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Korea Republic of Exporter Guide 1999

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Report Highlights: The Korean market has recovered from the economic crises of the last two years, with GDP growth now at a torrid 9 percent pace for 1999. The market for imported consumer oriented foods and beverages is expected to reach \$2 billion in 1999, including \$750 million from the United States. With per capita annual income forecast to grow to \$21,000 by 2010, and young consumers acquiring western style culinary tastes, Korea promises to be one of the hottest markets for U.S. foods in the new century.

Includes PSD changes: No
Includes Trade Matrix: No
Annual Report
Seoul, Korea

THE EXPORTER GUIDE, KOREA

SECTION I. MARKET OVERVIEW

Korea has recovered from the Asian economic crisis, which rocked the country from late 1997 until early 1999. Korea's Gross Domestic Product (GDP) climbed 9 percent during the first nine months of this year, boosted by a 12.3 percent spurt in the third quarter. By comparison, the Korean economy contracted 5.8 percent in 1998 due to the economic crisis.

Korea must import about 70 percent of its agricultural product needs. Total agricultural product imports peaked at over \$15 billion (CIF basis) in 1997, but have since fallen due to the economic problems, and lower commodity prices. Imports of consumer foods and beverages are expected to reach \$750 million in 1999.

Korea is one of the most densely populated countries in the world. About the size of Indiana, the 1999 population of Korea is estimated at 47 million. Of the total population, about 46 percent are concentrated in the metropolitan Seoul area (Seoul, Incheon and Kyunggi Province). The population density of Korea is about 472 persons per square kilometer which is one of the highest in the world.

Imports of consumer-ready food products are highly sensitive to the performance of the economy. According to Korea Trade Information Service (KOTIS) compiled by ATO Seoul (based on CIF value), imports of consumer-ready food products in Korea from the United States increased sharply by 45 percent to \$543 million and seafood increased by 79 percent to \$85 million during January-September 1999 year thanks to the fast recovery of Korean economy. Imports of fishery products increased significantly due to the sharp decrease in Korea's fish catches in the fishing zone agreed in September 1998 between Korea and Japan.

Imports of Consumer Ready Food Products and Fishery Products in Korea
(in millions of dollars, source - KOTIS).

Description	1998 (Jan-Sep)		1999 (Jan-Sep)		Percent Change	
	World	USA	World	USA	during cited period	
Consumer-ready	1,004.2	374.2	1,513.7	543.0	50.7%	45.1%
Fishery Products	352.5	47.5	788.0	85.1	123.5%	79.1%

In 1998, 44 percent of women in Korea who were 15 years or older were engaged in economic activities. As heads of households, men are the main wage earners and usually turn over their salary to their wives, who manage the home expenses and savings. While decisions on purchasing expensive goods or large expenditures are generally made in consultation between husbands and wives, decisions on food and beverage purchases are generally determined by women. Another important demographic factor to consider is that younger Koreans have a higher propensity to consume western style foods. This is demonstrated by western style fast food and family restaurants catering to the young.

The Monthly Statistics of Korea (June 1999 Issue) shows that the average monthly household income of urban workers was 2,133,100 in 1998, and their expenditures on consumable items was 1,297,900 won. The average monthly household expenditures of urban workers on food and beverage in 1998 were 27.6 percent of a family's total expenditures on consumable items, and are as follows:

Food & Beverage Items	Expenditure	Percent
Cereals and bread	46,700 won (\$33.40)	13.1%
Meat	36,800 won (\$26.30)	10.3%
Dairy products	20,200 won (\$14.40)	5.6%
Fish	27,100 won (\$19.40)	7.6%
Vegetables & seaweeds	33,000 won (\$23.50)	9.2%
Fruits	21,600 won (\$15.40)	6.0%
Oils, fats & seasonings	14,700 won (\$10.50)	4.1%
Bakery and confectioneries	16,400 won (\$11.70)	4.6%
Tea and soft drinks	9,500 won (\$6.80)	2.7%
Alcoholic beverages	4,700 won (\$3.40)	1.3%
Other foods	4,700 won (\$3.40)	1.3%
Eating out	122,500 won (\$87.60)	34.2%
Total Expenditure	357,900 won (\$255.80)	100.0%

*The average annual exchange rate of won against the US dollar in 1998 was 1,398.9 won

It is interesting to note that about one-third of Korean household food expenditures are outside of the home (or home meal replacement).

Advantages and challenges of U.S. consumer-ready food products.

