USDA United States Department of Agriculture
Foreign Agricultural Service

GAIN Global Agricultural Information Network

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Prepared By: Joohyun Lee

Approved By: Lisa Allen

Report Highlights:

In 2022 (the latest official data available), South Korea's sales in the HRI food service sector reached 177.12 trillion KRW (137.1 billion USD), a 17.48 percent increase from 2021, surpassing pre-pandemic levels. In 2023, monthly per capita spending on the HRI food service rose to 179,648 KRW (139.1 USD), up 10.66 percent from 2022 and 30.65 percent from 2021. This growth reflects not only people returning to pre-pandemic lifestyles but also rising menu prices coming from increased costs. Despite challenges such as inflation and changing market conditions, Korea's HRI food service sector is expected to maintain slow but steady growth through menu diversification and new food technology to meet consumers' evolving needs.

MARKET FACT SHEET: SOUTH KOREA

Executive Summary

South Korea had 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 $8.1 billion in agricultural products to Korea in 2023, making it our fifth largest export market. The United States 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 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.

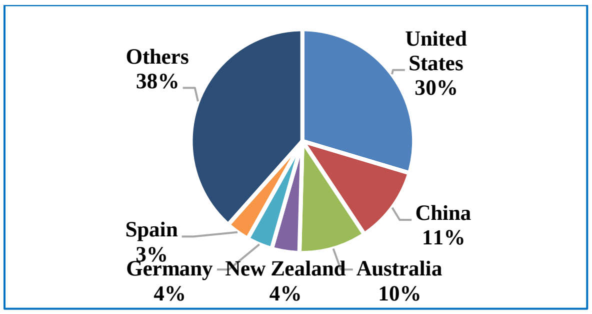


Chart 1: Top Exporting Countries to South Korea

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)	$137
Food Processing (2022)	$63
Food and Agriculture Exports (2023)	$12

Top 10 Korean Retailers

Coupang 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*
- Well established market with modern distribution channels - Consumer income level continues to increase	- High logistics cost to ship American products - Complex import regulations including food safety and labeling standards.
Opportunities	***Threats***
- Strong consumer demand for value, quality, and diversity - KORUS FTA reduces tariff barriers for American products.	- Elevated competition from export-oriented competitors - Discrepancies in food safety and labeling regulations

Data and Information Sources: Global Agricultural Trade System (GATS), 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.

Section I: Market Summary

In 2022[1], sales in the Food Service - Hotel Restaurant Institutional (HRI) sector reached 177.12 trillion KRW (137.1 billion USD[2]), an increase of 17.48 percent from 2021, which exceeds pre-pandemic levels[3] indicating a full recovery of the sector. Koreans' spending on the HRI food service sector has rebounded as well. In 2023, the monthly per capita spending[4] on the sector reached 179,648 KRW (139.1 USD[5]), an increase of 10.66 percent from 2022 and 30.65 percent from 2021. Koreans spent 14.61 percent of their total consumption on dining-out, which accounted for nearly half of their food and beverage expenditures. Additionally, the employment situation, which had previously struggled with staff shortages, showed a positive sign, as the number of people employed[6] in the HRI sector in 2023 increased by 5.22 percent compared to the previous year.

The overall sales growth in the HRI food service industry is largely due to people returning to the pre-pandemic lifestyles, dining out, and engaging in social gatherings, but also due to menu price increases and high inflation affecting all industries[7]. Rising costs of raw materials and labor have forced many business units to increase their prices.

In the foreseeable future, Korea's HRI food service industry is expected to maintain slow, but steady growth, despite challenges such as inflation and changing market conditions. The industry's efforts including menu diversification and new food technology adoption will cater consumers' changing needs and eventually contribute to the further development of the industry.

[1] It is the latest official data available.
[2] Calculated at an exchange rate of 1,291.95 KRW/USD.
[3] Figures for previous years are 138.18 trillion KRW in 2018, 144.39 trillion KRW in 2019, 139.89 trillion KRW in 2020, and 150.76 trillion KRW in 2021.
[4] Household Expenditure Survey, Korea National Statistical Service (http://kosis.kr)
[5] Calculated at an exchange rate of 1,291.95 KRW/USD.
[6] The increase rate of people employed across all industries was 1.16 percent.
[7] Korea's inflation rate surged by 5.1% in 2022 from the previous year, and increased by 3.6% again in 2023.

