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Report Highlights:

As the fifth largest country export market for the United States, Korea provides a promising market for U.S. agricultural products. In 2023, Korea imported about \$47 billion agricultural & related products from all over the world and the U.S. supplied a fifth of it, ranking number one. Other key suppliers were China, Australia, Brazil, Vietnam, and Indonesia. Korea's overall agricultural imports are forecast to have limited growth this year partly due to decreased demand from local retail and food service industries, weakened Korean currency against the U.S. dollar, and global inflation of food prices over the last couple of years. However, U.S. food and agricultural products will continue to be competitive in this market in the long run considering extended consumer interests in quality, safety, and sustainability.

MARKET FACT SHEET: SOUTH KOREA

Executive Summary

South Korea has the 13th largest economy in the world with a GDP of \$1.71 trillion and a per capita GNI of \$33,127 in 2023. It is about the size of Indiana and over 80 percent of Koreans live in urban areas. Domestic production meets only 46 percent of food demand. The United States exported \$8.8 billion in agricultural products to Korea in 2023, making it our fifth largest export market. The U.S. supplies a quarter of Korea's agricultural imports.

Consumer-Oriented Agricultural Imports

In 2023, Korea imported consumer-oriented agricultural products totaling around \$20.1 billion. There are still many opportunities for U.S. export growth in this segment, including for beef, pork, fruits, tree nuts, dairy products, confectioneries, beverages, and further prepared foods.

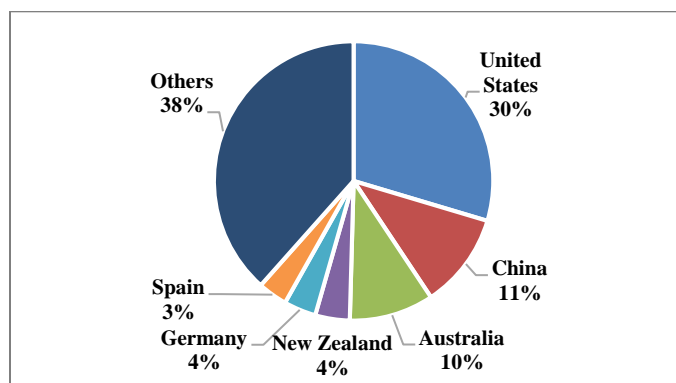


Chart 1: Top Exporting Countries to South Korea

Food Retail Industry

Korean retail food sales totaled \$137 billion in 2023, accounting for 31 percent of total retail sales (excluding automobiles). Grocery supermarkets were the leading food retail channel, followed by on-line retailers, hypermarket discount stores, convenience stores, and department stores. Recent years, e-commerce only companies have taken leadership of the Korean food retail market from large offline-based distributors. Out of the total online sales of Korea in 2023, food related online sales including food, agricultural products, and food delivery services became the largest category sold online occupying about 30 percent.

Food Processing Industry

In 2022, Korea had over 31,470 food processing companies, which generated \$63.3 billion in sales. Korean food processing companies rely heavily on imported commodities and ingredients. Imports of basic and intermediate agricultural products totaled \$18.2 billion in 2023. Fifteen percent (\$2.7 billion) of these imports came from the United States.

Food Service Industry

The HRI sector in Korea reached \$137 billion in 2022, a 17.5% increase from the previous year. However, moderate growth is expected in the coming years due to consumers' low confidence in Korea's economic situation.