Advantages	Challenges
Equal or superior quality to domestic and competitor products	U.S. exporters lack knowledge of Korean market
Increasing per capita consumption	Importers lack product awareness and knowledge of product sources
General acceptance and confidence in imported U.S. foods and beverages	Onerous inspection and customs clearance procedures and requirements
Low tariffs for consumer-ready products	Food safety concerns and GMO issues
Diminishing resistance to imported foods	High marketing costs

SECTION II. EXPORTER BUSINESS TIPS

A. Local Business Practices - How to do business in Korea

Korea has the reputation of being a very difficult place to do export business. The trade statistics, however, do not support this common notion. United States exporters generally enjoy a sizeable trade surplus with Korea, a surprising fact when one considers our balance of trade situation with other Asian countries! This is not to say exporting to Korea is easy, though patience and persistence may be required.

Potential U.S. exporters should contact potential importers directly. Sending catalogues, brochures, product samples, and price lists are a helpful way of introducing yourself and your products. ATO Seoul maintains and develops importer lists by commodity. U.S. suppliers and exporters may contact AgExport Services at FAS in Washington, D.C. or the ATO Seoul for a list of importers.

Once the U.S. supplier or exporter has established contact, it is advisable for the exporter or supplier to visit the importer(s) in person. The supplier or exporter should bring samples as well as product and company brochures including price lists, shipping dates, available quantities, and any other information needed for negotiating a contract.

Another way of finding potential importers is to participate in food shows which showcase your products to a large business audience. One of the best food shows in Korea is the Great American Food Show (GAFS) sponsored by USDA/FAS held in March every year. Many Korean importers attending this show are looking to establish reliable long term trading relationships. This trade-only show maximizes your contacts with importers, agents, wholesalers, distributors, retailers and others in the food and beverage industry.

The following are some of business tips U.S. suppliers should keep in mind when they deal with Korean businessmen.

1. Always Have Name Cards. The exchange of name cards is the first item of business. In Korea people seldom call people by their first names. Instead, they call by title, or title and family name. Foreigners can call by Mr. Kim, or President Kim, unless they are asked to be called by their first name.
2. Arrange a Formal Introduction. It is important to have a formal introduction to any person or company with whom you want to do business in Korea. Meeting the right person in a Korean company is almost always dependent on having the right introduction.
3. Ensure your English is completely understood - Many Koreans say "Yes" when they should say "No", and "No" instead of "Yes". For instance, in Korean, won't you go home? "Yes" here in Korean means "No" in English.
4. Build human relationships - Personal relationships are very important. Koreans would like to maintain long term relationships.

B. General Consumer tastes and Preferences

Consumer tastes and preferences are different depending on the products. Again, the younger generations of Koreans tend to be more amenable to western tastes. General consumers prefer national branded products and the products that have been long recognized in the market. Some of general consumer's tastes and preferences depending on the products are: Crackers - Korean consumers generally don't like salty ones but like crispy ones. Biscuits - Koreans don't like sweet ones. Candy - Koreans don't like too sweet candies nor mint-flavored ones but like fruit flavored ones and tend to prefer soft candies to hard candies. Sauces - Koreans don't like fatty, salty, sweet and sour sauces, but like bread baking flavored and hot ones.

Korean consumers also like natural, fresh food without food additives, health food, functional food and low calorie food as per capita income increases. But most important is that the products should be good quality and reasonable prices.

Korean consumers are very sensitive to food safety issues. They have not been educated about food safety and nor they know much about food safety. They generally depend on media and trust it in spite of the media's often misleading information on food safety issues. Media generally reports the simple residue levels, bacteria count, etc, but not the tolerance levels permitted for each products. Once a "food scare" rumor gets publicity, that food is affected and its reputation damaged quickly.

C. Food Standards and regulations

There are many laws, regulations and standards related to imports of agricultural, forestry, fishery and food products in Korea. However, the following are major regulations and standards related to imports of consumer- ready food products, meat, fruit and vegetables and fishery products. In order to export food, agricultural products, plants and vegetables, and meat products to Korea, U.S. Exporters must observe the following regulations and standards:

1. Food Code

The Food Code stipulates standards and specifications for manufacturing / processing / usage / cooking / storage of food and equipment / containers / packaging for food products. This code contains general standards and specifications governing food products and individual standards and specifications of 170 food categories under 20 groups. It also specifies the standards for maximum residue levels of agricultural chemicals, antibiotics, synthetic antibiotics, hormones, radioactive ray standards, testing methods, etc.

