introduce their products to the market, e.g. Germany. Considering other segments within the market, other major competitors include, apart from the USA and New Zealand, Australia and Canada.

## 5.2.4 Specific market entry requirements

### Market Access and Entry

Imported dairy products are subject of market entry requirements set out in the Food Sanitation Act, Special Act on Imported Food Safety Management, Food Code and the Livestock Product Sanitary Management Act, as described in section 4.2.1.

All dairy products require a negotiated agreement between the Korean authorities and country of origin to be in place; and for establishments to be registered. This system is similar to that for meat (see section 5.1.4) with the difference that registration is only necessary with MFDS. It is recommended that you refer to this section for more details. You may subsequently wish to contact the competent authority in your country (see section 8.2) or possibly other service providers (see section 8.3) to determine if a protocol is necessary for the product you need to export and whether it is already in place; and to launch the establishment registration process if necessary.

It is worth noting that the regulation on non-pasteurised cheeses was eased a few years back; and now cheese produced from raw milk matured over 2°C for more than 60 days are authorised. As a result of this and the lifting of corresponding bans, unpasteurised cheeses such as Parmigiano-Reggiano and Grana Padano now have market access in Korea.

### Customs procedures

A list of standard documents as well as the overview of the procedure is presented in section 4.2.1. It should be noted though that importing dairy products might require providing additional documentation concerning the Quarantine Animal Products requirements.

### SPS measures

The import of dairy products to South Korea comes with specific requirements and imposing set of documents to be delivered, certifying products' safety and quality:

- Import Permit for Products of Animal Origin
- Import Permit for Goods in Approved Packaging Materials
- Quarantine Permit for Animal Products



- )
- Veterinary Health Certificate for Animal Products
- Country of Origin Labelling

**Up to date information on appropriate documents concerning SPS measures be consulted on European Commission website: <http://madb.europa.eu/madb/indexPubli.htm>**

### Labelling

As described in section 4.2.3, the labelling of imported products is set out by the labelling standards for livestock products, which are similar to the general requirements, with a few small differences:

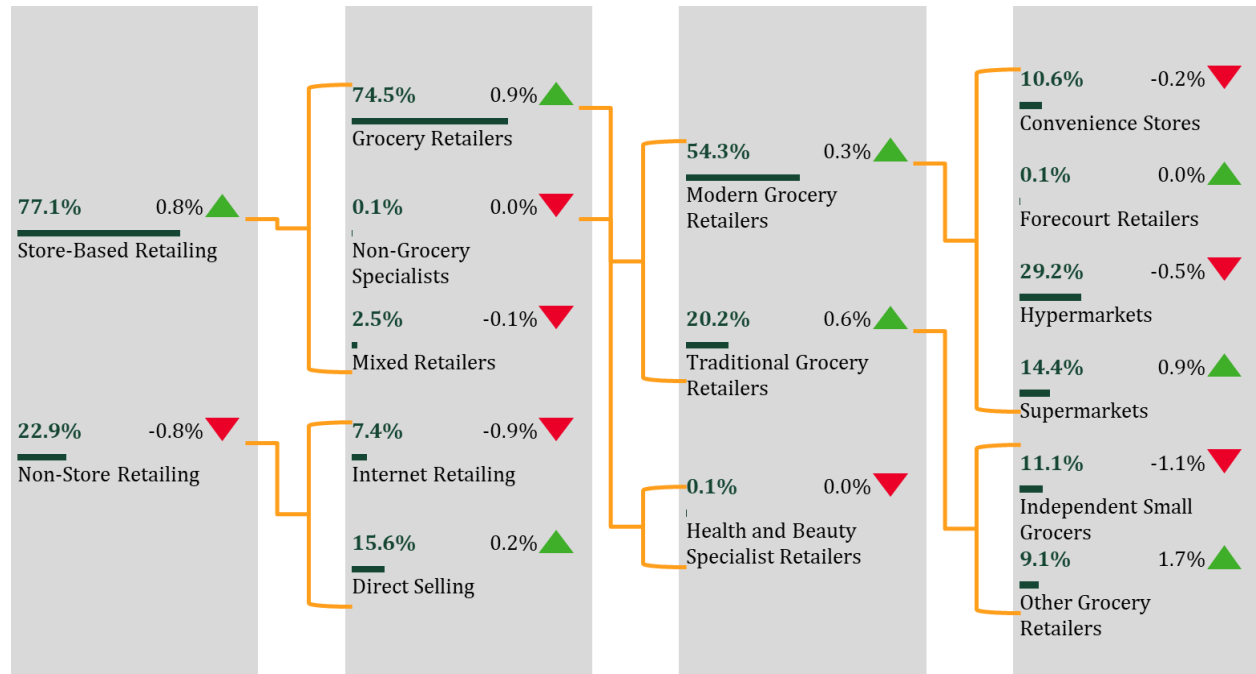
- Name and address: not only is the importer's name and address required, but also that of the processing plant in the exporting country.
- Shelf life is required for all livestock products except ice cream, for which the manufacture date is required.
- Nutritional labelling is required for most dairy products and most processed meat products.

As noted in section 4.2.3, the use of claims such as "natural" and "pure" are strictly controlled in Korea. Products which have been pasteurised or sterilised, for example, cannot use such claims. Care should therefore be taken in the use of such claims/terms on dairy products.

### 5.2.5 Distribution

As Figure 5-8 depicts, the majority of dairy products are distributed through store-based retailers, with emphasis on modern grocery retailers, such as hypermarkets and supermarkets, followed by convenience stores and traditional independent small grocers. However, in 2017, over 20% of dairy products, in terms of retail value, were distributed through non-store retailers, i.e. through direct selling (above 15%) and through Internet (7%). The popularity of the internet channel fell slightly year on year at the expense of grocery retailers.

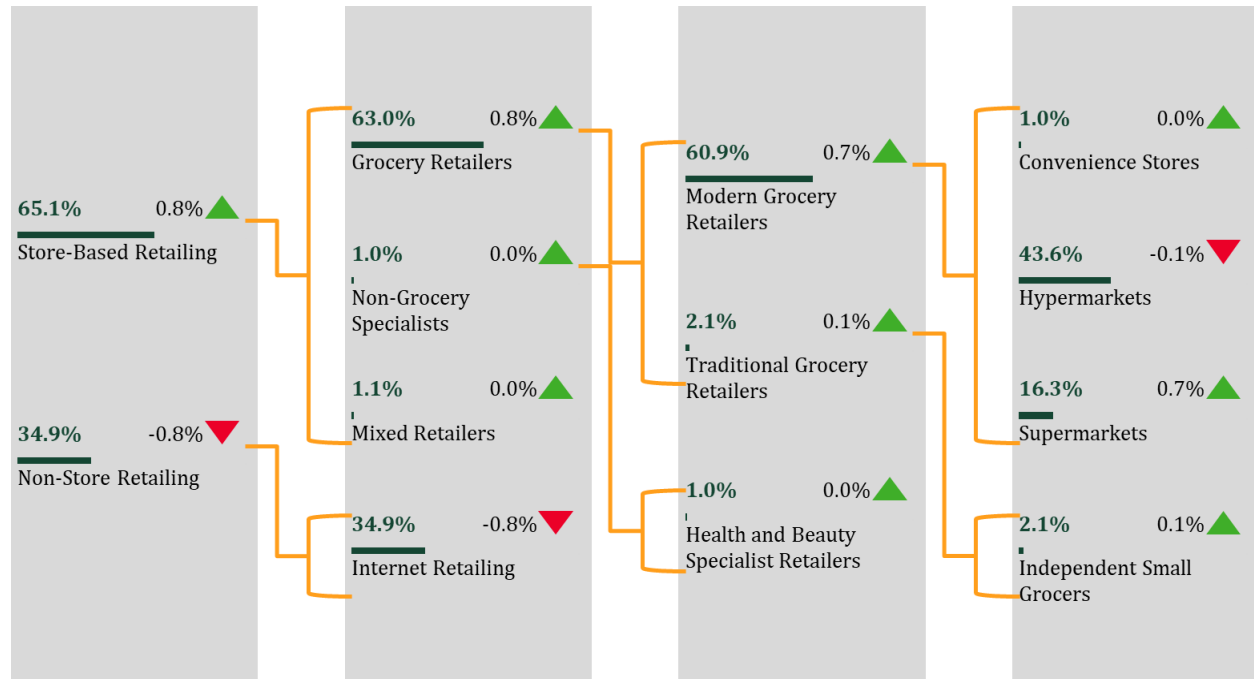
Figure 5-8: Distribution channel overview of dairy in South Korea (2017); all dairy products; retail value



Source: Euromonitor International: Packaged Food, 2018

In case of infant formula, consumers in South Korea have also relied on store-based retailers, however, Internet Retailing has been much more popular. Above 30% of infant formula products, in terms of retail value were purchased online (Figure 5-9).

Figure 5-9: Distribution channel overview of infant formula products in South Korea (2017)



Source: Euromonitor International: Packaged Food, 2018

### 5.2.6 Challenges for EU products

EU producers planning to export dairy products to South Korea should take into consideration that dairy products take different forms from those in Europe, as in general, consumers perceive dairy products as a drinking product/beverage, which is often consumed due to its health benefits. Simultaneously, this trend has been slowly changing, as consumers have started to look for new products and have familiarized themselves with other method of consumption and products, such as cheese. In addition, EU producers should be mindful of South Korean consumer loyalty towards brands, especially in case of milk drinking beverages.

**Market Takeaway: Dairy**

**Consumption:** Generally speaking, dairy is perceived as a drinking beverage or healthy and convenient yoghurt. However, other consumption methods have been emerging, e.g. cheese consumption has been on rise and is expected to keep the upward trend.

**Competition:** Drinking milk product market is rather dominated by major domestic players. Main competitors outside the country include USA, New Zealand and Australia, particularly in butter, cheese and sweetened milk.

**Distribution:** Dairy products are in vast majority distributed through store-based retailers, however the shares of Internet retailing remains relatively high. Major distribution channels include hyper and supermarkets, direct selling and traditional independent grocers.

**Challenges:** Competition both from domestic manufacturers as well as foreign importers, depending on the product. Secondly, consumers in South Korea have relatively low knowledge of dairy as such, given that dairy is not a part of traditional diet. Lastly, generally South Koreans are often lactose intolerant.

**Opportunities:** Increasing knowledge about EU premium dairy products; consumption on rise in case of certain dairy products, e.g. cheese; some growing niche opportunities e.g. organic.

## 5.3 Beer

### 5.3.1 SWOT analysis



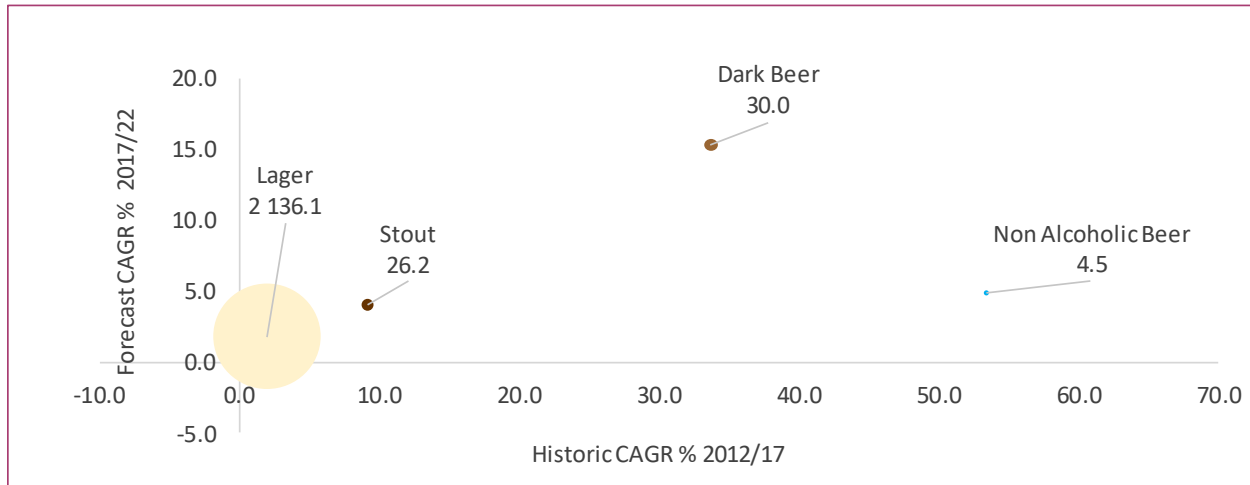
### 5.3.2 Consumption

#### 5.3.2.1 Evolution of consumption

Driven by consumer health concerns that favour lighter products, as well as an increased consumption among women, beer sales in South Korea reached a volume of over 2.2 billion litres in 2017, 97% of which were lagers. On the contrary, non-alcoholic beer currently accounts for 0.2% of total beer consumption. Nonetheless, health conscious Koreans are developing a taste for non-alcoholic beers, as demonstrated by the dramatic +53.5% yearly growth this segment posted in 2012-2017. Similarly, dark beer, whose consumption amounted to 30 million litres in 2017, has grown at a very fast rate (i.e. +33.7%) in the past five years.

Per capita consumption of lager and dark beer grew fast and is expected to further rise over the next few years. In 2017, per capita consumption of lagers amounted to 41.9 litres, which are expected to achieve 45.1 litres in 2022; per capita consumption of dark beer, on the other hand, is set to double compared to 2017 figures, reaching 1.2 litres in 2022. Per capita consumption of stout is set to grow at a similar rate to the historical one in the coming years.

Figure 5-10: Evolution and forecast of beer market (000 litres) in South Korea, total volume, 2012-2022



Source: Euromonitor International: Alcoholic Drinks, 2018

### 5.3.2.2 Consumer profile and purchase criteria

Frequently paired with chicken, beer is Koreans' favourite alcoholic beverage by volume. Both young and adult people are used to drink it in different occasions, mostly when gathering with colleagues and friends. Although industrial beer is more popular, given the lower retail price, craft beers consumption is on the rise among upper-income consumers.

#### Consumers

Beer is a very popular alcoholic beverage, as consumers consider it as a way to escape from their rigid Korean society. Nonetheless, drinking beer (and other alcoholic drinks) after work is common among colleagues, and an invitation to drink with an office superior is a great compliment that should not be declined. Despite a recent trend towards healthier lifestyles, the demand for products with less alcohol, such as beer, has been rising. Furthermore, while drinking is decreasing among the elderly population for health concerns, the market is expanding its consumer base among young people, especially women.



Koreans mostly drink German style lager beers. Preference toward premium beer and expansion of specialised stores drive the continuing growth of the beer market. Craft beers, which are offered at a higher price, are gaining momentum among upper-income consumers aged 20-50. Young people, who

are more exposed to the Western culture, are particularly curious to try new tastes in beers, such as ales, fruit beers, and dark beers<sup>55,56</sup>.

### Drivers and method of consumption

Since 2015, beer has been the most popular alcoholic beverage, outdoing soju.



convenience stores.

Beer is usually purchased in pubs, restaurants and specialised beer shops; the latter of which has risen in number over the years<sup>57</sup>. Adult Koreans in fact mostly consumers beers after work, in occasion of gathering with the boss and co-workers. Nonetheless, consumption at home has recently increased, especially among new generations, which prefer small parties at home. Millennials, as the most price-sensitive segment, also are used to drinking cheap beers at tables outside the

Beer is often consumed in combination with a shot of *soju*, in the so-called '*somaek*' cocktail. Furthermore, Koreans love pairing beer with fried chicken, in the very popular *chi-maek* combination; several pubs are indeed specialised in chicken and draft beer<sup>58</sup>.

### Purchase criteria

Overall, price is the main driver for beer purchases. In 2017, leading imported premium lager brands offered even more aggressive promotional discounts in an effort to increase consumer trials of their brands, both on- and off-trade. Nonetheless, consumers, especially women and older people, are increasingly adopting healthier lifestyles, which has enhanced the consumption of lighter alcoholic beverages, such as beer (including lighter and non-alcoholic versions) among them. Furthermore, the majority of consumers are drinking more at home and are placing greater value on experiencing new tastes in beers.

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<sup>55</sup> GAIN Report: Republic of Korea – Beer Market Report, [https://gain.fas.usda.gov/Recent%20GAIN%20Publications/Beer%20Market%20Report\\_Seoul%20ATO\\_Korea%20-%20Republic%20of\\_2-2-2018.pdf](https://gain.fas.usda.gov/Recent%20GAIN%20Publications/Beer%20Market%20Report_Seoul%20ATO_Korea%20-%20Republic%20of_2-2-2018.pdf)

<sup>56</sup> Flanders Investment & Trade Market Survey: The Beer Market in South Korea, [https://www.flandersinvestmentandtrade.com/export/sites/trade/files/market\\_studies/2017%20Update%20Beer%20market%20in%20South%20Korea\\_0.pdf](https://www.flandersinvestmentandtrade.com/export/sites/trade/files/market_studies/2017%20Update%20Beer%20market%20in%20South%20Korea_0.pdf)

<sup>57</sup> Flanders Investment & Trade Market Survey: The Beer Market in South Korea, [https://www.flandersinvestmentandtrade.com/export/sites/trade/files/market\\_studies/2017%20Update%20Beer%20market%20in%20South%20Korea\\_0.pdf](https://www.flandersinvestmentandtrade.com/export/sites/trade/files/market_studies/2017%20Update%20Beer%20market%20in%20South%20Korea_0.pdf)

<sup>58</sup> Behind Korea's Obsession with Fried Chicken and Beer, [https://munchies.vice.com/en\\_us/article/vvqjq4/behind-koreas-obsession-with-fried-chicken-and-beer](https://munchies.vice.com/en_us/article/vvqjq4/behind-koreas-obsession-with-fried-chicken-and-beer)

### 5.3.2.3 Recent market trends

Korean consumers are increasingly seeking diversified and healthier alcoholic beverages. Furthermore, a larger number of women and younger people purchase beer on an increased number of occasions. For this reason, beer sales recorded a fast annual growth in 2012-2017, with non-alcoholic beer taking the lead, although this value is set to go down in coming years. With a 15.3% CAGR, dark beer is expected to be the fastest-growing beer segment over the next few years. Sales of stout and non-alcoholic beer are projected to grow at respectively 4% and 4.9%, while lager beer growth is projected to stagnate<sup>59</sup>.

## 5.3.3 Offer

### 5.3.3.1 Domestic production



South Korea produces large volumes of beer, which is, in turn, the most popular alcoholic beverage in the country. Domestic production, which is focused on standard lager beer, amounted to nearly 2 billion litres in 2016, which generated a value of almost ₩2 trillion (EUR 1.5bn approx.). Two large-scale players, Oriental Brewery Company Co., td. (OB) and Hite-Jinro Co. (Hite) accounted for most of the sales in 2017, i.e. respectively 60% and 26%. It should be however noted that both companies

also manage foreign beer brands which are manufactured in South Korea, such as Stella Artois and Leffe. Nonetheless, Korean beer production is expected to stagnate in the coming years due to increased demand for imported beer<sup>60</sup>. In 2017, domestic mid-priced lager indeed faced a decline in total volume terms, and this decline is expected to continue over the coming years<sup>61,62</sup>.

### 5.3.3.2 Imports and exports

As outlined in Figure 5-11, volumes of imported beer into Korea largely exceed exports, although both grew rapidly. Imports of beer into South Korea almost recorded a four-fold increase in 2012-2017, up to 331 000 tonnes in 2017. South Korea, on the other hand, exported 158 million tonnes of beer in 2017 (Figure 5-28)Figure 5-28: Trade balance (imports and exports) of wine in South Korea, 2013-17; tonnes.

<sup>59</sup> Euromonitor International: Alcoholic Drinks, 2018

<sup>60</sup> GAIN Report: Republic of Korea – Beer Market Report, [https://gain.fas.usda.gov/Recent%20GAIN%20Publications/Beer%20Market%20Report\\_Seoul%20ATO\\_Korea%20-%20Republic%20of\\_2-2-2018.pdf](https://gain.fas.usda.gov/Recent%20GAIN%20Publications/Beer%20Market%20Report_Seoul%20ATO_Korea%20-%20Republic%20of_2-2-2018.pdf)

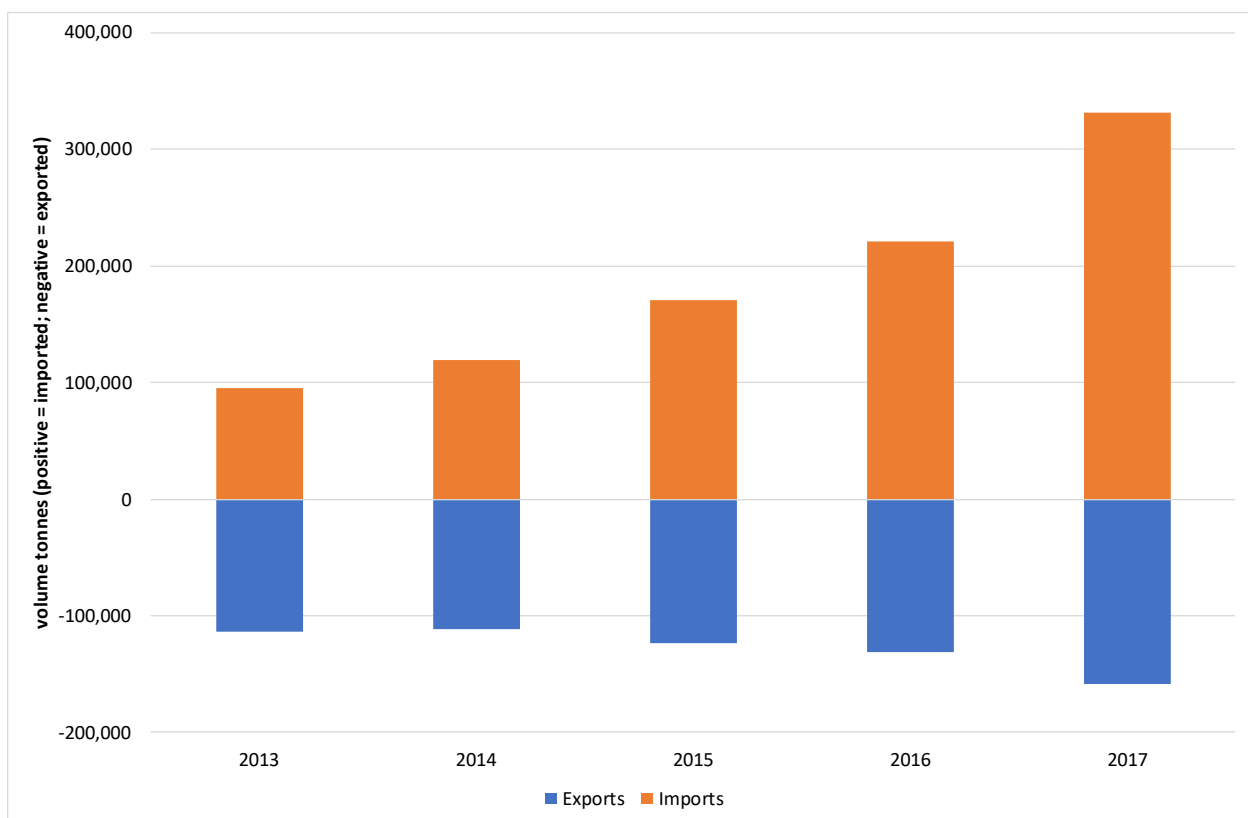
<sup>61</sup> Flanders Investment & Trade Market Survey: The Beer Market in South Korea, [https://www.flandersinvestmentandtrade.com/export/sites/trade/files/market\\_studies/2017%20Update%20Beer%20market%20in%20South%20Korea\\_0.pdf](https://www.flandersinvestmentandtrade.com/export/sites/trade/files/market_studies/2017%20Update%20Beer%20market%20in%20South%20Korea_0.pdf)

<sup>62</sup> Euromonitor International: Alcoholic Drinks, 2018



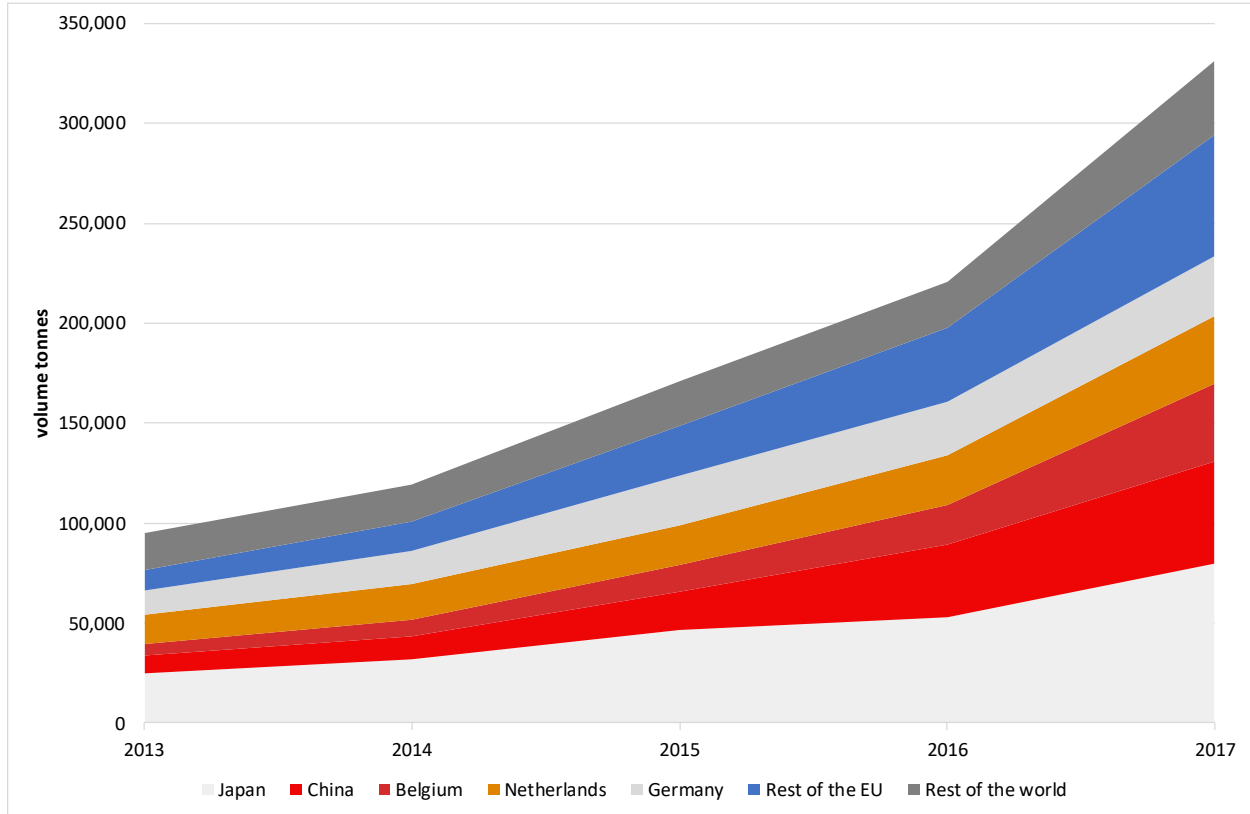
As outlined in Figure 5-12, Japan is the leading exporter of beer in Korea in terms of volume: in 2017, Japanese exports were close to 800 000 tonnes (or 24% of total Korean imports). With nearly 510 000 tonnes shipped, China accounted for another 15% of total beer exports to South Korea in terms of volume. Nonetheless, as European beers are synonym of high quality for several Korean consumers, many European countries have captured significant shares in Korea's imported beer market. Belgium, Netherlands and Germany indeed accounting for respectively 12%, 10%, and 9% of total Korean imports by volume. The rest of the European countries accounted for a further 18% of total beer shipments to Korea, most of which came from Czech Republic (31% of the remaining EU exports), France and Ireland (26% each).

Figure 5-11: Trade balance (imports and exports) of beer in South Korea, 2013-17; tonnes



Source: Trade Map, International Trade Centre - <https://www.trademap.org/> Data for CN code 2203

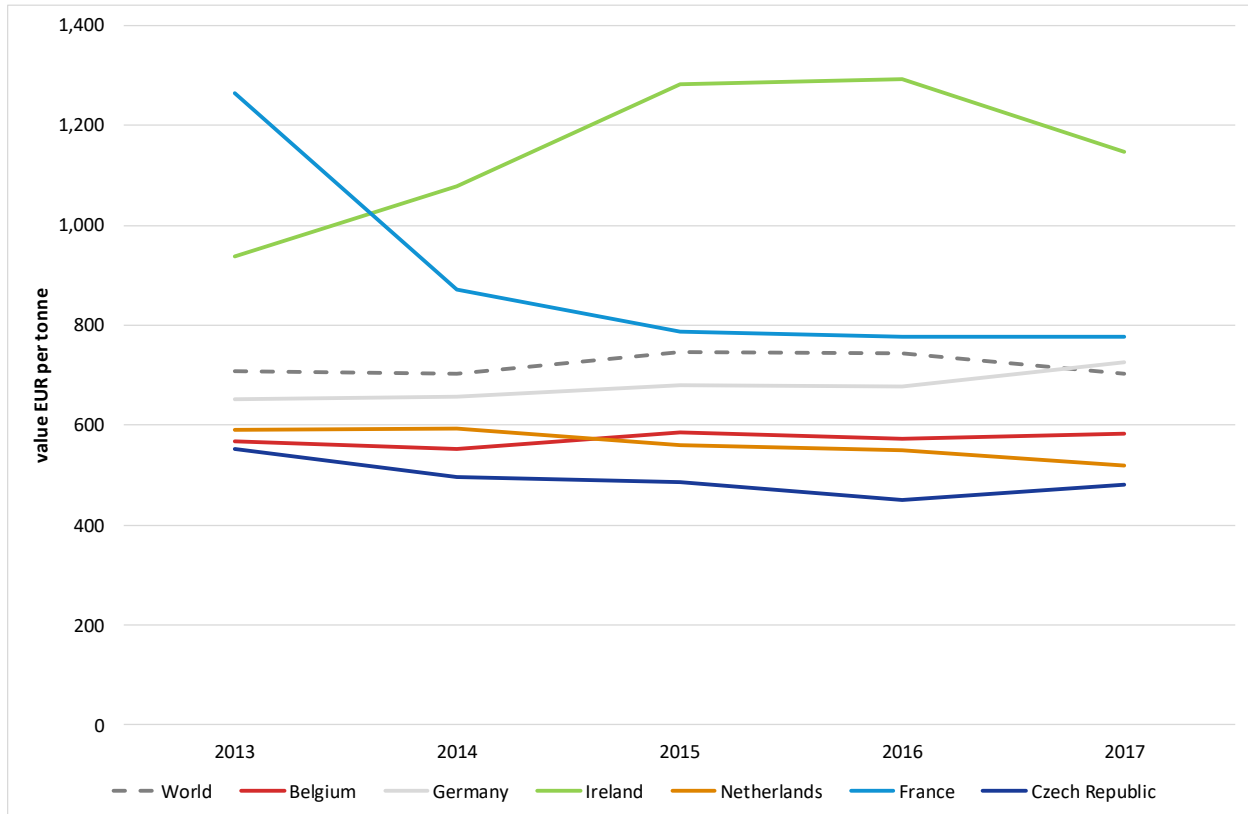
Figure 5-12: South Korea imports of beer by country, 2013-17; tonnes



Source: Trade Map, International Trade Centre - <https://www.trademap.org/> Data for CN code 2203

In terms of unit value, Irish beers reported the highest value compared to beers imported from other countries, i.e. 1 147 EUR/tonnes. Nonetheless, this value is the lowest recorded since 2015. On the contrary, Czech, Dutch, and Belgian beers reported a low unit value of respectively 482, 518, and 583 EUR/tonnes, well below the world average of 703 EUR/tonnes. German and French beers' unit value was slightly higher, amounting to respectively 726 and 776 EUR/tonnes. Nonetheless, it should be noted that French unit value went dramatically down after 2013 (Figure 5-13).

Figure 5-13: Per unit value of Korean imports of beer for selected countries, 2013-17 (EUR per tonne)



Source: Trade Map, International Trade Centre - <https://www.trademap.org/> Data for CN code 2203

### 5.3.3.3 EU GI products

As reported in Annex 10-B of the EU-South Korea FTA, six beer products are recognised as Geographical Indications in South Korea:

- Czech Republic: *České pivo*, *Budějovické pivo*, *Budějovický měšťanský var*, *Českobudějovické pivo*;
- Germany: *Bayerisches Bier* and *Münchener Bier*.

### 5.3.3.4 Main competitors

As outlined in sections 5.3.3.1 and 5.3.3.2, both domestic production and non-EU imports are large in volumes. Japan's logistic advantage for transport into Korea as well as companies' aggressive pricing and consumer promotion strategy allowed Japanese companies to establish themselves as leading exporters to Korea in terms of volume. Imports from China, on the other hand, have benefitted from a rapid increase of Chinese tourists as well as Chinese expatriates living in Korea.



In terms of companies' share of the market, two Korean companies dominate the market, i.e. Oriental Brewery (60% share of the market) and Hite Jinro (26%). The latter is expected to further expand its consumer base, thanks to a recently launched economy lager, with a clean taste and flavour, which has quickly become popular among price-conscious millennials<sup>63</sup>.

### 5.3.4 Specific market entry requirements

#### Market Access and Entry

As reported in section 4.2.1, only licensed importers are allowed to export beer to South Korea. European beer producers should hence register with the Korean Ministry of Food and Drug Safety. Furthermore, products must comply with the Special Act on Imported Food Safety Management (see section 4.2.2). In terms of import duties, under the existing FTA, European exports of beer to South Korea are fully liberalised.

**Detailed information on import duties and Rules of Origin can be consulted on the European Commission website:**

<http://madb.europa.eu/madb/atDutyOverviewPubli.htm?countries=KR&hscod=2204>

#### Customs procedures

A list of standard documents required for import beer into South Korea is presented in section 4.2.1. These include:

- certification of Registration of Importers of Foodstuffs
- Registration of Foreign Manufacturers of Foodstuffs
- Licence to Import and Deal in Alcohol
- Import Declaration for Foodstuffs, and
- Country of Origin Labelling

Additionally, further documents may be required for custom clearance of certain products:

- Import Permit for Goods in Approved Packaging Materials (if packaging materials are outlined in the Act on the Promotion of Saving and Recycling of Resources), and
- Certificate of Organic Food (if the beer will be labelled or sold as organic).

**Any other up to date information on appropriate documents concerning customs procedures can be consulted on European Commission website:**

<http://madb.europa.eu/madb/datasetPreviewIFpubli.htm?countries=KR&hscod=2204>

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<sup>63</sup> GAIN Report: Republic of Korea – Beer Market Report, [https://gain.fas.usda.gov/Recent%20GAIN%20Publications/Beer%20Market%20Report\\_Seoul%20ATO\\_Korea%20-%20Republic%20of\\_2-2-2018.pdf](https://gain.fas.usda.gov/Recent%20GAIN%20Publications/Beer%20Market%20Report_Seoul%20ATO_Korea%20-%20Republic%20of_2-2-2018.pdf)

### SPS measures

All sanitary and Phytosanitary measures concerning the import of beer into South Korea are in line with international standards.

**Up to date information on appropriate documents concerning SPS measures:**

<http://madb.europa.eu/madb/datasetPreviewIFpubli.htm?countries=KR&hscod=2204>

### Labelling

Beer must comply with specific labelling rules. Most notably, the label, in Korean, should contain the following information:

- Product Name
- Country of origin
- Product Type
- Importer's name, address, and phone number
- Date of bottling
- Alcohol percentage and product volume
- Name of major ingredients
- Name of place where the product can be returned or exchanged in case the product has defects
- Instructions for proper storage
- Name of food additives used
- Mandatory health warning clause
- Mandatory warning clause against liquor sales to minors.
- Name of designated distribution channel (if bottles are sold in retail stores)<sup>64</sup>

#### 5.3.5 Distribution

In South Korea, most beer sales occur through off-trade channels (50.7%). Most notably, all purchases of non-alcoholic beers are made through off-trade channels, while on-trade establishments remain an important distribution channel for other beer types.

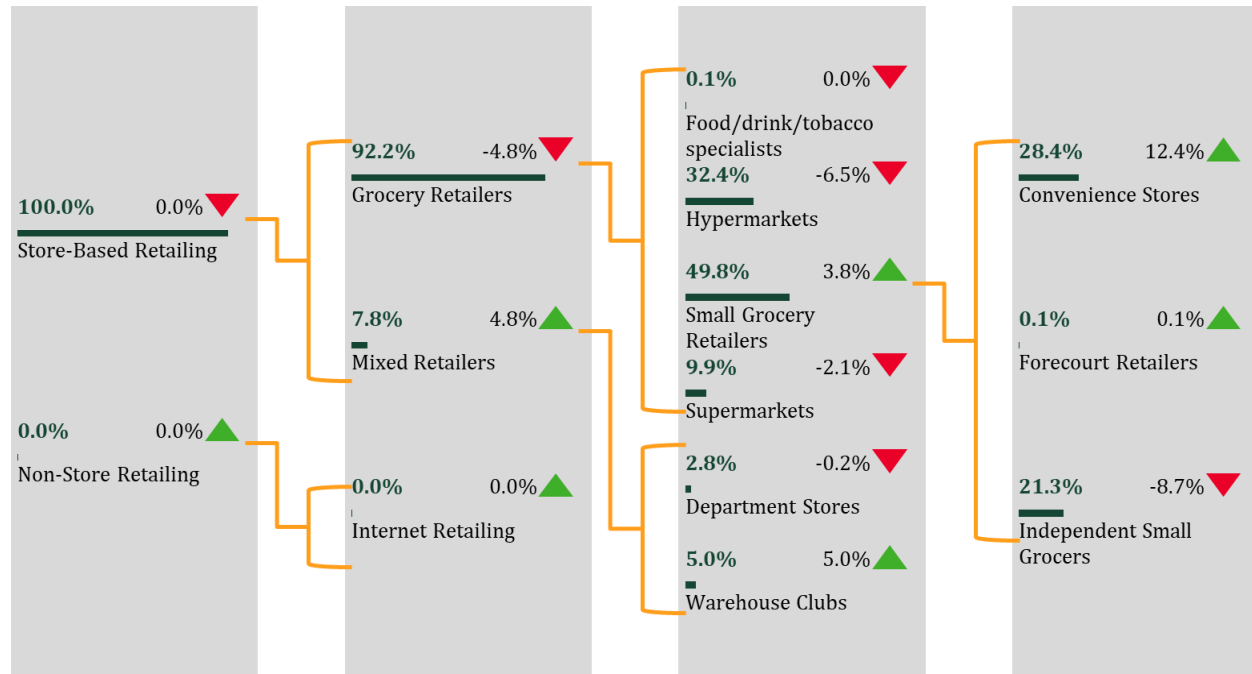
As outlined in Figure 5-14, all off-trade beer sales are made through store-based retailing in South Korea, specifically grocery retailers (92.2%). Of these, in 2017 the majority were either small grocery retailers (49.8%) – notably convenience stores and independent small grocers – or hypermarkets (32.4%). It should be also noted that convenience stores recorded an extraordinary double-digit growth compared to 2016

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<sup>64</sup> Flanders Investment & Trade Market Survey: The Beer Market in South Korea, [https://www.flandersinvestmentandtrade.com/export/sites/trade/files/market\\_studies/2017%20Update%20Beer%20market%20in%20South%20Korea\\_0.pdf](https://www.flandersinvestmentandtrade.com/export/sites/trade/files/market_studies/2017%20Update%20Beer%20market%20in%20South%20Korea_0.pdf)

values<sup>6566</sup>. It is worth noting that the number of specialised beer shops, selling also European beers, is increasing especially in neighbourhoods hosting expatriates, tourists and students.

Figure 5-14: Distribution channel overview of beer in South Korea (2017)



Source: Euromonitor International: Alcoholic Drinks, 2018

### 5.3.6 Challenges for EU products

Although the Korean beer market is very dynamic, with consumers increasingly interested in purchasing products with new and original tastes, competition is fierce. Not only domestic production is heavy, but European companies face also the competition of foreign importers, primarily Japanese and Chinese ones which benefit of their geographical proximity to South Korea. Finally, European companies' access to the Korean beer market, while liberalised, is hampered to some extent by complex labelling and food safety standards.

<sup>65</sup> Flanders Investment & Trade Market Survey: The Beer Market in South Korea, [https://www.flandersinvestmentandtrade.com/export/sites/trade/files/market\\_studies/2017%20Update%20Beer%20market%20in%20South%20Korea\\_0.pdf](https://www.flandersinvestmentandtrade.com/export/sites/trade/files/market_studies/2017%20Update%20Beer%20market%20in%20South%20Korea_0.pdf)

<sup>66</sup> Euromonitor International: Alcoholic Drinks, 2018

**Market Takeaway: Beer**

**Consumption:** Consumption of beer in Korea is on the rise, benefitting from an increased consumer base. Craft beers and non-alcoholic beers are gaining momentum among certain consumers' segments; however, lager remains as the first choice for consumers.

**Competition:** Market dominated by domestic producers; Japanese and Chinese lead beer exports to Korea.

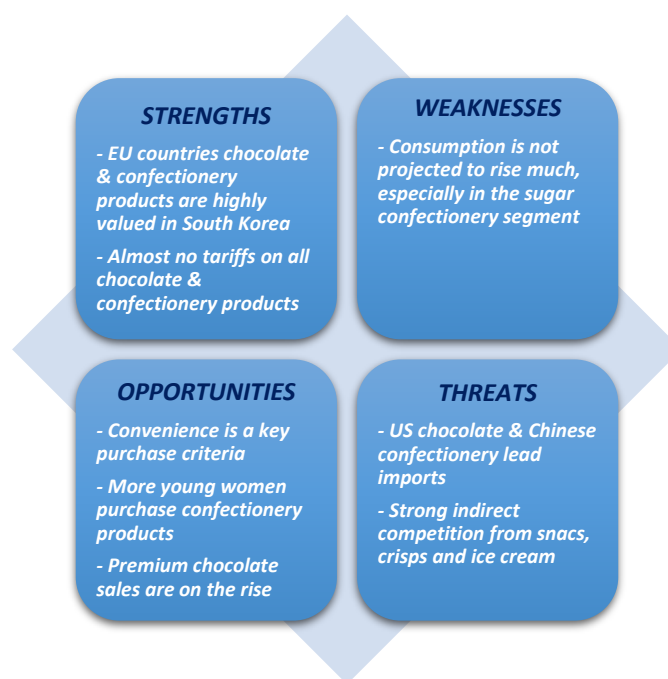
**Distribution:** Beer is mainly purchased through store-based retailing; the on-trade channel is gaining increasing importance.

**Challenges:** Domination of domestic breweries on the market.

**Opportunities:** Women and millennials are increasingly purchasing beer and they are curious to try different tastes; more and more millennials tend to prefer imported beers.

## 5.4 Chocolate and confectionery

### 5.4.1 SWOT analysis



### 5.4.2 Consumption

#### 5.4.2.1 Evolution of consumption

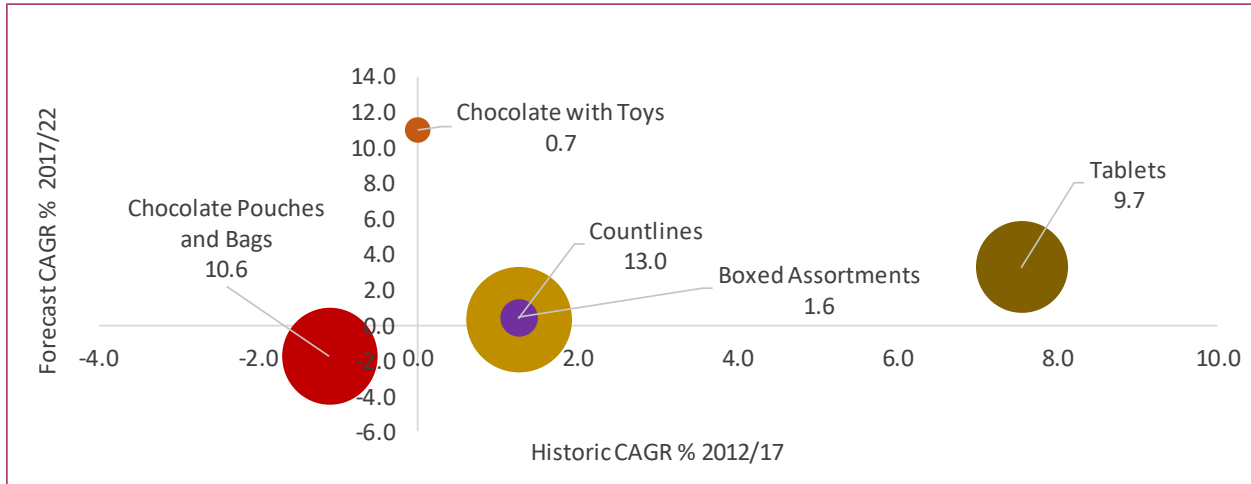
In South Korea, consumption of chocolate and sugar confectionery is relatively low. As illustrated in Figure 5-15 in 2017, consumers purchased 35 500 tonnes of chocolate, most of which were in the form of countlines (13 000 tonnes), chocolate pouches and bags (10 600 tonnes), and tablets (9 700 tonnes). Boxed assortments and chocolate with toys are in fact less popular in South Korea. Growth rates varied widely between different categories, with tablets recording a 7.6% yearly growth, countlines and boxes assortments growing by 1.3%, chocolate with toys stagnating, and chocolate pouches and bags growing at negative rates (-1.1% per year).

Consumption of sugar confectionery is slightly higher, amounting to around 60 000 tonnes in 2017 (Figure 5-6). With nearly 30 000 tonnes sold in 2017, the most popular sugar confectionery items were pastilles, gums, jellies and chews, followed by gums (7 900 tonnes), other sugar confectionery (7 200 tonnes), and boiled sweets (5 600 tonnes). Growth widely varied between segments. Pastilles, Gums, Jellies and Chews recorded an extraordinary and exceptional double-digit yearly growth (by 16.7%). Also other sugar confectionery and medicated confectionery recorded a positive growth. Nonetheless, most of the other segments, grew at negative rates, ranging between -1.6% (Toffees, Caramels and Nougat) and -8.3% (mints).



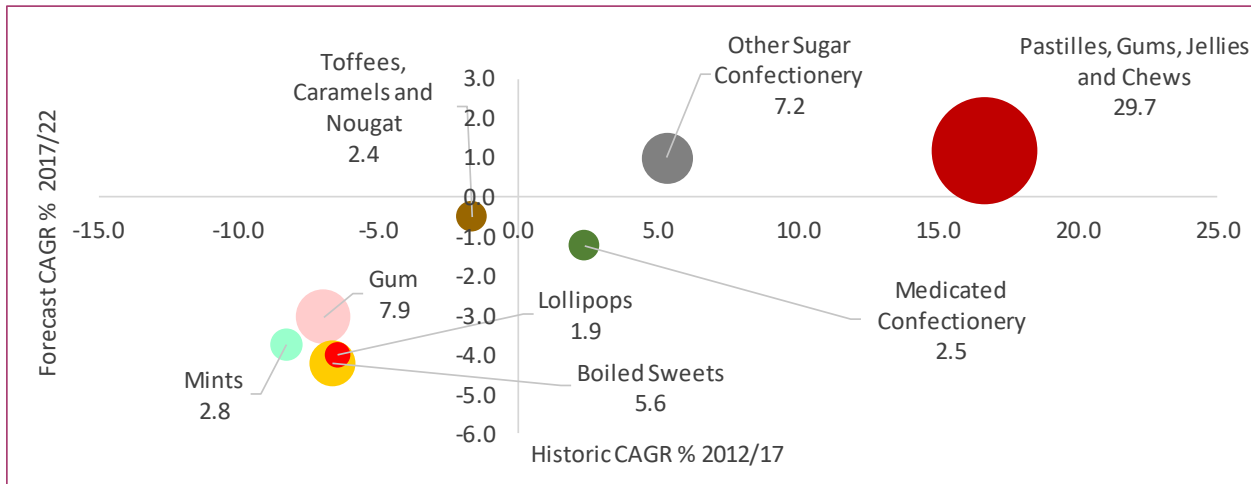
Per capita consumption of both sugar and chocolate confectionery is very low compared to European countries. One reason for this is that the category competes with other products including rice cake snacks, crisps (the preferred snack) and ice cream.

Figure 5-15: Evolution and forecast of chocolate confectionery market in South Korea, total volume 2012-2022



Source: Euromonitor International: Packaged Foods, 2018

Figure 5-16: Evolution and forecast of sugar confectionery market in South Korea, total volume 2012-2022



Source: Euromonitor International Ltd: Packaged Food 2018

### 5.4.2.2 Consumer profile and purchase criteria

#### Consumers



Koreans have developed a strong taste for sweet food. Sugar confectionery consumption has historically been driven by sweet flavours, diverse colours and low prices. Domestically produced and imported jellies have often been considered as a substitute to chocolates. The chocolate market, which is still developing, is becoming more assorted, with Koreans becoming more and more aware of premium brands and imported chocolates. While milk chocolate is the main flavour, there is an increasing awareness of the health benefits of dark chocolate. European brands are usually synonym of high quality; hence they are very popular among Korean consumers. Italian Ferrero Rocher is indeed one of the country's most popular brands. Products from US are also highly regarded; an example is the US brand Hershey's, which is well established in Korea<sup>67</sup>.

While chocolate is eaten by everyone, sugar confectionery used to be mostly addressed to children; however, many products now target adult consumers, especially young female consumers in their 20s and 30s. Jelly is the most popular confectionery product in South Korea.

Notable consumer groups specifically for chocolate are as follow:

- **Young women in their 20-30** – often the recipients or givers of imported and premium chocolates for Valentine's day, when sales of such products peak. Examples of popular brands include: Godiva (Belgium), Neuhaus (Belgium), Ghirardelli (USA), Ferrero Rocher (Italy), Royce (Japan), and La Maison du Chocolat (France). These products are often bought through departments stores or online. Younger female consumers tend to choose cheaper chocolate bars for snacks and as a stress buster.
- **Middle-aged consumers (40 to 60)** - are becoming main consumers of premium and less expensive chocolates. Middle-aged men and women prefer 'Western-styled' desserts such as premium imported chocolates for gifts at special occasions as well as pairings them with drinks at house parties. Middle-aged consumers are also showing interest in jellies through supermarket chains, after they are introduced to these products by their children/grandchildren or at supermarkets.

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<sup>67</sup> Chocolate to Korea: Kafta benefits for Chocolate, <https://www.austrade.gov.au/ArticleDocuments/1358/KAFTA-chocolate-flyer.pdf.aspx>

### Drivers and method of consumption

Chocolates and confectionery sales peak on Valentine's Day, White Day (14 of March) and Christmas. Traditionally, women give chocolate to men on Valentine's Day and men return the favour on White Day with chocolate and sugar candies, though jellies have gained popularity for these occasions in recent years. Christmas is another very important period, in occasion of which significant volumes of chocolate are purchased<sup>68</sup>.



Furthermore, every spring, there is an increase of fine dust particles issue in South Korea, which lead to higher consumption levels of mints and medicated confectionery, which are used to protect their throat<sup>69</sup>.

Regarding jellies, health-conscious and convenience-oriented consumers have started to eat them to replace sweet snacks and desserts, as they can easily enjoy them after a meal or during work<sup>70</sup>.

### Purchase criteria

Korean consumers purchase chocolate mostly for special occasions, hence they are more likely to opt for high-quality items. Their purchases are therefore affected by the quality of the product, which is often identified with a certain country of production, usually a European one.

