

## Course Material No.4

# ROK Market Opportunity: Animal & Vegetable Products

**Course 4: ROK Market Opportunity – Animal & Vegetable Products** aims to provide a comprehensive market overview of agricultural and marine products in the Republic of Korea (ROK).

This Course focuses on major products with high export potential from Central America to ROK: **Frozen Beef**(HS Code 020230), **Frozen Shrimp**(HS Code 030617), **Kidney Bean**(HS Code 071333), **Banana**(HS Code 080390), **Pineapple**(HS Code 080430), and **Green Coffee Bean**(HS Code 090111).

By the end of the course, learners will be able to:

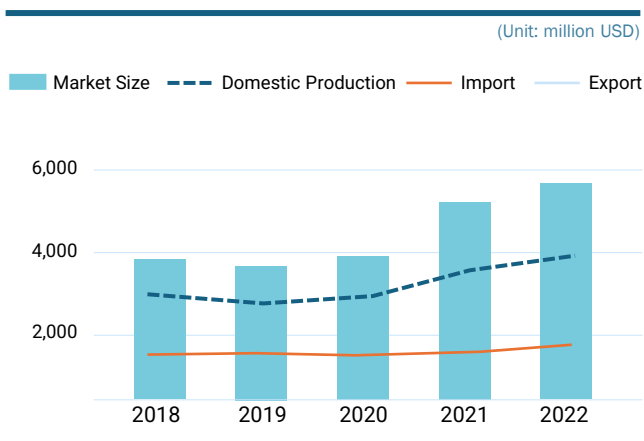
- Understand the ROK market trend and prospect of major products;
- Identify ROK market drivers, competitiveness, opportunities and risks;
- Acknowledge the regulatory requirements for export to ROK market

## FROZEN BEEF

### Key Facts

- ❖ Korea's per capita beef consumption increased from 2.6 kg in 1980 to 14.8 kg in 2022, a fivefold growth, with further increases expected through 2029. This sustained upward trend presents a valuable opportunity for Central American exporters.
- ❖ Annual beef market size in value has shown an annual growth rate of 8.35% rising from 3.97 billion USD in 2018 to 5.39 billion USD in 2022.
  - With only 0.01% of the market's values being exported, it indicates that the demand in the ROK beef market is primarily for domestic consumption.
- ❖ The frozen beef market in Korea is largely dominated by imports from the USA and Australia, which account for 88% of the total market.
  - To meet the growing demand from Korean consumers, the import volume of frozen beef are expected to increase further.
  - As a result, competition among current and emerging exporting countries is projected to remain fierce.

ROK beef market trend in value (2018~2022)



\* Source : Author

Import volume of frozen beef per country (2018~2022) (Unit: Ton)

	2018	2019	2020	2021	2022
USA	80,625	92,586	87,225	90,927	105,017
Australia	103,157	107,338	98,077	102,597	99,290
New Zealand	7,938	5,806	6,292	10,016	12,034
Canada	751	2,019	1,103	3,949	9,610
Mexico	2,191	3,492	4,424	4,001	3,588
Uruguay	1,417	1,048	590	1,929	1,101
Denmark	-	-	136	327	652
Netherlands	-	1	80	90	69
Chile	185	140	125	107	58
Others	0	0	0	1	0
Total	196,264	212,429	198,051	213,944	231,419

\* Source : Korean Statistical Office(K-STAT)

- ❖ The K-CA FTA is expected to benefit Central American countries through reduced tariffs, with full elimination anticipated for Costa Rica and Nicaragua by 2037, and for Panama by 2039.
  - On the other hand, ROK's major trade partners, such as Australia and the USA, have lower custom duties applied currently and will reach full elimination as early as 2027 and 2028.

