



# Study on the Korean Sugar Confectionery Market

## HS 1704

This study on the Korean sugar confectionery market is intended to provide information on the state of the Korean sugar confectionery industry and provide suggestions of possible areas of opportunity for Canadian sugar 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**

Over \$20 million worth of sugar confectionery was imported into Korea in 1990. However, 1991 and 1992 showed a decreasing trend with a low of \$17.92 million in 1992 reflective of the domestic market recession. Imports have since increased steadily reaching \$34 million in 1995. Sugar confectionery imported from Canada was first recorded in 1994 at \$184,000 and has grown dramatically in 1995 to \$754,000, as illustrated in Diagram 1.

### **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 the language barrier, obstructive bureaucrats, non transparent regulations and the dominance of the Korean business environment by large conglomerates, called the chaebol, which complicate market access procedures.

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## **2. Regulations and Procedures**

### **2.1 Trade Regulations**

None

### **2.2 Tariff Rates**

The tariff for sugar confectionery imports under HS 1704 in 1996 is 8%.

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 customs classification for sugar 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 listed below 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

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.

Sugar confectionery importers believed that the food regulations were the greatest obstacle to importing sugar confectionery, particularly the food colourings.

### 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 are 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.

### **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 governments 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 and thus reducing the effect of such campaigns and growing acceptance of foreign food products.

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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, 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?**

A survey conducted of importers of sugar confectionery in early 1996 found that gum, candy and toffee of all varieties were being imported. However, the market is very competitive resulting in importers being extremely guarded of price or product details, as illustrated in Table 1.

Imported sugar confectionery from European countries has a premium profile in the market as importers believe it is of a higher quality and a strong reputation amongst Korean consumers as high grade confectionery.

Imported sugar confectionery is widely distributed in Korea through department stores, convince stores, chain stores, supermarket chains, bakery shops and hotels, as illustrated in Table 2.

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

Co. Nos	Company Name	Product	Price	Amount Imported
71	Dabong Corporation	Dendy Gum	Stopped Importing	Was about \$60 000/ year
47	Royal Confectionery	Candy	Secret	Secret
75	Euko Merchant	Candy Toffee	Secret	USD\$ 8 mill  (Co. Turnover in 1995 Importing confectionery/ grocery products for retail market)

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

Co. Nos	Company Name	Type of Co.	Product	Packaging	Quantity	Customer
71	Dabong Corporation	Importer	Dendy Gum	Plastic foil Packaging		Retail via distributors
47	Royal Confectionery	Importer	Candy	Bulk	20-25 kg	Bakery Shop 40%  Dept. Store 20 %  Haiti Crown  (Manufacturers) 30 %  Export (10 %)
75	Euko Merchant	Importer	Candy Toffee			Shopping Centers/  Dept. Stores  - 15 Stores  Convenience Stores  - 7 chains (1,900 stores)  Supermarket Chains  - 12 chains  Bakery Shop -

				5,000 Shops
				Hotels + Catering Institutes 34

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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 governments 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 sugar confectionery in early 1996 found the candidates either worked directly with their supplier or the suppliers agent, with all relationships being at arms length.

Table 3 lists the types of marketing channel relationships particular Korean companies importing ..... have with there 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. However, all candidates were unco operative on 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)
71	Dabong Corporation	Importer	Direct	(Denmark)
47	Royal Confectionery	Importer	Direct or/ and through Agents	(Holland, Indonesia, Malaysia)
75	Euko Merchant	Importer Wholesaler	Direct A/L Direct Arms Length Direct Arms Length	Cavendisk + Harvey (Germany) Trefin (Belgium) Walkers, Non Such (UK)

## 5.5 Five Ways to Help Your Local Agents

### 1. Make frequent visits

It is important to 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. Table 5 lists the many food exporters to Korea who recently participated in a food fair in Korea. 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 6 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 7.

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.

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**Table 4. Great American Food Show Exhibitors List Organized 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./US Cola Inc.	Oregon Department of Agriculture
CA Department of Food & Agriculture	Quest International
California Seafood Council	Rakingham Poultry
e>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.b>	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 America
Illinois Department of Agriculture	
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.	

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



**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.
<b>Incheon</b>
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.
<b>Kwangju</b>
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.
<b>Taejon</b>
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.
<b>Kyunggi-do</b>
Kapyong Tourist Hotel, New Garden Tourist Hotel, Yakam Tourist Hotel, Saila Park Tourist Hotel, Koam Tourist Hotel.
<b>Kangwon-do</b>
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.
<b>Chungchonbuk-do</b>
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.
<b>Chungchonnam-do</b>

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>Restaurants touristiques</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 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, Kims 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.

Koreas 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 Koreas 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.

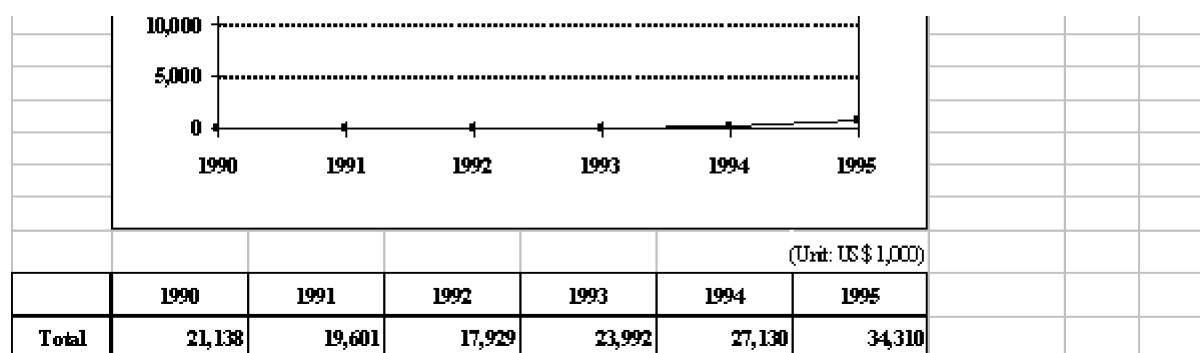
[Back to table of contents](#)

