



Study on the Korean Chocolate Confectionery Market

HS 1806

This study on the Korean chocolate confectionery market is intended to provide information on the state of the Korean chocolate confectionery industry and provide suggestions of possible areas of opportunity for Canadian chocolate confectionery marketers. While every attempt has been made to ensure accuracy in this study, no responsibility can be accepted for errors or omissions.

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1. Introduction

1.1 Import Growth Compared To Canadian Import Growth

Imports of chocolate confectionery grew strongly in the first few years of the 1990s from \$30 million in 1990 to \$50 million in 1992, however growth stabilized in 1993 through to 1995 with \$61 million being imported in 1995. Chocolate imports from Canada enjoyed strong growth in the first few years of the 1990s from \$3,000 to \$826,000 in 1992. However, import growth has subsided in the past few years resulting in chocolate imports from Canada only reaching \$767,000 in 1995.

1.2 Import Liberalization

Korea is famous for its "Confucian" regulatory environment. Like Japan, Koreans expect officials to interfere in a wide range of areas not normally closely regulated in the west. This regulatory situation is compounded by the protection of the vested interest of existing producers and the existence of double standards for local and international producers.

The Korean government has a long history of what might be called semi liberalization of the food and drink market. This may be described as officially liberalizing an import, but actually surrounding the newly liberalized product with petty regulations which the importing companies take five years to lobby and fight to get reasonable market access.

This reflects the extremely conservative thinking in the Ministry of Health and Welfare which controls foods, beverages, cosmetics and pharmaceuticals.

Korea under President Kim Young-sam, is actively pursuing globalisation and rapidly liberalizing its markets in a bid to join the OECD in the later part of 1996. Significant progress has been made in the last few years in terms of liberalization, although the area of food and drink is one of the areas where regulatory irregularities and sudden changes with an adverse impact to a foreign importer still exist. Exporters to Korea must expect a degree of regulatory frustration and be prepared for regulatory changes which may result in short term problems in the market.

Despite reduced import barriers the Korean market is still difficult to access for foreign companies due to obstructive bureaucrats, non-transparent regulations, the dominance of the Korean business environment by large conglomerates, locally referred to as the chaebol and a language barrier, which complicate market access procedures.

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2. Regulations and Procedures

2.1 Trade Regulations

HS1806.90.22.90 Others of barley flour governed by grain administration law possible to import by recommendation of the Ministry of Agriculture and Fishery

2.2 Tariff Rates

The tariff for chocolate confectionery imports under HS 1806 in 1996 is 8%.

Except

Imports under HS1806.90.21 choco materials of prepared dry milk is 40%

Tariff rates on most commodities have been reduced to the standard international levels. All import restrictions are scheduled to be phased out by July 1, 1997 in accordance with the General Agreement on Tariffs and Trade (GATT).

The dutiable value of imported goods is the normal CIF price at the time when the import was declared.

Tariffs must be paid in Korean won before goods can clear customs.

2.3 Customs Classification

Tariff classification is based on the internationally recognised Harmonized Commodity Description and Coding System. Appendix 2 details custom classification for chocolate

confectionery imports.

2.4 Taxes Applicable to Imports

A value added tax of 10% is levied on the CIF value of the import plus the amount of customs duty paid.

2.5 Quarantine Inspection

The following documents need to be submitted to the Quarantine Office for quarantine inspection:

- 1) Application Form
- 2) Import License (I/L)
- 3) B/L copy
- 4) Invoice and Packing List
- 5) Self Specification Certificate
- 6) Product Information

2.6 Customs Clearance

After passing through quarantine inspection, customs clearance procedure is required, for which the following documents must be submitted:

- 1) B/L copy
- 2) I/L
- 3) Invoice & Packing List
- 4) Offer sheet
- 5) Certificate of Origin
- 6) Insurance copy

2.7 Customs Clearance Procedures for Imports May be Simplified

It has been proposed that importers may be able to file import reports from the time the ship enters a local port, which will allow them to ship the goods to other places without storing them in bonded warehouses.

Customs officials believe the proposed revisions to the reporting system will contribute significantly to alleviating the logistics problems at the ports.

In 1993, the combined physical distribution cost of local manufacturers surged 18% to 3.1 trillion from 2.6 trillion won in 1992.

The government has also proposed that revisions may be made to enable importers to pay customs taxes after imported goods are taken away. At present, importers are issued import licenses only after customs taxes are paid.

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3. Non Transparent Barriers

"Food regulations and shelf life are the greatest obstacles to importers of agri - food products" -

most common response from foreign food importers in Korea.

Despite increased import liberalisation exporting to Korea is still very difficult due to non transparent barriers such as food and shelf life regulations.

3.1 Food Regulations

All food and additive imports need to be approved through a process of self specification, according to Article 7 and 9 of Food Sanitary Law.

Self Specification Process

1. Before an application can be made to pass self specification the product must be tested by the "Korea Advanced Food Research Institute" (KAFRI)

An application for testing of products requires the submission of the following documents/samples listed below to KAFRI:

1. Application Form : 1 copy
2. Sample of Product : 3 or 4 ea
3. Product information

- Ingredient information : 1 copy
- Result of testing : 1 copy
- Manufacturing Process: 1 copy

A Testing Certificate is issued by KAFRI, if the products are passed.

2. Application for Self-Specification

After a Testing Certificate is acquired from KAFRI a Self Specification Approval Certificate can be applied for from the National Institute of Health (NIH).

Application for testing of products requires the submission of the following documents listed below to "National Institute of Health " (NIH):

- 1) Application form : 3 copies
- 2) Testing Certificate : 3 copies
- 3) Product information

- Ingredient Information : 1 copy
- Result of Testing : 1 copy
- Manufacturing Process : 1 copy

4) Self-Specification Approval Certificate is issued by NIH, if passed.

3.1.1 Korean Version of the US Food & Drug Administration

In April 1996 a Korean version of the US Food & Drug Administration will be established under the authority of the Ministry of Health and Welfare. However, the office will assume independence after a relevant law is enacted early next year. The Korean version of the US Food & Drug Agency will be authorized to examine, verify and estimate the safety of food, food

additives, medicines and medical instruments. It will take charge of tests and evaluations of foods and drugs and the inspection of imported foods and drugs.

The Agency will have offices in Pusan, Incheon and Seoul.

The Food & Drug Authority is being established to create an independent body to reduce unfounded allegations damaging industries. The recent controversy over Soy Sauce, which civil groups alleged contained cancer or infertility causing substances, resulted in serious damage to the industry, despite WHO and the Ministry of Health advising otherwise.

3.2 Shelf Life

A common non tariff barrier used by the Korean authorities has been a short shelf life with long quarantine periods which result in inadequate time for distribution and sale by the time the product has completed transit and passed quarantine.

However, Korea is slowly bringing shelf life periods in line with Western countries as a result of persistent lobbying by countries supplying the products, particular the USA. As of March 1996, the shelf life rules on three food stuffs imported from the USA; namely butter, cheese and baby food were lifted. In July 1995, Korea agreed with the US to ease the shelf life rules on canned food, vacuum packed meat and other food stuffs. Under the accord Seoul is also to exempt vacuum packed beef and pork imported from the USA from the expiration requirements, starting in July 1996.

Korea removed shelf life regulations on 207 food items in October, last year, but 139 kinds of food remain subject to the rule.

3.3 Labelling Requirements

A label of Korean Indications should be attached to each of the products in accordance with Article 10 of Korea Food Sanitary Law and Article 5 of its Enforcement Regulation.

Korean Indications required:

- 1) Product Name
- 2) Type of Product
- 3) Manufacturer
- 4) Importer
- 5) Business registration number
- 6) Manufacturing date
- 7) Weight or measurement
- 8) Shelf life
- 9) Ingredients
- 10) Storage conditions
- 11) Instructions for Usage

Labelling should be completed before Quarantine Inspection at Arrival Port, however labelling can be put on in the bonded warehouse.

Around 80% of packaged food items and some 10% of non food items have adopted the bar coding system, but only 7.6% of retail outlets have installed the POS system.

3.4 Effect of Political Factors, Bilateral or Multi Lateral Agreements on Choice of Supplier

None of the respondents had experience or knowledge of political factors or any other agreements affecting their choice of supplier.

3.5 Imported Goods are a Taboo for Korean Consumers

Another obstacle many imported food products have had to tackle in the past has been an anti foreign sentiment by the government and Korean civil groups. Most Koreans have been taught in the past that imports are luxury goods and therefore their consumption was not good for the well being of Korea. Government funded consumer groups routinely conduct "frugality campaigns" against overconsumption. Such campaigns are particularly detrimental to the sale of imported goods. Another tactic is to have consumer groups claim, usually without foundation that imported goods are unsafe, or that they cause mysterious illnesses or have unpleasant side effects.

Despite the government's xenophobic reaction in the past, to consumption of foreign goods the increasing wealth of Koreans is increasing consumer demand for improved quality and greater variety, thus reducing the effect of such campaigns.

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4. The Changing South Korean Consumption Pattern

4.1 Income and Expenditure

Korea combines a large population with a high standard of living. Korea, in consideration of the size and wealth of this group, is the second largest of the Asian tigers, after Japan. The population of Korea is forecast to exceed 45 mill by early 1996. These statistics combined with the rapid economic growth rates of the past several decades has produced an economy large in size with substantial consumer potential in the late 1990.

By the end of 1995 per capita income reached \$10,000 per annum. Total average household spending rose 14.3% in 1994 to 1.3 million won. Meanwhile surplus disposable income (disposable income minus consumption expenditure) rose by 17.4%. Similar to many other Asian nations, South Korea has a high savings rate of around 30%.

Korea is becoming a more consumer orientated society. As a percentage of total imports, the significance of consumer goods has increased steadily in recent years.

Purchasing power in Korea is not confined to a small middle class, in 1994, average income levels of the top 20% of wage earners were only 4.42 times greater than those of the bottom 20%. Compared to a ratio of 5.13 in 1985. Around 60% of Korean households believe they are part of the middle class.

4.2 Main Trends

The South Korean consumer market is characterized by seven main trends:

- three and a half decades of rapidly rising household incomes
- rapid urbanisation

- very rapid generational shifts
- strong nationalism supported by the Korean script and language
- excessive government interference
- lasting anti Japanese feeling (dating from colonial days 1910-1945) and latent anti Americanism
- desire for group activities and displays of conspicuous consumption

4.3 Consumer Characteristics

The average Korean is 30 years old and the average population gets approximately one year older each year. An important feature is a growing ageing segment of the population as approximately 3 million people were born just after the Korean war and are now aged between 35 and 45. The average Korean is well educated and enjoys a rapidly growing income.

4.3.1 Main Consumer Trends

1. An increased number of dual income households

The percentage of the working population in employment has increased steadily reaching 20 million in 1994. Female participation rate rose significantly in the 1980s and has stabilised in the 1990s at 47%. This has resulted in an increased number of dual income households who have a shortage of time and thus demand greater convenience.

2. Increasing retired population

The dependency ratio is currently at 41.5% however, it will dramatically increase over the next 5 to 10 years as the size of the retired population increases. This will result in the creation of an increasing number of aged people with substantial purchasing power.

3. Increased tourism

Since the late 1980s Koreans have been allowed to travel abroad without any restrictions resulting in huge growth in Korean tourism. The growth of tourism is increasing Koreans exposure to Western products, fashions and consumption habits. Koreans are increasing their knowledge and experience about the different varieties of shopping and products.

4. Leisure will be more important

Leisure is becoming increasingly important to South Koreans. The South Korean consumer will spend an increasing proportion of their time away from the workplace.

5. Increased urban concentration

More than 80% of Koreans live in urban areas. Almost 45% of the population live in the Greater Seoul area, Seoul and the cities of Kyonggi-do. Another 10 million (25%) live in the four major cities of Pusan, Daegu, Daejeon and Kwangju. Thus good distribution in 5 cities and the urban areas of Kyonggi-do access about 70% of the market.

4.4 A Shift in Purchasing Power

In the past, the housewives in the 35 to 50 year old age group enjoyed the dominant portion of buying power. However, Korea is no longer a mass market. Distinct groups are emerging with significant purchasing power. Such segments are referred to as Generation X, Generation Y, and Missies. These groups have become extremely important buyer groups.

The generation X has become a major force in the market place in the 1990s. Its emergence has affected a variety of product markets such as automobiles, consumer electronics, apparel, cosmetics, foods, eating out, and cigarettes.

The new generation of housewives aged between 25 and 35 are also establishing their own identity, known as the Missy group. The Missy group can be categorised as individualistic, proactive and trendy. An increasing number of housewives tend to identify themselves as a missy.