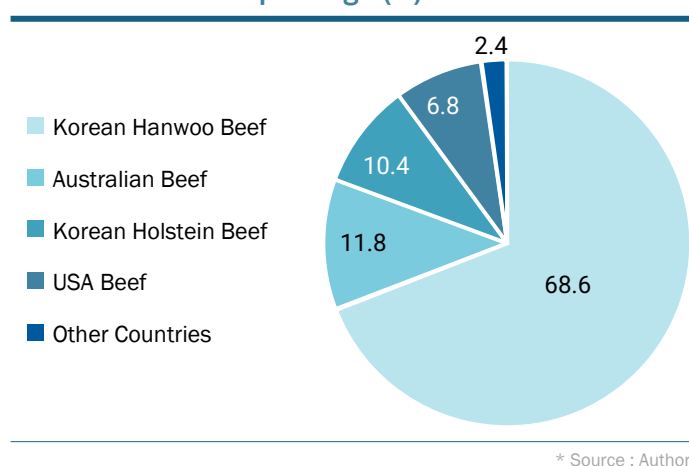
### Tariff on HS Code 020230 as of 2024

Country	HS Code	Current rate	Elimination of custom duties
Costa Rica	020230.0000	27.3%	2037.01.01
El Salvador	020230.0000	40%	MFN
Panama	020230.0000	31.5%	2039.01.01
Honduras	020230.0000	40%	MFN
Nicaragua	020230.0000	27.3%	2037.01.01
Guatemala	020230.0000	40%	MFN
Australia	020230.0000	10.6%(24%)	2028.01.01
USA	020230.0000	5.3%(24%)	2027.01.01

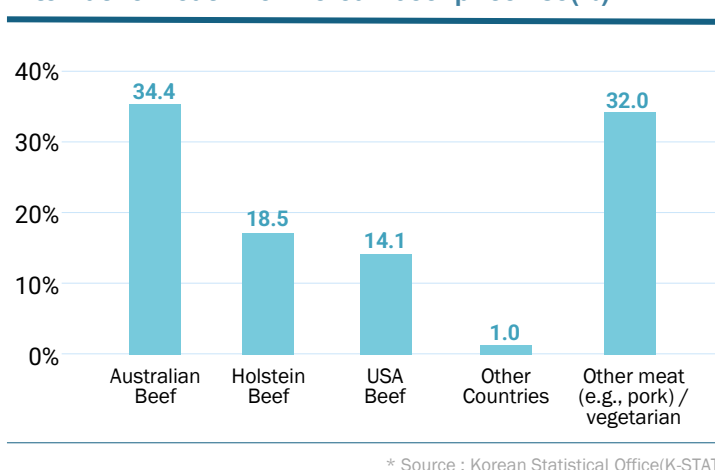
\* Source : K-CA FTA text, FTA Korea

- ❖ According to a consumer survey on beef consumption in 2022, approximately 68.6% of respondents indicated that Korean domestically produced beef -Hanwoo- was their most preferred beef.
  - While Hanwoo accounts for about 60% of actual consumption due to its perceived superior quality, its high cost prompts consumers to seek more affordable options such as Australian beef, domestic non-Hanwoo beef, and USA beef.

### Preference on Beef per Origin(%)



### Alternative meat when Korean beef price rise(%)



## Market Insights

- ❖ Beef consumption is on an upward trend and is expected to grow through 2029. Most importantly, the K-CA FTA enhances this opportunity by fully eliminating tariffs.
- ❖ To capitalize on this, CA suppliers and governments are expected to focus on increasing consumer awareness of quality and safety of the beef produced in Central America.
- ❖ Understanding regulatory framework and preparing for requirements are the key priority for the government and suppliers.
- ❖ Branding as lower priced beef with good quality could offer price competitiveness over high-priced and high-quality beef products in ROK market.
- ❖ Targeting meal kit and home-meal replacement (HMR) manufacturers with competitively priced beef products could be a potential marketing strategy.