Quick Facts CY 2023

Imports of Consumer-Oriented Products

US \$20.1 billion (\$5.9 billion from USA)

List of Top 10 Growth Products in Korea (BICO, 2022-2023)

- 1) Chewing Gum & Candy
- 2) Beer
- 3) Tea
- 4) Poultry Meat & Products (ex. eggs)
- 5) Bakery Goods, Cereals & Pasta
- 6) Condiments & Sauces
- 7) Fruit & Vegetable Juices
- 8) Non-alcoholic Beverages (ex. juices, coffee, tea)
- 9) Fresh Fruit
- 10) Processed Vegetables

Food Industry by Channels (\$U.S. billion)

Retail Food Industry (2023)	\$137
Food Service-HRI (2022)	\$132
Food Processing (2022)	\$63
Food and Agriculture Exports (2023)	\$12

Top 10 Korean Retailers

Coupage LLC, Shinsegae Co Ltd (EMART, Ebay Korea, Shinsegae Department Store), Naver Corp, Lotte Group, GS Holdings Corp, Hyundai Department Store, SK Telecom Co Ltd, BGF Retail Co Ltd, Alphabet Inc, Wemakeprice Inc

GDP/Population (2023)

Population: 51.6 million

GDP: US\$ 1.71 trillion

GDP per capita: US\$ 33,127

Strengths/Weaknesses/Opportunities/Threats

Strengths	Weaknesses
<ul style="list-style-type: none"> - Well established market with modern distribution channels - Consumer income level continues to increase 	<ul style="list-style-type: none"> - High logistics cost to ship American products - Consumers have limited understanding of American products
Opportunities	Threats
<ul style="list-style-type: none"> - Strong consumer demand for value, quality, and diversity - KORUS FTA reduces tariff barriers for American products. 	<ul style="list-style-type: none"> - Elevated competition from export-oriented competitors - Discrepancies in food safety and labeling regulations

Data and Information Sources: Trade Data Monitor, Korea Ministry of Food & Drug Safety, Korea National Statistics Office, CIA Factbook, Korea Int'l Trade Association, Euromonitor International. To the greatest extent possible, the latest available statistics are used in this publication.

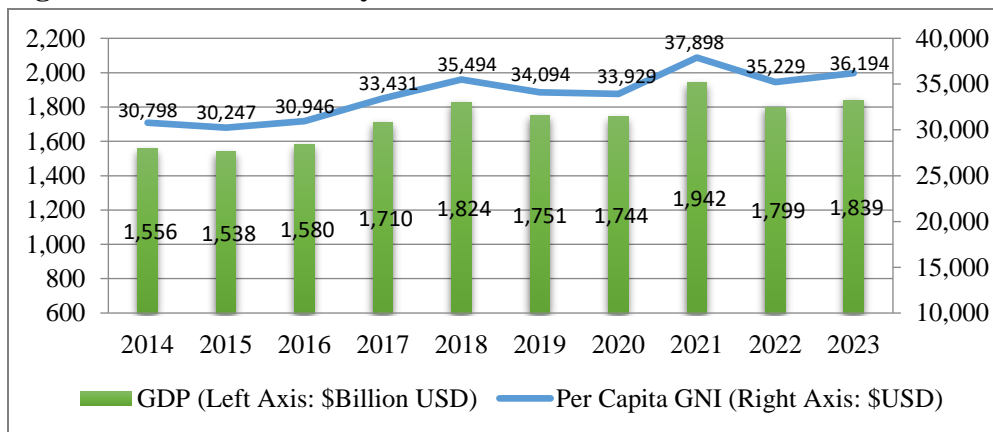
Contact: U.S. Agricultural Trade Office Seoul
(atoseoul@usda.gov)

SECTION I. MARKET OVERVIEW

Key Demographic Trends: South Korea (hereafter referred to as Korea) is roughly the size of Indiana and has a population of 51.8 million, an estimate as of July 2024. Korea has the lowest birthrate in the world, reaching a record low of 0.72 in 2023. Korean population is rapidly aging and the government forecasts that people over 64 will account for 40 percent of the total population by 2050. This demographic shift is becoming one of the most important drivers of changing Korea’s food market trends.