These younger generations are illustrating a strong value of uniqueness, individuality, newness, fashion and design, brand and convenience. Young Koreans are health conscious and demand greater variety and better quality in food, apparel and consumer products. There is an increasing desire to purchase Western products by the younger generation of whom an increasing proportion have studied or at least travelled overseas.

4.5 Expenditure on Food.

In a recent survey conducted by eight leading advertising agencies it was determined that Korean consumers do not mind spending money on food.

·In a survey of 6,000 people aged 13 to 59 across the nation, 52.7% replied that they did not regret spending money on food.

·52% preferred food manufactured using pollution free methods even at higher prices.

·80% checked the shelf life of a product before purchasing it and half of them were wary of additives found in processed foods.

·More than half of them preferred vegetables to meat

·42% of respondents in their teens and 22.4% of all female respondents preferred Western cuisine to Korean compared to 7.7% of respondents aged 50 or over and 16.5% of all males.

·39% prefer to patronise restaurants recommended by word of mouth, while 39% prefer restaurants with a good atmosphere despite higher prices.

·Koreans expect imported products to command a premium price

·Expenditure on eating out in 1994 rose by 25%, comprising about 30% of all expenditure on food.

·On the frequency of eating kimchi 85.8% of subjects in their 40s said it should be eaten at every meal, but only 58.6% of teenage respondents agreed.

4.6 Imported Foods Being Consumed and Where?

A survey conducted of importers of chocolate confectionery in early 1996 found a variety of chocolate s were imported into Korea, although interviewees were not very co operative with pricing, as illustrated in Table 1.

Pricing and quantity details were extremely hard to attain as the chocolate market is becoming extremely competitive as Argentina, Brazil, China and Malaysia continue to reduce their prices. In 1995 the price of chocolate from SE Asia was 30% cheaper than chocolate from Europe.

Currently the Korean chocolate market is valued at 300 - 400 billion however, several importers believe the rate of growth is dropping.

Imported chocolate confectionery is widely distributed in Korea through department stores, chain stores, convince stores and Bakery shops, as illustrated in Table 2.

Table 1. Product, Price and Amount Imported

Co. N°	Company Name	Product	Price	Amount Imported
22	Mi Lips Trading Co., Ltd.	Choco Powder	CNF/Container Japan 300 \$ Singapore 800 \$ Europe 1 200 \$ USA 1 300 \$	\$ 2 - 2,5 mill
71	Dabong	Chocolate Bar	FOB (12 piece) \$3.6	\$ 120,000 /year
47	Royal Confectionery	Chocolate Materials	N/A Secret	Secret
31	Kodo Co., Ltd.	Ferrero	N/A Secret	Secret
		Bitter Sweet, Toblerone	N/A Secret	Secret

Table 2. Packaging, Quantity and End Consumer

Co. No s	Company Name	Type of Co.	Product	Packaging	Quantity	Customer
22	Mi Lips Trading Co., Ltd.	Importer	Choco materials (Powder)	Plastic Vinyl Box	25 kg Pack	Bakery manufacturers confectionery manufacturers e.g. Shilla bakery, Koyeadang
71	Dabong	Importer	Chocolat Bar	Box	-	Distributors to retail

47	Royal Confectionery	Manufacture	Chocolate materials	Bulk	20 - 25 kg	Bakery shop (40 %) Dept. Store (20 %) <i>Haitai Crown</i> 30 % Export (10 %)
31	Kodo Co., Ltd.	Importer	Ferrero Bitter Sweet Toblerone	Different by size and packaging	20 - 25 kg	Dept. Store, CVS, Bakery shop : 50 % Wholesalers : 50 %

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5. Distribution

The most critical problem for imported products in the past has been in achieving adequate market distribution. However, this may lessen due to the revolutionary changes occurring in the distribution and retail market in the late 1990s.

5.1 Traditional Distribution Methods

Historically, the distribution industry in Korea has been characterised by:

- A high level of industry wide fragmentation as expressed by too many undercapitalised small players and their low productivity.
- A vast difference between traditional types of retailing and modern types such as department stores, supermarkets and convenience stores; and traditional retailers having a large percentage of total retail turnover.
- A high degree of vertical integration led by manufacturers in the form of a franchised retailing and wholesaling; and wholesalers weaker role in the distribution system and their lack of national coverage capability
- Outdated and complex channel structure and high distribution costs, especially for farm produce and seafoods; and
- Restrictive and complicated regulations and the government's lack of policies to boost the distribution sector.

This has made it extremely difficult for foreign food suppliers to gain adequate market coverage.

5.2 Past and Current Distribution Strategy

To achieve a 70 or 80% distribution rate, a company must cover:

- 100 Department stores
- 2,000 Large supermarkets

3,000 Convenience outlets
12,000 Small and Medium Supermarkets
120,000 Corner stores

Since most of these are not organised in chains and not served by distribution companies, small foreign companies and small Korean companies are unable to access the majority of the market. To gain access to the market these companies have four options:-

- Piggy back on a large company with an existing distribution system
- Use one of the select number of distribution companies
- Create a distribution system based on agencies
- Assume that 50-60% of the market can be covered if the first 5 to 10 outlets are covered.

This has the advantage that the convenience stores (CVS) outlets are served by central distribution, and 450 of the 2,000 large supermarkets are organised in chains.

5.2.1 Agents

The traditional way to organize distribution was to create a small sales force to service department stores, CVS stores and large supermarkets and create a franchised system of agents throughout the rest of the country. This can be effective even with a low volume of goods. One import company created massive sales for a premium food product through seven agents located outside Seoul.

However, managing agents is a major problem. These agents submit cash, bonds or property as a mortgage, but frequently run into financial difficulties which often leaves the companies with uncollected debt. It is customary to advertise for agents in the newspapers. Agents must provide their own capital and security and are given an exclusive area franchise in return.

5.2.2 Distributors

The emergence of some professional distribution companies in Korea is a recent phenomenon. Examples of such companies which are, with the exception of EAC recently established are:

- East Asiatic Company (EAC)
- Columbus
- Kelex
- Yu one

5.3 Marketing Channel Relationships.

A survey conducted of importers of chocolate confectionery in early 1996 found all the candidates had either a direct relationship with their suppliers or their agents and all relationships were at arms length.

Table 3 lists the types of marketing channel relationships particular Korean companies importing have with their foreign suppliers.

5.4 Marketing Strategy Used by Companies to Enter or Maintain Market Share.

None of the respondents had experience or knowledge of pricing strategies being employed. Usually price is negotiated according to quality, quantity, terms and conditions. However, interviewees were extremely sensitive about pricing issues.

Table 3. Type of Company, Marketing Channel Relationship, Exporting Company

Co. Nos.	Company Name	Type of company	Marketing Channel Relationships	Exporting Company (Country)
22	Mi Lips Trading Co., Ltd.	Importer	Direct Arms Length	(France, U.S.A., Netherland, Germany)
71	Dabong	Importer	Direct Arms Length	(Canada)
47	Royal Confectionery	Manufacturer	Direct and Through Agents	(Holland , Indonesia Malaysia)
31	Kodo Co., Ltd.	Importer, Wholesaler	Direct	(Italy, Germany)

5.5 Five Ways to Help Your Local Agents

1. Make frequent visits

It is important productively support your agents efforts as building a market for foreign products in Korea is not easy, even for Korean agents. It is very important that exporters to Korea build a close relationship with their agent as Korean commercial environment is heavily built on close personal relationship. A close relationship with your agent will also improve communications.

2. Hold many demonstrations

Participation in exhibitions and trade fairs will assist in building awareness of your product in the market. Participation in exhibitions and trade fairs in Korea will also increase your knowledge of your competitors and what your prospective customers are interested in buying. Many food exporters interested in exporting to Korea are participating in trade fairs, as listed in Table 5. Participation in exhibitions will also help develop your relationship with your agent.

3. Increase the distribution of promotional brochures

Promotional brochures are an essential selling tool in Korea. Promotional brochures should be in Korean for maximum benefit.

4. Improve follow up on initial sales leads

Exporters to Korea should make it clear that they are open to suggestions and requests from their agents in methods and tactics in following up leads. Korean agents need to know that you are supportive of time spent in following leads.

5. Deliver on time

Failure to deliver on time not only results in your agent losing face and thereby undermines your relationship, but it also jeopardises your sales. To avoid failing to deliver on time you may need to

stockpile your products in Korea to ensure that your agent has a steady supply.

Korea Tourist Supply Centre

The Korea Tourist Supply Centre is an important importer of foreign food products. As illustrated in table 5 The Korea Tourist Supply Centre imports a wide variety of foreign food products and expects demand to increase. Many foreign food products are introduced to the Korean consumer through the hotels, their restaurants, other restaurants and the fast food chains which the Korea Tourist supply centre supplies, as listed in table 6.

The Korea Tourist Supply Centre is an organisation established by the major hotels in Korea who are shareholders in the organisation. The Korea Tourist supply centre acts as a central purchasing unit of foreign products and applies only a minimal margin of between 3 - 5.5%.

However, hotels and restaurants are allowed to purchase from other wholesalers. Further details are provided in Appendix 2.

Table 4. Great American Food Show Exhibitors List Organised by USATO (3 days)

A&J Cheese Company	Little Lady Foods
Agrifoods International, Inc.	Longbottom Coffee & Tea Inc
Alaska Seafood Marketing Institute	Maple Leaf Farms
Alpha Star International,	Menehune/Hawaii Water Co
American Indian Honey Co.	Maine Lobster Promotion Council
American Foods Group	Mid-America International Agri-trade
American Sales International, Inc.	Council(MIATCO),
American Seafood Institute	Missouri Department of Agriculture
Arosi Enterprises, Inc.	Nalley's Fine Foods
Atlantic Coast Fisheries Corp	New Mexico Department of Agriculture
Avanmore Ingredients Corp.	North Carolina Department of
Bard Valley Medjool Date Growers	Agriculture
Beatrice Cheese Inc.	North Pacific Cannery & Packers
Bil-Mar Foods, Inc	(NORPAC)
B&M Lawrence & Co./USCola Inc.	Oregon Department of Agriculture
CA Department of Food & Agriculture	Quest International
California Seafood Council	Rakingham Poultry
California Table Grape Commission	Sabroso Company
Cherry Marketing Institute, Inc.	Schwan's Food Asia
City of Vernon.	Sargento Foods, Inc
Crystal Lake Cheese Factory	Seafood Exchange Seoul, Inc
Dean Foods, Co.	Smithfield International
DXR International, Inc.,	Stokely USA
Eastern Imports/Exports Inc,	Supervalu International
Flos-Aquae LLC	The Brice Group

Florida Dept of Citrus	The Chocolate House
Friday Canning Corporation	US Dairy Export Council
Gerber Agri, Inc.	US Meat Export Federation
GF Exports Inc	USA Poultry and Egg Export Council
I.B. Yoke Korea Co., Ltd	Very Fine Products Inc
I can't believe its Yogurt, Ltd	Western American Foods, Inc
Idaho Potato Commission	Wild Blueberry Association of North
Illinois Department of Agriculture	America
International Basics, Ltd.	Wisconsin Department of Agriculture
Interstate Gourmet Coffee Roasters	
John Morrell and Company.	
J.R. Simplot Company	
Johnsonville Foods	
Kee International Corp	
Klamath Blue Green Algae	
Lee Enterprises Inc.	

