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GAIN Report

Global Agricultural Information Network

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Wine Market Brief

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Report Highlights:

The South Korean wine market finally shows signs of recovery after two years of stagnation. Total wine imports from Jan-Jun 2011 amounted to \$60.2 million, up about 13 percent from the same period last year. The United States remains the fourth largest supplier with \$6.5 million in sales, which is up almost 20 percent from last year. Although shifts in consumption trends and exchange rates should generate new opportunities for American wine, U.S. suppliers face steep competition from imports of Chilean and European wines that no longer pay the 15 percent import duty.

General Information:

Author Defined:

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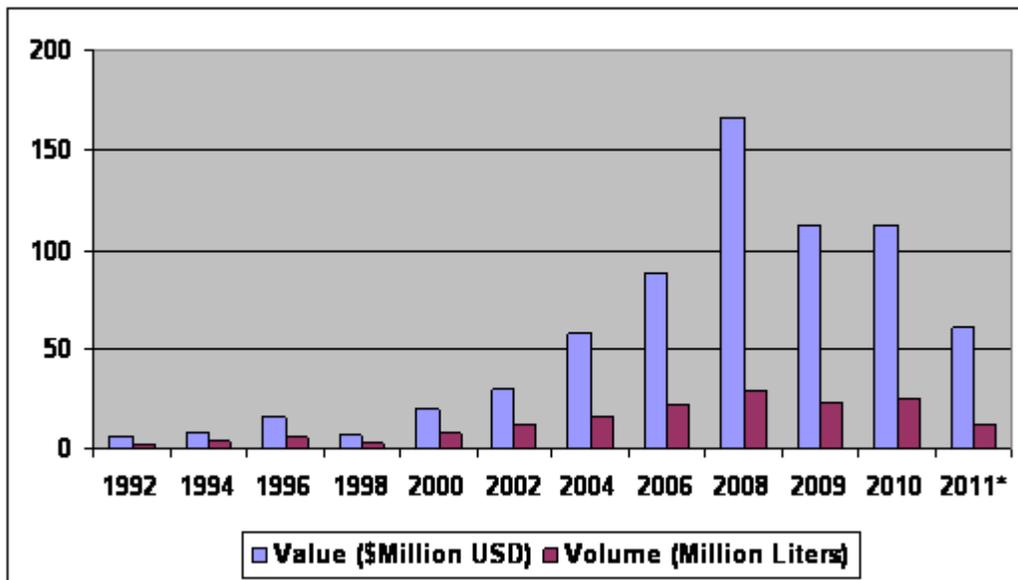
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SECTION I. MARKET OVERVIEW

- South Korea's wine imports from all countries amounted to \$60.2 million during the first half of 2011, up 12.6 percent from the same period of 2010. Total volume of imports amounted to 12.2 million liters, up 3.5 percent.
- Imports from the United States amounted to \$6.5 million and 1.4 million liters during the period, up 19.8 percent and 6.2 percent respectively.
- France remained the leading supplier of wine to South Korea in the first half 2011 with a 27.8 percent market share in terms of value, followed by Chile (25.1 percent), Italy (17.3 percent), and the United States (10.8 percent). In terms of volume, value-oriented countries, Chile and Spain in particular, were the leading suppliers.
- After peaking in 2008 at \$167 million, South Korea's wine imports declined significantly down to \$112 million in 2009 and \$113 million in 2010 mainly due to the aftermath of international financial crisis that started at the end of 2008.

Figure 1: South Korea's Wine Imports (1992-2010)



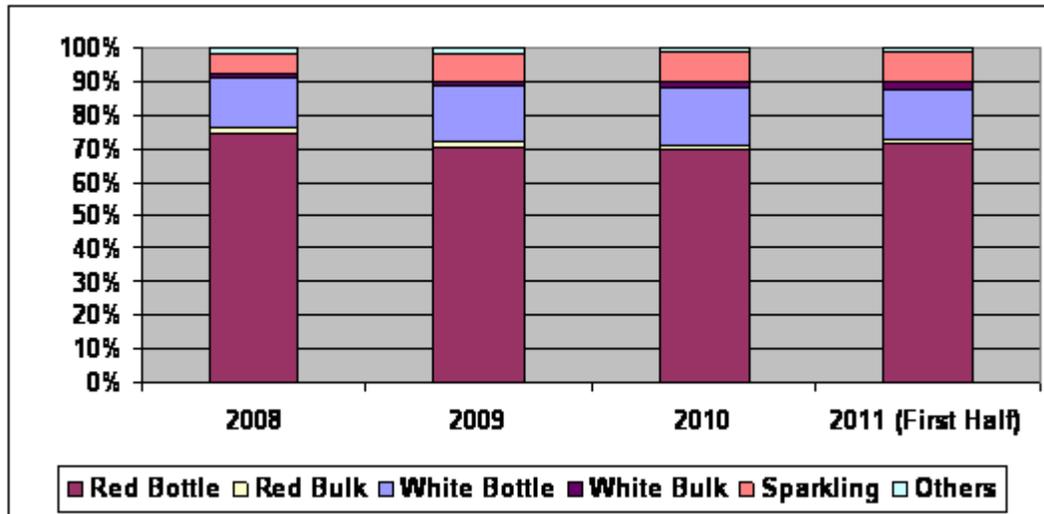
Source: Korea Trade Information Service Database (KOTIS)

* 2011: January-June

- Due to highly publicized health benefit of drinking red wine, current consumption of wine in South Korea is heavily skewed toward red wine, as indicated by the fact that red wine accounted for a 71.6 percent of total wine imports by value in the first half of 2011. However, the idea of food-wine pairing is spreading in the market, and as a result white wine and sparkling wine are likely to gain additional market share in the coming years. In particular, the share of the market taken by sparkling wine has shown the most outstanding growth among different type of

products in recent years to reach 9.4 percent in the first half of 2011 by value (5.5 percent in 2008).

Figure 2: Break Down of Korea's Wine Imports by Type of Product



Source: Korea Trade Information Service Database (KOTIS)

- Although import trends so far this year indicate a strong sign of recovery, opinions are divided among the local marketers whether the South Korean wine market will soon fully return back to an explosive growth curve experienced before the financial crisis (between 2000 and 2008, South Korea's wine imports increased 741 percent from \$20 million to \$167 million). Many wine businesses were forced out of the market over the last two years, and wine importers and distributors in general currently maintain a conservative stance in expanding product portfolio as well as deploying additional marketing activities. But marketers agree that the market should easily maintain a double digit annual growth in the coming years because strong attention on globalized dietary culture and healthy lifestyle among the general public, which was the key driving force behind the explosive growth in the past, still prevails.
- The South Korean wine market is still in an early stage of development. Although the wine business was liberalized in early 1990's, wine is still considered as a luxury good and is consumed by a small portion of the population. According to the government data, wine accounted for less than 2 percent of total alcohol beverage consumption in Korea (by volume) in 2010. Marketers estimate that purchases during holiday seasons for gift giving purposes account for about one third of total yearly wine sales. Furthermore, products targeting the entry level segment of the market, many of which are in jug bottles and sweet tasting, account for over a half of total yearly wine sales (by volume). However, marketers in general forecast that, as increased number of local consumers develops understanding and taste, the South Korean wine market should eventually grow to a size comparable to other developed markets. As an indicator, Japan's wine imports (\$772 million) were seven times larger than South Korea in 2010. A major barrier that restricts growth of the market is high local taxes and distribution costs, which makes retail price of imported wine in Korea several times higher than the price in the export country.

- Key consumers of wine in South Korea are economically established elderly population among 50-60's and young professionals in 30-40's. It is also notable that many of the young Koreans in 20-30's, who have much higher exposure to western culture than their predecessors, are getting interested in wine. In addition, wine is emerging as one of the most preferred alcohol beverages among the female consumers. Although relatively small in number, opinion leading wine consumers have strong influence on consumption trends in the market. In particular, Internet-based wine communities have thousands of serious wine consumers, most of whom possess lengthy experience and knowledge about wine. These opinion leading consumers generate demand for higher quality products and eagerly share their ideas with the general public.
- Off-premise (liquor stores and grocery stores) channel is expected to account for higher percentage of overall wine sales in the coming years. In particular, hypermarket stores will be a dominant distribution channel for products targeting the entry through mid-price level segment of the market. However, on-premise (restaurants and bars) channel is likely to remain a key distribution channel for products targeting quality-oriented segments of the market.
- American wine faces strong competition in South Korea from both quality-imaged old world suppliers (France and Italy) and value-imaged new world suppliers (Chile and Australia). The overall share of the market held by American wine has been on a gradual decline over the years as local consumers welcomed entries of new wines from wider origins. Furthermore, implementations of free trade agreement between South Korea and competitor countries have significantly deteriorated price competitiveness of American wine in South Korea. As of July 1, 2011, wines from Chile and European countries are entering South Korea free of the 15 percent import tariff. The United States-South Korea Free Trade Agreement (KORUS FTA), which will also eliminate the import tariff on American wine immediately upon implementation, is currently pending congressional ratification in both countries.
- Nevertheless, American wine is expected to remain one of the top choices of local wine consumers, as it is firmly positioned in the market with an image of good value and unique quality. American wine has performed particularly well in the entry-level segment of the market as well as in the luxury-level segment. The close political and economic ties between South Korea and the United States have also contributed heavily to the popularity of American brands and products to local consumers.