Regarding confectionery, consumers pay attention to taste and are curious to experience new combinations. For example, what appears to be trending for Korean products are jelly candies that feature other snacks' flavours, such as yoghurt and fruity ice-cream. Furthermore, small, attractive package design suitable for handbags is very important when developing confectionery products addressed to women<sup>71</sup>.

### 5.4.2.3 Recent market trends

The Korea chocolate market is still in expansion, and it shows solid growth potential. In terms of market size, South Korean chocolate sales have recorded a 1.8% annual growth in 2012-2017, driven by a fast growth in tablets (i.e. 7.6% per year). Average annual growth is besides projected to grow at a higher rate (i.e. 2.6%) in the next few years.

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<sup>68</sup> Latest South Korea Market Updates: Confectionery (Chocolate) market overview, [http://www.pennsylvania.or.kr/bbs/board.php?bo\\_table=s61&wr\\_id=37&page=1](http://www.pennsylvania.or.kr/bbs/board.php?bo_table=s61&wr_id=37&page=1)

<sup>69</sup> Euromonitor International: Packaged Food, 2018

<sup>70</sup> Gummy sweets are a hit with adults in South Korea, <https://www.straitstimes.com/lifestyle/food/gummy-sweets-are-a-hit-with-adults-in-korea>

<sup>71</sup> Gummy sweets are a hit with adults in South Korea, <https://www.straitstimes.com/lifestyle/food/gummy-sweets-are-a-hit-with-adults-in-korea>

On the contrary, the confectionery market is facing some difficulties, with volumes projected to fall over the coming years. Sales of pastilles, gums, jellies and chews, which recorded an extraordinary double-digit growth in 2012-2017, are set to grow at a much slower rate.

Overall, a price polarisation is occurring in the market, with candies and cheaper chocolate bars consumed by individuals as a way of releasing stress, while premium chocolates sold at department stores are used as gifts for Valentine's and White Days or for parties. Consideration has been given by some operators to introducing new product variants to boost the falling market. Examples of such ideas include: jellies with healthy additives (for subsequent advertising); experimental products which cross over to the rival crisp sector; and creating cross overs to the competing ice-cream sector (e.g. brand extensions or frozen chocolate bars).

### 5.4.3 Offer

#### 5.4.3.1 Domestic production

Domestically produced confectionery products (both sugar and chocolate) generated a revenue of about EUR 850 million (Won 1.2 trillion) accounting for 67% of the value market share in 2017. Chocolate is an important part of this, though production of chocolate in South Korea has fallen over the years<sup>72</sup>. Most of the chocolate produced in South Korea is industrial, as there are no more than eight established craft chocolate makers in Korea, with another six to twelve in the start-up stage<sup>73</sup>. Production of sugar confectionery has also been falling in recent years. For example, in the popular jelly segment domestic production now accounts for 57% of domestic consumption.

#### 5.4.3.2 Imports and exports

Figure 5-17 indicates that while Korean imports of chocolate largely exceed exports, the country exported large volumes of sugar confectionery. However, while imports of chocolate have remained fairly constant in recent years, ranging between 48 and 51.1 tonnes, imports of confectionery have gradually increased, roughly doubling in 2017 compared to 2012 levels.

As outlined in Figure 5-18, chocolate items are supplied by several countries, led by the United States - which exported 11 656 tonnes to Korea (or 23% of total imported volumes). Singapore (12% of total volumes imported by Korea), China (10%), Malaysia, Belgium, and Netherlands (8% each) followed. Other European countries accounted for 20% of the Korean imports, most of which came from France and Italy (28% each of total EU exports), and Germany (25%).

With regards to confectionery, China and Germany were the leading exporters to Korea in terms of volume, accounting for respectively 24% and 19% of total Korean imports of confectionery in 2017;

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<sup>72</sup> Statista: Production volume of chocolates in South Korea from 2010 to 2015 (in thousand tons), <https://www.statista.com/statistics/786874/south-korea-chocolate-production-volume/>

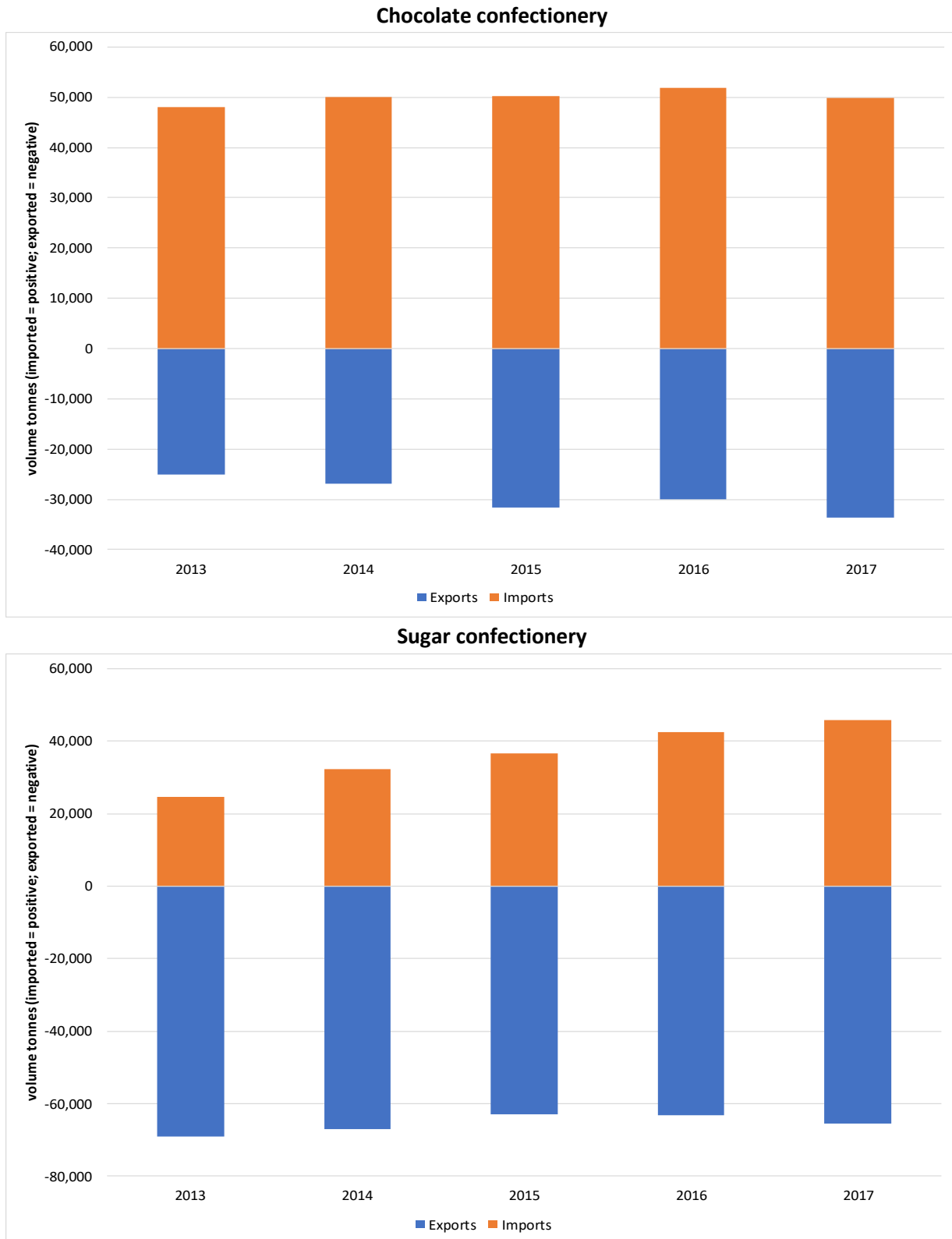
<sup>73</sup> Korean Chocolate Trends: From Bean to Bar & Beyond, <https://damecacao.com/korean-chocolate-market-trends/>

Chinese Taipei (8%) and Japan (7%) followed. European countries exported into South Korea 14% of the total imported confectionery, which was mostly shipped from Belgium (42%) and Spain (32%).

European chocolate exports as a whole were highly valued in 2017, both in total and per unit terms. Thanks to the very high unit value of Italian chocolate (9 336 EUR/tonne), Italian exports also recorded the highest imported value among EU countries in 2017. German exports followed, with a unit value of 6 619 EUR/tonne, well above average of chocolates imported into South Korea (5 746 EUR/tonne). French and Belgian chocolate unit value was around the world average value, while Dutch chocolate amounted to 3 043 EUR/tonne, which was the lowest unit value among EU countries (Figure 5-19).

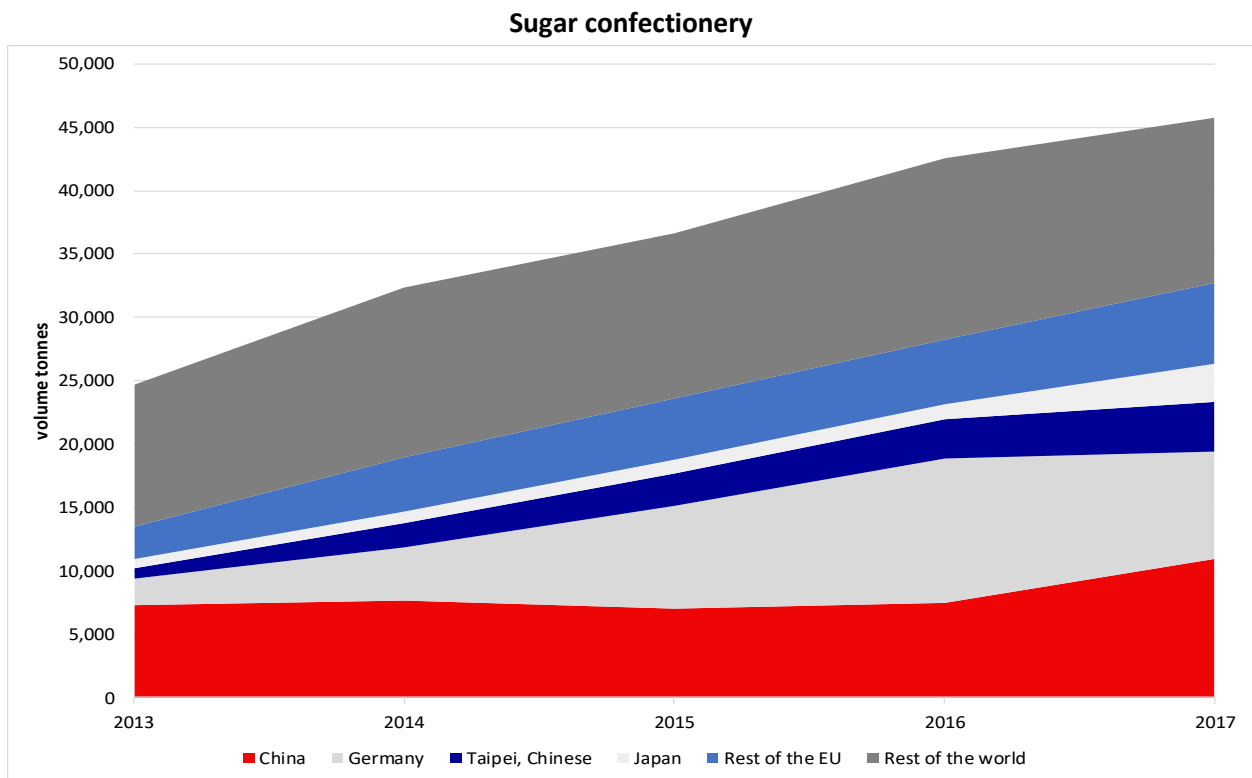
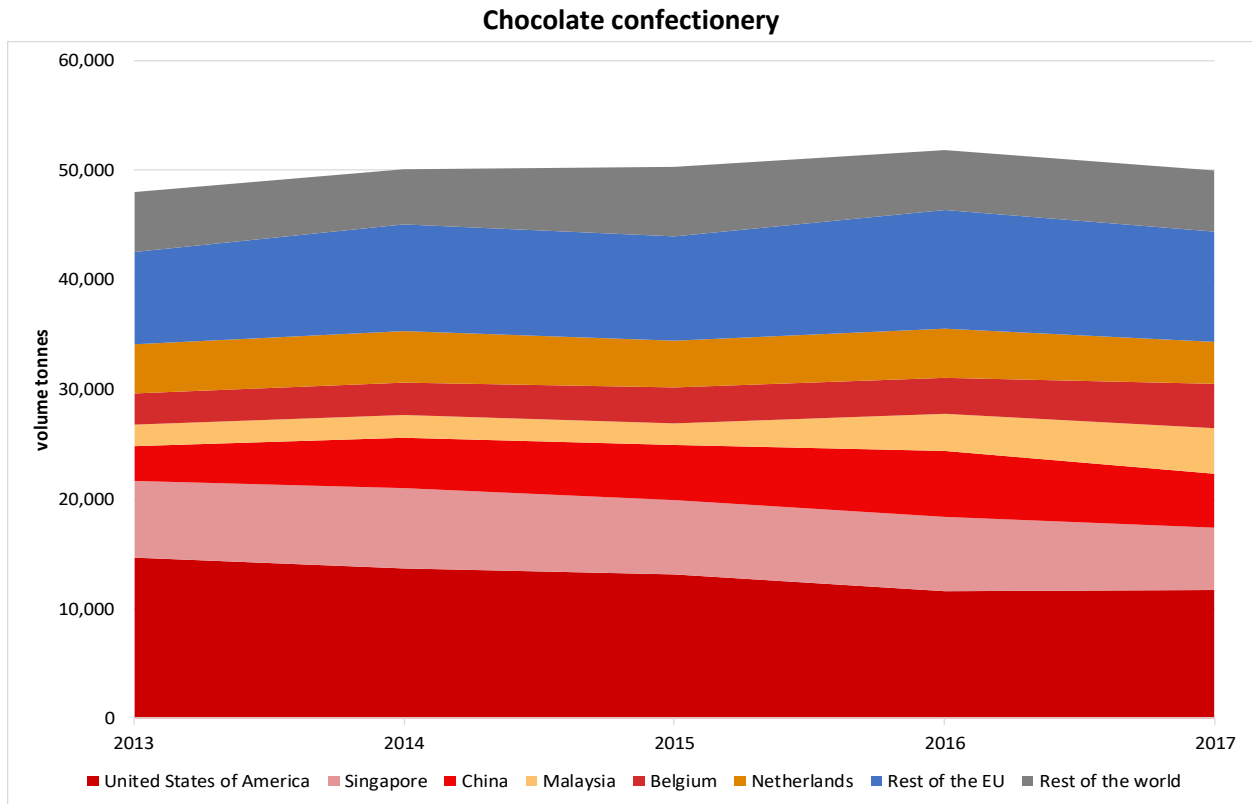
With regards to confectionery, the unit value of Belgian imports (3 471 EUR/tonne) was relatively low in 2017, compared to the average of confectionery imported into Korea (4 238 EUR/tonne). On the contrary, German exports reported a high unit value of 4 378 EUR/tonne.

Figure 5-17: Trade balance (imports and exports) of confectionery in South Korea, 2013-17; tonnes



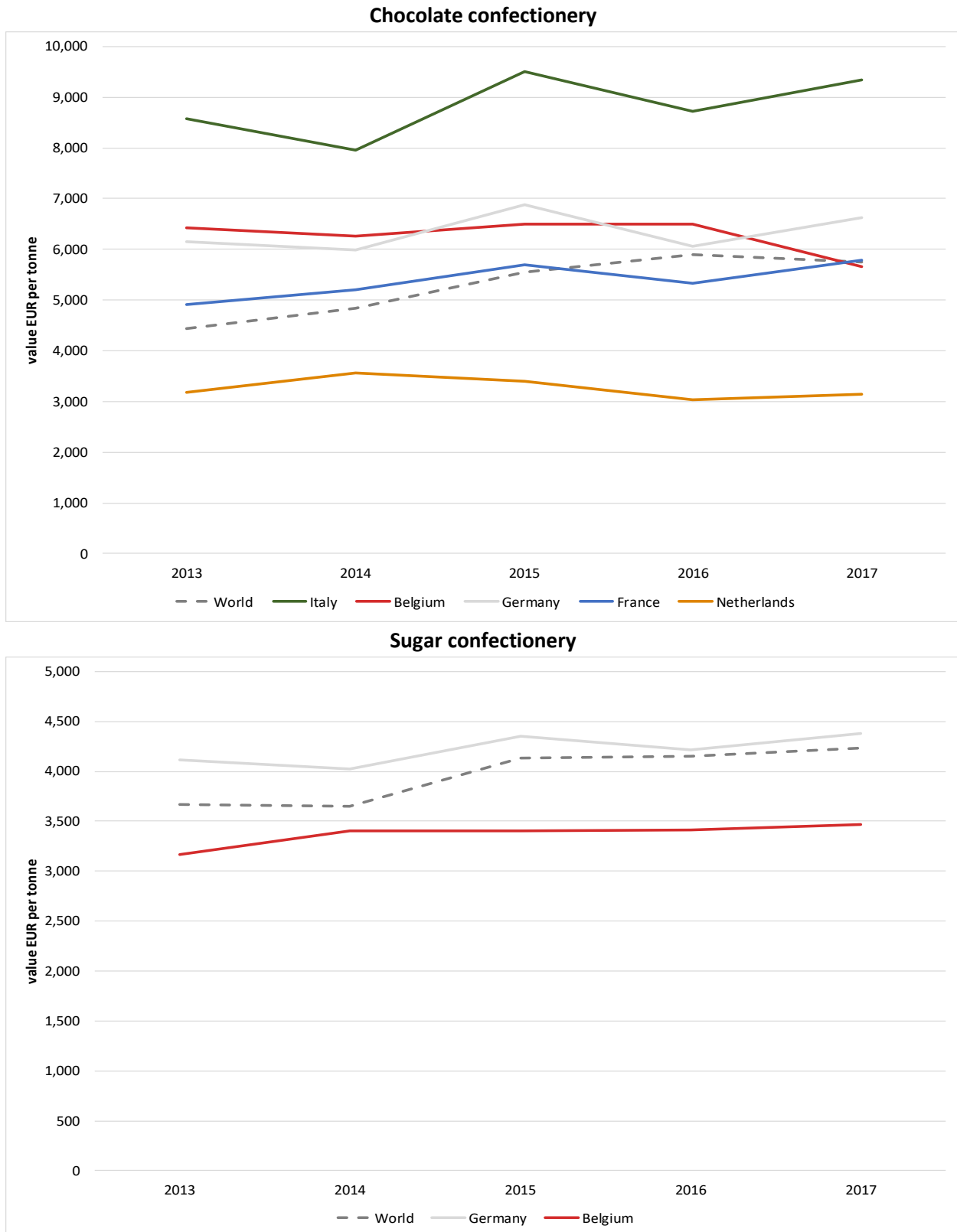
Source: Trade Map, International Trade Centre - <https://www.trademap.org/> Data for CN code 1806 and 1704

Figure 5-18: Korean imports of confectionery by country, 2013-17; tonnes



Source: Trade Map, International Trade Centre - <https://www.trademap.org/> Data for CN code 1806 and 1704

Figure 5-19: Per unit value of Korean imports of confectionery for selected countries, 2013-17 (EUR per tonne)



Source: Trade Map, International Trade Centre - <https://www.trademap.org/> Data for CN code 1806 and 1704



### 5.4.3.3 EU GI products

As reported in Annex 10-B of the EU-South Korea FTA, one confectionery product is recognised as a Geographical Indication in South Korea, namely the Spanish *Turrón de Alicante* (see also section 4.2.4).

### 5.4.3.4 Main competitors

As outlined in section 5.4.3.2, US and Asian companies pose a challenge to European exporters of chocolate and confectionery. While US companies are leading exporters of chocolate in South Korea, Chinese exporters are responsible for large volumes of confectionery products imported into the country. Domestic production of confectionery (both chocolate and sugar), while satisfying about 2/3 of consumption, is on a downward trend. In terms of companies' share of the market, Lotte Confectionery continues to be the leading player in chocolate and confectionery. The company has the most diverse product lines and has the longest history in South Korean chocolate confectionery with the very popular "Ghana" brand.

## 5.4.4 Specific market entry requirements

### Market Access and Entry

As reported in section 4.2.1, prior export, European chocolate and confectionery producers should complete a registration with the Korean Ministry of Food and Drug Safety. Furthermore, products must comply with the Special Act on Imported Food Safety Management (see section 4.2.2).

In terms of import duties, under the existing FTA, the majority of European exports of chocolate and confectionery to South Korea are fully liberalised.

**Detailed information on import duties and Rules of Origin can be consulted on the European Commission website:**

<http://madb.europa.eu/madb/atDutyOverviewPubli.htm?countries=KR&hscod=1806>

and

<http://madb.europa.eu/madb/atDutyOverviewPubli.htm?countries=KR&hscod=1704>

### Customs procedures

A list of standard documents required for import chocolate and confectionery products into South Korea is presented in section 4.2.1. These include:

- certification of Registration of Importers of Foodstuffs
- Registration of Foreign Manufacturers of Foodstuffs
- Import Declaration for Foodstuffs, and
- Country of Origin Labelling

Additionally, further documents may be required for custom clearance of certain chocolate and confectionery products:

- Import Permit for Products of Animal Origin (required for 1806.90.21.11 and 1806.90.29.20)
- Import Permit for Rice (required for 1806.90.22.90 and 1806.90.29.99)

- Import Permit for Goods in Approved Packaging Materials (if packaging materials are outlined in the Act on the Promotion of Saving and Recycling of Resources), and
- Certificate of Organic Food (if products will be labelled or sold as organic).

**Any other up to date information on appropriate documents concerning customs procedures can be consulted on European Commission website:**

<http://madb.europa.eu/madb/datasetPreviewIFpubli.htm?countries=KR&hscod=1806>

and

<http://madb.europa.eu/madb/datasetPreviewIFpubli.htm?countries=KR&hscod=1704>

### SPS measures

All sanitary and Phytosanitary measures concerning the import of chocolate and confectionery into South Korea are in line with international standards.

**Up to date information on appropriate documents concerning SPS measures:**

<http://madb.europa.eu/madb/datasetPreviewIFpubli.htm?countries=KR&hscod=1806>

and

<http://madb.europa.eu/madb/datasetPreviewIFpubli.htm?countries=KR&hscod=1704>

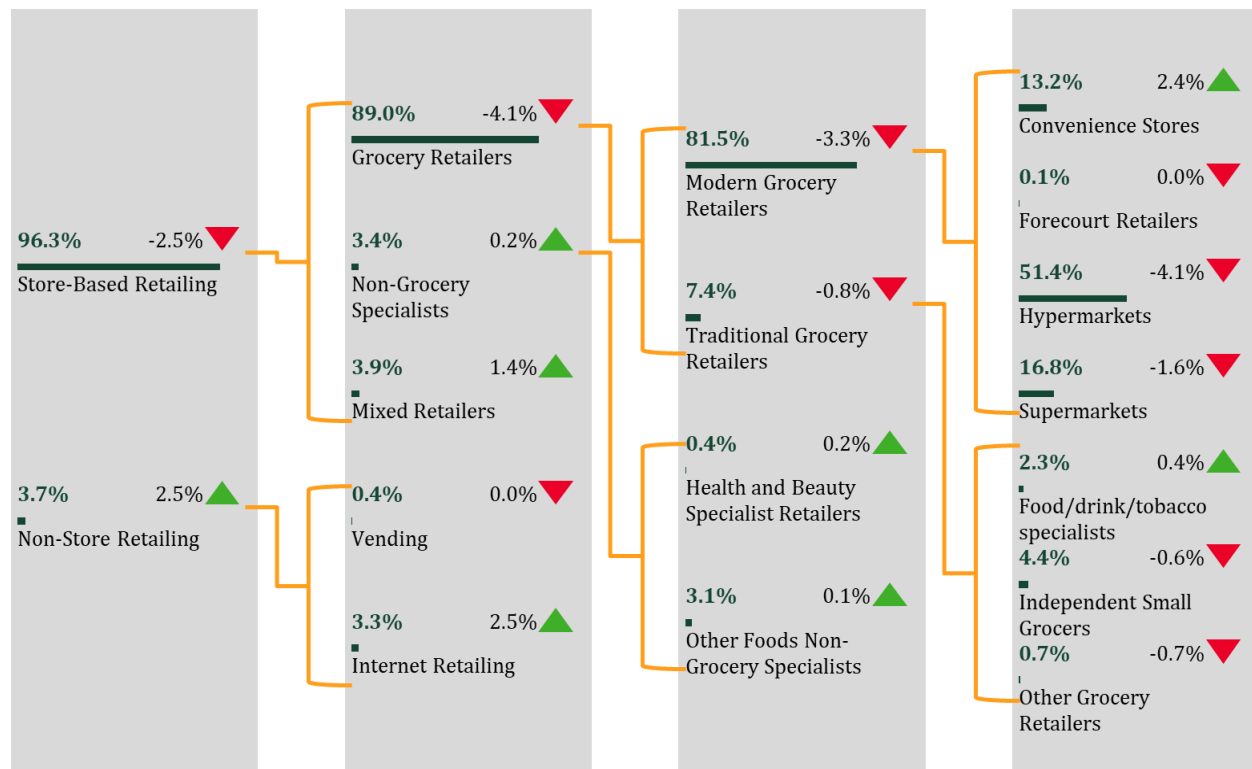
### Labelling

Chocolate and confectionery products must comply with the labelling rules outlined in section 4.2.3. Furthermore, in accordance with Article 6 of the Enforcement Regulations of the Food Sanitation Act, nutritional labelling is required for chocolate and confectionery products with a display panel larger than 30 cm<sup>2</sup>.

### 5.4.5 Distribution

As outlined in Figure 5-31, the main off-trade distribution channel for chocolate and confectionery in South Korea are store-based retailing, specifically grocery retailers (89%). Of these, in 2017 the majority were modern grocery retailers, such as hypermarkets (51.4%), supermarkets (16.8%) and convenience stores (13.2%). Traditional grocery retailers accounted for 7.4% of total sales, although their importance is on the fall. On the contrary, the internet retailing and mixed retailers' channels, which recorded a high growth compared to the previous year, are growing in importance. The internet is providing particularly popular for purchase of imported chocolates due to price advantages, with direct overseas purchase a notable trend. Example websites for such transactions include: auction.com, gmarket.com, 11st.co.kr, danawa.co.kr, and wemakeprice.com.

Figure 5-20: Distribution channel overview of all confectionery in South Korea (2017); retail value



Source: Euromonitor International: Packaged Foods, 2018

#### 5.4.6 Challenges for EU products

Sales of confectionery in South Korea is projected to slow in coming years. On the contrary, chocolate sales have been on the rise in the past years, although growth is set to slow down in the coming years. Furthermore, European companies face the competition of domestic producers, as well as foreign importers, the United States (chocolate) and China (confectionery) above all. There is notably indirect competition from e.g. snacks and ice creams.

#### Market Takeaway: Chocolate and confectionery

**Consumption:** Consumption of chocolate is set to slow down in coming years, while confectionery purchases are expected to continue to fall.

**Competition:** US and China are the first importer by volume in the categories of chocolate and sugar confectionery respectively; domestic production is significant, but declining.

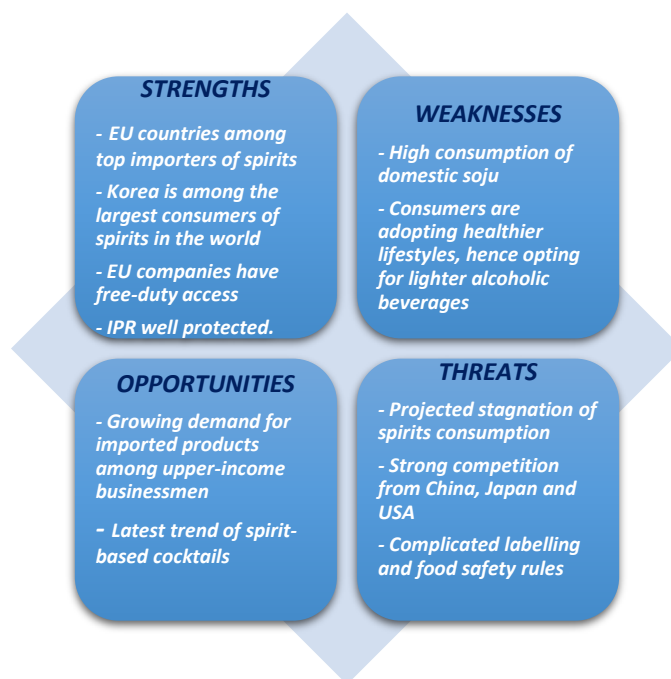
**Distribution:** Distribution is fragmented; however, it mainly takes place through modern grocery retailers, most notably hypermarkets.

**Challenges:** falling consumption of both types of products; competition from neighbouring snack and ice cream sector.

**Opportunities:** premium chocolate sales are on the rise, and European brands are synonym of high quality for Koreans; in confectionery, the market is increasingly opening to young women, who are increasingly replacing

## 5.5 Spirits

### 5.5.1 SWOT analysis



### 5.5.2 Consumption

#### 5.5.2.1 Evolution of consumption

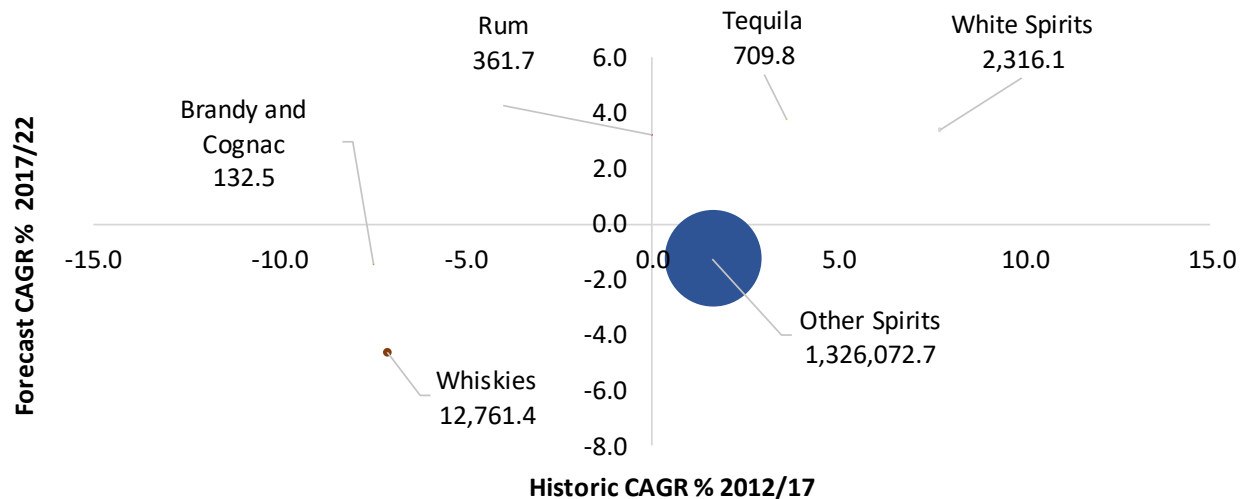
The Korean spirits market is largely based on domestically produced spirits, with the traditional local liquor *Soju* (made from rice, wheat, or starches like sweet potatoes and tapioca) accounts for over 98% of total spirits sales in the market by volume. Nonetheless, impacted by health concerns, consumption of local spirits is expected to face a total volume decline over the coming year. On the contrary, due to the growing consumers trend towards experiencing different alcoholic drinks, sales of imported spirits have been surging in South Korea.

Driven by cocktail culture spreading among millennials, white spirits recorded the highest yearly growth in 2012-2017, i.e. by 7.7%, although it is set to slow down over the next few years. On the contrary, sales of brandy and cognac as well as whiskies fell by respectively 7.5 and 7.1% per year. Growth of other spirits, including traditional Korean drinks, which amounted to 1.6% per year in the past five years, is projected to record negative growth going forward for the period 2018-2022.

Despite the slowdown in spirits sales and consumption, South Korea remain responsible for large volumes of spirits consumed, which amounted to over 1.34 billion litres in 2017. Consumption of other spirits (a category which embraces domestically produced soju) accounted for nearly all spirits sales in terms of volume (1.33 billion litres). With nearly 12.8 million of litres, whiskies were the second most popular spirits segment, followed by white spirits (2 million), and liqueurs (less than 1 million). Tequila, rum, as well as

brandy and cognac lagged behind with respectively 709 000, 362 000 and 133 000 litres purchased. Per capita consumption of other spirits, which accounted for most spirits purchased in South Korea, amounted to 26 litres in 2017, but it is set to go down to 24.1 by 2022<sup>74</sup>. Overall consumption of spirits grew slowly in 2012-2017, and it is expected to decline over the next few years.

Figure 5-21: Evolution and forecast of spirits market (000 litres) in South Korea, total volume, 2012-2022



Source: Euromonitor International: Alcoholic Drinks, 2018

### 5.5.2.2 Consumer profile and purchase criteria

#### Consumers

Korea is the first country for per-capita consumption of alcoholic beverages in the Asia-Pacific, and the seventeenth globally. Korean consumers consider alcohol as a way to lower stress from the demanding workplaces and schools, as well as a way to escape from their rigid society. Indeed, the country's drinking culture is driven by men who frequently gather after work for rounds of drinks including "soju bombs", or beer mixed with soju. Nonetheless, this is gradually changing, as more women work, and Koreans choose healthier lifestyles (see box below).

<sup>74</sup> Euromonitor International: Alcoholic Drinks, 2018

### Korea's harmful drinking culture

In Korea, workers are routinely expected to take part in “*hwe-sik*” (eating and binge-drinking with bosses and co-workers). Drinks after work are considered a way to strengthen relationships with colleagues, and an invitation to drink with an office superior is a great compliment that should not be declined. Nonetheless, Koreans have publicly expressed concerns about their health and a work culture where employees are sometimes forced to binge drink to advance in their career. In 2011, given the severity of the problem, the ministry of health and welfare launched a marketing campaign encouraging Koreans to stop heavy drinking. Despite that, in 2016, over half men were found to have been binge drinking during the year; among women the rate was lower (around 25%), but on the rise. Although gathering for “*hwe-sik*” with co-workers has started trending downwards, the problem remains; South Korean drinking culture has in fact started shifting from binge drinking to drinking at home alone<sup>75767778</sup>.



Currently, due to its low retail price, local *soju* remains the most popular spirit in Korea. Imported spirits, especially premium scotch whisky, are usually consumed by businessmen, given their high costs; indeed according to some estimations, Korea may be the largest export market in the world for premium scotch whisky. Whiskies more generally are popular among old and new generations, as local producers have been trying to introduce them to millennials.

Furthermore, among millennials the cocktail culture is taking off<sup>7980</sup>.

<sup>75</sup> South Koreans drink twice as much liquor as Russians and more than four times as much as Americans, <https://qz.com/171191/south-koreans-drink-twice-as-much-liquor-as-russians-and-more-than-four-times-as-much-as-americans/>

<sup>76</sup> South Korea's play culture is a dark symptom of overwork, <https://qz.com/1168746/south-koreas-play-culture-is-a-dark-symptom-of-overwork/>

<sup>77</sup> Euromonitor International: Alcoholic Drinks, 2018

<sup>78</sup> One in four South Korean women binge-drinking, <https://lifestyle.inquirer.net/278181/south-korean-women-binge-drinking/>

<sup>79</sup> Agriculture and Agri-Food Canada: Consumer Trends - Wine, Beer and Spirits in South Korea, [http://www.dwm.de/fileadmin/dwm/media/downloads/presse/Study\\_AAFC.pdf](http://www.dwm.de/fileadmin/dwm/media/downloads/presse/Study_AAFC.pdf)

<sup>80</sup> Drinking culture in Korea. Asia's Booze hounds?, <http://www.koreanwhisky.com/drinking-culture-in-korea/>

### Drivers and method of consumption

Consumption of spirits is very high in Korea, where consumers drink on average 13.7 shots of liquor per week, which is the most in the world. High consumption is enhanced by low retail price of *soju*, which is sold at most supermarket, convenience store, restaurant and street vendor, and even in hospitals.



Spirits are usually paired with food (*anju* refers to food that someone eats with alcohol), such as peanuts, dried squid, fresh fruit, fried chicken, and snacks. Some common pairings are set out below (list non-exhaustive):

Beverage	Paired food
Whisky	Chocolate, nuts, crackers
Grape spirits (e.g. Cognac)	Cheese
Vodka, gin	Often no preference; sometimes beef jerky

Alcoholic beverages are usually purchased after work, at restaurants and bars, in occasion of gathering with the boss and co-workers (see section above). Among imported spirits, whisky is one of the most popular among businessmen negotiating deals or entertaining important guests. Nonetheless, consumption at home has recently been increasing, especially among new generations, which prefer small parties at home. It is not uncommon to drink at tables outside the convenience stores, especially among price-sensitive younger people<sup>81,82,83</sup>.

### Purchase criteria

Price and marketing play a huge role in determining Koreans spirits purchase choices. As *soju* is offered at ₩1,700 (EUR 1.30 approx.) in off-trade shops and at maximum ₩5,000 (4 EUR approx.) in on-trade venues for a 375ml bottle, it accounts for almost all spirits purchases. Furthermore, *soju* commercials and labels (when allowed, i.e. when the beverage contains less than 17% alcohol by volume, see box below) usually feature popular celebrities and athletes<sup>84</sup>. Indeed, these commercials, combined with the advertising restrictions below have driven consumption of *soju* with an alcohol content of under 17% at the expense of that with a higher alcohol content. Nonetheless, consumers are increasingly adopting healthier lifestyles, which has enhanced the consumption of lighter alcoholic beverages, at the detriment of *soju* as

<sup>81</sup> Korean Whisky – An overview of the dram in the ROK, <http://www.koreanwhisky.com/>

<sup>82</sup> South Koreans drink twice as much liquor as Russians and more than four times as much as Americans, <https://qz.com/171191/south-koreans-drink-twice-as-much-liquor-as-russians-and-more-than-four-times-as-much-as-americans/>

<sup>83</sup> Spirits market turns to lighter alcohol, <http://www.koreaherald.com/view.php?ud=20171221000815>

<sup>84</sup> A sobering look at South Korea's drinking culture, <https://themonsoonproject.org/2016/10/10/a-sobering-look-at-south-koreas-drinking-culture/>

a whole. Furthermore, the majority of consumers are drinking more at home and are placing greater value on experiencing various alcoholic drinks<sup>85</sup>.

#### Advertising

Advertising of alcoholic beverages with over 17% alcohol by volume is always prohibited. Advertising of all alcoholic beverages on television is forbidden from 07.00-22.00 hrs, on radio from 17.00-8.00hrs.

### 5.5.2.3 Recent market trends

Korea represents the fourth largest spirits market in the world by volume and the ninth by value. Nonetheless, driven by health concerns, especially among older people, spirits sales have recently started declining in South Korea, recording a -0.2% annual growth in 2012-2017. Average annual growth is projected to partially recover, increasing at 0.4% per year in 2018-2022. With respectively 3.8, 3.4 and 3.2% growth CAGR, tequila, white spirits and rum are expected to be the fastest-growing spirits segments over the next few years, as these spirits can be used as cocktails ingredients. The lower familiarity of Korean consumers of these spirits (plus cognac) and their curiosity about them are also drivers. On the contrary, sales in the categories of “Other spirits” and whiskies, which altogether account for 99.7% of all spirits consumed in South Korea, are projected to record a negative growth, at respectively -1.2 and -4.6% per year. These spirits are indeed mostly purchased by older people, whose consumption is on the fall, due to their increasing concern about their physical health<sup>86</sup>.

Specifically within the category of whisky, sales volume of single malt whisky have doubled over the last ten years, and the number of bars serving single malt whisky has increased from a handful to 250 bars across the country. This trend in moving to single malt whisky is expected to continue, primarily at the expense of scotch blends.

As noted above, the advertising restrictions on drinks with over 17% alcohol content, combined with health concerns, have both affected the market for spirits as a whole (soju and whisky in particular); and driven consumption of spirits with alcohol content under 17%. Indeed, several manufacturers have lowered their alcohol content below this artificial threshold in order to capture this part of the market, with the added bonuses that their manufacturing costs also decrease while volumes tend to increase. These trends are expected to continue going forward.

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<sup>85</sup> Euromonitor International: Alcoholic Drinks, 2018

<sup>86</sup> Euromonitor International: Alcoholic Drinks, 2018



### 5.5.3 Offer

#### 5.5.3.1 Domestic production



The Korean spirits industry mostly manufactures *soju*, which is in turn the cheapest hard liquor sold in the market<sup>87</sup>. According to recent statistics, Korea is indeed responsible for the production of 581 563 kilolitres of *soju* per year<sup>88</sup>. Large volumes produced in South Korea are blended from imported ethyl alcohol.

Traditional soju is produced in Andong and few other cities, using a blend of fermented and distilled rice and wheat. Nonetheless, in 1965 a government ban on using rice to brew *soju* was issued due to a rice shortage. Although the ban has since been lifted, several brands have since then started to use diluted ethanol produced from sweet potatoes or tapioca to manufacture *soju*<sup>89</sup>.

While there is some whisky production in Korea, it is quite low (about 5% of domestic consumption). A notable reason for this is the 72% Liquor Tax Act on ‘the sum of manufacturing costs, as well as sales, marketing costs, and profits’ from distilled alcoholic beverages (including whisky, brandy, other distilled alcoholic beverages, and liqueurs). As a result of the law, domestically produced whiskies are effectively taxed about 10% more than the imported ones.

#### 5.5.3.2 Imports and exports

As indicated in Figure 5-22, due to the widely produced *soju*, exports of spirits largely exceed imported volumes. In 2017, South Korea exported nearly 93 000 tonnes of spirits, and imported 40 000 tonnes. Volumes of whiskies, half imports of spirits by volume, followed by other spirits (25%), liqueurs (15%), and vodka (5%) (Figure 5-23).

<sup>87</sup> 소주 한 병 1,700 원...편의점 · 대형마트, 다음주부터 맥주·소주값 인상,

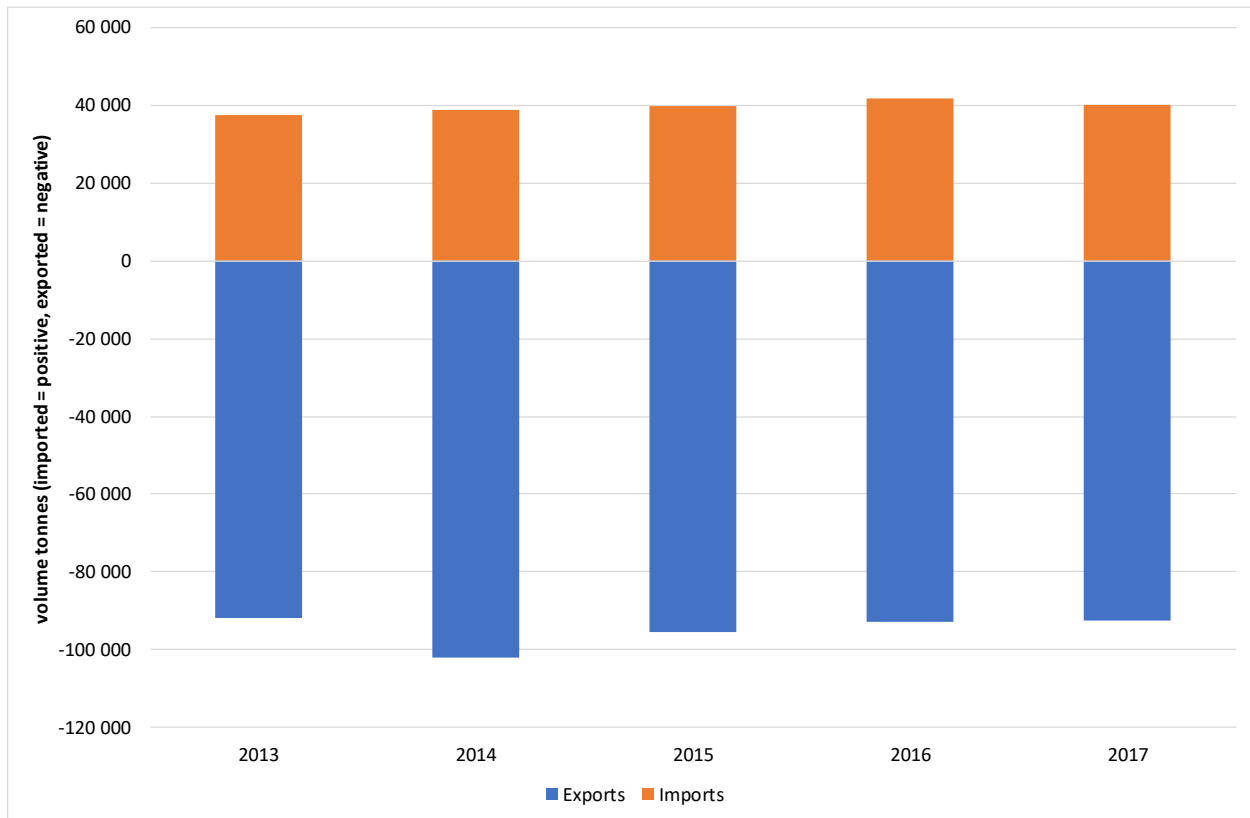
<http://www.hankookilbo.com/News/Read/201701050870152370>

<sup>88</sup> GAIN Report: Republic of Korea – Distilled Spirits,

[https://gain.fas.usda.gov/Recent%20GAIN%20Publications/Distilled%20Spirits\\_Seoul%20ATO\\_Korea%20-%20Republic%20of\\_1-2-2013.pdf](https://gain.fas.usda.gov/Recent%20GAIN%20Publications/Distilled%20Spirits_Seoul%20ATO_Korea%20-%20Republic%20of_1-2-2013.pdf)

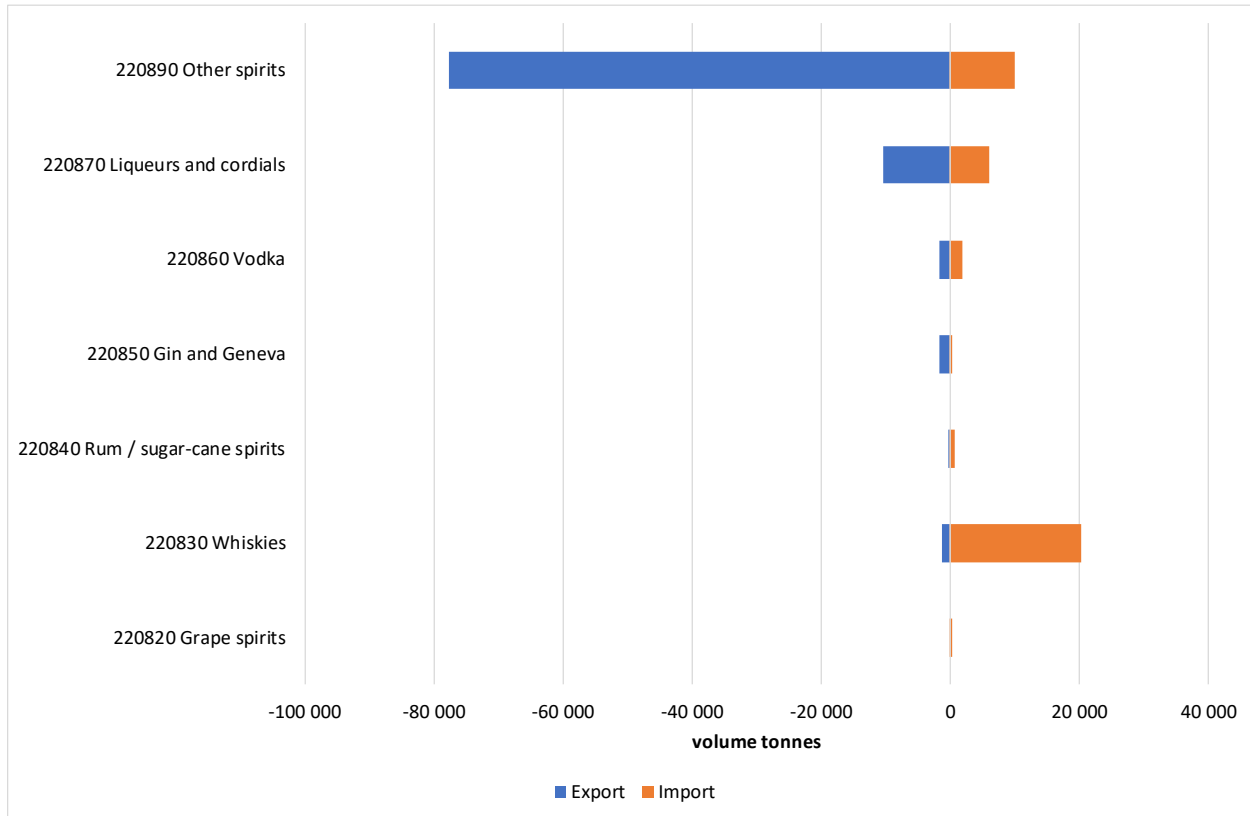
<sup>89</sup> A starter guide to soju, one of the world’s most popular liquors, <https://thetakeout.com/a-starter-guide-to-soju-one-of-the-world-s-most-popula-1798256991>

Figure 5-22: Trade balance (imports and exports) of spirits in South Korea, 2013-17; tonnes



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>  
Data for CN code 2208

Figure 5-23: Trade balance (imports and exports) of spirits in South Korea, by type, 2017; tonnes

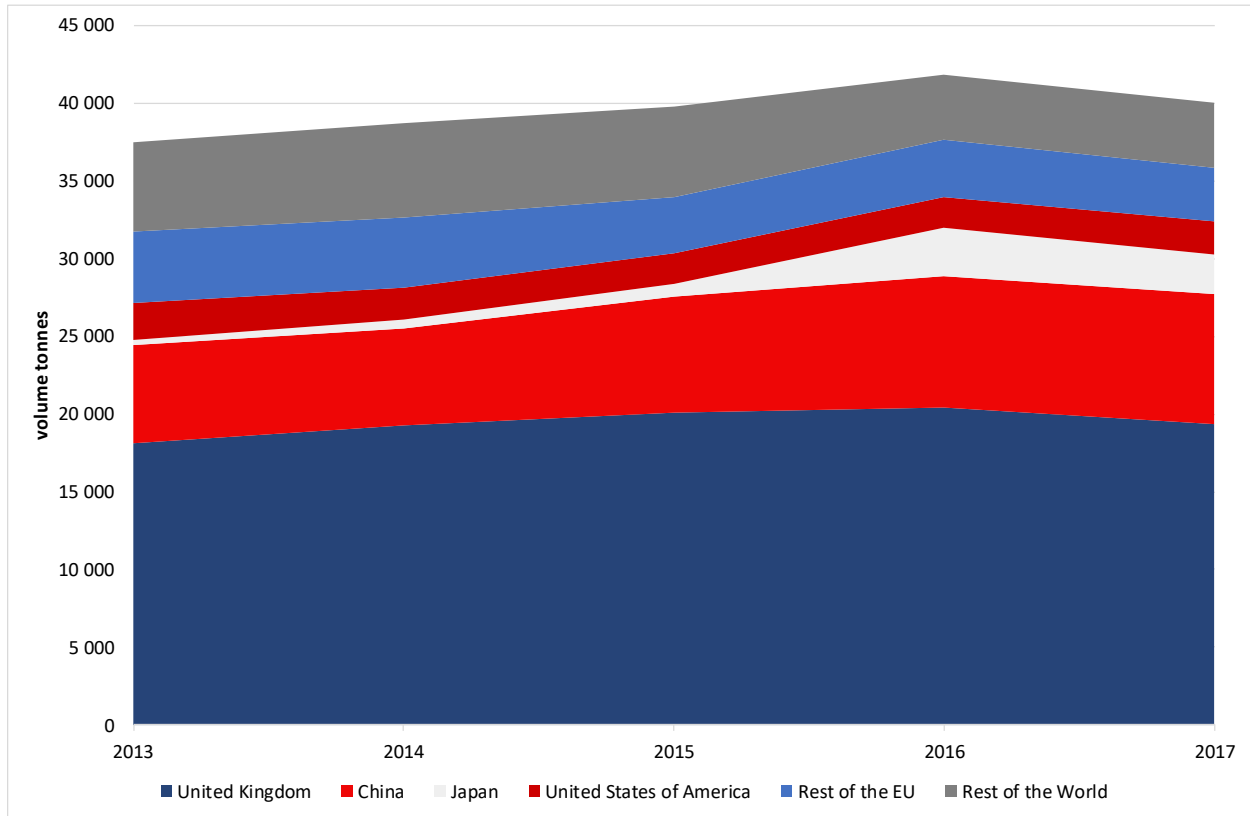


Source: Trade Map, International Trade Centre - <https://www.trademap.org/> Data for CN code 2208  
Spirit names shortened. CN codes before spirit name

As illustrated in Figure 5-24, the UK, which mostly exports whisky (which accounts for 96% of UK spirits imports into South Korea), continued to lead imports in the category. Nonetheless, although volumes of UK exports are prominent (19 356 tonnes in 2017, or 48% of the total Korean imports), they have been recently slowing down; partly due to a Brexit related fears, and partly due to the increased popularity of single malt whisky of various origins at the expense of Scotch whisky. China (8 330 tonnes, or 21%), Japan (6%), the USA (5%) followed. While the United States ship to Korea large volumes of whiskies, vodka and rum, China and Japan mostly export to Korea ethyl alcohol which is then used to blend *soju*.