2. Food Additive Code

The Food Additive Code defines standard specifications for individual food additives and their usage standards. As of September 1999, this code listed standards for 387 types of chemical synthetics, 167 types of natural food additives and 7 types of mixed food additives. Korea utilizes a 'positive list' system for food additives meaning any food additive or its usage not listed in the code shall be banned. These additives are approved on a product-by-product basis, mostly with maximum permissible levels for use in each product.

3. Labeling Standards for Food

Labeling Standards for Food et. al aims to promote the sanitary treatment of food products, et al. and to provide

accurate information to consumers by defining the labeling standards for food, food additives and packaging, based on the Article 10 of the Food Sanitation Act. The Korean language labeling requirements on foodstuffs are generally as follows:

- a. Name of the product
- b. Type of product
- c. Importer's name, address and phone number
- d. Business license number of importer
- e. Date of manufacture or date of import (not mandatory)
- f. Sell by date
- g. Country of origin
- h. Net weight, drained weight, volume or number of pieces
- i. Names of ingredients by percentage, in order of greater volume first
- j. Name of place where the product can be returned or exchanged in case the product is damaged or defective
- k. Instructions for storage

Korean language labeling requirements can be somewhat complicated. However, Korean importers can send the label negative film to the exports to print and affix the Korean language labels on the product before they import the products.

4. Fishery Products Inspection Act

The Fishery Products Inspection Act aims to promote the quality improvement and standardization of fishery products through inspection. The National Fisheries Products Inspection Station (NFPIS) is in charge of inspection of fishery products produced in Korea and those that are imported from other countries.

5. Tariffs - Korea has a book called "Tariff Schedules of Korea" in which there is tariff information on each commodity. The book is more than 1,000 pages long, there are sometimes several tariffs for one commodity and it is a little too complicated to understand which one is currently applied.

6. Product Certification

Plant and meat quarantine inspections are very strict in Korea. No plant and meat products will clear Korean Customs without the necessary certificates and required information. However, Korea does not require any product certification for fish and fish products.

a. **Red Meat Products** must be accompanied by : FSIS Form 9060-5, Meat and Poultry Export Certificate of Wholesomeness issued by FSIS/USDA. The following information must be provided in the remarks column of the certificate or the shipment will be rejected by Korean authorities. However, processed meat such as sausages and hamburger patties is OK with only the "Date of Processing and Place of Processing", and no certificates are required for canned meat.

1). Date of slaughter. 2). Place of slaughter. 3). Date of processing. 4). Place of processing.

b. **Poultry Products** must be accompanied by the following two certificates:

- 1). Form 9060-5, Meat and Poultry Export Certificate of Wholesomeness issued by FSIS.
 - 2). Certificate for Export of Poultry Meat to the Republic of Korea, FSIS form 93052A with all required information.
 - c. **Fresh Fruits, Vegetables and Nuts** (except walnuts) must be accompanied by : Phytosanitary Certificate, PPQ Form 577, issued by APHIS/USDA.
 - d. **Frozen/processed Fruits and Vegetables** (not canned) must be accompanied by: Certificate of Quality and Condition, Form FV-146CS issued by AMS/USDA
 - e. **Vacuum Packed Shelled Walnuts** must be accompanied by: Phytosanitary Certificate, PPQ Form 577, issued by APHIS/USDA with all the required fumigation information such as chemical name, dosage, duration, temperature, chamber, atmosphere, load factor, and other required information.
7. Authorized U.S. Laboratories By the Korean Government
- Korea Food & Drug Administration (KFDA) operates a program that recognizes foreign laboratories as official testing laboratories, inspection certificates or certificates of laboratory test results issued by these authorized official laboratories. As of now, there are two U.S. laboratories that have been authorized as official foreign laboratories by KFDA. It is designed to reduce obstacles for exporting products. They will evaluate products for foreign country requirements and issue a certificate that minimizes the chances of product rejection. For more information on the services, please contact:
- | | |
|---|--|
| a. Oregon Department of Agriculture
Export Service Center, Albers Mill Building
1200 N.W. Front Avenue, Suite 320
Portland, Oregon 97209-2898
Tel: 503-229-6557 Fax: 503-229-5933
E-mail: esc-food@oda.state.or.us | b. Omic USA Inc.
Mr. Ryuichi Kurosawa, President
1200 NW Natio Parkway
Portland, Oregon 97209
Tel: 503-224-5929
Fax: 503-223-9436 |
|---|--|

D. General Import and Inspection Procedures

Korea Customs Service (KCS), KFDA, National Quarantine Office (for ports that do not have KFDA regional offices), National Veterinary Research & Quarantine Service and National Plant Quarantine Service are the agencies involved in the import clearance process. Imports of agricultural products generally must receive clearance from several organizations and are thus much more likely to run into port delays than other imported products. These delays can be costly due to the perishable nature of many agricultural products. In addition to these organizations, there are many other agencies that are involved in regulating imports through the administration of licenses or in some cases, quotas for agricultural products.

