



Publication Date : June 30, 1996

# Pork

## HS 0206 & HS 0209

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

Further assistance can be obtained by addressing requests directly to the Agriculture and Food Component, Commercial Section of the Canadian Embassy in Seoul. The Embassy is located on the 10 th Floor of the Kolon Building, 45 Mukyo-dong, Chung-gu, Seoul. The mailing address is :

Canadian Embassy  
P.O. Box 6299  
Seoul 100-662  
Republic of Korea  
Tel. : (82-2) 753-2605  
Fax : (82-2) 755-0686

This report was prepared by :

Korea Associates  
2nd Fl., Banseok Bldg  
370-14, Seokyo-dong  
Mapo-ku, Seoul  
Republic of Korea  
121-210  
Tel. : (82-2) 335-2614  
Fax : (82-2) 323-4262

**Release Date : June 1996**

---

### Table of Contents

#### [1. Introduction](#)

- [1.1 Import Growth compared to Canadian Import Growth](#)
- [1.2 Import Liberalization](#)

#### [2. Regulations and Procedures](#)

- [2.1 Trade Regulations](#)
- [2.2 Tariff Rates](#)

- [2.3 Customs Classification](#)
- [2.4 Taxes Applicable to Imports](#)
- [2.5 Quarantine Inspection](#)
- [2.6 Customs Clearance](#)
- [2.7 Customs Clearance Procedures for Imports to be Simplified](#)

### [3. Non Transparent Barriers](#)

- [3.1 Food Regulations](#)
  - [3.1.1 Korean Version of the US Food and Drug Administration](#)
- [3.2 Shelf Regulations](#)
- [3.3 Labelling Requirements](#)
- [3.4 Effect of Political Factors, Bilateral or Multi Lateral Agreements on Choice of Supplier](#)
- [3.5 Imported Goods are a Taboo for Korean Consumers](#)

### [4. Changes to the South Korean Consumption Pattern](#)

- [4.1 Income and Expenditures](#)
- [4.2 Main Trends](#)
- [4.3 Consumer Characteristics](#)
  - [4.3.1 Main Consumer Trends](#)
- [4.4 A Shift in Purchasing Power](#)
- [4.5 Expenditures on Food](#)
- [4.6 Examples of Product Imported](#)

### [5. Distribution](#)

- [5.1 Traditional Distribution Methods](#)
- [5.2 Past and Current Distribution Strategy](#)
  - [5.2.1 Agents](#)
  - [5.2.2 Distributors](#)
- [5.3 Examples of Marketing Channel Relationships](#)
- [5.4 Marketing Strategy Used by Companies to Enter or Maintain Market Share](#)
- [5.5 Five Ways to Help your Agent](#)
- [5.6 Korea's Retail and Distribution Revolution](#)
- [5.7 Forecast](#)

### [6. Imports by Country 1990-1995](#)

### [7. Government Trade Promotional Activities in Korea](#)

### [8. Transportation](#)

### [Appendix 1. Korea Statistics](#)

### [Appendix 2. Import by Country in 1994](#)

### [Appendix 3. Importer by Product](#)

### [Appendix 4. Screening Results](#)

### **Table & Diagram List**

## Tables

- [1. Product, Price and Amount Imported](#)
- [2. Packaging, Quantity and End Consumer](#)
- [3. Type of Company, Marketing Channel Relationship, Exporting Company](#)
- [4. Exhibition Participants](#)
- [5. Hotel Supply Centre Current Status of Imports](#)
- [6. Hotel Supply Centre Customers](#)
- [7. Prospects of Korea's Retail Turnover by Type](#)
- [8. Source, Government Trade Promotion Activities](#)

## Diagrams

- [1. Imports 1990-1994](#)
  - [2. Imports by Country 1990](#)
  - [3. Imports by Country 1991](#)
  - [4. Imports by Country 1992](#)
  - [5. Imports by Country 1993](#)
  - [6. Imports by Country 1994](#)
  - [7. Imports by Country 1995](#)
  - [8. Diagram of Korea's Ports, Airports and Main Arterials](#)
  - [9. Comparative Estimation of Transport Costs to Korea](#)
- 

## 1. Introduction

### 1.1 Import Growth Compared To Canadian Import Growth

Pork imports into Korea are dependent on the import quota set by the Korean Livestock Federation, thus import growth is not directly reflective of changes in consumer demand. However, the quotas are apparently determined by the pork markets need for additional supplies to meet local demand. Canada's pork imports are mainly pork fat.

### 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 refereed to as chaebol, and a language barrier which complicate market access procedures.

[Return to table of contents](#)

---

## **2. Regulations and Procedures**

### **2.1 Trade Regulations**

The importation of pork into Korea is regulated under the WTO's minimum market access (MMA) rules. An auction system which enables all interested importers to bid distributes each applicants import quota. In 1995 the aggregate quota for Pork imports was 23,000 tonnes overall. Approximately twenty companies were granted a quota each.