SECTION II. MARKET SECTOR OPPORTUNITIES AND THREATS

Table 1: Opportunities & Challenges

Advantages	Challenges
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Wine consumption in South Korea is on an increase as the consumers maintain strong attention to globalized dietary culture and healthy lifestyle.	The South Korean wine market is in an early stage of development. Consumers and traders in general have limited knowledge and experience.
Considering the size of alcohol beverage market in South Korea, wine has a huge potential.	American wine faces steep competition against both old and new world competitors. Wines from Chile and European Union no longer pay the 15 percent import tariff.
American wine is accepted by many local consumers, especially among young consumers who have more exposure to western culture, as a product of good value and unique quality.	Retail price of imported wine in South Korea is several times higher than in the export country due to high local taxes and distribution costs.
Wine is firmly positioned in the market as a "healthy" product due to highly publicized health benefit of drinking red wine.	Korean importers intend to do business directly with the wineries. However, many American wineries prefer to work through intermediary distributors for smaller markets like South Korea.
Little competition from local products provides imported wine with a positive business environment.	Imported wine is subject to complex local labeling and food safety standards, which change frequently.

Table 2: Market Segmentation & American Wine's Competitive Position

Market Segment	Retail Price*	American Wine's Competitiveness	Major Competitors
Entry Level	Below KRW10,000	High	Chile
Low-Price Level	KRW10,000-30,000	Mid-Low	Chile, Italy(White)
Mid-Price Level	KRW30,000-60,000	Mid-Low	France, Chile, Australia
High-Price Level	KRW60,000-100,000	Mid-Low	France, Chile, Italy
Luxury Level	Above KRW100,000	Mid	France, Italy

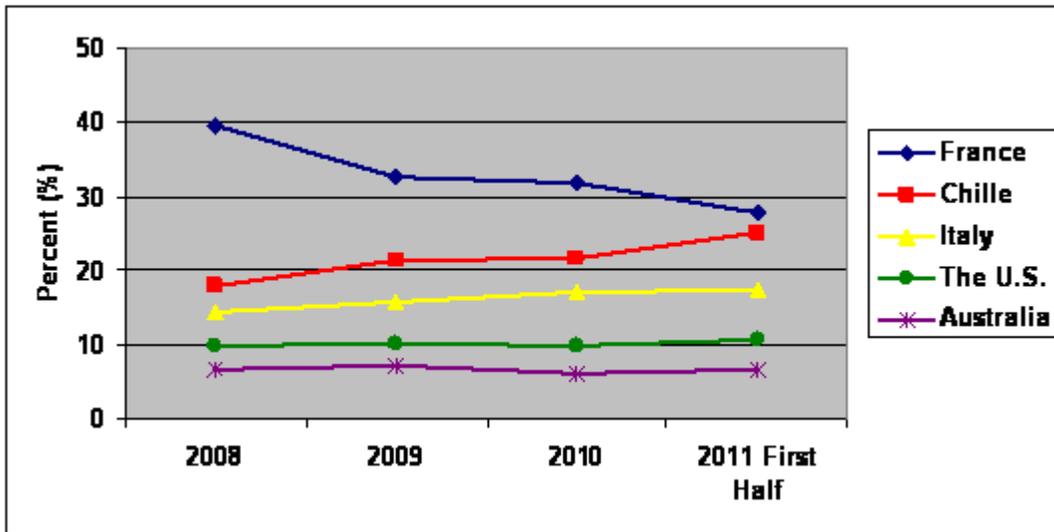
Source: Industry Interviews

* Note: \$1 USD = KRW 1,070 as of July 1, 2011

1. Competitors

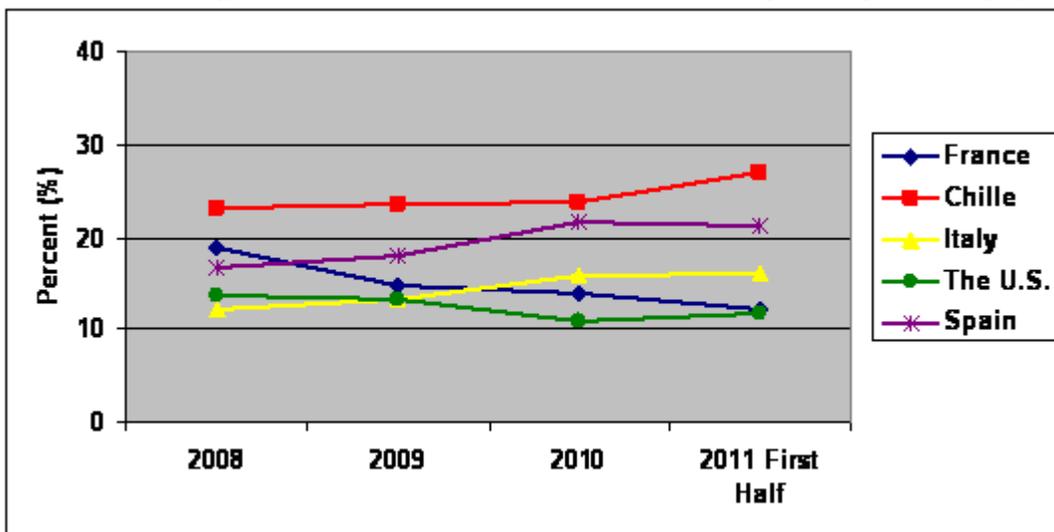
- France: Many Koreans, both wine opinion leaders and regular consumers, harbor the perception that old world European countries, France in particular, are the source of the best quality wine in the world. As a result, France has remained the leading supplier of wine to South Korea over the years. Total imports from France amounted to \$16.7 million (1.5 million liters) in the first half of 2011, up 2 percent from the same period of 2010. However, the market share held by France has continued a decline since mid 2000's because French wine lost much of the ground in value-oriented product segments of the market to Chile and Italy. In terms of volume, France has stepped down to the fourth largest supplier in the first half of 2011. France is expected to focus on higher price (quality) segments of the market in the coming years.

Figure 3: Share of South Korea's Wine Imports by Country (Value)



Source: Korea Trade Information Service Database (KOTIS)

Figure 4: Share of South Korea's Wine Imports by Country (Volume)

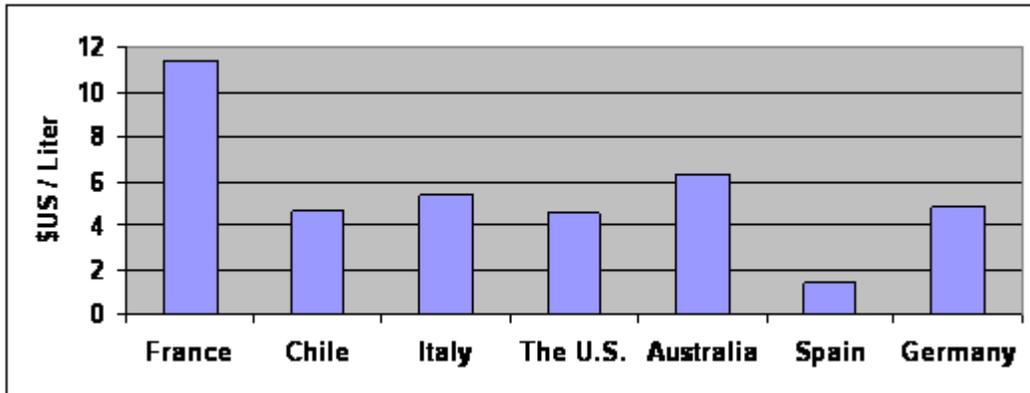


Source: Korea Trade Information Service Database (KOTIS)