KCS is responsible for ensuring that all necessary documentation is in place before the product is finally released from the bonded area. KCS operates the EDI system (Electronic Data Interchange System) and KFDA operates the imported food network system through their regional offices and national quarantine offices. The KFDA network system is connected to the EDI system of KCS. This permits results of the KFDA inspection to be transmitted through

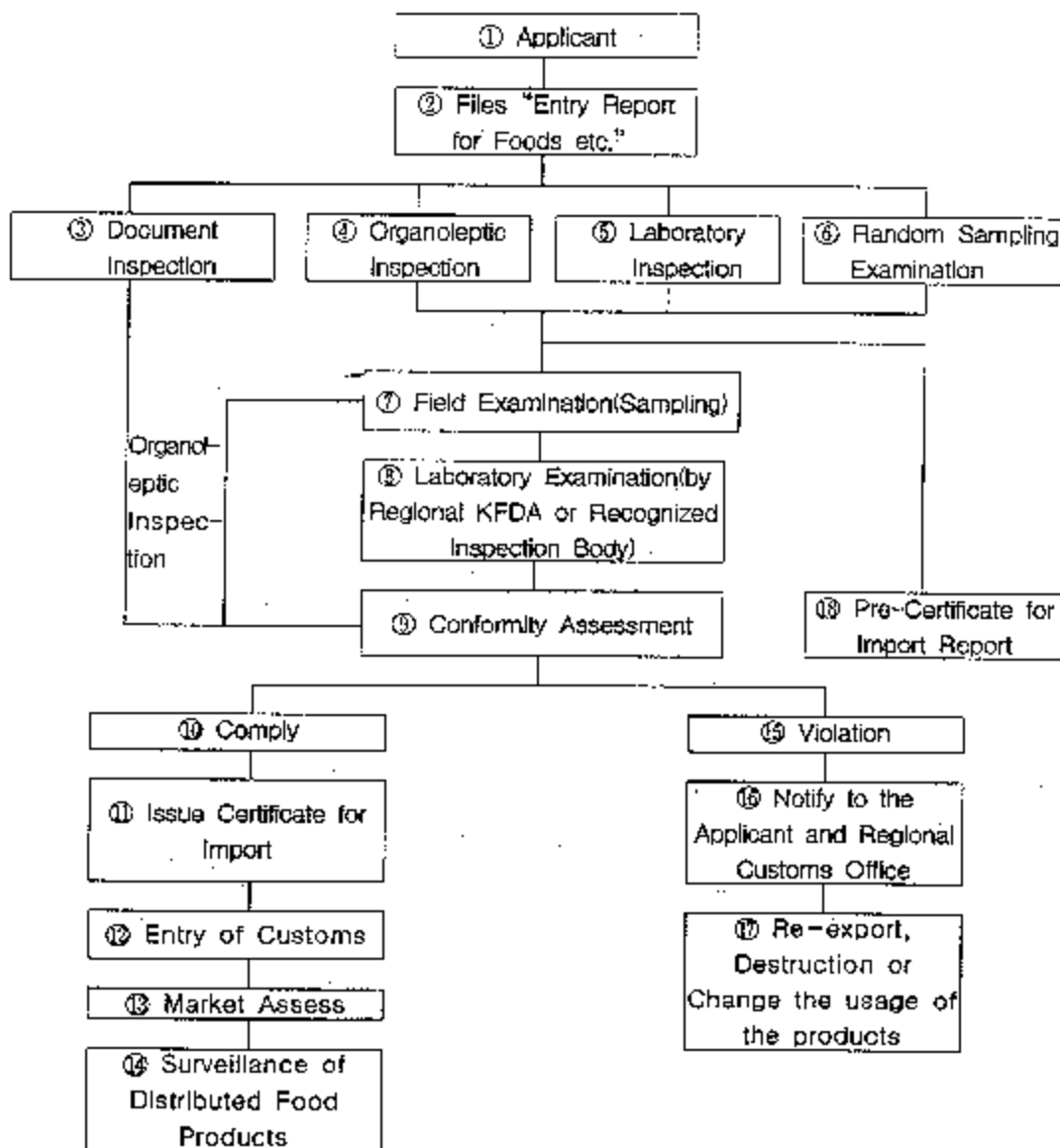
the EDI system, once the inspection is completed. Such connection enables KCS to reduce the clearance time. Products subject to plant quarantine inspection and animal quarantine inspection must be cleared by the respective quarantine inspection authorities before clearing customs.