The import market for pork however, is scheduled to be opened on July 1st 1997.

### **2.2 Tariff Rates**

The tariff for pork imports under HS 0203 in 1996 is 50% and 3% for Pork fat which is regulated under HS 0209.

In general 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), including those for pork importation.

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 pork 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**

All pork imports must pass Korean National Quarantine under the Livestock Epidemic Law . Pork may only be imported from 12 designated countries; USA, Canada, UK, Ireland, Sweden, Denmark, Japan, Taiwan, N.Z., Australia, Finland and The Netherlands.

All pork imports are subject to Quarantine Inspection. The following documentation must 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**

1. 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.

[Return to table of contents](#)

---

### 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 this year.

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) Using Instruction

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 except for the Livestock Epidemic Protection Law.

### **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.

Recently Soy Sauce was attacked by the Citizen's Coalition for Economic Justice (CCEJ), claiming it contained substances that cause cancer or infertility. Despite the Ministry of Health and the World Health Organisation explaining that the allegations were unfounded the Soy Sauce industry was seriously affected.

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 and a growing acceptance of foreign food products.

[Return to table of contents](#)

---

## **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, Daejon 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?**

Table 1 and table 2 illustrate the results of a survey conducted of importers of pork in early 1996.

Pork Belly is the most popular pork cut in the Korean market, similar to the Japanese market. As a result the two markets have had the same main suppliers and the price of imported pork for Korean importers has been extremely sensitive to demand in the Korean market.

Collar, neck side, is the second main pork cut imported into the Korean market. A small amount of pork ribs are imported.

Imported pork is more expensive than the local product.

Consumption of imported pork is mainly through restaurants, particularly pork ribs.

**Table 1. Pork Product, Price and Amount Imported**

Co. Nos	Company Name	Product	Price	Amount Imported
10	Korea Livestock Trading (filiale de National Livestock Federation)	Pork Belly Collar (Neckside) Ribs	\$3,600 US/ton \$3,600 US/ton \$3,600 US/ton CNF., Seoul	\$ 69 mill/year (23,000 tonnes)
9	Korea Cold Storage	Pork	N/A	N/A
74	Luck One Agricultural Co., Ltd.	Pork Hock	70-80 ø /kg CNF, Pusan	25 mill / Won \$32,467 /year ( US\$1 = 770 Won)

**Table 2. Packaging, Quantity and End Consumer**

Co Nos	Company Name	Type of Co.	Product	Packaging	Quantity	Customer
10	Korea Livestock Trading (Subsidiary of National Livestock Federation)	Importer	Pork Belly	Box	4 kg	80 %, wholesale 20 %, distributors 85 %, restaurants 15 %, retail
			Collar (Neckside)	Box	4 kg	95 %, restaurants 5%, retail
			Ribs	Box	4 kg	100 %, restaurants

9	Korea Cold Storage	Manufacturer	Pork	Box	5-10 kg	Imported meat store (repackaged by meat store) (viandes remballées par les boucheries)
74	Luck One Agricultural Co.	Importer	Pork Hock	Box	N/A	30 %, manufacturers 70 %, wholesale

[Return to table of contents](#)

## 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 foreign food products in early 1996 found all the candidates had a direct relationship with their suppliers but it at arms length.

Table 3 lists the types of marketing channel relationships particular Korean companies importing pork 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 quantity, terms and conditions, specifications and the ability to alter orders. None of the respondents had experience or knowledge of pricing strategies being employed. However, one respondent believed that the first year American pork was imported by Korea it was offered at a price lower than ever experienced before.

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

Co. Nos	Company Name	Type of Company	Marketing Channel Relationships	Exporting Company (Country)
10	Korea Livestock Trading (subsidiary of National Livestock Federation)	Importer	Direct Arms Length	60 % :Food Day ESS Foods  (Denrk)  (UK, Netherlands)  40 % :Montfort, IBP Foods  Excel (USA)  Maple Leaf (Canadian)
9	Korea Cold Storage	Manufacturer	Direct Arms Length	Excel, National (USA)
74	Luck One Agricultural Co., Ltd.	Importer	Direct Arms Length	Food Day (Denmark)

## 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. 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,	Menhune/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)

<b>Category</b>	<b>Record 1994</b>	<b>Forecast for 1995</b>	<b>Forecast for 1996</b>	<b>Forecast for 1997</b>	<b>Forecast for 1998</b>	<b>Forecast for 1999</b>
<b>Juice</b>	1,747	2,445	2,934	3,374	3,880	4,462
<b>Coffee &amp; Tea</b>	398	557	668	768	883	1,015
<b>Fruit &amp; Vegetable</b>	2,818	3,945	4,734	5,444	6,261	7,200
<b>Butter &amp; Cheese</b>	4,582	6,414	7,696	8,850	10,178	11,704
<b>Seafood</b>	9,766	13,672	16,406	18,867	21,697	24,952
<b>Other Food</b>	12,773	17,882	21,458	24,677	28,379	32,636
<b>Beef</b>	53,177	74,448	89,337	102,738	118,149	135,871
<b>Lamb &amp; Poultry Meats</b>	1,411	1,975	2,370	2,726	3,135	3,605
<b>Equipments</b>	1,373	1,922	2,306	2,652	3,050	3,508
<b>Total</b>	88,045	123,260	147,909	170,096	195,612	224,953



**Table 6 : Customers of the Korea Tourist Supply Centre****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 Sungnam 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.