## Strengths

- Rising beef consumption among ROK consumers
- Tariff reduction of CA beef under the K-CA FTA

## Opportunities

- Expanding size of ROK beef market
- Branding as lower priced beef to has price competitiveness over Hanwoo, USA, and Australian beef.
- Growing meal kit and home-meal replacement market

## Weaknesses

- Limited consumer awareness of CA beef
- High transport costs and long shipping time
- Unprepared regulatory frameworks

## Threats

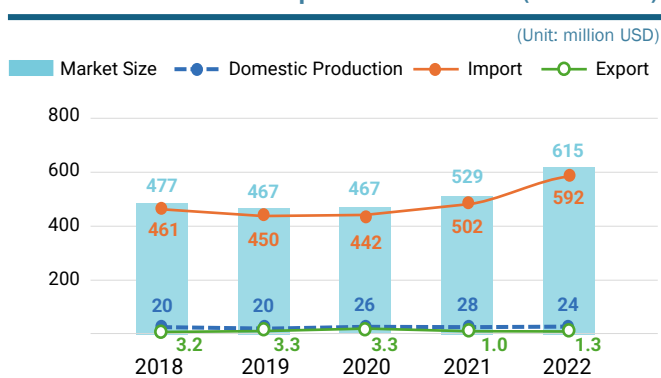
- Strict quality standards and complex regulations of ROK
- Strong dominance of major beef exporters from U.S. and Australian in ROK import beef market
- Increasing veganism among ROK population

# FROZEN SHRIMP

## Key Facts

- ❖ Consumer preferences in Korea are shifting towards healthier protein sources, transitioning from animal to aquatic proteins, while relatively low production costs of shrimp further enhances its market share.
- ❖ The annual shrimp market size has demonstrated an impressive growth rate of 6.8%, increasing from 477 million USD in 2018 to 615 million USD in 2022.
  - The low proportion of domestic production indicates that the ROK shrimp market heavily relies on imports to meet domestic consumption.
- ❖ Vietnam, Ecuador, and Peru supply about 70% of Korea's frozen shrimp, with Vietnam leading at 46%. This highlights their key role in the market.
  - Vietnam, the largest exporter of frozen shrimp in ROK market, enjoys full tariff elimination of all shrimp types.

## Structure of ROK shrimp market in value (2018-2022)



\* Source : Author

## Import volume of shrimp per country (2018-2022)

(Unit: Ton)

	2018	2019	2020	2021	2022
Vietnam	27,403	26,317	25,227	26,554	30,932
Ecuador	9,218	10,054	8,506	12,131	8,547
Peru	853	2,172	6,047	3,342	8,016
China	4,231	3,999	4,400	3,342	8,016
Malaysia	3,533	5,007	4,272	4,544	4,316
India	2,104	2,566	2,283	2,241	3,686
Argentina	2,247	2,222	2,162	2,302	2,439
Thailand	2,506	1,819	2,392	3,108	1,752
Indonesia	432	333	335	290	546
Others	2,462	2,451	1,704	880	767
Total	54,989	56,940	57,328	61,428	67,975

\* Source : Korean Statistical Office(K-STAT)

- ❖ Stating in 2024, Nicaragua, Panama, and Honduras will benefit from full tariff elimination under K-CA FTA. Costa Rica and Guatemala will see reduced tariffs now, with full elimination by 2028.

## Tariff on HS Code 030617 as of 2024

Country	HS Code	Product	Current rate(2024)	Elimination of custom duties
Costa Rica	030617.1010	Peeled Shrimp (Smoked,)	12%	2033.01.01
	030617.1090	Peeled Shrimp (Unsmoked)	8%	2028.01.01
El Salvador	030617.1010	Peeled Shrimp (Smoked)	13.3%	2034.01.01
	030617.1090	Peeled Shrimp (Unsmoked)	10%	2029.01.01
Panama	030617.1010	Peeled Shrimp (Smoked)	0%	2023.01.01
	030617.1090	Peeled Shrimp (Unsmoked)	12%	2030.01.01
Honduras	030617.1010	Peeled Shrimp (Smoked)	0%	2021.01.01
	030617.1090	Peeled Shrimp (Unsmoked)	8%	2028.01.01
Nicaragua	030617.1010	Peeled Shrimp (Smoked)	0%	2021.01.01
	030617.1090	Peeled Shrimp (Unsmoked)	8%	2028.01.01
Guatemala	030617.1010	Peeled Shrimp (Smoked)	16%	2028.01.01
	030617.1090	Peeled Shrimp (Unsmoked)	18%	2033.01.01
Vietnam	030617.1010	Peeled Shrimp (Smoked)	0%	-
	030617.1090	Peeled Shrimp (Unsmoked)	0%	-

