

Voluntary Report – Voluntary - Public Distribution

Date: February 02, 2023

Report Number: KS2023-0003

Report Name: 2023 Korea's Adjustment and Quota Tariffs Schedule

Country: Korea - Republic of

Post: Seoul

Report Category: Country/Regional FTA's, Trade Policy Incident Report, Trade Policy Monitoring, WTO Notifications

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Report Highlights:

On December 27, 2023, Korea issued its flexible tariffs (Adjustment and Tariff Rate Quota) list for certain agricultural, forestry and fishery products for calendar year (CY) 2023. Flexible tariffs, which cover tariff rate quotas (TRQs) and adjustment duties, are utilized by the Korean government to stabilize consumer prices and balance supply and demand. Korea's 2023 tariff adjustments were relatively unchanged from the previous year. However, Korea has expanded TRQ's for certain agricultural commodities and increased in-quota volumes.

Executive Summary:

Adjustment Tariffs & Voluntary TRQs Announced for 2023

On December 27, 2022, the Ministry of Economy and Finance (MOEF) announced an updated list of adjustment tariffs (Table I) and voluntary TRQs for certain agricultural, forestry and fishery products (Table II, III, IV and V) effective for calendar year 2023.

These adjustment tariffs, expanded TRQs, and increased in-quota volumes are part of a special program to assist domestic industries. According to MOEF, the voluntary TRQs for agricultural commodities are intended to assist the domestic food and livestock industries by reducing input costs. As such, these TRQs apply mainly to feed grains and food ingredients.

In 2023, MOEF will maintain adjustment tariffs on 13 selected agricultural and fishery items. Tariffs are set in consideration of price differences between domestic and imported goods, market share, and tariff differentials within similar products. The tariffs listed in Table I (parboiled rice, Chinese vermicelli, oak mushroom, plywood, frozen squid, and frozen Alaskan Pollack) are justified by MOEF's determination that competing domestic industries continue to need protection.

MOEF will also manage 2023 voluntary TRQs to achieve domestic price stabilization, improve industrial competitiveness, and reduce costs for domestic livestock producers. Therefore, for a portion of the year, MOEF increased the number of agricultural commodities that will be afforded a quota tariff including pork, chicken, and some cooking oils.

The Korean government will continue supporting the feed grain complex, such as maize (corn), soymeal, barley, and oats. MOEF will allocate the TRQs for the following essential food items in an effort to stabilize consumer prices.

- 20,000 MT for fresh onions (Table II) with ten percent duty will be allowed until the end of February 2023.
- 30,000 MT for frozen or prepared chickens (Table III) and 10,000 MT for frozen mackerel will be allowed with zero duty until the end of March 2023.
- 10,000 MT for frozen or fresh pork (Table IV) with zero duty will be allowed until the end of June 2023.
- 16,794 MT of combined TRQs for live chicken, fertilized eggs for hatching, egg products and albumins (Table IV) with zero duty will be allowed until the end of 2023.
- 86,000 kilo liters (KL) for undenatured ethyl alcohol (Table IV) for alcoholic beverages with zero duty will be allowed until the end of June 2023.

Some TRQ items are newly included for CY 2023 (Table V) to support the competitiveness of local food industries. Additions include coffee beans, potato starch, dextrin and some cooking oils (soy oil,

refined oil and sunflower seed oil).

Additionally, Korea increased in-quota volumes for certain feed grains intended for domestic livestock and food-grade corn for the local food processing industry. The following commodities received additional volume allocations within the 2023 quota.

- Increased 1,000 MT of Whey for feed to 23,000 MT
- Increased 60,000 MT of Unhulled barley for feed to 100,000 MT
- Increased 170,000 MT of Maize for food processing to 2,150,000 MT
- Increased 200,000 MT of Fodders to 900,000 MT
- Increased 40,000 MT of Wheat bran for feed to 70,000 MT
- Increased 1,000 MT of Other prepared feed to 12,000 MT

Furthermore, to offset domestic layer chicken and egg losses caused by ongoing avian influenza outbreaks, MOEF allotted 16,794 MT of TRQs for egg-related items products (Table IV) for the first six months of 2023. The egg TRQ will expire at the end of June 2022.