The rest of the EU accounted for other 9% of total Korean imports of spirits by volume, with Sweden (25% of the EU share), France (20%), and the Netherlands (14%) taking the lead.

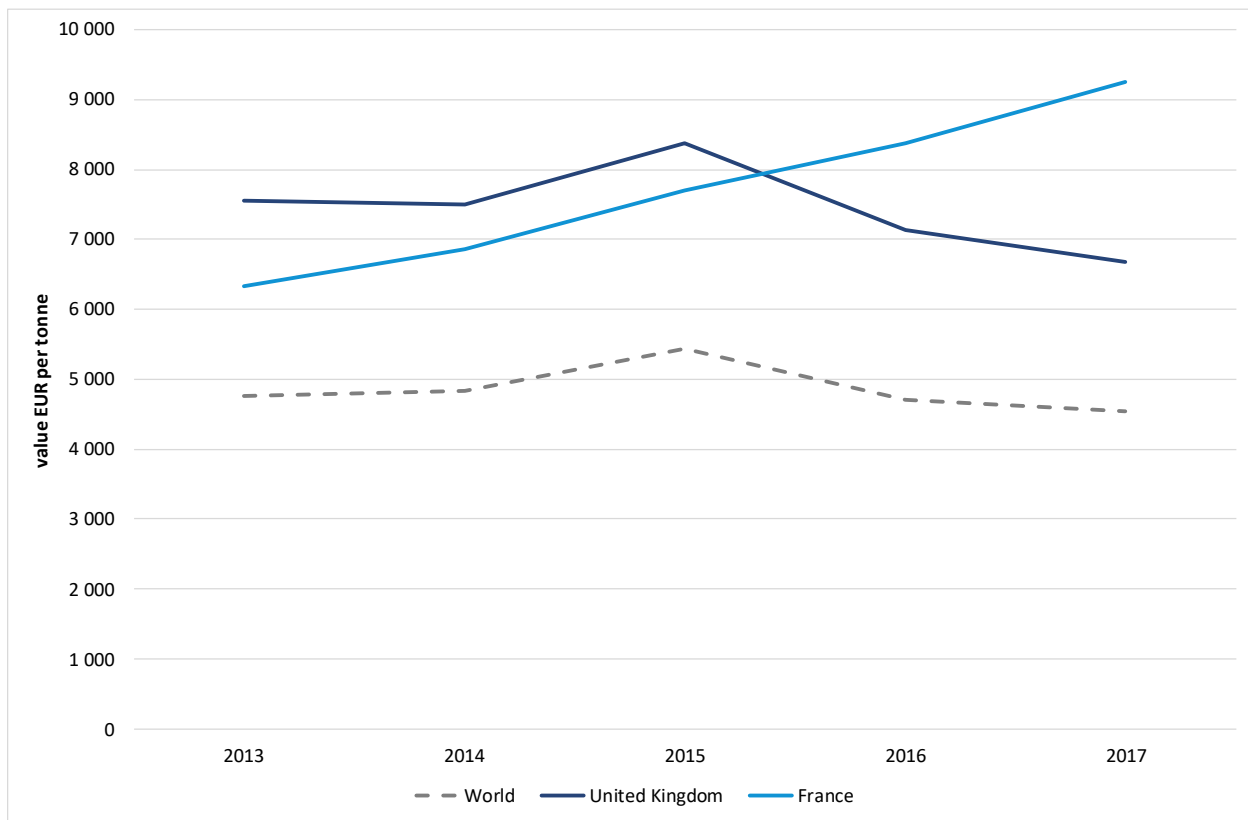
Figure 5-24: South Korean imports of spirits by country, 2013-17; tonnes



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>  
Data for CN code 2208

With over EUR 129 million of imports, the UK led South Korean imports also in terms of value in 2017, followed by China. In terms of per unit value, UK (6 684 EUR/tonne) and French (9 253 EUR/tonne) imports were well above the average of spirits imported into South Korea (4 537 EUR/tonne) in 2017. Nonetheless, the unit value of British exports followed the general trend, peaking in 2015 (up to 8 379 EUR/tonne) and then starting to decline. On the contrary, French exports unit value steadily increased between 2014 and 2017.

Figure 5-25: Per unit value of South Korean imports of spirits for selected countries, 2013-17 (EUR per tonne)



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>  
Data for CN code 2208

### 5.5.3.3 EU GI products

As reported in Annex 10-B of the EU-South Korea FTA, 25 spirit products are recognised as Geographical Indications in South Korea. These spirits are produced in Austria, France, Poland and Sweden (3 each), Finland, Hungary and Spain (2 each), Belgium, Cyprus, Germany, Greece, Ireland, Italy and the UK (1 each). A full list can be consulted in section 8.5.

### 5.5.3.4 Main competitors

As outlined in 5.5.3.1, South Korea is a large producer of *soju*, which accounts for 98% of domestic consumption. Although falling, volumes of *soju* sales are still prominent, as demonstrated by the 46% share of market held by *soju* producer Hite Jinro Co. This is mostly due to *soju* low prices, as in 2017, a 375 ml bottle of diluted *soju* retailed at ₩1 700 (EUR 1.30 approx.) in supermarkets and convenience stores, and at ₩4 000–5 000 (3-4 EUR approx.) in restaurants<sup>90</sup>.

<sup>90</sup> 소주 한 병 1,700 원...편의점·대형마트, 다음주부터 맥주·소주값 인상, <http://www.hankookilbo.com/News/Read/201701050870152370>



Nonetheless, South Korea is also a large importer of foreign spirits, primarily Whisky. Golden Blue, a Korean Whisky company, which launched the first whisky in 2009, has recently grown as the second largest whisky company in South Korea, preceded only by Diageo Korea. Furthermore, benefitting of a duty-free access to the Korean market, several the US exporters have been posing a challenge to Scottish whisky importers. China and Japan are also exporting large volumes of alcohol to Korea, but mostly

in its pure form, as domestic production of *soju* relies in part on imports of ethyl alcohol from third countries (see section 5.5.3.2).

#### Contraband/Parallel trade

Important brands in high price bands are more likely to be subjected to contraband. To face this challenge, some manufacturers of high-end spirits, especially whisky, have devised a protection gadget to be attached to the packaging. However, overall the Korean authorities are very active on these issues and few cases have contraband and parallel trade have occurred of late. The fact that large wholesalers of spirits dominate distribution also limits the scope for such activities<sup>91</sup>.

### 5.5.4 Specific market entry requirements

#### Market Access and Entry

As reported in section 4.2.1, only licensed importers are allowed to export spirits to South Korea. European spirits producers should hence register to the Korean Ministry of Food and Drug Safety. Furthermore, products must comply with the Special Act on Imported Food Safety Management (see section 4.2.2).

In terms of import duties, under the existing FTA, European exports of wine to South Korea are fully liberalised. The only exceptions are the ogarpi wine (HS code 2208.70.20), and brandies other than that of subheading 2208.20 (HS code 2208.90.10), which are subject to a 5.4% duty, as well as additional taxes, as set out below:

- VAT: 10% of the duty paid value;
- Liquor tax: 72% of the duty paid value;
- Education tax: 30% of the payable tax amount resulting from the individual consumption tax, liquor tax, tobacco consumption tax or transportation energy environment tax.

Detailed information on import duties and Rules of Origin can be consulted on the European Commission website:

<http://madb.europa.eu/madb/atDutyOverviewPubli.htm?countries=KR&hscod=2208>

<sup>91</sup> Euromonitor International: Alcoholic Drinks, 2018

### Customs procedures

A list of standard documents required for import spirits into South Korea is presented in section 4.2.1. These include:

- certification of Registration of Importers of Foodstuffs
- Registration of Foreign Manufacturers of Foodstuffs
- Licence to Import and Deal in Alcohol
- Import Declaration for Foodstuffs, and
- Country of Origin Labelling

Additionally, further documents may be required for custom clearance of certain spirits:

- Import Permit for Goods Subject to the Washington Convention (CITES), only required for 2208.70.90, 2208.90.90 if subject to the Protection of Wild Fauna and Flora Act;
- Import Permit for Wild Animals, only required for 2208.70.90, 2208.90.90 if wild species not covered by the Protection of Wild Fauna and Flora Act;
- Import Permit for Goods in Approved Packaging Materials (if packaging materials are outlined in the Act on the Promotion of Saving and Recycling of Resources), and
- Certificate of Organic Food (if spirits will be labelled or sold as organic).

**Any other up to date information on appropriate documents concerning customs procedures can be consulted on European Commission website:**

<http://madb.europa.eu/madb/datasetPreviewIFpubli.htm?countries=KR&hscod=2208>

### SPS measures

All sanitary and Phytosanitary measures concerning the import of spirits into South Korea are in line with international standards.

**Up to date information on appropriate documents concerning SPS measures:**

<http://madb.europa.eu/madb/datasetPreviewIFpubli.htm?countries=KR&hscod=2208>

### Labelling

Spirits must comply with specific labelling rules. Most notably, the label, in Korean, should contain the following information:

- Product Name
- Country of origin
- Product Type
- Importer's name, address, and phone number
- Date of bottling
- Alcohol percentage and product volume
- Name of major ingredients
- Name of place where the product can be returned or exchanged in case the product has defects
- Instructions for proper storage
- Name of food additives used
- Mandatory health warning clause

- Mandatory warning clause against liquor sales to minors.
- Name of designated distribution channel (if bottles are sold in retail stores)<sup>92</sup>

### 5.5.5 Distribution

In South Korea, most spirits sales are completed through on-trade channels. Overall, the on-trade channels accounts for most of the sales of rum (93.1%), liqueurs (88.1%), whiskies (71.7%) and white spirits (67.1%). On-trade is particularly growing in importance in Seoul, given the recent boom in the number of nightclub and bar openings<sup>93</sup>. Bars used for business meetings are particularly important for spirits consumption. Furthermore, duty free purchases (see box below) are on the rise, mainly due to increasing tourists from China.

As outlined in Figure 5-26, all off-trade sales of spirits are made through store-based retailing in South Korea, specifically grocery retailers (99.1%). Of these, in 2017 the majority were hypermarkets (55.1%), small grocery retailers (28.5%) – most of which were convenience stores and independent small grocers – and supermarkets (15.2%). Hypermarkets and convenience stores also recorded a high growth compared to 2016.

#### Duty Free

Spirits can be also purchased from duty-free shops usually located in airports or city centres, as well as on international flights to/from South Korea. Duty-free sales are subject to the following conditions:

- Maximum one litre per person can be purchased;
- Maximum value of the purchase must be USD600 per person (USD400 on Jeju Island);
- Duty-free purchases on Jeju Island can be done up to six times per year<sup>94</sup>.

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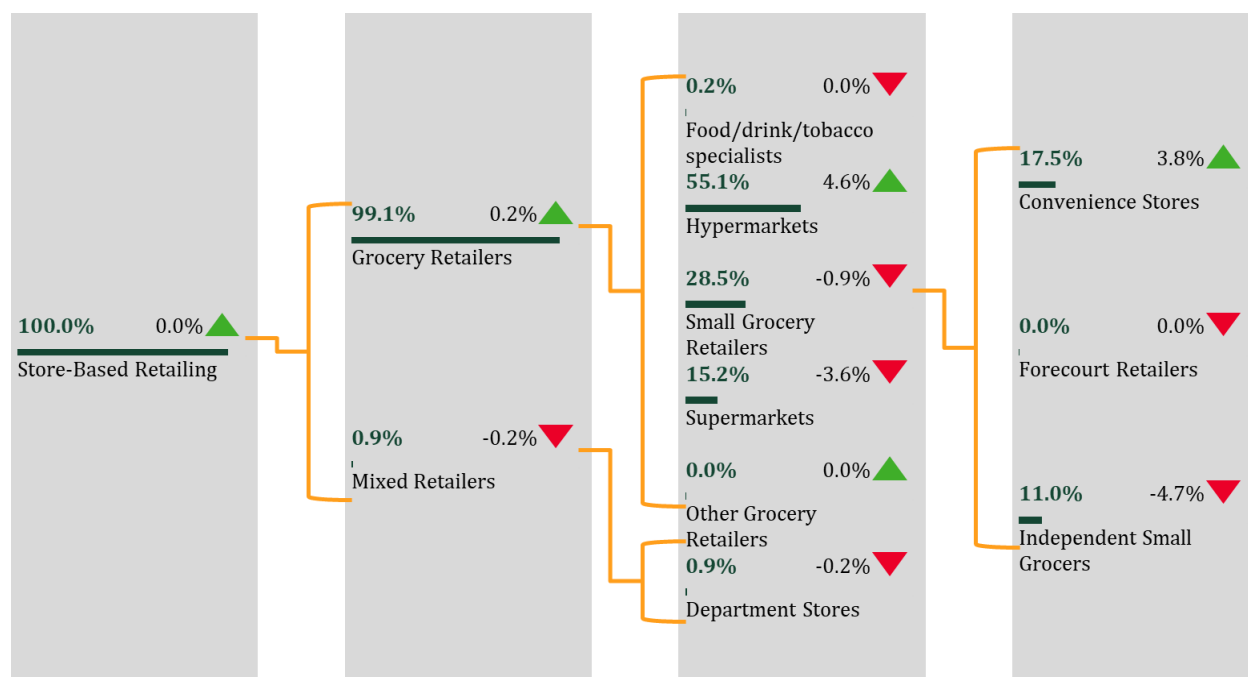
<sup>92</sup> GAIN Report: Republic of Korea – Distilled Spirits, [https://gain.fas.usda.gov/Recent%20GAIN%20Publications/Distilled%20Spirits\\_Seoul%20ATO\\_Korea%20-%20Republic%20of\\_1-2-2013.pdf](https://gain.fas.usda.gov/Recent%20GAIN%20Publications/Distilled%20Spirits_Seoul%20ATO_Korea%20-%20Republic%20of_1-2-2013.pdf)

<sup>93</sup> Insights into South Korea's wine market, <https://www.meininger.de/en/wine-business-international/insights-south-koreas-wine-market>

<sup>94</sup> Euromonitor International: Alcoholic Drinks, 2018



Figure 5-26: Distribution channel overview of spirits in South Korea (2017); off trade volume



Source: Euromonitor International: Alcoholic Drinks, 2018

### 5.5.6 Challenges for EU products

South Koreans drinking culture is slowly being shunned in favour of healthier lifestyle. Although consumption levels remain very high, *soju* continues to be the most purchased spirits, due to its low retail price and easy availability at almost all on-trade and off-trade channels. Imported spirits are indeed considered high-end product and a status symbol, hence they are usually purchased by a niche made of businessmen and upper-income consumers.

In terms of competition, while domestic production is enormous, it mostly concerns *soju*. However, American and Asian companies export large volumes of spirits to Korea. Finally, access to the Korean spirits market is also hampered by complex labelling and food safety standards.

#### Market Takeaway: Spirits

**Consumption:** On the fall, as consumers are adopting healthier lifestyles. Other spirits category dominating the market, although whiskies and white spirits on rise.

**Competition:** Large domestic production of Korean *soju*. Main other competitors are China, Japan and the USA.

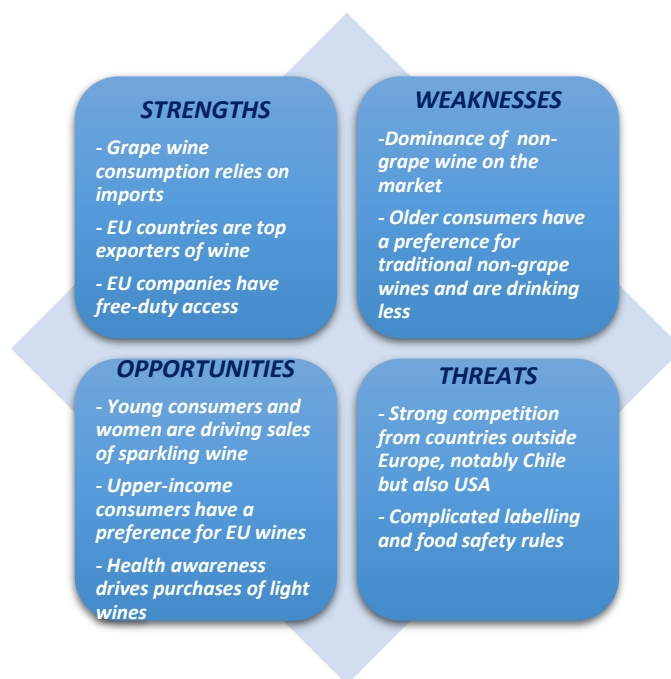
**Distribution:** Mainly on-trade with bars for business meetings particularly important; off-trade, spirits are mainly distributed through hypermarkets and small grocery retailers.

**Challenges:** Market dominated by domestic cheaper *soju*. Projected stagnation of overall spirits consumption over next few years. Access to the market is hampered by labelling and food safety standards.

**Opportunities:** Cocktail culture taking off among millennials; imported spirits are a status symbol and hence largely purchased by upper-income businessmen.

## 5.6 Wine

### 5.6.1 SWOT analysis



### 5.6.2 Consumption

#### 5.6.2.1 Evolution of consumption

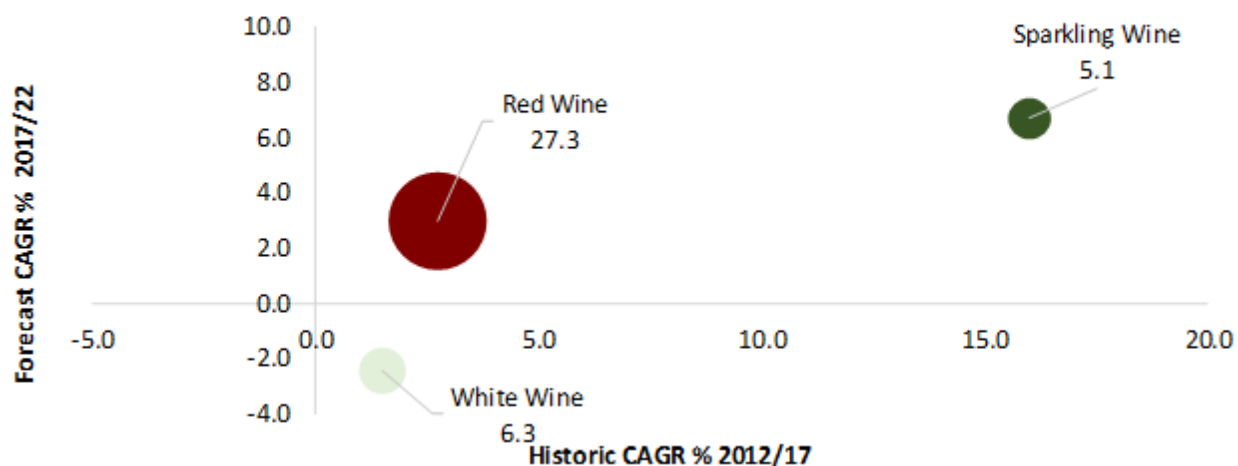
The Korean wine market is largely based on domestically produced non-grape varieties, such as the popular *Makgeolli*, consumption of which amounted to 334.6 million litres in 2017. Nonetheless, consumption of non-grape wines has been declining since 2012, and it is expected to fall to 291.6 million litres in 2022. On the contrary, driven mostly by the increasing popularity of lower alcohol and sparkling drinks, consumption of grape wine has significantly grown in South Korea, passing from 32 million litres in 2012 to 39.2 million litres in 2017.

Rosé and sparkling wine - of which consumption levels are relatively low in South Korea - recorded a yearly double-digit growth in 2012-2017 (25.4% and 16% respectively). On the contrary red and white wine, of which consumption is higher, grew at respectively 1.5% and 2.7% per year (Figure 5-27).

As demonstrated by the value of total consumption (over 27 million litres), red wine is the most popular grape wine type in South Korea, due to highly publicised health benefits of antioxidants in the country. Total consumption of other categories of wine recorded indeed much lower volumes, namely 6.3 (white wine), 5.1 (sparkling), and 0.5 million litres (rosé).

Per capita consumption of grape wine, which is very low, has been rather stable between 2012 and 2017 and it is expected to moderately increase by 2022. In 2017, per capita consumption slightly varied between categories, ranging between less than 0.1 litres (rosé wine) and 0.5 litres (red wine)<sup>9596</sup>.

Figure 5-27: Evolution and forecast of wine market (million litres) in South Korea, total volume, 2012-2022



Source: Euromonitor International: Alcoholic Drinks, 2018

### 5.6.2.2 Consumer profile and purchase criteria

#### Consumers

As South Korea is a heavy producer of non-grape wines, such as *Makkeoli* and *Takju*, 93.4% of wine consumed in South Korea is of the non-grape wine variety. Indeed, until around 2010 Korean consumers were generally unfamiliar with grape wine. Due to the high prices, imported grape wine is still primarily regarded as a high-end product and a status symbol by most consumers. Nonetheless, as Korean consumers are becoming increasingly health conscious, the consumption of beverages with lower alcohol content than spirits is on the rise and wine falls into this category. In addition, the health benefit of drinking red wine



<sup>95</sup> Euromonitor International: Alcoholic Drinks, 2018

<sup>96</sup> GAIN Report: Republic of Korea – Wine Market,

[https://gain.fas.usda.gov/Recent%20GAIN%20Publications/Wine%20Market%20Report\\_Seoul%20ATO\\_Korea%20-%20Republic%20of\\_2-9-2018.pdf](https://gain.fas.usda.gov/Recent%20GAIN%20Publications/Wine%20Market%20Report_Seoul%20ATO_Korea%20-%20Republic%20of_2-9-2018.pdf)

is highly publicised in the market<sup>97,98</sup>. The consumers segments among which consumption of wine is increasing are set out below:

- **Women:** driven by higher female employment rates, women are increasingly purchasing alcoholic beverages, including sparkling and rosé wine, which is particularly popular among younger women<sup>99</sup>. Sweetness, softness and lightness are common preferences among this group.
- **Young people aged 25 to 34** (*as in accordance with the Youth Protection Law, only consumers aged 19 or above are allowed to buy and consume alcoholic drinks*): this segment is characterised by a high exposure to Western culture; hence American wine particularly appeals to these consumers. Traditional Korean non-grape wines are considered old-fashioned by the younger generation, in terms both of taste and packaging. Therefore, millennials are developing a taste for sparkling wines, given their lower price and original taste. Nonetheless, young people in general are widening their drinking repertoire and gradually opting for white wine and dessert wines as well. On the contrary, wine purchases among older generations are falling, due to the strong appeal of Korean traditional non-grape wines, as well as a general declining trend in drinking for health concerns among these consumers<sup>100,101,102</sup>.
- **Men aged 30-40.** This group tends to prefer thicker and deeper tasting red wines. They are more likely to drink alone and are most likely to purchase wine at convenience stores, especially low-priced red wine around W10 000 (8 EUR approx.). In some cases, consumption is driven by health concerns; for example the notion that moderate red wine consumption could lower heart disease.
- **Upper-income consumers:** the preference for imported wine, which are a status symbol in Korea, has increased among these consumers, due to their purchasing power. European wines are regarded as high-quality products; hence they are purchased to a larger extent by this group.
- **Inhabitants of the capital city:** the market for imported wine is nearly fully dominated by Seoul<sup>103</sup>.

### Drivers and method of consumption

In Korea, drinking is social: for building, solidifying or improving group relationships. Wine is in fact mostly purchased in occasion of social and business events, with sales peaking between January and May. Most often, Koreans drink alcohol in bars or in tents called *soju* tents; and it is common practice for Koreans to pair wine with snack foods. Full bodied, sweet and fragrant red wines are generally seen as good partners

<sup>97</sup> All change in South Korea, <https://www.wineintelligence.com/all-change-in-south-korea/>

<sup>98</sup> GAIN Report: Republic of Korea – Wine Market, [https://gain.fas.usda.gov/Recent%20GAIN%20Publications/Wine%20Market%20Report\\_Seoul%20ATO\\_Korea%20-%20Republic%20of\\_2-9-2018.pdf](https://gain.fas.usda.gov/Recent%20GAIN%20Publications/Wine%20Market%20Report_Seoul%20ATO_Korea%20-%20Republic%20of_2-9-2018.pdf)

<sup>99</sup> Women in heavy-drinking S. Korea fuel demand for lighter booze, <https://www.reuters.com/article/southkorea-spirits/women-in-heavy-drinking-s-korea-fuel-demand-for-lighter-booze-idUSL4N11D2CA20150910>

<sup>100</sup> Agriculture and Agri-Food Canada: Consumer Trends - Wine, Beer and Spirits in South Korea, [http://www.dwm.de/fileadmin/dwm/media/downloads/presse/Study\\_A AFC.pdf](http://www.dwm.de/fileadmin/dwm/media/downloads/presse/Study_A AFC.pdf)

<sup>101</sup> All change in South Korea, <https://www.wineintelligence.com/all-change-in-south-korea/>

<sup>102</sup> Euromonitor International: Alcoholic Drinks, 2018

<sup>103</sup> Insights into South Korea's wine market, <https://www.meininger.de/en/wine-business-international/insights-south-koreas-wine-market>

for traditional Korean cuisine which tends to be spicy, soy-sauce based and sometimes oily. Restaurants are increasingly selling imported red wines to accompanied modernised or westernised Korean food.



On one hand, drinking is considered a good way to get to know and assess potential business partners by some Korean businessmen. Drinking wine for social purposes, on the other hand, is getting popular especially in the capital city, where nightclubs and upscale bars are spreading out. Weddings are another important occasion for wine consumption, as more and more young professionals are adopting Western traditions. Finally, wine is becoming both an increasingly

popular beverage for special events such as *Gujeong* (Korean New Year) and valentine's day, as well gift for such occasions in South Korea<sup>104105106</sup>.

### Purchase criteria

Although grape wine is not the most popular alcoholic beverage in South Korea, as outlined above it is growing in importance due to the:

- Westernisation of Korean eating habits
- Health-oriented lifestyles
- Expanding upper-income segment

In general, Korean consumers, especially older ones, are more likely to choose wine products based on health considerations. As a result, they are likely to choose red wines due to the connection with the reduction of heart disease; and/or wines with a more moderate alcohol content. Millennials, especially women, tend to prefer more delicate and sweeter drinks, with a lower alcohol content<sup>107</sup>. Overall, wines with a softer taste and texture, and more moderate alcohol content than other alcoholic beverages (e.g. soju) are preferred. In terms of packaging, partly due to a shortage of space in their small-sized houses, Korean consumers prefer half bottles of wine (i.e. 375ml); and this preference should be borne in mind if entering the market<sup>108</sup>.

<sup>104</sup> GAIN Report: Republic of Korea – Wine Market,

[https://gain.fas.usda.gov/Recent%20GAIN%20Publications/Wine%20Market%20Report\\_Seoul%20ATO\\_Korea%20-%20Republic%20of\\_2-9-2018.pdf](https://gain.fas.usda.gov/Recent%20GAIN%20Publications/Wine%20Market%20Report_Seoul%20ATO_Korea%20-%20Republic%20of_2-9-2018.pdf)

<sup>105</sup> Insights into South Korea's wine market, <https://www.meininger.de/en/wine-business-international/insights-south-koreas-wine-market>

<sup>106</sup> Agriculture and Agri-Food Canada: Consumer Trends - Wine, Beer and Spirits in South Korea,

[http://www.dwm.de/fileadmin/dwm/media/downloads/presse/Study\\_AAFC.pdf](http://www.dwm.de/fileadmin/dwm/media/downloads/presse/Study_AAFC.pdf)

<sup>107</sup> Women in heavy-drinking S.Korea fuel demand for lighter booze, <https://www.reuters.com/article/southkorea-spirits/women-in-heavy-drinking-s-korea-fuel-demand-for-lighter-booze-idUSL4N11D2CA20150910>

<sup>108</sup> Euromonitor International: Alcoholic Drinks, 2018

With regards to price and origin, wines from Europe and (to some extent) North America are generally seen as being more expensive, while Chilean wines are seen as lower priced. As consumers are becoming more acquainted with wine, preferences are broadening and more premium wines are taken into account by many consumers.

#### Advertising

Advertising of alcoholic beverages with over 17% alcohol by volume is *always* prohibited. Advertising of all alcoholic beverages on television is forbidden from 07.00-22.00 hrs, on radio from 17.00-8.00hrs.

### 5.6.2.3 Recent market trends

The Korea wine market is still in expansion. However, considering the size of the alcoholic beverage market, wine has solid growth potential.

In terms of market size, South Korean wine sales have grown strongly over the period 2012-2017, driven by a double-digit growth in sparkling and rosé wine. Nonetheless, average annual growth is projected to slow slightly in the next few years. With a 7.8% CAGR, rosé is expected to continue to be the fastest-growing wine category, followed by sparkling wine (6.7%). Sparkling wine is indeed likely to face a challenge from other categories, such as ready to drink beverages, imported beer and low alcohol whiskies. Red wine is projected to grow faster than in 2012-2017 (at 3% rate, *vis-à-vis* 2.7% in the past); white wine is set to lose market share, recording a -2.4% growth in the coming years.

As the wine market grows, it is expected that there will be demand for a wider range of products. Most notably, as part of this trend consumers are increasingly showing a willingness to purchase premium wine. At the same time, on-trade channels which offer cheaper wines by the glass have become popular with consumers aged 20-30. Examples include: Oneul Wine Hanjan and Wine Jump Chacha.

In line with broader interest in organic produce in Korea, there has been an increase in the market for organic wine of late, with females particularly keen consumers. Particularly popular organic wines include: Banterer Merlot (Fetzer, USA), Yangarra PF Shiraz (Jackson Family Wines, Australia), Chateau Poupille (France). At between 40 000 and 60 000 KRW (EUR 32-48), their price tends to be double the average of normal red wines.

Finally, as wine is becoming a more common gift in Korea, there is a trend in wine that is sold in gift boxes by department stores.

## 5.6.3 Offer

### 5.6.3.1 Domestic production



Grape wine production in Korea is negligible and it is expected to remain as such, as it lacks competitiveness in price and quality compared to imported wines. The development of large-scale wine industry in Korea is obstructed by the high cost of farm land and labour, along with adverse weather condition. Overall, local Korean grape wine producers present little competition to imported products<sup>109</sup>.

Currently within the country, 42 small-size wineries and one large, corporation-style winery produce wine of some description<sup>110</sup>. Some Korean wines are made from local fruits, including omija berries, persimmons, kiwis, wild meoru grapes, black bokbunja raspberries, mulberries and loquats<sup>111</sup>.

### 5.6.3.2 Imports and exports

Due to a negligible domestic production, grape wine consumption relies on imports. Trade balance is therefore positive for importers: in 2017, 36 thousand tonnes of wine were imported into South Korea, while only 125 tonnes were exported (Figure 5-28) Figure 5-28: Trade balance (imports and exports) of wine in South Korea, 2013-17; tonnes.

Led by Spain, Italy and France, European countries as a whole accounted for most of the wine exports to South Korea in terms of volume in 2017 (51%). Nonetheless, with 9 365 tonnes (or 26% of the total Korean imports in terms of volume), Chile was the single largest exporter of wine in 2017. Since the implementation of the Free Trade Agreement with South Korea, which provided for the elimination of import duties on wine, Chile has indeed seen its imports rapidly rising and the wine enjoys a good reputation.

Spain is the second largest exporter of Wine to South Korea. Spanish volumes peaked in 2016, exceeding 10 thousand tonnes, and then fell to 7 762 tonnes in 2017 mainly due to bad harvest. On the contrary, Italian and French exports went up in 2017 compared to 2016. With an imported volume of 5 043 tonnes, Italy accounted for 14% of total wine exported to South Korea; France, on the other hand, accounted for 13% (4 655 tonnes). Boosted by the USA-South Korea KORUS FTA, the US imports accounted for 8% volume market share, with the USA consolidating its position of fourth largest exporter of wine to Korea.

<sup>109</sup> GAIN Report: Republic of Korea – Wine Market,

[https://gain.fas.usda.gov/Recent%20GAIN%20Publications/Wine%20Market%20Report\\_Seoul%20ATO\\_Korea%20-%20Republic%20of\\_2-9-2018.pdf](https://gain.fas.usda.gov/Recent%20GAIN%20Publications/Wine%20Market%20Report_Seoul%20ATO_Korea%20-%20Republic%20of_2-9-2018.pdf)

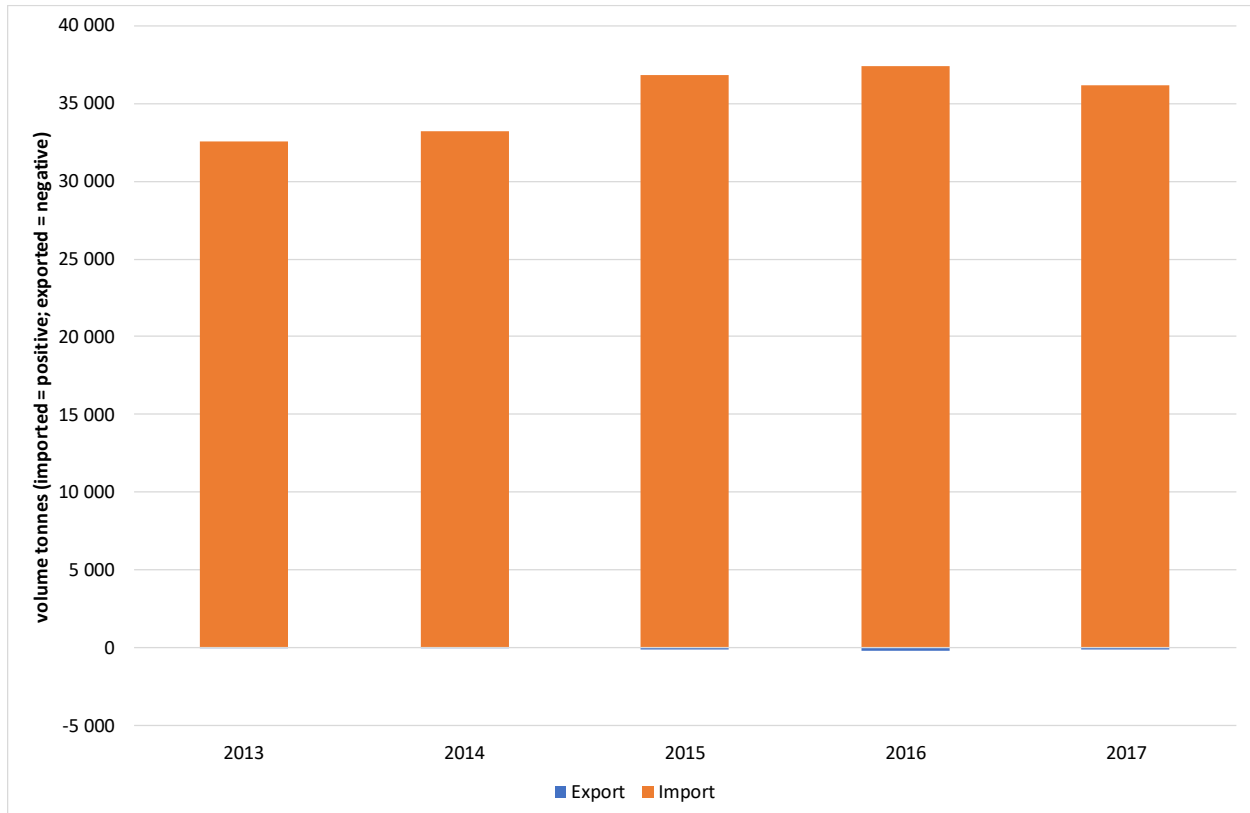
<sup>110</sup> Innovation in the heart of Korea's wine country : This weekend's Yeongdong Wine Festival celebrates the diversity of a young industry, <http://koreajoongangdaily.joins.com/news/article/article.aspx?aid=3038689>

<sup>111</sup> Gwangmyeong Cave serves as hub for Korean wine,

<http://www.korea.net/NewsFocus/Society/view?articleId=144404>

The rest of the EU accounted for the 2% of total South Korean imports of wine, 76% of which were German exports (Figure 5 3).

Figure 5-28: Trade balance (imports and exports) of wine in South Korea, 2013-17; tonnes

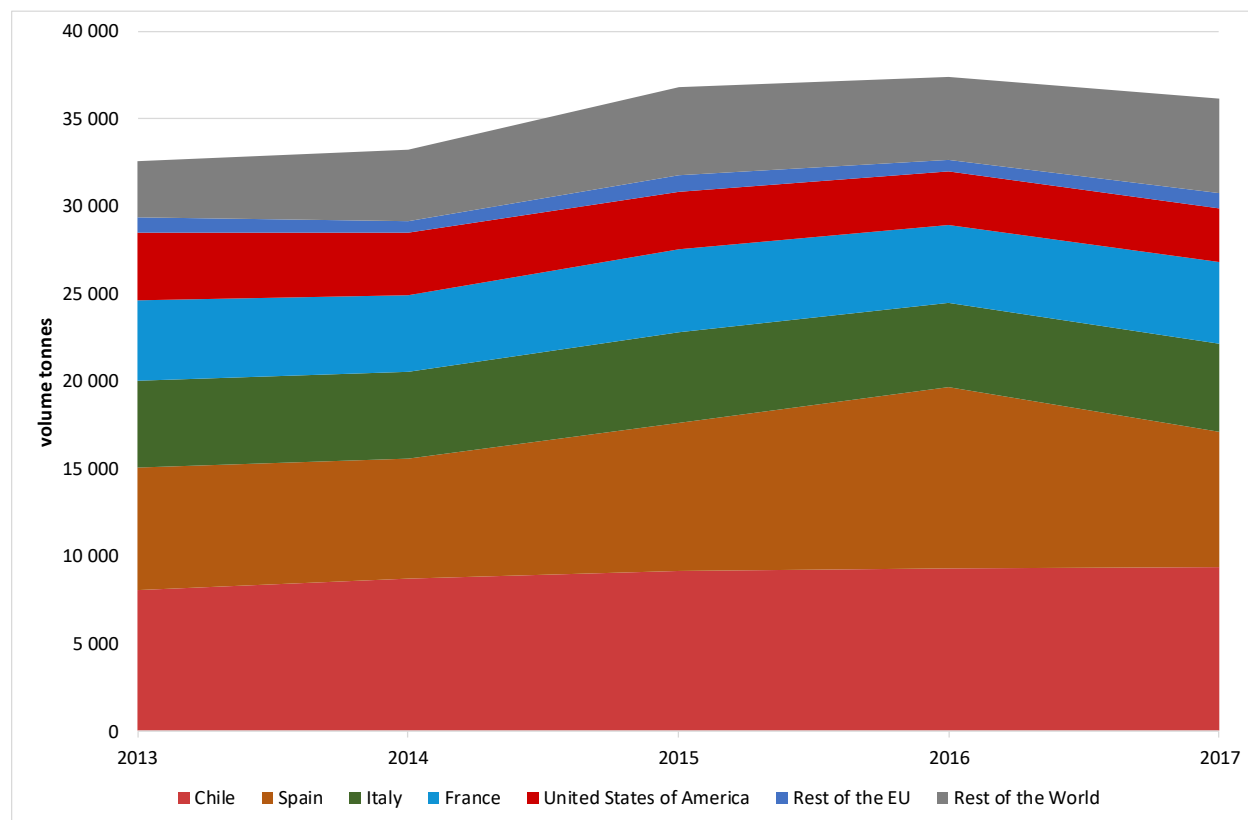


Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

Data for CN code 2204



Figure 5-29: South Korean imports of wine by country, 2013-17; tonnes



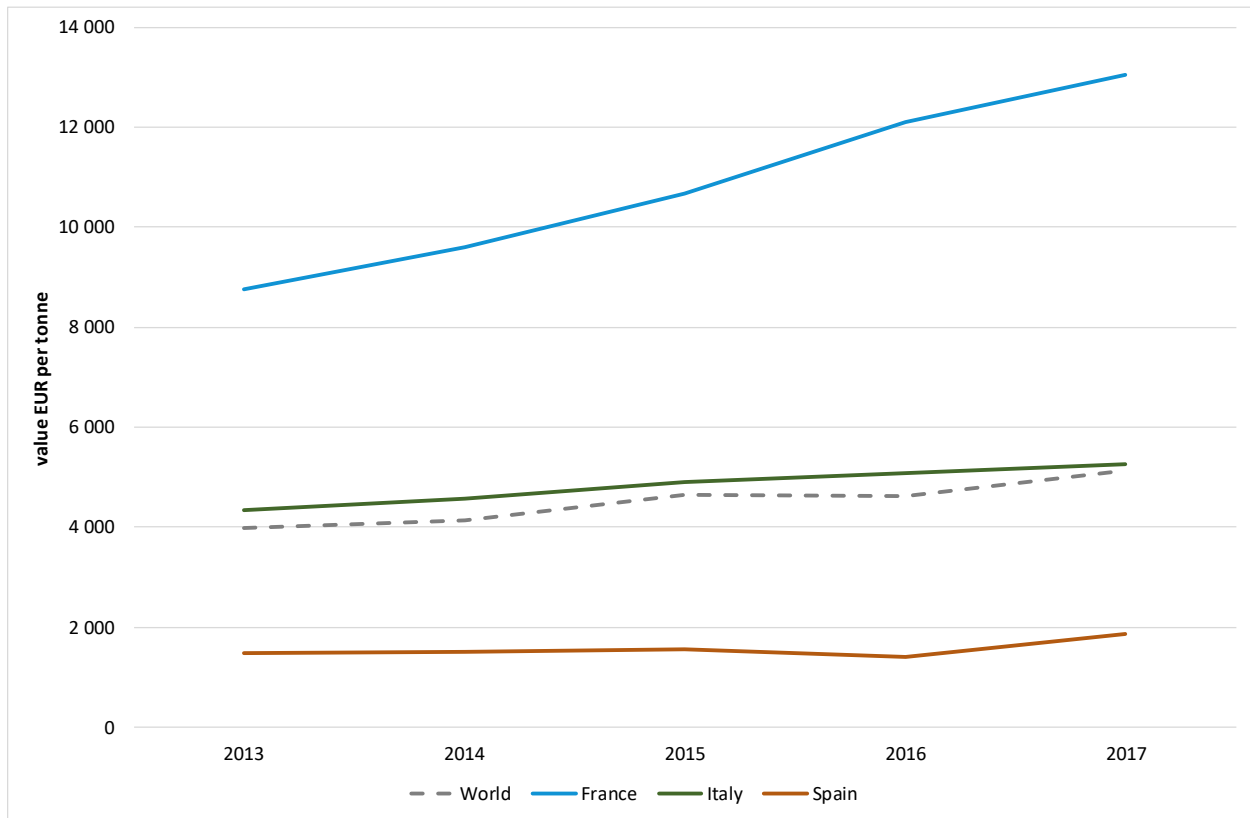
Source: Trade Map, International Trade Centre - <https://www.trademap.org/> Data for CN code 2204

Spanish exports to South Korea, though large in terms of volume, recorded a relatively low total and per unit value, compared to Italian and French ones. As outlined in Figure 5-30, the unit value of French wines was 13 062 EUR/tonnes in 2017, far above the average of wines imported into South Korea (5 144 EUR/tonnes). The unit value of Italian exports was slightly above the world average (5 268 EUR/tonnes), driven by the increasing popularity of the low-priced sparkling wine *Moscato Frizzante*. The unit value of Spanish imports was very low, namely 1 866 EUR/tonnes, as Spain mostly exports bulk wine for local bottling or blending use<sup>112113</sup>.

<sup>112</sup> Euromonitor International: Alcoholic Drinks, 2018

<sup>113</sup> GAIN Report: Republic of Korea – Wine Market, [https://gain.fas.usda.gov/Recent%20GAIN%20Publications/Wine%20Market%20Report\\_Seoul%20ATO\\_Korea%20-%20Republic%20of\\_2-9-2018.pdf](https://gain.fas.usda.gov/Recent%20GAIN%20Publications/Wine%20Market%20Report_Seoul%20ATO_Korea%20-%20Republic%20of_2-9-2018.pdf)

Figure 5-30: Per unit value of Mexican imports of wine for selected countries, 2013-17 (EUR per tonne)



Source: Trade Map, International Trade Centre - <https://www.trademap.org/> Data for CN code 2204

### 5.6.3.3 EU GI products

As reported in Annex 10-B of the EU-South Korea FTA, 82 wine products are recognised as Geographical Indications in South Korea. These wines are produced in France and Spain (22 GIs each), Italy (21), Portugal (7), Germany (4), Greece and Romania (2 each), Hungary and Slovakia (1 each). A full list can be consulted in section 8.5.

### 5.6.3.4 Main competitors



As outlined in section 5.6.3.2, benefitting from duty-free access to South Korea, Chile and United States export large volumes of wine into the East Asian market. Both these countries' wine poses a challenge to those producers which target the value-oriented segment of the market; Chilean in particular. That said, Chilean imports are increasing more slowly than the market as whole; and the expected trends in variety and premiumisation may weaken the

position of the more value-orientated Chilean wines.

Furthermore, Argentinean red wine along with New Zealand premium and red wine products are gaining popularity. Korean consumers' increased interest for products from more diverse origins is likely to drive sales Argentina and New Zealand's products over the next few years<sup>114</sup>.

#### 5.6.4 Specific market entry requirements

##### Market Access and Entry

As reported in section 4.2.1, only licensed importers are allowed to export wine to South Korea. European wine producers should therefore register to the Korean Ministry of Food and Drug Safety. Furthermore, products must comply with the Special Act on Imported Food Safety Management (see section 4.2.2). In terms of import duties, under the existing FTA, European exports of wine to South Korea are fully liberalised.

**Detailed information on import duties and Rules of Origin can be consulted on the European Commission website:**

<http://madb.europa.eu/madb/atDutyOverviewPubli.htm?countries=KR&hscod=2204>

##### Customs procedures

A list of standard documents required for import wine into South Korea is presented in section 4.2.1. These include:

- certification of Registration of Importers of Foodstuffs
- Registration of Foreign Manufacturers of Foodstuffs
- Licence to Import and Deal in Alcohol
- Import Declaration for Foodstuffs, and
- Country of Origin Labelling

Additionally, further documents may be required for custom clearance of certain wine products:

- Import Permit for Goods in Approved Packaging Materials (if packaging materials are outlined in the Act on the Promotion of Saving and Recycling of Resources), and
- Certificate of Organic Food (if wine will be labelled or sold as organic).

**Any other up to date information on appropriate documents concerning customs procedures can be consulted on European Commission website:**

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##### SPS measures

All sanitary and Phytosanitary measures concerning the import of wine into South Korea are in line with international standards.

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<sup>114</sup> GAIN Report: Republic of Korea – Wine Market, [https://gain.fas.usda.gov/Recent%20GAIN%20Publications/Wine%20Market%20Report\\_Seoul%20ATO\\_Korea%20-%20Republic%20of\\_2-9-2018.pdf](https://gain.fas.usda.gov/Recent%20GAIN%20Publications/Wine%20Market%20Report_Seoul%20ATO_Korea%20-%20Republic%20of_2-9-2018.pdf)

**Up to date information on appropriate documents concerning SPS measures:**

<http://madb.europa.eu/madb/datasetPreview/fpubli.htm?countries=KR&hscod=2204>

### Labelling

Wine must comply with specific labelling rules. Most notably, the label, in Korean, should contain the following information:

- Product Name
- Country of origin
- Product Type
- Importer's name, address, and phone number
- Date of bottling
- Alcohol percentage and product volume
- Name of major ingredients
- Name of place where the product can be returned or exchanged in case the product has any defect
- Instructions for proper storage
- Name of food additives used
- Mandatory health warning clause
- Mandatory warning clause against liquor sales to minors.
- Name of designated distribution channel (if bottles are sold in retail stores)<sup>115</sup>

### 5.6.5 Distribution

In South Korea, wine sales are generally performed through off-trade channels (over 68% in terms of volume). Nonetheless, in Seoul, on-trade is growing in importance. This is due to a combination of: western style diners; high end Michelin star restaurants; restaurants offering modernised or fusion Korean cuisine; specialised wine bars (for both the higher and lower end); and a recent boom in the number of nightclub and bar openings<sup>116</sup>. Furthermore, duty free purchases (see box below) are on the rise, due to increasing tourism from China.

As outlined in Figure 5-31, the main off-trade distribution channel for wine in South Korea are store-based retailing, specifically grocery retailers (96.5%). Of these, in 2017 the majority were hypermarkets (47.2%), and small grocery retailers (20.2%) – most of which were independent small groceries and convenience stores. Small grocery retailers also recorded the fastest growth in the category (+1.6% compared to 2016 levels). Supermarkets (17.3%), as well as food/ drink/ tobacco specialists (11.8%) followed.