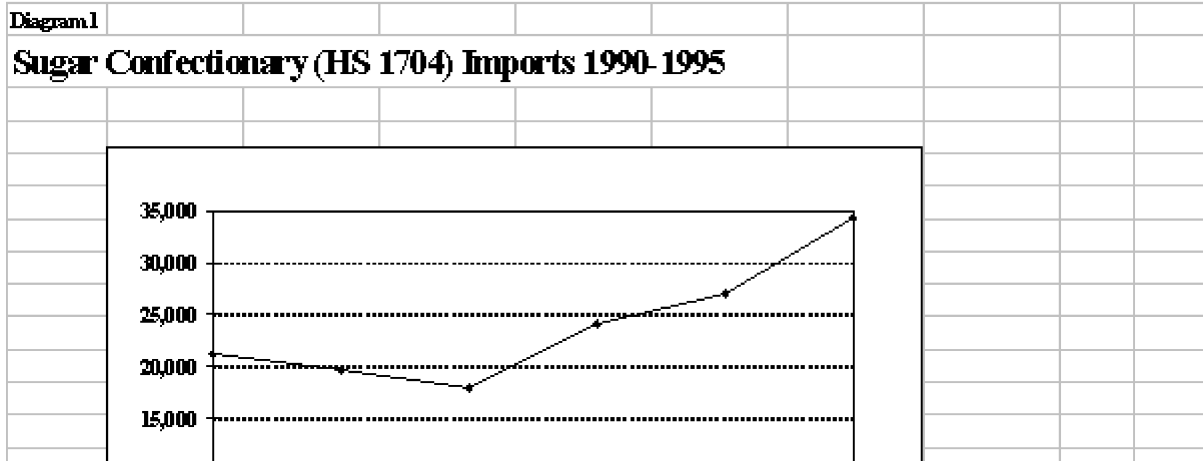
## 6. Imports by Country 1990-1995

The imported sugar confectionery market of Korea has been dominated by Spain and the USA who have held on average nearly 50% of the market between them. France, Germany, Indonesia, The Netherlands and the U.K. are also strong players in the market, as illustrated in Diagram 2 to 7.

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**Diagram 1. Sugar Confectionery (HS 1704) Imports 1990-1995**





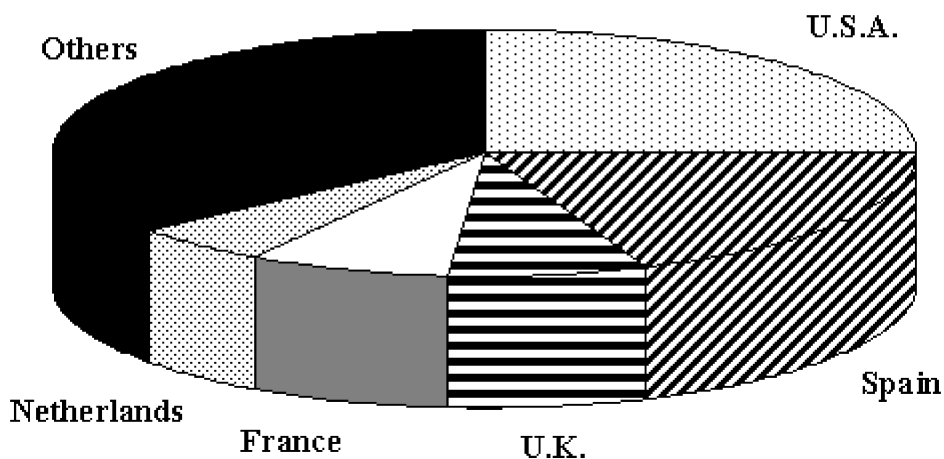
(Unit: US\$ 1,000)

	1990	1991	1992	1993	1994	1995
<b>Total</b>	21,138	19,601	17,929	23,992	27,131	34,311
<b>Canada</b>	0	0	0	0	184	754

Source : Statistical Yearbook of Foreign Trade.

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**Diagram 2. Sugar Confectionery (HS 1704) Imports by Country 1990**



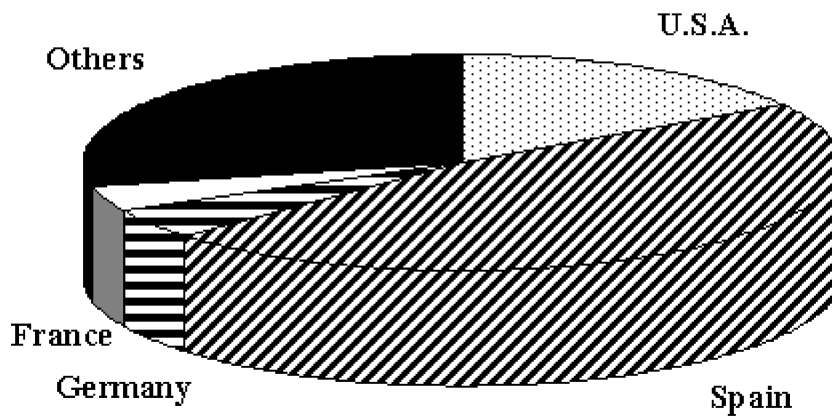
(Unit:US\$ 1,000)

Country	USA	Spain	UK	France	Netherlands	Others	Total
Value	5330	4050	1599	1599	1109	7632	21,318
%	25,0 %	19,0 %	7,5 %	7,5 %	5,2 %	35,8 %	100,0 %

Source : Statistical Yearbook of Foreign Trade.