### **Inchon**

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.
<b>Chollabuk-do</b>
Naejangsan Tourist Hotel, Chonju Tourist Hotel, Dae Doon San Tourist Hotel, Victory Tourist Hotel, Hanover Tourist Hotel.
<b>Chollanam-do</b>
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, Sunchon Royal Tourist Hotel, Yosu Tourist Hotel, Baek je Tourist Hotel.
<b>Kyungsangbuk-do</b>
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.
<b>Kyungsangnam-do</b>
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.
<b>Cheju-do</b>
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.
<b>Tourists Special Restaurants</b>

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 Namyeong, 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 Mahoney, 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 Korea's 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 increasingly 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 Incheon.

### **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. Co operative 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*
<b>Convenience store</b>	-	0.2	1.0	4.0
<b>Supermarket</b>	1.4	2.2	3.0	4.4
<b>Department store</b>	3.0	7.0	15.0	30.0
<b>Total retail sales</b>	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.

[Return to Table of Contents](#)

---

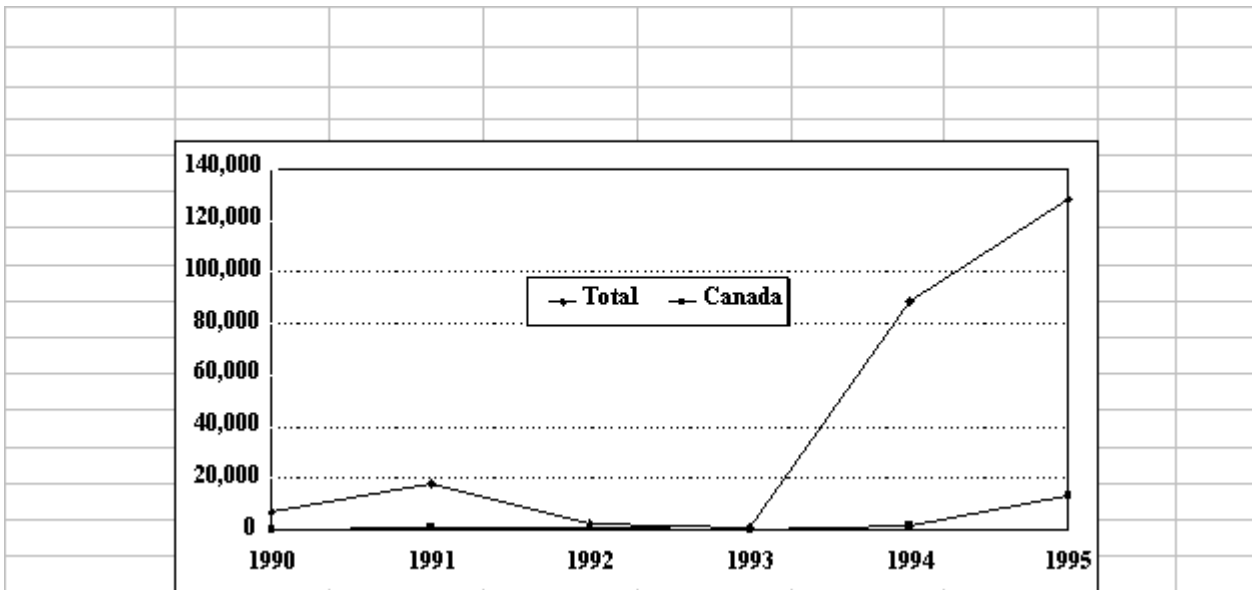
## 6. Imports by Country 1990-1995

The imported pork market of Korea was dominated in 1990 and 1991 by Taiwan (The Republic of China), who held a market share of 65% and 76% respectively, as illustrated in Diagram 2 and 3. In 1992, however Denmark gained a majority market share of 62% in 1992 and 72.1% in 1994, as illustrated in Diagram 4 and 6. In 1993, Canada was the primary pork exporter to Korea, although it was mainly pork fat, as illustrated in Diagram 5.

In 1995 Denmark continued to be the main exporter of pork to Korea, however its market share dropped to 36.9% as illustrated in Diagram 7. The USA dramatically increased its market share to 26.5% in 1995 from 7.3% in 1994. The U.K. and Canada also increased their market share to reach 13.8% and 10.7% respectively, as illustrated in Diagram 6 and 7.