- Chile: Total wine imports from Chile amounted to \$15.1 million (3.3 million liters) in the first half of 2011, up 32.7 percent from the same period of 2010. In particular, Chile has surpassed France for the first time to become the leading supplier in bottled red wine category, which is the single largest product category in South Korea's wine imports. As a result, Chile's gap in overall market share to France was narrowed down to only 2.7 percent point. In terms of volume, Chile has become the leading supplier of wine to South Korea since 2008. Considering on-going economic concerns among the local consumers, Chilean wine is expected to maintain a strong performance in the coming months. The strong rise of Chilean wine that started in 2005 was largely stemmed from strong publicity pull of the Chile-South Korea Free Trade Agreement that went into effect in April 2004. Under the agreement, the 15 percent import duty on Chilean

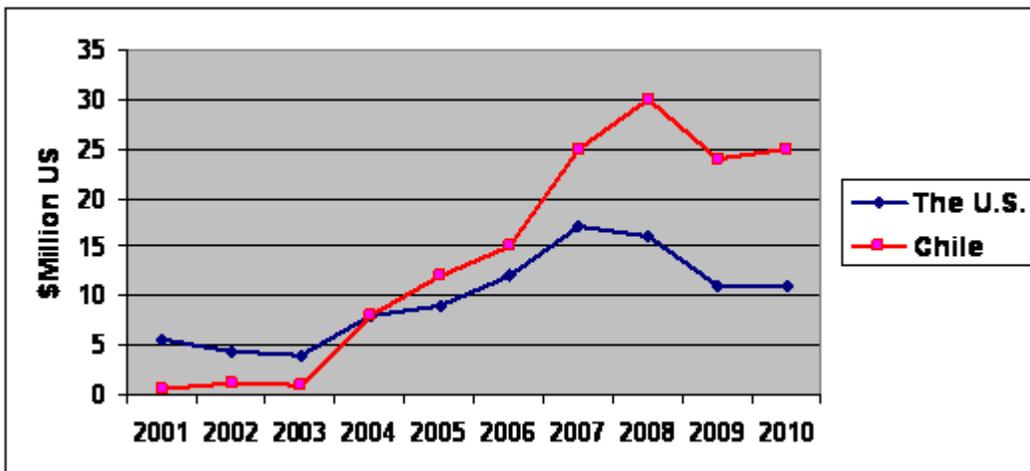
wine was eliminated over a seven year period (the import duty was reduced down to zero on January 1, 2011). Chile, viewed as a leading source of value wine by many Korean consumers, presents tough competition to other countries, including the United States, particularly in the entry through mid-price level segment of the market. However, Chile presents less competition in white and sparkling wine as the demand for Chilean wine in South Korea is concentrated on red wine.

Figure 5: Unit Import Price of Wine by Origin (First Half 2011)



Source: Korea Trade Information Service Database (KOTIS)

Figure 6: Effect of FTA on Chile's Wine Exports to S. Korea



Source: Korea Trade Information Service Database (KOTIS)

Note: Chile-South Korea FTA was implemented in April, 2004

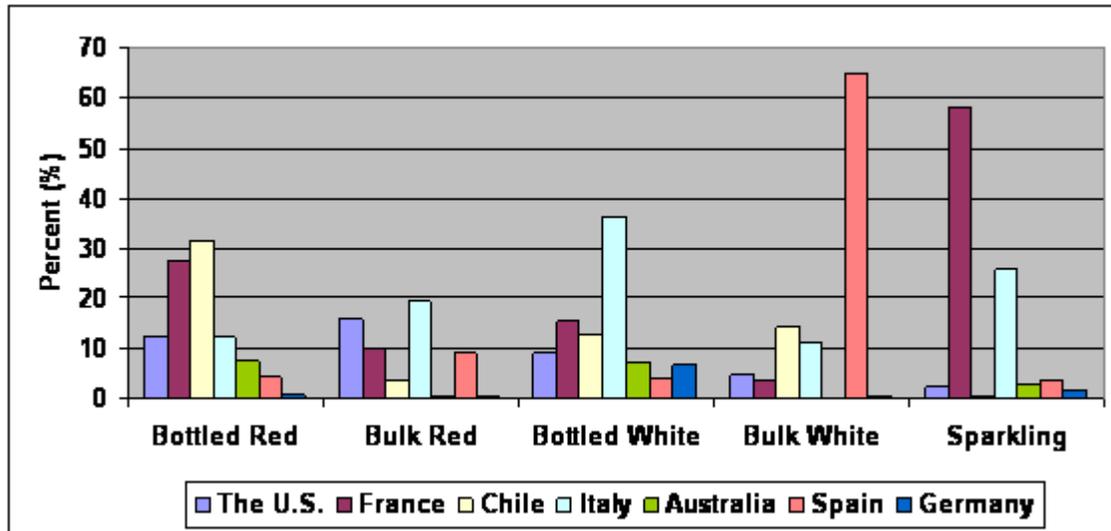
- Italy: Total wine imports from Italy amounted to \$10.4 million (2.0 million liters) in the first half of 2011, up 12 percent from the same period of 2010. Italian wine is expected to maintain a strong performance in South Korea in the coming years considering increased popularity of Italian cuisine among the general public. In particular, Italy has become the leading supplier of white wine to South Korea based on a huge success of *Frizantte* style product (white wine with small amount of bubbles) made from Moscato grapes, which targets the low-price level segment of the market.

- Australia: Total wine imports from Australia amounted to \$4.1 million (0.6 million liters) in the first half of 2011, up 11 percent from the same period of 2010. Mainly due to a steep rise of the value of Australian dollar against other international currencies, Australian wine has shown a weak performance in South Korea over the last several years. Many of the products offered by Australian suppliers target value-oriented segments of the market and face steep competition against other new world competitors, including Chile and the United States. Implementation of South Korea-European Union Free Trade Agreement is another threat to the Australian suppliers.
- Spain: Total wine imports from Spain amounted to \$4.0 million (2.6 million liters) in the first half of 2011, up 3.4 percent from the same period of 2010. Much of the wine imported from Spain was for local blending as indicated by the fact that Spain accounted for 70.5 percent and 82.1 percent of the bulk red and white wine (by volume) respectively imported into South Korea during the period.
- Germany: Total wine imports from Germany amounted to \$1.1 million (0.2 million liters) in the first half of 2011, down 16.8 percent from the same period of 2010. Much of the German wine imported into South Korea was bottled white wine.
- Other Competitors: Overall wine imports from all minor suppliers combined, including Argentina, South Africa, and New Zealand, amounted to \$2.7 million (0.6 million liters) in the first half of 2011, down 48.4 percent from the same period of 2010. It is interpreted that the consumers under economic pressure opted less for products from minor origins.
- Export-oriented competitors are currently investing much more resources than American suppliers into marketing and promotional efforts in South Korea. Competitors' major marketing programs include: tasting seminars, paid-invitations of wine traders and press to overseas wine exhibitions, hosting cultural and culinary events incorporating wine components, supporting commercial consumer trips to wineries, exhibitions at local trade shows, supporting local wine schools with free samples and educational materials, and working closely with local wine experts including providing supports to Korean sommelier competitions.

2. The United States

- The overall market share held by American wine in South Korea showed a slight decline during the first half of 2011 mainly due to a significant decrease in bulk red wine exports. However, American wine gained market share in both bottled red wine and bottled white wine category. American wine remained a minor player in sparkling wine category.

Figure 7: Market Share by Type of Product (First Half 2011)



Source: Korea Trade Information Service Database (KOTIS)

- American wine has maintained a strong performance in value-oriented segments of the market over the years. In particular, American products have established a dominant presence in the entry level segment (products retailing below KRW 10,000 a bottle, roughly \$10) largely due to aggressive marketing efforts by large-scale American suppliers such as E&J Gallo. In addition, Concord grape based "Kosher" wines, particularly the Mogen David brand under the Wine Group, have also developed a significant demand in this segment as novice local wine consumers found the sweet, grapy taste familiar and easy to enjoy. Although facing tough competition from other new world suppliers, many American products from large-scale American producers have also maintained a strong presence in the low-price segment of the market (products retailing between KRW10,000 up to 30,000 a bottle, roughly \$30).
- The luxury segment of the market for products retailing above KRW 100,000 (roughly \$100) a bottle is another area in which American products have enjoyed a steady success over the years. Many affluent Korean wine drinkers are well traveled and aware of established high-end American wine brands, particularly from Napa valley. Many of serious Korean wine consumers are also informed of the results of historic comparative tastings between high-end American wines versus top class French wines. Products targeting this segment of the market are marketed as luxury goods, often available exclusively in selected retail outlets such as luxury bars and premium department stores. However, the number of bottles allocated to the South Korean market by most of the high-end suppliers is very limited.
- On the other hand, American products that target the mid-price and high-price level segment of the market (products retailing between KRW 30,000 to 100,000 a bottle) are facing tough competition from both old and new world competitors. These are the segments that hold the key for building brand-loyal consumers and long-term financial success. Unfortunately, American wine has not been successful in retaining those consumers who started their first wine experience with entry or low-price level American wine and later traded up to higher quality products. Many of these trade-up consumers have found their ways into Chilean, Italian, and French wine for wider selections, better value, and stronger brand loyalty. In addition,

competitors have outsold American wine in the gift-set market, which constitutes a large portion of the yearly sales for products in these segments. Marketers point out that local wine consumers in general show higher price resistance to American wine in these segments than to competitors' products because many of them have traveled to the United States and are aware of the going retail price of American wines in the United States.