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<sup>115</sup> GAIN Report: Republic of Korea – Wine Market

[https://gain.fas.usda.gov/Recent%20GAIN%20Publications/Wine%20Market%20Report\\_Seoul%20ATO\\_Korea%20-%20Republic%20of\\_9-8-2016.pdf](https://gain.fas.usda.gov/Recent%20GAIN%20Publications/Wine%20Market%20Report_Seoul%20ATO_Korea%20-%20Republic%20of_9-8-2016.pdf)

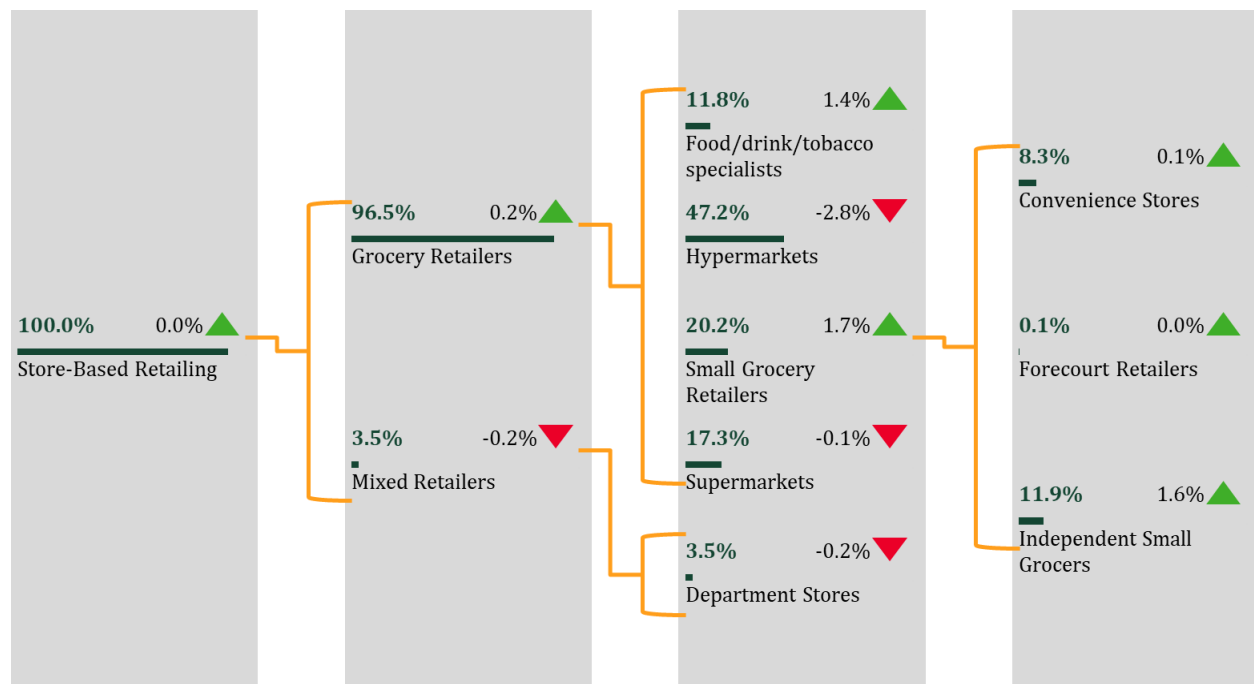
<sup>116</sup> Insights into South Korea's wine market, <https://www.meininger.de/en/wine-business-international/insights-south-koreas-wine-market>

**Duty Free**

Wines can be also purchased from duty-free shops usually located in airports or city centres, as well as on international flights to/from South Korea. Duty-free sales are subject to the following conditions:

- Maximum one litre per person can be purchased;
- Maximum value of the purchase must be USD600 per person (USD400 on Jeju Island);
- Duty-free purchases on Jeju Island can be done up to six times per year<sup>117</sup>.

Figure 5-31: Distribution channel overview of wine in South Korea (2017); off trade volume



Source: Euromonitor International: Alcoholic Drinks, 2018

### 5.6.6 Challenges for EU products

Although on the rise, consumption of grape wine currently is a small niche primarily for upper-income Koreans, due to the high prices at which it is offered at the final consumer. Furthermore, European exporters, while dominant, are increasingly facing the competition of Chile and the United States. Benefitting from FTAs and consequent duty-free access to the Korean market, the two countries have indeed been consolidating their position as leading wine importers. On top of that, Argentina and New Zealand are emerging as strong players, posing a challenge for red wine (Argentina) and premium wines (New Zealand) exporters. Access to the Korean wine market is also hampered by complex labelling and food safety standards.

<sup>117</sup> Euromonitor International: Alcoholic Drinks, 2018

**Market Takeaway: Wine**

**Consumption:** on the rise; consumers have a distinct preference for red varieties, followed by white, and sparkling wine. Upper-income consumers, women and millennials drive sales in wine.

**Competition:** domestic production is focused on non-grape varieties. European companies face the competition of products from Chile, United States. Also, Argentina and New Zealand's exports are expected to grow.

**Distribution:** Wine is mainly distributed through grocery retailers with major share of hypermarkets, followed by small grocery retailers. While the off-trade channel remains dominant, the on-trade channel is growing in importance in Seoul.

**Challenges:** Most consumers regard wine as a high-end product; complicated labelling and food safety standards complicate the penetration of the market.

**Opportunities:** Wine purchases are on the rise, as wine is perceived as healthier compared to other alcoholic beverages; premiumisation trend and European wines are regarded as high-quality products.

## 5.7 Baked goods

### 5.7.1 SWOT analysis

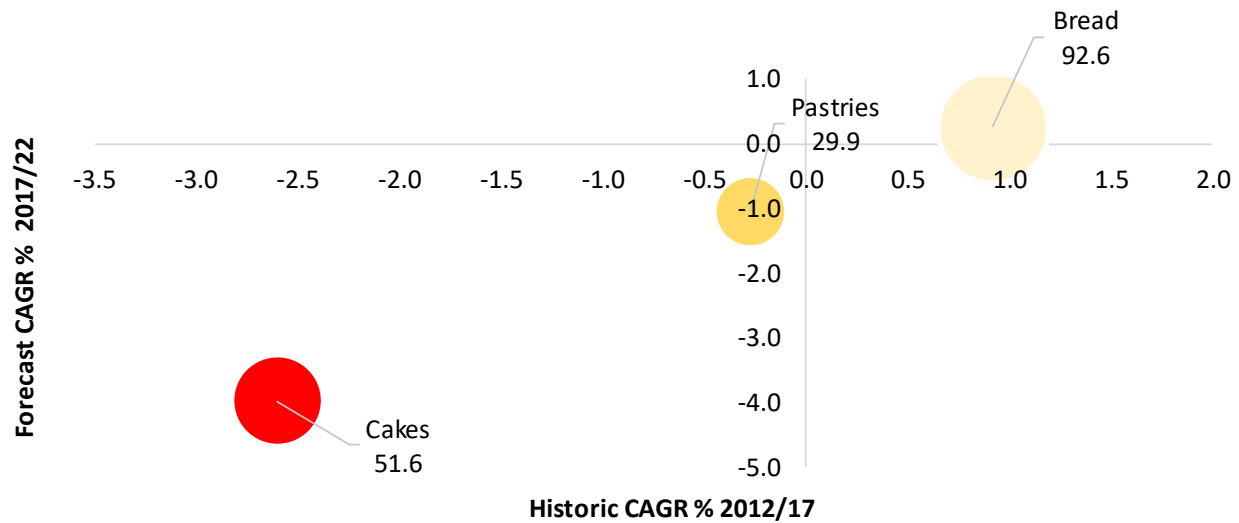


### 5.7.2 Consumption

#### 5.7.2.1 Evolution of consumption

As presented in Figure 5-32, the market for baked goods has been diverse. Bread, the largest category on the market, has grown continuously, whereas the consumption within other categories, particularly cakes, has been declining. Cakes are expected to note a decrease of 4% per year over the forecast period and pastries a 1% per year drop. On the other hand, consumption of bread is projected to remain on upward trend, reaching almost 1% growth per year in next years.

Figure 5-32: Evolution and forecast of baked goods market in South Korea, total volume 2012-2022



Source: Euromonitor International: Packaged Foods, 2018

### 5.7.2.2 Consumer profile and purchase criteria

#### Consumers



The traditional diet of South Korean consumers does not include large quantities of baked goods. However, given ongoing changes in dietary habits among South Koreans, baked goods are more often incorporated to a daily menu<sup>118</sup>.

In terms of the national palate, consumers almost exclusively choose leavened bread. That said, the bread market in South Korea has considerably expanded and comprises abundance of choice, including both domestic and foreign products. South Korean filled bread has gained great popularity among consumers as it combines widely known ingredients such as red beans with bread loafs. Similarly, the pastries market has significantly grown in recent years and include wide selection of South Korean and foreign products. In terms of cakes, consumers appreciate a combination of chocolate, fruit, vegetable and other flavour cakes. Lately cakes have been consumed more often on special occasions or treated as gifts due to increasing health awareness and the cutting down of sugar intake.

#### Drivers and method of consumption

Consumption of baked goods in South Korea is mainly driven by convenience related matters as well as health issues. Given the busier lifestyle, consumers in South Korea focus on shortening the time of meal preparation, which has led to a trend of on-the-go sandwiches, special bread and/or pastries

<sup>118</sup> South Koreans are eating more bread than rice and noodle; <https://www.straitstimes.com/asia/east-asia/south-koreans-are-eating-more-bread-than-rice-and-noodle>



consumption. Secondly, as the average consumer in South Korea has become more health conscious, consumption of sweet cakes has fallen.

### **Purchase criteria**

As previously mentioned, consumers in South Korea pay great attention to reducing the time needed to prepare a meal. Therefore, South Koreans tend to look for right size of packaging and the convenient form of baked good. In terms of palate, consumers effectively combine domestic and foreign flavours, such as croissant and baguettes among many others.

### **5.7.2.3 Recent market trends**

The latest trend emerging in the market for baked goods in South Korea is focused on convenience. Given the busy lifestyle of South Koreans, they appreciate on-the-go sandwiches and bread, which do not require extensive meal preparation. In effect, small bakery specialists have expanded rapidly to satisfy this trend in recent years. Moreover, both domestic and Western type products have been popular, as consumers in South Korea have been including more foreign ingredients and dishes in their daily menu. The South Korean cake and pasties offer consists of many flavours, shapes and formats.



## **5.7.3 Offer**

### **5.7.3.1 Domestic production**

The baked goods market is characterized by fragmentation of producers, especially in terms of small independent bakeries, artisanal manufacturers as well as local brands. However, the market for packaged baked goods is led by Sam Lip General<sup>119</sup>. Another important player on the market is Orion, offering wide selection of cakes and pies.

### **5.7.3.2 Imports and exports**

As presented in South Korean imports of baked goods are diverse and include several countries. China is the leading importer, followed by the US, Hong Kong and Chinese Taipei. Among importers there are also EU countries, e.g. Germany or the Netherlands (Figure 5-34).

Italian baked goods have had the highest unit value, oscillating around EUR 5 000 per tonne, whereas US products' value has been around EUR 4 000 per tonne. Baked goods from China, on the other hand have had value of approx. EUR 2 500 per tonne in the last 3 years (Figure 5-35).

Figure 5-33, South Korean imports and exports have been balanced in recent years. After a period of stable growth between 2013 and 2016, both imported and exported volumes slightly dropped, slightly exceeding 40 000 tonnes.

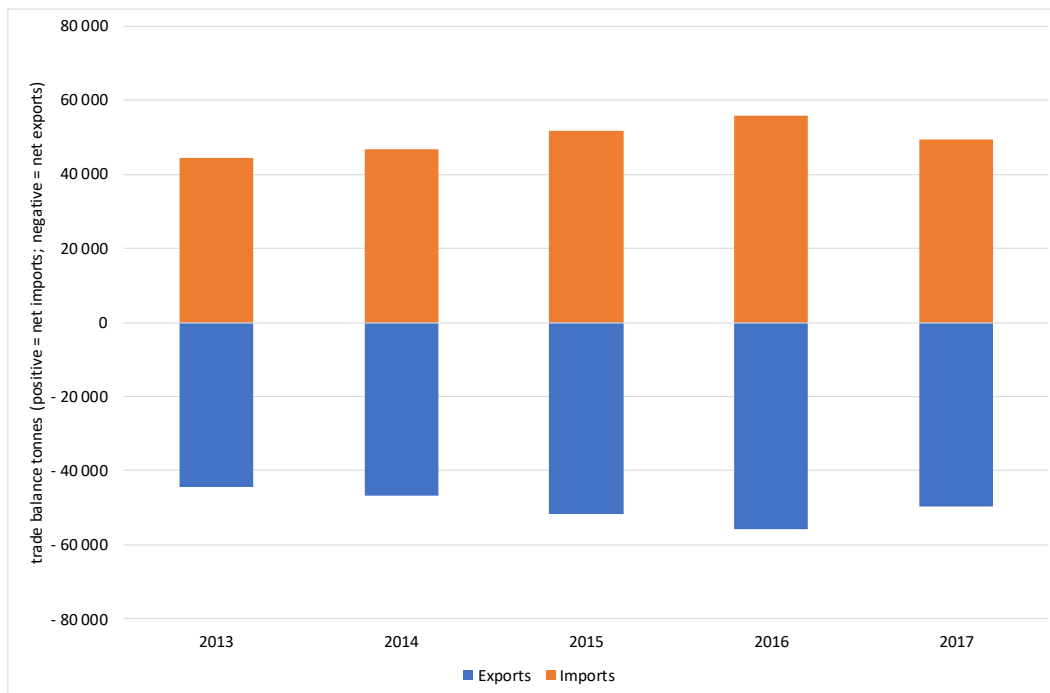
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<sup>119</sup> Euromonitor International: Packaged Foods, 2018

South Korean imports of baked goods are diverse and include several countries. China is the leading importer, followed by the US, Hong Kong and Chinese Taipei. Among importers there are also EU countries, e.g. Germany or the Netherlands (Figure 5-34).

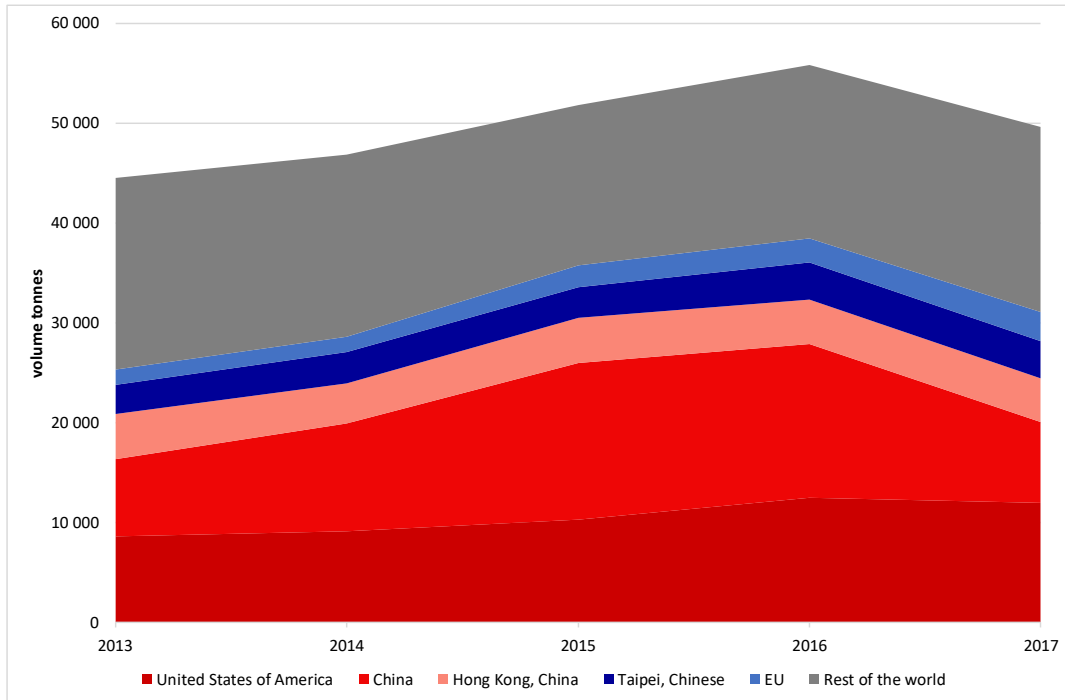
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Figure 5-33: Trade balance (imports and exports) of baked goods in South Korea, 2013-17; tonnes



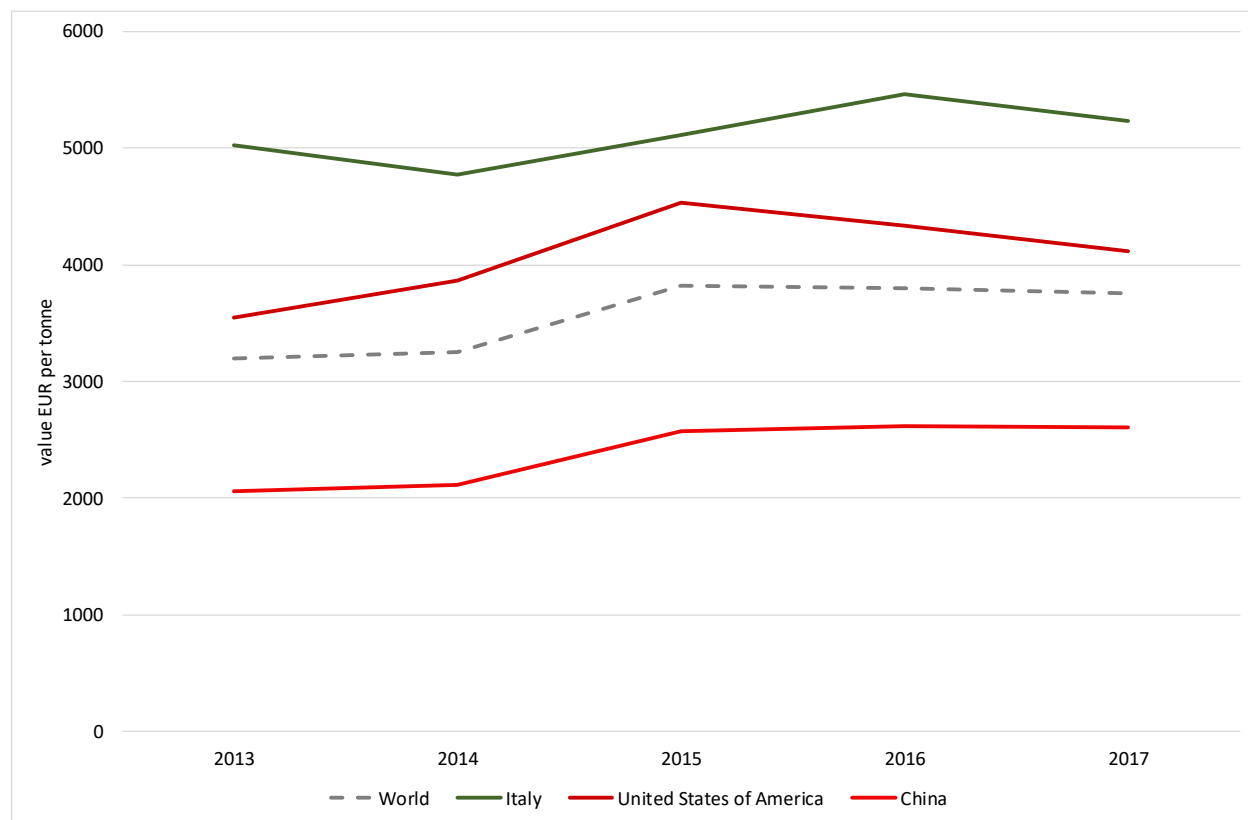
Source: Trade Map, International Trade Centre - <https://www.trademap.org/>  
Data for CN code 1905

Figure 5-34: South Korean imports of baked goods by country, 2013-17; tonnes



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>  
 Data for CN code 1905

Figure 5-35: Per unit value of South Korean imports of baked goods for selected countries, 2013-17 (EUR per tonne)



Source: Trade Map, International Trade Centre - <https://www.trademap.org/> Data for CN code 1905

### 5.7.3.3 EU GI products

In line with arrangements concluded under the EU-South Korea free trade agreement (section 4.3.3), 164 EU GIs agricultural products found recognition and protection on the South Korean market. There are baked goods products among them.

### 5.7.3.4 Main competitors

Considering the main competitors, EU producers should take into account domestic manufacturers including local brands and artisanal producers as well as foreign producers, especially from China, US, Hong Kong and Chinese Taipei.

## 5.7.4 Specific market entry requirements

### Market Access and Entry

Baked goods do not face any market particular access restrictions, but their import is subject to a number of general regulations and entry procedures, as described in section 4.2.

### Customs procedures

A list of standard documents as well as the overview of the procedure is presented in section 4.2.1. It should be noted though that importing baked goods might require providing additional documentation regarding Animal Products Quarantine (if containing animal products), Pharmaceutical License (if applicable) or Country of Origin Labelling<sup>120</sup> among others. The full list of possible additional documentation includes:

- Licence to Import Pharmaceutical Products
- Import Permit for Goods in Approved Packaging Materials
- Import Permit for Pharmaceuticals
- Import Permit for Raw Materials for Pharmaceutical Products
- Quarantine Permit for Animal Products
- Certificate of Organic Food
- Country of Origin Labelling

### SPS measures

There are no particular SPS measures foreseen in case of processed cereals. However, prior to export, up to date information should be consulted on European Commission' website below.

**Up to date information on appropriate documents concerning SPS measures**

<http://madb.europa.eu/madb/datasetPreviewIFpubli.htm?hscod=1905&countries=KR>

### Labelling

Section 4.2.3 provides an overview of labelling standards, which apply to processed foods, including baked goods.

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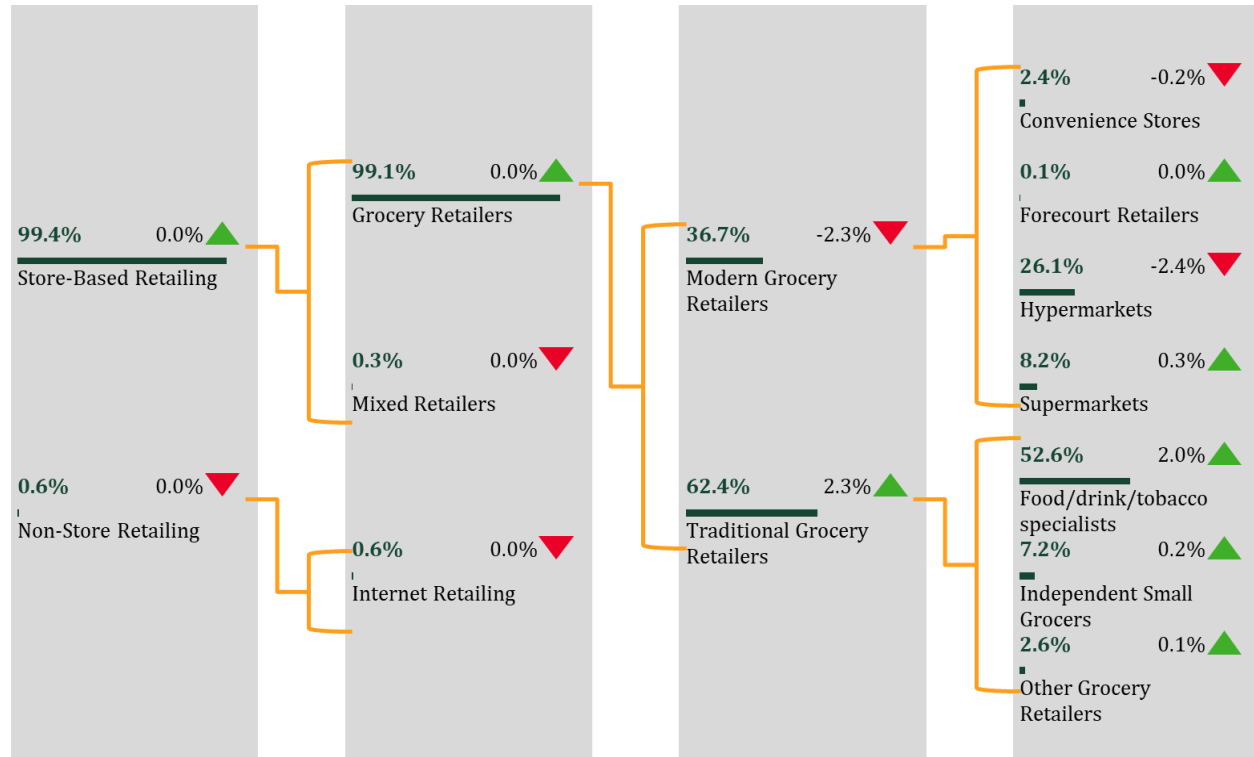
<sup>120</sup>

Country of Origin Labelling;  
<http://madb.europa.eu/madb/viewPageIFPubli.htm?doc=cool&hscod=1904&countryid=KR>

### 5.7.5 Distribution

As presented in Figure 5-36, South Koreans almost exclusively purchase baked goods through store-based retailers, mainly food specialists, followed by hypermarkets, supermarkets and independent small grocers. Interestingly enough, in 2017, hypermarkets noted a drop of 2.4% in its shares, in terms of retail value, whereas food specialists' shares in the distribution channel rose by 2.0% in comparison to year 2016.

Figure 5-36: Distribution channel overview of baked goods in South Korea (2017); retail value



Source: Euromonitor International: Packaged Foods, 2018

### 5.7.6 Challenges for EU products

EU producers planning to export their products to South Korea should take into consideration the high number of established importers as well as strong presence of domestic manufacturers and local brands. Additionally, despite the more adventurous approach among consumers in South Korea, they also tend to be loyal towards popular South Korean pastries or filled bread.

**Market Takeaway: Baked goods**

**Consumption:** Consumption of baked goods differs, as bread products have been on continuous rise, whereas cakes have been declining. The pastries market on slight decrease.

**Competition:** Market characterized by strong presence of domestic producers as well as foreign products from many countries, especially from China, US, Hong Kong and Chinese Taipei.

**Distribution:** Baked goods mainly distributed through food specialists, followed by hypermarkets, supermarkets and independent small grocers. Hypermarkets shares on decline, whereas food specialists in expansion.

**Challenges:** The biggest challenge relates to high competition from both domestic and foreign producers, as well as relative strong consumer loyalty towards known domestic products, despite the novelty seeking approach among South Koreans recently.

**Opportunities:** Projected increase in consumption of bread as well as ongoing changes in dietary habits in South Korea.

## 5.8 Pasta

### 5.8.1 SWOT analysis



### 5.8.2 Consumption

#### 5.8.2.1 Evolution of consumption

Driven by health consideration, the total consumption of pasta, rice and noodles as a group is decreasing in South Korea.

Nonetheless, total pasta consumption in South Korea grew at an annual rate of 6.2% in 2012-2017 and is projected to see sustained growth in the coming years, passing from 34 tonnes in 2017 to nearly 42 tonnes in 2022 (Figure 5-37). Per capita consumption of pasta, which grew from 0.5 kg per capita in 2012, to 0.7 in 2017, is expected to moderately increase in the coming years, reaching 0.8 kg in 2022.

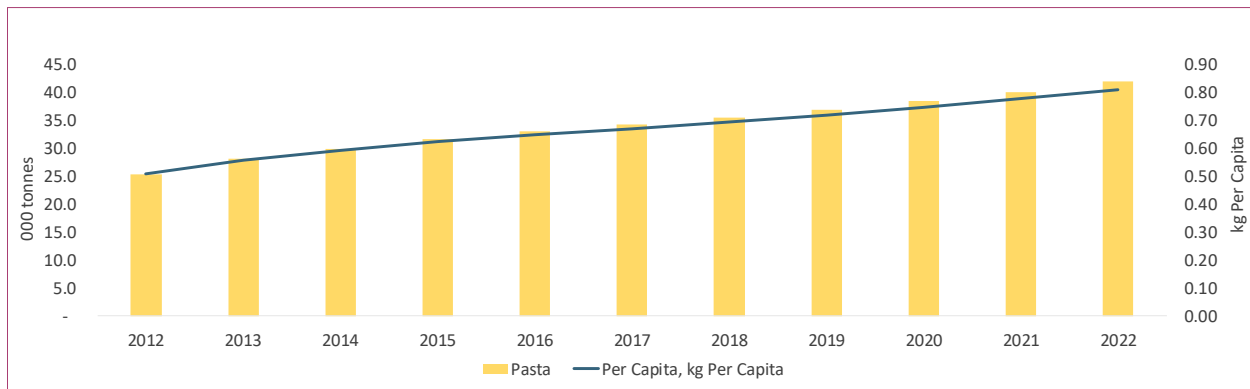
Noodles, on the contrary, struggled with the perception of being high in calories and low in nutrients. For this reason, noodles total and per capita sales recorded a negative performance, growing at a -0.8% annual rate in 2012-2017. This trend is set to continue in the future, as consumption, which has been steadily declining, is set to go down to 523 000 tonnes in 2022.

While remaining the most purchased food in the category, rice recorded a -2.5% growth in 2012-17. Current consumption of rice, namely over 2.6 million tonnes (2017 figure), is set to go down to slightly less than 2 million tonnes in 2022 (Figure 5-38)<sup>121</sup>.

<sup>121</sup> Euromonitor International: Packaged Food, 2018



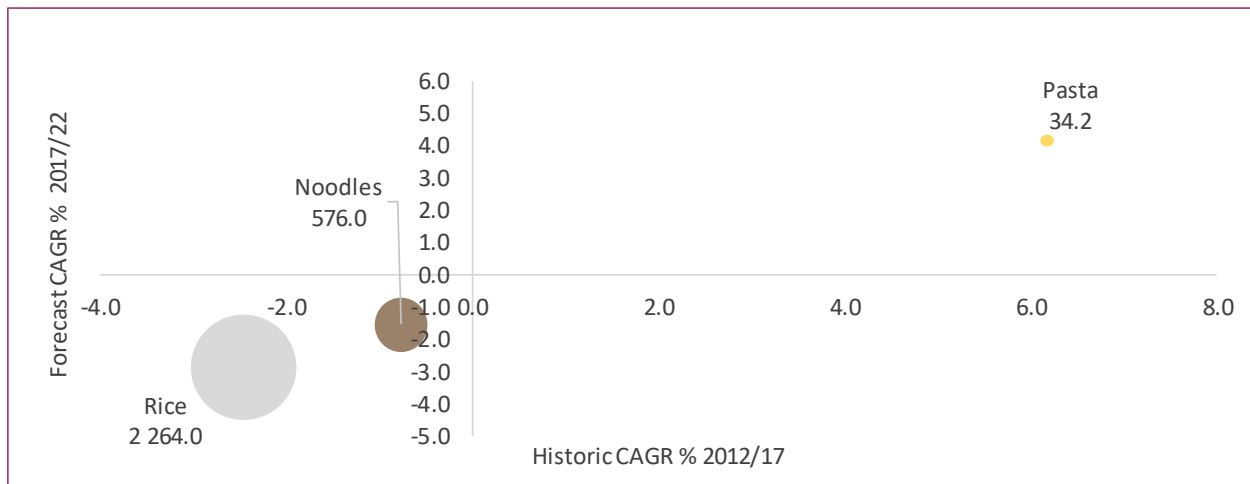
Figure 5-37: Evolution and forecast of market for pasta (000 tonnes) and per capita (kg) pasta consumption in South Korea, 2012-2022



Source: Euromonitor International: Packaged Foods, 2018

Note: figures for 2018 to 2022 based on forecasts

Figure 5-38: Market size, and evolution and forecast of rice, pasta and noodles markets (000 tonnes) in South Korea, 2012-2022; total volume



Source: Euromonitor International: Packaged Foods, 2018

### 5.8.2.2 Consumer profile and purchase criteria

#### Consumers

While noodle and rice are a staple food in Korea, as demonstrated by the large consumption rates, pasta dishes (generally spaghetti-based) are relatively new in the Korean food market. In general, older consumers are more accustomed to eating noodles than young generations, as they were born at a time when rice was a rare and expensive food. Indeed, South Koreans ranked number one in the world in terms of instant noodles consumption per year<sup>122</sup>.

<sup>122</sup> Koreans largest consumers of instant noodles in the world: data, <http://www.koreaherald.com/view.php?ud=20151111000918>

However, young workers with busy lifestyles and consumers with large families prefer instant varieties of rice, noodles and pasta, for convenience reason, as they are time-saving. Health-conscious consumers, whose number is on the rise, are more likely to choose gluten-free pasta, as well as organic, brown and black rice over noodles and other varieties of rice. Notably, pasta is considered a nutritious food, thus consumers who want to follow healthier diets are likely to purchase it<sup>123124</sup>.

### Drivers and method of consumption



Instant noodles, i.e. *Ramyeon*, are cooked in different soup recipes, which are ready to eat in few minutes and requires a minimum of cooking skills. These noodles are largely available in almost every large supermarket and corner store in the country<sup>125</sup>.

As for pasta, given that noodles are a staple in Korea, consumers are more accustomed to spaghetti or long varieties of pasta, while consumption of short pasta is less common. Koreans mostly purchase Italian pasta at restaurants, often pairing it with a steak. Koreans' favourite pasta is creamy carbonara pasta or spaghetti in clam sauce. It is also common to compliment pasta with pickles<sup>126</sup>.

### Purchase criteria

As consumers have busy lifestyles and are becoming increasingly health-conscious, their purchases are being mostly driven by convenience and products' health benefits. For this reason, instant rice, noodles and pasta are gaining momentum among consumers interested to save time; organic and gluten free products are, on the contrary, more and more popular among health-conscious consumers.

### 5.8.2.3 Recent market trends

While consumption of rice and noodles is decreasing due to convenience and health reasons, pasta sales are growing in South Korea. This trend is set to continue in the future, as pasta is expected to record a positive CAGR in 2017-22 (i.e. 4.2%), while consumption of rice and noodles is expected to further decrease. While noodles sales are projected to shrink at 1.6% per year, the situation is even more dramatic for consumption of rice, whose annual growth is expected to go down by 2.9% per year between 2017 and 2022. In the category, instant rice and noodles/pasta are gaining momentum. Furthermore, health

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<sup>123</sup> Euromonitor International: Packaged Food, 2018

<sup>124</sup> Noodles are pushing rice off the South Korean dining table, <https://www.scmp.com/news/asia/east-asia/article/2142606/noodles-are-pushing-rice-south-korean-dining-table>

<sup>125</sup> Instant Success: Why Koreans are crazy for instant noodles, <http://www.korea.net/NewsFocus/Column/view?articleId=138467>

<sup>126</sup> Pasta Trends in Korea, <http://host.fieramilano.it/en/pasta-trends-korea>

and wellness rice such as organic, brown and black rice are expected to continue to perform well in the coming years. This trend may also ultimately translate itself to the pasta market<sup>127</sup>.

### 5.8.3 Offer

#### 5.8.3.1 Domestic production



Korea is a large producer of rice and noodles, which have traditionally been staple foods. In 2015-16 rice production was estimated at around 4 million metric tons (MMT), while noodle production stood at 816 000 tons in 2014<sup>128</sup>. Some famous brands have recently started producing pasta too: an example is the company Nong Shim, which has recently introduced cup spaghetti using durum wheat pasta.

#### 5.8.3.2 Imports and exports

Due to the large domestic production of noodles, Korean exports of pasta, noodles and couscous largely exceed imports (Figure 5-39). Exports saw a sustained growth, reaching 168 566 tonnes in 2017 (nearly double the 2012 amount). Similarly, imports, which slightly fell in 2015, have rapidly started to recover, reaching 115 259 tonnes in 2017.

As outlined in Figure 5-40, China and Italy, which accounted for respectively 65% and 18% of the total imports in 2017, lead the exports of pasta, noodles and couscous to South Korea. Chinese exports of (consisting mostly noodles) saw a sustained growth, reaching a volume of 74 660 tonnes in 2017. Italian exports of pasta in terms of volume, on the contrary, have fluctuated in recent years, peaking to 21 509 tonnes in 2016. Thai and Turkish volumes imported into South Korea in 2017 are also noteworthy. The rest of the EU, on the contrary, accounted for 0.3% of total Korean imports of pasta, noodles and couscous, with almost all of this coming from Spain.

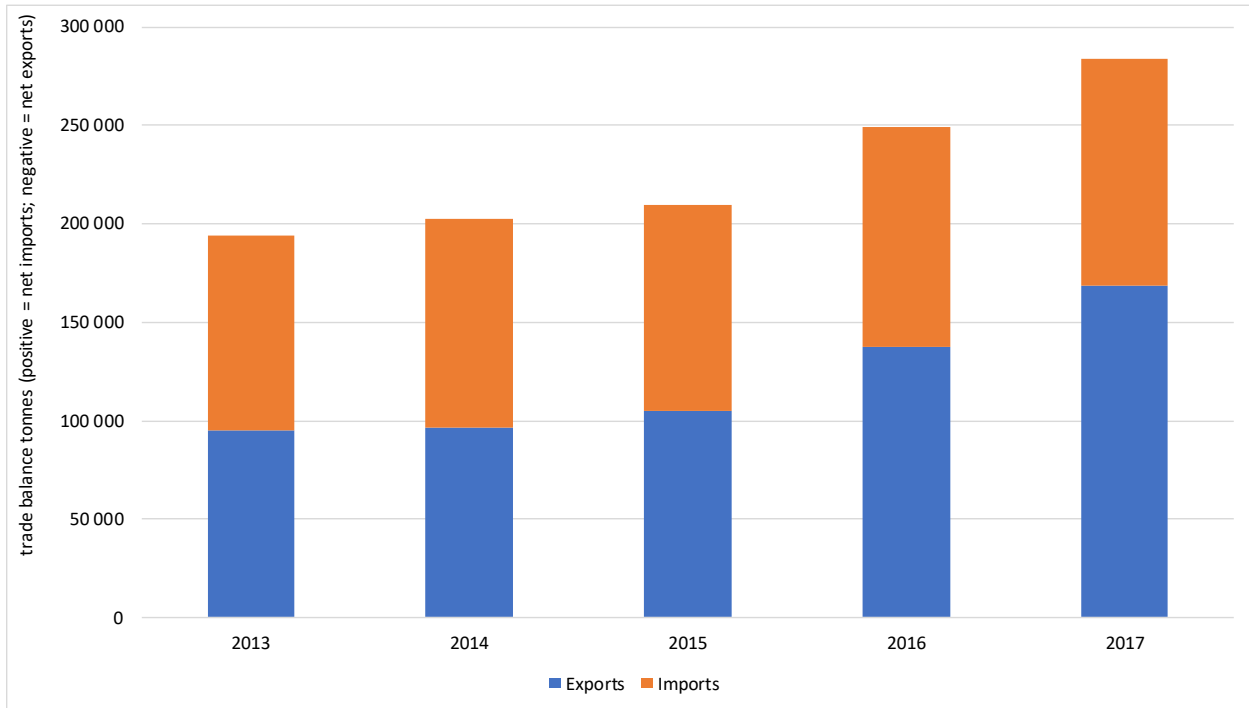
In terms of unit value, Chinese and Italian exports were respectively valued at 1 076 EUR/tonne and 1032 EUR/tonne, below the world average of 1 184 EUR/tonne (Figure 5-41).

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<sup>127</sup> Euromonitor International: Packaged Food, 2018

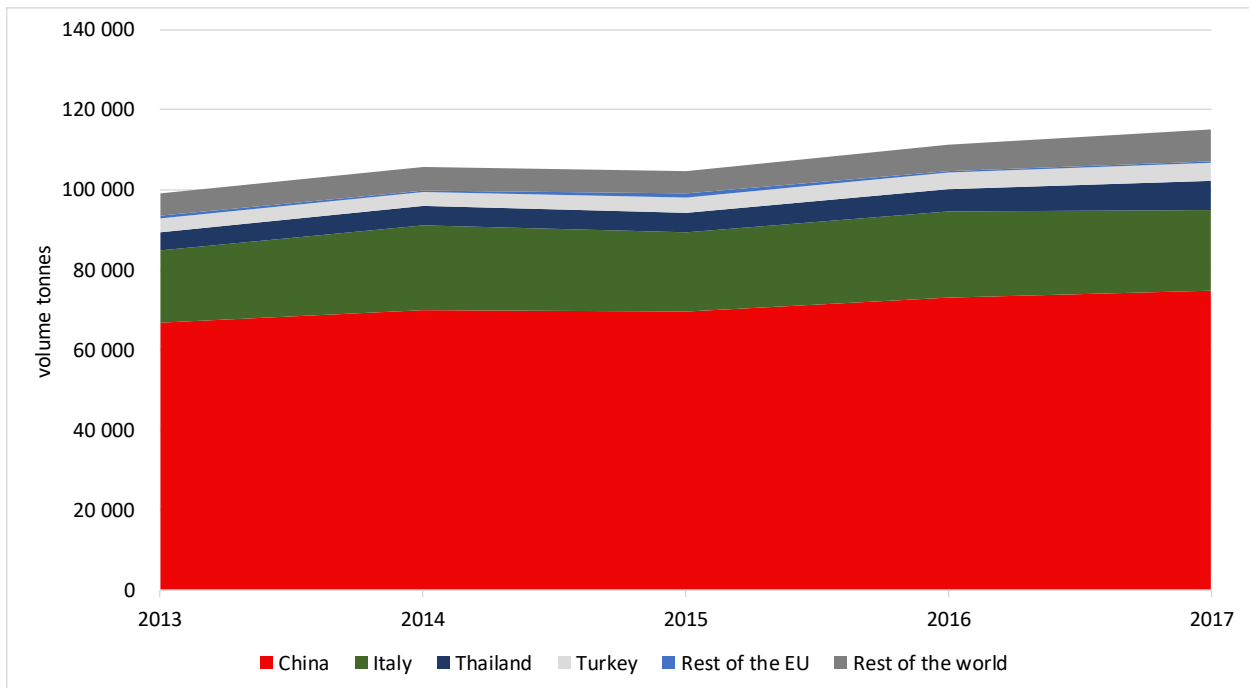
<sup>128</sup> Koreans largest consumers of instant noodles in the world: data, <http://www.koreaherald.com/view.php?ud=20151111000918>

Figure 5-39: Trade balance (imports and exports) of pasta, noodles and couscous in South Korea, 2013-17; tonnes



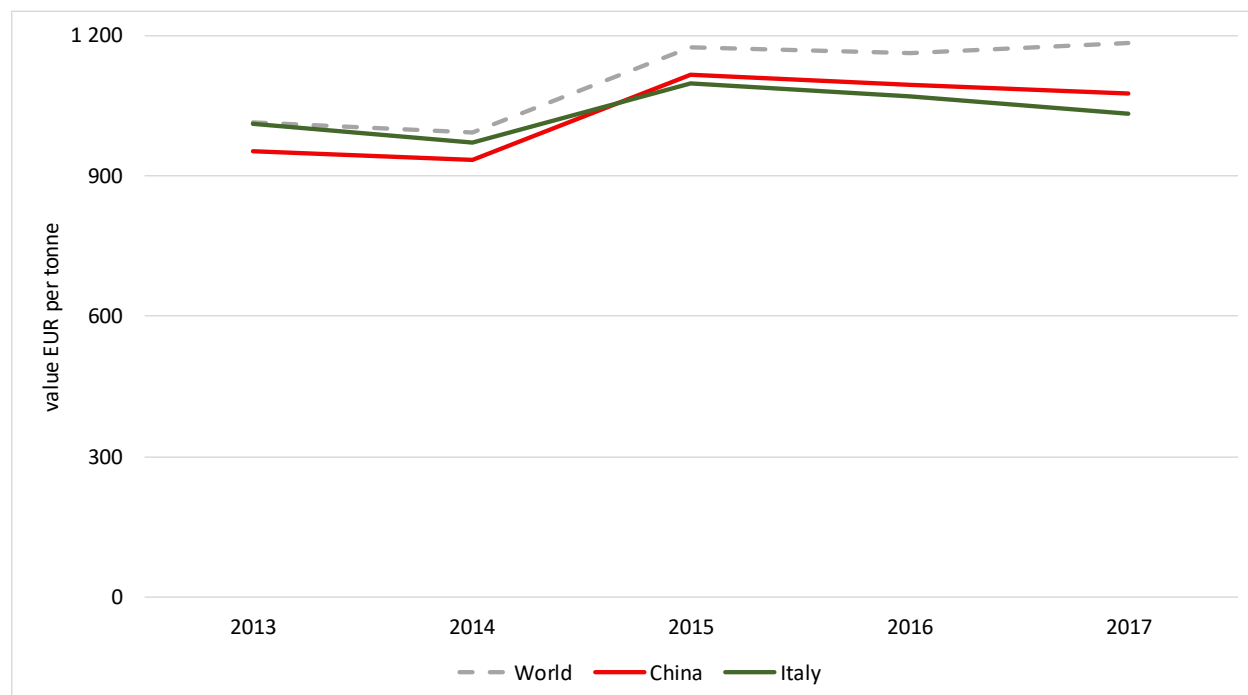
Source: Trade Map, International Trade Centre - <https://www.trademap.org/> Data for CN code 1902

Figure 5-40: Korean imports of pasta, noodles and couscous by country, 2013-2017; tonnes



Source: Trade Map, International Trade Centre - <https://www.trademap.org/> Data for CN code 1902

Figure 5-41: Per unit value of Korean imports of pasta for selected countries, 2013-17 (EUR per tonne)



Source: Trade Map, International Trade Centre - <https://www.trademap.org/> Data for CN code 1902

### 5.8.3.3 Main competitors



There is indirect competition with rice and noodles. As indicated in section 5.8.3.2, China accounts for two thirds of imports of mostly noodles into South Korea. Italy, on the other hand is a major exporter of pasta (especially spaghetti). Furthermore, Korea has also a dynamic domestic production of staple rice and noodles. In terms of companies share, the market is dominated by South Korean Nong Shim, which is continuously developing new products tailored to

consumers' demand (including pasta recently), and Ottogi Foods, which gained more value share (15.6%) in 2017<sup>129</sup>.

### 5.8.4 Specific market entry requirements

As reported in section 4.2.1, prior export, European pasta producers should complete a registration with the Korean Ministry of Food and Drug Safety. Furthermore, products must comply with the Special Act on Imported Food Safety Management (see section 4.2.2).

<sup>129</sup> Euromonitor International: Packaged Food, 2018

In terms of import duties, under the existing FTA, all European exports of pasta products to South Korea are fully liberalised.

**Detailed information on import duties and Rules of Origin can be consulted on the European Commission website:**

<http://madb.europa.eu/madb/atDutyOverviewPubli.htm?countries=KR&hscod=1902>

### Customs procedures

A list of standard documents required for import pasta products into South Korea is presented in section 4.2.1. These include:

- certification of Registration of Importers of Foodstuffs
- Registration of Foreign Manufacturers of Foodstuffs
- Import Declaration for Foodstuffs, and
- Country of Origin Labelling

Additionally, further documents may be required for custom clearance of certain pasta products:

- Quarantine Permit for Animal Products and Veterinary Health Certificate for Animal Products (required for cooked pasta, HS code 1902.20)
- Import Permit for Goods in Approved Packaging Materials (if packaging materials are outlined in the Act on the Promotion of Saving and Recycling of Resources), and
- Certificate of Organic Food (if products will be labelled or sold as organic).

**Any other up to date information on appropriate documents concerning customs procedures can be consulted on European Commission website:**

<http://madb.europa.eu/madb/datasetPreviewIFpubli.htm?countries=KR&hscod=1902>

### SPS measures

All sanitary and Phytosanitary measures concerning the import of pasta into South Korea are in line with international standards.

**Up to date information on appropriate documents concerning SPS measures:**

<http://madb.europa.eu/madb/datasetPreviewIFpubli.htm?countries=KR&hscod=1902>

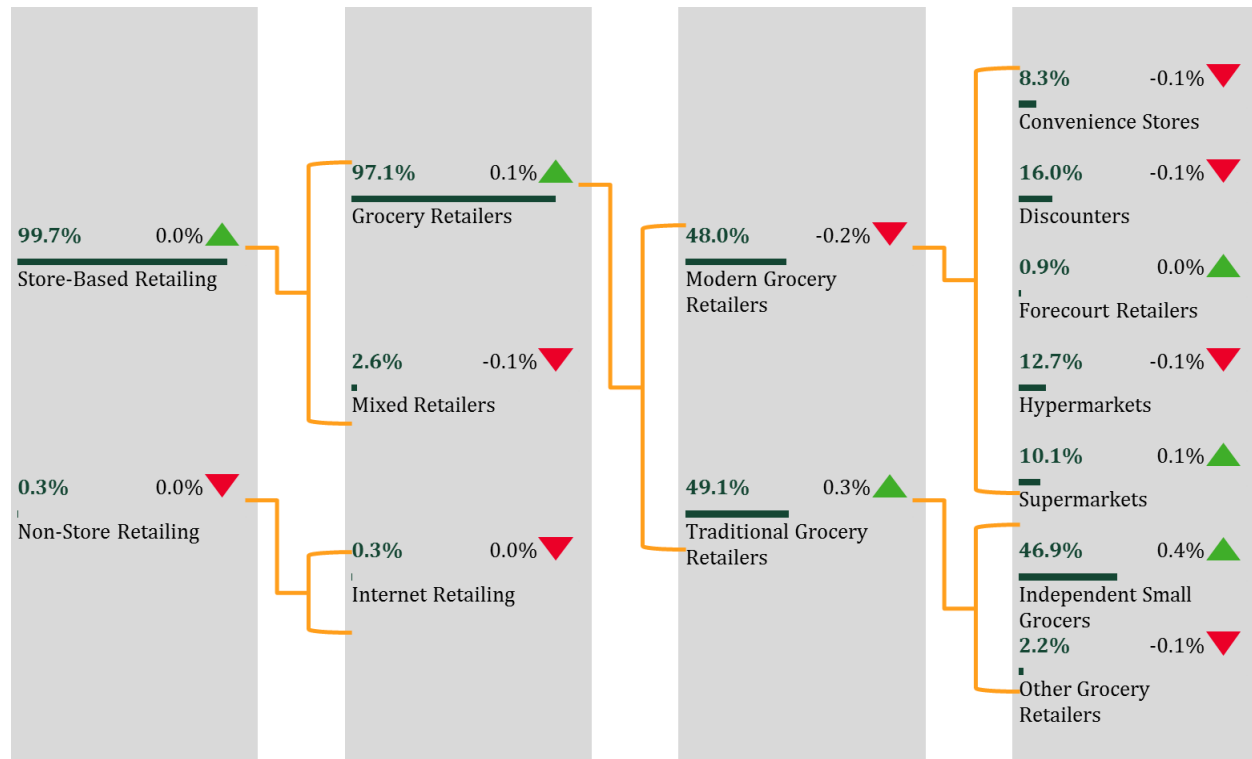
### Labelling

Pasta products must comply with the labelling rules outlined in section 4.2.3.

## 5.8.5 Distribution

As reported in Figure 5-42, in South Korea sales of pasta, rice and noodles rely on store-based retailing. In 2017, grocery retailers were the main distribution channel for pasta, rice and noodles. In particular, traditional grocery retailers accounted for 49.1% of total sales, while modern grocery retailers accounted for the remaining 48%. Independent small grocers accounted for most of the sales in the category (46.9%), followed by discounters (16%), hypermarkets (12.7%), supermarkets (10.1%), and convenience stores (8.3%). Restaurants and food service play an important role in the distribution of pasta.

Figure 5-42: Distribution channels overview –Rice, pasta and noodles in South Korea (2017); retail value



Source: Euromonitor International: Packaged Foods, 2018

### 5.8.6 Challenges for EU products

Although consumption of pasta is on the rise, noodles and rice dominate. Chinese noodles account for a large part of domestic sales of noodles and pasta. Furthermore, domestic brands dominate the rice, pasta and noodles market, as large volumes of rice and noodles are produced in South Korea.

#### Market Takeaway: Pasta

**Consumption:** The overall consumption of rice, pasta, and noodles is falling in Korea. However, per capita consumption of (especially instant, gluten-free, and organic) pasta is on the rise.

**Competition:** The rice and instant noodles market is dominated by domestic brands. China is the largest exporter of pasta and noodles to Korea; Thai and Turkish volumes exported into South Korea are also noteworthy.

**Distribution:** Rice, pasta and noodles are mostly sold in independent small grocers. However, the foodservice industry is very important for pasta.

**Challenges:** Korea is a heavy producer of rice and noodles.

**Opportunities:** The gluten-free and organic segments are growing in importance. Instant noodles and fast-cooking pasta are very popular in Korea.