### Diagram 1.

#### Pork (HS 0203, 0209)Imports 1990-1995



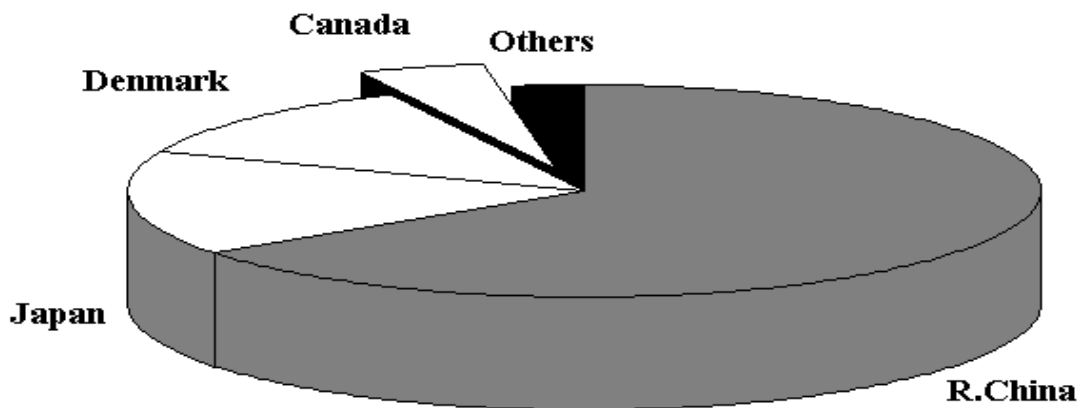
(Unit: US \$ 1,000)

	1990	1991	1992	1993	1994	1995
<b>Total</b>	6 871	18 350	2 702	901	88 635	127 851
<b>Canada</b>	310	790	750	540	2 027	13 619

Source : Statistical Yearbook of Foreign Trade.

**Diagram 2.**

**Pork (SH 0203, 0209) Imports by Country 1990**



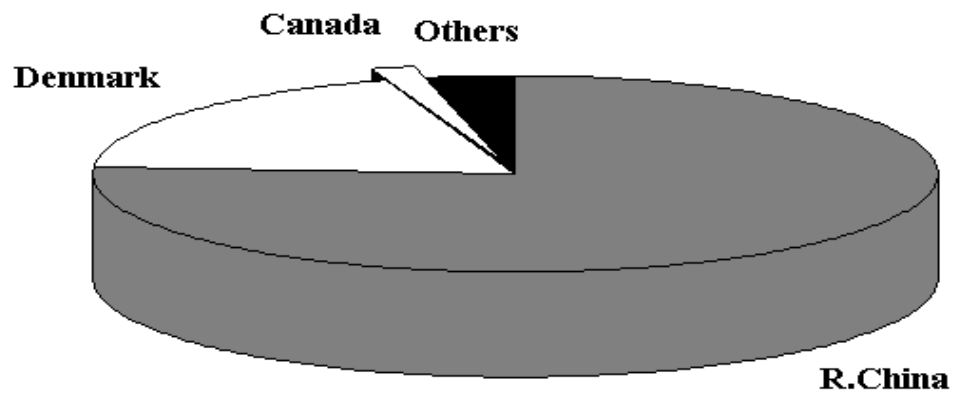
(Unit: US\$ 1,000)

Country	P.R. China	Japan	Denmark	Canada	Others	Total
Value	4,431	1,091	818	307	170	6,817
%	65,0 %	16,0 %	12,0 %	4,5 %	2,5 %	100,0 %

Source : Statistical Yearbook of Foreign Trade.

**Diagram 3.**

**Pork (HS 0203, 0209) Imports by Country 1991**



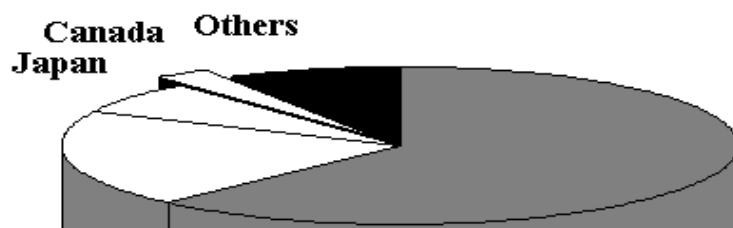
(Unit: US\$ 1,000)

Country	P.R.China	Denmark	Canada	Others	Total
Value	32,865	8,216	778	1,384	43,244
%	76,0 %	19,0 %	1,8 %	3,2 %	100,0 %

Source : Statistical Yearbook of Foreign Trade.