Advantages and Challenges

ADVANTAGES	CHALLENGES
Korean consumers' openness to new tastes, coupled with rising food consumption levels, creates demand for quality new-to-market products and international cuisines.	U.S. products face competition with low-priced products sourced from other countries, and price remains as a main factor for Korean consumers' purchasing decision with the sluggish economy situation.
The country's heavy dependence on imports of food and agricultural products, coming from its limited production capacity, creates market opportunities for products sourced abroad.	Korean consumers are generally biased towards locally produced food and agricultural products, especially fresh produce, believing the quality and food safety are superior.
Korean consumers highly value food safety, and the U.S.' positive image as a trusted origin helps its products well positioned in the market.	Food imports face regulatory barriers. Food safety and labeling standards are frequently modified, and some regulations such as food additives rules differ between the United States and Korea.
KORUS FTA improves market access to Korea by eliminating large part of import barriers.	Korea is signing trade agreements with multiple partners which intensifies competition between the United States and export-oriented countries.
An increasing number of international brand restaurants, including well-known American food service chains, are opening stores in Korea.	American cuisine is perceived relatively less healthy compared to other international cuisines.

Section II: Roadmap for Market Entry

Entry Strategy

Most business operators in Korea's HRI food service sector tend to source imported food supplies through independent importers, trading agents or intermediary distributors. However, some large-scale operators have begun sourcing directly without middlemen to reduce costs and to improve product assortments. Their focus for direct import is primarily on high-volume products such as meats and fresh fruits, and sometimes wine. Additionally, some operators, though they do not handle imports directly, closely coordinate with intermediary distributors and are involved early from the product selection phase to source competitive products from abroad.

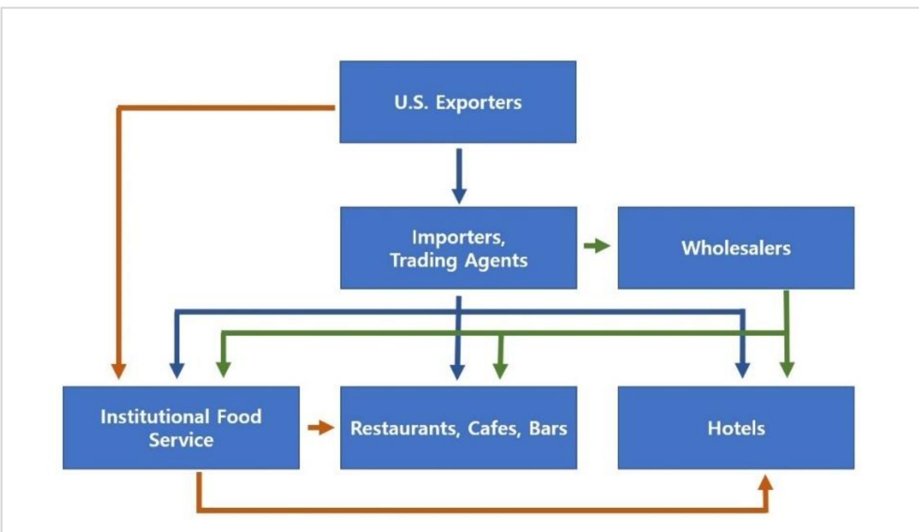
Therefore, a necessary step for market entry is identifying potential buyers. Participating in trade shows is one of the best ways to showcase samples and to develop contacts with potential business partners. There are many trade shows held in Korea, and the U.S. Agricultural Trade Office (ATO) in Seoul can provide relevant information upon request. A few local trade shows that U.S. food exporters may consider participating in include Seoul Food and Hotel Show, the Korea International Beer Expo (KIBEX), and the Busan International Seafood and Fishery Expo (BISFE). At each of these shows, the ATO organizes a U.S. pavilion, which helps U.S. companies effectively engage with Korean buyers and potential consumers while gaining handson knowledge about the market. Additionally, the Seoul Food and Hotel Show is the only USDA-endorsed and the largest food-focused industry show in Korea.