Table 5. Hotel supply Centre Current Status of Import

(Unit: US\$ 1,000)

Category	Record 1994	Forecast for 1995	Forecast for 1996	Forecast for 1997	Forecast for 1998	Forecast for 1999
Juice	1747	2445	2934	3374	3880	4462
Coffee & Tea	398	557	668	768	883	1015
Fruit & Vegetable	2818	3945	4734	5444	6261	7200
Butter & Cheese	4582	6414	7696	8850	10178	11704
Seafood	9766	13672	16406	18867	21697	24952
Other Food	12773	17882	21458	24677	28379	32636
Beef	53177	74448	89337	102738	118149	135871
Lamb & Poultry Meats	1411	1975	2370	2726	3135	3605
Equipments	1373	1922	2306	2652	3050	3508
Total	88045	123260	147909	170096	195612	224953

Table 6 - Customers of the Korea Tourist Supply Center**Seoul**

Seoul Renaissance Hotel, Seoul Hilton International, Grand Hyatt Seoul, Swissotel Seoul, The Swiss Grand Hotel, Sheraton Walker Hill Hotel & Towers, The Westin Chosun Seoul, Seoul Plaza Hotel, Hotel Inter-Continental Seoul, Hotel Lotte Co. Ltd, Hotel Lotte World, Hotel Shilla Co., Ltd, The Ritz Carlton Seoul, Sejong Hotel, Hotel New World, Seoul Royal Hotel, Hotel President, Seoul Garden Hotel, Seoul Palace Hotel, Hotel Sofitel Ambassador, Novotel Ambassador Seoul, Hotel Riveria Seoul, Emerald Tourist Hotel, Koreana Hotel, Tower Hotel, Ramada Olympia Hotel Seoul, Hotel Capital, Hotel Riverside, Kyungnam Tourist Hotel, Green Grass Tourist Hotel, New Kookje Hotel, Hotel New Seoul, Chamsil New Star Tourist Hotel, Hotel Dong Seoul, Mommoth Tourist Hotel, Hotel Victoria, Hotel Samjung, Seoul Tourist Hotel, Hotel Green World, Seoul Rex Tourist Hotel, Hotel Seokyo, Poongjun Hotel, Young Dong Tourist Hotel, Hotel Amiga, Yoido Tourist Hotel, Hotel Marguerite, Hotel Moksan, Crown Tourist Hotel, Pacific Hotel, Prima Tourist Hotel, Hamilton Tourist Hotel, Hotel Manhattan, Holiday Itaewon Hotel, Kimpo New Star Hotel, Bukak Park Tourist Hotel, New Oriental Tourist Hotel, Dynasty Tourist Hotel, Metro Hotel, Hotel Green Park, Brown Tourist Hotel

Savoy Hotel Seoul, Seoul Hilltop Tourist Hotel, New Hilltop Tourist Hotel, Hotel Regent, River Park Hotel, Seoul Prince Hotel, Hotel Sunshine, City Palace Tourist Hotel, Seoul Tourist Hotel, Universal Tourist Hotel, Jamsil Tourist Hotel, The Kims Tourist Hotel, Clover Tourist Hotel, Hankang Tourist Hotel, Hanyang Tourist Hotel, Hotel Mirabeau, Niagara Tourist Hotel, Karak Tourist Hotel, Kaya Tourist Hotel, Dae Hwa Tourist Hotel, Rio Tourist Hotel, Boolim Tourist Hotel, Hotel Sam Ho, Samwha Tourist Hotel, Sangbong New Star Hotel, Sangwon Tourist Hotel, Hotel Giant, Centural Tourist Hotel, Eastern Tourist Hotel, Astoria Tourist Hotel, Alps Tourist Hotel, Air Port Tourist Hotel, L.A. Tourist Hotel, Tourist Hotel Yongdungpo, Seoul Y.M.C.A. Tourist Hotel, Tourist Hotel Sofia, Hotel Ruby, Jeon Poong Tourist Hotel, Hotel Cheon Ji, Hyejeon Tourist Hotel, Tiffany Tourist Hotel.

Pusan

Hyatt Regency Pusan, Paradise Beach, Westin Chosun Beach, Sorabol Commodore, Kukje Tourist Hotel, Grand Tourist Hotel, Nam Tae Pyung Yang Tourist Hotel, Tongnae Tourist Hotel, Mirabo Tourist Hotel, Royal Tourist Hotel, Pusan Tourist Hotel, Sapphire Tourist Hotel, Crown Tourist Hotel, Phoenix Tourist Hotel, Gwangajung Tourist Hotel, Empire Tourist Hotel, Neul Bom Hotel, Pusan Arirang Hotel, Paragon Hotel, Hotel Riveria, Dongil Tourist Hotel, Moon Hwa Tourist Hotel, Shin Tourist Hotel, Utopia Tourist Hotel, Dong Bang Tourist Hotel, Bando Tourist Hotel, Victoria Tourist Hotel, South Palace Tourist Hotel, Prima Tourist Hotel, Pusan Plaza Hotel, Silver Hotel, Kaya Tourist Hotel, Kwangjang Tourist Hotel, Green Beach Tourist Hotel, New Life Tourist Hotel, New Sunnam Tourist Hotel, Dae-A Tourist Hotel, Dong Hwa Tourist Hotel, Rio Rio Tourist Hotel, More Tourist Hotel, Mokhwa Tourist Hotel, Moonhwa Onchun Tourist Hotel, Sam Hwa Tourist Hotel, Sea Side Tourist Hotel, Yong Jin Tourist Hotel, Woojeong Tourist Hotel, UN Tourist Hotel, Korea Tourist Hotel, Tourist Hotel Korea City, Clover Tourist Hotel, Tower Tourist Hotel, Tae Yang Tourist Hotel, Tae Jong Dae Tourist Hotel, Prince Tourist Hotel, Hill Side Tourist Hotel.

Taegu

Taegu Prince Hotel, Taegu Grand Hotel, Taegu Park Hotel, Hotel Kumho, Garden Tourist Hotel, New Samil Tourist Hotel, New Young Nam Tourist Hotel, Taegu Soosung Hotel, Taegu Crown Tourist Hotel, Hotel Ariana Taegu, Dongin Tourist Hotel, Dong Taegu Tourist Hotel, Crystal Tourist Hotel, Hotel Taegu, Hill Side Tourist Hotel, Hwang Kum Tourist Hotel, Hwang Sil Tourist, Kukje Tourist Hotel, Taegu Hill Top Tourist Hotel, Dongsan Tourist Hotel, Apsan Tourist Hotel, Union Tourist Hotel, Palkong Tourist Hotel, New Jongro Tourist Hotel, Royal Tourist Hotel, Emerald Tourist Hotel, Empire Tourist Hotel, Arirang Tourist Hotel, Dong Bang Tourist Hotel, Palkong Tourist Hotel.

Incheon

Hotel Songdo Beach, Hotel Galaxy, Royal Tourist Hotel, Olympus Tourist Hotel, New Star Tourist Hotel, Bosung Tourist Hotel, Bu Pyung Tourist Hotel, Tourist Hotel Seohae Paegun Tourist Hotel, Soo Bong Tourist Hotel.
Kwangju
Mudeung San Spa Resort Hotel, Kwangju Grand Hotel, Kwangju Palace Hotel, Kukje Tourist Hotel, Shinyang Park Hotel, Mudeung New World Tourist Hotel, City Hall Tourist Hotel, Koreana Tourist Hotel, Riverside Tourist Hotel, Tourist Hotel Grand Prix, Taedok Hotel lotte, Hotel Riverai Yousong, Yousong Hotel.
Taejon
Tourist Hotel Picasso, Hotel Hongin, Kyong Won Tourist Hotel, Hotel Chateau, Hotel Expo, Hotel Adria, Tourist Hotel Kye Ryong San Maek, Daelim Tourist Hotel, Taejon Tourist Hotel, Dong Yang Tourist Hotel, Life Tourist Hotel, Lucky Tourist Hotel, Mugungwha Tourist Hotel, Sae Seoul Tourist Hotel, Princess Tourist Hotel, Prince Tourist Hotel, Family Tourist Hotel, Hot Spring Tourist Hotel, You Soung Royal Tourist Hotel, Hanil Tourist Hotel, Hotel Miranda, Ichon Tourist Hotel, Seoul Hof Tourist Hotel, Rasung Tourist Hotel, Puchon Grand Tourist Hotel, Kissan Ihwa Tourist Hotel, Dongsuwon Tourist Hotel, Spring Tourist Hotel, Seolbong, Kwachon Tourist Hotel, New Korea Tourist Hotel, SungNam Tourist Hotel, Brown Tourist Hotel, Diana Tourist Hotel, Grand Tourist Hotel, Sucksan Tourist Hotel, Songtan Tourist Hotel, Evergreen Tourist Hotel, Young Chon Tourist Hotel, Oasis Tourist Hotel, Youlim Tourist Hotel, New Prince Tourist Hotel, Hangju Tourist Hotel, Pyongtaek Tourist Hotel, Greenpia Tourist Hotel, Rivage Tourist Hotel.
Kyunggi-do
Kapyong Tourist Hotel, New Garden Tourist Hotel, Yakam Tourist Hotel, Saila Park Tourist Hotel, Koam Tourist Hotel.
Kangwon-do
Hotel Sorak Park, Yongpyong Resort Dragon, Valley Tourist Hotel, Kang Nung Tourist Hotel, Nagsan Tourist Hotel, Hotel Newsorak, Chunchon Sejong Tourist Hotel, Donghae Sun Beach Tourist Resort, Hongchun Tourist Hotel, New Donghae Tourist Hotel, Rio Tourist Resort, Kyongpo Beach Tourist Hotel, Donghae Tourist Resort, Sokcho Beach Tourist Hotel, Chunchon Tourist Hotel, Taebaek Tourist Hotel, Royal Tourist Hotel, Sambuyeon Tourist Hotel, Sorak Tourist Hotel, Royal Tourist Hotel, Koreana Tourist Hotel, Imperial Tourist Hotel.
Chungchonbuk-do
Soknisan Tourist Hotel, Suanbo Sang Nok Hotel, Suanbo Park Hotel, Waikiki Suanbo Tourist Hotel, Chung ju Myong Am Park Hotel, Jeung Pyong Park Tourist Hotel, Chungju Tourist Hotel, Chunju Imperial Tourist Hotel, Suanbo Tourist Hotel, Chung Ju Royal Tourist Hotel, Pastel Tourist Hotel, Lee Ho Tourist Hotel, Chin Chun Tourist Hotel, Tanyang Parl Tourist Hotel, Dae Ho Tourist Hotel, Eum Sung Tourist Hotel, Chechon Tourist Hotel, Jinyang Tourist Hotel.
Chungchonnam-do
On-yang Grand Park Hotel, Jeil Tourist Hotel, Paradise Dogo Hotel, On-Yang Tourist Hotel, New Korea Tourist Hotel, Dogo Neulbom Tourist Hotel, Westin Hotel, Hoseo Tourist Hotel, New Gaya Tourist Hotel, Togo Royal Tourist Hotel, Kongju Tourist Hotel, Kongju Riverside Tourist Hotel.
Chollabuk-do
Naejangsan Tourist Hotel, Chonju Tourist Hotel, Dae Doon San Tourist Hotel, Victory Tourist Hotel, Hanover Tourist Hotel.
Chollanam-do

Yosu Beach Hotel, Shinan Beach Tourist Hotel, Chowon Tourist Hotel, Chirian Plaza Hotel, Yosu Park Tourist Hotel, Keum Gang Tourist Hotel, Daihwa Tourist Hotel, Yosu Sejong Tourist Hotel, Suncheon Royal Tourist Hotel, Yosu Tourist Hotel, Baek je Tourist Hotel.

Kyungsangbuk-do

Kyong ju Chosun Hotel & Chosun Country Club, Hotel Concorde, Kolon Hotel, Hotel Hyundai (Kyonju), Kyongju Hilton Hotel, Sygnus Hotel, Choyang Kyongju Spa Tourist Hotel, Ocean Park Tourist Hotel, Rio Tourist Hotel, Kimchon Grand Hotel, Baek Am Resort, Sae Jae Tourist Hotel, Kumi Tourist Hotel, Andong Park Tourist Hotel, Sobaksan Tourist Hotel, Kumi Prince Tourist Hotel, Mandarin Tourist Hotel, Sun Prince Tourist Hotel, Sungryu Park Tourist Hotel, Pulguksa Tourist Hotel, Olympus Tourist Hotel, Chun Woo Hwang Shill Tourist Hotel, Pohang Beach Tourist Resort, Kyongju Tourist Hotel, Grand Royal Tourist Hotel, Kim Chon Tourist Hotel, New Riverside Tourist Hotel, Kyongju Park Tourist Hotel, Donghae Beach Tourist Hotel, Sang Dae Hot Spring Tourist Hotel, Juwangsan Tourist Hotel, Hyupsung Tourist Hotel, Palace Tourist Hotel, Ullung Marina Tourist Hotel.

Kyungsangnam-do

Ulsan Koreana Tourist Hotel, Diamond Tourist Hotel, Pugok Royal Tourist Hotel, Dong Bang Tourist Hotel, Kimhae Tourist Hotel, Lotte Crystal Hotel, Pugok Tourist Hotel, Masan Royal Tourist Hotel, Savoy Tourist Hotel, Pugok Hawaii Tourist Hotel, Changwon Tourist Hotel, Chung Mu Tourist Hotel, Haeinsa Tourist Hotel, Okpo Tourist Hotel, Ulsan Tourist Hotel, Olympic Tourist Hotel, Riverside Tourist Hotel, Masan Arirang Tourist Hotel, Pugok Garden Tourist Hotel, Chungmu Hanryeo Tourist Hotel, Crown Tourist Hotel, Samchonpo Beach Tourist Hotel, Tae Hwa Tourist Hotel, Tongdosa Tourist Hotel, Olympia Tourist Hotel, New Sam Hwa Tourist Hotel, Canberra Tourist Hotel, Jungang Tourist Hotel, Park Tourist Hotel.