**Diagram 4.**

**Pork (HS 0203, 0209) Imports by Country 1992**







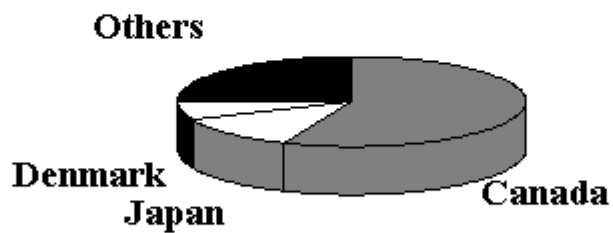
(Unit: US\$ 1,000)

Country	Denmark	Taiwan (P.R. China)	Japan	Canada	Others	Total
Value	1,675	540	189	73	224	2,702
%	62,0 %	20,0 %	7,0 %	2,7 %	8,3 %	100,0 %

Source : Statistical Yearbook of Foreign Trade.

**Diagram 5.**

**Pork (HS 0203, 0209) Imports by Country 1993**



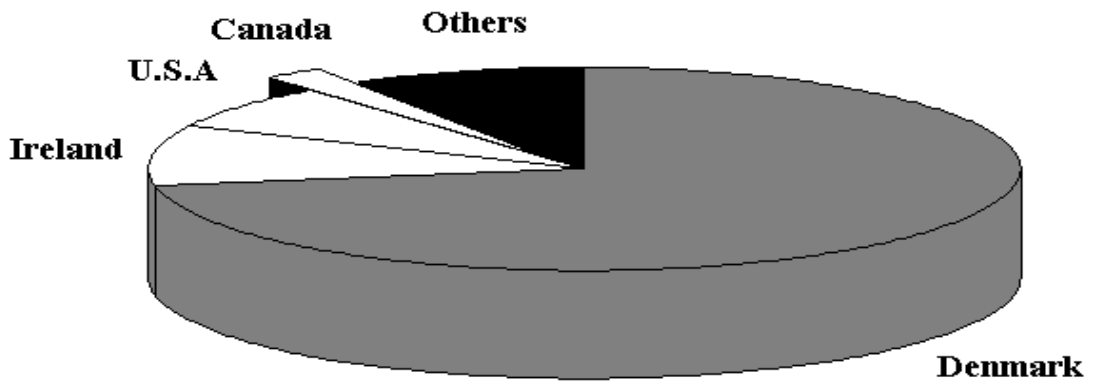
(Unit: US\$ 1,000)

Country	Canada	Japan	Denmark	Others	Total
Value	541	113	63	241	901
%	60,0 %	12,5 %	7,0 %	26,8 %	100,0 %

Source : Statistical Yearbook of Foreign Trade.

**Diagram 6.**

**Pork (HS 0203, 0209) Imports by Country 1994**



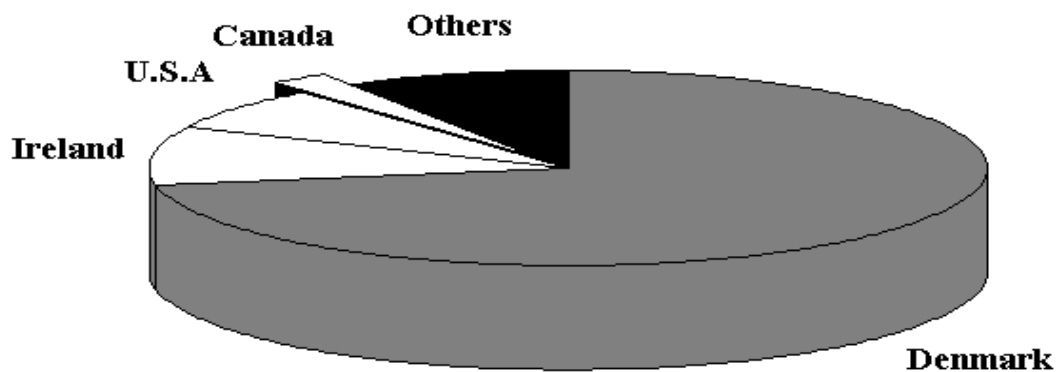
(Unit: US\$ 1,000)

Country	Denmark	Ireland	USA	Canada	Others	Total
Value	63,918	8,630	6,444	2,027	7,616	88,635
%	72,1 %	9,7 %	7,3 %	2,3 %	8,6 %	100,0 %

Source : Statistical Yearbook of Foreign Trade.

**Diagram 7.**

**Pork (HS 0203, 0209) Imports by Country 1995**



(Unit: US\$ 1,000)

Country	Denmark	UK	USA	Canada	Others	Total
Value	47,129	17,634	33,898	13,619	15,571	127,851
%	36,9 %	13,8 %	26,5 %	10,7 %	12,2 %	100,0 %

Source : Statistical Yearbook of Foreign Trade.