U.S. companies may find additional information and guidance on exporting to Korea at following reports and websites:

- Korea FAIRS Report and Export Certificate Report provide Korean government regulations and standards on imported food and agricultural products.
- Korea Exporter Guide provides market entry guidance for U.S. suppliers.
- The ATO Seoul website provides useful information including product briefs, food news clippings, KORUS FTA, and links to other resources and organizations in Korea.
- Doing Business in Korea published by the U.S. Commercial Service is another useful source of information about exporting to Korea.

Market Structure and Distribution

Figure 1. Import and Distribution Process

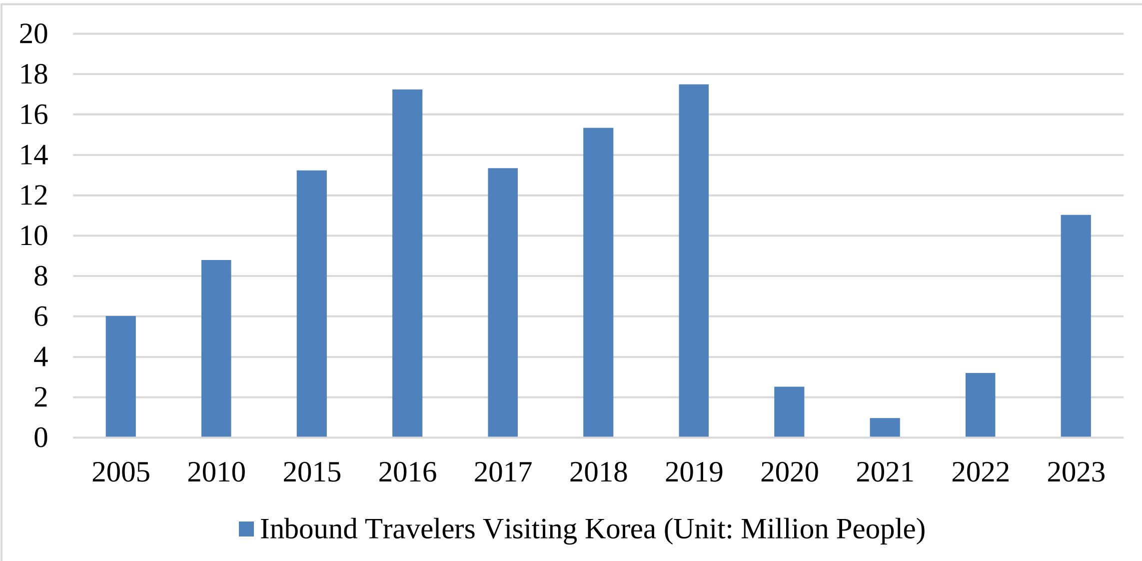


Korea's HRI food service sector is divided into three major subsectors based on the type of business and distribution channel: 1) Hotels, 2) Restaurants, cafes and bars, and 3) Institutional food service. Wholesalers and intermediary distributors are main players sourcing products for business operators in the HRI food service sector as shown in Figure 1.

- Hotels

Korea's hotel industry has experienced significant fluctuations, heavily affected by the varying volume of inbound travelers. Until 2016, the industry had worked on increasing its room supply to keep up with growing demand from foreign travelers. However, in late 2016, the hotel guestroom occupancy rate dropped with much fewer travelers from China. As the industry started to recover, it faced another crisis, the pandemic, which significantly dropped the number of inbound travelers. After a dramatic drop in traveler numbers between 2020 and 2022, the number of visitors has finally resumed. In 2023, 11 million visitors came to Korea, an increase of 244.97 percent compared to 2022, which is still lower than the pre-pandemic levels. Figure 2 depicts the trend of inbound travelers to Korea for the past years.

Figure 2. Inbound Travelers Visiting Korea



Source: Statistics from Korea Tourism Organization

Hotels have traditionally been a key venue showcasing upscale and sophisticated menus to customers via their food and beverage services. Though their target customers include not only guestroom users but also non-staying customers, the decline in the number of inbound travelers during the pandemic significantly impacted their overall foodservice sales.