National Economy: Korea, the world’s 13th largest economy and one of the leaders in high-tech industries, has a strong export-driven economy, with a Gross Domestic Production (GDP) of \$1.84 trillion and a per capita Gross National Income (GNI) of \$36,194 as of year 2023. Coping with the pandemic, Korea’s economic growth was relatively slow from 2020 through 2022. In 2023, the Korean economy faced strong headwinds from multiple issues, including elevated interest rates, a weakened Korean currency against the U.S. dollar, and shrinking working-age population, resulting in only 2.2 percent of year-on-year (y-o-y) increase of GDP. The Korean economy is forecast to show a modest recovery in 2024, with exports driving the growth in spite of the stagnate domestic demand¹. While the surging semiconductors exports will have a positive impact on rebounding economy in the short term, the inflation will also remain well above 2 percent for the time being. The historical economic GDP and GNI for the past ten years showing the trends of Korean consumers’ purchasing power can be seen in Figure 1.

Figure 1_Korean Economy Trend



Source: The Bank of Korea (www.ecos.bok.or.kr)

International Agricultural Trade: Over 70 percent of South Korea’s land is mountainous, leaving only 30 percent of the land arable. Over 90 percent of Koreans live in urban areas which cover only 17 percent of the country, with about half the total population living in the greater metropolitan Seoul area. Much of the limited farm acreage is dedicated to rice production due to government subsidy policies. Traditionally, Koreans have imposed great importance on agriculture, viewing it as the basis of the universe and had been very protective of the agricultural sector from international trades. However, the country has adopted an open market

¹ Korea Development Institute (KDI) Economic Outlook (2024-1st Half)

policy and has opened its door internationally in most sectors, including agriculture. Korea has 21 effective Free Trade Agreements (FTA) with 59 countries as of April 2024 and is continuing FTA negotiations with emerging countries. Even with that, Korea still has some sensitive sectors to protect such as grains including rice and fruits including oranges.

In 2023, Korea imported about \$47 billion agricultural and related products globally and the U.S. supplied a fifth of it, ranking number one. Other key suppliers were China, Australia, Brazil, Vietnam, and Indonesia.

It normally takes a minimum of two weeks for a container ship from a western U.S. port, and three weeks from an eastern port, to arrive in a port in Korea. Most imported consumer ready products enter through the port of Busan. The port of Incheon, which is about an hour drive from the Seoul metropolitan area, is another important entry point, where small-volume-high-value products, such as premium wine, fresh cherries, and chilled beef, often enter the country via air cargo through Incheon International Airport (ICN).

The supply chain for imported agricultural products typically involves multiple layers of intermediary distributors and retailers including brick and mortar stores and e-commerce platforms. There has been growing demand for e-commerce in Korea and the annual sales of e-commerce platforms increased at a ten-year compound annual growth rate of 18 percent (2014-2023). There are also about 20 mobile shopping applications with more than 1 million active users per month.

Korea is the United States' fifth largest agricultural and related products' country export market, and according to the Trade Data Monitor, the total export value reached \$9.1 billion in 2023 keeping the three-year average at \$10.1 billion. The United States is Korea's largest supplier of agricultural imports with around 19.5 percent market share. Korean consumers and traders generally recognize the United States as a trusted origin for imported agricultural products with good quality and value. Strong business and social connections between the two countries help boost consumer interest and awareness of new U.S. products and trends. The Korea-United States Free Trade Agreement (KORUS FTA), implemented in March 2012, has increased export opportunities for U.S. products by reducing tariff and non-tariff barriers.

While there is plenty of opportunity for U.S. exporters, there are also some challenges that come with doing business in the Korean market, as illustrated in Table 1.

Table 1_Advantages and Challenges for U.S. Products in the Korean Market

Advantages	Challenges
Korea is a fast-paced market where new ideas and trends are eagerly tried and accepted. Rising incomes are creating demand for diverse and high-quality food.	Many Korean consumers are biased toward locally produced agricultural products, believing they are better and safer than imported products.
Korea depends heavily on food and agricultural imports. Consumers closely follow international food and consumption trends.	Imports are subject to strict food safety regulations. Korean food safety standards change frequently and with short notice.
Modern large-scale retailers provide a more efficient marketing environment for imported products.	The supply chain for imported products includes multiple layers of intermediary distributors and agents, which adds cost and inefficiency.
Korean consumers are very concerned about food safety. Many consumers recognize the United States as a trusted origin for quality agricultural products.	U.S. products face strong competition from other exporting countries. The recent economic slowdown and weakened local currency have made consumers more price sensitive, favoring low priced competitors.