**Table 8. Pork**

Co. Nos	Company Name	Source	Government Trade Promotion Activities
10	Korea Livestock Trading (Subsidiary of National Livestock Federation)	60 % :Denmark UK Netherlands 40 % :USA Canada	Danis Pork Federation Send out Delegations Invite Pork Importers to Pork Processing Facilities.  Provide information: -UK, Ireland and Canada do the same thing. - US meat exporters also do the same thing.  - Canadians, Conduct trade shows, seminars, Send information, brochures and videos. Invite Pork Importers to visit pork processing facilities in Canada .
9	Korea Cold Storage	95 % :USA . Australia, N.-Z.	Australian and USA Embassy are very active invite to shows, seminars, send information and contact in regard to meeting.
74	Luck One Agricultural Co. Ltd.	Denmark	USA Embassy: Provide fast information  Denmark Embassy: invites to Seminars.

[Return to Table of Contents](#)**7. Government Trade Promotional Activities in Korea****Embassy's actively marketing in Seoul :**

- U.S.A.
- Danish
- Canadian
- Australian
- U.K.
- Ireland

**Main marketing activities undertaken :**

- Sending information, including brochures and catalogues about manufacturers/ products to importers and distributors
- Organise and invite importer to informative Seminars
- Arrange meetings between manufacturers, suppliers with Korean importers/ distributors

**Other :**

- Organise for importers to visit suppliers pork processing facilities

[Return to Table of Contents](#)

---

**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 Enducement 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.

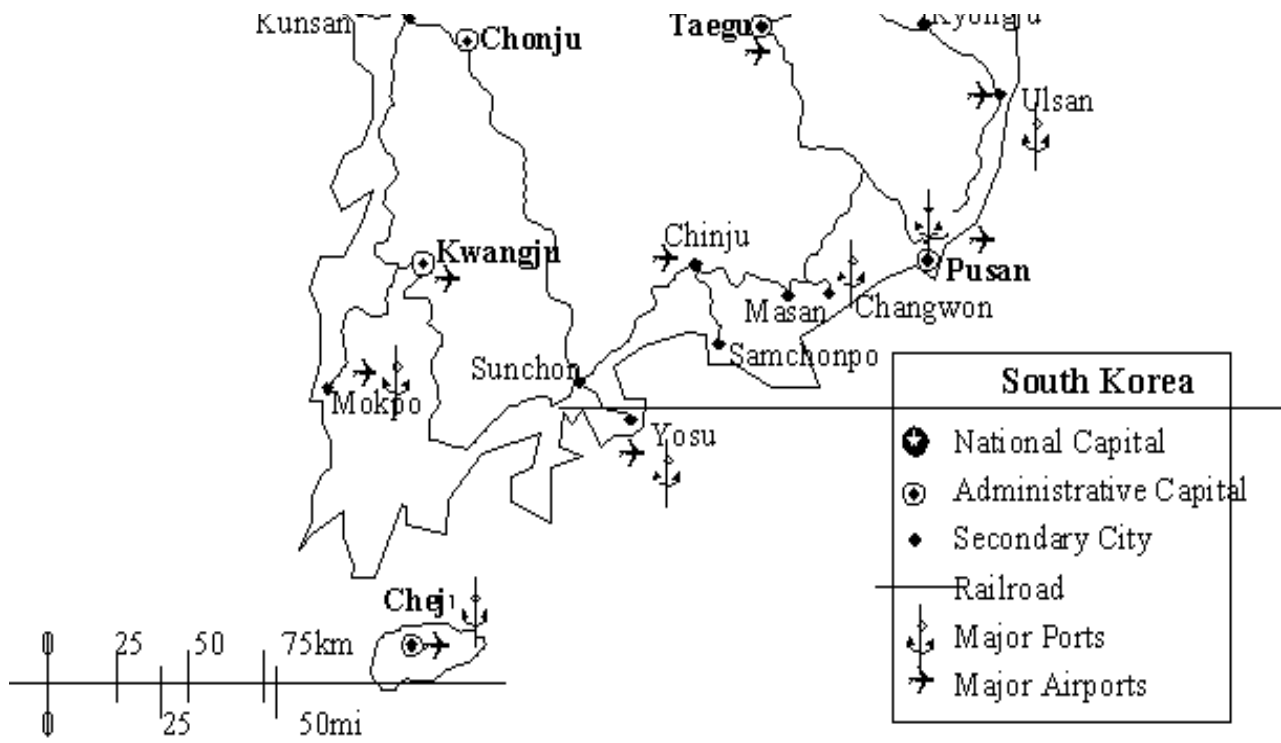
Incheon, located approximately 40km west of Seoul, is Korea's second major port. Although it is near the countries capital and main trade and business centre Incheon is far smaller than Pusan. The Incheon harbour, where six of the eight piers are used for international cargo, are accessible only through 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.