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**Diagram 3. Sugar Confectionery (HS 1704) Imports by Country 1991**



(en milliers de \$ US)

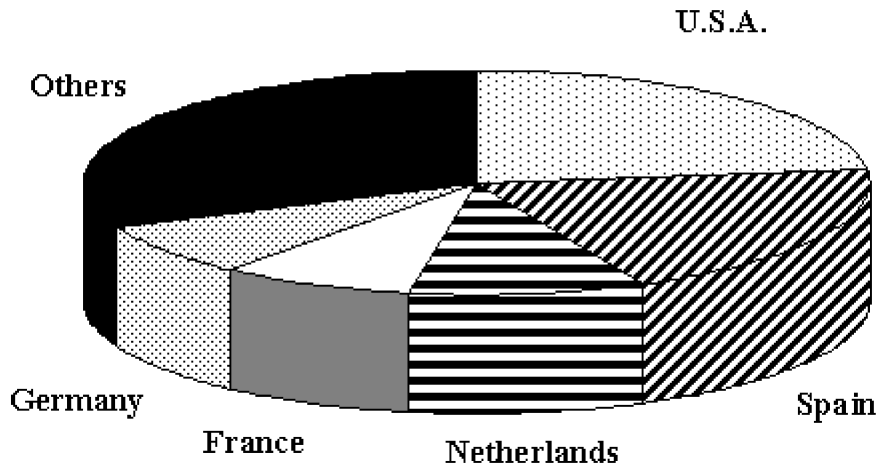
Country	USA	Spain	Germany	France	Others	Total
Value	3136	9212	902	745	5606	19601
%	16,0 %	47,0 %	4,6 %	3,8 %	28,6 %	100,0 %

Source : Statistical Yearbook of Foreign Trade.

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**Diagram 4. Sugar Confectionery (HS 1704) Imports by Country 1992**





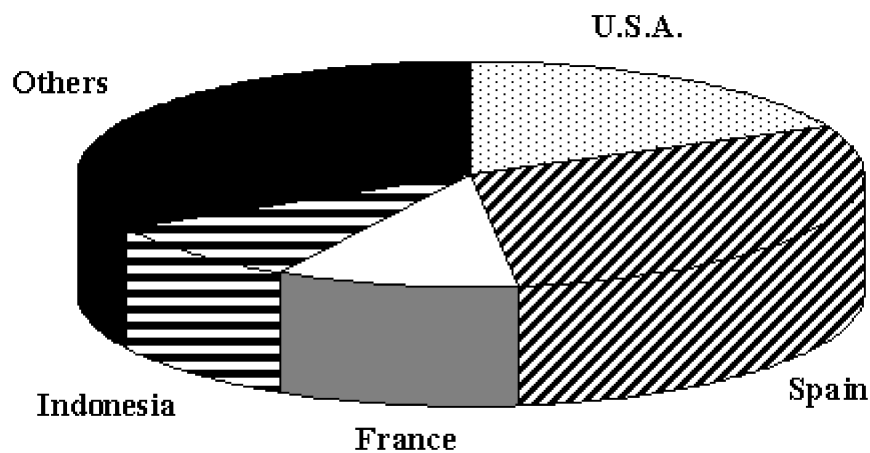
(en milliers de \$ US)

Country	USA	Spain	Netherlands	France	Germany	Others	Total
Value	4124	3586	1739	1434	1434	5612	17929
%	23,0 %	20,0 %	9,7 %	8,0 %	8,0 %	31,3 %	100,0 %

Source : Statistical Yearbook of Foreign Trade.

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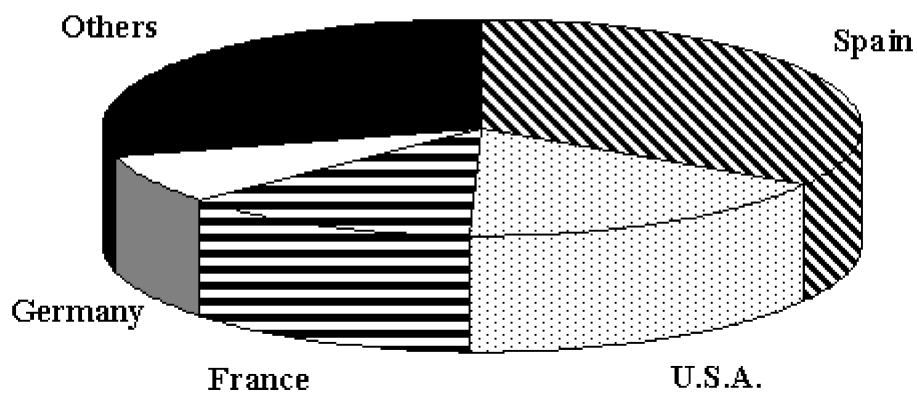
**Diagram 5. Sugar Confectionery (HS 1704) Imports by Country 1993**



(en milliers de \$ US)

Country	USA	Spain	France	Indonesia	Others	Total
Value	4319	7198	2399	2159	7917	23992
%	18,0 %	30,0 %	10,0 %	9,0 %	33,0 %	100,0 %

Source : Statistical Yearbook of Foreign Trade.

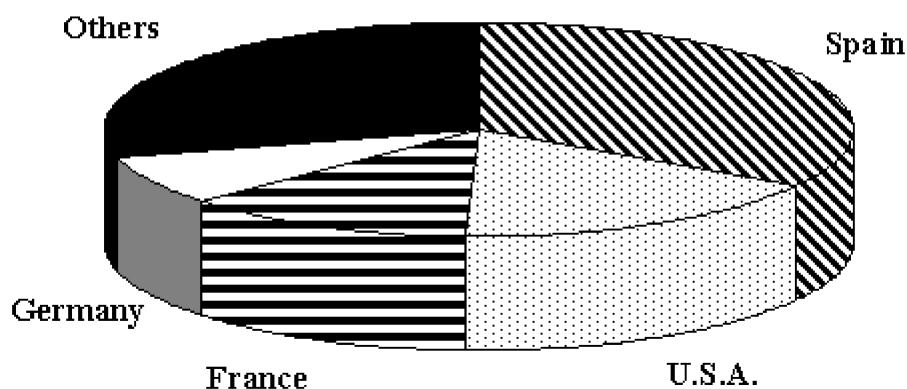
[Back to table of contents](#)**Diagram 6. Sugar Confectionery (HS 1704) Imports by Country 1994**

(Unit:US\$ 1,000)

Country	Spain	USA	France	Germany	Others	Total
Value	9164	4547	3438	2098	7883	27130
%	33,8 %	16,8 %	12,7 %	7,7 %	29,1 %	100,0 %

Source : Statistical Yearbook of Foreign Trade.