Table 1. Performance Details of the Hotel Industry

	2021	2022	2023	2022-2023 Growth
Number of hotels	1,025	1,059	1,200	13.31%
Number of guestroom users	32,501,382	44,794,076	58,167,254	29.85%
Number of F&B users	24,076,796	33,556,296	35,103,637	4.61%
Guestroom sales (in million KRW)	2,078,159	3,080,236	4,191,630	36.08%
F&B sales (in million KRW)	1,108,359	481,578	1,731,349	259.52%
Other sales (in million KRW)	380,156	722,305	558,634	-22.66%
Guestroom occupancy rate (%)	45.35	58.79	66.03	7.24 %p
Foreigner guestroom users' rate (%)	4.96	10.57	21.53	10.96 %p

Source: Hotel Industry Operation Survey, Korea Hotel Association

In 2023, the hotel industry experienced positive sales performance after previous fluctuations as shown in Table 1. Guestroom sales increased by 36.08 percent compared to the previous year. Specifically, for food and beverage services, the number of customers rose by 4.61 percent, while sales in this category experienced significant growth, surging by 259.52 percent. A list of well-known hotel chains is available in Table 2.

Table 2. Hotel Chains in Korea

Key Hotels in Korea	
Four Seasons Hotel Seoul Grand InterContinental Seoul Parnas Josun Palace Seoul Gangnam JW Marriott Hotel Seoul Lotte Hotel Jeju Lotte Hotel Seoul	https://all.accor.com/hotel/A5U6/index.en.shtmlParadise Hotel Busan Signiel Seoul Sofitel Ambassador Seoul The Shilla Seoul The Westin Josun Seoul The Ambassador Seoul – A Pullman Hotel

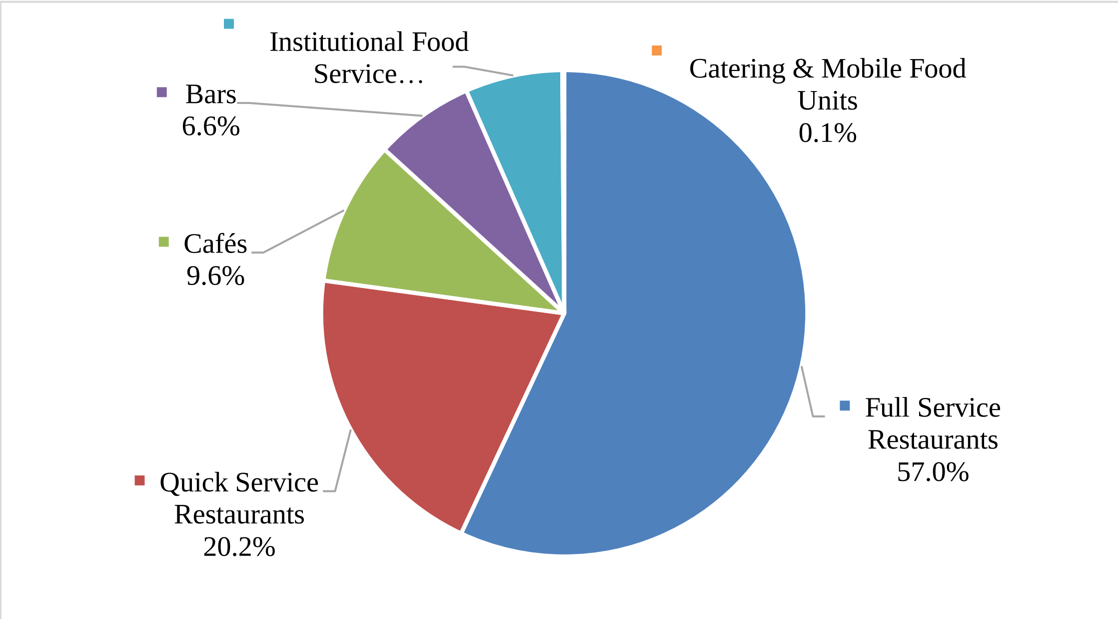
- Restaurants, Cafes and Bars

In 2022[8], sales in the HRI food service sector reached 177.12 trillion KRW (137.1 billion USD), marking an increase of 17.48 percent from 2021. This growth indicates a full recovery exceeding pre-pandemic levels.