## 5.9 Olive oil

### 5.9.1 SWOT analysis

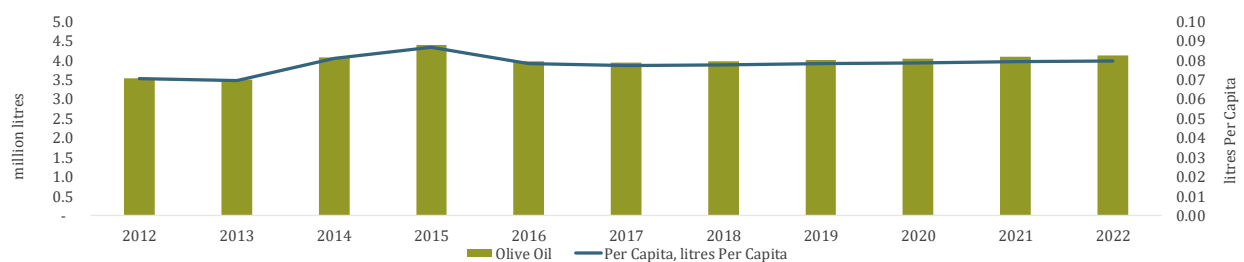


### 5.9.2 Consumption

#### 5.9.2.1 Evolution of consumption

The market of olive oil in South Korea has been stable, with higher growth noted between 2013 and 2015. Consumption is forecasted to remain steady, with a slight increase of 1% per year going forwards.

Figure 5-43: Evolution and forecast of market for olive oil (size; million litres) and olive oil consumption per capita, 2012-2022



Source: Euromonitor International: Packaged Food, 2018

Note: figures for 2018 to 2022 based on forecasts



### 5.9.2.2 Consumer profile and purchase criteria

#### Consumers



South Koreans perceive, and use, olive oil primarily as a cooking oil rather than a salad and/or bread ingredient. Due to rather positive and healthy image of olive oil, health-aware consumers have been choosing olive oil over other edible oils, though its overall share of the oil market remains low<sup>130</sup>. Consumers with more novelty-seeking tendencies do incorporate olive oil in the cold form, e.g. to salads as well. In terms of flavour, South Koreans have not developed specific preferences, due to its previously mentioned usage as cooking oil.

#### Drivers and method of consumption

Consumption of olive oil in South Korea is mainly driven by health-related issues as well as widely spread in the country focus on convenience. Generally speaking, olive oil has an image of one of the healthiest edible oils and thus it is commonly chosen among health aware consumers. As mentioned before, olive oil is seen rather as cooking oil rather than additional ingredient. However, given busier lifestyle among South Koreans, consumers have started to focus on ready meals (home meal replacement), effectively skipping cooking activities or considerably minimizing oil usage in cooking; and as a result, there has been an impact on olive oil consumption.

#### Purchase criteria

As previously shown, South Koreans perceive olive oil as a cooking oil. Given the healthy image, consumers have been paying great attention to the quality of the product as well as on indications of special origin or production methods<sup>131</sup>. More adventurous consumers also take into consideration the flavour of olive oil and country of origin. Finally, it should be noted out that olive oil from EU countries is well regarded in South Korea.

### 5.9.2.3 Recent market trends

Given the increasing interest in olive oil, especially by health-conscious consumers as well as focus on convenience resulting in less consumption of cooking oils, domestic producers have been focusing on expanding their product lines with products for simple consumption with salad and/or bread. In effect, many products on the South Korean market are characterized by premium packaging and focused on quality. Moreover, as consumers tend to take into account the country of origin of the product, foreign olive oil have been popular of late<sup>132</sup>



<sup>130</sup> Euromonitor International: Packaged Food, 2018

<sup>131</sup> Euromonitor International: Packaged Food, 2018

<sup>132</sup> La Chinata Expands into South Korea; <https://www.foodswinesfromspain.com/spanishfoodwine/global/whats-new/news/new-detail/la-chinata-expands-south-korea.html>

## 5.9.3 Offer

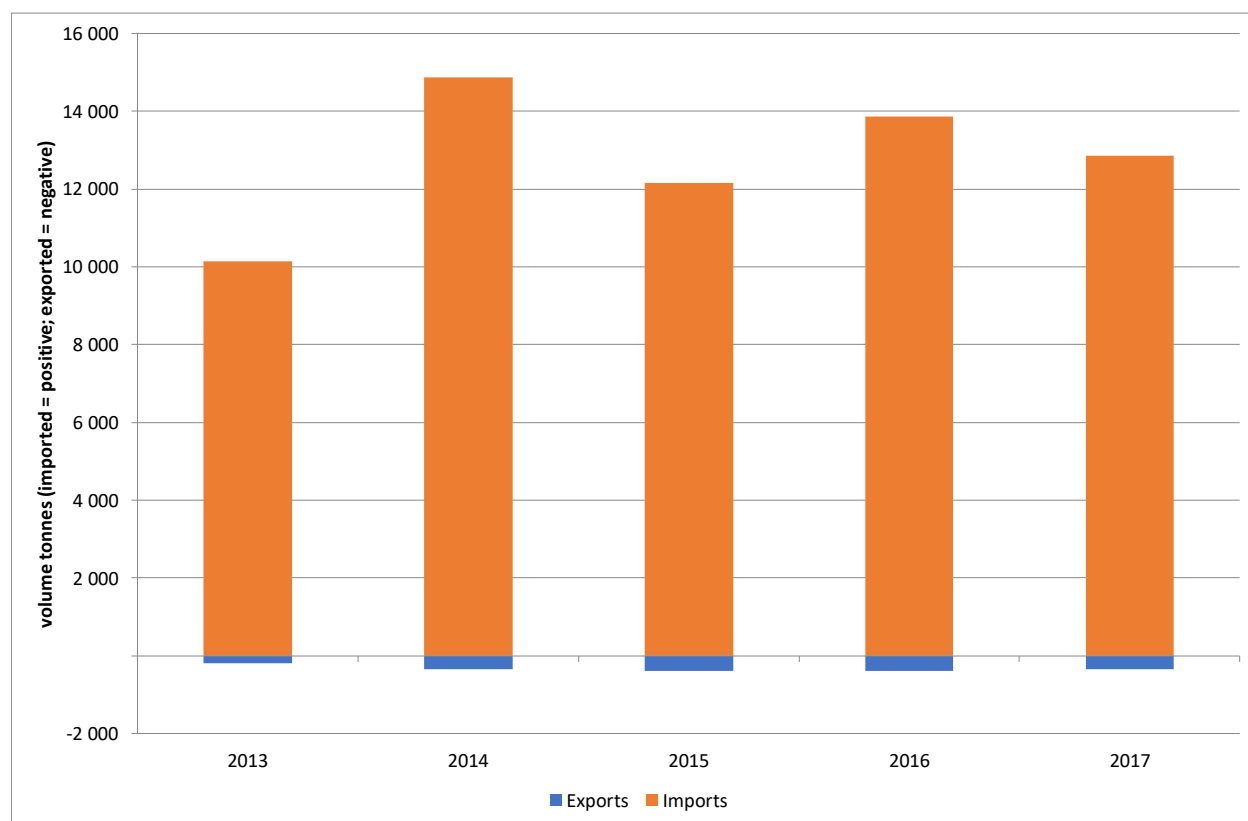
### 5.9.3.1 Domestic production

The market for olive oil in South Korea mostly relies on imports, however some domestic companies are also present on the market. CJ Cheiljedang is one of the major producer in the broad edible oils sector, and olive oil is among the products it produces. The company is focused on developing premium products, both in terms of quality of the olive oil and its packaging, given the downward trend related to cooking at home and usage of cooking oils.

### 5.9.3.2 Imports and exports

As presented in Figure 5-44, South Korean imports significantly outweigh exported volumes of olive oil. Imports have been rising and falling repeatedly in recent years; most recently falling year on year to just above 12 000 tonnes in 2017. The vast majority of imported olive oil comes from Spain, followed by Italian olive oil (Figure 5-45). In terms of value per tonne, olive oil from Italy has had the highest, amounting to approx. EUR 5 500 per tonne. In addition, its unit value has been on a continuous rise. The unit value of Spanish olive oil has been also increasing and most recently reached just above EUR 4000 per tonne.

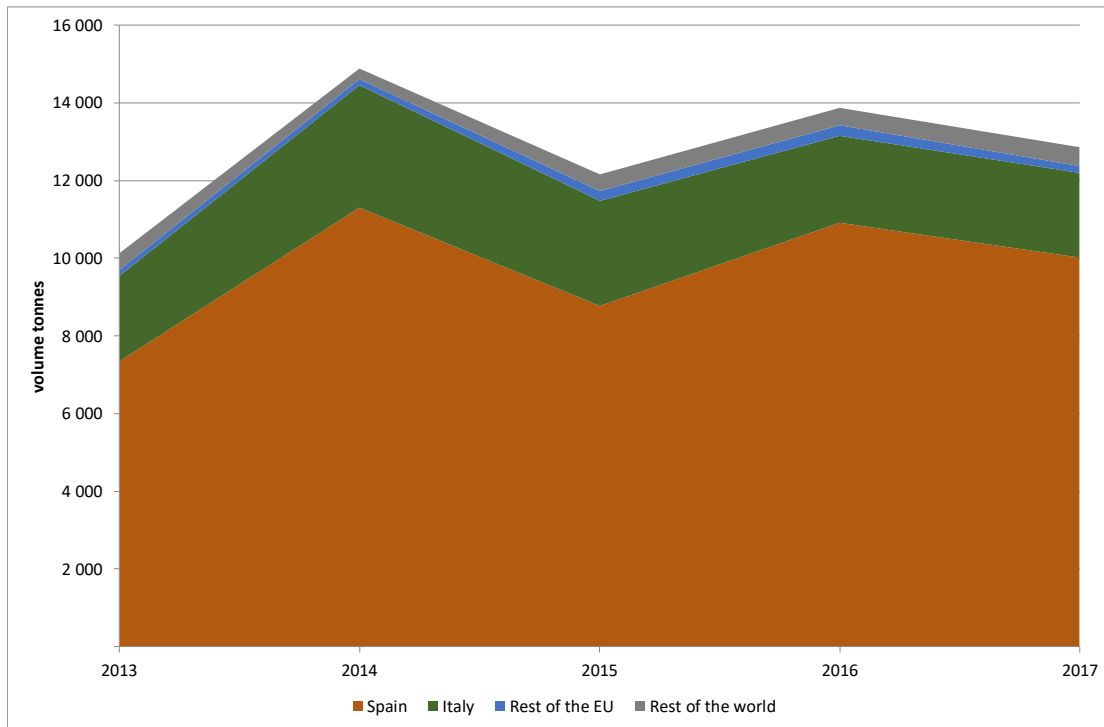
Figure 5-44: Trade balance (imports and exports) of olive oil in South Korea, 2013-2017; tonnes



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

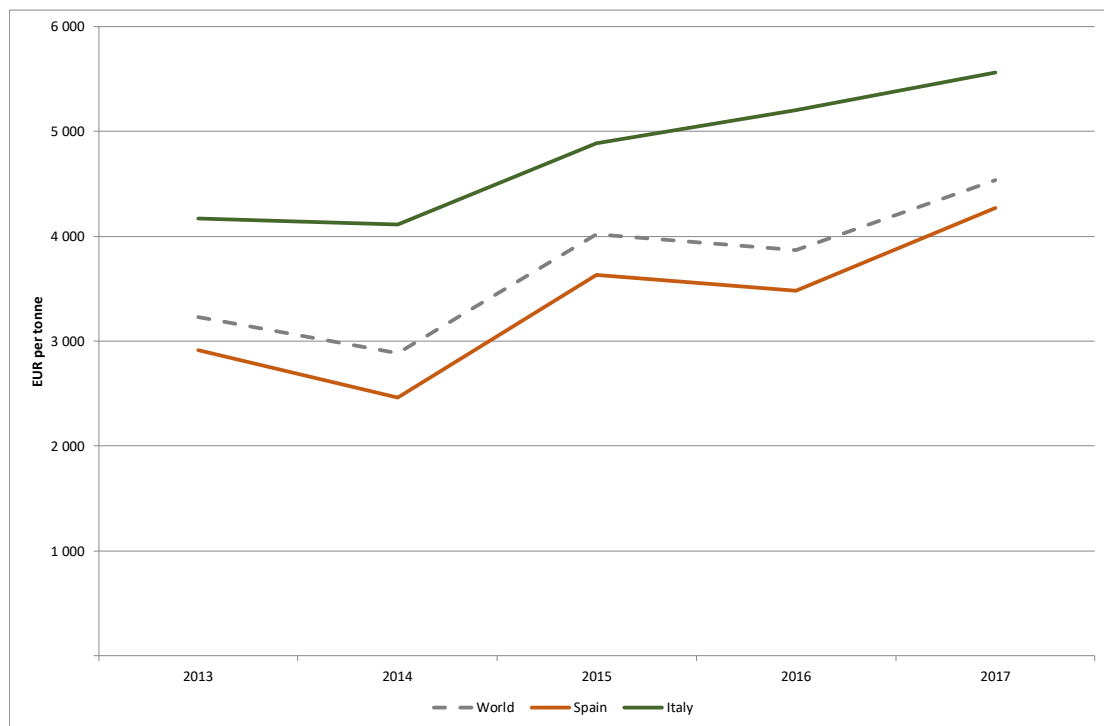
Data for CN code 1509

Figure 5-45: South Korean imports of olive oil by country, 2013-2017; tonnes



Source: Trade Map, International Trade Centre - <https://www.trademap.org/> Data for CN code 1509

Figure 5-46: Per unit value of South Korean imports of olive oil for selected countries, 2013-2017 (EUR per tonne)



Source: Trade Map, International Trade Centre - <https://www.trademap.org/> Data for CN code 1509

### 5.9.3.3 EU GI products

In line with arrangements concluded under the EU-South Korea free trade agreement (section 4.3.3), 164 EU GIs agricultural products found recognition and protection on the South Korean market. There are no olive oil products among them.

### 5.9.3.4 Main competitors

As mentioned in the previous section, olive oil market in South Korea is largely dependent on imports, thus most products come from EU countries, i.e. Spain, followed by Italy. However, due to the strong focus of domestic companies on premium products, some South Korean producers could be perceived as competitors, e.g. CJ Cheiljedang, the leader in the edible oils sector.

## 5.9.4 Specific market entry requirements

### Market Access and Entry

Olive oil does not face any market access restrictions, but their import is subject to a number of general regulations and entry procedures, as described in section 4.2.

### Customs procedures

A list of standard documents as well as the overview of the procedure is presented in section 4.2.1. It should be noted though that importing olive oil might require providing additional documentation, i.e. Country of Origin Labelling<sup>133</sup> certification.

### SPS measures

There are no particular SPS measures foreseen in case of olive oil. However, prior to export, up to date information should be consulted on European Commission' website below.

**Up to date information on appropriate documents concerning SPS measures**

<http://madb.europa.eu/madb/datasetPreviewIFpubli.htm?hscod=1509&countries=KR>

### Labelling

Section 4.2.3 provides an overview of labelling standards, which apply to olive oil products.

## 5.9.5 Distribution

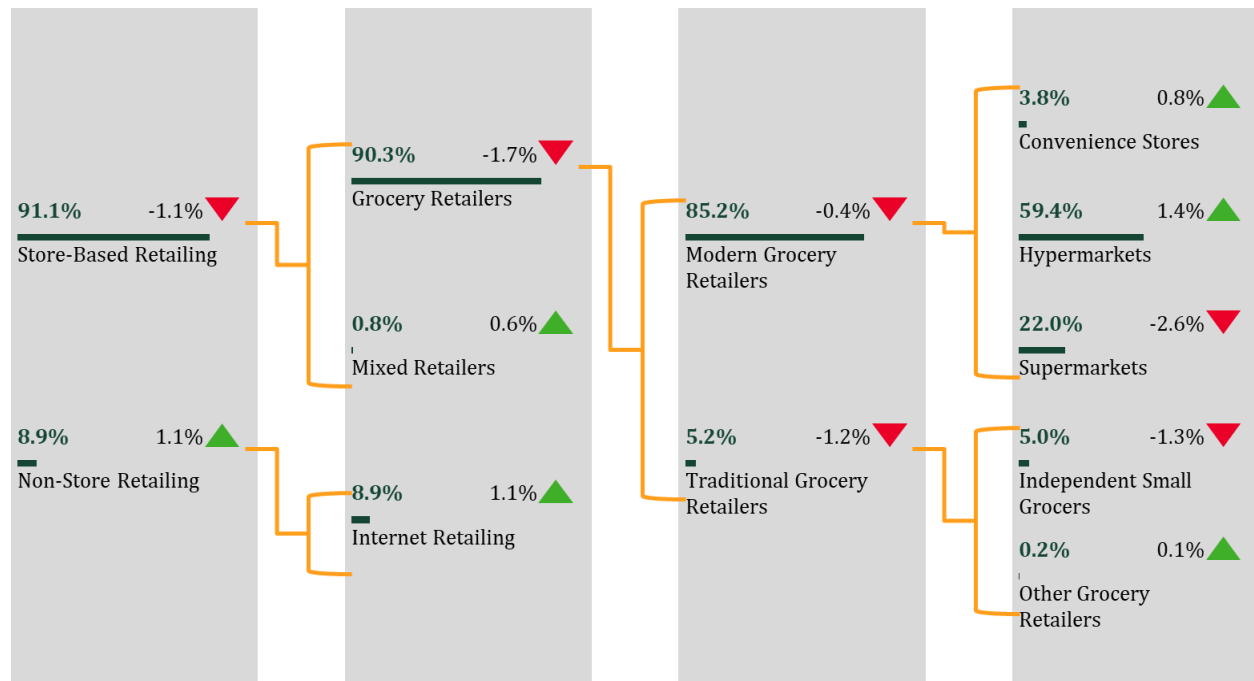
As seen in Figure 5-47, majority of South Koreans purchase edible oils (including olive oil) through store-based retailers, notably hypermarkets, followed by supermarkets. Moreover, in 2017, Internet retailing constituted almost 9% of sales in terms of value, after noting an increase of 1 percentage point in comparison to year 2016.

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<sup>133</sup>

Country of Origin Labelling;  
<http://madb.europa.eu/madb/viewPageIFpubli.htm?doc=cool&hscod=1904&countryid=KR>

Figure 5-47: Distribution channels overview of edible oils (including olive oil) in South Korea (2017); retail value



Source: Euromonitor International: Packaged Food, 2018

### 5.9.6 Challenges for EU products

The biggest challenge for EU producers might be the relative lack of knowledge about usage of olive oil among consumers in South Korea as well as the downtrend related to home cooking and effective lower usage of cooking oils. A smaller threat is that domestic producers have started to develop new premium products aimed at more adventurous consumers.

#### Market Takeaway: Olive oil

**Consumption:** Consumption of olive oil generally relates to cooking olive oil. Stable trend with projected slight growth of consumption

**Competition:** The European companies dominate the olive oil market. Domestic production is dynamic but with minor relevance comparing to imported products.

**Distribution:** Store-based retail, i.e. hypermarkets and supermarkets, is expected to remain dominant, although Internet retailing on rise.

**Challenges:** Relative lack of knowledge among consumers about usage of olive oil apart from cooking oil.

**Opportunities:** Positive image of European olive oil; European companies among almost exclusive importers to South Korea.

## 5.10 Processed fruit and vegetables

### 5.10.1 SWOT analysis

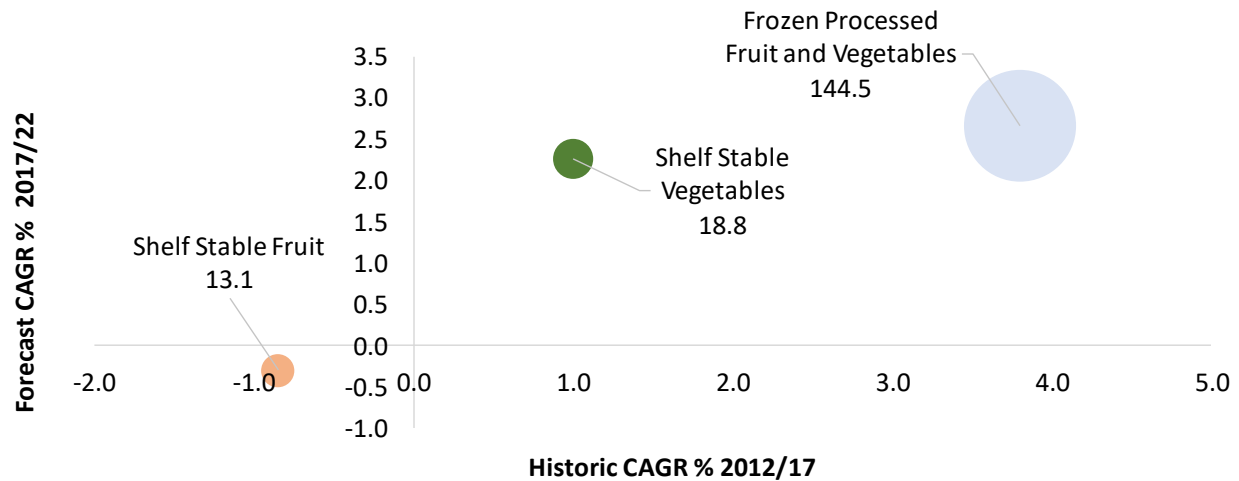


### 5.10.2 Consumption

#### 5.10.2.1 Evolution of consumption

The South Korean market for processed fruit and vegetables has grown slowly in recent years and it is expected to remain in a similar upward trend over the forecast period. Frozen products constitute the largest part of the market in South Korea, significantly outweighing other categories in terms of total volume. After a period of 3.8% CAGR growth in years 2012-2017, frozen processed fruit and vegetables are predicted to slightly drop in their growth, increasing by only 2.7% per year in next years (Figure 5-48). Similarly, shelf stable vegetables, smaller in market size, have been on rise and are projected to keep the upward trend, noting growth of 2.3% per year. Shelf stable fruit, on the other, have been on gradual decline, however the rate of decrease is expected to slow down to only 0.3% per year over the forecast period.

Figure 5-48: Evolution and forecast of processed fruit and vegetable market (000 tonnes) in South Korea, total volume 2012-2022



Source: Euromonitor International: Packaged Food, 2018

### 5.10.2.2 Consumer profile and purchase criteria

#### Consumers



Given the increasing culture of HMR (home meal replacement), consumers in South Korea perceive processed fruit and vegetables as very convenient ingredient, significantly shortening meal preparation. Thus, frozen products are preferred to prepare quick meal after working hours. In addition, these products are considered relatively healthy. Traditionally, South Koreans have not been familiar with Western-like shelf stable vegetables; however, this trend has been changing, especially among young consumers who are willing to such products in their diet, e.g. baked beans. Shelf stable fruit have been generally perceived as gifts<sup>134</sup>, as consumers in South Korea have rather preference for fresh fruit.

#### Drivers and method of consumption

The consumption of processed fruit and vegetables is mainly driven by busy lifestyles and the convenience benefits offered by products, significantly shortening meal preparation time. As mentioned above, South Koreans prefer frozen fruit and vegetables due to their relative healthy image and convenience added value. Consumers mostly defrost them according to preferences by cooking, microwaving, baking, frying among many others.

#### Purchase criteria

Consumers in South Korea notably pay attention to the added value in convenience terms, i.e. size of the package, shelf life and method of preparation of the product.

<sup>134</sup> Euromonitor International: Packaged Food, 2018

### 5.10.2.3 Recent market trends

The latest trend in the market for processed fruit and vegetables relates to frozen potatoes, which have been receiving significant attention. Consumers have started to use light fryers and sales of frozen potatoes is expected to grow as a consequence<sup>135</sup>. Shelf stable fruit have been considered more as a gift, whereas shelf stable vegetables are consumed rather by those South Koreans looking for something different.



## 5.10.3 Offer

### 5.10.3.1 Domestic production

The market is led by domestic companies, offering wide selection of products, both in the frozen and shelf stable segments. Dongwon F&B is the major producer, having its own brands, as well as distributing products from other manufacturers. Other important South Korean manufacturers include, Dole, Heinz Korea and Del Monte Philippines Inc.<sup>136</sup>

### 5.10.3.2 Imports and exports

Identifying data on trade in processed fruit and vegetables is extremely complicated due to the number of different lines under which such products can be imported. Trade in processed fruit and vegetables was captured in the data presented in section 5.11.3.2 on trade in fruit and vegetables as a whole.

### 5.10.3.3 EU GI products

In line with arrangements concluded under the EU-South Korea free trade agreement (section 4.3.3), 164 EU GIs agricultural products found recognition and protection on the South Korean market. Among them, there are following processed fruit and vegetables:

- Pruneaux d'Agen / Pruneaux d'Agen mi-cuits (France)

### 5.10.3.4 Main competitors

As identified in previous sections, the main competitors are the domestic producers which dominate the South Korean market. The major ones include Dongwon F&B, followed by Dole, Heinz Korea and Del Monte Philippines Inc.

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<sup>135</sup> Euromonitor International: Packaged Food, 2018

<sup>136</sup> Sector capsule: Processed fruit and vegetables in South Korea; [https://files.licensing.org/2017/November/PK18-KR-processed-fruit-and-vegetables\\_380024.pdf](https://files.licensing.org/2017/November/PK18-KR-processed-fruit-and-vegetables_380024.pdf)



### 5.10.4 Specific market entry requirements

#### Market Access and Entry

Processed fruit and vegetables do not face any market access restrictions, but their import is subject to a number of general regulations and entry procedures, as described in section 4.2.

#### Customs procedures

A list of standard documents as well as the overview of the procedure is presented in section 4.2.1. It should be noted though that importing processed cereals might require providing additional documentation, i.e. or Country of Origin Labelling<sup>137</sup> certification.

#### SPS measures

There are no particular SPS measures foreseen in case of processed fruit and vegetables. However, prior to export, up to date information should be consulted on European Commission' website below.

**Up to date information on appropriate documents concerning SPS measures**

<http://madb.europa.eu/madb/indexPubli.htm>

#### Labelling

Section 4.2.3 provides an overview of labelling standards, which apply to processed foods, including processed fruit and vegetables.

### 5.10.5 Distribution

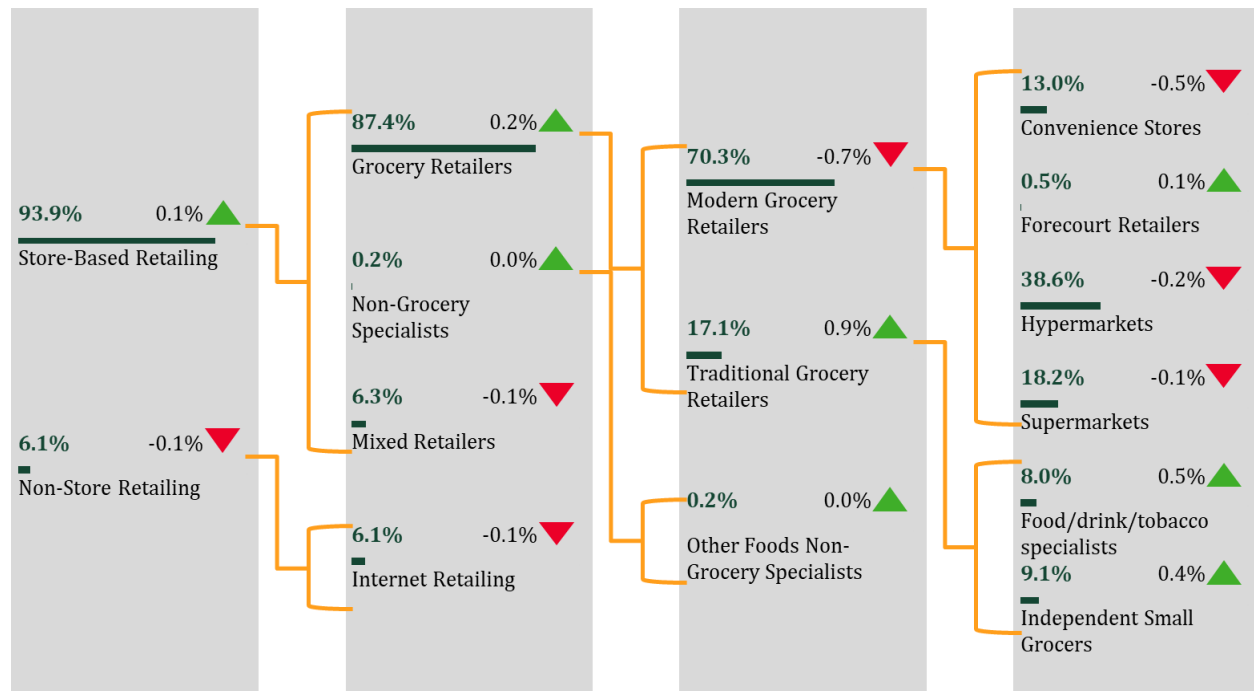
As presented in Figure 5-49, the vast majority of South Koreans purchase processed fruit and vegetables through store-based retailers. However, these include various retailers, mainly hypermarkets, followed by supermarkets and convenience stores as well as food/drink/tobacco specialists and independent small grocers. In 2017, Internet retailing amounted to 6.1% of all sales in terms of retail value.

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<sup>137</sup>

Country of Origin Labelling;  
<http://madb.europa.eu/madb/viewPageFPubli.htm?doc=cool&hscod=1904&countryid=KR>

Figure 5-49: Distribution channel overview of processed fruit and vegetables in South Korea (2017); retail value



Source: Euromonitor International: Packaged Food, 2018

### 5.10.6 Challenges for EU products

The main challenges are connected high competition and the fact that the market has been led by several domestic companies. Furthermore, EU producers planning to export to South Korea their products should take into account that consumers are mostly familiar with frozen fruit and vegetables, as shelf stable products has not built a solid consumer base.

#### Market Takeaway: Processed fruit and vegetables

**Consumption:** Consumption has been on stable rise and is expected to remain on upward trend, excluding shelf stable fruit.

**Competition:** several large domestic producers specialised either in stable shelf or frozen products.

**Distribution:** Processed fruit and vegetables are mainly distributed through store-based retailers, such as hypermarkets and supermarkets.

**Challenges:** Competition from domestic manufacturers leading the market.

**Opportunities:** Projected upward trend of consumption. Some novelty seeking among South Korean consumers and a trend towards products offer convenience.

## 5.11 Fresh fruit and vegetables

### 5.11.1 SWOT analysis

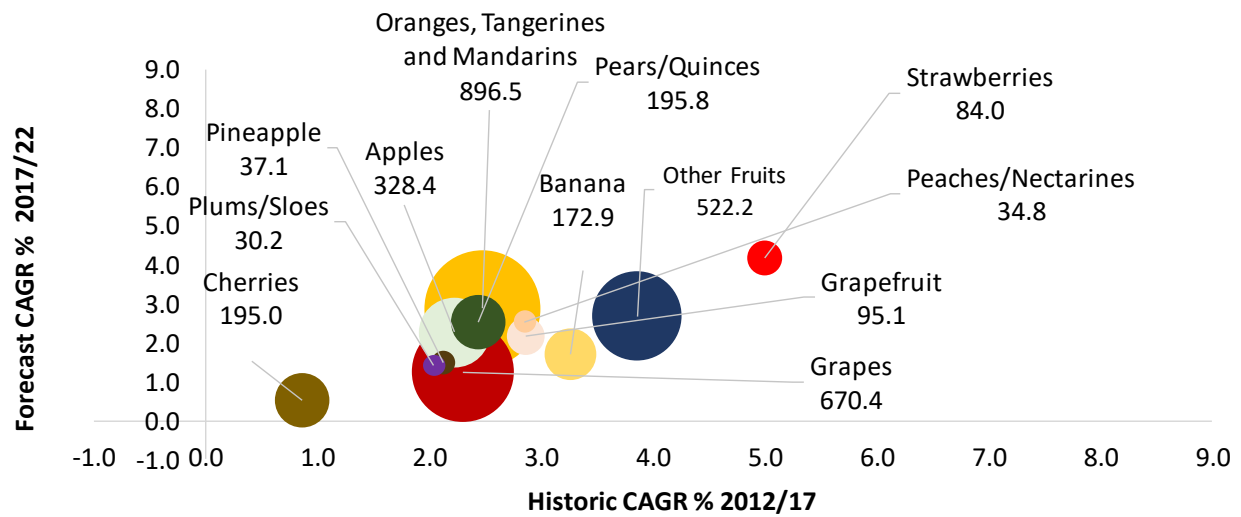


### 5.11.2 Consumption

#### 5.11.2.1 Evolution of consumption

The market for fresh fruit in South Korea has been on rise, as consumption across all fruit segments has been increasing (Figure 5-50). Oranges, tangerines and mandarins have the largest share on the market, with positive historical growth that is projected to slightly further increase going forward. The second biggest fruit categories are grapes and other fruits (which includes apricots, raspberries, currants, figs, watermelons and melons among others). Both of these segments are expected to grow at a slower rate going forward than they have historically. Consumption of apples is predicted to remain stable and consumption of strawberries has been increasing the fastest rate of all fruits; something which is predicted to continue going forward. Generally speaking, the market for fresh fruit in South Korea has been growing steadily and more importantly it is expected to continue this steady growth.

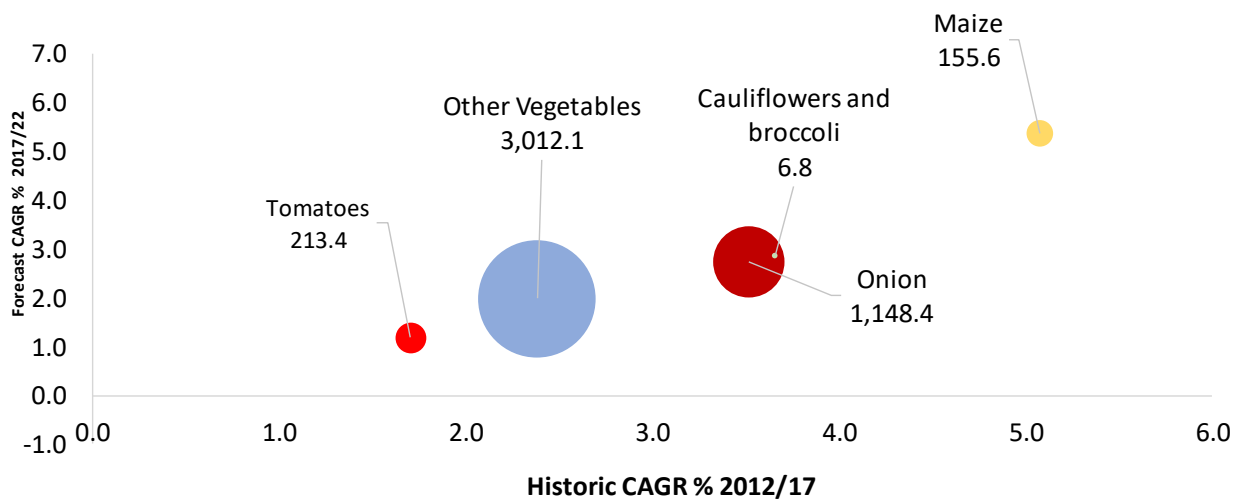
Figure 5-50: Evolution and forecast of fresh fruits market (000 tonnes) in South Korea, total volume 2012-2022



Source: Euromonitor International: Fresh Food, 2018

As is the case with the fresh fruit market, consumption of vegetables has been moderately increasing in South Korea (Figure 5-51). Other vegetables, i.e. cabbages, carrot, eggplants, and other green vegetables (except broccoli) as well as typically South Korean vegetables, e.g. radishes (Japanese daikon), kabocha, Korean lima beans among others, have had by far the largest share on the market. Consumption of these other vegetables is expected to continue to grow at a steady rate of around 2% per year. Onions, the second biggest vegetable segment on the market is forecast to grow at a slightly faster rate. Tomatoes have noted the lowest growth, whereas the market size of maize has increased the fastest rate (over 5%) and is predicted to continue this trend.

Figure 5-51: Evolution and forecast of vegetables market (000 tonnes) in South Korea, total volume 2012-2022



Source: Euromonitor International Ltd: Fresh Food 2018

### 5.11.2.2 Consumer profile and purchase criteria

#### Consumers



Fruit and vegetables constitute a cornerstone on South Korean diet and are indispensable when preparing various traditional dishes. Consumers are highly health-conscious, thus these products are very often present on South Korean dining tables. While vegetables are consumed during almost every meal, fruits are rather regarded as natural sweeteners, marinades or snacks.

Consumers in South Korea have a strong preference for fresh fruit<sup>138</sup>, however in case of vegetables, there is well-known and very popular concept of fermented vegetables – *kimchi*. This may include many varieties of vegetables (e.g. cabbage, radish, cucumber) and numerous seasonings and spices (e.g. *jeotgal* – fish seasoning). It is estimated that there are about 200 types of *kimchi* in South Korea<sup>139</sup>. Although its traditional perception of a side dish persists, *kimchi* has increasingly served as a key ingredient of many South Korean and Westernized dishes. South Koreans consider *kimchi* as highly beneficial for one's health, due various factors such as anti-inflammatory effects, probiotic properties, immune system promotion as well as cholesterol reduction. In terms of fresh vegetables, South Koreans tend to use large quantities of beans, radishes, peppers, soybean sprouts, taro, sweet potatoes among many others.

In case of fresh fruit, the consumption is largely dependent on seasons, as spring and summer fruit usually include cherries, oranges, tangerines, kiwis, melons among many others, whereas autumn and winter abound in fruits such as snow pears, pomegranates as well as other fruits which may be consider as all year-round products (e.g. apples, melon bingsu, Kyoho grapes and many more)<sup>140</sup>.

Against the background set out above, household income and the number of family members are important factors further determining consumption patterns of fresh fruits and vegetables. Notable groups with higher consumption, and their preferences are set out below:

- **Family of four or more:** Families with four or more members are more likely to consume fruits and vegetables at home at least once a week.
- **Affluent:** Two-person households with high income and housewives aged 40-50 years are more likely to purchase apples rather than any other fruits. As the consumption of salads is higher among this group, they tend to purchase more vegetables than others. Environmental reasons may also be taken into account.

<sup>138</sup> South Korea's consumers prefer fresh fruit; <https://www.eurofresh-distribution.com/news/south-korea%E2%80%99s-consumers-prefer-fresh-fruit>

<sup>139</sup> Korean kimchi: promoting healthy meals through cultural tradition; <https://www.sciencedirect.com/science/article/pii/S2352618117301373>

<sup>140</sup> The Must-Try Fruits in Korea for Different Seasons; <https://www.tripzilla.com/korean-air-free-things-to-do-seoul/67110>

- **Low income group:** These consumers, unlike rich households prioritize price as the main criteria rather than environmental reasons.

### Drivers and method of consumption

The consumption of fruit and vegetables is mostly driven by associated health-benefits as well as long-lasting tradition of consumption certain products. *Kimchi*, for instance, has been known for centuries, initially as a way of food preservation, whereas Korean pear (*Naju Pear*; ‘*bae*’) has been perceived as a national fruit, with Naju Pear Museum opened in 1992<sup>141</sup>. *Kimchi* consumption in restaurants has slowed a bit in recent years however, following some issues with imported products. The lunar new year provides a further specific driver for consumption of some fruit, as sales of gift boxes containing fruit peak around this period.

In terms of method of consumption, as previously mentioned consumers consider vegetable as staple and use them in variety of dishes snacks. In South Korea there is a strong culture of vegetable side dishes (*banchan*), which include vast array of vegetables, such as soybean sprouts, cucumber, spinach, zucchini, eggplants. Vegetables are prepared in many different ways, such as blanching, steaming, braising, stir-frying etc. Fresh fruit tend to be consumed as snacks in different forms<sup>142</sup>.

### Purchase criteria

Given, that fruit and vegetable are an important ingredient of South Koreans’ diet, they tend to pay great attention to the quality of these products, which constitute the main purchase criterion – ahead of price for most consumers. More specifically, taste trumps quality in the case of fruit; while the reverse is true in the case of vegetables. Tradition of use and personal preferences also play a key role in choosing products, e.g. *kimchi*, with domestic *kimchi* preferred over imported following some recent issues with imports. Furthermore, consumers in South Korea take into account the products packaging and overall appearance, which vastly apply to fruit gift-giving.

Safety is a further consideration that consumers may take into account, though in this respect consumers are more likely to be deterred by negative food safety incidences than attracted by food safety. By way of example, issues with e-coli in German bean sprout production in 2011 adversely impacted the image of German (and to some extent, EU) fruit and vegetables in South Korea during a period. Imported *kimchi* from China has also suffered following the discovery of parasites and carcinogens in the production around the same time.

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<sup>141</sup> Naju Pear Museum; <http://www.koreatriptips.com/en/cultural-facilities/815382.html>

<sup>142</sup> 15 Korean Vegetable Side Dishes; <https://www.koreanbapsang.com/15-korean-vegetable-side-dishes/>

### 5.11.2.3 Recent market trends

There are no notable recent trends in fresh fruit and vegetables in South Korea, as consumption across all segments have been increasing gradually in line with the drivers above, and without any major fluctuations and/or emergence of new products. Therefore, consumption has been rather stable both in the market for fruit and vegetable across all categories. That said, certain trends by fruit/vegetable type can be identified:



- Demand for fresh strawberries and maize has been remaining high over the last years and it is predicted to keep the upward trend.
- Demand for tropical fruits as a whole (including oranges) has been high recently, driven by a combination of convenience/ease of eating, low pricing, range of choice and presence of healthy nutrients.
- Avocado is experiencing a steep rise in consumption due to its reputation as a 'super food' with sweet taste and healthy contents. Hashtags of recipes with avocado on Korean Instagram pages, such as *#avocado mentaiko bibimbap*, *#avocado salad*, and *#avocado sandwich* are further boosting consumption.
- Tomato and bell peppers have been gaining popularity at the expense of the 'traditional five vegetables' (cabbage, radish, garlic, Korean pepper, and onion). Domestically-produced varieties have been particularly popular of late.

While there has been some interest in organic fruit and vegetables, this has been held back by a combination of unclear certification that is unfamiliar to most consumers; and higher price (60% above normal fruit)<sup>143</sup>.

### 5.11.3 Offer

#### 5.11.3.1 Domestic production

The market for fresh fruit and vegetable in South Korea relies on imports, as identified further in section 5.11.3.2, however domestic production is focused on some staple products which are cultivated in the country, e.g. several types radish and cabbage, soybean, melons, onions, apples, strawberries, and eggplant among others. The production of popular Korean *Naju* pear, however, has been on a gradual decline, as its planted area has been shrinking over the last years<sup>144</sup>.

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<sup>143</sup> It also has to be remembered that fresh EU organic agricultural products are not covered by the EU-Korea organic equivalency recognition.

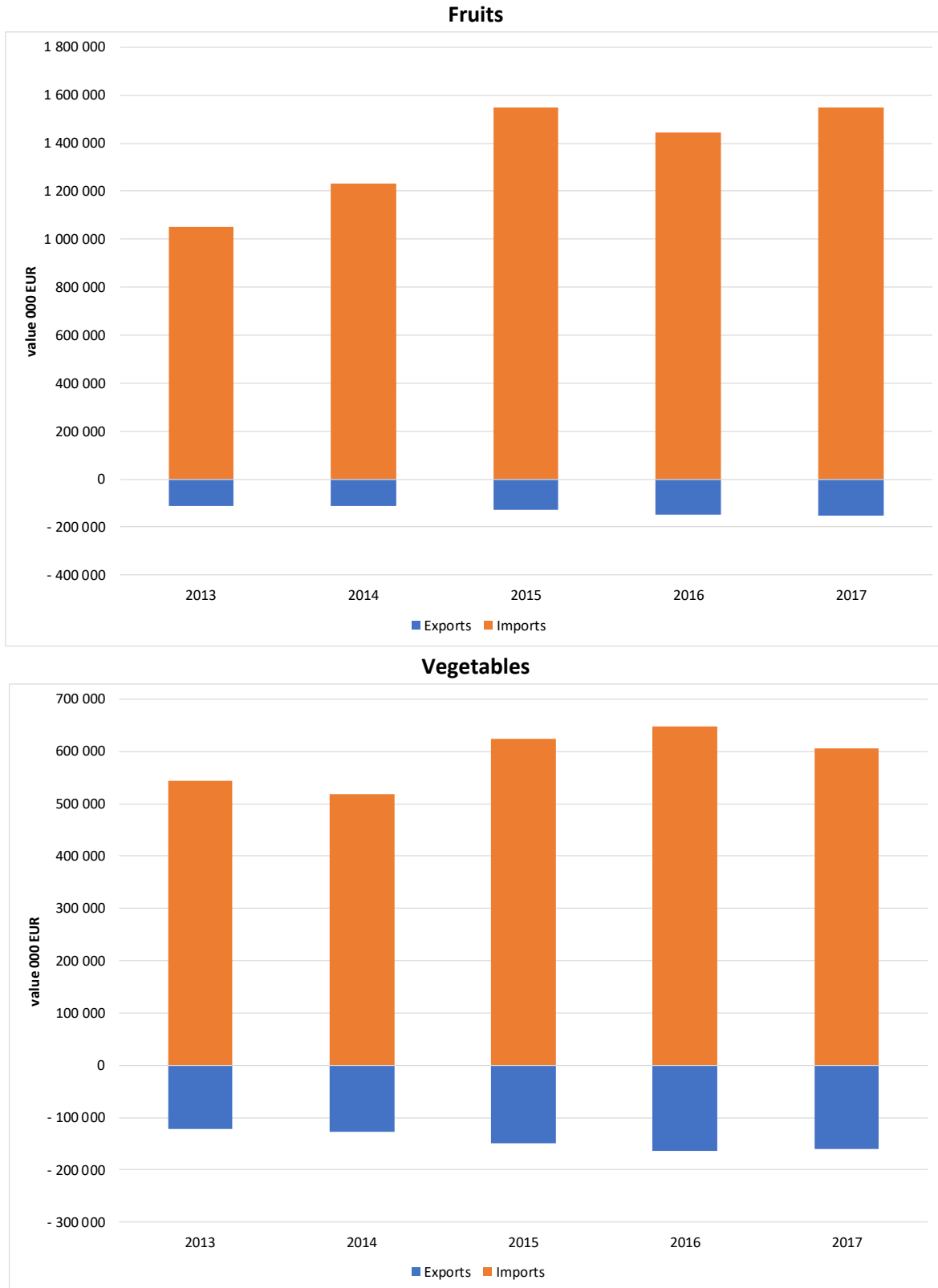
<sup>144</sup> Korea - Republic of Fresh Deciduous Fruit Annual Korean Pear Industry Continues to Shrink; [https://gain.fas.usda.gov/Recent%20GAIN%20Publications/Fresh%20Deciduous%20Fruit%20Annual\\_Seoul\\_Korea%20-%20Republic%20of\\_11-1-2018.pdf](https://gain.fas.usda.gov/Recent%20GAIN%20Publications/Fresh%20Deciduous%20Fruit%20Annual_Seoul_Korea%20-%20Republic%20of_11-1-2018.pdf)

### 5.11.3.2 Imports and exports

As presented in Figure 5-52, South Korean imports significantly outweigh exported amounts of fresh fruit and vegetables. After a period of gradual growth, the value of imported fruit dropped in 2016 to pick up again in 2017. On the other hand, the value of imported vegetables decreased in 2017, after two-year period of stable increase.



Figure 5-52: Trade balance (imports and exports) of fruits and vegetables in South Korea, 2013-17; value 000 EUR

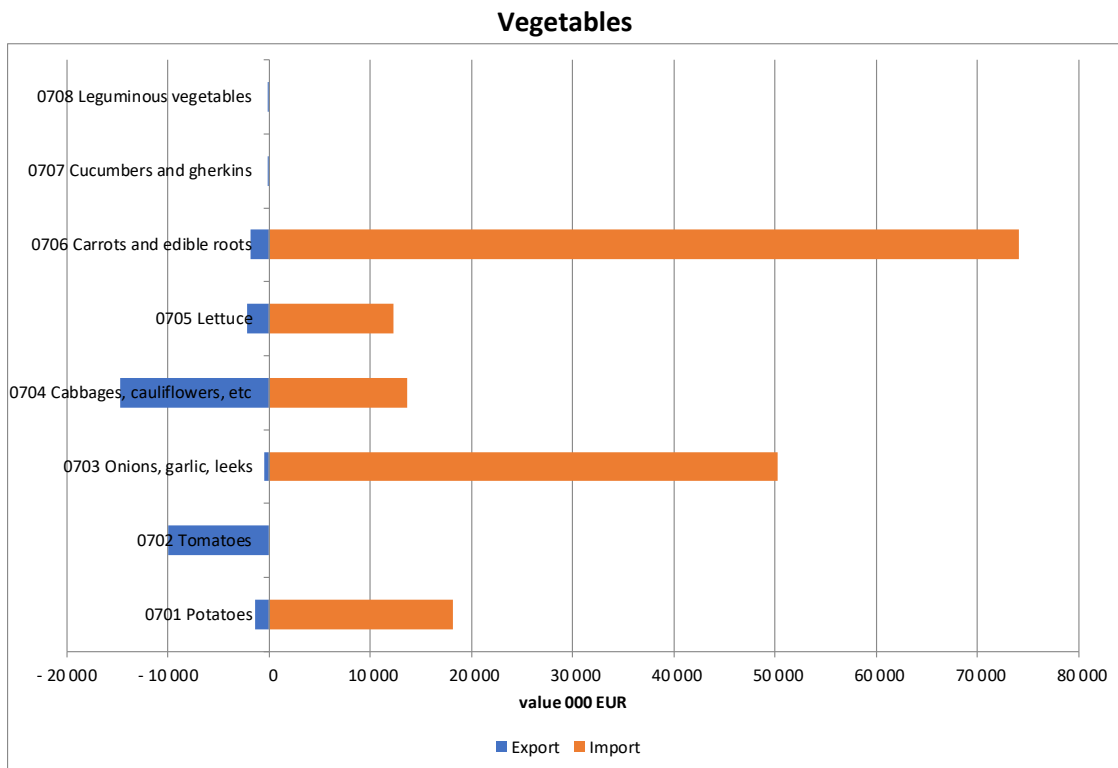
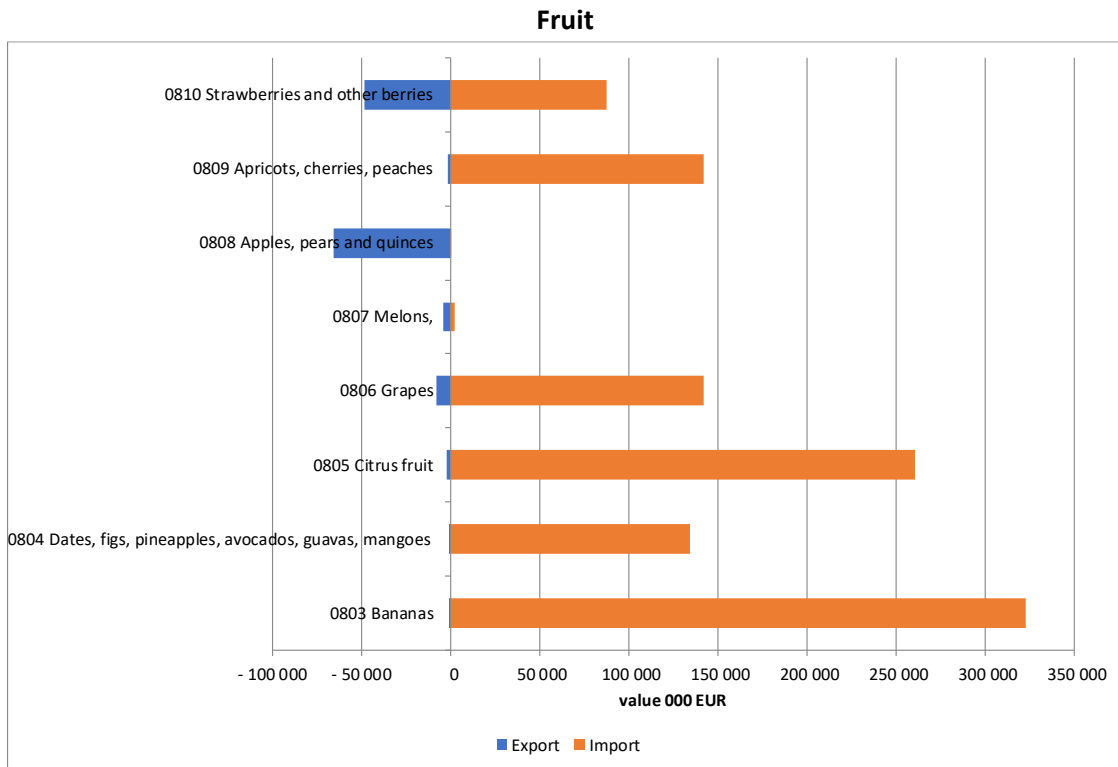


Source: Trade Map, International Trade Centre - <https://www.trademap.org/>. Data for CN code 07 and 08

As Figure 5-53 depicts, in 2017, bananas, followed by citrus fruit accounted for the highest value among imported fresh fruit; whereas apricots, cherries as well as grapes and dates, figs, pineapples, avocados and mangoes account for smaller amounts, oscillating around the EUR 150m level. The highest value of imported vegetables, on the other hand, was accounted for by carrots, followed by onions, which together constituted for majority of total value. In terms of exports, South Korea exported mostly apples, strawberries followed by cabbage and tomatoes.