Cheju-do

Hyatt Regency Cheju, Cheju Grand Hotel, Cheju Silla, Cheju Namseoul Hotel, Seogwipo KAL Tourist Hotel, Hotel Lagonda, Cheju Prince Hotel, Cheju Oriental Hotel, Cheju KAL Tourist Hotel, Mosu Tourist Hotel, Hotel Cheju Royal, Cheju Pearl Tourist Hotel, Cheju Seoul Tourist Hotel, Island Tourist Hotel, Sun Beach Hotel, Paradise Hotel Sogwipo, Cheju Palace Hotel, Green Tourist Hotel, Raja Tourist Hotel, New Kyung Nam Tourist Hotel, Hawaii Tourist Hotel, Simong Tourist Hotel, Cheju Mariana Tourist Hotel, Cheju Continental Tourist Hotel, Cheju Honey Tourist Hotel, Tamra Tourist Hotel, Cheju Grace Hotel, Cheju Milano Tourist Hotel, Seogwipi Lions Tourist Hotel, Seogwipo Park Tourist Hotel, Sea Side Tourist Hotel, VIP Park Tourist Hotel.

Tourists Special Restaurants

Guest Restaurants, Gomiyo, Gold Rush, Business Hall, In My Memory, Naijawon, Dae Lim Jung, L'abri, Denny's, Dong Shin Food, La Cantina, La Cucina, Rapalroma, Rai Pang Garden, London Pub, Myung-Moon House, Muse, Midopa Coco's Kunja, Midopa Coco's Dong Gyo, Midopa Coco's Dae Chi, Midopa Coco's Dae hak Ro, Midopa Coco's Myeong il, Midopa Coco's Mia, Midopa Coco's Bang Bae, Midopa Coco's Sang gye, Midopa Coco's Seoul Univ., Midopa Coco's Seo Cho, Midopa Coco's Seok Chon, Midopa Coco's Seong Nae, Midopa's Coco's Shing Sa, Midopa Coco's Yang Jae, Midopa Coco's Yeok Sam, Midopa Coco's Isoo, Midopa Coco's Cheong Dam, Sambo Hanwooli Co., Ltd, Chalet Swiss, Champaign, Seok Chon SeokParang, Sa Im Dang, Sky Lark Non Hyun, Seung Woo McDonald, Shin McKang Nam, Shin Mc Noryangjin, Shin Mc Dae Chi, Shin Mc Dae Chon, Shin Mc Myung Dong, Shin Mc Mia, Shin McYangjae, Shin Mc Itaewon, Shin Mc Jam Shil, Shin Mc Jong ro, Shin Mc, Shin Mc Hanyang, Seagrams, Sea Horse, Athen, Asado, A.-Won Plaza Laconia, L.A. Palms, Woo Jung, Rose Garden, Burger King Kukje, Burger King Itaewon, Junmangdae Restaurant, Jung il Poom, Jeonju Central Hall, Karise, Crystal Palace, Tower Gourmet, T.G.I. Fridays Nonhyun, T.G.I. Fridays Daechi, T.G.I. Fridays Dongkyo, Patio Ponderosa, Pallse, Hardees Namyong, Hardee's Myeongdong, Hardees Myeongdong 2GA, Hardee's Myeongdong Jungang, Hardee's

Banpo, Hardees Aekyung, Hardees Jongro, Asohoka Korea, Myeongbo Plaza, Hyung Je, Ocean Tower, McKim Kwang an ri, McKim Dong Rea Onchun, McKim Pusan Theater, McKim Onchun Jang, McKim Jungang, McKim Haewoondae, Lanave Restaurant, My House, Encore, Midopa Coco's Joan, Shin McDong Inchon, Hardees Pupyung, La Rosa, Venecia, JJ Mahoneey, Melrose Restaurant, Seong Woong Manna, Hardees Taejon Kyo Bo, Hong Myung Garden, Midopa Coco's Kwang Myung, Midopa Coco's Puchun, Midopa's Coco's Suwon, Midopa Coco's Anyang, Midopa Coco's Pyung Chon, Athen, Walker Hill Myung Wolkwan Puchun, Joongang Development Co., Ltd., Cafe Tomorrow, Hongik Restaurant, Dong Wha House, McKim Ulsan Modeney.

5.6 Koreas Retail and Distribution Revolution

However, Korea is currently in the middle of a distribution, retailing revolution. Companies considering, planning or exporting to Korea now, should plan in consideration of a more concentrated and sophisticated distribution system and retail market.

Five Main Trends are Forcing Change in the Distribution and Retail Market

1. Consumers are more sophisticated and have greater needs

Greater fragmentation of consumers in terms of socio culture and economic factors; and thus a rapid transformation to "micro markets" from the past "mass market". Korean consumers are no longer satisfied with retailers offerings which lack variety, good quality and value nor are they happy with the limited selections of shopping places available.

2. Retail and distribution market liberalisation

In the late 1980s licensing for foreign organisations was liberalised resulting in several leading department stores and general merchandising stores developing professional managerial and merchandising techniques and skills from the Japanese. American and Japanese convenience store operators (CVS) also moved into the market through licensing agreements with a Korean partner. The larger department stores and CVSs have continued to achieve growth rates of 20% per year however, the small department stores and supermarket chains have begun to struggle.

The mid 1990s is being marked by the emergence of discount stores, price clubs and a variety of membership warehouses for all types of products including computers and apparel as well as groceries and household goods. Kims club, managed by New Core Department Store, sells daily commodities at cheaper than wholesale prices to both consumers and retailers who are members. In addition, Kim's club is open 24 hours a day.

As of the 1 January 1996 the domestic market was opened to foreign retailers and wholesalers. This will cause the market to become increasing competitive resulting in more efficient methods of distribution and merchandising being adopted as the wave of foreign retailer and wholesalers enter the market. WalMart, KMart, Fleming and Jetro are seriously considering entering the market and Makro has already opened its first cash and carry store in Inchon.

3. Failure of traditional distribution, wholesaling methods to keep up with growth

Convenience stores have grown rapidly over the recent decade reaching 1,741 outlets by the end of 1994. This has resulted in the need to establish a new system of wholesaling as their distribution systems have failed to keep up with the growth.

The traditional "daerijom" exclusively distributed a single manufacturer's products in a region however, newly emerging wholesalers carry multiple brands. For example Columbus, a vendor to convenience stores offering a range of products, has recently established itself.

Apparently 14,000 small and medium wholesalers and manufacturers have already formed 37 cooperative associations to build their own distribution complexes.

4. Large conglomerates see profitability in distribution, retail

During the 1980s many chaebols such as LG, Hanyang, Hyundai, Sunkyong, Haitai and Jinro began to diversify into distribution business. Sixteen of the top thirty conglomerates have selected distribution as one of their core businesses.

Many have or are still investigating the opportunities of partnering a foreign retailer, distributor.

5. Continued growth of Korea needs improved logistics

Korea Land Development Corporation recently initiated five large scale projects for distribution complexes in five major regions including Seoul, Pusan, Taegu, and Kwanju. These complexes will accommodate wholesale markets for agricultural and fishery products, distribution centres for manufactured goods, truck terminals, and warehouses.

Around 80% of packaged food items and some 10% of non food items have adopted the bar coding system, however only 7.6% percent of retail outlets have installed the POS system

5.7 Forecast

By the year 2000, sales of discount stores, warehouse clubs, and hypermarkets will reach US\$10.4 million, accounting for 6% of national retail turnover in 2000.

The growth of department stores will slow towards the year 2000 however, their aggregate sales will reach \$38.9 million. The success of the department stores will depend on their ability to capture a niche target market and move away from competing directly with the price clubs.

It will become increasingly difficult for the smaller supermarket chains and traditional Ma & Pa stores to compete.

Wholesale trade will become more modernized. Cooperative or voluntary types of vertical marketing systems will increase amongst small and medium size wholesalers and retailers. More large scale wholesale firms will be formed through mergers and acquisition as well as internal development with licensing.

Korea's distribution channels will rapidly change over the next 10 years requiring foreign suppliers to formulate and implement a new set of marketing and distribution strategies.

Strategies need to be market driven, and customer orientated as competition becomes more intensified and develops in a global direction.

Table 7 Prospects of Korea's Retail Turnover by Type

(Unit: Trillion Won)

	1990	1993	1996	2000*
Convenience store	-	0.2	1.0	4.0
Supermarket	1.4	2.2	3.0	4.4
Department store	3.0	7.0	15.0	30.0
Total retail sales	41.0	5.0	82.0	123.0

Source: The Korea Economic Daily, October 18, 1994.

*Sales of discount stores in 2000 is forecast to reach 8 trillion won.

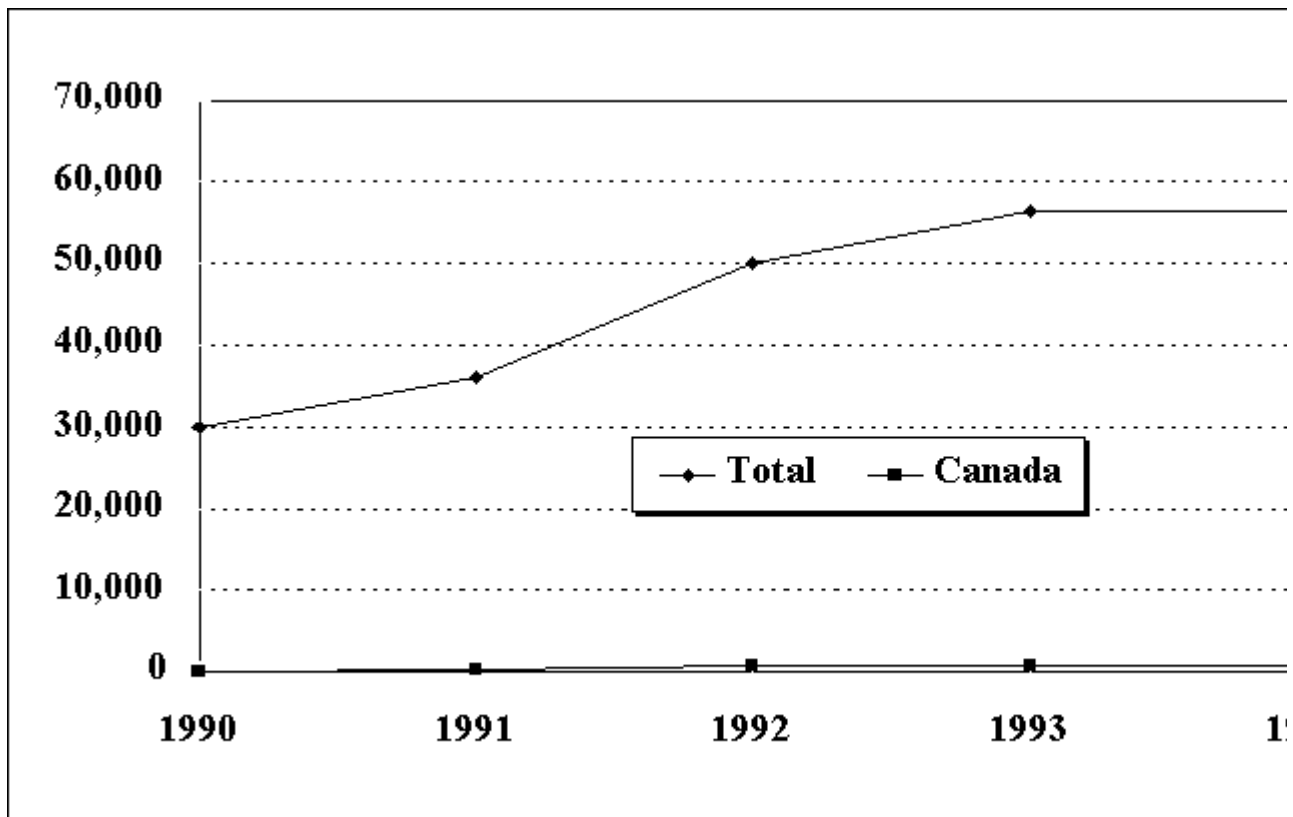
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6. Imports by Country 1990-1995

The imported chocolate market of Korea has been dominated by the USA and The Netherlands who have held on average over 50% of the market between them. However, in recent years smaller exporters to Korea, namely Australia, France and Austria have been developing their market share, as illustrated in Diagram 2 to 7.

Diagram 1.