In 2022, sales in full-service restaurants, which accounted for the largest share of the HRI food service sector, increased by 20.0 percent compared to the previous year. Bars demonstrated a notable sales growth of 14.5 percent while institutional feeding experienced a relatively moderate sales increase of 8.1 percent. Shares of each category are depicted in Figure 3 and a further breakdown is provided in Table 3.

[8] It is the latest official data available.

Figure 3. Korea's HRI Food Service by Sales in 2022



Source: [Korea Statistical Information Service]

The overall sales growth in the HRI food service industry is largely due to people returning to the pre-pandemic lifestyles, dining out, and engaging in social gathering, but also due to menu price increases and high inflation affecting all industries[9]. Rising costs of raw materials and labor have forced many business units to increase their prices. According to a report from The Korea Agro-Fisheries Trade Corp. (aT)[10] released in the third quarter of 2023, 29.5 percent of business entities in the sector had already raised menu prices in the first half of the year, and 13.9 percent considered further increases.

[9] Korea's inflation rate surged by 5.1% in 2022 from the previous year, and increased by 3.6% again in 2023.
[10] 'Insights on dining-out industry' by aT(Korea Agro-Fisheries Trade Corp.) released in 2023.

Table 3. Breakdown of Korea's Restaurant & Bar Industry (Unit for sales: million KRW)

Category	Type of Restaurant		2021	2022	Growth
A. Full-Service Restaurant	Korean Restaurants	Number	335,451	329,419	-1.80%
		Sales	65,106,393	77,780,091	19.47%
	Chinese Restaurants	Number	29,087	30,875	6.15%
		Sales	7,523,196	9,278,654	23.33%
	Japanese Restaurants	Number	17,846	19,233	7.77%
		Sales	5,220,411	6,431,701	23.20%
	Western Restaurants	Number	17,474	18,303	4.74%
		Sales	5,080,674	5,918,099	16.48%
	Other Foreign Restaurants	Number	5,886	6,391	8.58%
		Sales	1,189,894	1,505,922	26.56%
	Sub Total	Number	405,744	404,221	-0.38%
		Sales	84,120,568	100,914,467	19.96%
B. Quick Service Restaurant	Bakery Shops	Number	26,704	28,070	5.12%
		Sales	6,896,077	7,570,524	9.78%
	Pizza, Hamburger, Sandwich Restaurants	Number	25,473	27,015	6.05%
		Sales	8,239,971	9,085,867	10.27%
	Chicken Restaurants	Number	42,624	41,436	-2.79%
		Sales	8,449,777	9,040,651	6.99%
	Convenience foods/snack Restaurants	Number	48,898	46,639	-4.62%
		Sales	7,027,438	7,684,413	9.35%
	Take-out restaurants	Number	10,108	9,922	-1.84%
		Sales	2,279,280	2,358,836	3.49%
	Sub Total	Number	153,807	153,082	-0.47%
		Sales	2,279,280	35,740,291	8.66%
C. Institutional Feeding Restaurants		Number	12,016	11,438	-4.81%
		Sales	10,603,441	11,458,231	8.06%
D. Catering Services & Mobile Food Units		Number	983	1,019	3.66%
		Sales	154,539	226,191	46.36%
E. Café & Non-alcohol Beverage Shops		Number	114,205	118,077	3.39%
		Sales	14,861,578	17,016,922	14.50%
F. Alcohol-beverage Bars		Number	113,893	107,651	-5.48%
		Sales	8,130,565	11,766,544	44.72%
C+D+E+F Total		Number	800,648	795,488	-0.64%
		Sales	150,763,234	177,122,646	17.48%

Source: Wholesale & Retail Industry Statistics, Korea Statistical Information Service

In this high inflation era, a growing number of customers seek cost effective options such as buffet, workplace cafeterias, and fast-food restaurants. Buffets used to be considered pricy dining options for special occasions, but as individual menu items at restaurants become more expensive, buffets have become viewed as a value-for-money option where people can enjoy various foods including meals and dessert with coffee all at once. Along with fast-food restaurants, workplace cafeterias have gained popularity among office workers for many reasons including their price competitiveness. A list in international restaurant chains is provided in Table 4.