South Korea has relied on several countries when it comes to fruit imports, namely USA, Philippines and Chile; whereas vast majority of imported vegetables have come from China (Figure 5-54). EU imports have been rather marginal both in the market for fresh fruit and vegetables. No major fluctuations on the market have been observed, except an increase of US and Chinese exports in 2015.

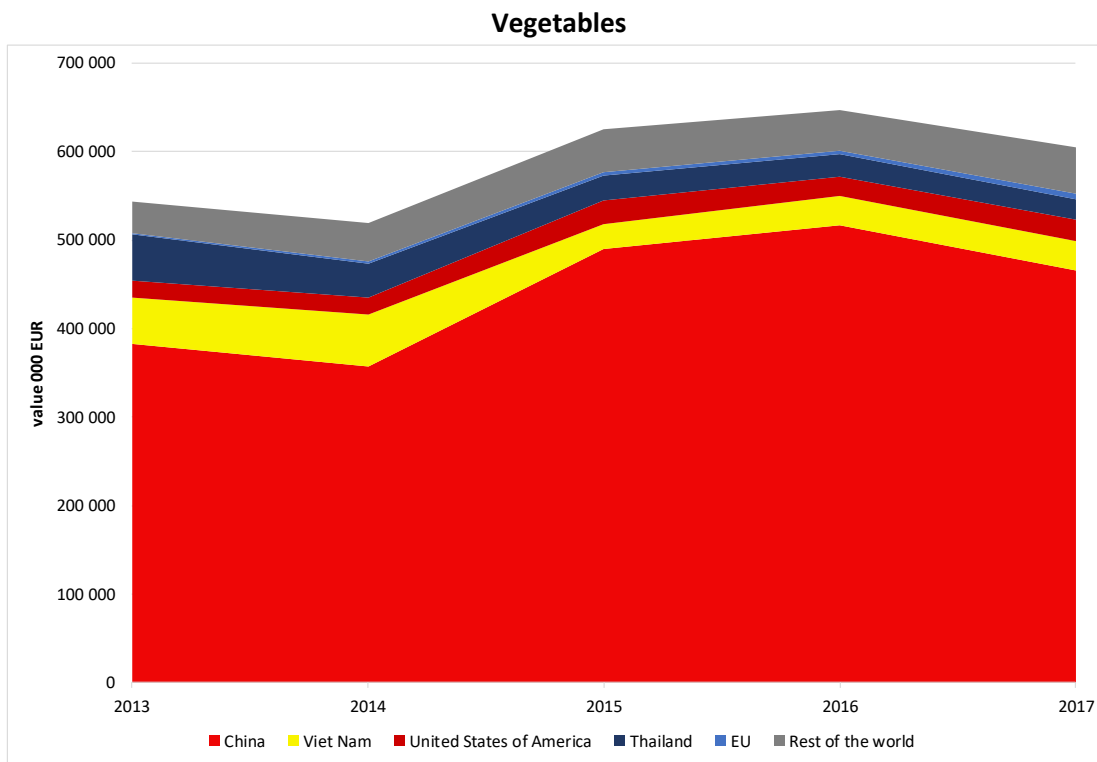
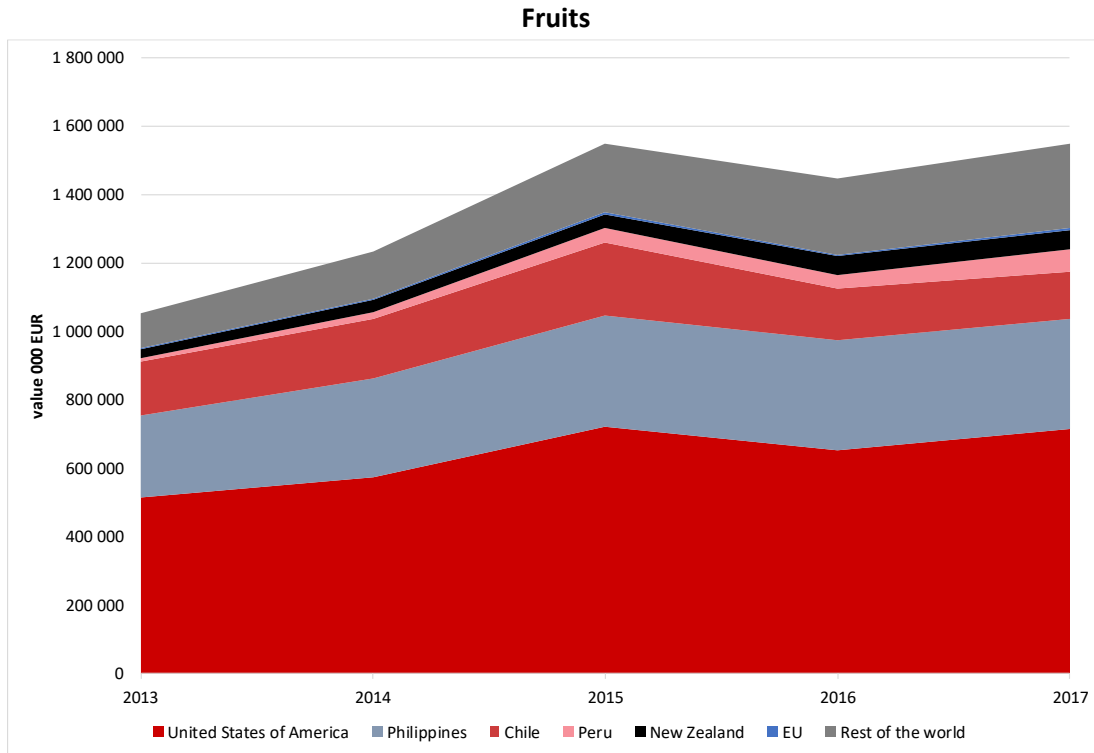
Figure 5-53: Trade balance of fruit and vegetables by type, 2017 (value 000 EUR)



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

Note: names for CN codes abbreviated in most cases

Figure 5-54: South Korean imports of fruits and vegetables by country, 2013-17; value 000 EUR



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>  
 Data for CN code 07 and 08

### 5.11.3.3 EU GI products

In line with arrangements concluded under the EU-South Korea free trade agreement (section 4.3.3), 164 EU GIs agricultural products found recognition and protection on the South Korean market. Among them, there are following fresh fruit and vegetables:

- Horseradish roots (Austria)

### 5.11.3.4 Main competitors

As identified in section 5.11.3.1 and 5.11.3.2, the market for fresh fruit and vegetables in South Korea relies on imported products, however there is a strong presence of domestic producers concerning certain products, especially in the case of staple vegetables in South Korea. Major importers on the market include China in the vegetable sector and USA, followed by Philippines and Chile in case of fresh fruits.

Fermented vegetables – *kimchi* - were imported heavily for a while, primarily from China and driven by price. However, following some safety issues with imported *kimchi*, this practice has slowed in recent years alongside both a reluctance to consume imported kimchi, and a slowing in consumption in restaurants (previously the main distribution channel for imported kimchi).

Californian oranges enjoy a particularly good reputation in Korea, though oranges are also Europe's largest fruit export by type.

### 5.11.4 Specific market entry requirements

#### Market Access and Entry

As a starting point, it is necessary for a country to have been authorised for export of a specific fresh plant product to South Korea. The relevant authorities of individual countries must negotiate access one product at a time (i.e. access for only one product can be negotiated at a time) for exports of that product from the country as a whole. The process to negotiate access, which applies to all countries outside the EU as well, consists of 8 steps and hence can take several years. In order to ascertain whether a country already has access for a specific product, it is best to contact the competent authority in your country (see section 8.2). In addition, it should be noted that a pre-clearance system may be applied for certain products from certain countries. Under such systems, the South Korean authorities will inspect production in origin during the packing period (normally every year during the first years of export, and less frequently thereafter if no problems are encountered). As well as confirming access for specific products, national embassies may be able to provide information on any pre-clearance requirements.

Imported fresh fruit and vegetables products are subject of market entry requirements set out in the Food Sanitation Act, Special Act on Imported Food Safety Management, Food Code, as described in section 4.2.1.

#### Import tolerances for pesticides

A new system of Import tolerances for pesticides has been in force since 1 January 2019. Under the new system there is a positive list system whereby import tolerances for maximum residue levels (MRLs) will

disappear, and therefore will go down to the level of detection, i.e. 0.01mg/kg. For generic active substances with a CODEX MRL, there is a transition period till the end of 2019 while for those without the requirement applies already.

Trade partners therefore need to submit dossiers to apply for import tolerances for generic active substances on a per commodity basis; however this is potentially costly (in the tens of thousands) and it is unclear which parties may be willing or able to do this given the costs involved. There are discussions between the European Commission and the Korean authorities about other possible solutions to this issue, such as the use of EFSA reviews; however, at the time of writing no alternative solution has been found so the requirements are in force as set out above.

### Customs procedures

A list of standard documents as well as the overview of the procedure is presented in section 4.2.1. It should be noted though that importing fresh fruit and vegetable might require providing additional documentation concerning the Quarantine for Plants and Plant Products as well as Phytosanitary measures.

### SPS measures

The import of fresh fruit and vegetables to South Korea comes with specific requirements and imposing set of documents to be delivered, certifying products' safety and quality:

- Quarantine and Import Permit for Plants and Plant Products
- Phytosanitary Certificate

**Up to date information on appropriate documents concerning SPS measures be consulted on European Commission website: <http://madb.europa.eu/madb/indexPubli.htm>**

### Labelling

As described in section 4.2.3, the labelling of imported products falls into Labelling Standards for foods as well as, in case of fresh fruit and vegetable, Labelling Standards for unprocessed agricultural products.

#### 5.11.5 Distribution

Traditional wet markets to account for the largest share of the distribution of fruits and vegetables at around 20% in volume terms (slightly lower for fruit and slightly higher for vegetables). Modern retail such as supermarkets and hypermarkets account for less than an estimated 10% of distribution, as do online channels.

#### 5.11.6 Challenges for EU products

EU producers may find it difficult to enter the South Korean market for fresh fruit and vegetables, mainly due to: challenges with the regulatory system; long-standing ties with other importers; demand for particular traditional products that are widely popular throughout South Korea; and finally due to the fact

that European products have not been discovered by consumers at a large scale, partly as a result of the stringent access requirements which have limited their availability.

### Market Takeaway: Fresh fruit and vegetables

**Consumption:** Consumption of both fruit and vegetables in South Korea has been noting a moderate growth over last years and is projected to keep an upward trend.

**Competition:** Market relies on imports, notably from China (vegetables) and USA, followed by Philippines and Chile (fruits), however there is a strong presence of domestic producers, concerning staple products for South Korea (e.g. cabbage, onion, typically known South Korean vegetables, other green vegetables etc.)

**Distribution:** various channels used, though wet markets remain the most popular.

**Challenges:** regulatory system, long-established ties with fruit/vegetables importers with simultaneous low volumes imported from the EU as well as relative lack of knowledge about EU fresh fruit and vegetables.

**Opportunities:** Consumption on rise as well as an increased focus on quality among consumers.

## 5.12 Processed meat

### 5.12.1 SWOT analysis



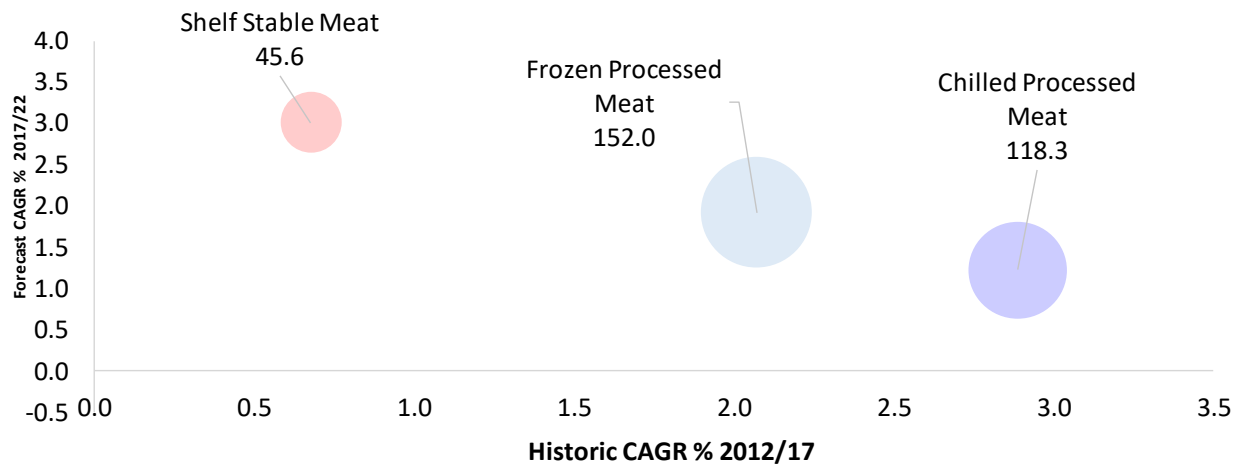
### 5.12.2 Consumption

#### 5.12.2.1 Evolution of consumption

The market for processed meat in South Korea has grown steadily and it is expected to remain on upward trend (Figure 5-55). Frozen processed products amount to largest share of the market, followed by chilled products. In both cases, however, the projected growth is expected to slightly slow down over the forecast

period to 2022, especially in case of chilled processed meat products (from 2.9% per year to 1.2% per year). Shelf stable meat, constituting the smallest segment on the market, is predicted to note the highest CAGR growth of 3.0% per year in the incoming years.

Figure 5-55: Evolution and forecast of processed meat market (000 tonnes) in South Korea, total volume 2012-2022



Source: Euromonitor International: Packaged Food, 2018

### 5.12.2.2 Consumer profile and purchase criteria

#### Consumers



Given their busy lifestyle, South Koreans have been increasingly including Western-known processed meat products in their diet. Consumers appreciate both frozen products, such as meat patties as well as chilled products, especially poultry. Moreover, as more and more consumers perceive processed meat as a side dish, the sales of ham, sausages, and bacon has continuously increased. This can also be connected to novelty seeking

approach as well as rise in number of single households and simultaneous focus on convenience.

South Korean cuisine includes several long-standing processed meat products. *Sundae* – the popular pork or beef blood sausage dates back to the tenth century<sup>145</sup>, and nowadays has been emerging under different varieties and has been important in the foodservice sector. Furthermore, *Spam* – precooked tins of pork meat, introduced during Korean War, has gained a premium image and is considered as a very luxurious gift during Korean lunar thanksgiving festive time<sup>146</sup>. *Spam* has been a key ingredient of *Army Stew*, a widely known dish in South Korea.

<sup>145</sup> Sundae (Korean food); <https://roadsandkingdoms.com/2012/sundae/>

<sup>146</sup> Why is Spam a luxury food in South Korea? ; <https://www.bbc.com/news/world-asia-24140705>



### Drivers and method of consumption

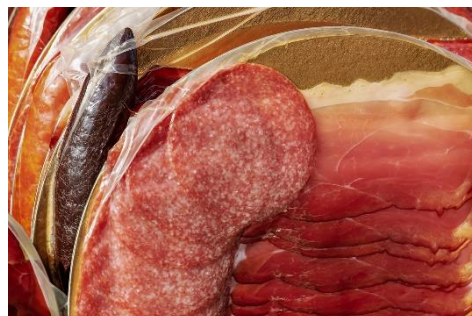
Consumption of processed meat in South Korea is mainly driven by a focus on consumers' convenience approach, and in some cases, increasing health awareness. In the view of continuous growth of single households, consumers have started to put more emphasis on convenient solutions which may shorten the meal preparation time. Because of this, ready frozen products which can be microwaved have built a solid consumer base. The healthy approach to diet has been impacting the consumption of chilled poultry, as such products are widely believed to have low-calorie intake, effectively helping with weight management. However, a group of consumers has been also paying particular attention to the lower use of chemical ingredients and preservatives.

### Purchase criteria

As previously mentioned, consumers in South Korea, when preparing meals, have recently started to take convenience matters into account to a high extent. Thus, one of the key criteria has been convenience added value. Moreover, South Koreans have been paying more attention to health issues, effectively increasing sales of processed low-caloric meals and ingredients. Lastly, due to higher product availability, consumers have developed a novelty-seeking approach when purchasing some processed meat products.

#### 5.12.2.3 Recent market trends

Despite the wide popularity of processed seafood in South Korea, consumption of processed meat products has risen continuously, mostly due to - as mentioned in previous section - a focus on convenience, high product availability and health benefits. The latest market trends relate to more Western-style products, such as sausages, hams and bacon - which are mostly being consumed as side dishes or accompaniment for drinks. Hot dog sausages in particular have been gaining greatly in popularity<sup>147</sup>.



### 5.12.3 Offer

#### 5.12.3.1 Domestic production

The processed meat market in South Korea is characterized by the strong presence of domestic producers as well as increasing value of imported products (section 5.12.3.2). The major South Korean manufacturer – CJ Cheiljedang leads the market with a wide offer of all processed meat products, and flagship products such as Spam, Beksul and The Healthier Ham<sup>148</sup>. Other South Korean producers include Lotte Food Co Ltd and Daesang Corp.

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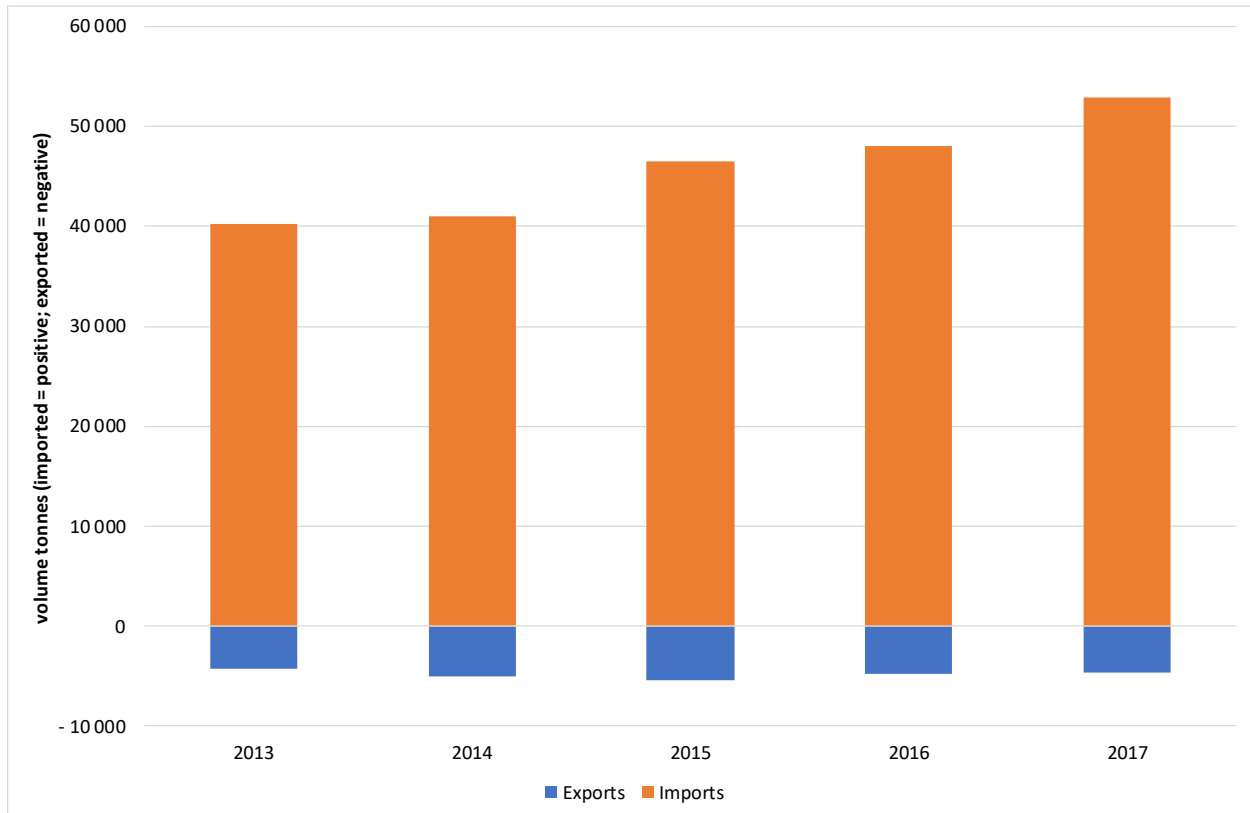
<sup>147</sup> Processed Meat Increasingly Popular Among South Korean Adults; <http://koreabizwire.com/processed-meat-increasingly-popular-among-south-korean-adults/117954>

<sup>148</sup> Euromonitor International: Packaged Food, 2018

### 5.12.3.2 Imports and exports

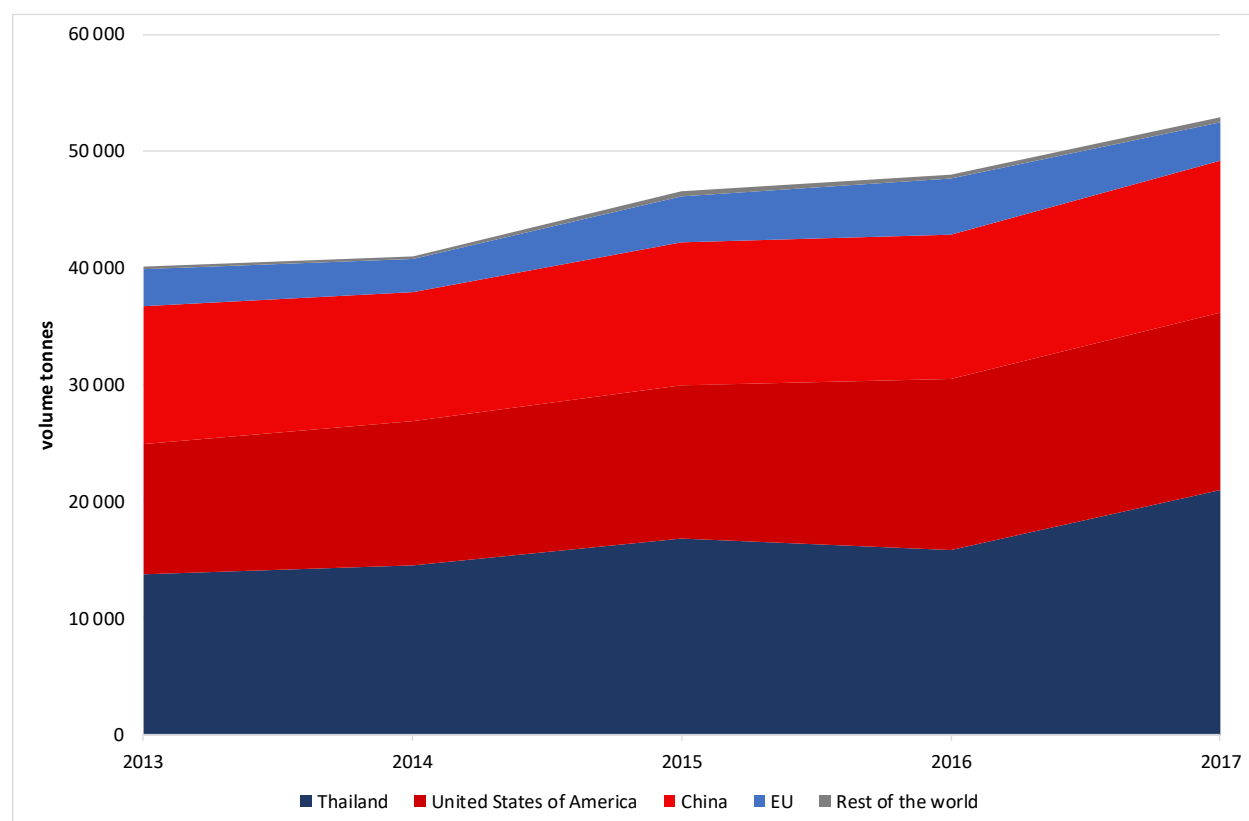
As presented in Figure 5-56, imported volumes of processed meat have significantly outweighed exports in the last 5 years. Moreover, the volume of imports has been continuously growing to reach over 50 000 tonnes. Exports, on the other hand have been on a downward trend since 2015. South Korea has mostly relied on three countries for imports – Thailand, USA and China as well as to lesser extent on some EU countries, mainly Denmark (Figure 5-57).

Figure 5-56: Trade balance (imports and exports) of processed meat in South Korea, 2013-17; tonnes



Source: Trade Map, International Trade Centre - <https://www.trademap.org/> Data for CN code 0210, 1601 and 1602

Figure 5-57: South Korean imports of processed meat by country, 2013-17; tonnes



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

Data for CN code 0210, 1601 and 1602

### 5.12.3.3 EU GI products

In line with arrangements concluded under the EU-South Korea free trade agreement (section 4.3.3), 164 EU GIs agricultural products found recognition and protection on the South Korean market. Among them, there are following processed meat products listed:

- Tiroler Speck (Austria)
- Canard à foie gras du Sud-Ouest (Chalosse, Gascogne, Gers, Landes, Périgord, Quercy) – France
- Jambon de Bayonne (France)
- Szegedi téliszalámi / Szegedi szalámi (Hungary)
- Cotechino Modena (Italy)
- Zampone Modena (Italy)
- Mortadella Bologna (Italy)
- Prosciutto di Parma (Italy)
- Prosciutto di S. Daniele (Italy)
- Prosciutto Toscano (Italy)
- Jamón de Huelva, Jabugo since 2017 (Spain)
- Jamón de Teruel (Spain)
- Salchichón de Vic / Llonganissa de Vic (Spain)

### 5.12.3.4 Main competitors

As sections 5.12.3.1 and 5.12.3.2 reported, the market for processed meat in South Korea is dominated by strong domestic manufactures, especially CJ Cheiljedang which is present across all processed meat categories. However, the volume of imported products has been continuously increasing, notably from Thailand, USA and China.

### 5.12.4 Specific market entry requirements

#### Market Access and Entry

Imported processed meat products are subject of market entry requirements set out in the Food Sanitation Act, Special Act on Imported Food Safety Management, Food Code and the Livestock Product Sanitary Management Act, as described in section 4.2.1.

Non-sterilised processed meat is considered as livestock product subject to quarantine and faces similar additional restrictions on access as fresh meat. Please see section 5.1.4 for information on these restrictions and how to obtain up to date details on access status for such products; though it should be noted that processed meat is generally a non-designated product, and hence registration only with MFDS is necessary<sup>149</sup>

#### Customs procedures

A list of standard documents as well as the overview of the procedure is presented in section 4.2.1. It should be noted though that importing processed meat products might require providing additional documentation concerning the Livestock Product Sanitary Management requirements.

#### SPS measures

The import of processed meat products to South Korea comes with specific requirements and imposing set of documents to be delivered, certifying products' safety and quality:

- Import Permit for Products of Animal Origin
- Import Permit for Goods Subject to the Washington Convention (CITES)
- Import Permit for Wild Animals
- Quarantine Permit for Animal Products
- Certificate of Organic Food (*if applicable*)
- Veterinary Health Certificate for Animal Products

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<sup>149</sup> Designated livestock products: animals and their carcasses; products taken from animals, such as bones, flesh, skin, eggs, hair, hooves and horns, and their containers and packaging.

Non-designated livestock products: other products from livestock, for example processed meats (sausages, meat extracts, dried meat, etc.) packaged meat and hams, edible tallow.

- Identification Number of Imported Beef (0210)
- Country of Origin Labelling

**Up to date information on appropriate documents concerning SPS measures be consulted on European Commission website: <http://madb.europa.eu/madb/indexPubli.htm>**

### **Labelling**

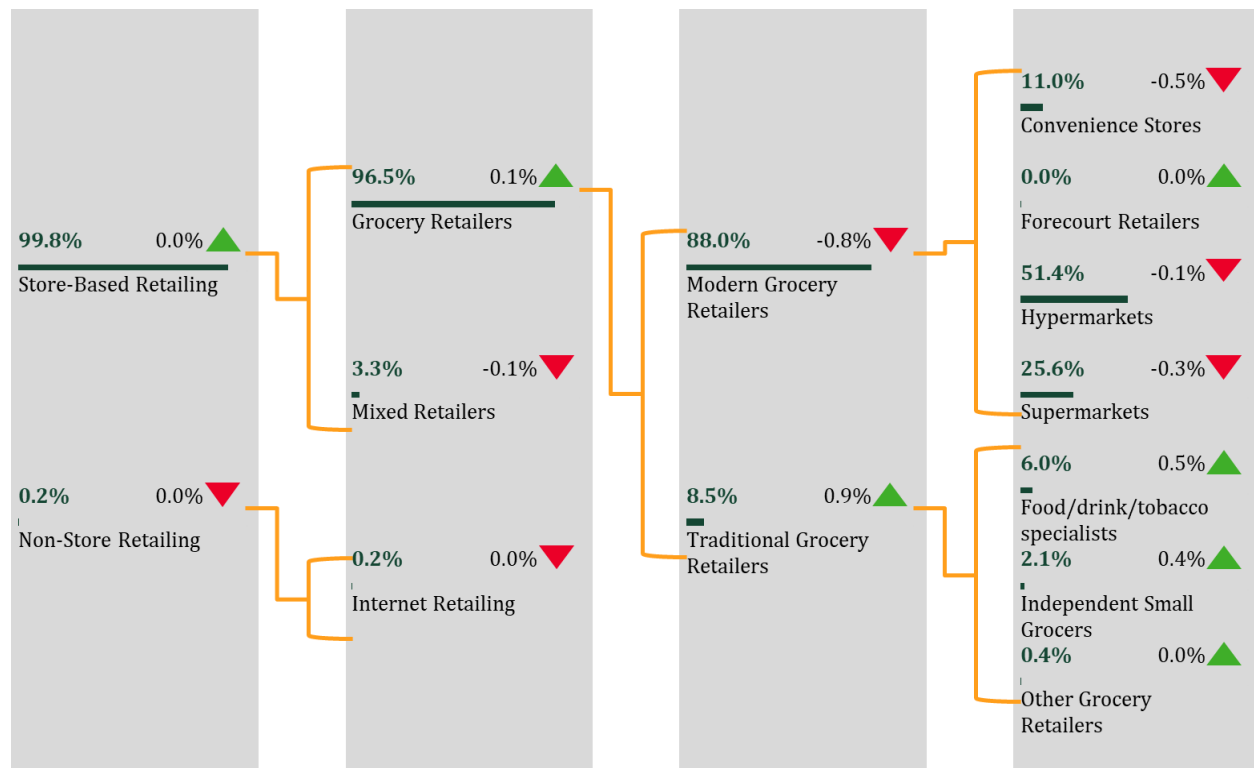
As described in section 4.2.3, the labelling of imported products is set out by the labelling standards for livestock products, which are similar to the general requirements, with a few small differences:

- Name and address: not only is the importer's name and address required, but also that of the processing plant in the exporting country.
- Shelf life is required for all livestock products except ice cream, for which the manufacture date is required.
- Nutritional labelling is required for most dairy products and most processed meat products.

### **5.12.5 Distribution**

As presented in Figure 5-58, South Korean consumers almost exclusively purchase processed meat products through store-based retailers. In 2017, the largest share of distribution channels, in terms of retail value was accounted for by hypermarkets, followed by supermarkets and convenience stores. Interestingly enough, Internet retailing has been rather marginal in case of processed meat market.

Figure 5-58: Distribution channel overview of processed meat in South Korea (2017); retail value



Source: Euromonitor International: Packaged Food, 2018

### 5.12.6 Challenges for EU products

EU producers planning to export their products to South Korea should be mindful of the lengthy market entry procedures as well as the strong presence of domestic producers on the market. Lastly, it should be pointed out that South Korea has had a long-standing import ties with Thailand, USA and China in sector of processed meat.

#### Market Takeaway: Processed meat

**Consumption:** Consumption of processed meat has been on continuous rise. Frozen and chilled processed products lead the market. Growth is primarily driven by the convenience trend.

**Competition:** Market is dominated by domestic companies, however imports from Thailand, USA, and China play a great role in satisfying demand for processed meat products in South Korea.

**Distribution:** Processed meat is mainly distributed through hypermarkets, followed by supermarkets and to a lesser extent convenience stores. Internet retailing plays a marginal role.

**Challenges:** Stringent control measures related to animal quarantine as well as strong presence of domestic manufacturers. High imports from non-EU countries.

**Opportunities:** Consumption on rise, novelty and quality seeking approach among consumers.

## 5.13 Live plants

### 5.13.1 SWOT analysis

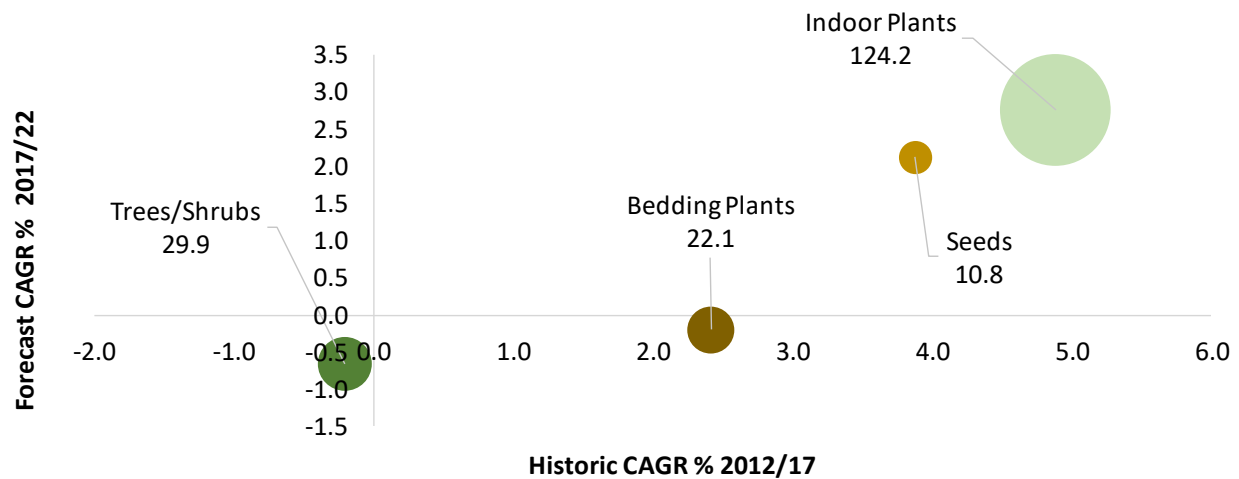


### 5.13.2 Consumption

#### 5.13.2.1 Evolution of consumption

The evolution of the market for live plants in South Korea has been variable, as some segments have been on continuous decline, whereas other have been increasing. Indoor plants constitute the largest part of the market in the country, amounting to EUR 124 million. This category has been on rise and it is expected to note growth of 2.8% per year over the forecast period. The market size of trees and shrubs as well as bedding plants are predicted to decline (0.7% per year and 0.2% respectively). Seeds, similarly, to indoor plants, have been increasing and are projected to remain on the upward trend in next years.

Figure 5-59: Evolution and forecast of live plants market (EUR million) in South Korea, retail value 2012-2022



Source: Euromonitor International: Home and Garden, 2018

### 5.13.2.2 Consumer profile and purchase criteria

#### Consumers



Live plants in South Korea are well regarded and many consumers appreciate having them. However, given the limited space, most South Koreans cultivate them indoors. In effect, the sales of indoor plants have been on gradual rise, as outlined in previous section.

Live plants are believed to bring health benefits, especially combined with regards to micro dust, working as natural air purifiers<sup>150</sup>. In general, consumers in South Korea are concerned about air quality, thus they try to improve it in their households. Furthermore, from an aesthetic point of view, South Koreans appreciate having green plants around and treat them as a way to reduce stress and mental fatigue after long working hours.

#### Drivers and method of consumption

Consumption of live plants in South Korea is mainly driven by health motivations, i.e. improving air quality. As previously mentioned, most South Koreans live in apartments, thus they try to use plants as natural air purifiers and improve their houses' air quality.

#### Purchase criteria

As outlined above, South Koreans base their approach to plants on the basis of health. They tend to choose live plants which are proved or believed to purify air and improve air quality. Moreover, some consumers

<sup>150</sup> Indoor plants as natural air purifiers; <http://www.koreaherald.com/view.php?ud=20170113000652>



take into account aesthetics as well, focusing on matching healthy benefits and the appearance of the plant.

### 5.13.2.3 Recent market trends

In South Korea, indoor plants constitute the lion share of the market. In effect, various indoor plants have been trending recently. Lately, the most popular plant has been *Tillandsia*<sup>151</sup>, which is said to improve air quality.



Moreover, given increased interest in indoor plants, South Koreans have started to include plants in most of their rooms, which has led to a trend called *Planterior*. This loose concept can apply to every room in the apartment and intend to create house environment more nature friendly. Decorations in the form of various plants are meant not only to improve house air quality, but also create a healing space indoors<sup>152</sup>.

It must be remembered that sales of certain, especially expensive plants, was affected by an anti-corruption law which forbids gifting items, including plants, above certain value.

### 5.13.3 Offer

#### 5.13.3.1 Domestic production

The live plants market in South Korea is highly fragmented with a large number of unbranded local products. However, Ikea Korea and BFA are the largest among major domestic operators. That said, the market heavily relies on imports.

#### 5.13.3.2 Imports and exports

As presented in Figure 5-60, South Korean imports considerably outweigh exported volumes of live plants. In years 2013 -2016, imports were on rise before dropping slightly in 2017 to 60 000 tonnes. Exports, on the other, as minor as they are, remain stable in 2017, compared to the previous year.

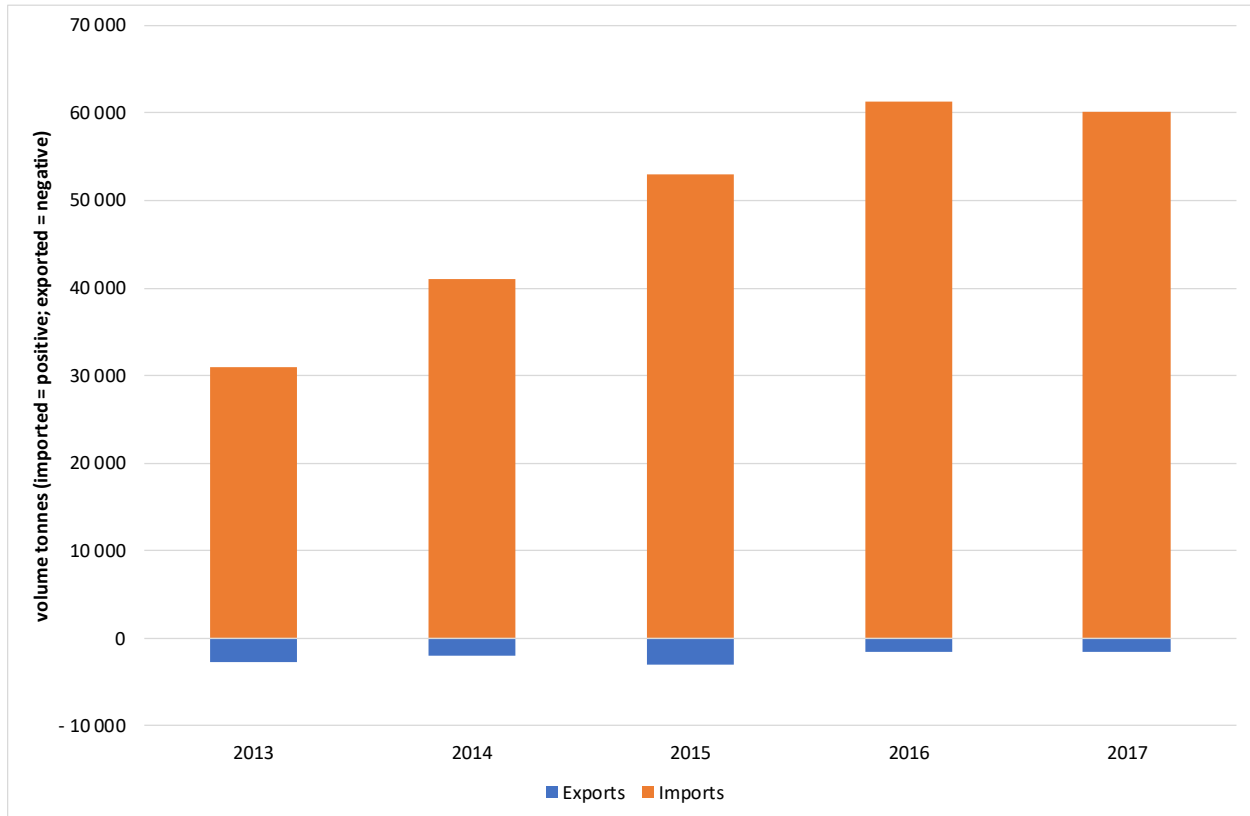
South Korea imports live plants almost exclusively from China, followed in small quantities by products from the Netherlands, Indonesia and Thailand. In 2017, imported volumes of Chinese plants slightly dropped, whereas imports from the Netherlands increased (Figure 5-61).

<sup>151</sup> Air Plant Tillandsia; <https://www.tradekorea.com/product/detail/P507249/Air-Plant-Tillandsia-.html>

<sup>152</sup>

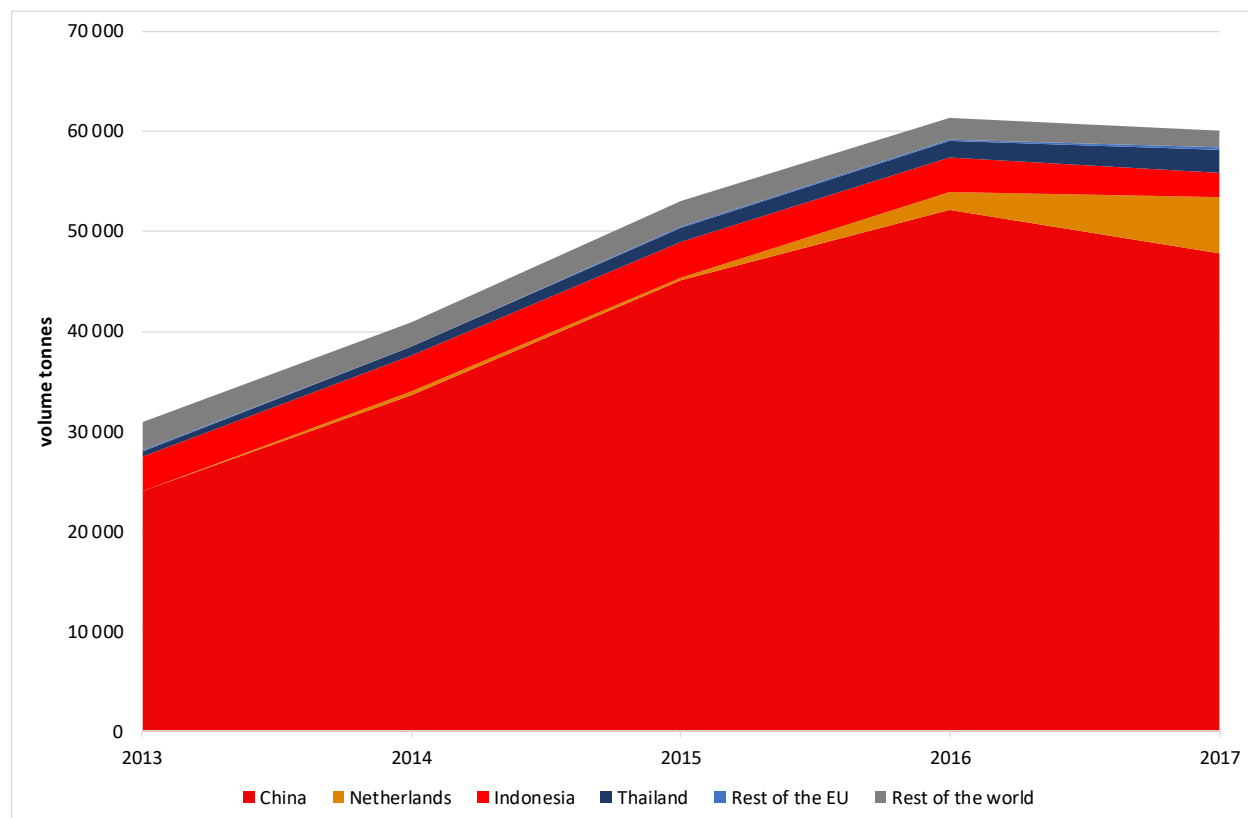
"Planterior" with Nature, Extends to Bathroom;  
[http://us.aving.net/news/view.php?mn\\_name=exhi&articleId=1381436&sp\\_num=909](http://us.aving.net/news/view.php?mn_name=exhi&articleId=1381436&sp_num=909)

Figure 5-60: Trade balance (imports and exports) of live plants in South Korea, 2013-17; tonnes



Source: Trade Map, International Trade Centre - <https://www.trademap.org/> Data for CN code 0602

Figure 5-61: South Korean imports of live plants by country, 2012-16; tonnes



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

Data for CN code 0602

### 5.13.3.3 EU GI products

In line with arrangements concluded under the EU-South Korea free trade agreement (section 4.3.3), 164 EU GIs agricultural products found recognition and protection on the South Korean market. No live plants are among them.

### 5.13.3.4 Main competitors

As identified in previous sections, despite the high fragmentation of the market in South Korea, it has two major sellers and producers – Ikea Korea and BFA. Overall, as the market heavily relies on imported products, Chinese producers are the main competitors.

### 5.13.4 Specific market entry requirements

#### Market Access and Entry

The import of live plants to South Korea is subject to a number of general regulations and entry procedures, as described in section 4.2. Moreover, additional specific requirements exist, related to

Quarantine and Import for Plants and Plant Products procedure, carried out by Animal and Plant Quarantine Agency (see also section 5.11)<sup>153</sup>.

### Customs procedures

A list of standard documents as well as the overview of the procedure is presented in section 4.2.1. It should be noted though that importing live plants require providing additional documentation:

- Registration of Seeds
- Plant Variety Protection
- Registration of a Seed Business
- Licence to Import Pharmaceutical Products
- Licence to Handle Narcotics
- Import Permit for Goods Subject to the Washington Convention (CITES)
- Import Permit for Narcotics
- Quarantine and Import Permit for Plants and Plant Products
- Import Notification for Seeds
- Phytosanitary Certificate
- Free Sale Certificate
- Certificate of Good Manufacturing Practice
- Country of Origin Labelling

### SPS measures

There may have some particular SPS measures foreseen in case of live plant, and in particular the request of a Phytosanitary Certificate. Prior to export, up to date information should be consulted on European Commission' website below.

**Up to date information on appropriate documents concerning SPS measures**

<http://madb.europa.eu/madb/datasetPreviewIFpubli.htm?hscod=0602&countries=KR>

### Labelling

Section 4.2.3 provides an overview of labelling standards, which apply to live plants.

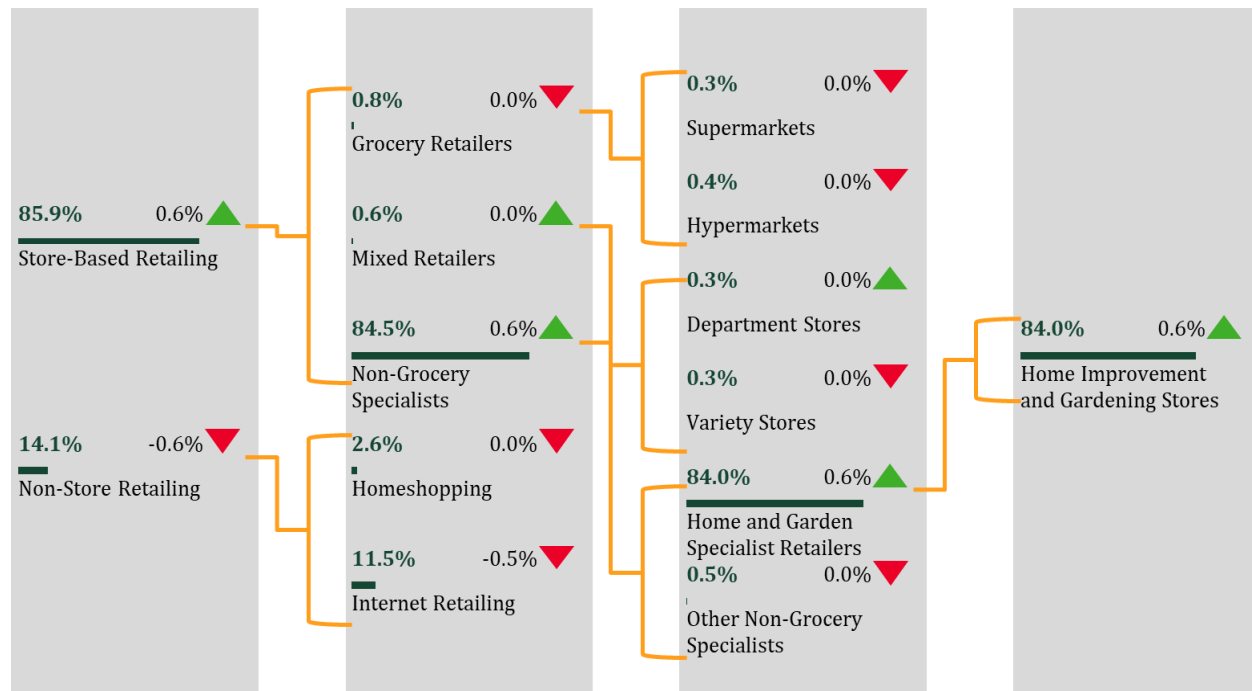
#### 5.13.5 Distribution

As presented in Figure 5-62, the vast majority of live plants in South Korea are purchased in home improvement and gardening stores. However, in 2017 Internet retailing, despite the slight drop in its shares, account for above 11% of shares in distribution channels, in retail value.