Chocolate Confectionery (HS 1806) Imports 1990-1995



(Unit: US\$ 1,000)

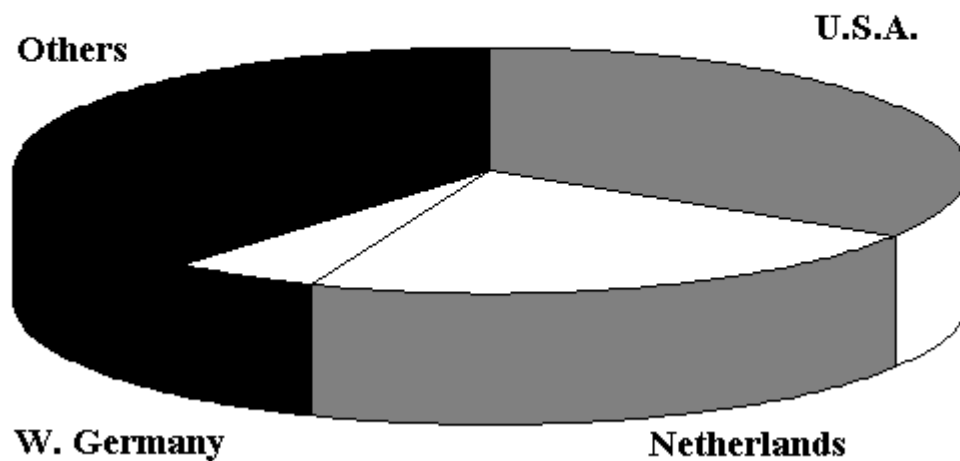
	1990	1991	1992	1993	1994	1995
Total	29,972	36,058	50,058	56,496	56,575	61,655
Canada	3	180	826	686	700	767

Source : Statistical Yearbook of Foreign Trade.

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Diagram 2.

Chocolate Confectionery (HS 1806) Imports by Country 1990



(Unit: US\$ 1,000)

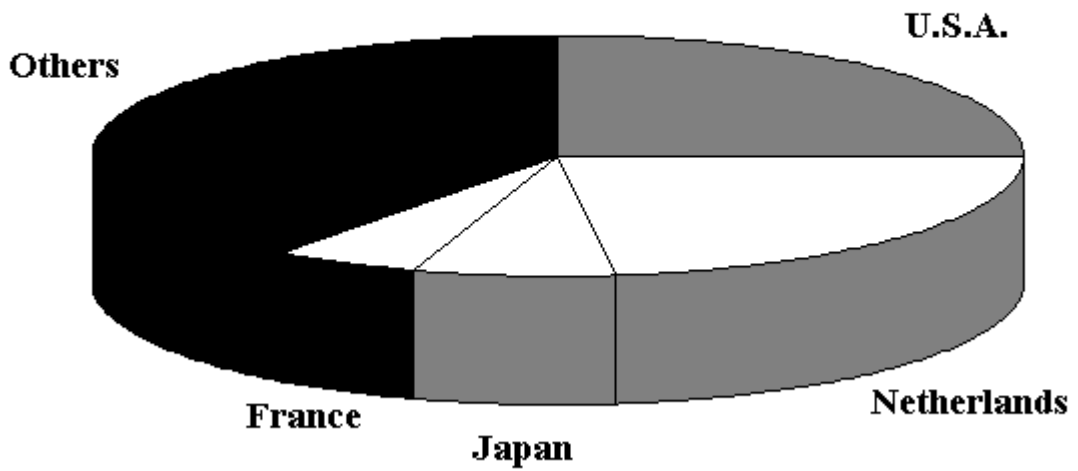
Country	USA	Netherlands	W. Germany	Others	Total
Value	10,19	6,594	1,499	11,689	29,972
%	34,0 %	22,0 %	5,0 %	39,0 %	100,0 %

Source : Statistical Yearbook of Foreign Trade.

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Diagram 3.

Chocolate Confectionery (HS 1806) Imports by Country 1991

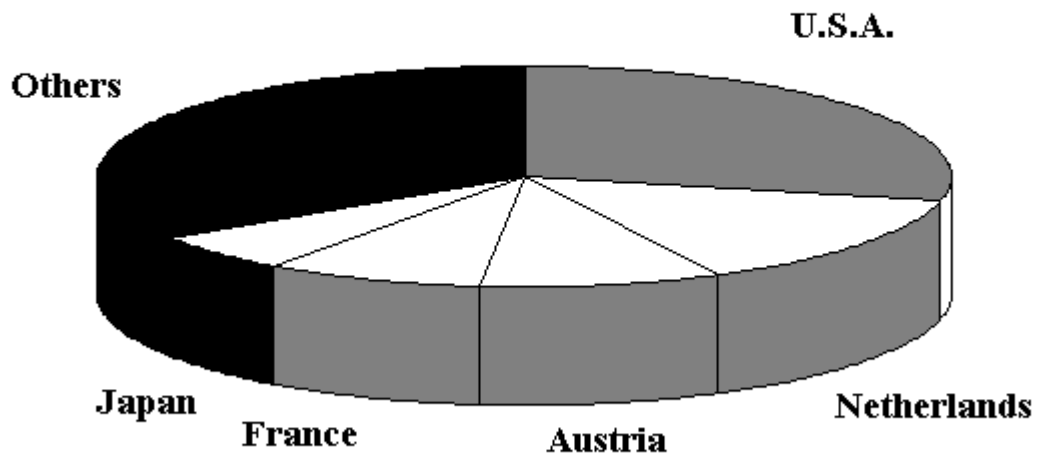


Source : Statistical Yearbook of Foreign Trade.

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Diagram 4.

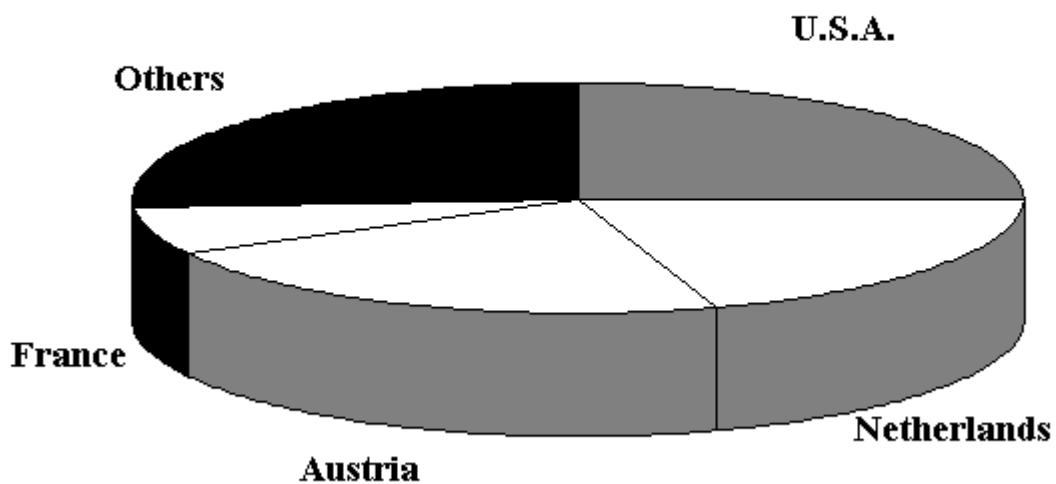
Chocolate Confectionery (HS 1806) Imports by Country 1992



(Unit: US\$ 1,000)

Country	USA	Netherlands	Austria	France	Japan	Others	Total
Value	14,917	7,258	4,756	4,305	2,853	18,021	50,058
%	29,8 %	14,5 %	9,5 %	8,6 %	5,7 %	36,0 %	100,0 %

Source : Statistical Yearbook of Foreign Trade.

[Return to Table of Contents](#)**Diagram 5.****Chocolate Confectionery (HS 1806) Imports by Country 1993**

(Unit: US\$ 1,000)

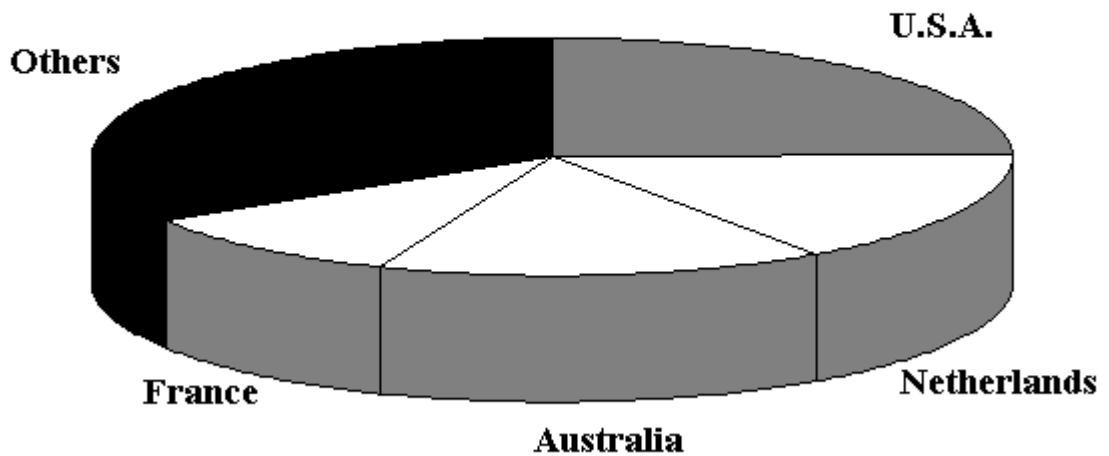
Country	USA	Netherlands	Austria	France	Others	Total
Value	14,145	11,316	12,447	3,678	14,993	56,578
%	25,0 %	20,0 %	22,0 %	6,5 %	26,5 %	100,0 %

Source : Statistical Yearbook of Foreign Trade.

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Diagram 6.

Chocolate Confectionery (HS 1806) Imports by Country 1994



(Unit: US\$ 1,000)

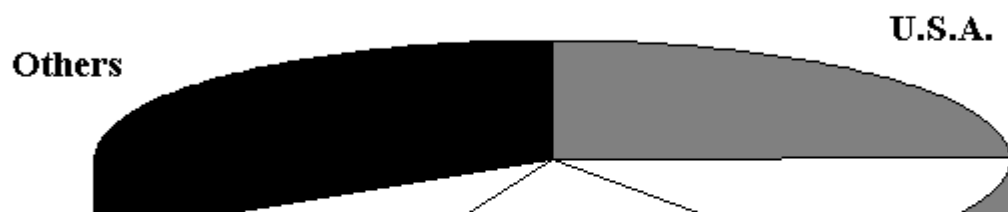
Country	USA	Netherlands	Australia	France	Others	Total
Value	13,948	8,791	9,045	5,444	19,347	56,575
%	24,7 %	15,5 %	16,0 %	9,6 %	34,2 %	100,0 %

Source : Statistical Yearbook of Foreign Trade.

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Diagram 7.

Chocolate Confectionery (HS 1806) Imports by Country 1995





(Unit: US\$ 1,000)

Country	USA	Netherlands	Australia	France	Others	Total
Value	14,723	12,677	6,103	6,833	21,319	61,655
%	23,9 %	20,6 %	9,9 %	11,1 %	34,6 %	100,0 %

Source : Statistical Yearbook of Foreign Trade.

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Table 8. Chocolate Confectionery

Co. Nos	Company Name	Source	Government Trade P romotion Activities
22	Mi Lips Trading Co., Ltd.	France, U.S.A., Netherland, Germany	U.S.A. Companies pay half of the promotion expenses in the first year.
71	Dabong	Canada	U.K embassy mails information and arrange contact meeting with suppliers and invitations to trade shows.
47	Royal Confectionery	Holland, Indonesia, Malaysia	Malaysian embassy: send catalog, information about suppliers and invitations to trade shows.
31	Kodo Co., Ltd.	Italy , Germany	Australian embassy has been very active recently Send alot of information about suppliers, invite importers to Food exhibition at which they participate. Arrange meetings with suppliers Beltium + Greek embassy also send invitations to food exhibition/fairs and arrange meetings with suppliers.

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7. Government Trade Promotional Activities in Korea

Embassy's actively marketing in Seoul :

- U.S.A.
- U.K.

- Malaysian
- Australian
- Belgium
- Greek

Main marketing activities undertaken :

- Sending information, including brochures and catalogues about manufacturers / products to importers and distributors
- Participate in and organise trade shows, seminars and exhibitions
- Inviting importers to exhibitions, trade shows and seminars
- Arrange meetings between manufacturers, suppliers with Korean importers / distributors

Other :

- USA companies pay half of the promotion expenses in the first year this is reimbursed by the export / import bank

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8. Transportation

Air

Korea has 3 international airports, Kimpo (near Seoul), Kimhae (near Pusan), and Cheju (on the resort island), plus 9 domestic airports. Kimpo, located 25km west of downtown Seoul, handles 95% of international cargo, and 85% of the international passenger tariff and 37% of domestic traffic.