\* Source : K-CA FTA text, FTA Korea

- ❖ Among Korean consumers, domestically farmed shrimps are eaten or cooked raw and considered as quality dish. While domestic shrimp is seasonally harvested between August and October, imported frozen shrimps are offered all year round at a comparably lower prices.
- ❖ Following consumers' preference, frozen shrimps are offered as cleaned, peeled, deveined, cut, portioned, pre-cooked products, which could be cooked or eaten less preparation process.
  - The meal kit market in Korea has been actively growing since 2017, and domestic companies are releasing various seafood-based meal kits, including those using shrimps as an ingredient.

## ▶▶ Market Insights

- ❖ The ROK frozen shrimp market is anticipated to experience steady growth, and the K-CA FTA enhances this opportunity by fully eliminating tariffs.
- ❖ To capitalize on this, CA suppliers and governments are expected to focus on increasing consumer awareness of quality and safety of the shrimp produced in Central America.
- ❖ Understanding regulatory framework and preparing for requirements are the key priority for the government and suppliers.
- ❖ Additionally, targeting the ROK market with minimally and fully processed frozen shrimp will be essential, as these products align well with the growing preference for convenient seafood.

### Strengths

- Rising frozen shrimp consumption
- Tariff reductions under the K-CA FTA

### Opportunities

- High demand for frozen shrimp and convenience
- Growing meal kit market

### Weaknesses

- Limited consumer awareness
- Temporarily reduced consumption due to Japan's radioactive water discharge
- Unprepared regulatory frameworks

### Threats

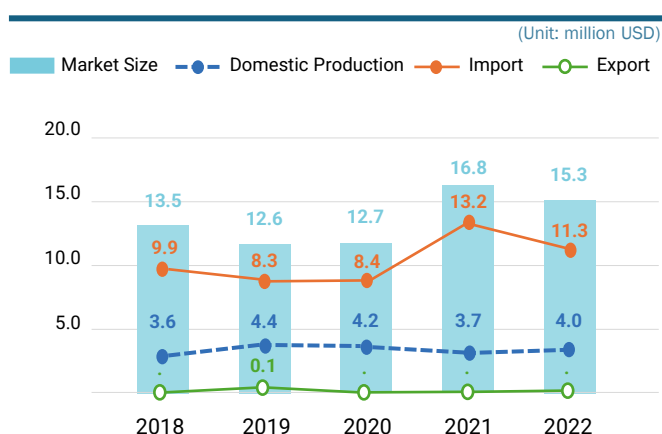
- Intense competition, particularly from Vietnam

## KIDNEY BEAN

### ▶▶ Key Facts

- ❖ Kidney bean is a key ingredient in traditional Korean meals, commonly used in steamed rice, stir-fried, and steamed side dishes. The domestic production and import has been increasing to meet domestic demand and consumption.
- ❖ The ROK kidney bean market has shown fluctuations in market size recently. Market value increased from 13.5 million USD in 2018 to 15.3 million USD in 2022, reflecting an annual growth rate of 4.4%.
- ❖ The major suppliers of kidney beans to Korea are the USA, Canada, and China, accounting for 75% of total kidney bean imports.

### Structure of ROK kidney market in value (2018-2022)



\* Source : Author

### Import volume of kidney beans per country (2018-2022)

(Unit: Ton)

	2018	2019	2020	2021	2022
USA	3,448	2,336	1,567	4,522	3,483
Canada	5,777	5,507	5,747	5,696	3,529
China	3,744	2,987	3,547	3,137	1,961
South Africa	0	0	0	0	1,055
Türkiye	0	0	0	692	592
Ukraine	138	0	138	408	376
Argentina	25	0	0	111	256
Thailand	24	521	571	437	220
Myanmar	285	481	247	292	197
Others	149	241	102	468	191
<b>Total</b>	<b>13,590</b>	<b>11,703</b>	<b>11,919</b>	<b>15,768</b>	<b>11,590</b>

\* Source : Korean Statistical Office(K-STAT)



- ❖ Since domestic production of kidney beans has limited production capacity despite the high demand, the heavy dependence on import is expected to continue going forward.
  - In particular, the imports from the USA and Canada are expected to increase as the custom duties have been fully eliminated since 2021 and 2024.
- ❖ The K-CA FTA is expected to benefit Central American countries through reduced tariffs, with full elimination anticipated for Costa Rica, Honduras, Nicaragua by 2028, El Salvador by 2029, Panama by 2030, and Guatemala by 2033.