SECTION II. EXPORTER BUSINESS TIPS

Market Research

U.S. suppliers seeking entry into Korea should first conduct preliminary research to determine if there is a potential market for their products in Korea. The research should cover key marketing and regulatory issues including consumption trends, size of the market and competition, major distribution channels, import tariffs and local taxes, and labeling and food additive restrictions. For assistance in reaching out to established Korean import distributors and retail buyers, please contact [the Agricultural Trade Office \(ATO\) Seoul](#). ATO Seoul offers various marketing tools and trade facilitation supports to U.S. suppliers. ATO Seoul also offers information about the Korea market on its website (www.atoseoul.com), including:

- [GAIN Reports](#): Routine and voluntary reports on key products, industries, and regulatory issues published by FAS Seoul.
- [Food News Clipping](#): Weekly highlights of FAS Seoul monitoring of media reporting on food and agricultural issues in Korea.

Suppliers need to check if their products meet Korean food regulations and standards. For assistance in identifying or resolving regulatory issues, please refer to [the Office of Agricultural Affairs \(OAA\) Seoul](#) (more detailed contact information is also shown at the end of this report). The U.S. Department of Commerce's [Country Commercial Guide](#) also contains useful information on the Korean market. Socio-economic data can be found in the [CIA Factbook](#).

Establishing Korean Business Partners

Many Korean importers are actively seeking business opportunities with new foreign suppliers and are willing to have in-depth discussions on market situation if they are interested in the supplier's product or business offers. Korean importers highly value face-to-face meetings when developing new business partnerships, so exhibiting in reputed food trade shows is an effective

tool for developing contacts with potential Korean buyers. [Seoul Food & Hotel Show](#), the one and only food trade show in Korea endorsed by USDA/FAS, is an effective venue for new-to-market U.S. suppliers to develop contacts with Korean buyers. For registration information, please contact [the ATO Seoul](#). Other international food trade shows with a large-scale Korean buyer attendance include [FoodEx Japan](#), [Natural Products Expo West](#), [Fancy Food Shows](#), [SIAL Paris](#), and [ANUGA Germany](#).

Another recommended tool is joining reverse trade missions to Korea organized by U.S. agricultural export promotion organizations, such as State Regional Trade Groups, State Departments of Agriculture, and USDA Cooperators. [Some U.S. states](#) and [USDA cooperators](#) have representative offices or marketing contractors in Korea and provide market entry assistance for new-to-market suppliers (contact information of the organizations can also be found at the end of this report).

Please also refer to the [Korean Business Culture](#) for further information.

SECTION III. IMPORT FOOD STANDARDS, REGULATIONS AND PROCEDURES

Korea has well-established and relatively strict food standards and regulations. Imported products must meet all local rules to enter the market. [The Food and Agricultural Import Regulations and Standards \(FAIRS\) Country Report](#) and [FAIRS Export Certificate Report](#) provide an overview of relevant standards and regulations. These reports can be found on the [USDA FAS website](#).

Exporters of meat products should also check export requirements on the [Food Safety Inspection Service Export Library](#). Sanitary and phytosanitary requirements can be found on the Animal & Plant Health Inspection Service (APHIS) [IRegs website](#). Exporters should also consult closely with their Korean importer to ensure they meet the latest regulations.

The 2012 KORUS Free Trade Agreement significantly reduced tariffs on many U.S. products imported into Korea. Information about the KORUS FTA and import tariffs are available on the [USTR website](#).