Korea is currently constructing a new international airport, which is expected to be partially completed by 1997 and provide a hub for NE Asia air traffic. The new airport will be twice as far from the city (56km). However, it will not be subject to the curfews which currently restrict traffic into Kimpo from 11pm to 6am, and it will be serviced from Seoul by both expressway and railway. Its closer proximity to Incheon port will also improve co-ordination between air and sea freight shipments.

Air cargo can be co ordinated through Kimhae airport located only 17km from Pusan port or through Kimpo International airport which is located 32km from Incheon seaport.

Over 30 air cargo carriers including national carriers Korean airlines and Asiana Airlines as well as North American carriers Air Canada, Continental, Delta , Northwest and United. European carriers include Air France, Alitalia, British Airways, KLM and Swissair as well as several Asian carriers. All major cargo carriers Federal Express, United Parcel Service and Nippon cargo service Kimpo.

Ports

Nearly all of Korea's international container traffic goes through Pusan, as well as half of its domestic shipping. Containerized, bulk and general cargo can all be handled at Pusan, the major port of South Korea. Tanker, ore bulk, container and ro-ro berths are available for specialized connections.

Pusan port is notorious for delays and waiting periods. Delays and the resultant increases in logistics costs have resulted in importers demanding the government address the problem. A survey from the Bank of Korea estimated logistics had increased 11.5% from 1985 to 1995 compared with GNP growth of 8.8%. As a result, the government enacted the Private Capital Inducement Act in 1995 in order to facilitate infrastructure building by inviting private enterprises for investment in distribution complexes, truck terminals, public warehouses and ports. The full affect of this has not been felt yet. However, for Korea to continue its export growth infrastructure and logistic and distribution facilities will have to addressed.

Importers can minimise the delays and logistic difficulties through prior bookings and detailed organisation of shipment and documentation. Customs and quarantine in Pusan has a higher incidence of damage to stock than Incheon due to the huge volume of imports through this point of entry.

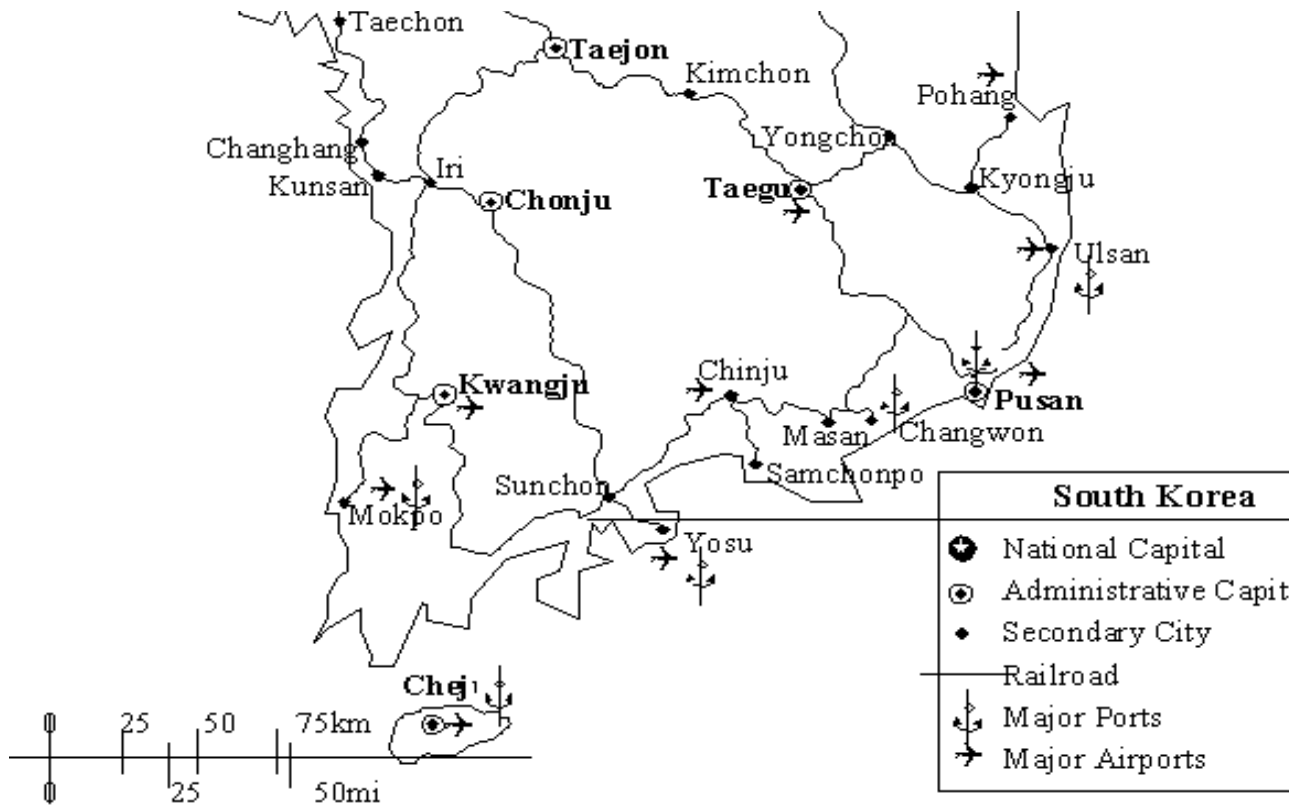
Typhoons can occur between June to September in the Pusan region.

Incheon, located approximately 40km west of Seoul, is Korea's second major port. Although it is near the countries capital and main trade and business centre Incheon is far smaller than Pusan. The Incheon harbour, where six of the eight piers are used for international cargo, are accessible only through locks. The larger of the two locks accommodates a 50,000 dwf ship, while the smaller accommodates a 10,000 dwf ship. Containerized, bulk, and general cargo can all be adequately handled by existing port equipment. Ore, bulk, tanker, liquefied gas, specialised goods and ro-ro terminals are available.

Typhoons can be expected from late July to September during the raining season in the Incheon region.

Diagram 8





Transportation

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Diagram 9.

Comparative Estimation of Transportation Costs to Korea

FROM USA		FROM EUROPE		FROM AUSTRALIA	
Los Angeles		Hamburg		Melbourne	
45 000	7 000	45 000	60 000	45 000	60 000
Dry (20 ft)	Reefer (40 ft)	Dry (20 ft)	Reefer (20 ft)	Dry (20 ft)	Reefer (20 ft)
25cbm	50cbm	25cbm	20cbm	25cbm	20cbm
20 000	30 000	20 000	18 000	20 000	18 000
INCHON	BUSAN	INCHON	BUSAN	INCHON	BUSAN

Presumption for Calculation

Import

Loading Port

CIF/CNTR (US\$)

Containers

Volume

Labeling Qty (EA)

Bonded W/H (Hyonik)

BEFORE CUSTOMS CLEARANCE (unit : Korea won) (Ex-rate : US\$1 = W783)						
INVOICE AMOUNT	35235000	54810000	35235000	46980000	32235000	46980000
OCEAN FREIGHT	1174500	2,959,740	783000	2818800	1135350	2818800
CARGO INSURANCE	34530	53714	34530	46040	34530	46040
I/L AND BANK-RELATED CHG	139229	199911	139229	175638	139229	175638
KOTRA	49329	76734	49329	65772	49329	65772
CABLE CHARGE	20000	20000	20000	20000	20000	20000
L/G FEE	10000	10000	10000	10000	10000	10000
OPENING COMMISSION	59900	93177	59900	79866	59900	79866
PUSAN PORT CHARGES	110650	170500	115850	147700	87850	147700
- THC	82800	118800	88000	116000	60000	116000
- CONT. TAX	20000	40000	20000	20000	20000	20000
WHARFAGE	3850	7700	3850	7700	3850	7700
- DOCU FEE	4000	4000	4000	4000	4000	4000
BONDED TRANSPORT	343000	113000	343000	113000	343000	113000
CNTR DEVANNING/LIFT-OFF	150648	281700	150648	155880	150648	155880
CUSTOMS DUTY (BASED ON 8 %)	2818800	4384800	2818800	3758400	2818800	3758400
CUSTOMS VAT	3805380	5919480	3805380	5073840	3805380	5073840
CUSTOMS-RELATED CHARGE	95470	134620	95470	118960	95470	118960
BONDED STORAGE (1 MONTH)	245000	910000	245000	455000	245000	455000
LABEL/PRINTINGS	80000	120000	80000	72000	80000	72000
LABOR COST FOR LABELLING	800000	1200000	800000	720000	800000	720000
GENERAL VAT	161865	262470	161865	151588	161865	151588
OTHER CHARGE	100000	100000	100000	100000	100000	100000
SUB-TOTAL (a)	45543951	71990346	45162851	61210184	42459201	61210184
AFTER CUSTOMS CLEARANCE						

LIFT-ON FOR DELIVERY	80,900	209,700	80,900	209,700	80,900	209,700
STORAGE (1 MONTH)	245,000	910,000	245,000	455,000	245,000	455,000
GENERAL VAT	32,590	111,970	32,590	66,470	32,590	66,470
SUBTOTAL (b)	358,490	12,31,670	358,490	731,170	358,490	731,170
GRAND TOTAL (a + b)	459,02,441	73,222,016	45,521,341	61,941,354	42,817,691	61,941,354

* Notes :

- 1) Import from USA : no service for 20' reefer container and only 40ft..
- 2) Deposit of Waste Disposal : exclude (if applied).
- 3) Storage :

7 pyong x W35 000, for 20' Dry & Cold
14 pyong x W65 000, for 40' reefers

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APPENDIX 1

FORECAST SUMMARY

SOUTH KOREA (1)

	1994	1995	1996	1997	1998	1999
Real % change						
GDP	8,4	9,0	7,7	7,7	7,5	7,3
Private consumption	7,4	7,4	6,6	6,5	6,0	6,0
Government consumption	4,4	4,7	5,5	6,0	6,0	6,0
Gross Fixed investment	11,7	13,5	8,0	7,6	8,5	7,5
Exports of goods & services	16,2	18,0	14,0	13,0	12,0	11,0
Imports of goods & services	21,8	19,7	12,0	10,9	10,9	10,0
Change in stocks (% of GDP)	0,4	0,7	0,6	0,6	0,7	0,9
Population and income						
GDP (\$ bn)	379,6	455,3	525,5	603,5	688,8	779,4
Population (million)	44,5	44,8	45,2	45,6	46,0	46,4
GDP per head (\$)	8 540	10 150	11 620	13 220	14 960	16 780
Real GDP per head (% change)	7,4	8,1	6,7	6,8	6,6	6,4
Inflation (%)						
Consumer prices	6,2	5,2	5,0	4,8	4,5	4,5
Average earnings in manufacturing	12,5	11,5	11,0	11,0	10,5	11,0

Financial indicators						
Exchange rates						
W : \$	803,5	767,0	750,0	735,0	720,0	710,0
W : 100 Ø	787,7	842,9	862,1	875,0	878,0	887,5
Corporate bond yields (%)	13,0	14,0	13,0	13,0	13,5	14,0
External trade (\$ bn) (1)						
Merchandise exports	93,7	118,9	141,9	167,4	195,1	226,9
Merchandise imports	-96,8	-125,9	-144,1	-165,2	-190,3	-218,1
Trade balance	-3,1	-6,9	-2,2	2,2	4,8	8,8
Invisible credits	22,2	28,5	33,2	38,0	43,1	49,0
Invisible debits	-24,5	-30,7	-35,5	-40,7	-46,4	-52,8
Invisible balance	-2,3	-2,2	-2,3	-2,7	-3,3	-3,9
Net transfer payments	0,6	0,6	0,7	0,7	0,7	0,7
Current-account balance	-4,8	-8,5	-3,8	0,2	2,2	5,7
as % of GDP	-1,3	-1,9	-0,7	0,0	0,3	0,7
Foreign indebtedness						
Total debt (\$ bn)	56,5	69,0	76,4	79,3	80,4	81,2
as % of GDP	13,0	15,1	14,5	13,1	11,7	10,4
Total debt- service ratio (%)	8,5	8,4	8,9	8,5	7,6	6,6

1) Total may not add due to rounding.