E. Korea Food & Drug Administration (KFDA) Import Procedures

1. The importer or the importer's representative submits the 'Import Declaration for Food, etc.'
2. The type of inspection to be conducted is determined in accordance with the guidelines for inspection of imported food products. The types of inspection that a given food product may be subject to are: Document Inspection, Organoleptical Inspection, Laboratory Inspection, and Random Sampling Examination
3. If a product is subject to organoleptical inspection, laboratory inspection and random sampling examination, the KFDA inspector will conduct a field examination and take samples for the laboratory test.
4. KFDA conducts the conformity assessment from the information collected, using such items as test results, document inspection results, etc.
5. If a product complies with the Korean standards, KFDA issues a certificate for import. An importer can clear products with the KFDA import certificate.
6. If a product does not comply with the Korean standards, KFDA will notify the applicant and the regional customs office on the nature of the violation. The importer decides whether to destroy or return shipments to the exporting country or use it for non-edible purposes. If the violation can be corrected, as with labels, the importer can reapply for the inspection after making the corrections.
7. For perishable agricultural products, such as fresh vegetable, fruits, etc., an importer can clear the products prior to completion of the laboratory test with a pre-certificate for import report issued by KFDA. However, in this case, the importer should be able to track down the distribution of the given product so he/she can recall the products, in case the laboratory test indicates a violation.

If products are subject to animal quarantine inspection or plant quarantine inspection in addition to food inspection by KFDA, the animal quarantine certificate or plant quarantine certificate issued by the National Veterinary Research & Quarantine Service (NVRQS) or the National Plant Quarantine Service (NPQS) is required for product clearance, in addition to the KFDA certificate. Inspection by NPQS or NVRQS can take place simultaneously with the KFDA inspection.

Importing Foods into the Republic of Korea



SECTION III. MARKET SECTOR STRUCTURE AND TRENDS

As Korean economy is recovering very fast and is forecast to attain about 9 percent growth in 1999 and per capita income increases, imports of consumer-ready food products, food ingredients and fishery products will increase significantly in the years to come. As mentioned earlier, imports of consumer ready food products from the United States into Korea increased by 43 percent and fishery products increased by 91 percent during the first half of this year.

In case of the retail sector, U.S. suppliers should try to contact importers to export their products as few retailers import directly from foreign suppliers (though this will likely begin to change soon). In the case of the HRI sector, hotels and restaurants purchase imported food products through the Korea Tourist Supply Center, importers, distributors and/or import directly from overseas suppliers. In case of food processing sector, food processors normally import large volume of ingredients or grains directly, and generally purchase small volume of ingredients from importers and/or trading agents.

A. Retail food sector. (See Korean Retail Sector Report KS9103, 11/99)

There are several types of retailers who handle foods and agricultural products. They are: general marketplace (conventional open air markets), periodic marketplaces in rural areas (normally opens once every 5 days), department stores/shopping centers, supermarkets (super chain companies and several thousand independent small supermarkets and outlets), convenience stores, Mom & Pop Stores, National Agricultural, Fishery and Livestock Cooperative Federation Stores and discount stores or membership warehouse type stores.

Of greatest interest are department stores, supermarkets, convenience stores and discount stores. Most retailers purchase imported food products from importers and/or wholesalers. Few retailers import food products directly from overseas suppliers yet.

1. Department Stores/Shopping Centers. According to the Korea Chamber of Commerce and Industry's (KCCI) 1999 Report on Retail Business, the average annual sales per store of 116 department stores/shopping centers surveyed by the KCCI slightly decreased to 112.6 billion won (average annual exchange rate: 1,398.9 won/US\$) in 1998, down 7.8 percent from \$122.1 billion won in 1997 because of the economic recession. Of the sales food and beverage accounted for 21.4 percent in 1998 from 22.3 percent in 1997.