SECTION IV. MARKET SECTOR STRUCTURE AND TRENDS

Market Sectors

Retail Food Sector

The United States is the leading supplier of imported consumer-oriented agricultural products for Korean retail industry, shipping \$4.9 billion in 2023. The outlook for U.S. products in the Korean retail industry is excellent for a wide range of products, including pork, poultry meat, dairy, processed fruit, fruit and vegetable juice, food preparations under HS2106, non-alcoholic beverage, and wine. For further information about the retail food sector in Korea, please refer to [Korea Retail Foods Report 2023](#).

Hotel, Restaurant and Institutional (HRI) Food Service Sector

Since the pandemic-related restrictions have been lifted and consumer demand for diverse food and dining options have begun to revamp, the food service sector showed a growth at a slow pace. In 2022, sales of the HRI sector increased 17.5 percent from the previous year and reached \$137 billion. However, moderate growth is expected in the coming years due to consumers' low confidence in Korea's economic situation. For further information about the HRI food service sector in Korea, please refer to [Korea HRI Foodservice Sector Report 2023](#).

Food Processing Sector

Korea has a strong food processing industry that manufactures a wide variety of food and beverage products. It also relies heavily on imports to fulfill its food and agricultural needs. As a result, the Korean food processing industry offers an outstanding opportunity for imported agricultural products for processing use, including basic commodities such as wheat and soybean, intermediate ingredients such as vegetable oils and fruit juice concentrates, and food additives such as flavors and coloring agents. For more information on the food processing sector, please refer to [Korea Food Processing Ingredients Market Report 2024](#).

Market Trends

Koreans are looking for new tastes, better value, convenience, high quality, and most importantly, safe and healthy food. Coming out of the pandemic, consumers are especially focused on their health and wellness issues. Consumers who frequently used online shopping malls and mobile shopping applications to buy food items during the pandemic continuously use online channels.

Korea is a rapidly aging country, and its households are getting smaller. As the population ages, health becomes a higher priority and with most of the members in small households working outside having less time to cook at home, convenience and cost-effectiveness become the key. Going forward, it will be important for retailers and distributors to adjust their sales and merchandising plans to meet these changing consumer needs.

Online Food Trade Continues to Grow: Over the past five years, online shopping transactions in Korea have increased 1.6 times, and this trend has been evident in the grocery industry as well. Out of the total online transactions, food sales accounted for 30 percent in 2023, which is an increase by 10 percent from 20 percent in 2019. As purchasing food through mobile devices becomes a new routine, the online sales of grocery items are expected to keep growing, though at a slow pace due to sluggish economic situation.

Home Meal Replacement (HMR) for Your Convenience: In 2023, the total population of Korea was 51.6 million and the average number of family members per household was only 2.27. With Korean households getting smaller, people choose not to cook at home as frequently as they did in the past. Convenience and cost-effectiveness became key for the consumers in small families. Markets for meal kits, meals ready-to-eat, and packaged restaurant meals have steadily grown for

the past several years and local industry forecasts the market size of HMR will reach 6.5 trillion Korean won in 2024².