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**Diagram 7. Sugar Confectionery (HS 1704) Imports by Country 1995**

(en milliers de \$ US)

Country	Spain	USA	France	Germany	Others	Total
<b>Value</b>	7871	7278	3753	2247	13161	34310
<b>%</b>	22,9 %	21,2 %	10,9 %	6,5 %	38,4 %	100,0 %

Source : Statistical Yearbook of Foreign Trade.

[Back to table of contents](#)**Table 8. Sugar Confectionery**

Co. Nos	Company Name	Source	Government Trade Promotion Activities
71	Dabong Corporation	Denmark	UK Embassy, Mails information and arranges contact meetings with suppliers
47	Royal Confectionery	Holland, Indonesia, Malaysia	Malaysian Embassy- Send catalog, information, trade show.

75	Euko Merchant	Germany, Belgium UK	<p>- European Companies previously had export subsidies however, these have ceased, as of the end of 1995. Thus price is increasing.</p> <p>- US Companies pay 50% of Korean Importer Promotional activities. The US company is reimbursed by Embassy promotional administration for this expense.</p> <p>- US, French, Belgium + Danish Embassy send brochures + invitations to exhibition.</p>
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## 7. Government Trade Promotional Activities in Korea

### Embassy's actively marketing in Seoul :

- U.S.A.
- U.K.
- French
- Belgium
- Danish
- Malaysia

### Main marketing activities undertaken :

- Send information, including brochures and catalogues about manufacturers / products to importers and distributors
- Participate in trade shows and invite importer and distributors
- Arrange meetings between manufacturers, suppliers with Korean importers / distributors

### Other :

- USA companies pay 50% of Korean importers promotional activities. The US company is reimbursed by Embassy promotional administration for this expense
- European companies use to have export subsidies however these have ceased, as of the end of 1995 thus price is increasing

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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 Koreas 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.

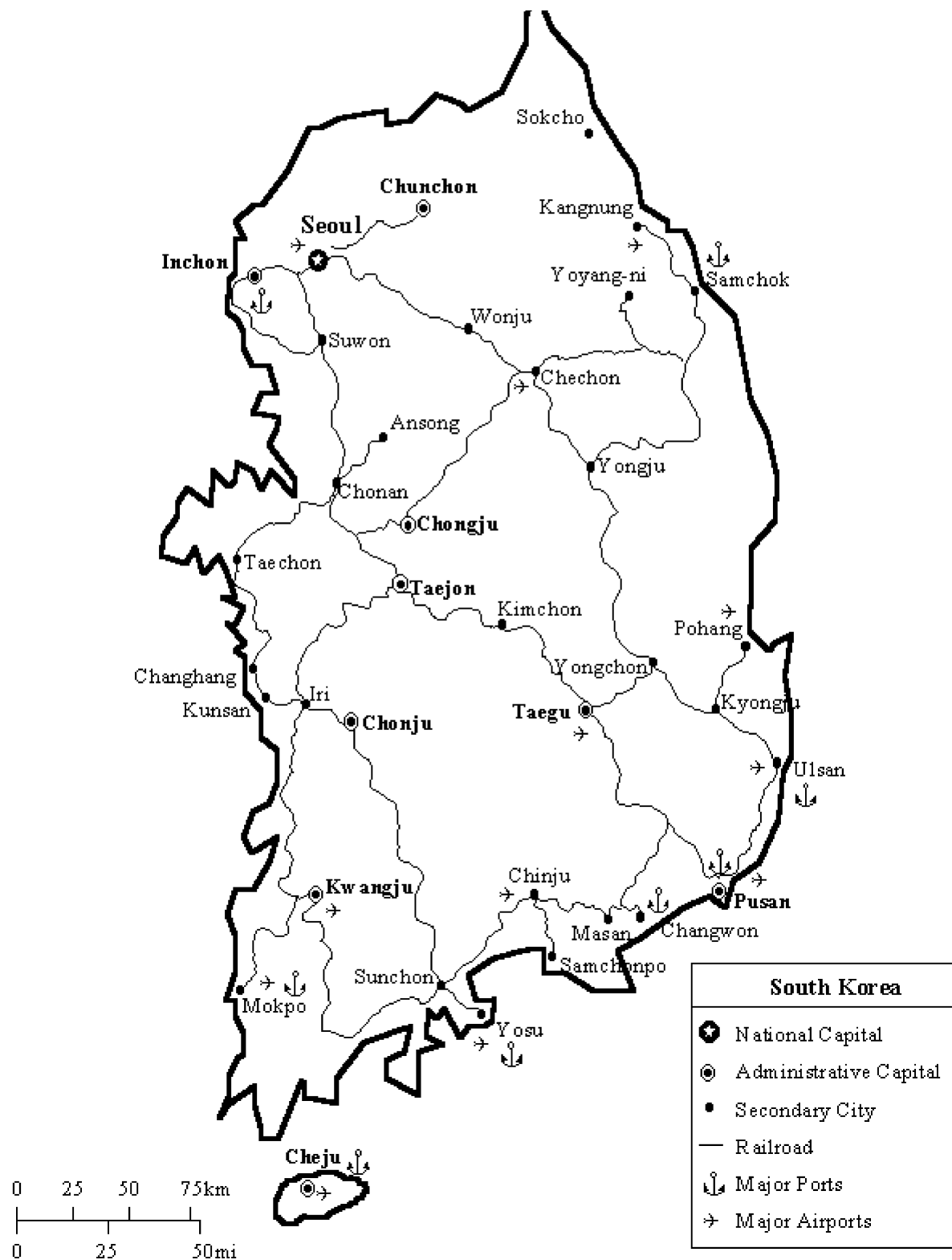
Incheon, located approximately 40km west of Seoul, is Koreas second major port. Although it is near the countries capital and main trade and business centre Incheon is far smaller than Pusan. The Incheon harbour, where six of the eight piers are used for international cargo, are accessible only through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

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**Diagram 8. National Transportation**





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**Diagram 9. Comparative Estimation of Transportation Costs to Korea**