2. Supermarkets. The KCCI report revealed that the average annual sales of each supermarket outlet of 1,140 supermarkets in seven major cities in Korea surveyed by the KCCI also slightly decreased to 1,737 million won (average annual exchange rate: 1,398.9 won/US\$) in 1998 from 1,781.9 million won in 1997. Of the average annual sales per outlet, food sales accounted for 78.5 percent and the remaining 21.5 percent was non-food items.

3. Convenience Stores. The number of convenience stores decreased to 1,978 in 1998 from 2,291 in 1997. The total sales of the 8 large convenience store companies totaled 969.5 billion won in 1998. Of the total sales, food and beverage sales accounted for 59.4 percent in 1998.

4. Discount Stores. The average annual sales of each discount store of 87 surveyed by the KCCI amounted to 71.8 billion won (average annual exchange rate: 1,398.9 won/US\$) in 1998. Of the average annual sales per store, food and beverage accounted for 56.8 percent. Of the average annual sales of each discount store, imported goods including food amounted to 3.17 billion, accounting for 4.6 percent. Of imported goods, imported food accounted for 48.6 percent.

B. Hotel, Restaurant and Institutional Industry

According to the Korea Statistical Yearbook 1998 published by the National Statistical Office, there were a total of 348,440 restaurants across the country, and the total sales totaled 18,576 billion won in 1996 (the latest data available). Of which there were 218,624 Korean restaurants with sales volume of 11,481 billion won, 23,565 Chinese restaurants with sales volume of 1,359 billion won, 14,633 western restaurants with sales volume of 1,199 billion won, 3,815 Japanese restaurants with sales volume of 676 billion won and 87,803 other type restaurants with sales volume of 3,862 billion won in 1996. The average annual exchange rate of won against the US dollar in 1996 was 804.8 won.

Of most interesting hotels and restaurants are registered tourist hotels and registered tourist restaurants. There are currently about 450 registered tourist hotels and 400 registered (registered as tourist) fast food/family style restaurants. These hotels and restaurants can purchase imported food products through general importers as well as locally produced food products, and can also import food products directly from foreign countries.

However, in the case of imported foods, many hotels and restaurants utilize the Korea Tourist Supply Center (KTSC). The KTSC does not add much mark-up to the imported prices because all the shareholders are major hotels, that is, end-users of imported food products. The KTSC imports a wide variety of food stuffs, vegetables, fruits, meat and seafood, and supply to registered hotels and restaurants. Many registered hotels and restaurants purchase imported food products through the KTSC because they find it difficult to import a wide variety of food products in small quantities each time.

The KTSC imports food products after receiving orders from these hotels and restaurants, and also imports those food products of repeated orders, stocks them in their own storage and sells them to the hotels and restaurants. The KTSC imported about \$40 million worth of food stuffs in 1998, down from \$80 million in 1997 because of the economic crisis in Korea, of which about 70 percent came from the United States.

Institutional Industry - The market for institutional industry is estimated at about \$1.7 billion in Korea and this industry is growing very fast. According to the Food Distribution Yearbook, total sales of the largest 24 catering companies surveyed by the publication amounted to \$712 million in 1998 and are estimated at over \$1 billion in 1999. However, most of these companies do not import food ingredients directly, but buy some imported food ingredients from importers and distributors.

C. DOMESTIC FOOD PROCESSING SECTOR

The Korean food and beverage manufacturing and processing industry is a major consumer of imported raw materials, intermediate products, ingredients and additives. Imports are necessary to support the processing industry because

local production is constrained by a lack of arable land, and 70-80 percent of Korea's food products are imported. The continued depletion of farmland in Korea may lead to serious food shortages in the next century. Records show that farmland has been shrinking at a rate of 30,000 ha. per year. At the current rate, total farmland would be 850,000 ha. by the year 2028, about half the current total. The main reason for the loss of farmland is the ongoing organization of rural areas.

Imports of corn, soybeans, wheat, essential oils, frozen concentrated orange juice, turkey meat, duck meat, almonds, walnuts, powdered milk and beef tallow are good examples of raw materials or ingredients imported into Korea for use in food processing. U.S. suppliers have a strong opportunity to export raw materials or ingredients for use in food processing in Korea.