Table I. Adjustment Tariffs for CY 2023
(Effective January 1, 2023)

HS No.	Commodity	WTO Bound Rate	Adjustment Tariff		
			2022	2023	Changes
0301 (Live)	Eels (<i>Anguilla spp.</i>), other than glass eels 0301 92	None	20	20	-
	Sea-bream 0301 99	None	28 A/	28 A/	-
	Sea bass 0301 99	None	28	28	-
0303 (Frozen)	Saury, 0303 59 (<i>Cololabis saira</i>)	None	24	24	-
	Alaska Pollack 0303 67 (<i>Theragra halcogramma</i>) 0303 69	None	22	22 E/	-
0306	Salted or brine shrimp 0306 95	None	32	32	-
0307	Squid (Frozen) 0307 43	None	22	22	-
0709	0709 54 Oak mushroom (<i>Lentinus edodes</i>)	90 B/	40 B/	40 B/	-
0712	0712 34				

1902	Chinese vermicelli 1902 19	54 C/	26 D/	26 D/	-
1904	Parboiled rice 1904 90	54	50	50	-
2103	Gochujang (red pepper paste), Other 2103 90	54	32	32	-
2103	Mixed Seasonings 2103 90	54	45	45	-
4412	Plywood 4412 31 4412 33 4412 34 4412 39 4412 41 4412 42 4412 49 4412 91 4412 92 4412 99	None	10	10	-

Source: Ministry of Economy and Finance

Note:

A/ or 2,052 Won/kg, whichever is greater

B/ or 1,625 Won/kg, whichever is greater

C/ or 427 Won/kg, whichever is greater

D/ or 206 Won/kg, whichever is greater

E/ Tariff will be applied during 3/1/2023 – 12/31/2023

Table II. Voluntary Tariff Rate Quota (TRQ) Quantities and In-quota rates for
January 1 – February 28, 2023

HS No.	Commodity	Base Tariff Rate	Quota & Tariff Rate (%) 1/	
			2023 Tariff 1/	2023 Quota (MT) 1/
0703	Fresh onions, unpeeled 0703 10	50	10	20,000

Source: Ministry of Economy and Finance

Note: 1/ January 1 – February 28, 2023

Table III. Voluntary Tariff Rate Quota (TRQ) Quantities and In-quota rates for January 1 – March 31, 2023

HS No.	Commodity	Base Tariff Rate	Quota & Tariff Rate (%) 1/	
			2023 Tariff	2023 Quota (MT)
0207	Frozen chickens, not cut in pieces 0207 12	20	Zero	30,000
0207	Frozen chicken cuts, offals 0207 14	20	Zero	
1602	Other prepared or preserved meats, of chicken 1602 32	30	Zero	
0303	Frozen mackerel (<i>Scomber scombrus</i> , <i>Scomber australasicus</i> , <i>Scomber japonicus</i>) between 300 grams and 600 grams 0303 54	10	Zero	10,000

Source: Ministry of Economy and Finance

Note: 1/ January 1 – March 31, 2023

Table IV. Voluntary Tariff Rate Quota (TRQ) Quantities and In-quota rates for January 1 – June 30, 2023

HS No.	Commodity	Base Tariff Rate	Quota & Tariff Rate (%) 1/	
			2023 Tariff	2023 Quota (MT)
0105	Fowls under 185 grams of the species <i>Gallus domesticus</i> only, other 0105 11	9	Zero	16,794
0407	Fertilised eggs for incubation of fowls of species <i>Gallus domesticus</i> 0407 11	27		
0407	Other fresh eggs, of fowls of species <i>Gallus domesticus</i> 0407 21	27		
0408	Egg yolks, dried of fowls of species <i>Gallus domesticus</i> 0408 11	27		
0408	Egg yolks, other of fowls of species <i>Gallus domesticus</i>	27		