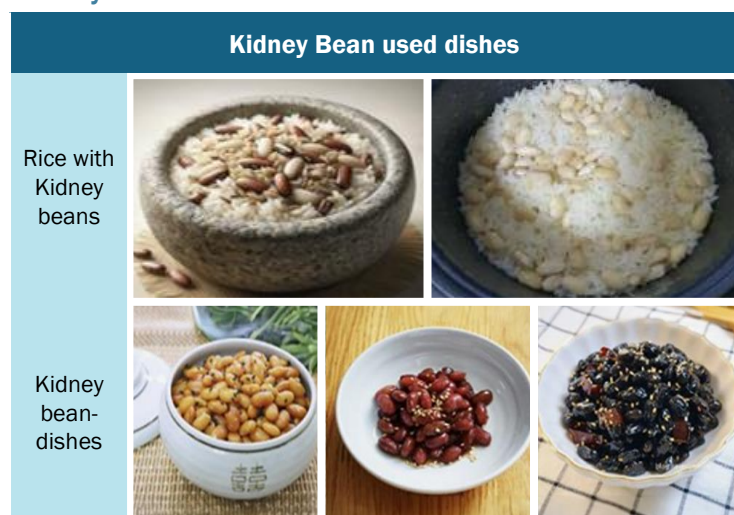
### Tariff on HS Code 030617 as of 2024

Country	HS Code	Product	Current rate(2024)	Elimination of custom duties
Costa Rica	071333.1000	For seeds	27%	MFN
	071333.9000	Others	10.8%	2028.01.01
El Salvador	071333.1000	For seeds	27%	MFN
	071333.9000	Others	13.5%	2029.01.01
Panama	071333.1000	For seeds	27%	MFN
	071333.9000	Others	16.2%	2030.01.01
Honduras	071333.1000	For seeds	27%	MFN
	071333.9000	Others	10.8%	2028.01.01
Nicaragua	071333.1000	For seeds	27%	MFN
	071333.9000	Others	10.8%	2028.01.01
Guatemala	071333.1000	For seeds	27%	MFN
	071333.9000	Others	24.3%	2033.01.01
USA	071333.1000	For seeds	0%	2016.01.01
	071333.9000	Others	0%	2021.01.01
Canada	071333.1000	For seeds	0%	2024.01.01
	071333.9000	Others	0%	2024.01.01

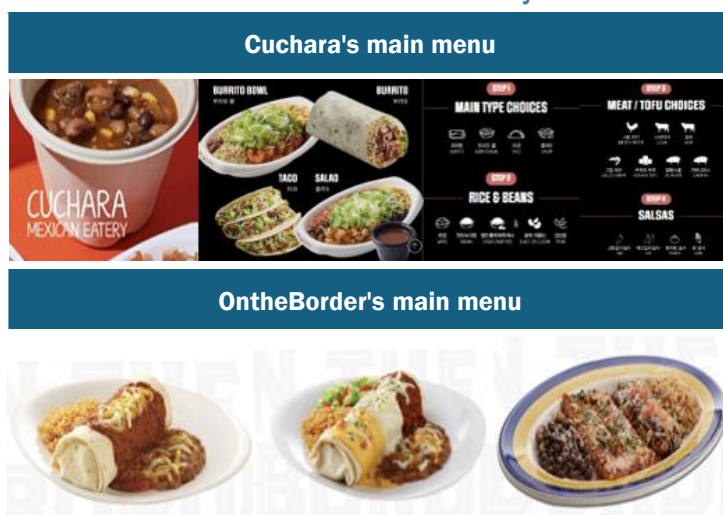
\* Source : K-CA FTA text, FTA Korea

- ❖ Kidney beans are a key ingredient in traditional Korean meals, commonly used in steamed rice, stir-fried, and steamed side dishes.
  - Recently, they are also featured in global dining restaurants, particularly in Mexican restaurants, such as Cuchara and OntheBorder.