The Report on Mining and Manufacturing Survey published in December 1998 shows total output of the Korean food processing and beverage sector in 1997 (Statistics for 1998 are not available) was \$33 billion of which the food processing sector accounted for about 83.9 percent (about \$27.7 billion) and beverages around 16.1 percent (about \$5.3 billion). The average annual exchange rate of won against the US dollar in 1997 was 951.1 won. Most Korean food and beverage manufacturers are small scale companies. According to the same report above, as of the end of 1997, there were 6,166 food and beverage plants with a labor force of five or more nationwide (slightly down from 6,239 in 1996).

Of these food and beverage manufacturers there are only 28 manufacturers with 500 employees or over as shown on the following table. Only 5.7 percent (352 manufacturers) have 100 or more employees.

Employment Size of Food and Beverage Manufacturers (1997)

No. of Employees	No. of Manufacturers	No. of Employees	No. of Manufacturers
5 - 9	2,832	100-199	205
10- 19	1,480	200-299	74
20- 49	1,105	300-499	45
50- 99	387	500 +	28
Total			6,166

D. Trends in tourism sales, holiday sales and Internet sales

Korea expects about 5 million travelers/tourists will visit Korea in the year 2000. Korea is putting a lot of efforts to attract more tourists to Korea in order to garner more foreign exchange. Hotels and restaurants are good places for these travelers to enjoy a wide variety of imported foods as well as local foods. There are two big holidays in Korea, one is 3 day Chusok (Korean version of Thanksgiving Day) holiday, the other is 3 day Lunar New Year Holiday. During these holidays, many Koreans give gifts to their relatives, friends and business partners. Beef ribs, fruits, and other high value food products are some of the gifts that are popular during these holidays. Internet sales are not so popular yet in Korea. Korea Distribution Yearbook indicates that Internet sales in Korea are estimated at \$29 million in 1999. Food items are negligible yet. However, Internet sales are likely to become very popular in the near future,

and increase significantly in the years to come.

SECTION IV. BEST HIGH-VALUE PRODUCT PROSPECTS

- | | |
|----------------------|-------------------------------------|
| 1. Red Meat | 9. Fresh vegetables |
| 2. Poultry Meat | 10. Coffee |
| 3. Seafood | 11. Confectionery |
| 4. Dairy Products | 12. Preparation of cereals |
| 5. Citrus | 13. Processed fruits and vegetables |
| 6. Edible Oil | 14. Wine |
| 7. Frozen vegetables | 15. Pet food |
| 8. Tree nuts | |

SECTION V. KEY CONTACTS AND FURTHER INFORMATION

For further detailed information about the Korean market, please contact:

Agricultural Trade Office
U.S. Embassy, Seoul, Korea
Room 303, Leema Building
146-1, Susong-dong, Chongro-ku
Seoul, Korea
Phone: 82-2-397-4188
Fax: 82-2-720-7921
E-mail: atoseoul@fas.usda.gov
Home Page: www.atoseoul.com

The home page will also refer you to the Korea Retail Sector Report (KS9103), and the Korea Food and Agricultural Import Regulations and Standards (KS9061).

EXPORTER GUIDE
APPENDIX I. STATISTICS

A. KEY TRADE & DEMOGRAPHIC INFORMATION

Agricultural Imports From All Countries (\$Mil) / U.S. Market Share (%) 1/	6,739 / 39
Consumer Food Imports From All Countries (\$Mil) / U.S. Market Share (%) 1/	1,404 / 34
Edible Fishery Imports From All Countries (\$Mil) / U.S. Market Share (%) 1/	539 / 14
Total Population (Millions) / Annual Growth Rate (%)	46.4 / 0.95
Urban Population (Millions) / Annual Growth Rate (%) 2/	35/1.7
Number of Major Metropolitan Areas 3/	7
Size of the Middle Class (Millions) / Growth Rate (%) 4/	N/A
Per Capita Gross Domestic Product (U.S. Dollars) 5/	6,823
Unemployment Rate (%)	6.8
Per Capita Food Expenditures (U.S. Dollars) 6/	\$255.8
Percent of Female Population Employed 7/	44.3
Exchange Rate (US\$1 = Korean won) 8/	1,398.9

All data are for 1998 unless otherwise noted.