Table 4. International Foodservice Chains in Korea

International Foodservice Chains in Korea	
McDonald's	The Original Pancake House
KFC	Ben & Jerry's
Burger King	Haagen-Dazs
Subway	Baskin Robbins
Taco Bell	Pizza Hut
Quiznos	Domino's Pizza
Shake Shack	Papa John's
Five Guys	Starbucks
Popeyes	Krispy Kreme Doughnuts
Auntie Anne's	Cinnabon
TGIF (TGI Fridays)	Dunkin' Donuts
On The Border	Smoothie King
California Pizza Kitchen	Jamba Juice
Wolfgang's Steakhouse	Randy's Donuts

- Institutional Food Service

The institutional food service sector in Korea involves businesses providing food services at institutions such as schools, corporate cafeterias, manufacturing facilities, and hospitals. In 2022, sales in this subsector amounted to 11.46 trillion KRW (8.87 billion USD), representing an 8.1 percent increase from 2021, and accounted for 6.5 percent of total HRI sales in 2022.

Businesses in this sector had typically been operated by large conglomerates and their subsidiaries until an agreement between the Korea Fair Trade Commission (KFTC) and nine major conglomerates in 2021 opened the sector to a wider pool of companies, including small and medium-sized enterprises (SMEs), by easing bidding processes and relevant requirements.

In contrast to the civilian food service sector, meal service operation in the military food service sector had been legally limited to medium-sized enterprises until lately. However, as demand for high-quality meals at military facilities grows, the government has been gradually shifting the procurement system from direct contracts to open bidding, expanding from 50 percent in 2023 and 70 percent in 2024 to 100 percent open bidding next year. The military foodservice sector is becoming a new market for private companies struggling to find future growth opportunities amid sluggish domestic demand. Although the military meal budget is set lower compared to typical civilian meal service costs, the military foodservice is viewed positively by companies due to its stable demand and growth potential despite the lower profitability. Therefore, companies in the institutional food service sector are now competing to take the lead in this new market. Table 5 provides a list of key companies in the institutional food service sector.

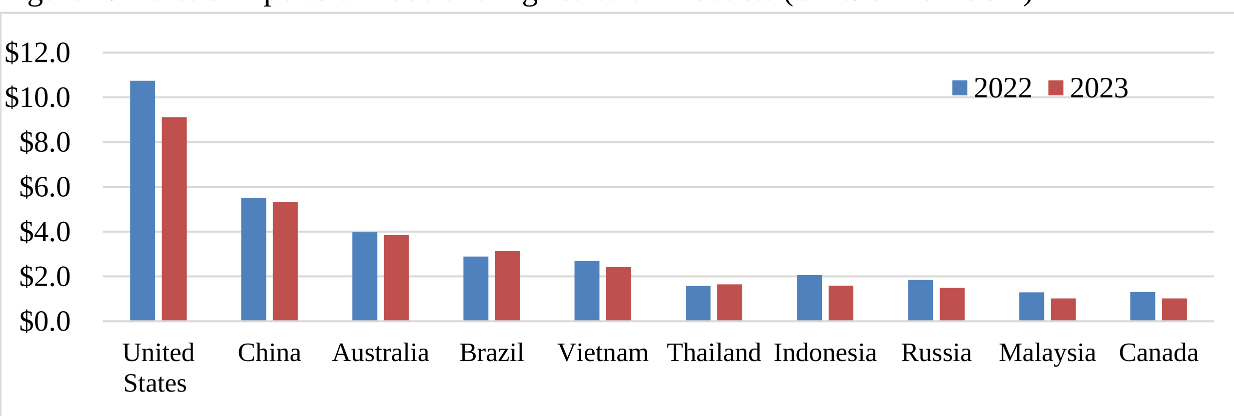
Table 5. Key Companies in the Institutional Food Service

Korean companies in the Institutional Food Service	
CJ Freshway Samsung Welstory Dongwon Home Food SPC GFS Hyundai Green Food Ourhome	Shinsegae Food Hanwha Hotel & Resort Pulmuone Aramark Korea The Born Korea

Section III: Competition

In 2023, Korea imported food and agricultural products worth 47 billion USD form the world, with the United Stated being the largest supplier, accounting for about 20 percent of the market share. Other key suppliers include China (11 percent), Australia (8 percent), Brazil (7 percent), and Vietnam (5 percent) as shown in Figure 4.