**Presumption for Calculation**

	FROM USA		FROM EUROPE		FROM AUSTRALIA	
	Los Angeles		Hamburg		Melbourne	
Import	45 000	7 000	45 000	60 000	45 000	60 000
Loading Port	NF (20 pi)	F (40 pi)	NF (20 pi)	F (20 pi)	NF (20 pi)	F (20 pi)
CIF/CNTR (US\$)	25 m <sup>3</sup>	50 m <sup>3</sup>	25 m <sup>3</sup>	20 m <sup>3</sup>	25 m <sup>3</sup>	20 m <sup>3</sup>
Container	20 000	30 000	20 000	18 000	20 000	18 000
Volume	INCHON	BUSAN	INCHON	BUSAN	INCHON	BUSAN

Volume

labeling Qty (EA)

Bonded W/H (Hyonik)

**BEFORE CUSTOMS CLEARANCE (Unit: Korea Won) (Ex-rate: US\$1=KW783)**

INVOICE AMOUNT	35235000	54810000	35235000	46980000	32235000	46980000
OCEAN FREIGHT	1174500	2959740	783	2818800	1135350	2818800
CARGO INSURANCE	34,53	53,714	34,53	46,04	34,53	46,04
I/L & 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	20	20	20	20	20
L/G FEE	10	10	10	10	10	10
OPENING COMMISSION	59,9	93,177	59,9	79,866	59,9	79,866
PUSAN PORT CHARGES	110,65	170,5	115,85	147,7	87,85	147,7
- THC	82,8	118,8	88	116	60	116
- CONT. TAX	20	40	20	20	20	20
- WHARFAGE	3,85	7,7	3,85	7,7	3,85	7,7

- DOCU FEE	4	4	4	4	4	4
BONDED TRANSPORT	343	113	343	113	343	113
CNTR DEVANNING/LIFT-OFF	150,648	281,7	150,648	155,88	150,648	155,88
CUSTOMS DUTY (8 %)	2818800	4384800	2818800	3758400	2818800	3758400
CUSTOMS VAT	3805380	5919480	3805380	5073840	3805380	5073840
CUSTOMS-RELATED CHG	95,47	134,62	95,47	118,96	95,47	118,96
BONDED STORAGE (1 MTH)	245	910	245	455	245	455
LABEL/PRINTING	80	120	80	72	80	72
LABOR COST FOR LABELING	800	1200000	800	720	800	720
GENERAL VAT	161,865	262,47	161,865	151,588	161,865	151,588
OTHERS	100	100	100	100	100	100
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)						
GENERAL VAT	245,000	910,000	245,000	455,000	245,000	455,000
	32,590	111,970	32,590	66,470	32,590	66,470
SUB-TOTAL (b)	358490	1231670	358490	731170	358490	731170
TOTAL (a + b)	45902441	73222016	45521341	61941354	42817691	61941354

\* 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 &amp; Cold

14 pyong x W65 000, for 40' reefer

[Back to table of contents](#)**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 & 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
<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	4,8	4,5	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	767,0	750,0	735,0	720,0	710,0
W : 100	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 & 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
<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	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
<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

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## APPENDIX 2

Product	Specific	Country	Value					
			1994	1995				
Sugar Confectionery (1704-)	Re-import (1704-00-0001)	Japan	84395	103469				
		Taiwan	2114	-				
		Others	57306	10802				
Product Sugar Confectionery (1704-)	Chewing gum, Whether or not Sugar-coated (1704-10-0000)	Canada	181846	753715				
		Pr. China	68973	-				
		Spain	2146085	2439184				
		Chile	-	64600				
		France	634148	402906				
		Indonesia	30342	-				
		Italy	-	247494				
		Japan	24287	86993				
		Mexico	203005	863294				
		Malaysia	23514	-				
		Phil. R.	8377	-				
		Pakistan	72985	135727				
		USA	748502	381550				
		Slovenia	138350	63163				
			Liquorice Extract, Not put up as Confectionery (1704-90-1000)	Japan	-	9089	Drops (1704-90-2010)	Argentina
		Austria	27664	35207				
		Australia	496450	66081				
		Belgium	59030	352941				
		Brazil	-	65278				

Swiss	46043	431595	
Chile	50461	8402	
Colombia	-	54729	
Germany	1339856	1694030	
France	441709	650939	
UK	709413	704551	
Greece	-	33173	
Hong Kong	-	42314	
	Indonesia	138856	97863
	Italy	-	71524
	Ireland	64395	-
	Japan	43472	16850
	Mexico	50901	25364
	Malaysia	22350	44768
	Netherlands	22661	2493
	Norway	48935	-
	Slovenia	-	59842
	Thailand	-	339721
	USA	373064	405802
	South Africa	206550	-
<b>Specific</b>	<b>Country</b>	<b>Value</b>	
		<b>1994</b>	<b>1995</b>
Caramels (1704-90-2020)	Argentina	-	160230
	Brazil	23085	-
	Swiss	3893	-
	Chile	27922	-
	Germany	62768	66360
	Spain	-	144534
	France	28554	55984
	UK	48604	242589
	Italy	-	9617
	Japan	34083	71464
	Malta	103276	-
	Pakistan	92505	105012
	USA	979878	759315

Other (1704-90-2090)	Argentina	44643	62337
	Austria	21386	142744
	Australia	-	215697
	Belgium	13377	53540
	Brazil	12349	18679
	Canada	2216	-
	Swiss	22515	1532
	Chile	-	20902
	Pr. China	264281	58823
	Colombia	69519	-
	Germany	417705	379941
	Spain	7017705	5250115
	France	670143	1013597
	UK	255218	207514
	Indonesia	97298	-
	Italy	-	167602
	Japan	658350	664170
	Mexico	436429	1082030
	Malaysia	23487	427139
	Netherlands	807421	1658489
	Phil. R.	-	26863
	Thailand	471351	920101
	Taiwan	-	65838
	USA	1869643	2845619
	South Africa	238501	102960
	Other (1704-90-9000)	Australia	108052
Belgium		99828	154798
Brazil		49920	47671
Swiss		23247	27921
Chile		-	11902
Pr. China		392756	641358
Germany		278052	106606
Denmark		-	20499
Spain		-	36991
Finland		46538	117740
France		1663730	1629551
UK		20856	19316
Italy		-	21474
Japan		24260	79090