Food Notes

- 1/ UNTrade database for 1998
- 2/ Urban population in 1995 and average growth rate over the past 5 years
- 3/ Population in excess of 1,000,000
- 4/ Official data is not available
- 5/ Per capita Gross National Income, GDP is not available
- 6/ Monthly average expenditures of urban workers' household on food and beverage
- 7/ Percent against total number of women (15 years old or above)
- 8/ Average annual exchange rate of won against the U.S. dollar in 1998

B. CONSUMER FOOD & EDIBLE FISHERY PRODUCT IMPORTS

Korea, Republic of Imports (In Millions of Dollars)	Imports from the World			Imports from the U.S.			U.S Market Share		
	1996	1997	1998	1996	1997	1998	1996	1997	1998
CONSUMER-ORIENTED AGRICULTURAL TOTAL	2,349	2,395	1,404	819	840	483	35	35	34
Snack Foods (Excl. Nuts)	119	125	68	27	31	16	23	25	24
Breakfast Cereals & Pancake Mix	4	9	4	2	4	1	62	41	30
Red Meats, Fresh/Chilled/Frozen	671	719	416	331	330	196	49	46	47
Red Meats, Prepared/Preserved	33	33	22	15	16	11	46	49	51
Poultry Meat	65	68	27	37	31	14	57	45	54
Dairy Products (Excl. Cheese)	135	115	71	19	18	12	14	15	17
Cheese	50	60	36	18	19	7	36	31	19
Eggs & Products	18	16	13	4	5	6	23	33	47
Fresh Fruit	117	146	86	36	45	33	31	31	39
Fresh Vegetables	31	26	26	13	7	1	43	26	5
Processed Fruit & Vegetables	376	368	219	94	108	69	25	29	32
Fruit & Vegetable Juices	112	110	66	40	41	25	36	37	38
Tree Nuts	34	27	16	26	22	15	76	81	89
Wine & Beer	20	28	7	4	6	1	19	21	17
Nursery Products & Cut Flowers	40	40	13	1	1	1	0	1	1
Pet Foods (Dog & Cat Food)	13	14	9	11	12	7	84	86	85
Other Consumer-Oriented Products	511	488	306	141	145	66	28	30	22
FISH & SEAFOOD PRODUCTS	1,009	984	539	168	125	78	17	13	14
Salmon	13	12	10	2	1	1	17	8	4
Suimi	101	125	60	55	56	33	54	45	54
Crustaceans	224	229	69	9	10	2	4	5	3
Groundfish & Flatfish	287	285	211	72	37	35	25	13	17
Molluscs	154	126	65	1	1	1	1	1	0
Other Fishery Products	230	206	124	29	20	7	13	10	6
AGRICULTURAL PRODUCTS TOTAL	10,548	9,406	6,739	4,513	3,453	2,641	43	37	39
AGRICULTURAL, FISH & FORESTRY TOTAL	14,125	12,765	8,190	5,029	3,904	2,837	36	31	35

Source: FAS' Global Agricultural Trade System using data from the United Nations Statistical Office

**C. TOP 15
SUPPLIERS
OF
CONSUMER FOODS
AND
EDIBLE
FISHERY
PRODUCTS**

Korea, Republic of Imports

CONSUMER-ORIENTED AG TOTAL (\$1,000)

	1996	1997	1998
United States	819,490	840,271	482,952
China (Peoples Rep)	238,925	268,622	158,097
Australia	188,352	195,624	110,868
Denmark	112,392	127,559	90,211
New Zealand	141,524	108,570	60,736
Philippines	87,303	81,790	57,404
Netherlands	112,434	85,934	53,510
Thailand	94,112	62,993	45,354
Japan	71,355	72,198	39,023
Canada	48,210	77,037	35,533
France	61,365	55,395	33,569
Brazil	51,242	53,629	32,310
Belgium	22,057	43,166	27,292
Germany	46,647	41,674	24,926
Spain	21,907	30,548	21,333
Other	231,314	250,389	130,658
World	2,348,650	2,395,422	1,403,787

FISH & SEAFOOD PRODUCTS (\$1,000)

	1996	1997	1998
China (Peoples Rep)	212,804	264,635	191,954
Russian Federation	202,195	163,947	94,968
United States	167,938	125,387	77,968
Japan	48,797	63,742	28,040
Thailand	63,329	67,691	24,568
Indonesia	19,647	20,261	15,210
Argentina	36,067	30,674	11,539
Vietnam	12,821	18,085	11,386
New Zealand	23,880	18,990	7,615
United Kingdom	16,708	12,569	6,640
Norway	13,689	12,679	6,504
Canada	17,334	16,999	6,361
Taiwan (Estimated)	9,502	12,923	5,062
Free Zones	0	0	4,830
Chile	7,175	9,263	4,603
Other	156,863	145,943	41,600
World	1,008,756	983,778	538,856

Source: United Nations Statistics Division