	0408 19		
0408	Other, dried of fowls of species <i>Gallus domesticus</i> 0408 91	27	
0408	Other, liquid or frozen of fowls of species <i>Gallus domesticus</i> 0408 99	30	
3502	Albumins, dried for food ingredient 3502 11	8	
3502	Albumins, other, liquid or frozen 3502 19	8	
0203	Pork, other, fresh 0203 19	22.5	10,000
0203	Pork, other, frozen 0203 29	25	
2207	Undenatured ethyl alcohol of an alcoholic strength by volume of 80% vol or higher, roughly distilled alcohol for beverage 2207 10	10	86,000 KL

Source: Ministry of Economy and Finance

Note: 1/ January 1 – June 30, 2023

Table V. Voluntary Tariff Rate Quota (TRQ) Quantities and In-quota rates for January 1 – December 31, 2023

HS No.	Commodity	Base Tariff Rate	Quota & Tariff Rate (%) 1/	
			2023 Tariff	2023 Quota (MT)
0301	Young eels (<i>Anguilla</i>), exceeding 0.3g and not exceeding 50g per unit, for aquaculture 0301 92	5	3	50
0404	Whey for feed Modified whey for feed Other whey for feed 0404 10	20	0	23,000
0714	Manioc chips for spirits 0714 10	20	0	184,000
0714	Manioc pellets for feed 0714 10	7	0	Unlimited
0901	Coffee, not roasted: not decaffeinated 0901 11	2	0	Unlimited
0901	Coffee, not roasted: decaffeinated	2	0	Unlimited

	0901 12			
1003	Unhulled barley for feed 1003 90	5	0	100,000
1004	Oats for feed 1004 90	3	0	Unlimited
1005	Maize for feed 1005 90	3	0	11,000,000
1005	Maize for food processing 1005 90	3	0	2,150,000
1108	Potato starch 1108 13	8	0	223,686
3505	Dextrins and other modified starches 3505 10	8	0	
3505	Glues 3505 20	8	0	
1201	Soybean for oil crushing & oil cake for feed 1201 90	3	0	1,200,000
1207	Cotton seeds for feed 1207 29	2	0	Unlimited
1214	Lucerne(alfalfa) meal and pellets for feeding 1214 10	1	0	Unlimited
1214	Other lucerne(alfalfa) meal and pellets for feeding 1214 90	1	0	Unlimited
1214	1214 90	20		900,000
2308	Fodder roots and other vegetables for feed 2308 00	5	0	
1507	Soybean oil, crude oil, whether or not degummed for food 1507 10	5	0	Unlimited
1507	Other, refined oil for food 1507 90	5	0	Unlimited
1512	Crude oil, sunflower-seed oil 1512 11	5	0	Unlimited
1512	Other, refined sunflower-seed oil 1512 19	5	0	Unlimited
1518	Animal or vegetable fat for feed (excludes dehydrated castor oil and epoxidised soya oil)	5	0	20,000

	1518 00			
1701	Sugar, Other; containing added flavoring or coloring matter 1701 91 1701 99	30	5	105,000
2302	Wheat bran for feed 2302 30	2	0	70,000
2303	Beet-pulp for feed 2303 20	5	0	Unlimited
2303	Beet-pulp for mushroom farming 2303 20	5	0	25,000
2304	Soybean oil-cake for feed 2304 00	1.8	0	2,450,000
2308	Cotton seed hulls for feed 2308 00	5	0	Unlimited
2309	2309 90 Other Preparations of a kind used in animal feeding.	5	0	12,000
4104	Hides and skins of bovine 4104 11 4104 19 4104 41 4104 49	3	1	Unlimited
5205	Cotton yarn 5205 12 5205 32	1	0	Unlimited

Source: The Ministry of Economy and Finance

Note: 1/ January 1 – December 31, 2023

Attachments:

No Attachments.