Figure 4. Korea's Imports of Food and Agricultural Products (Unit: billion USD)



Source: Trade Data Monitor, South Korea Imports from _World (BICO - Agricultural and Related Products)

Within the food and agricultural products Korea imported, customer-oriented products accounted for the largest portion (41 percent, 18.6 billion USD), and the United States supplied about 32 percent of the total customer-oriented products imported to Korea in 2023. Further data on Korea's food and agricultural imports, complied by ATO Seoul, is available on the ATO Seoul's webpage: Imports Statistics, Import Trends.

Section IV: Best Product Prospects

Top Consumer-Oriented Products Imported from the World

Within the consumer-oriented product category, the largest import by value in 2023 was beef (frozen/chilled), followed by food preparations, pork, coffee, cheese and curd, poultry meat, and wine. The United States was the largest supplier for multiple products within the category as shown in the Table 6.

Table 6. Top 10 Consumer-Oriented Products Imported from the World in 2023 (by value)

Product Category / HS Code	Gross Imports (in million USD)	1st Supplier (Share)	2nd Supplier (Share)	USA Rank (Share)
Beef, Frozen / HS0202	2,346	USA (52%)	Australia (39%)	1st (52%)
Food Preparations NESOI[11] / HS2106	2,286	USA (50%)	Germany (16%)	1st (50%)
Pork, Fresh, Chilled or Frozen / HS0203	1,918	USA (28%)	Spain (23%)	1st (28%)
Beef, Fresh or Chilled / HS0201	1,254	USA (71%)	Australia (29%)	1st (71%)
Coffee / HS0901	1,111	Brazil (18%)	Colombia (14%)	3rd (12%)
Cheese and Curd / HS0406	863	USA (34%)	N.Z. (18%)	1st (34%)
Poultry Meat & Offal / HS0207	525	Brazil (81%)	Thailand (15%)	3rd (1%)
Wine / HS2204	506	France (40%)	USA (16%)	2nd (16%)
Bread, Pastry, Cakes / HS1905	473	China (17%)	Malaysia (17%)	3rd (12%)

Source: Korean government import data released by Korea Int'l Trade Association. CIF value

Top Consumer-Oriented Products Imported from the United States

The highest-value imports from the United States to Korea in 2023 include beef (frozen/chilled), pork, food preparations (including protein concentrate, drink base, sugar syrup, coffee creamer, and flavors), high-volume ethyl alcohol and other spirits, nuts, cheese and curd, citrus, coffee

[11] Not Elsewhere Specified or Included

among others. Table 7 shows the top 15 consumer-ready food products Korea imported from the U.S. for the last three years.

Table 7. Top 15 Consumer-Oriented Products Imported from the United States (Unit: thousand USD)

Product Description / HS Code	CY 2021	CY 2022	CY 2023	2022-2023 Growth
Beef, Frozen / HS0202	1,304,706	1,707,563	1,080,965	-37%
Beef, Fresh/Chilled / HS0201	1,011,971	956,299	964,216	1%
Pork, Fresh/Chilled/Frozen / HS0203	507,847	562,999	598,027	6%
Food Preparations NESOI / HS2106	584,691	506,363	380,606	-25%
Ethyl Alcohol and Other Spirits / HS2207	344,410	413,599	257,646	-38%
Nuts Except Coconut, Brazil & Cashew Nuts / HS0802	319,282	244,784	242,468	-1%
Cheese and Curd / HS0406	282,145	369,229	219,128	-41%
Citrus Fruit, Fresh / HS0805	242,600	190,168	181,864	-4%
Coffee, Coffee Husks / HS0901	91,951	136,253	115,158	-15%
Vegetables Prepared / HS2004	102,378	124,029	114,322	-8%
Stone Fruit, Fresh[12] / HS0809	109,149	58,953	99,621	69%
Fruit and Nut, Prepared / HS2008	65,022	65,322	67,275	3%
Edible Offal / HS0206	46,435	60,305	66,280	10%
Grape Wines / HS2204	71,904	83,488	62,382	-25%