### Kidney Bean used Korean Dishes



### Mexican Restaurants in Korea with kidney bean dishes



- ❖ With the rising vegetarian population in Korea, the consumption of beans, recognized as an excellent source of plant-based protein, is expected to increase in the future.
- ❖ Furthermore, the size of the domestic market for protein products aimed at weight management grew nearly fivefold in 2022 compared to 2018, indicating that plant-based high-protein products are gaining popularity.

## Market Insights

- ❖ For Central American exporters targeting ROK kidney bean market, leveraging the growing trend toward plant-based diets and the integral role of beans in Korean cuisine is essential.
- ❖ Additionally, the K-CA FTA will provide these exporters with full tariff-free status between 2028 and 2033, thereby enhancing price competitiveness and market access.
- ❖ However, understanding government intervention to protect domestically produced kidney beans and control the crop price is necessary.
- ❖ Establishing competitive pricing will be crucial, especially given the challenges posed by government-controlled pricing, high transport costs, and lengthy shipping times.

### Strengths

- Integral to Korean cuisine and valued for their nutrition
- Tariff reductions under the K-CA FTA

### Weaknesses

- Government intervention in ROK kidney bean market to control price
- High transport costs and long shipping times

### Opportunities

- Growing vegetarian population
- Expanding plant-based market

### Threats

- Implementation of GMO labeling
- Competition with USA, Canada, and China

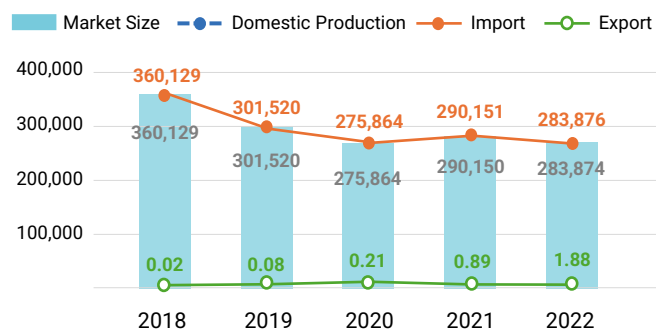
## BANANA

### Key Facts

- ❖ Bananas are a key fruit in Korea, making up nearly half of the fruit market.
- ❖ However, Banana market in ROK is considered to have reached its peak. Korea's banana market has been shrinking, with market values declining from 360,129 million USD in 2018 to 283,876 million USD in 2022, reflecting an annual growth rate of -5.44%.
  - Despite this decline, it is notable that the ROK banana market remains 100% dependent on imports.
- ❖ Over the past five years, Bananas from the Philippines and Vietnam have dominated the ROK market, accounting for approximately 80% of total imports.
  - Notably, Guatemala and Costa Rica have been exporting steadily, contributing to the market's supply.

### ROK banana market in value (2018-2022)

(Unit: million USD)



\* Source : Author

### Import volume of Bananas, fresh or dried per country (2018-2022)

(Unit: Ton)

	2018	2019	2020	2021	2022
Philippines	332,344	286,916	260,795	257,820	234,006
Vietnam	7,161	6,686	7,873	10,719	21,486
Colombia	20	1,104	27,173	27,407	16,520
Ecuador	43,474	32,951	21,657	21,314	15,089
Guatemala	18,854	20,007	17,086	11,154	12,565
Peru	13,449	13,354	10,933	12,365	11,750
Costa Rica	104	42	68	9,029	8,595
Thailand	16	185	14	10	10
Others	11,727	7,092	6,395	2,084	0
Total	427,150	368,338	351,994	351,903	319,852

\* Source : Korean Statistical Office(K-STAT)

- ❖ The CA countries have a comparative advantage thanks to the lower tariffs applied to bananas.
  - The K-CA FTA is expected to further benefit CA countries by reducing tariffs, with full elimination anticipated for Panama by 2025, Guatemala by 2028, and El Salvador by 2034.