#### National Transportation





**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\$)

Container

Volume

Labeling Qty (EA)

Bonded W/H (Hyonik)

**BEFORE CUSTOMS CLEARANCE**

(Unit: Korea Won) (Ex-rate: US\$1KW783)

INVOICE AMOUNT	35,235,000	54,810,000	35,235,000	46,980,000	32,235,000	4,980,000
OCEAN FREIGHT	1,174,500	2,959,740	783,000	2,818,800	1,135,350	2,818,800
CARGO INSURANCE	34,530	53,714	34,530	46,040	34,530	46,040
I/L AND BANK-RELATED CHG	139,229	199,911	139,229	175,638	139,229	175,638
KOTRA	49,329	76,734	49,329	65,772	49,329	65,772
CABLE CHARGE	20,000	20,000	20,000	20,000	20,000	20,000
L/G FEE	10,000	10,000	10,000	10,000	10,000	10,000
OPENING COMMISSION	59,900	93,177	59,900	79,866	59,900	79,866
PUSAN PORT CHARGES	110,650	170,500	115,850	147,700	87,850	147,700
- THC	82,800	118,800	88,000	116,000	60,000	116,000
- CONT. TAX	20,000	40,000	20,000	20,000	20,000	20,000
- WHARFAGE	3,850	7,700	3,850	7,700	3,850	7,700
- DOCU FEE	4,000	4,000	4,000	4,000	4,000	4,000
BONDED TRANSPORT	343,000	113,000	343,000	113,000	343,000	113,000
CNTR DEVANNING/LIFT-OFF	150,648	281,700	150,648	155,880	150,648	155,880
CUSTOMS DUTY (8 %)	2,818,800	4,384,800	2,818,800	3,758,400	2,818,800	3,758,400
CUSTOMS VAT	3,805,380	5,919,480	3,805,380	5,073,840	3,805,380	5,073,840
CUSTOMS RELATED CHARGE	95,470	134,620	95,470	118,960	95,470	118,960
BONDED STORAGE (1 MONTH)	245,000	910,000	245,000	455,000	245,000	455,000
LABEL/PRINTINGS	80,000	120,000	80,000	72,000	80,000	72,000
LABOR COST FOR LABELLING	800,000	1,200,000	800,000	720,000	800,000	720,000
GENERAL VAT	161,865	262,470	161,865	151,588	161,865	151,588
OTHER CHARGE	100,000	100,000	100,000	100,000	100,000	100,000
SUB-TOTAL (a)	45,543,951	71,990,346	45,162,851	61,210,184	42,459,201	61,210,184
<b>AFTER CUSTOMS CLEARANCE</b>						
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
SUB-TOTAL (b)	358,490	1,231,670	358,490	731,170	358,490	731,170
TOTAL (a + b)	45,902,441	73,222,016	45,521,341	61,941,354	42,817,691	61,941,354

\* Remark:

- 1) Imports from USA: no service for 20' reefer container and only 40 ft.
- 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' reefer

## APPENDIX 1

### FORECAST SUMMARY

#### SOUTH KOREA (1)

	1994	1995	1996	1997	1998	1999
<b>Real % change</b>						
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 and services	16,2	18,0	14,0	13,0	12,0	11,0
Imports of goods and 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
<b>Population e and income</b>						
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
<b>Inflation (%)</b>						
Consumer prices	6,2	5,2	5,0	4,8	4,5	4,5
Average earning in manufacturing	12,5	11,5	11,0	11,0	10,5	11,0
<b>Financial Indicators</b>						
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
<b>External Trade ( \$ bn) (1)</b>						
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
<b>Foreign Indebtedness</b>						
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

## FORECAST SUMMARY

### SOUTH KOREA (2)

	1994	1995	1996	1997	1998	1999
<b>Real % change</b>						
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 and services	16,2	18,0	14,0	13,0	12,0	11,0
Imports of goods and 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
<b>Population and income</b>						
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

<b>Inflation (%)</b>						
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
<b>Financial Indicators</b>						
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 bond yields (%)	13,0	14,0	14,0	13,0	13,5	14,0
<b>External Trade ( \$ bn) (1)</b>						
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
<b>Foreign indebtedness</b>						
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

## APPENDIX 2

Product	Specific	Country	Value	
			1994	1995

Pork (0206-)	Others (0203-29-0000)	Denmark	61,555,797	44,857,399
		UK	3,906,950	17,005,170
		Ireland	8,485,444	7,606,476
		Taiwan	1,539,829	1,483,263
		USA	1,828,855	25,294,169
		Canada	-	11,357,188
		Netherlands	-	2,094,163
		Sweden	-	951,942
		Others	66,722	-
			Tongues (0206-21-0000)	Austria
		Australia	1,566,282	3,038,808
		Netherlands	18,413	-
		Newzealand	106915	262,147
		USA	618,132	415,853
	Of Swine, Fresh or Chilled (0206-30-0000)	USA.	27894	60,900
	Foot of Swine 0206-49-1000)	Australia	13,034	-
		Canada	1098287	735,124
		Germany	14,594	-
		Denmark	1513383	1,511,729
		Finland	29,722	27,969
		UK	126,894	230,815
		Ireland	144,438	-
		Sweden	28,567	-
		USA	2,992,689	4,914,688
	Others (0206-49-9000)	Australia	42,453	38,768
		Canada	471,483	1,253,601
		Denmark	849106	759,712
		UK	152,652	397,810
		USA	460,431	3,010
	Pig Fat (0209-00-1000)	Canada	456,934	272,904
		USA	515,584	201,471