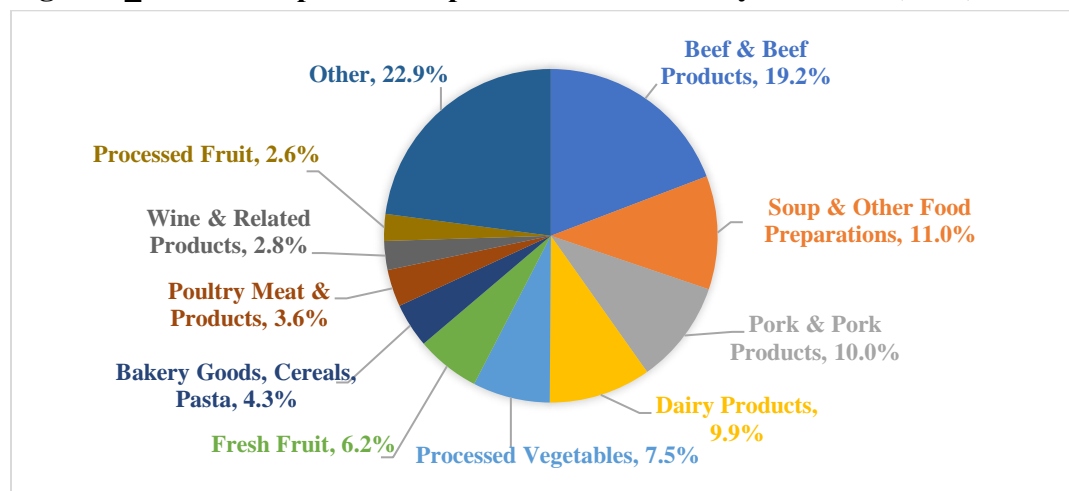
High Protein, Low Sugar Foods for Health & Wellness: Thanks to the strong and growing consumer interests in healthier diets and partly due to the rapidly aging Korean population, demand for functional food supplements and foods with “perceived” health benefits has exploded. According to Euromonitor Korea’s recent research, high-protein & low-sugar products are becoming default health options for Korean consumers. Korean food processors have increased their number of products having high protein claims in packaged food and soft drink products. Market sizes of low or no sugar snacks and soft drinks are forecast to keep increasing for the next several years.

SECTION V. AGRICULTURAL & FOOD IMPORTS

Agricultural and Food Import Statistics

In 2023, Korea imported \$47 billion of food and agricultural products from the world and the largest category was consumer-oriented products (\$20.1 billion) with a 43 percent share, followed by intermediate products (\$9.2 billion) and basic products(\$8.2 billion). Top 10 selling imported consumer-ready food products accounted for 77 percent of the total category and a breakout of those items can be seen in Figure 2.

Figure 2_Korea’s Imports of Top 10 Consumer-Ready Products (2023)



Source: Trade Data Monitor, South Korea Imports from_World, BICO Consumer Ready Products

For more detailed information on the country’s import data, please refer to the Appendix I and ATO Seoul’s [Agricultural Statistics](#) - monthly spreadsheet updates on Korean agricultural imports by four-digit HS product classification. Both the Korean government import statistics (KOTIS data, CIF value) and U.S. export statistics (U.S. Customs data, FOB value) are included for more accurate trade analysis.

² Korea Rural Economy Institute (KREI) – 7 Issues of Korean Food Service Industry for 2024

Best High-Value, Consumer-Oriented Product Prospects

Consumer-ready foods including beef, food preparations, pork, coffee, cheese & curd, and poultry meat were the categories Korea imported from the world in the highest values last year. In 2023, the United States ranked number 1 supplier of consumer-ready food products to Korea. Among the high value imports from the United States, there were beef (chilled/frozen), food preparations including dairy-based pastes for baking & protein concentrates, pork, cheese & curd, and wine. Table 3 shows the top 10 Korean imports of consumer-ready products in 4-digit HS Code and leading suppliers.

Table 3_Top 10 Korean Imports of Consumer-Oriented Products and Competition

Product Category/HS Code	Gross Imports 2023	1 st Supplier (Share)	2 nd Supplier (Share)	U.S. Ranking (Share)
Beef, Frozen/HS0202	2,346	U.S. (52%)	Australia	1 st (52%)
Food Preparations NESOI³/HS2106	2,286	U.S. (50%)	Germany (16%)	1 st (50%)
Pork, Fresh, Chilled or Frozen/HS0203	1,918	U.S. (28%)	Spain (23%)	1 st (28%)
Beef, Fresh or Chilled/HS0201	1,254	U.S. (71%)	Australia	1 st (71%)
Coffee/HS0901	1,111	Brazil (18%)	Colombia	3 rd (12%)
Cheese and Curd/HS0406	863	U.S. (34%)	N.Z. (18%)	1 st (34%)
Poultry Meat & Offals/HS0207	525	Brazil (81%)	Thailand	3 rd (1%)
Wine/HS2204	506	France	U.S. (16%)	2 nd (16%)
Bread, Pastry, Cakes/HS1905	473	China (17%)	Malaysia	3 rd (12%)
Other Preserved Fruits & Nuts/HS2008	452	China (31%)	Vietnam (22%)	3 rd (17%)

Source: Korean government import data (KOTIS) released by Korea Int'l Trade Association (www.kita.net). CIF value.