3. Local Wine Production

- Grape wine production in South Korea is expected to remain small as it lacks competitiveness in price and quality against imported products. High cost of land and labor, coupled with unfavorable weather conditions, are the major obstacles that have restricted development of the local wine industry. Small amounts of souvenir wines and low-quality products blended with imported bulk wine are currently produced from locally grown table grapes. Currently, there is no *Vitis. vinifera* grape variety commercially cultivated in South Korea.
- Instead of maintaining local vineyards, major South Korean liquor companies have switched to either co-bottling in foreign wineries or importing bulk wines for local blending/bottling. Lotte Liquor BG (www.wine.co.kr), Jinro (www.jinro.co.kr) and Gooksoondang L&B (www.ksdlb.com) are the major players that currently operate local bottling and/or co-bottling in foreign wineries. A total of 3.6 million liters of bulk-packaged wines (products shipped in two liter or larger size containers) were imported in 2010, most of which were used for local blending/bottling. It is notable that a large portion of imported bulk white wine is reportedly used for blending 'Japanese apricot wine' and other types of local white fruit wine. Imports of bulk wine is expected to decline in the coming years as locally bottled/blended wine faces steeper competition against imported bottled wine.
- There are some fruit wines produced in South Korea from local fruits, including Japanese apricot and *Bok-boon-ja* (local berry fruit similar in look as raspberry). Most of the locally made fruit wines have sweet taste (sugar and alcohol added) and mainly target young and female consumers. The production of *Bok-boon-ja* wine has been on a rapid increase partly due to active regulatory and financial support by the local government [1]. However, these local fruit wines present little direct competition to imported wines. Rather they are likely to help the general public develop taste for higher quality table wine. In addition, the local fruit wine industry is also a key buyer of imported bulk wine.

4. Alcohol Beverage Market in South Korea

- South Korea is one of the leading markets for alcohol beverage product in the world. Drinking is considered an important part of social life and is often encouraged at social and business occasions. Although drinking is decreasing among the elderly population for health concerns, the market is gaining new drinkers among the young and female population.
- The total value of alcohol beverage product that suppliers distributed to the market amounted to KRW 7.9 trillion in 2010, slightly up from the previous year. Beer and Soju (traditional Korean hard liquor) together accounted for a 77 percent of the sales. Imported products accounted for a 12.8 percent of the sales.

Table 2: Value of Alcohol Beverage Product Distributed in South Korea (2010)

Product Category	Sub-Total	Local Products	Imported Products
Beer	3,466	3,337	129
Soju	2,607	2,607	0
Whiskey	750	175	575
Mak-Gul-Lee*	409	409	0
Fruit Wine and Others	658	354	304
Total **	7,891	6,883	1,008

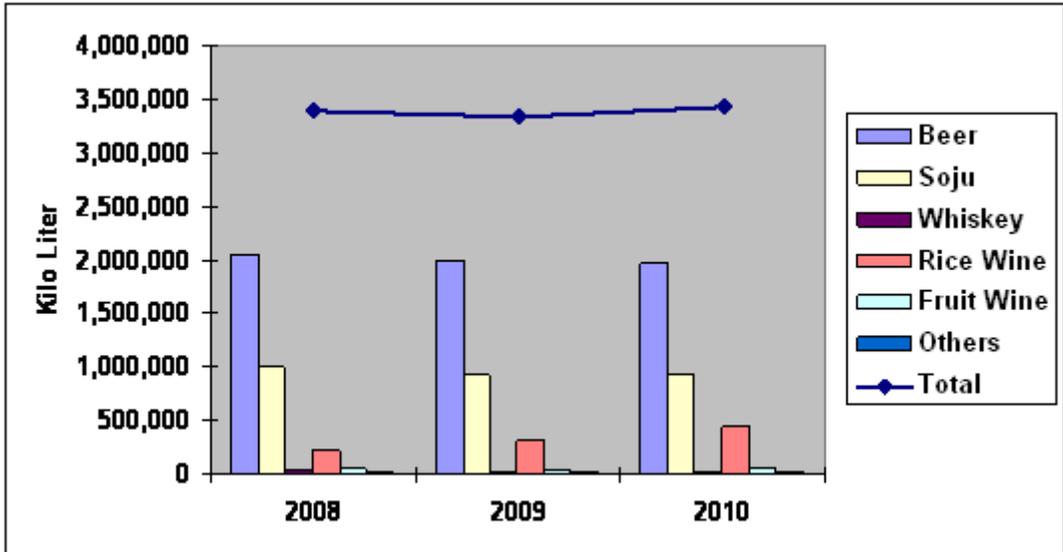
Source: Korea National Tax Service

* Mak-Gul-Lee is a cloudy type rice wine

** Unit: billion won / value of product distributed by suppliers

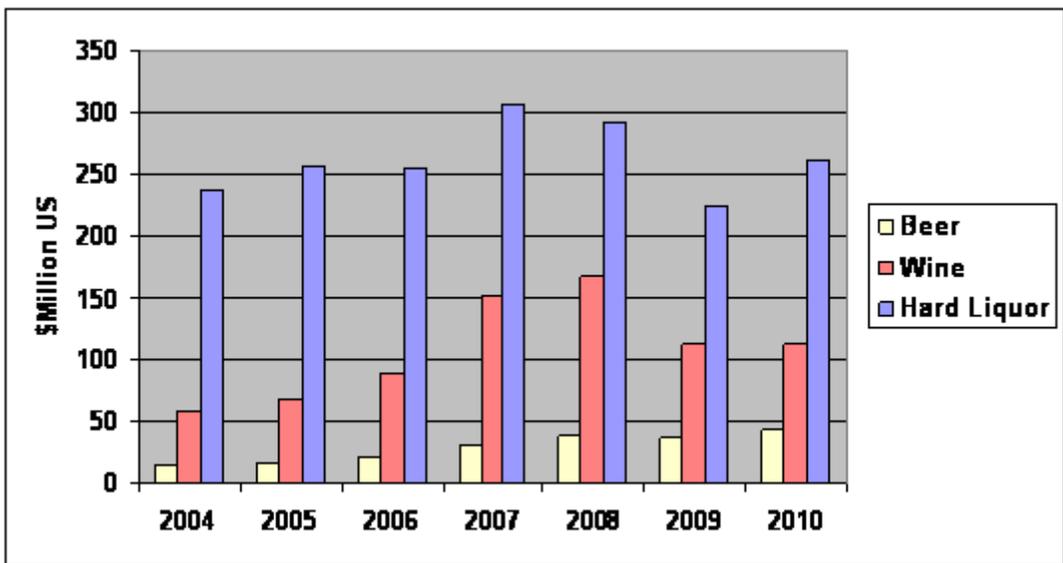
- Growth of the market will be led by products with lower alcohol content in the coming years. Soju has shown a steady performance in recent years mainly backed by continued launchings of new products that contained less alcohol. According to the Korea National Tax Service, sales of Soju that contained less than 19 percent alcohol doubled up in 2010 from the previous year (conventional Soju product contains over 20 percent alcohol). On-going popularity of Mak-Gul-Lee (cloudy type rice wine) partly stems from consumers' health concerns. Total sales of Mak-Gul-Lee amounted to 452,000 kilo liters in 2010, up 45.3 percent from the previous year. Sales of imported Japanese sake type rice wine are also on an increase.
- The beer market in South Korea has been dominated by local brewers as indicated by the fact that local products accounted for 99 percent of total beer sales in 2010. However, local consumers' increased demand for new and higher quality product is likely to generate additional opportunities for imported products. It is reported that few of the locally made beer is 100 percent malt beer. Total imports of beer amounted to \$44 million in 2010, up 18.9 percent from the previous year. Local brewers are expected to counter the market trend by launching new, higher quality products.
- Marketers agree that South Korea will remain a leading market for premium hard liquor products, including Scotch Whiskey, despite heightened health concerns. Total imports of hard liquor products, over two thirds of which were Scotch whiskey, amounted to \$262 million in 2010, up 17 percent from the previous year. It is notable that a majority of the locally produced hard liquor products are blends of imported bulk liquor.
- Fruit wine, including imported "grape" wine, accounted for only 1.4 percent of total alcohol beverage sales in South Korea in 2010 in terms of volume.