Source : Korea Associates

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FORECAST SUMMARY

SOUTH KOREA (2)

	1994	1995	1996	1997	1998	1999
Real % change						
GDP	8,4	9,5	8,4	7,7	8,4	8,4
Private consumption	7,4	8,4	7,4	6,5	7,4	7,4
Government consumption	4,4	5,0	5,0	6,0	5,0	4,5
Gross fixed investment	11,7	15,0	9,0	7,6	11,0	11,0
Exports of goods & services	16,2	18,0	14,0	13,0	12,0	11,0
Imports of goods & services	21,8	19,7	15,0	13,0	12,0	11,0
Change in stocks (% of GDP)	0,4	0,7	0,6	0,6	0,7	0,9
Population and income						
GDP (\$ bn)	379,6	455,3	525,5	603,5	688,8	779,4

Population (million)	44,5	44,8	45,2	45,6	46,0	46,4
GDP per head (\$)	8 540	10 150	11 620	13 220	14 960	16 780
Real GDP per head (% change)	7,4	8,1	6,7	6,8	6,6	6,4
Inflation (%)						
Consumer Prices	6,2	5,2	5,0	6,0	5,0	4,5
Average earnings in manufacturing	12,5	11,5	11,0	11,0	10,5	11,0
Financial indicators						
Exchange rates						
W : \$	803,5	775,0	760,0	760,0	760,0	735,0
W : 100 Ø	787,7	800,9	820,1	820,0	820,0	887,5
Corporate bonds yields (%)	13,0	14,0	14,0	13,0	13,5	14,0
External Trade (\$ bn) (1)						
Merchandise exports	93,7	118,9	141,9	167,4	195,1	226,9
Merchandise imports	-96,8	-125,9	-145,1	-167,2	-197,3	-228,1
Trade Balance	-3,1	-6,9	-3,2	0,2	-2,2	-2,7
Invisible credits	22,2	28,5	33,2	38,0	43,1	49,0
Invisible debits	-24,5	-30,7	-35,5	-40,7	-46,4	-52,8
Invisible balance	-2,3	-2,2	-2,3	-2,7	-3,3	-3,9
Net transfer payments	0,6	0,6	0,7	0,7	0,7	0,7
Current-account balance	-4,8	-8,5	-4,8	-1,8	-4,8	-5,9
as % of GDP	-1,3	-1,9	-0,7	0,0	0,3	0,7
Foreign indebtedness						
Total debt (\$ bn)	56,5	69,0	78,0	82,0	89,0	97,0
as % of GDP	13,0	15,1	14,5	13,1	11,7	10,4
total debt-service ratio (%)	8,5	8,4	8,9	8,5	7,6	6,6

1) Total may not add due to rounding.

Source : Korea Associates

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APPENDIX 2

IMPORTER BY AGRI-FOOD

PRODUCT	SPECIFIC	COUNTRY	VALUE	
			1994	1995

Chocolate Confectionery (1806-)	Chocolate and Chocolate Confectionery (1806-32-1000)	Australia	63201	26400
		Belgium	-	17787
		Brazil	19652	-
		Swiss	99502	106796
		Chile	60816	-
		Germany	58557	72562
		France	-	8919
		U.K.	-	154288
		Japan	6243	-
		Malaysia	27420	119320
		Netherland	3700	101985
		Phil. R.	-	3718
		Singapore	20225	22859
		U.S.A.	3389555	3131445
		Other (1806-32-9000)	Belgium	-
	Swiss		4227	5827
	U.S.A.		-	19397
	Chocolate and Chocolate confectionery (1806-90-10000)	Australia	17503	47622
		Belgium	204685	654618
		Brazil	122170	349480
		Canada	182614	133073
		Swiss	3062	454897
		Chile	-	32758
		Pr. China	-	476815
		Germany	30197	626732
		Spain	297490	589852
		France	49613	294575
		U.K.	97641	191220
		Indonesia	91889	-
		Italy	16114	447251
		Japan	6866	4569
		Malaysia	102925	4607
		Netherland	194925	255324
Phil. R.		26852	23325	
U.S.A.		677415	864811	
Croatia		58016	-	
Others		184195	864811	
PRODUCT		SPECIFIC	COUNTRY	VALUE
			1994	1995

Chocolate Confectionery (1806-)	Cocoa Preparation containing 50% or More by Weigh of Milk Powder (1806-90-9010)	Austria	51975	26400
		Australia	2813592	1674685
		Belgium	1485046	2625663
		France	3652040	4116927
		Netherland	6470441	9347274
		Sweden	135417	8533
		Singapore	169871	8919
		U.S.A.	42743	1175
	Other (1806-90-9090)	Austria	-	1076
		Australia	68109	12863
		Belgium	-	34290
		Canada	-	397810
		Swiss	6244	10966
		Germany	10006	5781
		Spain	632739	546793
		Finland	759087	284555
		France	-	2066
		U.K.	81158	48185
		Japan	-	1610
		Hong Kong	1666	-
		Malaysia	81637	65131
		Netherland	-	3293
		Phil. R.	167827	451133
		U.S.A.	1444811	1201263

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APPENDIX 3

Importer by Products

Code: (H S) 1806-10 IMPORTS

Products: Cocoa Powder (Added Sugar)

Code	Company Name	Phone Number	Fax Number
931849	Nestle Korea Co., Ltd.	(0431)279-7114	0431)276-4430
752059	Dong Yang Confectionery Co., Ltd.	(02)710-6223	(02)715-8280
11038360	Hanwool Synthesis Logistics	(02)322-8636	(02)338-4871/2
11015996	Narae Industry Co., Ltd.	(02)722-0500	(02)734-0707
11064936	Han Dae Co., Ltd.	(02)3442-7348	(02)3442-6967

741682	Taihan Sugar Ind. Co., Ltd.	(02)764-2600/26	(032)762-2484
812944	Shinsaeye Department Store	(02)550-9351/3	(02)550-9393/4
887247	Nestle Korea Co., Ltd.	(0341)66-8833	(0341)65-6764
986337	Maeil Dairy Industry Co., Ltd.	(02)276-1551	(02)276-1550
809067	Korea Tourist Hotel Supply Center Inc.	(02)458-3291-8	(02)452-7294,45
	Others(Chocolate, Cocoa - more than 2kg)		
782160	Haitai international Inc	(02)270-1600	(02)701-7573
672184	Lotte Trading Co., Ltd.	(02)3459-9600	(02)565-0613/5
297411	Jae Won International Co.,Ltd.	(02)998-5151	(02)998-6678
821980	Crown Confectionery Co.,Ltd.	(02)973-0051	(02)973-3303
11139676	Samik ? ü+9¼q+ó+Aêäë+	(02)548-4511/4	(02)548-1779
351687	Pasteur Powdered milk Co.,Ltd.	(0372)42-4755	(0372)42-8748
522368	Sungbu Trade	(02)544-8377	(02)546-2987
432135	YS Corp	(02)563-7872	(02)563-0148
391379	Mirip Corp	(02)558-4551/2	(02)558-4553
541703	Tbas International Kukdong Co.,Ltd	(02)581-5801/3	(02)581-5804
425908	Lotte Sam Kang Co., Ltd.	(02)6390-114	(02)6390-293
841379	Hu Deok Corp	(0343)58-9881/5	(0343)58-9886
690362	Lotte Confectionery	(02)670-6331/9	(02)675-6600
673035	Han Nong Co.,Ltd.	(02)547-8100	(02)548-1674
534655	Lotte Ham & Milk Co.,Ltd.	(02)593-0122/8	(02)534-7663
11209593	Dong Yang Global Co.,Ltd	(02)3770-3000	(02)3770-3303
541861586	Mijin Co.,Ltd.	(02)553-1360	(02)554-2866
930943	Royal Confectionery Co.,Ltd.	(02)547-4313	(02)540-3348
11068091	Saiso Co.,Ltd.	(02)563-9701	(02)554-1497
670382	Hyosung Corporation	(02)771-1100	(02)754-9983
11035707	Wong Bi Science Co.,Ltd.	(02)523-4025	(02)523-7883
980759	Kim Kuk Corporation	(02)548-9762/4	(02)544-0224
877604	B.R. Korea Co.,Ltd.	(0446)877-5031	(0446)877-5029
4521018747	Science System Co.,Ltd.	(0333)691-2212	(0333)691-1165
11173353	Taete Food	(02)483-0616	(02)483-0617
942890	Taein Industry Co.,Ltd.	(02)562-0181/9	(02)538-8446
27001312	Korea Snack Food Co.,Ltd	(0681)536-8500	(0681)536-8506
13000372	Kirim Corp.	(053)629-4825	(053)629-4826
700128	Taeheung Co.,Ltd.	(02)776-8241/9	(02)744-2034
11198776	Namyang Trade	(02)416-4573/4	(02)424-4389
11071136	Samjin Trade	(02)523-8111	(02)551-4690
11108360	Hosung Industry	(0333)665-7622	(0333)665-7625
11123671	Kum A Trade	(02)3272-7073/4	(02)3272-7075
751658	Sung Woo Trade	(02)752-4642	(02)755-2559

930417	B-C Co.,Ltd	(0346)60-7700/7	(0346)60-7892
812133	Sun Meung Trade	(02)273-4836	(02)273-3994
673176	Dong Rung Corp.	(02)776-8215	(02)774-6915
978163	Dong Suh Food Co.,Ltd.	(032)526-3111/9	(032)5261715
11040903	Hankuk Lotus ?	(0344)902-8011	(0344)902-8015
11049795	Chun Ha Corp.	(02)882-0521-2	(02)889-5496
11050609	Eskimo Trade Co.,Ltd	(02)359-7585/6	(02)356-5234
193144	Oksan International Co.,Ltd	(02)313-3947/8	(02)312-3749
437563	Family Food Co.Ltd.	(02)675-9769	(02)675-9768
520188	Samik Infrared Rays Co.,Ltd.	(0333)667-6451	(0333)667-6453
671398	Bu Heung Co.,Ltd.	(02)869-7111/20	(02)866-5872
790994	Sang Hae Trade Co.,Ltd.	(02)424-4387/8	(02)424-4389
499068	Korea Masta Food	(02)542-2155	(02)545-2691
983804	Kodo Corp	(02)517-6743/4	(02)784-6715
51537229	Samkyung Plaza	(02)578-8383	(02)578-8385
11013640	Kunju Trade Co.,Ltd.	(02)319-2277	(02)319-1700
11145981	Sharp Co-A Distribution	(02)605-5741	(02)605-5740
21010431	Korea Logistics Co.,Ltd.	(0331)281-6511	(0331)281-6516
290607	Midae Trade Co.,Ltd.	(02)587-4024/5	(02)587-4026
543574	Amway Korea Ltd.	(02)556-6577	(02)565-1626
740793	Miwon Trading & Shipping Co.,Ltd.	(02)368-8114	(02)782-0201
730435	Clover Luggage Mfg.Co.,Ltd.	(02)464-0411	(02)463-4023
191696	Yuco Merchant Co.,Ltd.	(02)990-6100	(02)990-6120
11101118	Seoul International	(02)608-7508/9	(02)608-0043
436038	Debo Co.,Ltd.	(02)543-8771	(02)542-1436
428675	Jaeil Family Co.,Ltd.	(02)743-1232	(02)742-0041
841771	Ampoco Co.,Ltd.	(02)752-2231	(02)757-5457
431143	Wobo Industry Co.,Ltd.	(02)365-1431/4	(02)365-1435
902586	Kirin Co.,Ltd.	(051)783-7830	(051)783-7845
11109086	Shin A Trade	(02)541-2003	(02)544-2564
11173829	Geo Commercial	(02)562-3346	(02)566-4039
11002921	Marony Distribution Co., Ltd.	(02)424-3638	(02)424-4736
11068091	Saso Co., Ltd.	(02)563-9701	(02)554-1497
11100038	Cheong Nong Co., Ltd.	(02)571-7086, 7	(02)571-6913
191218	Bitra General Co., Ltd.	(02)598-2323	(02)598-2324
97411	Jewon International Co., Ltd.	(02)998-5151	(02)998-6678
11009793	Dae Bong Co., Ltd.	(02)544-0070	(02)548-2202
809067	Korea Tourist Hotel Supply Center	(02)458-3291-8	(02)452-7294
45782160	Haitai International Inc.	(02)270-1600	(02)701-7573
11005625	Sam Lip Oil & Fats Co., Ltd.	(02)523-3161	(02)597-2447