	Malaysia	39365	-
	Netherlands	297521	352969
	Phil. R.	70178	185177
	USA	576293	2886129

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### APPENDIX 3

#### Importer by Products

Code: (H S) 1704-10 IMPORTS

Products: Chewing Gum

Code	Company Name	Phone Number	Fax Number
821980	Crown Confectionery Co., Ltd.	(02)973-0051	(02)973-3303
436038	Deubo Industry Co., Ltd.	(02)543-8771	(02)542-1436
782160	Haitai International Inc.	(02)270-1600	(02)701-7573
12002340	Kerpoong Trading Company	(02)525-4599	(051)525-8151
831121	Yoo Tong Enterprise Co., Ltd.	(02)701-5050	(02)716-7730
11053048	Sekee World Co.Ltd	(02)730-0516/9	(02)720-7694
670382	Hyosung Corporation	(02)771-1100	(02)754-9983
11246466	In Joong Industris Co. Ltd.	(02)523-4172/3	(02)523-4174
11101118	Seoul International	(02)608-7508/9	(02)608-0043
841379	Hu Duck Trading Co., Ltd.	(0343)58-9881/5	(0343)58-9886
397342	Jin Uk Trading Co., Ltd.	(02)778-4820/1	(02)756-4662
546966	Cheong Koo Trading Co., Ltd.	(02)773-4546	(02)773-4547
896324	Han Nong Co., Ltd.	(0418)44-0660/1	(0418)44-0662
21010431	Koryo Logistics Co., Ltd.	(0331)281-6511/	(0331)281-6516
812133	Seonmyung Trading Co., Ltd.	(02)273-4836	(02)273-3994
11114349	Seol-A Co., Ltd.	(02)529-5417/8	(02)529-5419
11190345	Selva Korea Co., Ltd.	(02)430-5366	(02)430-5368
523398	Woo Sung Department Store Co., Ltd.	(02)553-3111	(02)558-5087

11231596	Choongang Family Co., Ltd.	(02)837-9340	(02)825-3482
11168425	Hyun Jin Corporation	(02)568-3508	
192066	Sam Young Comunication Technical	(02)783-1282	(02)785-7274
294964	Han Young Moolsan	(02)463-4970	(02)465-2271
11117605	Anam Trading Co., Ltd.	(02)941-2286,22	(02)941-2298
11066279	Won Woo Marketing Co., Ltd.	(02)606-8190	(02)692-2915
13017358	Nok Soo Won Co., Ltd.	(053)422-1646	(053)422-1645
12012624	Dong Nam Oil & Fats Co., Ltd.	(051)206-0364/5	(051)206-2330
11050609	Eskimo Trading Co., Ltd.	(02)359-7585/6	(02)356-5234
11109086	Shin-A Trading Co., Ltd.	(02)541-2003	(02)544-2564
525877	Yeon Bang International Co., Ltd.	(02)718-4797	(02)703-5396
522681	Hyun Jun Trading Co., Ltd.	(02)774-4051	(02)774-4053
276951	Koryo Confectionery Co., Ltd.	(032)656-9111/2	(032)656-9113
874164	Nae Woo Trading Co., Ltd.	(02)756-5731/2	(02)755-8852
711175597	Soo Il Industry Co., Ltd.	(02)388-3723	(02)358-6894
391551	J.N Trading Co., Ltd.	(02)753-7661/3	(02)753-7664
428675	Jeil Family Co., Ltd.	(02)743-1232	(02)742-0041
782160	Haitai International Inc	(02)270-1600	(02)701-7573
11045627	Yoon Bo Commercial Ltd.	(02)561-5071	(02)556-1156
297411	Jewon International Co., Ltd.	(02)998-5151	(02)998-6678
821980	Crown Confectionery Co., Ltd.	(02)973-0051	(02)973-3303
420680	Keun Wha Pharma. Co., Ltd.	(02)431-3100/9	(02)430-1135
191696	Yocomerchant Co., Ltd.	(02)990-6100	(02)990-6120
670382	Hyosung Corporation	(02)771-1100	02)754-9983
192066	Sam Young Comunication Technical	(02)783-1282	(02)785-7274
561147	Park Davis Korea Co., Ltd.	(02)552-5411	(02)557-8215
896324	Han Nong Co.,Ltd.	(0418)44-0660/1	(0418)44-0662
841771	Ampaco Co., Ltd	(02)752-2231	(02)757-5457

537229	Samkyung Plaza Co., Ltd.	(02)578-8383	(02)578-8385
432757	Colombus Corporation Co., Ltd.	(0336)636-3181	(0336)636-3930
11234216	Kencos Corporation Co., Ltd	(02)554-9211	(02)554-3882
842990	Boryung Pharmaceutical Co., Ltd.	(02)708-8000	(02)744-0682
831121	Yoo Tong Enterprise Co., Ltd.	(02)701-5050	(02)716-7730
296759	Yoon's Brother Moolsan Co., Ltd.	(0343)66-4251	(0343)66-0054
435462	Il Shin Internatinal Co., Ltd.	(02)571-4535/7	(02)571-4538
902586	Kirin Co., Ltd.	(051)783-7830	(051)783-7845
11003209	Won Hee Trading Co., Ltd.	(02)783-0275/6	(02)784-2738
392505	G & F Co., Ltd.	(02)578-0044	(02)578-2266
11014928	Dae Rim To San Co., Ltd.	(02)517-0431	(02)517-0435
812944	Shinsegae Department Store Co., Ltd.	(02)550-9351/3	(02)550-9393/4
11117605	Anam Trading Co., Ltd.	(02)941-2286,22	(02)941-2298
499068	Master Food Korea Co., Ltd.	(02)542-2155	(02)545-2691
11101118	Seoul International	(02)608-7508/9	(02)608-0043
841379	Hoo Duck Trading Co., Ltd.	(0343)58-9881/5	(0343)58-9886
855255	Kosilk Trading Co., Ltd.	(02)702-3016/9	(02)715-7687
27001312	Korea Food Co., Ltd.	(0681)536-8500/	(0681)536-8506
428675	Jeil Family Co., Ltd.	(02)743-1232	(02)742-0041
391551	J.N Trading Co., Ltd.	(02)753-7661/3	(02)753-7664
730435	Clover Trading Co., Ltd.	(02)464-0411	(02)463-4023
11158787	Parang World	(02)585-8114	(02)472-6035
710242	Sam Lip Deco Co., Ltd.	(02)864-6451/2	(0343)53-7575
11053048	Se Kee World	(02)730-0516/9	(02)720-7694
544951	Se Mee Industries Co., Ltd.	(02)584-8955-7	(02)588-4756
545307	Dong Ho Corporation	(032)662-8081	(032)612-9770
11174350	Jeong Seok Co.	(02)515-5747	(02)515-5749
11015660	Nam Heung Food Co., Ltd.	(032)551-0981	(032)551-0988