Figure 8: Volume of Alcohol Beverage Product Distributed in South Korea



Source: Korea National Tax Service

Figure 9: South Korea's Alcohol Beverage Imports



Source: Korea Trade Information Service Database

5. Distribution Channel

Off-Premise Market

- While no official statistics are available at the moment, marketers indicate that large-scale grocery supermarkets (including hypermarkets and warehouse discount stores) have become the leading distribution channel for wine with an estimated 60 percent of the market share in terms of volume. Wine (liquor) stores and convenience stores distribute another 10 percent and 2 percent of the wine market respectively. Marketers agree that increased volume of the wine sales, particularly of products targeting entry through mid-price level segment, will be through

large-scale supermarkets in the coming years.

- Large-scale supermarkets in general have a designated wine section and offer quite a large selection of wines to everyday shoppers. A typical hypermarket store carries about 200 different varieties of products, most of which are entry-level through mid-price level products under KRW 60,000. Leading retail companies are putting efforts to expand “private label” product for better control of the price and higher customer loyalty. For example, “G7” wine brand launched by Shinsegae E-Mart (the leading hypermarket store chain in South Korea) a couple years ago has become a flagship wine of the company. It is notable that many of the large-scale retail companies have affiliated wine import companies under the umbrella of the same mother company. As these sister import companies are likely to have bigger control over the product portfolio of the retailers, independent, small-scale wine importers are likely to be pressured to focus on low-volume, higher quality products that target specialty liquor stores and restaurant market in the coming years.
- Although far less in number than grocery supermarkets, there are many stand-alone wine shops and specialty liquor stores, independent or under franchise chain operation, popping up in metropolitan areas. A few of these wine-oriented retailers, in particular those operated directly by leading wine importers, offer an extensive selections of over 1,000 different varieties of wine, most of which are mid to high-price level products between KRW 30,000 and 100,000. Convenience stores, most of which are under franchise chain operation, are another emerging player in the market. Although each outlet currently carries very limited number of products (less than a dozen different products), the convenience stores now offer the most extensive retail network in South Korea as the total number of outlets across the nation is fast increasing (over 20,000 stores as of the first half 2011). Currently, there is no zoning regulation in South Korea that restricts the number and location of alcohol beverage retailers in a given area, which is partly responsible for the proliferation of alcohol beverage retailers in the market. However, on-line sales of alcohol beverage product, including Internet, mail, or TV home-shopping, are currently prohibited (the only exception is officially recognized Korean traditional alcohol beverage product, sales of which through on-line channels are allowed in limited volume for the purpose of preserving cultural heritage).
- Over one third of annual wine sales through the off-premise channel take place during the following holiday seasons: Korean Thanksgiving Day (“*Chu-Sok*”, around late September), Christmas, New Year's Day, Lunar New Year's Day (around early February), Valentine's Day (February) and Parents’ Day (May). Wines are increasingly replacing traditionally popular gift sets of whiskey or other hard liquors. Products in the mid-price level segment constitute the largest portion of the gift set sales.

On-Premise Market

- On-premise channel (restaurants and bars) accounts for an estimated 30 percent of the wine market sales in terms of volume. Large-scale food service companies, such as franchise restaurant chains and five-star hotels, generally buy wine directly from importers while wholesalers bridge importers and small-scale restaurants and bars. Local laws do not allow restaurants to procure liquor products from retail stores. Demand for wine has been on a rapid

increase in the food service sector as more restaurants and bars intend to serve wine. The quality and variety of wine offered by restaurants vary widely depending on the food and target consumers that each restaurant serves. Dedicated wine bars and western food restaurants in five-star hotels would carry the most extensive wine selections in the sector, most of which are mid and high-price level products. In general, restaurants and bars take much higher mark-ups on wine than off-premise channel retail stores. Many wines are available exclusively in restaurants and bars as importers do not want consumers to develop price resistance to their products by making them also available in retail stores at much lower prices.

6. Market Entry and Marketing Strategy

- Below are some tools recommended to new-to-market suppliers who seek an entry into the South Korean market:

(1) Exhibiting in a local trade show to develop contacts with a large number of importers and industry opinion leaders. Two events are particularly recommended:

- Seoul Food & Hotel (www.seoulfoodnhotel.co.kr) is the most important food trade show held annually in South Korea and is attended by a large number of international wine exporters and local distributors. This is the only show in Korea that is officially endorsed and sponsored by FAS/USDA. The Agricultural Trade Office (ATO) of the U.S. Embassy Seoul (www.atoseoul.com) plans to organize a U.S. Pavilion in the up-coming show in 2012 (May 8-11).
- The Seoul International Wines & Spirits Expo (www.swsexpo.com) is a key trade show in South Korea exclusively dedicated to wine and other alcohol beverage products. Organized by the Korea Wines & Spirits Importers Association, this show has brought together many foreign wine exporters and local wine traders over the years. The upcoming show is scheduled for May 3-5, 2012. The ATO Seoul plans to exhibit in the show to provide assistance to American exhibitors.

(2) One-on-one meetings with potential importers: South Korean traders highly value face-to-face contacts when developing business partnerships with new foreign suppliers. Personal visits to South Korea also allow new-to-market suppliers to better obtain market intelligence and a network of contacts not only in the wine market but also in related industries. Contact information of Korean importers and industry opinion leaders is available from the ATO Seoul. The facility and equipment of the ATO Seoul, including a seminar room, wine glasses, and a small kitchen, is also available to new-to-market suppliers.

(3) Product seminars and tasting events: Seminars and special events given by visiting wine makers or affiliated wine experts are an efficient tool to promote new-to-market products to key customers and opinion leaders in the market. Unless the partner importer is capable of organizing the event, the supplier may need to hire services of local public relations companies experienced with the wine market.

(4) There are many different bodies of wine opinion leaders developing in South Korea. Wine academies, Internet-based wine communities, periodic wine journals, and not-for-profit organizations (the most notable is the Korea Sommelier Association) are actively influencing the general consumers. Any entry or marketing strategy of a new-to-market supplier should incorporate a tool to develop

relationships with these opinion leading bodies.

(5) Supports from Regional Wine Promotion Organizations: Various regional wine promotion organizations in the United States offer promotional opportunities and supports to their member suppliers to develop markets in foreign countries. General tools offered by the organizations include trade delegations to key foreign markets and invitation of foreign buyers to local wine shows. New-to-market suppliers are recommended to contact affiliated organizations for more information about promotional opportunities and supports.

- California Wine Institute:

Phone: 415-512-0151

Fax: 415-356-7569

Internet Home-page: www.wineinstitute.org

- Napa Valley Vintners Association:

Phone: 707-968-4213

Fax: 707-963-3488

Internet Home-page: www.napavintners.com

- Washington State Wine Commission:

Phone: 206-667-9463

Fax: 206-583-0573

E-mail: info@washingtonwine.org

Internet Home-page: www.washingtonwine.org

- Oregon Wine Board:

Phone: 503-228-8336

Fax: 503-228-8337

E-mail: info@oregonwine.org

Internet Home-page: www.oregonwine.org

SECTION III. COST & PRICING

A combined effect of import tariff, taxes, distribution costs, and distributor mark-ups makes retail price

of an imported wine in South Korea several times higher than in the export country.

1. Tariff, Taxes, and Mark-ups

- Korea applies a complicated tariff and tax system to imported alcohol beverage. The table below summarizes import tariffs and taxes applied to different products.