11007195	Y.S Creation Co., Ltd.	(02)534-1077	(02)534-1733
11117605	Anam Trading	(02)941-2286,22	(02)941-2298
11136589	Winmax Co., Ltd.	(02)718-6797	(02)718-6795
11019431	Tae Hwa International Co., Ltd.	(02)563-7903/4	(02)563-7905
11045627	Yoon Bo Commercial Co., Ltd.	(02)561-5071	(02)556-1156
27001312	Korea Food Co., Ltd.	(0681)536-8500	(0681)536-8506
439358	Seo-A Moolsan Co., Ltd.	(02)780-3931/2	(02)780-3933
440402	Jumbo Corporation Co., Ltd.	(02)587-9412/3	(02)586-8201
399302	Han Hwa Farm Co., Ltd.	(02)738-7602	(02)736-6957
896324	Han Nong Co.,Ltd.	(0418)44-0660/1	(0418)44-0662
535616	Dabong Ind. Co., Ltd.	(02)243-6075	(02)243-6074
931849	Nestle Korea Ltd.	(0431)279-7114	(0431)276-4430
942890	Tae In Co., Ltd.	(02)562-0181/9	(02)538-8446
431459	Sehan Distribution Co., Ltd.	(0343)53-2951	(0343)53-2956
432135	Y.S Moolsan Co., Ltd.	(02)563-7872	(02)563-0148
672184	Lotte Sam Kang Co., Ltd.	(02)3459-9600	(02)565-0613/5
544504	Seosan General Trading Co., Ltd.	(02)586-9266/7	(02)586-9268
730246	Kyeongnam Trading Development Co.,Ltd.	(051)463-6611/5	(051)463-6616
295822	Kookdo Technical System Co., Ltd	(02)549-5813	(02)542-5814
297129	Tae Jong Co., Ltd.	(02)561-2796/7	(02)0558-0165
137563	Family Food Co., Ltd.	(02)675-9769	(02)675-9768
700290	Hai Tai Confectionery Co., Ltd.	(02)709-7680	(02)790-8127
812944	Shinsegae Department Store Co., Ltd.	(02)550-9351/3	(02)550-9393/4
21010431	Koryo Logistics Co., Ltd.	(0331)281-6511	(0331)281-6516
11002921	Marony Distribution Co., Ltd.	(02)424-3638	(02)424-4736
902586	Kirin Co., Ltd.	(051)783-7830	(051)783-7845
11038360	Han Wool General Logistics Co., Ltd.	(02)322-8636	(02)338-4871/2
11068091	Saso Co., Ltd.	(02)563-9701	(02)554-1497
399780	Yeyoung Commercial Co., Ltd.	(02)771-1071/4	(02)771-1075
980759	Kim Kook Corporation Ltd.	(02)548-9762/4	(02)544-0224
523398	Woo Sung Department Store Co., Ltd.	(02)553-3111	(02)558-5087
11175597	Soo Il Ind. Co., Ltd.	(02)388-3723	(02)358-6894
297411 .	Jewon International Co., Ltd	(02)998-5151	(02)998-6678
930417	B-C Co., Ltd	(0346)60-7700/7	(0346)60-7892
877604	B-R Korea Co., Ltd.	(0446)877-5031	(0446)877-5029
863247	Eun Sung Trading Co., Ltd.	(02)757-1371/5	(02)757-1376
673035	Han Nong Co., Ltd.	(02)547-8100	(02)548-1674
391551	J.N Trading Co., Ltd.	(02)753-7661/3	(02)753-7664
11018520	Kira Co., Ltd.	(02)242-3623/4	(02)242-3625
809067	Korea Tourist Hotel Supply Center	(02)458-3291-8	(02)452-7294,45

841379	Hoo Duk Trading Co., Ltd.	(0343)58-9881/5	(0343)58-9886
397342	Jin Uk Trading Co., Ltd.	(02)778-4820/1	(02)756-4662
191696	Yucomerchant Co., Ltd.	(02)990-6100	(02)990-6120
525877	Yeon Bang International Co., Ltd.	(02)718-4797	(02)703-5396
752059	Tong Yang Confectionery Corp.	(02)710-6223	(02)715-8280
672184	Lotte Trading Co., Ltd.	(02)3459-9600	(02)565-0613/5
11045627	Yoon Bo Commercial Co., Ltd.	(02)561-5071	(02)556-1156
11176804	Saeny Trading Co., Ltd.	(02)3442-5100	(02)3442-5237
690362	Lotte Confectionery Co., Ltd.	(02)670-6331/9	(02)675-6600
522368	Seong Boo Trading Co., Ltd.	(02)544-8377	(02)546-2987
821980	Crown Confectionery Co., Ltd	(02)973-0051	(02)973-3303
782160	Haitai International Inc.	(02)270-1600	(02)701-7573
673176	Dong Ryung Moolsan Co., Ltd.	(02)776-8215	(02)774-6915
931849	Nestle Korea Ltd.	(0431)279-7114	(0431)276-4430
841953	Sun Business Co., Ltd.	(02)548-4817	(02)548-4785
37229	Sam Kyung Plaza Co., Ltd.	(02)578-8383	(02)578-8385
11049795	Cheon Ha Corporation Ltd.	(02)882-0521-2	(02)889-5496
428675	Jeil Family Co., Ltd.	(02)743-1232	(02)742-0041
191696	Yucomerchont Co., Ltd.	(02)990-6100	(02)990-6120
11014928	Dae Rim To San Co., Ltd.	(02)517-0431	(02)517-0435
902586	Kirin Co., Ltd.	(051)783-7830	(051)783-7845
930417	B-C Co., Ltd.	(0346)60-7700/7	(0346)60-7892
192066	Sam Young Communication Technical Co.,Ltd.	(02)783-1282	(02)785-7274
297411 .	Jewon International Co., Ltd	(02)998-5151	(02)998-6678
11109086	Shin-Ah Trading Co., Ltd.	(02)541-2003	(02)544-2564
499068	Master Food Korea Co., Ltd.	(02)542-2155	(02)545-2691
11019910	Seon Han Moolsan Co., Ltd.	(02)575-7810	(02)575-7811
265	Han Mi Corporation	(051)464-3660	(051)464-3423
841771	Ampaco Co., Ltd.	(02)752-2231	(02)757-5457
11183567	Seon Woo Corporation	(02)323-8267	(02)323-8267
11252445	Newtown Development Co., Ltd.	(02)590-5190	(02)534-2930
11038360	Han Wool General Logistics Co., Ltd.	(02)322-8636	(02)338-4871/2
11049766	Kirim Food Co., Ltd.	(02)514-5351	(02)514-4542
809067	Korea Tourist Hotel Supply Center	(02)458-3291-8	(02)452-7294
45670382	Hyosung Corporation	(02)771-1100	(02)754-9983
11053048	Segi World Co., Ltd.	(02)730-0516/9	(02)720-7694
431071	Dong Am Industrial Co., Ltd.	(02)511-5300	(02)511-9682
544951	Se Mee Ind. Co., Ltd.	(02)584-8955-7	(02)588-4756
534655	Lotte Ham & Milk Co., Ltd.	(02)593-0122/8	(02)534-7663
855255	Kosilk Corporation	(02)702-3016/9	(02)715-7687

986337	Maeil Dairy Industry Co., Ltd.	(02)276-1551	(02)276-1550
11175597	Soo Il Industry Co., Ltd.	(02)388-3723	(02)358-6894
522681	Hyun Jun Trading Co., Ltd.	(02)774-4051	(02)774-4053
812944	Shinsegae Departmetn Store Co., Ltd.	(02)550-9351/3	(02)550-9393/4
983804	Kodo Trading Co., Ltd.	(02)517-6743/4	(02)784-6715
5111061063	Do Woo Trading Co., Ltd.	(02)695-1393/4	(02)695-1395
690290	Korea Trading International Inc.	(02)551-3114	(02)551-3100
980759	Kim Kook Corporation Ltd.	(02)548-9762/4	(02)544-0224
11001883	Moo An Commercial Co., Ltd.	(02)779-6622/5	(02)779-6626
11158787	Parang World	(02)585-8114	(02)472-6035
11018319	Mee Hoo Frozen Food Co., Ltd.	(02)567-9108/9	(02)556-0351
399780	Yeyoung Commercial Co., Ltd.	(02)771-1071/4	(02)771-1075
11071008	Tatan Trading Co., Ltd.	(02)542-9487/8	(02)543-0127
11099138	Drim & Drim Co., Ltd.	(02)518-7673/4	(02)517-8423
11198776	Nam Yang Commercial	(02)416-4573/4	(02)424-4389
432135	Y.S Moolsan Co., Ltd	(02)563-7872	(02)563-0148
523934	Dae Sun Co., Ltd.	(0334)73-9531/2	(0334)72-1550
972884	Sol Industry	(02)475-4128	(02)475-4129
673035	Han Nong Co., Ltd	(02)547-8100	(02)548-1674
820455	Union Trading Co., Ltd	(02)554-3293/6	(02)554-3292
831499	Lotte Shopping Co., Ltd.	(02)771-2500	(02)774-2949
877604	B-R Korea Co., Ltd.	(0446)877-5031	(0446)877-5029/
11002921	Marony Distribution Co., Ltd.	(02)424-3638	(02)424-4736
11175047	Coco Strading	(02)3442-3162	(02)3442-3165
525877	Yeon Bang International Co., Ltd.	(02)718-4797	(02)703-5396
11050609	Eskimo Trading Co., Ltd.	(02)359-7585/6	(02)356-5234
11015996	Narae Industry Co., Ltd.	(02)722-0500	(02)734-0707
53000291	Unilever Korea Co., Ltd.	(042)630-6752	(042)635-2769
887247	Nestle Korea Ltd.	(0341)66-8833	(0341)65-6764
895916	Hai Tai Ind. Co., Ltd.	(0475)33-7331	(0475)33-7337
710321	Sam Jin Trading Co., Ltd.	(02)968-5501/9	(02)961-5110/9
841379	Hoo Duk Trading Co., Ltd.	(0343)58-9881/5	(0343)58-9886
535489	Seokje Trading Co., Ltd.	(02)692-1163	(02)692-1279
973247	Bolak Co., Ltd.	(0339)52-6455	(0339)52-4341
549262	Seoju Beverage Ind. Co., Ltd.	(02)796-8295	(02)796-8294
523398	Woo Sung Department Store Co., Ltd.	(02)553-3111	(02)558-5087
11101118	Seoul International	(02)608-7508/9	(02)608-0043
437563	Family Food Co., Ltd	(02)675-9769	(02)675-9768
420673	Dong San Family Co., Ltd.	(02)548-6302	(02)547-5441
424208	Lotte Food Co., Ltd.	(02)523-6431/5	(02)523-3454

425908	Lotte Sam Kang Co., Ltd.	(02)6390-114	(02)6390-293
11075019	Kwang Jin Industries Co., Ltd.	(02)234-2387/8	
14009835	Ju An Industry Co., Ltd.	(032)420-1011	(032)420-1009
191218	Bitra General Co., Ltd.	(02)598-2323	(02)598-2324
598347	Dong Shin Trading Development Corporation	(051)804-6491/2	(051)804-6493
972554	Core Trading Co., Ltd.	(02)736-8266/7	(02)736-7697
790994	Sang Hae Trading Co., Ltd.	(02)424-4387/8	(02)424-4389
791319	Sehung Trading Corporation	(02)548-8541	(02)548-8547

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APPENDIX 4

Chocolate Confectionery

Co. Number	Product Imported	Packaging	Size/Quantity	Quality	Other Details	Source	Quantity Imported	
							KG	\$ US
19	Candy	Bulk set			Leaf		Container 60	1,7 mill.
	Chocolate	Bulk set			Abtey			
	Biscuit	Individual package			Hellema Vandes Breggen			
21	Chocolate incense	Drum	50 kg		Okawa	Japon	85 000	
22	Choco materials (powder)		25 kg			Nethrelands Germany France		w1,5 bill.
31	Chocolate	Boxes	3 chocolates in pack 5 chocolates in pack 16 chocolates in pack		Brand : Fillero, Rose, Monchell, Merisse	Italy Germany Europe	Thousands of containers (won't say)	1 box costs between w700 - 30 000 (won't say)

37	Chocolate Oil Cheese			Aros Oil	Brand : Srscil, Manette, Universal, Flavour	Denmark France U.S.A.		
39	Chocolate material	Bag	25 kg		Cynochem (China)	Switzerland Belgium Europe China	1 000 ton	U.S\$ 3./kg
47	Chocolates					Australia Netherlands		
71	Choco Cookies Biscuits	Little box Pack	6 EA		Nutriba	Canada Italy	A littles A littles	N/A 30,000

Choco Confectionery

Co. No.	Co. Name	Business Type	Tel.	Fax	Address
19	Sam Young	Importer	783-1282	785-7274	25-4, Yeoido-dong, Youngdeungpo-ku
20	Sam Kyung Plaza	Importer	578-8383	578-8385	195-7, Poi-dong, Kangnam-ku
21	Kirim Food	Importer	514-5351	514-4542	71-14, Samsung-dong, Kangnam-ku
22	Milips Trading	Importer/agent	558-4551/2	558-4553	1338-21, Seocho-dong, Seocho-ku
47	Royal Confectionery	Manufacturer	547-4313	540-3348	737-18, Banpo-ding, Seocho-ku
71	Dabong Corporation	Importer	412-9268	413-2632	RM 501, Dongnam Bldg, 175-61, Chamshilbon-dong, Songpa-ku