### Tariff on HS Code 080390 as of 2024

Country	HS Code	Product	Current rate(2024)	Elimination of custom duties
Costa Rica	080390.0000	Banana	0%	2023.01.01
El Salvador	080390.0000	Banana	20%	2034.01.01
Panama	080390.0000	Banana	6%	2025.01.01
Honduras	080390.0000	Banana	0%	2023.01.01
Nicaragua	080390.0000	Banana	0%	2023.01.01
Guatemala	080390.0000	Banana	24%	2028.01.01
Philippines	080390.0000	Banana	0%	2016.01.01

\* Source : K-CA FTA text, FTA Korea

- ❖ Most Koreans consume bananas regularly, purchasing banana from various channels from café, convenience store, supermarkets, department stores, and online shops.
- ❖ A challenge for Central American countries entering the Korean banana market is meeting specific size requirements, such as 16-19 cm and 8 hands per box.
  - Exporters may need to adjust their planting and harvesting methods to align with these specifications, possibly by cutting larger fruits.

## ▶▶ Market Insights

- ❖ To enter the Korean banana market, Central American exporters could focus on both fresh and processed banana products.
- ❖ While the Philippine bananas dominate the market, there is a decreasing supply from the Philippines and increasing interest in Latin American varieties.
- ❖ Highlighting healthy and organic qualities will cater to Korean consumer preferences.

### Strengths

- Consistent demand for bananas and banana-based products
- Tariff reductions under the K-CA FTA

### Weaknesses

- Complex regulatory requirements
- High transport costs and long shipping times

### Opportunities

- Declining Philippine market share due to Tropical Race 4 plant disease
- Increasing demand for frozen bananas

### Threats

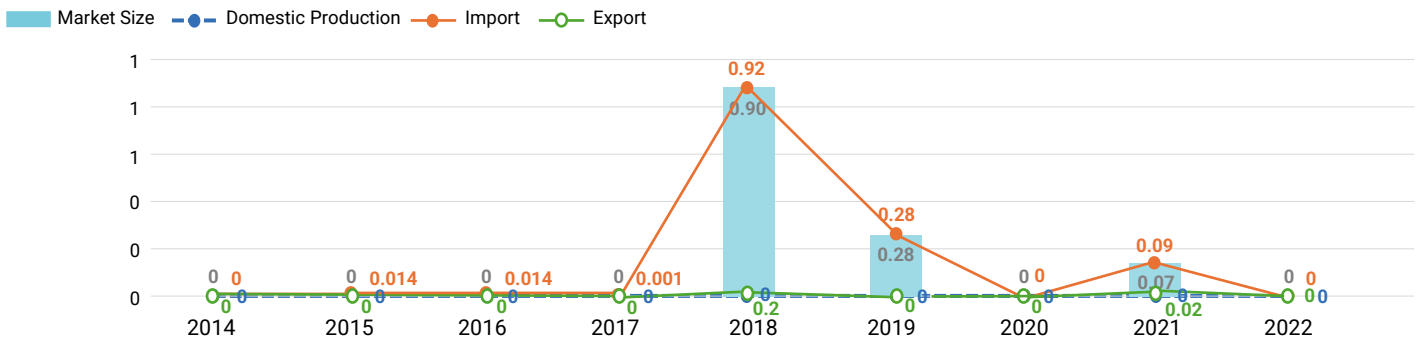
- Competition with the Philippines and Ecuador

## ▶▶ Additional Information

- ❖ As for plantains, there was a temporary market from 2015 to 2019 with a peak reached in 2018 with 111 tons, but sharply declined to zero in 2020, where it has remained through 2024.
  - This statistic implies the failure of attempts to create market presence of plantains in the ROK, possibly attributed to the lack of consumer interest and demand for plantains.
- ❖ Despite their popularity in diverse culinary traditions globally, plantains have encountered obstacles in gaining a foothold in Korea. Currently, there is no presence of plantains in Korean market with an absence of importers and distribution channels.