Product	Import Tariff	Liquor Tax	Education Tax
Fruit Wine	15%	30%	10%
Beer	30%	72%	30%
Whiskey	20%	72%	30%

- Currently (as of July 1, 2011) wine imported from Chile and European Union enters South Korea free of the 15 percent import tariff due to implementation of Free Trade Agreements between South Korea and the countries. The Free Trade Agreement between the United States and South Korea (KORUS FTA), which is currently pending in the U.S. Congress and the National Assembly of South Korea for ratification, will remove the 15 percent import tariff on American wine immediately upon implementation.
- The following table illustrates the effects of import tariff, taxes, and distributor mark-ups on a bottle of \$10 (CIF import value) American wine imported into South Korea:

		Current	Under FTA
A	CIF* Invoice Value	\$10.00	\$10.00
B	Import Tariff: A x 15%	\$1.50	\$0.00
C	Liquor Tax: (A+B) x 30%	\$3.45	\$3.00
D	Education Tax: C x 10%	\$0.35	\$0.30
E	Subtotal: (A+B+C+D)	\$15.30	\$13.30
F	Value Added Tax **: E x 10%	\$1.53	\$1.33
G	Handling fees for customs clearance ***: A x 8%	\$0.80	\$0.80
H	Total cost of wine upon customs clearance: (E+F+G)	\$17.63	\$15.43
I	Typical Importer Mark-ups ****:		
	1. Importer's selling price to large-scale retail store (hypermarket): (mark-up 15-40%)	\$18.52- 22.54	\$16.22- 19.74
	2. Importer's selling price to wholesaler: (mark-up 15-20%)	\$18.52- 19.32	\$16.22- 16.92
	3. Importer's selling price to luxury hotel: (mark-up 40-50%)	\$22.54- 24.15	\$19.74- 21.15
J	2. Wholesaler's selling price to liquor store: (mark-up 15-30%)	\$21.29- 25.12	\$18.65- 22.00
K	Typical Retailer Mark-ups:		
	1. Hypermarket store's retail price: (mark-up 20-30%)	\$22.22- 31.56	\$19.46- 27.64
	2. Liquor store's retail price:	\$27.68-	\$24.24-

(mark-up 30-40%)	35.16	30.79
3. Luxury hotel restaurant's selling price: (mark-up 50-200%)	\$33.81- 72.45	\$29.61- 63.45

* CIF is an export price inclusive of insurance and freight cost.

**The paid Value Added Tax (VAT) is eventually refunded to the importer as the tax is carried over to the consumer.

***In addition to import tariff and taxes, additional cost of about 8 percent of CIF value will occur for miscellaneous expenses, including paperwork, inspection, warehousing, and transportation. The amount of this additional cost depends mainly on the kind of inspection to which the shipment is subject. For example, warehousing fee will increase significantly if a detailed chemical inspection is required instead of document inspection.

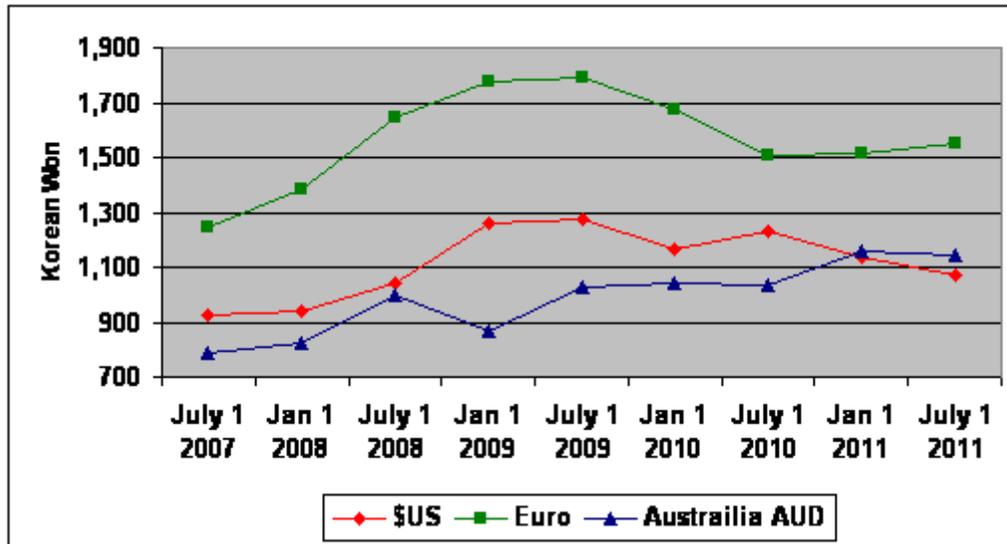
****Each mark-up calculation is based on \$16.10, the cost of wine upon customs clearance (H: \$17.63) minus the value added tax (F: \$1.53).

- Thus, a bottle of \$10 imported American wine typically retails for about \$22 to \$32 in hypermarket stores, \$28 to \$35 in liquor stores, and \$34 to \$72 in luxury hotel restaurants in South Korea. Implementation of the U.S.-South Korea Free Trade Agreement is expected to reduce the retail price of American wine in South Korea by 12.4 percent on average.
- Some of the local wine marketing companies offer Internet based search tools (database) that track information, including estimated retail price, of thousands of imported wines currently marketed in South Korea. Most notable ones are www.winesearcher.co.kr and www.wineok.com.

2. Currency Exchange Rates

- Retail price of imported wine in South Korea is directly affected by change of exchange rates between the export country's currency and Korean won (KRW). Shifts of exchange rate bring shifts of price competitiveness among competitors. For example, a steep value rise of Australian dollar against Korean won in recent years has resulted in a significant shrink of Australian wine's market share in value-oriented segments of the market. The value of the U.S. dollar is forecasted to continue a decline against other major international currencies in the coming months, which should help American wine gain price competitiveness in South Korea.

Figure 10: Change of Currency Exchange Rates



Source: Korea Exchange Bank

SECTION IV. MARKET ACCESS

1. Licenses

- By law, only licensed liquor importers are allowed to import alcohol beverages, including wine. There is no ceiling on the number of licenses issued, so any qualified candidate can obtain a liquor import license. Currently there are over 300 licensed liquor importers, but marketers estimate that about 50 of them currently maintain an active business. Moreover, a dozen of leading importers account for over 70 percent of total imports. Importers are allowed to sell directly to retailers (restaurants and liquor stores) as well as to wholesalers. However, importers are not allowed to sell directly to consumers nor can they purchase from other importers or wholesalers. A few of the leading importers operate wholesale business and retail wine shops under separate wholesale and retail licenses, a tactic to maintain bigger control over the local distribution channel.

2. Labeling

- Korean law requires a separate Korean language label on imported wine. In most cases, the Korean language label is attached to the back of the bottle manually by the importer in the duty-free warehouse before customs clearance. The Korean language label should contain the following information:

- Product Name (e.g., Robert Mondavi Cabernet Sauvignon)
- Country of origin (e.g., U.S.A)
- Product Type (e.g., Grape Wine)
- Importer's name, address, and phone number
- Importer's business license number
- Date of bottling (e.g., Year-Month-Day or Julian Code or Lot Number)

7. Alcohol percentage and product volume (e.g., 13.5%, 750 ml)
8. Name of major ingredients (e.g., Grape)
9. Name of place where the product can be returned or exchanged in case the product has any defect.
10. Instructions for proper storage
11. Name of food additives used (e.g., Sulfur Dioxide)
12. Mandatory health warning clause
13. Mandatory warning clause against liquor sales to minors.
14. Name of designated distribution channel (only required on bottles sold in retail stores. Bottles sold in retail stores should be marked 'For Home Consumption', whereas bottles served in restaurants and bars are not required)

- The use of fruit images is not allowed on the label of food and beverage products, including fruit wine, unless the product contains a natural ingredient from the fruit in question.
- Currently USDA organic certified wine is allowed to be labeled and marketed as organic wine in South Korea. However, the Korean government has recently revised its organic labeling regulation, and accordingly will not recognize foreign organic certificates after 2012 (which means foreign products will have to be certified by a Korean government accredited certifying body to be labeled and marketed as organic product in South Korea). American suppliers of organic wine are advised to contact the ATO Seoul for up-to-date information about the Korean organic labeling standards.

3. Inspections & Food Safety Standards

- Imported foods and beverages are subject to Ministry of Health and Welfare (MHW) Food Quarantine inspections. The Korea Food & Drug Administration (KFDA) under MHW is responsible for executing all inspections. There are two kinds of inspections: detailed inspection (chemical analysis test) and visual inspection (document inspection).
- The first commercial shipment of new-to-market wine is mandated to a detailed inspection, which under Korean law should take no longer than 10 working days. In practice, however, importers claim that it could take longer. For detailed inspection, importers are required to submit one sample bottle of each product to the inspection office along with detailed product information such as ingredient list, processing flow chart, and appropriate certificates. Once detailed inspection on the first shipment confirms no potential health concerns, subsequent shipments of the same product are subject to visual (document) inspections. Visual inspection should take no longer than 2 working days provided that the product in the subsequent shipment is identical to the product in the first shipment with respect to label, product name, ingredients, and net volume (vintage change is not recognized as a reason for detailed inspection). However, KFDA maintains a policy to require detailed inspections randomly on a significant portion of subsequent shipments of identical products. In addition, detailed inspections are required on subsequent shipments when there arises a food safety issue.
- The cost of mandatory lab analysis under detailed inspection has been on a steep increase over the last few years. At the moment, each detailed inspection costs the importer about \$300.