### APPENDIX 3

Importer by products

Products Code: (H S) 0203-29 IMPORTS

## Production: Others Pork ( Refrigerate)

---

Code	Company Name	Phone Number	Fax Number.
193285	Korea Stock Trade	(02)561-5764	(02)564-3097
670100	Tae Han Tungsten Mining	(053)760-7114	(053)762-1053
710259	Korea Cold Storage Co., Ltd.	(02)815-9331/8	(02)812-8808
11122265	Korea Restaurant Agri & Stork products Supplier Center	(02)425-4981	(02)425-2671
670368	Gerpyung Co., Ltd	(02)519-0600	(02)452-3767
770237	Hyundai Corporation	(02)746-1114	(02)741-2341
797296	Lotte Ham & Milk Co., Ltd.	(02)593-0122	(02)534-7663
865599	Jin Ju Ham Co., Ltd.	(0523)387-5001	(0523)387-5008
670351	Cheil Foods & Chemicals Inc.	(02)726-8341/5	(02)726-8389
690252	Dongwon Industries Co., Ltd.	(02)589-3000	(02) (02)589-3289
11155252	Woo Sung Trading Co., Ltd.	(02)292-3131	(02)298-3287
11177153	Asia Nong San Co., Ltd.	(0331)261-4251	
258254	Jin Ju Co., Ltd.	(0461)741-9040	(0461)741-7535
782160	Haitai International Inc.	(02)270-1600	(02)701-7573
522368	Seongboo Trading Co., Ltd.	(02)544-8377	(02)546-2987
13017332	Spin Industries Co., Ltd.	(053)768-6700	(053)768-6282
700317	Han Sung Enterprise Co.,Ltd.	(051)413-6221/9	(051)413-3399
11043892	K.M.T Co., Ltd.	(02)562-4721	(02)274-3291
21019223	Kang Ha Co., Ltd.	(0331)294-7101/	(0331)294-6630
670382	Hyosung Corporation	(02)771-1100	(02)754-9983
11069366	Hendy International	(02)236-5235	(02)237-0239
24006118	Woo Kang Industries Co., Ltd.	(0553)546-5070/	(0553)545-7989
23002014	Myung Koong Industries Co., Ltd.	(0446)877-4601/	(0446)877-4600

---

**APPENDIX 4****Pork**

Co. Number	Product Imported	Packaging	Size/ Quantity	Quality	Other Details	Source	Quantity Imported		
							kg	\$ US	
9	Pork	Cacas	20-30 kg	Good	Excell Co.	USA Australia	3,300 ton	Secret	Retail food
10	Pork	Box, Frozen	20-30 kg	Good	E.S.S. Food Maltone I.B.P. Excell National	Denmark USA UK Netherlands Canada	23 000 ton	69 mill	Wholesale Retail (20 %)
11	Pork	Frozen Box		Not regular	-	USA Denmark Canada	20 % of all their imports	21 % of all their imports	Dept. Agent
12	Pork	Box	20-30 kg	N/A.	-	Denmark	3,000 ton	8 billion	Wholesale Distributor Retail
13	Pork	Vacuum	Different by port		IBP Mont Forte, Excell Food companies	USA Denmark Australia	1,800 ton	5,6 mill	KOS Korea supply
14	Pork	Box for packing pork	30 kg		IBP, Excell, Fodane Food companies	USA Denmark Australia	570 ton	1,3 mill	they import pork

**Pork**

<b>Co. Number</b>	<b>Co. Name</b>	<b>Business Type</b>	<b>Tel.</b>	<b>Fax</b>	<b>Address</b>
9	Korea Cold Storage Co., Ltd.	Manufacturer	815-9331/8	812-8808	13-9, Noryanggin-dong, Dongjack-ku
10	Korea Livestock Trading Co.	Importer	561-5764/8	564-3097	Sungwon Bldg, 776-13, Yoksam-dong, Kangnam-ku
11	Lotte Ham & Milk	Manufacturer	593-0122	534-7663	50-2, Chamwon-dong, Seocho-ku
12	Gerpyung Co.	Manufacturer	516-4389	452-3767	203-1, Nonhyun-dong, Kangnam-ku
13	Korea Restaurant Supplier Center	Importer	425-4981	425-2671	
14	Cheil Chemical & Sugars Co., Ltd.	Manufacturer	710-5341	726-8389	2406, Moonbae-dong, Yongsan-ku
74	Luck One Agricultural Co., Ltd.	Importer	529-7676	529-7679	334-1, Yangjae-dong, Seocho-ku