820455	Union Trading Co., Ltd.	(02)554-3293/6	(02)554-3292
980759	Kim Kook Corporation Co.,Ltd	(02)548-9762/4	(02)544-0224
12024803	Tae Rim Trading	(051)244-8564	(051)247-0137
11002921	Marony Distribution Co.,Ltd	(02)424-3638	(02)424-4736
11097134	Dowoori Trading Co., Ltd	(02)515-5695	(02)547-2590
11038360	Han Wool General Logistics	(02)322-8636	(02)338-4871/2
861641	Sam-A International Co., Ltd.	(02)571-3097/9	(02)579-2574
11229995	G & G Enterprise Co., Ltd.	(02)594-7124/5	(02)594-7126
741682	Taihan Sugar Ind. Co., Ltd.	(02)764-2600/26	(032)762-2484
11049795	Cheon Ha Corporation Co., Ltd.	(02)882-0521-2	(02)889-5496
393229	Han Cho Distribution Co., Ltd.	(02)753-0551	(02)757-0553
522681	Hyun Jun Trading Co., Ltd.	(02)774-4051	(02)774-4053
21010431	Koryo Logistics Co., Ltd.	(0331)281-6511/	(0331)281-6516
12002340	Kerpoong Trading Co., Ltd.	(02)525-4599	(051)525-8151
11254311	Seon Myung Moolsan Co., Ltd.	(02)676-0756/7	(02)676-0758
861184	A.C.T Korea Co., Ltd.	(02)594-4300	(02)594-1583
672184	Lotte Trading Co., Ltd.	(02)3459-9600	(02)565-0613/5
983804	Kodo Trading Co., Ltd.	(02)517-6743/4/	(02)784-6715
5111007926	Juhong Moolsan Co., Ltd.	(02)323-1971/3	(02)335-0402
673035	Han Nong Co., Ltd.	(02)547-8100	(02)548-1674
11071008	Tatan Trading Co., Ltd.	(02)542-9487/8	(02)543-0127
893688	Korea Flour Milling Co., Ltd.	(02)543-0209	(02)542-0209
11165804	Amoco Co., Ltd.	(02)568-9820	(02)567-8976
877604	B-R Korea Co., Ltd.	(0446)877-5031/	(0446)877-5029
11193870	Doore Trading	(02)536-4390	(02)536-7924
591416	Riri Confectionery Co., Ltd.	(0347)62-6772	(0347)64-1220
11003168	Sam-A Dairy Ind. Co., Ltd.	(02)430-6853/4	(02)430-6855
11057273	Eutteum Ind.	(02)579-9534	(02)529-0476
391056	Tae Kwang Distribution Co., Ltd.	(02)468-3341/3	(02)468-3343

11085997	Kolbi Traders	(02)409-1217/8	(02)409-1219
11019431	Tae Hwa International Co., Ltd.	(02)563-7903/4	(02)563-7905
529787	Eun Ha Trading	(02)569-1616/7	(02)569-1618
11109086	Shin-A Trading Co.	(02)541-2003	(02)544-2564
690362	Lotte Confectionery Co., Ltd.	(02)670-6331/9	(02)675-6600
11148474	Cheonbo Yang Haeng Co., Ltd.	(02)723-8470	(02)773-6239
425908	Lotte Sam Kang Co., Ltd.	(02)6390-114	(02)6390-293
436038	Deu Bo Ind. Co., Ltd.	(02)543-8771	(02)542-1436
809067	Korea Tourist Hotel Supply Center	(02)458-3291-8	(02)452-7294,
4511173353	Taight Food Co.	(02)483-0616	(02)483-0617
24000103	Koryo Food Materials Co., Ltd.	(0525)32-1171	(0525)37-1177
292966	Korea Germanium	(053)813-0013/5	(053)811-0016
11015996	Narae Ind. Co., Ltd.	(02)722-0500	(02)734-0707
11198776	Nam Yang Commercial	(02)416-4573/4	(02)424-4389
12003516	Kent	(051)417-4123	(051)417-2308
11209593	Tong Yang Global Corp.	(02)3770-3000	(02)3770-3303
861586	Mijin Co., Ltd.	(02)553-1360	(02)554-2866
191218	Bitra General Co., Ltd.	(02)598-2323	(02)598-2324
431143	Woo Bo Industries Co., Ltd.	(02)365-1431/4	(02)365-1435
972932	Jiwon International Co., Ltd.	(02)783-4972/3	(02)784-8170
11071136	Sam Jin Commercial	(02)523-8111	(02)551-4690
690290	Korea Trading International Inc.	(02)551-3114	(02)551-3100
11076300	DM Corporation	(02)678-1542	(02)643-7448
11165354	C & L Music Co., Ltd.	(02)522-1886	(02)522-5626
525561	Dae Yu Corporation	(02)511-7587	(02)547-2590
12007613	Art Corporation	(051)208-4498	(051)208-0385
12012624	Dong Nam Oil & Fats Co., Ltd.	(051)206-0364/5	(051)206-2330
276724	Cheng Woo Confectionery Co., Ltd.	(0346)65-1924/5	(0346)65-1925
11123671	Keum-A Trading Co., Ltd.	(02)3272-7073/4	(02)3272-7075