- Korean labeling regulations for alcohol percentage allows for a +/- 0.5 percent point margin of error for the difference between the labeled and actual alcohol content. For example, a wine labeled as 12 percent alcohol must be measured within 11.5 percent to 12.5 percent range. South Korea's tolerance level is much tighter than the U.S. standard, which allows 1.5 percent point margin of error.
- South Korean government is paying more attention to food safety issues in imported food. When a new food safety issue associated with specific additive or ingredient arises, local authority may enforce additional safety standards and tests on imported wine. For example, test for Melamine was temporarily added to detailed inspection for imported wine from March 2009 until June 2011 due to a food safety scandal involving Melamine. Tests for Ochratoxin A and lead have been newly added to detailed inspection for imported wine since July 2010. Other ingredients that South Korean authority currently considers adding tests or strengthening safety standards for imported wine include Ethyl Carbamate, Cyclamate, and Sulfur Dioxide.
- Below are some of major food safety standards currently applied to fruit wine:
 - (1) Methanol: less than 1.0 mg/ml
 - (2) Food Preservatives: Preservatives other than those specified below should not be detected in fruit wine.
 - Sorbic acid (Potassium Sorbate): less than 0.2 g/liter
 - Sulfur dioxide: less than 0.35g/kg
 - (3) Ochratoxin A: 2ug/kg
 - (4) Melamine: less than 2.5 mg/kg
 - (5) Lead: less than 0.2mg/kg
 - (6) Food Additives that can be added to fruit wine:
 - Sweeteners: Sugar, Glucose, Fructose, Wheat-gluten, Molasses syrup, Maple syrup, Oligo sugar, Honey, Aspartame, Sorbitol, Stebioside
 - Acids: Lactic acid, Succinic acid, Acetic acid, Fumalic acid, Gluconic acid, Tartaric acid, Citric acid, Malic acid, Tannic acid
 - Seasonings: Amino acids, Glycerin, Dextrin, Hop, Minerals
 - Flavorings: Ester compounds, Aldehyde compounds, Fusel compounds
 - Colorants: Compounds allowed by the food safety law
 - (7) Arsenide (As₂O₃): Below 0.3 mg/Kg
 - (8) Total Heavy Metals: Below 10 mg/Kg
 - (9) Food poisoning pathogens should not be detected: *Salmonella spp.*, *Staphylococcus aureus*, *Vibrio parahaemolyticus*, *Clostridium perfringens*, *Listeria monocytogenes*, *Escherichia coli O157:H7*

SECTION V. KEY CONTACTS AND FURTHER INFORMATION

- For further information about the Korean agricultural market, please contact:

U.S. Agricultural Trade Office Seoul

Korean Address: Room 303, Leema Building, 146-1, Susong-dong, Jongro-gu, Seoul, Korea
U.S. Mailing Address: U.S. Embassy Seoul, Unit 15550-ATO, APO, AP 96205-5550
Telephone: 82-2 397-4188 Fax: 82-2 720-7921
E-mail: atoseoul@fas.usda.gov
Internet homepage: www.atoseoul.com

Agricultural Affairs Office, U.S. Embassy Seoul
Korean Address: U.S. Embassy, 82, Sejong-ro, Jongro-gu, Seoul, Korea
U.S. Mailing Address: U.S. Embassy Seoul, Unit 15550-AgAff, APO, AP 96205-5550
Telephone: 82-2 397-4297 Fax: 82-2 738-7147
E-mail: agseoul@usda.gov

- For more information on how you can register for USDA/FAS' Supplier List:
The United States Department of Agriculture's Foreign Agricultural Service (USDA/FAS) offers information and services that can be beneficial to both new and experienced exporters. For example, the U.S. Suppliers Service is a searchable database of over 5,000 U.S. exporters and their products, which is used by USDA/FAS to help facilitate connecting potential buyers with U.S. suppliers. This database is used by more than 85 USDA FAS Overseas offices to help export agents, trading companies, importers and foreign market buyers locate U.S. suppliers. It is also used to recruit U.S. exporters to participate in market development activities sponsored by USDA and federal export programs.

You can register online for this service at
http://www.fas.usda.gov/agx/partners_trade_leads/us_suppliers_list.asp

- For further information about sanitary and phytosanitary requirements, please contact:

U.S. Animal Plant and Health Inspection Service Seoul (APHIS)
Korean Address: Room 303, Leema Building, 146-1, Susong-dong, Jongro-gu, Seoul, Korea
U.S. Mailing Address: U.S. Embassy Seoul, Unit 15550-APHIS, APO, AP 96205-5550
Telephone: 82-2 725-5495 Fax: 82-2 725-5496
E-mail: yunhee.kim@aphis.usda.gov
Internet Homepage: www.aphis.usda.gov

- For information about financial supports and export aid programs offered by Strategic Trade Regional Groups, please contact:

Food Export Association of the Midwest USA
309 W. Washington St., Suite 600
Chicago, Illinois 60606
Telephone: 312-334-9200 Fax: 312 334-9230
E-mail: thamilton@foodexport.org
Website: www.foodexport.org

Western United States Agricultural Trade Association (WUSATA)
2500 Main Street, Suite 110, Vancouver, WA 98660-2697, USA
Telephone: 360-693-3373 Fax: 360-693-3464

E-mail: janet@wusata.org
Website: www.wusata.org

Food Export USA - Northeast Region of the United States
150 S. Independence Mall West, 1036 Public Ledger Building
Philadelphia, PA 19106, USA
Telephone: 215-829-9111 Fax: 215-829-9777
E-mail: jcanono@foodexportusa.org
Website: www.foodexportusa.org

Southern United States Agricultural Trade Association (SUSTA)
2 Canal Street Suite 2515, New Orleans, LA 70130, USA
Telephone: 504-568-5986 Fax: 504-568-6010
E-mail: jim@susta.org
Website: www.susta.org

- For information on the non-agricultural commercial and industrial products in Korea, please contact:

U.S. Commercial Service
Korean Address: U.S. Embassy, 82, Sejong-ro, Jongro-gu, Seoul, Korea
U.S. Mailing Address: U.S. Embassy Seoul, Unit 15550-USCS, APO, AP 96205-5550
Telephone: 82-2 397-4535 Fax: 82-2 739-1628
E-mail: Seoul.office.box@mail.doc.gov
Homepage: www.buyusa.gov/korea

APPENDIX: WINE IMPORT STATISTICS

Table 1: South Korea's Annual Wine Imports

Year	Value	Growth	Volume	Growth
1992	5,644	65.3%	2,109,570	68.9%
1993	5,855	3.7%	3,233,975	53.3%
1994	8,104	38.4%	4,225,764	30.7%

1995	13,633	68.2%	6,181,234	46.3%
1996	16,406	20.3%	5,852,665	-5.3%
1997	22,809	39.0%	9,390,449	60.4%
1998	6,491	-71.5%	2,558,561	-72.8%
1999	15,122	133.0%	5,766,043	125.4%
2000	19,802	31.0%	8,052,562	39.7%
2001	23,109	16.7%	8,861,609	10.0%
2002	29,432	27.4%	11,522,387	30.0%
2003	45,783	55.6%	13,979,720	21.3%
2004	57,979	26.6%	15,897,748	13.7%
2005	67,654	16.7%	18,984,127	19.4%
2006	88,607	31.0%	22,194,500	16.9%
2007	150,364	69.7%	31,810,196	43.3%
2008	166,512	10.7%	28,795,281	-9.5%
2009	112,450	-32.5%	23,009,429	-20.1%
2010	112,888	0.39%	24,568,118	6.8%
2011 (through June)	60,243	12.6%	12,183,983	3.5%

Source: Korea Trade Information Service Database (KOTIS)