Source: FAS/USDA/GATS/BICO – Standard Query, Compiled by ATO Seoul. FOB value.

Products Present in Market with Good Sales Potential

Within the consumer-oriented product category Korea imported from the world, processed tomato products (HS code 2002) saw the highest sales growth in 2023 compared to the previous year. Closely behind China (29 percent), the United States held 28 percent of this product market, followed by Italy (26 percent). As Korean consumers look for diverse food products to meet their health and wellness needs, U.S. food products highlighting healthy and natural ingredients have good sales potential in the market. Table 8 includes the top 10 products with the highest growth in terms of import value in 2023. The table shows that U.S. products, such as cherry, vinegar, sugar confectionery, and beer saw notable growth in imports to Korea in 2023.

[12] Category includes apricots, cherries, peaches, and plums. For U.S. exports, cherries represented 99.9 percent.

Table 8. Top 10 Fastest Growing Consumer-Oriented Products Imported from the World in 2023

Product Category / HS Code	Imports from the world (in million USD)	2022-2023 growth	Imports from U.S. (in thousand USD)	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 released by Korea Int'l Trade Association. CIF value

Products Not Present in Market with Good Sales Potential

Some types of frozen fruit and frozen vegetable cuts from the United States: Frozen fruit cuts and vegetable cuts are gaining popularity among Korean consumers mainly due to the price competitiveness and convenience. Consumers used to believe a big gap exists in freshness and nutrients between frozen products and fresh produce. However, advances in rapid freezing technology help maintain good quality and consumer confidence. Demand for frozen fruits and vegetable products is expected to continue growing. It has become increasingly common to find not only frozen fruits but also frozen vegetables, such as green onions, radishes, spinach, and garlic, in the market. The United States already supplies frozen products including frozen blueberries, but with limited product assortments. As a variety of fruits and vegetables are attracting more Korean consumers, it's advisable to consider launching different types of frozen fruits and vegetable products to tap into the market.

Lemon Juice from the United States: During the first half of 2024, lemon juice products were popular among health-and-beauty conscious consumers in Korea. It is observed that some importers and distributors directly worked with social media influencers to market lemon juice in various product types. Products from countries such as Spain and Italy are currently available in the Korean market, but not from the United States.

Product Not Present in Market due to Significant Barriers

Limited market access for wider varieties of fresh fruits from the United States: Only a few varieties of fresh fruits from the United States are available in Korea. Fruits like pears, apples, strawberries, peaches, and plums currently do not have market access due to quarantine restrictions.

Processed Beef Products from the United States: Prior to 2008, Korea restricted imports of U.S. beef and beef products, citing concerns related to bovine spongiform encephalopathy (BSE). In 2008, the United States regained market access to Korea for beef and beef products which are derived from animals less than 30 months of age. However, imports of processed beef products, such as ground beef patties, beef jerky, sausage, and pet food containing U.S. beef ingredients are still prohibited regardless of the age of animals from which the products were derived.

Section V: Key Contacts and Further Information

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)

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)

Agricultural Trade Office (ATO) Address: Room 303, Leema Building, 42 Jongro 1-gil, Jongro-gu, Seoul, Korea	Phone: +82-2 6951-6848 Email: atoseoul@usda.gov https://www.atoseoul.com
Agricultural Affairs Office (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
Animal Plant and Health Inspection Service (APHIS) Address: Room 303, Leema Building, 42 Jongro 1-gil, Jongro-gu, Seoul, Korea http://www.aphis.usda.gov/	Phone: +82-2 725-5495 Email: yunhee.kim@usda.gov

Attachments:

No Attachments