11135793	Jin Seok International	(02)232-2076	(02)232-2078
193144	Oksan International Co., Ltd.	(02)313-3947/8	(02)312-3749
194253	Han Don Industries Co., Ltd.	(02)756-5631	(02)755-5631
690025	Samyang Foods Co., Ltd.	(02)735-8951	(02)733-6180
973010	Daily International Co., Ltd.	(02)419-6860	(02)419-6369
862059	Jeong Woo Confectionery Co., Ltd.	(0343)68-2050/6	(0343)44-1112
397342	Jin Uk Trading Co., Ltd.	(02)778-4820/1	(02)756-4662
710321	Sam Jin Trading Co., Ltd.	(02)968-5501/9	(02)961-5110/9
730246	Kyeong Nam Trading Development Co.	(051)463-6611/5	(051)463-6616
530329	Purina Korea Co., Ltd.	(02)528-7700	(02)528-7720
535441	Shin Woo H.R Co., Ltd.	(02)563-7708	(02)563-7709
535489	Seok Je Commercial Co., Ltd.	(02)692-1163	(02)692-1279
751658	Sung Woo Trading Co., Ltd.	(02)752-4642	(02)755-2559
771793	Hong Sung International Inc.	(02)717-7266	(02)717-1127
812133	Seon Myung Trading Co., Ltd.	(02)273-4836	(02)273-3994
790994	San Hae Commercial Co., Ltd.	(02)424-4387/8	(02)424-4389
437563	Family Food Co., Ltd.	(02)675-9769	(02)675-9768
440402	Jumbo Corporation	(02)587-9412/3	(02)586-8201
596617	Sehan Ind. Co., Ltd.	(051)464-6040	(051)466-0710
863120	Keumsung General Trading Co., Ltd.	(02)575-5322	(02)575-5141
873495	Woong Jin Trading Co., Ltd.	(02)579-0126-8	(02)579-0129
874164	Nae Woo Trading Co., Ltd.	(02)756-5731/2	(02)755-8852
7931849	Nestle Korea Ltd.	(0431)279-7114	(0431)276-4430
935089	Sejin Supply Co., Ltd.	(02)516-3362	(02)545-2372
972554	Core Commercial Co., Ltd.	(02)736-8266/7	(02)736-7697
11019910	Seon Han Moolsan Co., Ltd.	(02)575-7810	(02)575-7811
111047410	Do Rim Distribution Co., Ltd.	(02)401-1852	(02)409-7574
11068091	Saso Co., Ltd.	(02)563-9701	(02)554-1497

11005625	Sam Lip Oil & Fats Co., Ltd.	(02)523-3161	(02)597-2447
11006495	Hyun Jee Commercial Co., Ltd	(02)779-4031/4	(02)779-4035
986337	Maeil Dairy Industry Co., Ltd.	(02)276-1551	(02)276-1550

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#### APPENDIX 4

#### Sugar Confectionary

Co. NumberNo	Product Imported	Packaging	Size/ Quantity	Quality	Other Details	Source	Quantity Imported		End-Use
							kg	\$ US	
34	Chocolate Candy Cookies Canned Food	Box	Bulk		Brand : Garden Kendos	Hong Kong Europe USA Italy			Distributo
35	Health Food Material	51t. Drum	50 kg			Japan Europe	500 kg	N/A	Distributo Drug Stor
36	Chocolate Margarine Shortening	Box	Small Large			Europe SE Asia. Australia	500 kg	N/A.	Whoelsak Distributo
33	Health Food	Can	155 ml to 4 000 ml		Brand : Star west	USA	3 ton	N/A	Specialty Store Drug Stor
38	Gum	Bag	25 kg		Cynochem (China)	Swiss Belgium Europe Chine	1 000 ton	US \$3/kg	Food Manuf.

#### Sugar Confectionary

Co. NumberNo	Product Imported	Packaging	Size/ Quantity	Quality	Other Details	Source	Quantity Imported		End-Use
							kg	\$ US	
34	Chocolate Candy Cookies Canned Food	Box	Bulk		Brand : Garden Kendos	Hong Kong Europe USA Italy			Distributo
35	Health Food Material	51t. Drum	50 kg			Japan Europe	500 kg	N/A	Distributo Drug Stor
36	Chocolate Margarine Shortening	Box	Small Large			Europe SE Asia. Australia	500 kg	N/A.	Whoelsak Distributo
33	Health Food	Can	155 ml to 4 000 ml		Brand : Star west	USA	3 ton	N/A	Specialty Store Drug Stor
38	Gum	Bag	25 kg		Cynochem (China)	Swiss Belgium Europe Chine	1 000 ton	US \$3/kg	Food Manuf.

### Sugar Confectionery

Co. No.	Company Name	Business Type d'entreprise	Tel.	Fax	Address
31	Kodo Co., Ltd.	Importer	517-6743/4	784-6715	Samsung-dong, Kangnam-ku
33	Keunhwa Pharmaceutical	Importer	431-3100/9	430-1135	94, Karak-dong, Songpa-ku
34	Marony Distribution	Importer	424-3638	424-4736	49-3, Songpa-dong, Songpa-ku
35	Boryoung Pharmaceutical	Manufacturer	708-8000	744-0682	66-21, Wonnam-dong, Chongro-ku

36	Samlip Oils & Fant	Manufacturer	523-3166	585-2447	487-7, Seocho-dong, Seocho-ku
37	Vita General	Importer	598-2323	598-2324	828-45, Yeoksam-dong, Kangnam-ku
38	Gerpoong Trading Co., Ltd.	Importer	525-4599	525-8151	#101, Hanmi Bldg., 1592-11, Seocho 3-dong, Seocho-ku
39	Dongtang Glover	Wholesaler	3770-3000	3770-3303	Dongyang Stock Bldg 165, 2308, Yeoido-dong, Youngdeungpo-ku
75	Euko Merchant	Importer-Whoelsaler	998-5151	998-6678	Jewon Bldg., 394-46, Suyu3-dong, Kangbuk-ku

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