Unit: Value \$1,000 / Volume: Liter

Table 2. Annual Wine Imports Broken down by Country and Product Category

Country	Category	2010					2011 Through June				
		Value	Volume	Growth	Val. M/S	Vol. M/S	Value	Volume	Growth	Val. M/S	Vol. M/S
France	Red Bottle	26,042	2,840,724	-5.2%	33.0%	18.8%	11,778	1,141,777	-2.3%	27.3%	14.9%
	Red Bulk	99	7,909	560.0%	7.9%	0.7%	56	113	20.2%	9.7%	0.0%
	White Bottle	2,781	286,568	-1.2%	14.5%	6.4%	1,437	145,426	10.6%	15.6%	7.4%
	White Bulk	15	726	650.0%	0.8%	0.0%	42	817	2000.0%	3.7%	0.1%
	Sparkling	6,709	275,228	11.7%	64.7%	22.2%	3,282	174,015	17.5%	58.0%	23.9%
	Others Bottle	255	22,385	32.8%	29.1%	18.0%	117	11,183	-23.5%	31.9%	30.1%
	Others Bulk	87	3,506	50.0%	24.0%	21.5%	31	1,700	-41.5%	16.9%	22.7%
	Total	35,988	3,437,046	-1.6%	31.9%	14.0%	16,743	1,475,031	2.0%	27.8%	12.1%
Chile	Red Bottle	21,998	4,816,007	0.8%	27.9%	31.8%	13,724	2,843,504	31.6%	31.8%	37.1%
	Red Bulk	401	310,487	-2.4%	31.9%	27.6%	20	23,954	-51.2%	3.5%	4.6%
	White Bottle	1,615	416,895	-1.3%	8.4%	9.3%	1,171	296,943	53.5%	12.7%	15.2%
	White Bulk	303	238,869	15050.0%	15.8%	9.8%	163	120,000	136.2%	14.2%	9.4%
	Sparkling	79	20,981	107.9%	0.8%	1.7%	24	6,607	50.0%	0.4%	0.9%
	Others Bottle	93	14,637	-64.0%	10.6%	11.7%	6	752	-91.3%	1.6%	2.0%
	Others Bulk	11	1,724	-35.3%	3.0%	10.6%	6	836	-14.3%	3.3%	11.2%
	Total	24,500	5,819,600	1.3%	21.7%	23.7%	15,114	3,292,596	32.7%	25.1%	27.0%
Italy	Red Bottle	8,670	1,445,414	2.1%	11.0%	9.5%	5,328	812,895	28.6%	12.4%	10.6%
	Red	102	54,904	9.7%	8.1%	4.9%	112	59,204	142.1%	19.5%	11.5%

	Bulk										
	White Bottle	8,020	1,827,878	13.8%	41.7%	40.9%	3,356	732,311	-16.1%	36.5%	37.4%
	White Bulk	136	77,854	267.6%	7.1%	3.2%	127	65,665	195.3%	11.0%	5.2%
	Sparkling	2,144	497,350	13.6%	20.7%	40.1%	1,455	278,505	44.1%	25.7%	38.3%
	Others Bottle	77	7,834	-4.9%	8.8%	6.3%	26	981	-27.8%	7.1%	2.6%
	Others Bulk	29	2,501	-42.0%	8.0%	15.3%	10	857	-41.2%	5.5%	11.5%
	Total	19,178	3,913,735	8.4%	17.0%	15.9%	10,414	1,950,418	12.0%	17.3%	16.0%
The U.S.	Red Bottle	8,922	2,022,131	4.6%	11.3%	13.4%	5,196	1,125,280	23.2%	12.1%	14.7%
	Red Bulk	237	168,075	-39.4%	18.8%	14.9%	92	67,505	-38.9%	16.0%	13.1%
	White Bottle	1,411	348,097	1.4%	7.3%	7.8%	828	189,585	8.1%	9.0%	9.7%
	White Bulk	73	60,365	-59.9%	3.8%	2.5%	55	24,098	37.5%	4.8%	1.9%
	Sparkling	151	24,482	-1.9%	1.5%	2.0%	142	19,841	86.8%	2.5%	2.7%
	Others Bottle	156	40,564	-71.6%	17.8%	32.5%	77	6,914	0.0%	21.0%	18.6%
	Others Bulk	172	3,659	49.6%	47.4%	22.4%	105	1,991	8.2%	57.4%	26.6%
	Total	11,122	2,667,373	-1.7%	9.9%	10.9%	6,495	1,435,214	19.8%	10.8%	11.8%
Australia	Red Bottle	5,416	958,656	6.2%	6.9%	6.3%	3,204	494,956	15.0%	7.4%	6.5%
	Red Bulk	47	18,536	-84.7%	3.7%	1.6%	1	40	-96.8%	0.2%	0.0%
	White Bottle	1,166	276,422	-36.5%	6.1%	6.2%	666	120,254	-6.1%	7.2%	6.1%
	White Bulk	17	7,612	-86.3%	0.9%	0.3%	0	3	100.0%	0.0%	0.0%
	Sparkling	245	43,669	-30.8%	2.4%	3.5%	155	23,161	53.5%	2.7%	3.2%
	Others Bottle	136	20,747	-32.3%	15.5%	16.6%	72	10,205	63.6%	19.6%	27.5%
	Others Bulk	13	1,131	-27.8%	3.6%	6.9%	10	370	25.0%	5.5%	4.9%
	Total	7,040	1,326,773	-11.3%	6.2%	5.4%	4,108	648,989	11.0%	6.8%	5.3%
Spain	Red Bottle	4,176	2,080,947	10.9%	5.3%	13.7%	1,949	827,496	-4.5%	4.5%	10.8%
	Red Bulk	357	535,183	-0.6%	28.4%	47.6%	282	363,263	41.4%	49.0%	70.5%
	White Bottle	825	628,432	19.2%	4.3%	14.0%	381	279,680	-9.1%	4.1%	14.3%
	White Bulk	1,199	1,939,882	8.9%	62.7%	79.3%	747	1,043,857	14.7%	65.0%	82.1%
	Sparkling	325	83,230	3.2%	3.1%	6.7%	198	52,533	28.6%	3.5%	7.2%
	Others Bottle	18	3,391	-43.8%	2.1%	2.7%	32	3,742	190.9%	8.7%	10.1%
	Others Bulk	9	850	12.5%	2.5%	5.2%	6	693	50.0%	3.3%	9.3%
	Total	6,909	5,271,915	10.1%	6.1%	21.5%	3,595	2,571,264	3.4%	6.0%	21.1%
Germany	Red Bottle	736	229,969	-5.2%	0.9%	1.5%	375	109,899	3.4%	0.9%	1.4%
	Red Bulk	3	910	50.0%	0.2%	0.1%	2	900	3229.2%	0.3%	0.2%
	White Bottle	1,918	450,655	18.4%	10.0%	10.1%	614	85,026	-19.9%	6.7%	4.3%
	White Bulk	78	48,396	1.3%	4.1%	2.0%	2	500	-97.4%	0.2%	0.0%

	Sparkling	179	56,726	77.2%	1.7%	4.6%	97	30,846	24.4%	1.7%	4.2%
	Others Bottle	30	5,936	-6.3%	3.4%	4.8%	2	127	-92.3%	0.5%	0.3%
	Others Bulk	10	449	66.7%	2.8%	2.8%	2	177	0.0%	1.1%	2.4%
	Total	2,954	793,041	13.0%	2.6%	3.2%	1,094	227,475	-16.8%	1.8%	1.9%
Others	Red Bottle	2,943	750,898	-10.6%	3.7%	5.0%	1,561	313,162	11.4%	3.6%	4.1%
	Red Bulk	12	29,405	-82.6%	1.0%	2.6%	10	408	11.1%	1.7%	0.1%
	White Bottle	1,478	237,951	-4.9%	7.7%	5.3%	746	108,061	13.5%	8.1%	5.5%
	White Bulk	92	71,542	-53.8%	4.8%	2.9%	14	15,917	-84.6%	1.2%	1.3%
	Sparkling	530	237,175	4.1%	5.1%	19.1%	301	141,346	25.9%	5.3%	19.4%
	Others Bottle	110	9,180	-37.1%	12.6%	7.4%	35	3,249	-55.1%	9.5%	8.7%
	Others Bulk	32	2,484	-62.8%	8.8%	15.2%	13	851	-7.1%	7.1%	11.4%
	Total	5,197	1,338,635	-11.7%	4.6%	5.4%	2,680	582,994	-48.4%	4.4%	4.8%
Grand Total	Red Bottle	78,903	15,144,746	-0.4%	69.9%	61.6%	43,115	7,668,969	15.1%	71.6%	62.9%
	Red Bulk	1,258	1,125,409	-23.6%	1.1%	4.6%	575	515,387	7.9%	1.0%	4.2%
	White Bottle	19,214	4,472,898	3.3%	17.0%	18.2%	9,199	1,957,286	-2.0%	15.3%	16.1%
	White Bulk	1,913	2,445,246	11.0%	1.7%	10.0%	1,150	1,270,857	16.5%	1.9%	10.4%
	Sparkling	10,362	1,238,841	10.7%	9.2%	5.0%	5,654	726,854	26.6%	9.4%	6.0%
	Others Bottle	875	124,674	-42.5%	0.8%	0.5%	367	37,153	-25.7%	0.6%	0.3%
	Others Bulk	363	16,304	3.7%	0.3%	0.1%	183	7,475	-9.4%	0.3%	0.1%
	Total	112,888	24,568,118	0.4%	100.0%	100.0%	60,243	12,183,981	12.6%	100.0%	100.0%

Source: Korea Trade Information Service Database (KOTIS)

Unit: Value \$1,000 / Volume: Liter

^[1] A revision of the Liquor Tax Act that went effect on July 1, 2008 provided 50 percent reduction in liquor taxes on officially recognized Korean traditional alcohol beverage product for the purpose of preserving cultural heritage.