Table 4 shows 10 imported products with the biggest y-o-y growth in 2023. Products under HS2002 showed the highest growth rate due to the increased demand on tomato paste. In 2023, China took 29 percent market share for this category, followed by the U.S.A (28 percent), and Italy (26 percent). The U.S. products such as cherry, processed tomatoes, sugar confectionery, beer, and vinegar came into Korea in high values as well as showing strong growth from the year before.

³ NESOI: Not Elsewhere Specified or Included

Table 4_Top 10 Fastest Growing Korean Imports of Consumer-Oriented Products⁴

Product Category/HS Code (4)	Gross Imports 2023 (\$ million)	Growth from 2022	Imports from U.S. (\$1,000)	U.S. Growth
Tomatoes, Prepared/Preserved/HS2002	75	29%	20,634	13%
Vinegar/HS2209	24	28%	6,243	47%
Cherries, Peaches, Apricots, Plums, etc./HS0809	143	22%	88,312	51%
Sugar Confectionery/HS1704	303	20%	18,421	31%
Lettuce, Fresh/Chilled/HS0705	22	20%	4,025	12%
Poultry Meat & Offals/HS0207	525	16%	7,228	-11%
Ginger, Saffron, Turmeric, Thyme, etc./HS0910	14	14%	546	-13%
Bread, Pastry, Cakes, Biscuits, etc./HS1905	473	13%	56,312	-9%
Beer made from malt/HS2203	218	12%	16,939	32%
Coconuts, Brazil Nuts & Cashew Nuts/HS0801	48	10%	237	8%

Source: Korean government import data (KOTIS) released by Korea Int'l Trade Association (www.kita.net). CIF value.

⁴ Listing is limited to top 10 growth products that Korean imports were \$10 million or larger.

SECTION VI. KEY CONTACTS AND FURTHER INFORMATION

Agricultural Trade Office Seoul (ATO)
Address: Room 303, Leema Building,
42 Jongro 1-gil, Jongro-gu, Seoul, Korea
<http://www.atoseoul.com>

Phone: +82-2 6951-6848
Email: atoseoul@usda.gov

Agricultural Affairs Office, Seoul (AAO)
Address: U.S. Embassy, 188 Sejong-daero
Jongro-gu, Seoul, Korea
<https://kr.usembassy.gov/agricultural-affairs/>

Phone: +82-2 397-4297
Email: agseoul@usda.gov

U.S. Animal Plant and Health Inspection Service Seoul (APHIS)
Address: Room 303, Leema Building, 42 Jongro 1-gil, Jongro-gu, Seoul, Korea
Phone: +82-2 725-5495 E-mail: yunhee.kim@usda.gov

USDA Cooperators, SRTG, State Offices and AMCHAM in Korea

[USDA Cooperators in Korea](#)

[U.S. State Regional Trade Groups \(SRTG\)](#)

[U.S. State Offices in Korea](#)

[American Chamber of Commerce \(AMCHAM\)](#)

Host Country Government

[Ministry of Agriculture, Food and Rural Affairs \(MAFRA\)](#)

[Ministry of Foreign Affairs \(MOFA\)](#)

[Ministry of Food and Drug Safety \(MFDS\)](#)

[Ministry of Trade, Industry and Energy \(MOTIE\)](#)

Attachments: [Appendix I - 2023 BICO Ag Related Products Export to South Korea .docx](#)