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<sup>153</sup> Animal and Plant Quarantine Agency; [http://APQA.go.kr/english/html/Plant/Plant\\_004.jsp](http://APQA.go.kr/english/html/Plant/Plant_004.jsp)

Figure 5-62: Distribution channel overview of live plants in South Korea (2017); retail value



Source: Euromonitor International: Home and Garden, 2018

### 5.13.6 Challenges for EU products

The major challenge for EU producers planning to export live plants to South Korea is combined with high competition from foreign producers, mainly Chinese. Moreover, stringent market entry procedures should also be taken into account when entering the South Korean market.

#### Market Takeaway: Live plants

**Consumption:** Consumption of live plants have variable in terms of evolution, however the largest part of the market – indoor plants have been on stable rise.

**Competition:** The market relies on imported products, notably from China. Domestic market highly fragmented with large number of unbranded local products.

**Distribution:** Live plants mostly distributed through. home improvement and gardening stores. Internet retailing, despite the slight drop its shares, amounted for above 11% of shares in distribution channels in 2017.

**Challenges:** High competition from foreign producers, especially from China. Stringent market entry procedures

**Opportunities:** Projected upward trend in consumption of live plants in South Korea, especially in the segment of indoor plants driven by the planterior trend.

## 5.14 Processed cereals

### 5.14.1 SWOT analysis



### 5.14.2 Consumption

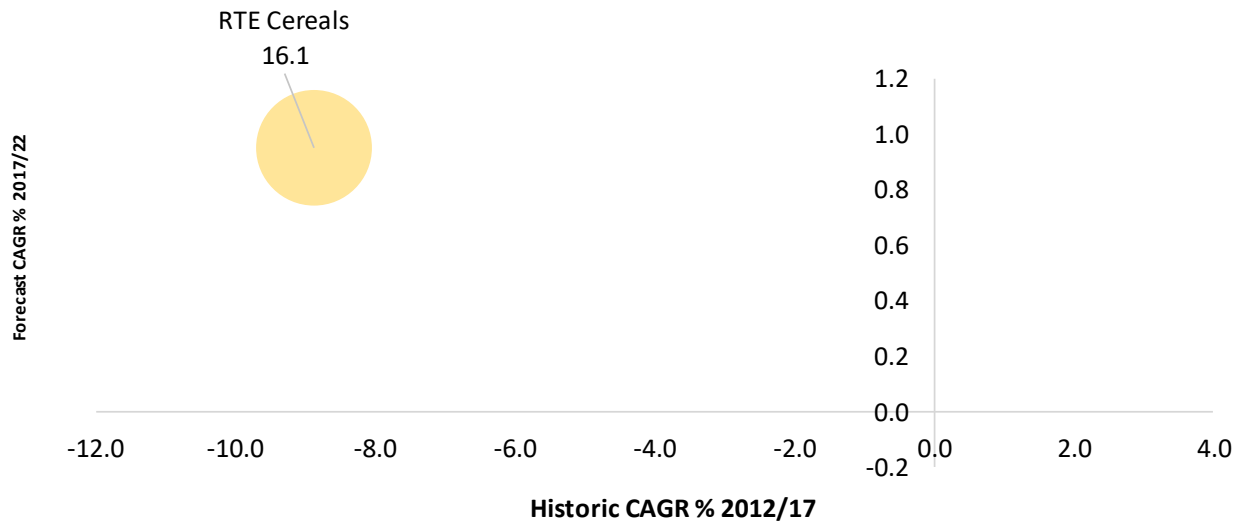
#### 5.14.2.1 Evolution of consumption

The market for processed cereals in South Korea comprises almost exclusively Ready to Eat Cereals (RTE), as hot cereals were introduced for the first time in South Korea in 2018<sup>154</sup>. The RTE cereals market is relatively small, as most South Koreans have a preference for more traditional breakfast options. As seen in Figure 5-63, RTE cereals noted a significant drop in recent years (8.9% per year), however its market size is predicted to grow over the next years by 1% per year.

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<sup>154</sup> Euromonitor International: Packaged Foods, 2018

Figure 5-63: Evolution and forecast of processed cereals market in South Korea, total volume 2012-2022



Source: Euromonitor International: Packaged Foods, 2018

#### 5.14.2.2 Consumer profile and purchase criteria

##### Consumers



South Koreans have a strong preference for traditional breakfast options, which in fact include the same dishes typically consumed for lunch or dinner. The only difference is a lower number of side dishes. Nevertheless, *kimchi* and white rice are almost always present<sup>155</sup>. Breakfast of consumers in South Korea usually oscillates between soups and stews, meat-based dishes and *banchan*, which can be prepared in many varieties, including stir-fried vegetables, soy sauce, beans among many other ingredients.

However, given the growing Western influence, some consumers more often choose other options, such as pastries, standard egg dishes and breakfast cereals, which are usually consumed with milk or water. Given the increasing importance of the health and wellness trend, South Koreans have started to look for alternatives. Granola has been considered as a healthy replacement, due to high content of dietary fibre, proteins and minerals. Lastly, as mentioned earlier, hot cereals were introduced for the first time in South Korea in 2018, thus consumers are relatively unfamiliar with this type of food.

##### Drivers and method of consumption

Consumption of processed cereals in South Korea is mostly driven by increasing health awareness. Interest in processed cereals has been also combined with familiarity with Western eating habits, especially among young consumers.

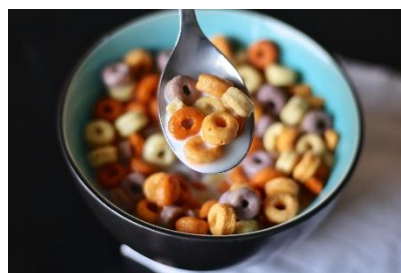
<sup>155</sup> What Do Koreans Eat For Breakfast? ; <https://www.thespruceeats.com/what-do-korean-eat-for-breakfast-3970112>

### Purchase criteria

Consumers look for healthy products, such as granola, which have developed a healthy image and despite the relative higher prices, South Koreans tend to choose it over other processed cereals.

#### 5.14.2.3 Recent market trends

As mentioned above, consumers in South Korea have been mostly familiar with RTE cereals, however recently they have started discovering other options, such as granola and hot cereals, which due to healthy image constitute the latest trend on the processed cereals market in the country. Many producers decide to offer their products in several sizes and flavours.



### 5.14.3 Offer

#### 5.14.3.1 Domestic production

The market for processed cereals in South Korea is led by domestically based companies, however there is a strong presence of internationally known companies. Dongsuh Foods leads the market being the Post Consumer Brands (previously Post Cereals) umbrella brand in South Korea. As outlined further, South Korean market for processed cereals also includes imported products (section 5.14.3.2).

#### 5.14.3.2 Imports and exports

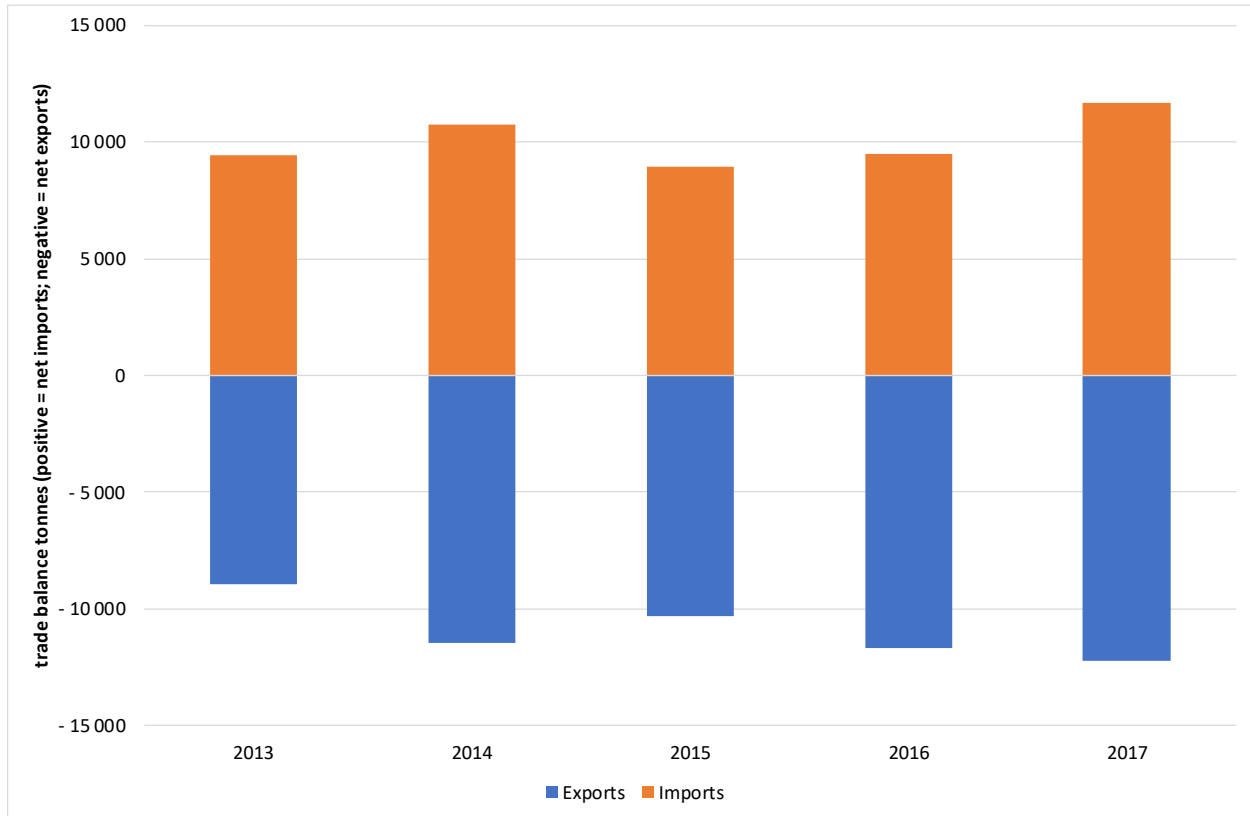
As presented in Figure 5-64, South Korean imports and exports of processed cereals have been relatively balanced. Indeed, in 2017, both imported and exported volumes were very similar. However, imports noted a higher growth comparing to 2016, whereas exports slightly picked up in 2017.

South Korea imports processed cereals mainly from China, USA and a few EU countries - notably Belgium. Analysing the years 2013-2017, Chinese imported volumes have decreased, Belgian processed cereals noted a growth, whereas US products remained relatively stable (Figure 5-65).

As Figure 5-66 depicts, in 2017, German imported processed cereals had the highest unit value, reaching EUR 2 500 per tonne, whereas other EU noble importers, i.e. Belgium and Italy had their products' unit value below EUR 2 000 (Italy) or slightly above (Belgium). Interestingly enough, the Belgian unit value oscillated around EUR 2 000 per tonne between 2013 and 2017, while that of Italian processed cereals fluctuated, and the value per tonne slumped in 2015. German products, which noted a significant decrease between 2013 and 2016, picked up in 2017.

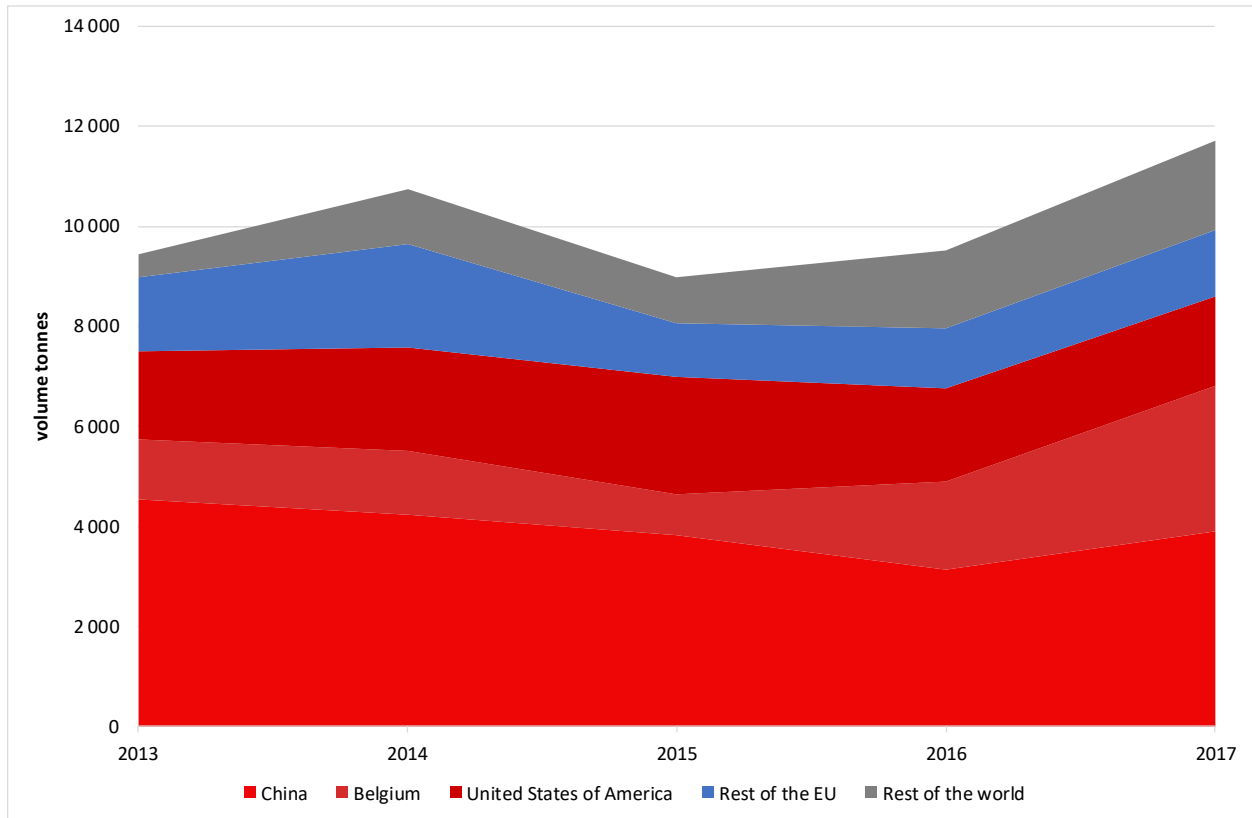


Figure 5-64: Trade balance (imports and exports) of processed cereals in South Korea, 2013-17; tonnes



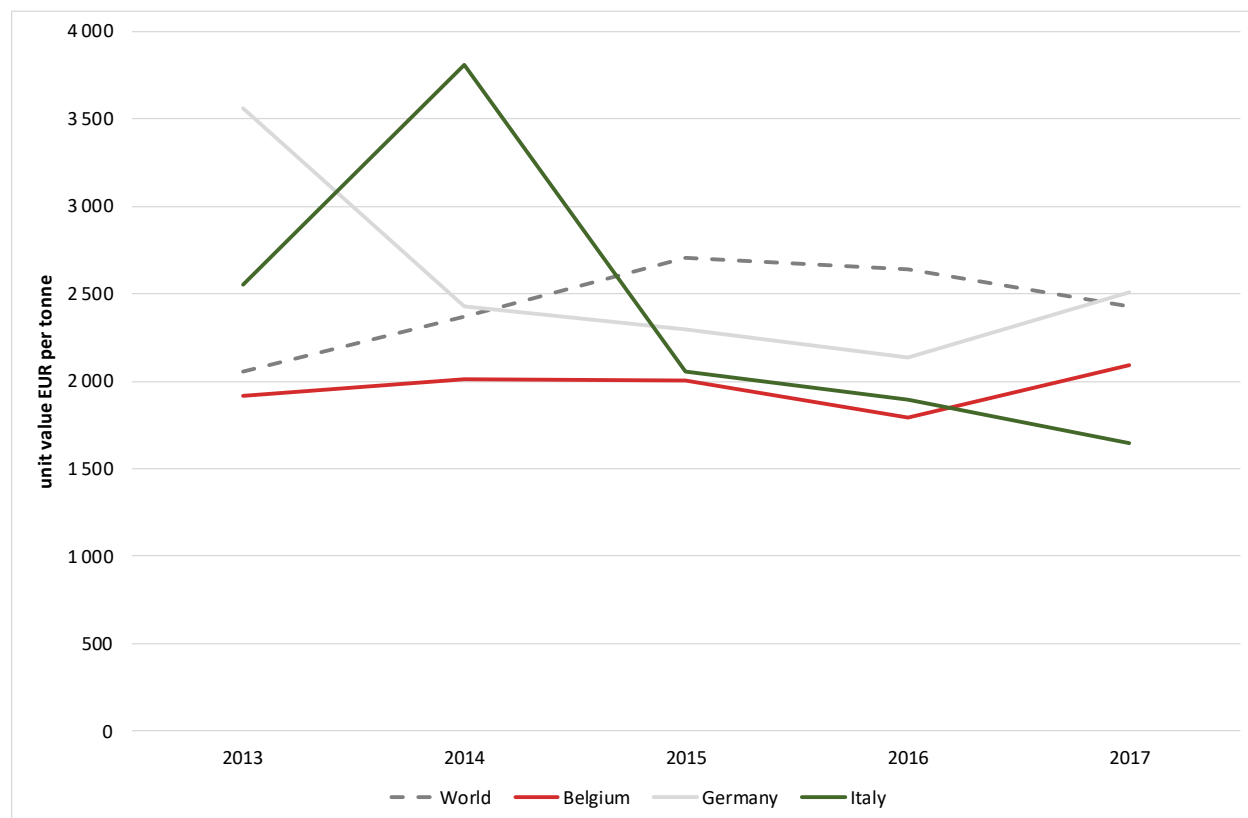
Source: Trade Map, International Trade Centre - <https://www.trademap.org/> Data for CN code 1904

Figure 5-65: South Korean imports of processed cereals by country, 2013-17; tonnes



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>  
 Data for CN code 1904

Figure 5-66: Per unit value of South Korean imports of processed cereals for selected countries, 2013-17 (EUR per tonne)



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

Data for CN code 1904

#### 5.14.3.3 EU GI products

In line with arrangements concluded under the EU-South Korea free trade agreement (section 4.3.3), 164 EU GIs agricultural products found recognition and protection on the South Korean market. There are no processed cereals products among them.

#### 5.14.3.4 Main competitors

The market for processed cereals in South Korea, as previously outlined, is led by domestic companies, however international brands are widely known. Moreover, the market is rather balanced with regards to imported/exported volumes. The biggest competitors include companies such as Dongsuh Foods, Nong Shim Kellogg as well as importers from China and USA.

#### 5.14.4 Specific market entry requirements

##### Market Access and Entry

Processed cereals do not face any market access restrictions, but their import is subject to a number of general regulations and entry procedures, as described in section 4.2.

##### Customs procedures

A list of standard documents as well as the overview of the procedure is presented in section 4.2.1. It should be noted though that importing processed cereals might require providing additional documentation, i.e. Approved Packaging Materials Permit<sup>156</sup> or Country of Origin Labelling<sup>157</sup> certification.

##### SPS measures

There are no particular SPS measures foreseen in case of processed cereals. However, prior to export, up to date information should be consulted on European Commission' website below.

**Up to date information on appropriate documents concerning SPS measures**

<http://madb.europa.eu/madb/datasetPreviewIFpubli.htm?countries=KR&hscod=1904>

##### Labelling

Section 4.2.3 provides an overview of labelling standards, which apply to processed foods, including processed cereals.

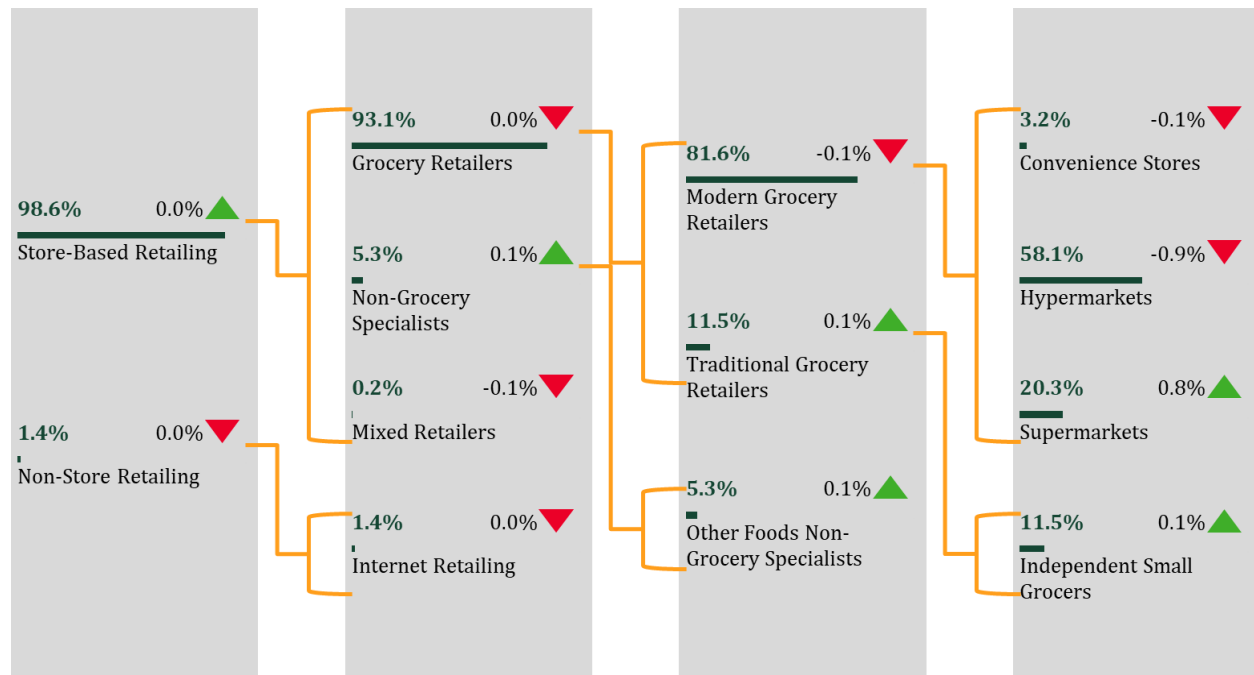
#### 5.14.5 Distribution

As seen in Figure 5-67, South Korean consumers purchase processed cereals almost exclusively through store-based retailers, which notably includes hypermarkets, followed by supermarkets and independent small grocers. Internet retailing remains rather low comparing to other segments – with share of 1.4% in terms of retail value (2017).

<sup>156</sup> Import Permit for Goods in Approved Packaging Materials;  
[http://madb.europa.eu/madb/viewPageIFPubli.htm?doc=pi\\_epr&hscod=1904&countryid=KR](http://madb.europa.eu/madb/viewPageIFPubli.htm?doc=pi_epr&hscod=1904&countryid=KR)

<sup>157</sup> Country of Origin Labelling;  
<http://madb.europa.eu/madb/viewPageIFPubli.htm?doc=cool&hscod=1904&countryid=KR>

Figure 5-67: Distribution channel overview of processed cereals in South Korea (2017); retail value



Source: Euromonitor International: Packaged Foods, 2018

#### 5.14.6 Challenges for EU products

EU producers planning to export their products to South Korea should take into consideration the fact that the market is relatively small, as tradition of consuming processed cereals is rather new and has started to emerge. In terms of competitors, the major ones include Chinese and American producers.

#### Market Takeaway: Processed cereals

**Consumption:** Consumption of processed cereals in South Korea has been on decline, however it is expected to pick up over the forecast period

**Competition:** Market led by domestic companies, offering wide selection of processed cereals products. Strong presence of internationally known brands. Foreign competitors include importers from China and USA.

**Distribution:** Processed cereals are distributed mainly through store-based retailers, with the strongest focus on hypermarkets. Internet retailing relatively minor comparing to other food segments.

**Challenges:** Relatively small market as consumers have only recently started to discover certain types of processed cereals (hot cereals, granola)

**Opportunities:** Projected increase of consumption in next years. Ongoing changes in South Korean breakfast habits and an interest in healthy products.

## 5.15 Honey

### 5.15.1 SWOT analysis

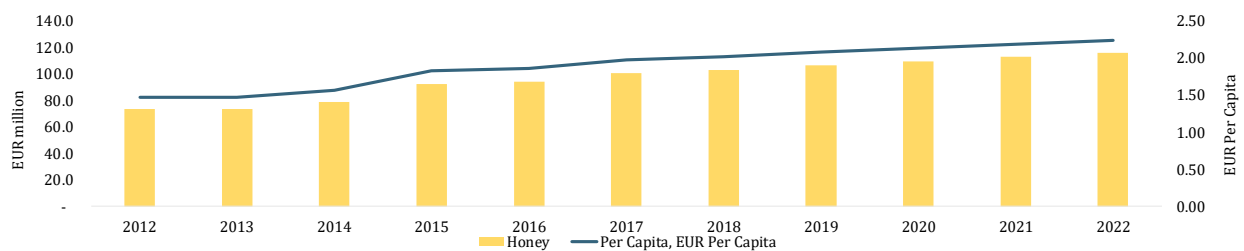


### 5.15.2 Consumption

#### 5.15.2.1 Evolution of consumption

The market for honey in South Korea has risen steadily and continuously in recently years, though its growth is projected to slow down to 2.8% per year over the forecast period. In years 2012-2017, per capita consumption of honey rose by 25%. In relative terms, it should be pointed out that the market is rather small, despite obvious familiarity with honey among South Koreans.

Figure 5-68: Evolution and forecast of market for honey (000 tonnes) and honey consumption per capita (kg) in South Korea, 2012-2022



Source: Euromonitor International: Packaged Food, 2018

Note: figures for 2018 to 2022 based on forecasts

### 5.15.2.2 Consumer profile and purchase criteria

#### Consumers

South Koreans have been familiar with honey for centuries, as beekeeping in South Korea began around 2 000 years ago. Consumers perceive honey as a healthy ingredient used in tea or in cooking rather than a spread. Indeed, honey tea is widely known in South Korea and it is regarded as healthy drink with abundance of benefits. Thus, most of South Koreans tend to keep honey in their households.

#### Drivers and method of consumption

Consumption of honey in South Korea is driven by health reasons as well as influenced by long standing traditions in the country. As previously mentioned, honey has been known for around 2 000 years, thus South Koreans tend to regard honey as very healthy ingredient.

#### Purchase criteria

Consumers in South Korea tend to pay great attention to quality of honey. Although, there has been a rise in the amount of cheaper honey made by bees fed on sugar that is on the market, South Koreans appreciate natural and mature honey<sup>158</sup>.

### 5.15.2.3 Recent market trends

As previously mentioned, the latest trend relates to the emergence of larger quantities of cheaper honey on the market. Additionally, there is a domestic beekeeping trend in South Korea as more and more breeders decide to accommodate unused building rooftops as breeding areas<sup>159</sup>.

## 5.15.3 Offer

### 5.15.3.1 Domestic production

Generally speaking the market for honey in South Korea relies on imports, which relate both to the final product as well as, in some cases, to bees to be used domestically. Domestic production has risen and fallen repeatedly in recent years<sup>160</sup>. It should be pointed out that majority of South Koreans manufacturers depends on Western honeybees.

### 5.15.3.2 Imports and exports

As presented in Figure 5-69, volumes of imported honey to South Korea considerably outweigh exports. After a period of continuous growth between 2013 and 2015, imported volumes dropped in 2016 to pick up again a year later and reach around 900 tonnes.

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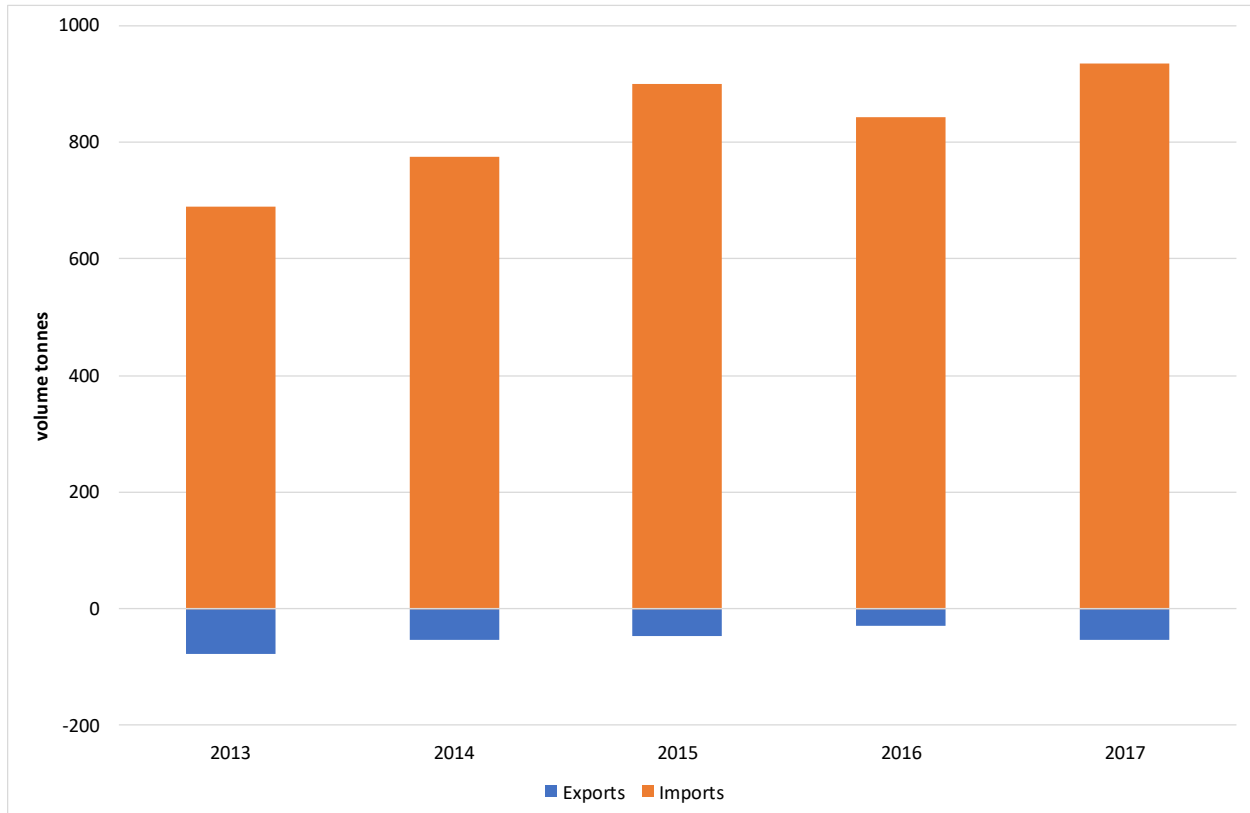
<sup>158</sup> Euromonitor International: Packaged Food, 2018

<sup>159</sup> South Korea: Bee-keeping trend grows in Seoul; <https://www.aljazeera.com/news/2016/08/south-korea-bee-keeping-trend-grows-seoul-160821061940033.html>

<sup>160</sup> Beekeeping and honey production in Japan and South Korea: past and present; <https://www.sciencedirect.com/science/article/pii/S2352618117300380>

South Korea imports honey notably from three countries: USA, Argentina and Canada. However, import source vary year on year and other countries are involved including ones from the EU. Whereas US honey remained relatively stable in 2017, in comparison to 2016, Argentinian products noted an increase. Canadian producers started to export their honey products to Korea in 2014 (Figure 5-70).

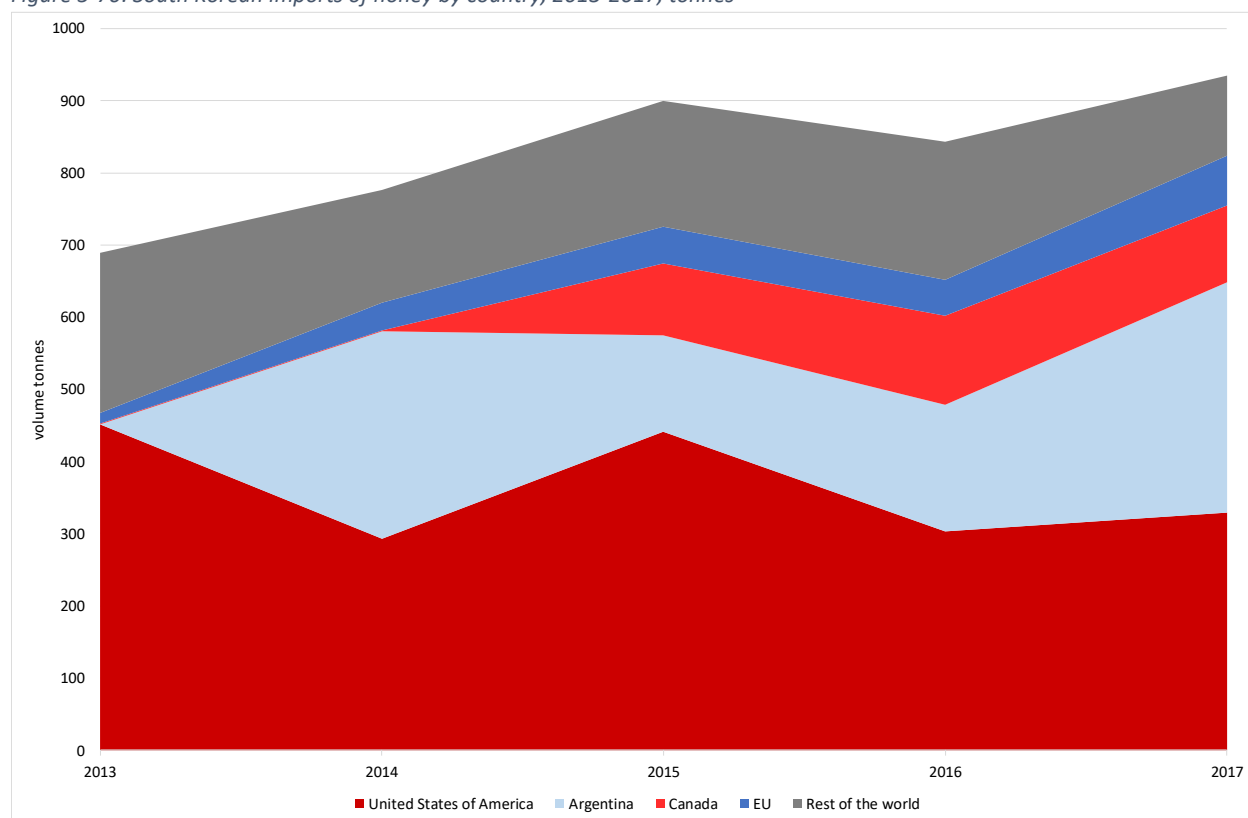
Figure 5-69: Trade balance (imports and exports) of honey in South Korea, 2013-17; tonnes



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>  
Data for CN code 0409



Figure 5-70: South Korean imports of honey by country, 2013-2017; tonnes



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

Data for CN code 0409

### 5.15.3.3 EU GI products

In line with arrangements concluded under the EU-South Korea free trade agreement (section 4.3.3), 164 EU GIs agricultural products found recognition and protection on the South Korean market. No honey products are among these.

### 5.15.3.4 Main competitors

The main competitors, other than domestic unbranded local manufacturers, are producers from the USA, Argentina and Canada. As mentioned in the previous section, it should be pointed out that South Korean imports of honey is rather fragmented in terms of countries, and thus may include various competitors emerging from different countries.

### 5.15.4 Specific market entry requirements

#### Market Access and Entry

Honey does not face any market access restrictions, but their import is subject to a number of general regulations and entry procedures, as described in section 4.2.

There is a 0% tariff rate quota for honey under the EU-Korea FTA. This started at 50 tonnes in the first and second year of the FTA and increases fairly uniformly to reach 75 tonnes at the end of a 16-year period.

### Customs procedures

A list of standard documents as well as the overview of the procedure is presented in section 4.2.1. It should be noted though that importing honey might require providing additional documentation, i.e. Veterinary Health Certificate for Animal Products<sup>161</sup> or Country of Origin Labelling<sup>162</sup> certification.

### SPS measures

There are no particular SPS measures foreseen in case of honey. However, prior to export, up to date information should be consulted on European Commission' website below.

**Up to date information on appropriate documents concerning SPS measures**  
<http://madb.europa.eu/madb/datasetPreviewIFpubli.htm?hscod=0409&countries=KR>

### Labelling

Section 4.2.3 provides an overview of labelling standards, which apply to honey products.

#### 5.15.5 Distribution

As seen in Figure 5-71, consumers in South Korea purchase spreads (including honey) almost exclusively through store-based retailers, mainly hypermarkets, which are followed by supermarkets and independent small grocers. Moreover, hypermarkets share in distribution channels, in terms of retail value, slightly dropped, in expense of supermarkets. Internet retailing constituted nearly 2% of distribution in terms retail value.

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<sup>161</sup> Veterinary Health Certificate for Animal Products;  
[http://madb.europa.eu/madb/viewPageIFpubli.htm?doc=cf\\_anp&hscod=0409&countryid=KR](http://madb.europa.eu/madb/viewPageIFpubli.htm?doc=cf_anp&hscod=0409&countryid=KR)

<sup>162</sup> Country of Origin Labelling;  
<http://madb.europa.eu/madb/viewPageIFpubli.htm?doc=cool&hscod=1904&countryid=KR>

Figure 5-71: Distribution channels overview of spreads (including honey) in South Korea (2017); retail value



Source: Euromonitor International: Packaged Food, 2018

### 5.15.6 Challenges for EU products

The greatest challenge EU producers might face is combined with the fact that the market for honey in South Korea is relatively small. Secondly, the market relies unbranded local producers and numerous importers, which might affect market entry.

#### Market Takeaway: Honey

**Consumption:** Consumption of honey is on the rise. Natural and mature honey is preferred by South Korean consumers.

**Competition:** Market highly fragmented and variable; mainly involving US, Argentinian and Canadian producers as well as unbranded local South Korean manufacturers.

**Distribution:** Natural honey is mainly purchased at modern grocery retailers, particularly hypermarkets.

**Challenges:** High competition from foreign producers and relatively small market.

**Opportunities:** Projected upward trend of honey consumption in South Korea and flexible market in terms of sources.

## 6 Communication

### 6.1 Communication strategy

This section sets out the main communication channels (new and traditional medias, as well as fairs) available, as well as key regulations for the advertisement of F&B.

#### 6.1.1 Online & Digital Medias

South Korea is among the most heavily connected societies in the world, where both the internet penetration and smartphone ownership recorded one of the highest global rates. Indeed, in Korea 96% of the population had access to the internet and almost all Koreans owned a smartphone (94%) in 2018. The rising internet penetration is particularly attributable to a rising number of older and younger consumers, particularly those in their 60s and children younger than 10, who have recently started surfing the web.

Internet users account for 94% of the population. Among these users, social medias such as YouTube, Facebook and Instagram are very popular (see infographic below), along with the messaging app KakaoTalk, which recorded a 58% penetration rate. Currently, Koreans spend over 5 hours per day on the internet, over 3 a half of which are spent on social medias, mostly for instant messaging and watch videos<sup>163164165</sup>.

Social media platforms provide several opportunities for brand marketing in the Korean market. However, in order to plan and implement a successful advertising strategy through social medias, it is important to understand the different platforms and how they are used by target customers. Digital advertising agencies (see box below) may provide companies with support to develop a successful digital marketing strategy.

#### South Korean Main Digital Advertising Agencies:

*Ad Efficiency, [www.adeff.co.kr](http://www.adeff.co.kr)*

*Artience, [www.artience.co.kr](http://www.artience.co.kr)*

*Convex Ad, [www.convex.tradekorea.com](http://www.convex.tradekorea.com)*

*Creatip, [www.creatip.co.kr](http://www.creatip.co.kr)*

*MNCS KOREA, [www.mnckorea.com](http://www.mnckorea.com)*

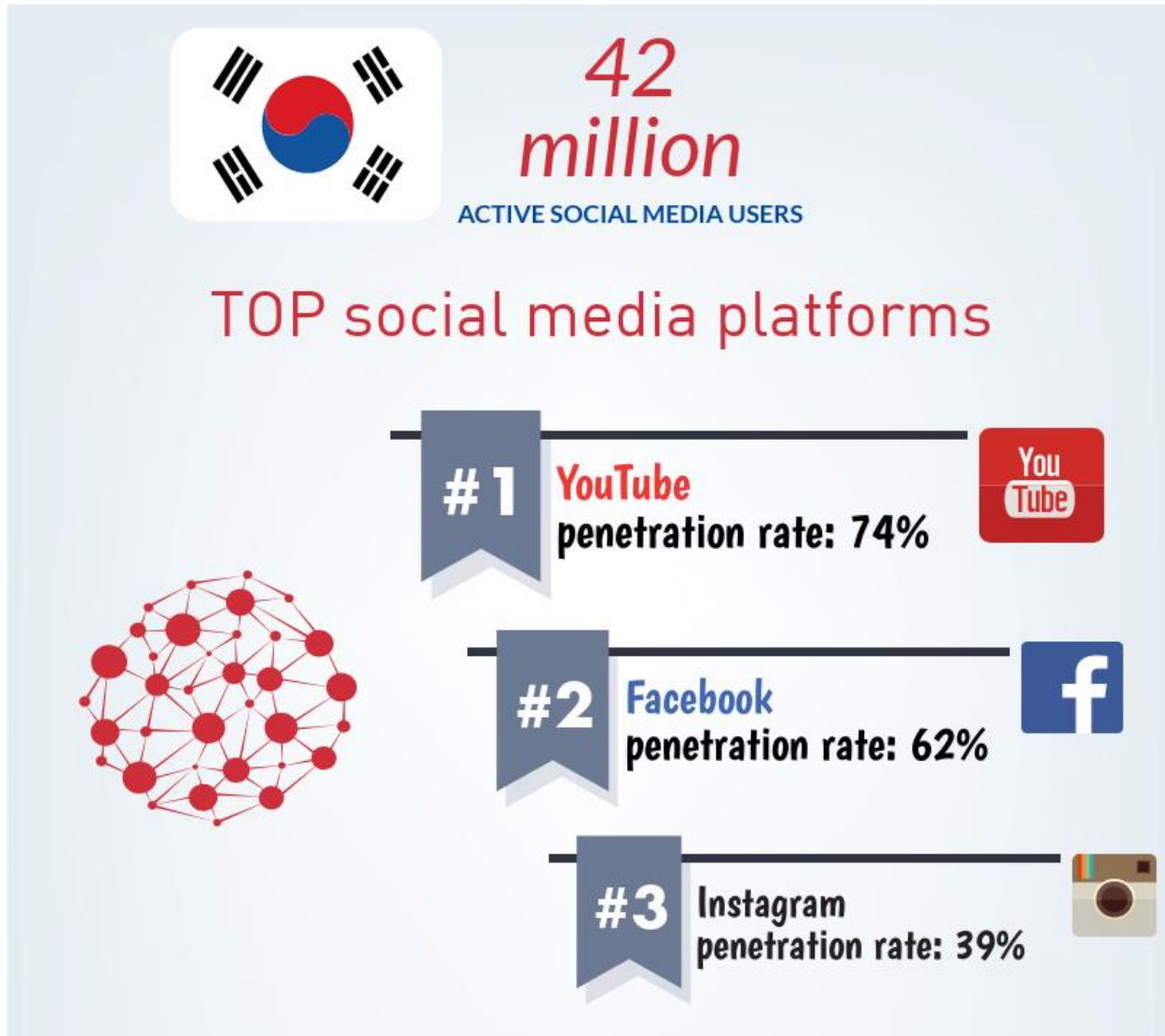
*Nitaro Digital Marketing, [www.nitaro.net](http://www.nitaro.net)*

*TK101 Global, [www.tk101global.com](http://www.tk101global.com)*

<sup>163</sup> Euromonitor International: Consumer Lifestyles, 2018

<sup>164</sup> Korea No. 1 worldwide in smartphone ownership, internet penetration, <http://www.koreaherald.com/view.php?ud=20180624000197>

<sup>165</sup> Nearly 100% Of Households In South Korea Now Have Internet Access, Thanks To Seniors, <https://www.forbes.com/sites/elaineramirez/2017/01/31/nearly-100-of-households-in-south-korea-now-have-internet-access-thanks-to-seniors/#7ccf5c8f5572>



Source: Agra CEAS / designed with Piktochart

On-line advertising offers significant market growth potential. In recent years, Korea's digital advertising has been growing at very fast rates, reaching a value of \$4.1 billion (EUR 3.6bn) in 2017. Half digital advertisements are done through mobile phones, display ads, which account for 35% of all online marketing, and visual ads (15%) followed<sup>166</sup>. Internet advertising has proved successful for several companies, in terms of enhancing brand awareness and online brand presence, as well as penetrating a specific target market. The way online and social medias can be used in South Korea for marketing purposes is further analysed in the sections below.

<sup>166</sup> US Export.gov: Korea - Trade Promotion and Advertising, <https://www.export.gov/article?id=Korea-Trade-Promotion-and-Advertising>

### 6.1.1.1 Social media platforms

Social media marketing is extremely important in South Korea, given that:

- Approximately 38 million people actively use social medias;
- On average, people spend nearly 3 hours and a half a day on social medias;
- 35% consumers are influenced by celebrity endorsements when purchasing<sup>167</sup>.

#### YouTube, Facebook and Instagram

With a 74% penetration rate in 2017, Youtube is the most popular social media platform in South Korea. Video-sharing platforms are very popular in South Korea, especially among teens (13 to 18 years old), who prefer to watch video contents even if they contain advertisements.

A YouTube user uses the app for 822 minutes on average a month, or 30 minutes a day. The share of YouTube in the domestic video ad market is also growing. According to research firm Research Ad, YouTube posted 15.9 billion won (EUR 13mn approx.) in sales in the video ad market in November 2017, accounting for 42 percent of 37.8 billion won (EUR 31mn approx.) of the total. The industry said that actual sales of YouTube will increase further since it is a Research Ad's estimated figure based on samples<sup>168</sup>. Facebook – the country's most popular social networking site, and the second most popular social media platform – recorded a 62% penetration rate. Instagram, which is highly used by young people (particularly women), is the third most popular social media platform in South Korea, with a 39% penetration rate<sup>169</sup>.

#### Tips to advertise products on social networks and video platforms

- Custom account/page: One way to enhance brand awareness on social networks is to create an account/page specifically for South Korea, and post content in Korean or English. Instagram and Youtube are particularly useful to highlight the visual identity of the brand, while Facebook accounts enable interaction with the consumers including keeping them up to date with companies' news. A successful post on these social networks can increase traffic to the company's website. In this respect, understanding the target consumers and what best gain their attention is crucial.
- Paid advertising: Facebook and Instagram allow one to start a paid campaign, which can be personalised according to the final goal (e.g. attract new followers, send traffic to the website), the audience, and the budget. The audience can be selected on the basis of several criteria e.g. location, gender, interests etc.
- Influencers: working with an influencer is key to enhancing brand awareness and penetrating a specific target audience. Through native speaking celebrities the brand can indeed connect more personally with target users. Furthermore, influencers' advertising ensures more exposure through spreading the brand among their followers. Influencers can be remunerated with a fee,

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<sup>167</sup> Euromonitor International: Consumer Lifestyles, 2018

<sup>168</sup> YouTube Ranks 1st in S. Korea for Number of Users,  
<http://www.businesskorea.co.kr/news/articleView.html?idxno=20222>

<sup>169</sup> Euromonitor International: Consumer Lifestyles, 2018

or (mostly micro-influencers) with an exclusive experience (e.g. a discount), and/or recognition (e.g. share their posts on the company's social media accounts).

- **Pre-emptive advertising.** Even if a product is not yet available in Korea, social media may be used to build awareness of the product in advance of market entry. In some cases, this may even lead to direct import by consumers in advance of market entry (one EU-based infant formula producer used such a strategy to enter the market remotely and was subsequently approached by a Korean importer for resale).

### KakaoTalk

Just like WhatsApp and Telegram, KakaoTalk is totally different from Youtube, Facebook and Instagram. The country's top free mobile messenger service allows users to send messages, photos, videos, voice notes and the location for free. In 2017, KakaoTalk had over 49 million monthly active users<sup>170</sup>. The app has a feature called Plus Friend, enabling brands to have a dedicated page on KakaoTalk. Brands can either add a notice on their page for free or send a direct message to their followers (it costs around EUR 8 000 to send one message to 125 000 followers). The most popular brands share a new update every week<sup>171</sup>.

#### 6.1.1.2 Food blogs



*a fat girl's*  
**FOOD GUIDE**

Another successful strategy to promote a product in South Korea is to work with food bloggers to write a promotional post on their blog (on the left the icon of the very popular foodie blog “A fat girl’s

food guide”). The tips indicated in section 6.1.1.1 are valuable also with regards to food blogs. Popular food bloggers are also influencers who often cross over between written blogs and social media platforms; therefore, working with them often means the opportunity to expose the brands on several platforms. For example, A Fat girl’s food guide is also present on Youtube, Facebook, Instagram, Pinterest and Twitter.

#### 6.1.2 Traditional Medias

Penetration of traditional medias in South Korea and their potential for marketing purposes are set out below:

- **Television:** As every household at least owns one TV, this media remains very important, especially among adults. The three major Korean networks are KBS (Korean Broadcasting System, public-service television), MBC (Munhwa Broadcasting Corporation, operating commercially but legally required to be public television), and SBS (Seoul Broadcasting System, commercial television). Also on air is a fourth network, EBS (Educational Broadcasting System). The president

<sup>170</sup> Youtube & Facebook leading in Finland and Korea, <https://www.marjanousiainen.com/2018/02/16/youtube-facebook-lead-in-finland-and-korea/>

<sup>171</sup> How Korean beauty brands use messaging app KakaoTalk to boost sales, <https://www.linkedin.com/pulse/how-korean-beauty-brands-use-messaging-app-kakaotalk-boost-fauquet/>

of South Korea has power over KBS, MBC, and SBS. Cable TV, which is available in over three quarters of Korean households, offers around 120 channels.

- **Print media:** The country has 11 daily newspapers, which are published in Seoul. These dailies offer gifts to potential subscribers and are supported by advertising. Three of them – *Chosun Ilbo*, *Dong-a Ilbo*, and *Joong-ang Ilbo* – are particularly popular, as they over 1.5 million copies each. These three newspapers, which are considered the most prestigious, have mainstream conservative orientation. There is a national news agency in South Korea, which is called *Yonhap News*.
- **Radio:** South Korea has over 200 radio stations, the most popular of which correspond to the most popular TV networks, i.e. KBS, MBC, SBS, EBS<sup>172173</sup>.

#### TV travel shows and celebrity endorsement

A notable way in which food culture has been transmitted through TV to Korean consumers in recent years is through TV travel competition shows featuring celebrities. These celebrities compete to have the best travel experience or provide the best travel trips, with European countries frequent destinations in such shows. This obviously provides a chance for the food of destination to be showcased. Examples of such shows are:

- Battle Trip(배틀트립),
- Salty Tour(짠내투어)
- Jamsilman Village (잠시만 빌리지)

These shows are often on TV at fairly peak hours (e.g. Saturday evening) and attract up to 5% of Korean TV views.

### 6.1.3 Fairs and exhibitions

In addition to the digital approach, some companies decide to advertise their products on various trade fairs, which presence on the South Korea market is constantly growing. Most of them are endorsed by governmental ministries and agencies, or other bodies. Exhibitions constitute a promising opportunity to develop better brand recognition and initiate market interest. However, as some exhibitions might only reach local audience, it is advisable to research the exhibition's profile in advance. On the other hand, some of them might create synergies when accompanied by an online presence. It is also worth remembering that participation costs are usually directly proportional to the rank of the exhibition and its scope.

A list of upcoming exhibitions is included in an annex to this document, and further lists may be found online on websites such as:

<sup>172</sup> Euromonitor International: Consumer Lifestyles, 2018

<sup>173</sup> South Korea: Media System Overview,

<https://sites.psu.edu/maybeacomm410/2013/11/03/south-korea-media-system-overview/>



- <https://10times.com/korea/food-beverage>
- <https://www.tradefairdates.com/Fairs-South-Korea-Z120-S1.html>

## 6.2 Advertising regulations

Advertising time on broadcast networks is sold exclusively through the government organization known as the Korea Broadcast Advertising Corporation (KOBACO: [www.kobaco.co.kr](http://www.kobaco.co.kr)). Therefore, companies must register with this corporation if they intend to advertise on broadcast networks.

The main body responsible for advertising regulation and compliance are:

- The Korea Advertising Review Board (KARB: [www.karb.or.kr](http://www.karb.or.kr));
- The Korean Fair-trade Commission (KFTC: [www.eng.ftc.go.kr](http://www.eng.ftc.go.kr)), which assures accuracy in advertisement.

In general, any content that might harm Korean culture and values is strictly forbidden. Advertisements of food and beverages must comply with the [Act on Labelling and Advertising of Food](#).

## 7 Korean Etiquette

### 7.1 Quick facts

- Confucianism is a political and social philosophy that pervades Korean culture.
- The number four is considered unlucky, as the pronunciation of the word 'four' and the character '死' (meaning death) are similar.  
On the contrary, number seven is considered lucky. Consequently, gifts are rarely given in multiples of four, but rather in multiples of seven.
- Dressing well is considered a sign of respect. In formal occasions, it is recommendable that men wear a suit and tie and women conventional skirts and blouse.
- The bow is a traditional South Korean greeting and is often accompanied by a handshake among men. South Koreans consider it a personal violation to be touched by someone who is not a relative or close friend.
- South Korea is a proud nation and they value their history and culture very much, so to confuse or compare South Korea to other Asian countries may not be appreciated.
- Traditionally when dining, South Koreans use cushions to sit on the floor and eat from a low table. Visitors are expected to remove their shoes before entering houses and restaurants.
- It is generally preferred that hosts fill the drinks of their company. If one does not wish to drink any further, that person is to simply leave their glass full. Tradition states that guests should not refuse the first drink offered by a host. If a guest refuses a drink up to three times, that specific guest will not be offered anymore.
- Many South Koreans give gifts to each other to celebrate birthdays, weddings, and holidays. The kind of gift depends on who is receiving the gift and in which occasion.

## 7.2 Key DOs and DON'Ts

The infographic consists of two yellow cards on a grey background. The top card is titled 'DOs' in green and lists 10 items. To its right is an illustration of three business professionals sitting at a table. To its left is an illustration of hands holding a gift. The bottom card is titled 'DON'Ts' in red and lists 10 items. To its left is an illustration of a hand pointing, and to its right is an illustration of a clock.

### DOs

1. Schedule meetings in advance.
2. Be patient if the counterpart is not on time for a meeting.
3. Bow to greet people.
4. Give business cards in Korean or English, with both hands.
5. Keep business cards on the table during the meeting.
6. Give a small gift when you first meet your counterparts.
7. Allow other people to introduce you at meetings.
8. Address people you are not very close with using their title followed by their last name.
9. Start conversations about Korean culture.
10. Ask, when in doubt.

### DON'Ts

1. Be late!
2. Dress improperly (avoid bright colours).
3. Over compliment your counterpart.
4. Talk about Korean politics during meetings.
5. Ask your counterpart about personal family matters.
6. Confuse or compare South Korea to other Asian countries.
7. Point your fingers.
8. Criticise (even gently) in public.
9. Make prolonged eye contact with your Korean counterpart.
10. Write Names in Red.

Source: Agra CEAS / designed with Piktochart

## 8 Directory of Trade Support Projects, Organisations, and Service Providers

There are a variety of services available, both within the EU and in South Korea, for producers wishing to develop their business in South Korea. These service providers include EU funded projects, services provided by Member States and their embassies, and other organisations and service providers.

- Section 8.1 contains the project profiles for EU funded initiatives operating in South Korea.
- Section 8.2 contains the contact information for Member State embassies within South Korea. Section 8.3 contains a listing of service providers including some information on the services available.
- Section 8.4 provides a calendar of exhibitions, trade shows, and other events to be held in South Korea in 2018/2019.

### 8.1 European Union Organisations

Some EU funded, or co-funded, projects within South Korea offer a range of business facilitation services and information providing important insights into the Korean market. Depending on your company profile these services can be free or fee based; and are available for companies from any EU Member State.



**EUROPEAN CHAMBER OF  
COMMERCE IN KOREA**  
주한유럽상공회의소

The **European Chamber of Commerce in Korea** is an association of European companies operating in or related to Korea. Established with the blessings of the EU Delegation and the European business community in Korea, the ECCK's primary objective is to provide its

members with information, communication, and access pertaining to the business and regulatory environment of Korea.

#### Contacts

##### Seoul

**Address:** c5F, Seoul Square 416 Hangang-daero, Jung-gu Seoul, Korea 04637

**Tel:** +82 2 6261 2700

**Email:** [ecck@ecck.eu](mailto:ecck@ecck.eu)

##### Busan

**Address:** 7F Regus, PanOcean Building 102 Jungang-daero Jung-gu Busan, Korea 48938

**Tel:** +82 51 959 9696

**Email:** [busan@ecck.eu](mailto:busan@ecck.eu)

**Website:** [www.ecck.eu](http://www.ecck.eu)

## 8.2 Directory of EU Member State Embassies

EU MS	Address	Website	Contact information
<b>Austria</b>	Kyobo Bldg., 21 Floor 1, Jong-ro, Jongno-gu Seoul 03154	www.bmeia.gv.at/oeb-seoul	<b>Tel:</b> +82 2 721 1700 <b>Email:</b> seoul- ob@bmeia.gv.at
<b>Belgium</b>	105-5, Yonsan-dong Yonjae- gu Busan - 607-080	www.overseas.mofa.go.kr/b e-ko/index.do	<b>Tel:</b> +82 2 3210 0404 <b>Email:</b> mschoi@dsc.co.kr
<b>Bulgaria</b>	102-8 Hannam-daero Yongsan-gu Seoul 04418	www.mfa.bg/embassies/kor ea	<b>Tel:</b> +82 2 794 8625 <b>Email:</b> embassy.seoul@mfa.bg
<b>Croatia</b>	Coryo Daeyungak Tower Toegye-ro, Jung-gu 97 04535 Seoul	www.mvep.hr/en/diplomati c-directory/diplomatic- missions-and-consular- offices-of-croatia/republic- of-korea-(the)- seoul,157.html	<b>Tel:</b> +82 2 310 9660 <b>Email:</b> croemb.seoul@mvep.hr
<b>Cyprus</b> <i>*Embassy of China is accredited to KR</i>	2-13-2, Ta Yuan Diplomatic Office Bldg. no. 14 Liang Ma He Nan Lu Chaoyang District, Beijing 100600, China	www.mfa.gov.cy/mfa/mfa2 016.nsf/All/E1D0EC748D0AF D87C2258029002F3F5C?Op enDocument	<b>Tel:</b> +86 10 65 32 5057 <b>Email:</b> beijingembassy@mfa.gov.cy
<b>Czech Republic</b>	7 th floor, K Twin Towers, B dong, 50 Jongno, 1 gil, Jongno-gu, Soul, 03142 Seoul	www.mzv.cz/seoul	<b>Tel:</b> +82 2 725 6765-6 <b>Email:</b> seoul@embassy.mzv.cz
<b>Denmark</b>	11th Floor, Seoul Square Building 416, Hangang- daero, Jung-gu Seoul 04637	www.sydkorea.um.dk	<b>Tel:</b> +82 2 6363 4800 <b>Email:</b> selamb@um.dk
<b>Estonia</b>	4F Yuhyun B/D, #21-16, Cheongdam-dong Kangnam-gu Seoul	www.vm.ee/en/countries/ko rea?display=estonian_repres entations	<b>Tel:</b> +82 2 515 5126 <b>Email:</b> seungziyu@mfa.ee
<b>Finland</b>	18th Floor Kyobo Building, Jongno 1, Jongno-gu Seoul 03154	www.finland.or.kr	<b>Tel:</b> +82 2 3701 0300 <b>Email:</b> sanomat.seo@formin.fi
<b>France</b>	43-12 Seosomun-ro, Hap- dong, Seodaemun-gu, Seoul 03741	www.kr.ambafrance.org	<b>Tel:</b> +82 2 564 9032 <b>Email:</b> info.seoul- amba@diplomatie.gouv.fr
<b>Germany</b>	Seoul Square 416, 8. Etage Hangang-daero, Jung-gu Seoul 04637	www.seoul.diplo.de	<b>Tel:</b> +82 2 748 41 14 <b>Email:</b> info@seoul.diplo.de
<b>Greece</b>	27th floor, Hanwha Building, 86 Cheonggyecheon-ro Jung-gu 04541 Seoul	www.mfa.gr/seoul	<b>Tel:</b> +82 2 729 1400 <b>Email:</b> gremb.sel@mfa.gr
<b>Hungary</b>	Jangmunro 58 Yongsan-gu 140-809 Seoul	www.szoul.mfa.gov.hu	<b>Tel:</b> +82 2 792 2105

EU MS	Address	Website	Contact information
			<b>Email:</b> mission.sel@mfa.gov.hu
<b>Ireland</b>	13F. Leema Building 146-1 Soosong-dong, Chongro-gu 110-140 Seoul	www.dfa.ie/irish-embassy/republic-of-korea	<b>Tel:</b> +82 2 721 7200 <b>Email:</b> https://www.dfa.ie/irish-embassy/republic-of-korea/contact-us/
<b>Italy</b>	3rd Floor, Ilshin Building 98, Hannam-daero, Yongsan-Gu Seoul 140 - 884	www.ambseoul.esteri.it	<b>Tel:</b> +82 2 750 0200 <b>Email:</b> embassy.seoul@esteri.it
<b>Latvia</b>	29, Hannam-daero 36-gil Yongsan-gu Seoul, 04417	www.mfa.gov.lv/seoul	<b>Tel:</b> +82 2 2022 3800 <b>Email:</b> embassy.rok@mfa.gov.lv
<b>Lithuania</b> <i>*Embassy of China is accredited to KR</i>	King's Garden Villa, 18 Xiaoyun Road, Chaoyang District, 100125 Beijing, China	www.cn.mfa.lt/cn/en/embassycontacts	<b>Tel:</b> +86 10 845 185 20 <b>Email:</b> amb.cn@urm.lt
<b>Luxembourg</b>	#475-9 Pyeongchang-Dong Jongro-Ku Séoul	<i>Not available</i>	<b>Tel:</b> +82 2 316 6101 <b>Email:</b> kiswire@kiswire.co.kr
<b>Malta</b>	Room 311, Sungchang Building 60-3, 2-KA Chungmu-Ro, Chung-Ku Seoul	www.foreignaffairs.gov.mt/en/Pages/Maltese%20Consular%20Representations%20overseas/Korea-(South).aspx	<b>Tel:</b> +82 2 778 9201 <b>Email:</b> maltaconsul.seoul@gov.mt
<b>Netherlands</b>	10th Floor Jeongdong Building 21-15 Jeongdong-gil, Jung-gu Seoul 100-784	www.netherlandsandyou.nl/your-country-and-the-netherlands/south-korea	<b>Tel:</b> +82 2 311 8600 <b>Email:</b> seo@minbuza.nl
<b>Poland</b>	Samcheong-ro 20-1, Jongno-gu Seoul 03062	www.seul.msz.gov.pl	<b>Tel:</b> +82 2 723 9681 <b>Email:</b> seul.amb.sekretariat@msz.gov.pl
<b>Portugal</b>	2nd Floor, Wonseo-Dong 171, Wonseo-Dong, Chongno-Ku Seoul 110-280	www.portugalseoul.com	<b>Tel:</b> +82 2 3675 2251 <b>Email:</b> seoul@mne.pt
<b>Romania</b>	50 Jangmun-ro Yongsan-Gu 140-809 Seoul	www.seoul.mae.ro	<b>Tel:</b> +82 2 797 4924 <b>Email:</b> embassy@romania.ollehoffice.com
<b>Slovakia</b>	28, Hannam-daero 10-gil Yongsan-gu 04420 Seoul	www.mzv.sk/seoul	<b>Tel:</b> +82 2 794 3981 <b>Email:</b> emb.seoul@mzv.sk
<b>Slovenia</b>	42038, Hyochang Building 56 Hwarang ro, Manchondong, Susung gu Daegu	www.mzz.gov.si/en/representations_abroad/asia_caucasus_and_near_east/south_korea	<b>Tel:</b> +82 53 53-745-5553 <b>Email:</b> stojan.petric@korea-consul.com

EU MS	Address	Website	Contact information
<b>Spain</b>	17 Hannamdaero 36 kil Yongsan-Ku Seoul 140-894	www.exteriores.gob.es/embajadas/seul	<b>Tel:</b> +82 2 794 3581 <b>Email:</b> emb.seul@maec.es
<b>Sweden</b>	Danam Building, 8th Fl. 10 Sowol-ro, Jung-Gu 3577 Seoul 04535	www.swedenabroad.com/seoul	<b>Tel:</b> +82 2 3703-3700 <b>Email:</b> ambassaden.seoul@gov.se
<b>United Kingdom</b>	Sejong-daero 19-gil 24 Jung-gu Seoul 04519	www.gov.uk/government/world/south-korea	<b>Tel:</b> +82 2 3210 5500 <b>Email:</b> enquiry.seoul@fco.gov.uk

### 8.3 Other organisations and service providers

Service provider	Website	Address	Contact information
<b>Services for Austrian companies</b>			
<b>Advantage Austria in Seoul</b>	www.advantageaustria.org/kr	Austrian Embassy - Commercial Section Kyobo Bldg., Floor 21 1-1, Jongno, 1-ga, Jongno-gu 03154 Seoul	<b>Tel:</b> +82 2 732 7330 <b>Email:</b> seoul@advantageaustria.org
<b>Services for Belgian companies</b>			
<b>Wallonia Export &amp; Investment</b> <i>*responsible also for Luxembourg</i>	www.awex-export.be/fr/contacts/conseillers-economiques-et-commerciaux/seoul-coree-du-sud	737-10, Hannam 2-dong Yongsan-gu - Seoul 04349	<b>Tel:</b> +82 2 749 5061 <b>Email:</b> info@belgiumtrade.or.kr
<b>Flanders Investment &amp; Trade - Seoul</b>	23, Itaewon-ro 45-gil Yongsan-gu Seoul 04349	Avenida Alfredo Musset 41 Col. Polanco C.P. 11550 Mexico City México	<b>Tel:</b> +82 2 790 2480 <b>Email:</b> seoul@fitagency.com
<b>Services for British companies</b>			
<b>British Chamber of Commerce in Korea</b>	www.bcck.or.kr	13th Floor, The-K Twin Towers, B-dong, 50, Jong-ro 1-gil, Jongno-gu Seoul 03142	<b>Tel:</b> +82 2 6365 2300 <b>Email:</b> administrator@bcck.or.kr
<b>Services for Bulgarian companies</b>			
<b>Bulgarian-Korean Chamber of Commerce</b>	<a href="http://www.ccibulgariakorea.org">www.ccibulgariakorea.org</a>	17, Adriana Budevskia Str. Sofia 1463, Bulgaria	<b>Tel:</b> +359 2 903 3437 <b>Email:</b> info@ccibulgariakorea.org
<b>Services for Croatian companies</b>			
<b>Croatian-Korean Business Club</b>	www.croatia-korea.com	Hondlova 2/10, Zagreb, Croatia	<b>Tel:</b> +385 1 7999 982 <b>Email:</b> office@croatia-korea.com
<b>Services for Czech companies</b>			

Service provider	Website	Address	Contact information
<b>Chamber of Commerce of the Czech-Korean Society</b>	www.cks-korea.cz	Anežská 986/10, Praha 1, ČR	<b>Tel:</b> +420 774 915 727 <b>Email:</b> info@cks-korea.cz
<b>Services for Cypriot companies</b>			
<b>Cyprus Chamber of Commerce and Industry</b>	www.ccci.org.cy	38, Grivas Dhigenis Ave. & 3, Deligiorgis Str., P.O.Box 21455, 1509 Nicosia	<b>Tel:</b> +357 22889800 <b>Email:</b> chamber@ccci.org.cy
<b>Services for Danish companies</b>			
<b>Korean-Danish Business Network</b>	www.sydkorea.um.dk/en/the-trade-council/korean-danish-business-network	11th Floor, Seoul Square Building 416, Hangang-daero, Jung-gu Seoul 04637	<b>Tel:</b> +82 2 6363 4809 <b>Email:</b> rasbjo@um.dk
<b>Services for Dutch companies</b>			
<b>Dutch Business Council - Korea</b>	www.dbckorea.com	10th Fl., Jeong-dong Building 21-15 Jeongdong-gil, Jung-gu, Seoul 100-784	<b>Email:</b> dbcksecretariat@gmail.com
<b>Services for Estonian companies</b>			
<b>Estonian Chamber of Commerce &amp; Industry</b>	www.koda.ee	Toom-Kooli 17, 10130 Tallinn	<b>Tel:</b> +372 604 0060 <b>Email:</b> koda@koda.ee
<b>Services for Finnish companies</b>			
<b>Finland Chamber of Commerce &amp; Industry in Korea</b>	www.finncham.or.kr	371-2 Singal-Dong, Giheung-Gu, Yongin, Kyungki-Do 446-598	<b>Tel:</b> +82 31 283 0900 <b>Email:</b> korea@finncham.org.kr
<b>Services for French companies</b>			
<b>French-Korean Chamber of Commerce &amp; Industry</b>	www.fkcci.com	Joy Tower 11F, 7, Teheran-ro 37-gil, Gangnam-gu, Seoul, 06142	<b>Tel:</b> +82 2 2268 9505 <b>Email:</b> welcome@fkcci.com
<b>Business France – Korea</b>	www.export.businessfrance.fr/coree-du-sud	Samheung Bldg, 8Fl. 705-9 Yeoksam-dong, Gangnam-gu Seoul 135-711	<b>Tel:</b> +82 2 564 9032 <b>Email:</b> seoul@businessfrance.fr
<b>Services for German companies</b>			
<b>Korean-German Chamber of Commerce &amp; Industry</b>	www.korea.ahk.de	8th Fl., Shinwon Plaza, 85, Dokseodang-ro, Yongsan-gu, Seoul 04419	<b>Tel:</b> +82 2 37804 600 <b>Email:</b> info@kgcci.com
<b>Services for Greek companies</b>			
<b>Enterprise Greece – Invest &amp; Trade</b>	www.enterprisegreece.gov.gr	109 Vasilissis Sophias Avenue, 115 21 Athens, Greece	<b>Tel:</b> +30 210 335 5700 <b>Email:</b> info@enterprisegreece.gov.gr
<b>Services for Hungarian companies</b>			



Service provider	Website	Address	Contact information
<b>Hungarian Chamber of Commerce &amp; Industry</b>	www.mkik.hu	1054 Budapest, Szabadság tér 7	<b>Tel:</b> 1/474-5100 <b>Email:</b> mkik@mkik.hu
<b>Services for Irish companies</b>			
<b>Enterprise Ireland - Korea</b>	www.enterprise-ireland.com/en/Export-Assistance/International-Office-Network-Services-and-Contacts/South-Korea.html	13F Leema B/D 42 Jongro 1-gil Jongro-gu Seoul 03152	<b>Tel:</b> +82 2 721 7250 <b>Email:</b> pat.oriordan@enterprise-ireland.com
<b>Services for Italian companies</b>			
<b>Italian Chamber of Commerce in Korea</b>	www.itcck.org	#309, 750, Gukhoe-daero, Yeoungdeungpo-gu, Seoul 07236	<b>Tel:</b> +82 2 402 4379 <b>Email:</b> itcck@itcck.org
<b>Italian Trade Agency – Seoul</b>	www.ice.it/en/markets/south-korea	15f. Cheonggye Hankook Bldg, 11 Cheonggyecheon-Ro Jongro-Gu 03187, Seoul	<b>Tel:</b> +82 2 779 0811 <b>Email:</b> seoul@ice.it
<b>Services for Latvian companies</b>			
<b>Latvian Chamber of commerce and industry</b>	www.chamber.lv	35 Krisjana Valdemara str., Riga, LV-1010, Latvia	<b>Tel:</b> +371 67225592 <b>Email:</b> info@chamber.lv
<b>Services for Lithuanian companies</b>			
<b>Association of Lithuanian Chambers of Commerce, Industry and Crafts</b>	www.chambers.lt	Vašingtono a. 1-63A, LT-01108 Vilnius	<b>Tel:</b> +370 5 261 21 02 <b>Email:</b> info@chambers.lt
<b>Services for Luxembourgian companies</b>			
<b>Wallonia Export &amp; Investment</b> <i>*responsible also for Luxembourg</i>	www.awex-export.be/fr/contacts/conseillers-economiques-et-commerciaux/seoul-coree-du-sud	737-10, Hannam 2-dong Yongsan-gu - Seoul 04349	<b>Tel:</b> +82 2 749 5061 <b>Email:</b> info@belgiumtrade.or.kr
<b>Luxembourg Trade &amp; Investment Office - Seoul</b>	www.investinluxembourg.kr	1102, 363 Samil-daero, Seoul, 04541, Korea	<b>Tel:</b> +82 2 777 2552
<b>Services for Maltese companies</b>			
<b>The Malta Chamber of Commerce, Enterprise and Industry</b>	www.maltachamber.org.mt	64, Republic Street, Valletta, Malta	<i>Not available</i>

Service provider	Website	Address	Contact information
<b>Services for Polish companies</b>			
<b>Polish Trade Agency – South Korea</b>	www.southkorea.trade.gov.pl	20F, Gwanghwamun building, 149 Sejong-daero, Jongno-gu, Seoul 03186	<b>Tel:</b> +82 2 735 0303 <b>Emails:</b> arkadiusz.tarnowski@paih.gov.pl; lee.hm@paih.gov.pl
<b>Services for Portuguese companies</b>			
<b>Portuguese Chamber of Commerce &amp; Industry</b>	www.ccip.pt	Rua das Portas de Santo Antão, 89 1169 022 Lisbon	<b>Tel:</b> +351 213 224 050 <b>Email:</b> geral@ccip.pt
<b>Services for Romanian companies</b>			
<b>Romanian-Korean Bilateral Chamber of Commerce</b>	www.ccrp.ro	B-dul.Regina Elisabeta , nr. 7-9, etaj 3, cam.3-4 , Sect. 3, Bucuresti	<b>Tel:</b> +40 21 313 71 21 <b>Email:</b> florin.mihalache@ccrc.ro
<b>Services for Slovakian companies</b>			
<b>Slovak Chamber of Commerce &amp; Industry</b>	www.sopk.sk	Gorkého 9, 81603 Bratislava, Slovakia	<b>Tel:</b> +421 2 54433272
<b>Services for Slovenian companies</b>			
<b>Chamber of Commerce and Industry of Slovenia</b>	www.eng.gzs.si	Dimičeva 13, SI-1504 Ljubljana	<b>Tel:</b> + 386 1 5898 000 <b>E-mail:</b> info@gzs.si
<b>Services for Spanish companies</b>			
<b>Spanish Chamber of Commerce in Korea</b>	www.esck.com	19F, S-tower, 82, Saemun-ro, Jongno-gu, Seoul, 03185	<b>Email:</b> info@esck.com
<b>Catalonia Trade &amp; Investment – Seoul</b>	www.catalonia.com/offices/seoul.jsp	Leema Bldg, 408-1 ho, 42, Jong-ro 1-gil, Jongno-gu, Seoul, 03152	<b>Tel:</b> +82 2 782 8280 <b>Email:</b> seoul@catalonia.com
<b>Services for Swedish companies</b>			
<b>Swedish Chamber of Commerce in Korea</b>	www.scckkorea.com	11th floor, Shinil Bldg, 131 Toegye-ro, Jung-gu, Seoul 04537	<b>Tel:</b> +82 2 3406 0701 <b>Email:</b> scckinseoul@gmail.com
<b>Business Sweden – Seoul</b>	www.business-sweden.se/en/Trade/international-markets/asia-pacific/South-Korea	11th floor Shinil building, 131 Toegyero, Jung-gu, 04537 Seoul	<b>Tel:</b> +82 739 1460 <b>Email:</b> Sydkorea@business-sweden.se

## 8.4 Calendar of trade events and exhibitions in 2019

Event	Date	Recurrence	Venue	Organiser Details
<b>JANUARY</b>				
<b>World Franchise Expo</b>	3-5	Biannual	COEX Mall, Seoul	<b>Tel:</b> +82 02 557 0648 <b>Email:</b> fran@world-expo.co.kr <b>Website:</b> www.franchisecoex.co.kr
<b>Salon du Chocolat Seoul</b>	10-13	Annual	COEX Mall, Seoul	<b>Tel:</b> +82 2 6000 6673 <b>Email:</b> info@salonduchocolat.co.kr <b>Website:</b> www.salonduchocolat.kr
<b>APRIL</b>				
<b>Coffee Expo Seoul</b>	10-14	Annual	COEX Mall, Seoul	<b>Tel:</b> +82 2 6000 8160 <b>Email:</b> coffee.info@coex.co.kr <b>Website:</b> www.coffeexposeoul.com
<b>Sweet Korea</b>	18-21	Annual	Kintex, Goyang-si	<b>Tel:</b> +82 2 6000 6677 <b>Email:</b> info@sweetkorea.kr <b>Website:</b> www.sweetkorea.kr
<b>Seoul Int'l Seafood Show</b>	22-24	Annual	COEX Mall, Seoul	<b>Tel:</b> +82 2 6000 2800 <b>Email:</b> 3s@seoulseafood.com <b>Website:</b> www.seoulseafood.com
<b>MAY</b>				
<b>Seoul Int'l Home Meal Replacement Show</b>	9-11	Annual	COEX Mall, Seoul	<b>Tel:</b> +82 2 6000 2803 <b>Email:</b> ynsun@b2expo.org <b>Website:</b> www.sihmrshow.com
<b>Food &amp; Hotel Seoul</b> <u>Concurrent events:</u> - <b>Seoul Food</b> - <b>Seoul FoodTech</b> - <b>Seoul FoodPack</b>	21-24	Annual	Kintex, Goyang-si	<b>Tel:</b> +82 2 6715 5400 <b>Email:</b> Jina.Kim@ubm.com <b>Website:</b> www.seoulfoodnhotel.com
<b>JUNE</b>				
<b>Tea World Festival</b>	13-16	Annual	COEX Mall, Seoul	<b>Tel:</b> +82 2 6000 8000 <b>Email:</b> teaworld@empal.com <b>Website:</b> www.teanews.com
<b>Busan International Tea &amp; Craft Fair</b>	20-23	Biannual	Busan Exhibition and Convention Center, Busan	<b>Tel:</b> +82 51 740 7705 <b>Email:</b> teaworld@empal.com <b>Website:</b> www.teafair.co.kr
<b>NOVEMBER</b>				
<b>Seoul Int'l Cafe Show</b>	7-10	Annual	COEX Mall, Seoul	<b>Tel:</b> +82 2 6000 6687 <b>Email:</b> info@cafeshow.com <b>Website:</b> www.cafeshow.com
<b>Gwangju International Food Fair</b>	14-17	Annual	Kim Dae-jung Convention	<b>Tel:</b> +82 62 611 2213 <b>Email:</b> food@foodshow.kr

Event	Date	Recurrence	Venue	Organiser Details
			Center, Gwangju	<b>Website:</b> www.foodshow.kr
<b>Busan International Food Life Fair</b>	21-24	Annual	Busan Exhibition and Convention Center, Busan	<b>Tel:</b> +82 51 740 7709 <b>Email:</b> messe7709@naver.com <b>Website:</b> www.foodfair.co.kr

## 8.5 Database of professionals' contacts

### List of relevant buyers, importers and distributors

Company name	Type	Area of interest	Phone	Email	Website
<b>AgaPeace</b>	Import/ Distribution	Meat	+82 31 796 5320	gfoodkorea@naver.com	<i>Not available</i>
<b>AGMeat</b>	Import/ Distribution	Meat	+82 31 716 1166	agmeat@korea.com	<i>Not available</i>
<b>AgroFarm</b>	Import	Dairy Products	+82 2 3474 8536	<i>Not available</i>	<i>Not available</i>
<b>Agroguide Korea</b>	Import/ Distribution	F&V	+82 10 4854 9814	<i>Not available</i>	<i>Not available</i>
<b>AHNTAEK</b>	Import/ Distribution	Meat	+82 2 335 1162	msy0049@naver.com	<i>Not available</i>
<b>A-Meat</b>	Import/ Distribution	Meat	+82 2 895 8855	Jmpark1216@hotmail.com	<i>Not available</i>
<b>Asia Seed</b>	Import/ Distribution	F&V	+82 2 443 4303	herbseed@chol.com	www.asiaseed.net
<b>ATCH</b>	Import	Dairy	+82 2 3144 4735	atchkorea@daum.net	www.atch.co.kr
<b>A-Young FBC</b>	Import/ Distribution	Wine, Spirits	+82 2 2635 9717	office.stile@gmail.com	www.winenara.com
<b>Baik_hwa Trading</b>	Import/ Distribution	F&V	+82 54 457 8553	<i>Not available</i>	<i>Not available</i>
<b>Bestmeat</b>	Import/ Distribution	Meat	+82 2 2281 1181	Meat888@hanmail.net	<i>Not available</i>
<b>BF International</b>	Import/ Distribution	Meat	+82 2 412 2582	Ybk052@hanmail.net	<i>Not available</i>
<b>Bizwon</b>	Import/ Distribution	Meat	+82 2 2299 2120	bizwon@naver.com	<i>Not available</i>

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<b>Blc Korea</b>	Import/ Distribution	F&V	+82 70 7122 0678	<i>Not available</i>	<i>Not available</i>
<b>BKM</b>	Distribution	Dairy Products	+82 31 718 7020	<i>Not available</i>	<i>Not available</i>
<b>Blakemore Quality Services</b>	Import/ Distribution	Dairy Products, Meat, F&V	+82 10 7400 3614	<i>Not available</i>	<i>Not available</i>
<b>BORAM BT</b>	Import/ Distribution	Sugar confectionery	+82 2 422 6366	borambt@nate.com	<i>Not available</i>
<b>Bouquet Korea</b>	Import	Fruit	+82 2 2632 2226	<i>Not available</i>	<i>Not available</i>
<b>BTR Commerce</b>	Import/ Distribution	Beer, Wine	+82 2 579 0278	btr@btrcommerce.com	www.btrcommerce.com
<b>Bu Sung Meat</b>	Import	Meat	+82 32 584 2781	nan7207@hanmail.net	<i>Not available</i>
<b>Bukook</b>	Import/ Distribution	Dairy Products	+82 2 548 6350	<i>Not available</i>	<i>Not available</i>
<b>Cave de Vin</b>	Import/ Distribution	Wine	+82 2 786 3136	sales@cavedevin.co.kr	www.cavedevin.co.kr
<b>Cosmo Meat Trading</b>	Import/ Distribution	Meat	+82 2 2281 2170	cosmomeat@yahoo.co.kr	<i>Not available</i>
<b>Dae Myung Meat</b>	Import/ Distribution	Meat	+82 2 2294 7880	Pjh3492@naver.com	<i>Not available</i>
<b>Daehung Food</b>	Import/ Distribution	Meat	+82 55 224 1358	<i>Not available</i>	<i>Not available</i>
<b>DK Foods</b>	Import	Cheese, Potatoes etc.	+82 2 546 1990	young@dkfoods.co.kr	www.dkfoods.co.kr
<b>Dongwon</b>	Import/ Distribution	Wine	+82 2 589 3354	<i>Not available</i>	www.dongwonwineplus.com
<b>Elsenara</b>	Import/ Distribution	Herbs, Food Ingredients	+82 53 427 7336	<i>Not available</i>	<i>Not available</i>
<b>E-sunbo</b>	Import/ Distribution	Wine, Spirits	+82 2 2233 9610	sunboliquor@korea.com	www.e-sunbo.com

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<b>Fine Liquor Korea</b>	Import/ Distribution	Wine, Spirits	+82 2 449 3151	flkorea@flkorea.co.kr	www.flkorea.co.kr
<b>GED Corporation</b>	Import	Organic Food	+82 2 975 2922	gedcorp@naver.com	www.gedfood.co.kr
<b>Haekeon Corporation</b>	Import	Fruit	+82 2 2604 4112	haekeon@yahoo.co.kr	www.haekeon.co.kr
<b>Handok Wine</b>	Import/ Distribution	Wine	+82 2 551 6874	handok@handokwine.com	www.handokwine.com
<b>Hanstech</b>	Import/ Distribution	Olive oil	+82 10 9144 7931	<i>Not available</i>	<i>Not available</i>
<b>Heung Gwang</b>	Import	Meat, Fish	+82 51 245 1711	heunggwang@hanmail.net	<i>Not available</i>
<b>HRS</b>	Import/ Distribution	Bakery Products	+82 2 3453 5000	email.webmaster@hrs.co.kr	www.hrs.co.kr
<b>Indulge</b>	Import/ Distribution	Wine, Spirits	+82 2 512 5270	indulge@indulge.co.kr	www.indulge.co.kr
<b>JFNB</b>	Import/ Distribution	Bakery Products, Confectionery	+82 2 325 4893	<i>Not available</i>	www.jfnb.co.kr
<b>Kaja Wine</b>	Import/ Distribution	Wine	+82 2 406 2220	min@kaja.co.kr	www.kaja.co.kr
<b>Keumyang</b>	Import/ Distribution	Wine, Spirits	+82 2 2109 9200	info@keumyang.com	www.keumyang.com
<b>Korea Importers' association</b>	Industry association	All products	+82 2 6677 3665	import@koima.kr	www.koima.or.kr
<b>Korean Wine/Spirits importer association</b>	Industry association	Wine, Spirits	+82 2 422 6833	kwsia@kwsia.or.kr	www.kwsia.or.kr
<b>KTSC</b>	Import, HoReCa	Meat, F&V	+82 2 2204 5800	<i>Not available</i>	www.kts.co.kr
<b>Liquor&amp;Joy</b>	Import/ Distribution	Beer, Wine, Spirits	+82 2 3463 7931	trade@liquornjoy.co.kr	www.liquornjoy.co.kr

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<b>Lotte Group</b>	Retail	F&B	+82 2 3668 8600	marketing@lotte.com	www.lotte.co.kr
<b>Lotte Trading</b>	Import/ Distribution	F&B	+82 2 3459 9600	<i>Not available</i>	www.lotteintl.co.kr
<b>Maeho</b>	Import/ Distribution	Dairy Products	+82 2 2040 6670	<i>Not available</i>	<i>Not available</i>
<b>Mammos</b>	Import/ Distribution	Bakery Products, Confectionery	+82 31 736 0001	mammos325@gmail.com	www.mammos.co.kr
<b>MerVin</b>	Import/ Distribution	Wine	+82 70 8189 0190	winestar00@mervin.co.kr	www.mervin.co.kr
<b>Mi-Plus</b>	Import/ Distribution	Olive oil	+82 1 899 0910	<i>Not available</i>	<i>Not available</i>
<b>MJ International</b>	Import	Meat	+82 2 421 7562	leaderschoi@intmj.com	<i>Not available</i>
<b>Multicobiz</b>	Import/ Distribution/ HoReCa	Confectionery, Snacks	+82 10 7771 1869	<i>Not available</i>	<i>Not available</i>
<b>Namu International</b>	Import/ Distribution	Chocolate, Confectionary	+82 70 8235 8232	info@namuintl.com	www.namuintl.com
<b>Nara Cellar</b>	Import/ Distribution	Wine	+82 2 405 4300	<i>Not available</i>	www.naracellar.com
<b>National Eng</b>	Import/ Distribution	Olive oil	+82 2 3159 8884	<i>Not available</i>	<i>Not available</i>
<b>Oneul wine</b>	Distribution/ HoReCa	Wine	+82 2 741 7786	<i>Not available</i>	<i>Not available</i>
<b>Orient Trade</b>	Import	Wine, Cheese, Meat, Cookie	<i>Not available</i>	orient@orient-trade.co.kr	www.orient-trade.co.kr
<b>QKC Family</b>	Import/ Distribution	Confectionery, Grocery	+82 50 54321 185	mail@QKC.co.kr	www.qkcfamily.com
<b>Shindong Wine</b>	Import/ Distribution	Wine, Olive oil	+82 2 794 4531	wine@shindongwine.com	www.shindongwine.co.kr



## Market Entry handbook

<b>Shinsegae</b>	Retail	F&B	+82 2 3397 6000	<i>Not available</i>	<a href="http://www.english.shinsegae.com">www.english.shinsegae.com</a>
<b>Sugar Tree/ Chefsworld</b>	Import/ Distribution	European F&B	+82 2 3210 1588	CATTOS1861@hanmail.net	<a href="http://www.chefsworld.co.kr">www.chefsworld.co.kr</a>
<b>Sung Poong Corporation</b>	Import/ Distribution	F&B	+82 2 556 9700	spc@sungpoong.co.kr	<a href="http://www.sungpoong.co.kr">www.sungpoong.co.kr</a>
<b>T&amp;E Terroir</b>	Import/ Distribution	Wine, Spirits	+82 31 996 4197	tneterroir@gmail.com	<a href="http://www.tneterroir.co.kr">www.tneterroir.co.kr</a>
<b>TOTAL F&amp;B</b>	Import/ Distribution	Frozen Food	+82 2 3443 4451	sales@totalfnb.com	<a href="http://www.totalfnb.com">www.totalfnb.com</a>
<b>Trade2song</b>	Import/ Distribution	Olive oil	+82 10 3354 3794	<i>Not available</i>	<i>Not available</i>
<b>Vinokims</b>	Import/ Distribution	Wine	+82 82 2511 3280	<i>Not available</i>	<a href="http://www.vinokims.com">www.vinokims.com</a>
<b>Vintage Korea</b>	Import/ Distribution	Wine, Spirits	+82 2 574 1999	vk@vintagekorea.co.kr	<a href="http://www.vintagekorea.co.kr">www.vintagekorea.co.kr</a>
<b>World Juice</b>	Import/ Distribution	Processed Fruit	+82 31 777 3466	worldjc@worldjuice.co.kr	<a href="http://www.worldjuice.co.kr">www.worldjuice.co.kr</a>

## 9 European products registered as GIs under the EU-South Korea Trade Agreement

### EU agricultural products and foodstuffs (61)

Trademark Name	Product Category	Transcription into Korean Alphabet
<b>AUSTRIA</b>		
Tiroler Speck	Processed meat	티롤러 슈페크
Steirischer Kren	F&V (Horseradish roots )	슈타이리셔 크렌
<b>CZECH REPUBLIC</b>		
České pivo	Beer	체스께 삐보 / 체스케 피보
Budějovické pivo	Beer	부데요비츠께 삐보 / 부데요비츠케 피보
Budějovický měšťanský var	Beer	부데요비츠끼 므네슈땀스키 바르 / 부데요비츠끼 므네스탄스키바르
Českobudějovické pivo	Beer	체스코부데요비츠께 삐보 / 체스코부데요비츠케 피보
Žatecký chmel	Hops	자떼츠키 흐멜 / 자테츠키 흐멜
<b>FRANCE</b>		
Comté	Cheese	콩떼 / 콩테
Reblochon	Cheese	르블로송 / 레블로송
Roquefort	Cheese	로끄포르 / 로크포르
Camembert de Normandie	Cheese	까망베르 드 노르망디 / 카망베르 드 노르망디
Brie de Meaux	Cheese	브리 드 모
Emmental de Savoie	Cheese	에멘탈 드 사부아 / 에멩탈 드 싸부아
Pruneaux d'Agen / Pruneaux d'Agen mi-cuits	Processed F&V (Dried cooked plums)	프뤼노 다장 / 프뤼노 다쟁프뤼노 다장 미뀌이 / 프뤼노 다쟁 미뀌이
Huîtres de Marennes-Oléron	Oyster	위트르 드 마렌느 올레롱
Canard à foie gras du Sud-Ouest (Chalosse, Gascogne,	Duck fatty liver	까나르 아 푸아그라 뒤 쉬드우에스트 (샬로스, 가스콘 / 가스콘뉴, 제르스, 랑드 / 링드, 페리고르 / 빼리고르, 케르시 / 꺄르시) (프랑스 남서부 푸아그라 오리)
Jambon de Bayonne	Ham	장봉 드 바이온 (바이온 햄)
Huile d'olive de HauteProvence	Olive oil	월 에쌍시엘 드 라빙드 드 오프 프로방스 (오프프로방스 라벤더 에센스 오일)

Trademark Name	Product Category	Transcription into Korean Alphabet
Huile essentielle de lavande de Haute-Provence	Lavender essential oil	
<b>GERMANY</b>		
Bayerisches Bier	Beer	바이어리췌스 비어
Münchener Bier	Beer	뮌헨어 비어
<b>GREECE</b>		
Ελιά Καλαμάτας (Elia Kalamatas)	Olives	엘리아 깔라마따스
Μαστίχα Χίου (Masticha Chiou)	Gum	마스티하 히우
Φέτα (Feta)	Cheese	페따
<b>HUNGARY</b>		
Szegedi téliszalámi / Szegedi	Salami	세게드 텔리살라미 / 세게드 살라미
<b>ITALY</b>		
Aceto balsamico Tradizionale di Modena	Sauce - seasoning	아체토 발사미코 트라디치오날레 디 모데나 (모데나의 전통 발사믹 식초)
Cotechino Modena	Processed meat	코테키노 모데나 (모데나의 코테키노 <소시지의 일종>)
Zampone Modena	Processed meat	잠포네 모데나 (모데나의 돼지 앞발)
Mortadella Bologna	Processed meat	모르타델라 볼로냐
Prosciutto di Parma	Processed meat	프로슈토 디 파르마 (생햄)
Prosciutto di San Daniele	Processed meat	프로슈토 디 산 다니엘레(생햄)
Prosciutto Toscano	Processed meat	프로슈토 토스카노 (생햄)
Provolone Valpadana	Cheese	프로볼로네 발파다나(치즈의 일종)
Taleggio	Cheese	탈레조 (베르가모 산 치즈의 일종)
Asiago	Cheese	아시아고
Fontina	Cheese	폰티나 (발다오스타 지역의 치즈의 일종)
Gorgonzola	Cheese	고르곤졸라 (치즈의 일종)
Grana Padano	Cheese	그라나 파다노 (치즈의 일종)

Trademark Name	Product Category	Transcription into Korean Alphabet
Mozzarella di Bufala Campana	Cheese	모차렐라 디 부팔라 캄파나(물소젖 치즈의 일종)
Parmigiano Reggiano	Cheese	파르미자노 레자노 (치즈의 일종)
Pecorino Romano	Cheese	페코리노 로마노 (로마의 페코리노 <양젖 치즈의 일종>)
<b>PORTUGAL</b>		
Queijo de São Jorge	Cheese	깨이주 드 썩 조르쥬
<b>SPAIN</b>		
Baena	Olive oil	바에나
Sierra Mágina	Olive oil	씨에라 마히나
Aceite del Baix-Ebre-Montsía / Oli del Baix Ebre-Montsià	Olive oil	아세이떼 델 바제브라몬시아 / 올리델 바제브라몬시아(바제브라몬시아 오일)
Aceite del Bajo Aragón	Olive oil	아세이떼 델 바호 아라곤(바호 아라곤산 기름)
Antequera	Olive oil	안테께라
Priego de Córdoba	Olive oil	쁘리에고 데 꼬르도바
Sierra de Cádiz	Olive oil	씨에라 데 까디스
Sierra de Segura	Olive oil	씨에라 데 세구라
Guijuelo	Processed meat	기후엘로
Jamón de Huelva	Processed meat	하몬 데 우엘바 (우엘바산 햄류)
Jamón de Teruel	Processed meat	하몬 데 떼루엘 (떼루엘산 햄류)
Salchichón de Vic / Llonganissa de Vic	Sausage	살치촌 데 빅 / 롱가니싸 데 빅 (빅산 살치촌, 육가공품의 일종)
Mahón-Menorca	Cheese	마온-메노르까
Queso Manchego	Cheese	께소 만체고 (라 만차산 치즈)

Trademark Name	Product Category	Transcription into Korean Alphabet
Cítricos Valencianos / Cítrics Valencians	Citrus	씨뜨리코스 발렌씨아노스(발렌씨아산 감귤류)
Jijona	Nougat	히호나
Turrón de Alicante	Confectionery	뚜론 데 알리칸떼
Azafrán de la Mancha	Saffron	아싸프란 데 라 만차 (라 만차산 사프란)

Source: Annex 10-A of the EU-SK FTA

### Wines, Aromatised Wines and Spirits (81)

Trademark Name	Trascription into Korean alphabet
<b>FRANCE</b>	
Beaujolais	보졸레
Bordeaux	보르도
Bourgogne	부르고뉴 / 버건디
Chablis	샤블리 / 샤블리스
Champagne	샹파뉴 / 샴페인 / 샹빠뉴
Graves	그라브
Médoc	메독 / 매독
Moselle	모젤
Saint-Emilion	생떼밀리옹 / 생테밀리옹
Sauternes	쏘떼른 / 소테른
Haut-Médoc	오메독 / 오매독
Alsace	알자스
Côtes du Rhône	꼬뜨 뒤 론 / 코트 뒤 론
Languedoc	랑그독
Côtes du Roussillon	꼬뜨 뒤 루시옹 / 코트 뒤 루시옹
Châteauneuf-du-Pape	샤또 네프 뒤 빠쁘 / 샤토 네프 뒤 파프

Trademark Name	Trascription into Korean alphabet
Côtes de Provence	코뜨 드 프로방스 / 코트 드 프로방스
Margaux	마르고 / 마고
Touraine	투렌느 / 투렌
Anjou	양주 / 양쥬
Val de Loire	발 드 루아르 / 발 드 르와르
<b>GERMANY</b>	
Mittelrhein	미털라인
Rheinhessen	라인헤센
Rheingau	라인가우
Mosel	모젤
<b>GREECE</b>	
Ρετσίνα (Retsina)	레찌나
Σάμος (Samos)	사모스
<b>HUNGARY</b>	
Tokaj	토카이
<b>ITALY</b>	
Chianti	키안티
Marsala	마르살라
Asti	아스티
Barbaresco	바르바레스코
Bardolino	바르돌리노
Barolo	바롤로
Brachetto d'Acqui	브라케토 다퀴
Brunello di Montalcino	브루넬로 디 몬탈치노
Vino nobile di Montepulciano	비노 노빌레 디 몬테 풀치아노
Bolgheri Sassicaia	볼게리 사씨카이아
Dolcetto d'Alba	돌체토 달바

Trademark Name	Trascription into Korean alphabet
Franciacorta	프란차코르타
Lambrusco di Sorbara	람브루스코 디 소르바라
Lambrusco Grasparossa di Castelvetro	람브루스코 그라스파로사 디 카스텔 베토로
Montepulciano d'Abruzzo	몬테풀치아노 다브루초
Soave	소아베
Campania	캄파니아
Sicilia	시칠리아
Toscana	토스카나
Veneto	베네토
Conegliano Valdobbiadene	코넬리아노 발도삐아데네
<b>PORTUGAL</b>	
Madeira	마데이라
Porto or Port	쁘르뚜
Douro	도우루
Dão	더웅
Bairrada	바이하다
Vinho Verde	비뉴 베르드
Alentejo	알렌떼쥬
<b>ROMANIA</b>	
Dealu Mare	데알루 마레
Murfatlar	무르파트라르
<b>SLOVAKIA</b>	
Tokajská or Tokajský or Tokajské	토카이스카 / 토카이스키 / 토카이스케
<b>SPAIN</b>	
Málaga	말라가
Rioja	리오하
Jerez – Xérès – Sherry or Jerez or Xérès or	

Trademark Name	Trascription into Korean alphabet
Sherry	헤레스 – 헤레스 – 웨리, 헤레스, 헤레스 또는 웨리
Manzanilla - Sanlúcar de Barrameda	만싸니야 – 산루까르 데 바라메다
La Mancha	라 만차
Cava	까바
Navarra	나바라
Valencia	발렌씨아
Somontano	소몬따노
Ribera del Duero	리베라 델 두에로
Penedés	삐네데스
Bierzo	비에르쏘
Ampurdán - Costa Brava	암뿌르단 – 꼬스따 브라바
Priorato or Priorat	쁘리오라또 / 뷔리오란
Rueda	루에다
Rías Baixas	리아스 바이샤스
Jumilla	후미야
Toro	또로
Valdepeñas	발데삐냐스
Cataluña	까딸루냐
Alicante	알리칸떼

### Spirits (25 including 3 duplicates)

Trademark Name	Trascription into Korean alphabet
<b>AUSTRIA</b>	
Jägertee / Jagertee / Jagatee	예거테
Inländerrum	인랜더룸
Korn / Kornbrand (also BE and DE)	코언 / 코언브랜드
<b>BELGIUM</b>	



Trademark Name	Trascription into Korean alphabet
Korn / Kornbrand ( <i>also AT and DE</i> )	코언 / 코언브랜드
<b>CYPRUS</b>	
Ouzo ( <i>also Greece</i> )	우조
<b>FINLAND</b>	
Vodka of Finland	보드카 오브 핀란드
Finnish berry liqueur / Finnish fruit liqueur	피니쉬 베리 리큐 / 피니쉬 프루트 리큐
<b>France</b>	
Cognac	코냑 / 코냑
Armagnac	아르마냑
Calvados	칼바도스 / 칼바도스
<b>GERMANY</b>	
Korn / Kornbrand ( <i>also AT and BE</i> )	코언 / 코언브랜드
<b>GREECE</b>	
Ouzo ( <i>also Cyprus</i> )	우조
<b>HUNGARY</b>	
Törkölypálinka	퇴르콰이팔린카
Pálinka	팔린카
<b>IRELAND</b>	
Irish whiskey / Irish whisky	아이리쉬 위스키 (양주의 일종)
<b>ITALY</b>	
Grappa	그라파
<b>POLAND</b>	
Polska Wódka / Polish Vodka	폴스카 부드카 / 폴리쉬 보드카
Wódka ziołowa z Niziny Północnopodlaskiej aromatyzowana ekstraktem z trawy żubrowej / Herbal vodka from the North Podlasie Lowland aromatised with an extract of bison grass	부드카 지오워바 즈 니지느 푸노쯔노포들라스키에이 아로마티조바나 에크스트라크템 즈 트라브 쥬브로베이 / 허발 보드카 프렘 더 놀스 포들라시에

<b>Trademark Name</b>	<b>Trascription into Korean alphabet</b>
	로우랜드 아로마타이즈드 워드 언 익스트랙트 오브 바이슨 그라스
<b>Polska Wiśniówka / Polish Cherry</b>	폴스카 비쉬니우브카 / 폴리쉬 체리
<b>SPAIN</b>	
<b>Brandy de Jerez</b>	브랜드 데 헤레스 (헤레스산 브랜드)
<b>Pacharán</b>	빠차란
<b>SWEDEN</b>	
<b>Swedish Vodka</b>	스웨디쉬 보드카 (스웨덴산 보드카)
<b>Svensk Aquavit / Svensk Akvavit / Swedish Aquavit</b>	스웬스크 아쿠아비트 / 스웬스크 아쿠아비트
<b>Svensk Punsch / Swedish Punch</b>	스웬스크 펀취 / 스웨디쉬 펀치
<b>UNITED KINGDOM</b>	
<b>Scotch Whisky</b>	스카치 위스키

Source: Annex 10-B of the EU-SK FTA

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