## ROK plantain market in value (2014-2022)

(Unit: million USD)



\* Source : Author

- ❖ Given this trend, it is anticipated that there will be no significant plantain market in the short-term.
- ❖ As domestic market is not yet prepared for plantains, it is important to generate consumer demand before developing a supply strategy.
- ❖ The demand for plantains could be initially introduced through various restaurants that serve Latin American cuisine. Using such channels is considered a smooth and easy way to introduce plantain (dishes) to test Korean consumers' appetite and preference.

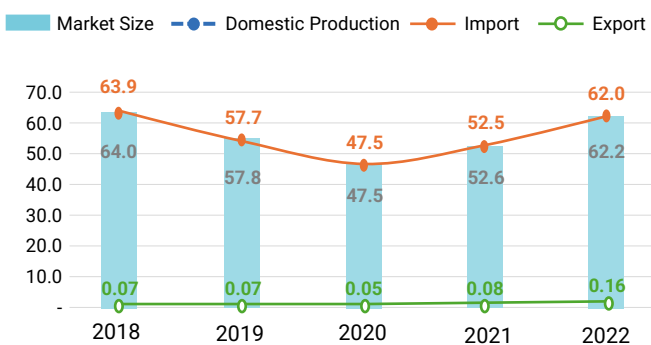
## PINEAPPLE

### Key Facts

- ❖ The primary strength of pineapples in the ROK market is their strong consumer preference, despite a relatively high price.
  - Korea topped the global list with an average price of 5.87 USD per pineapple.
- ❖ The Korean pineapple market has fluctuated in recent years. After a decline in value from 64 million USD in 2018, there was a slight recovery to 62.2 million USD in 2022, with an average annual growth rate of 0.33%.
  - Although future values may decline slightly due to tariff reductions, the ROK pineapple is entirely dependent on imports, accounting for 100% of its values as of 2022.
- ❖ The Philippines dominates the Korean pineapple market with a 99.5% import share, while Costa Rica, the second-largest Central American exporter, maintains a small volume.
  - Given Korea's high import demand, Costa Rica and other Central American countries have opportunities to increase their market share by expanding production.

## ROK pineapple market in value (2018-2022)

(Unit: million USD)



\* Source : Author

## Import volume of Pineapple per country (2018-2022) (Unit: Ton)

	2018	2019	2020	2021	2022
Philippines	69,909	65,645	60,921	60,757	66,819
Costa Rica	3,905	1,426	151	2	84
Taiwan	0	0	5	188	80
Thailand	20	32	3	40	43
Colombia	57	0	0	0	35
Panama	451	18	0	1	21
Vietnam	5	2	3	12	18
Others	3,173	3,259	756	688	3
Total	77,520	70,652	61,839	61,688	67,104

\* Source : Korean Statistical Office(K-STAT)



- ❖ All of six CA countries would be applied under the K-CA FTA and will have a comparative advantage due to lower tariffs on pineapple.

### Tariff on HS Code 080430 as of 2024

Country	HS Code	Current rate	Elimination of custom duties
Costa Rica	080430.0000	4.2%	2025.01.01
El Salvador	080430.0000	8.5%	2026.01.01
Panama	080430.0000	12.8%	2027.01.01
Honduras	080430.0000	4.2%	2025.01.01
Nicaragua	080430.0000	4.2%	2025.01.01
Guatemala	080430.0000	25.72%	2030.01.01
Philippines	080430.0000	30%	2016.01.01

\* Source : K-CA FTA text, FTA Korea

- ❖ In 2019, 95.2% of Koreans have eaten raw pineapple at home, mainly for its taste and price, typically buying it in bundles from hypermarkets.
  - With the rise of single-person households, demand for convenient options like chunked, sliced, canned, and frozen pineapples is increasing.

### Examples of packages and dishes of pineapples

#### Examples of convenient packages of pineapples



#### Pineapple used dishes and pineapple flavored products



### Market Insights

- ❖ While the Korean pineapple market is heavily dependent on imports, Philippine pineapples dominate due to proximity.
- ❖ The challenge of maintaining pineapple quality within a 25-day timeframe poses a significant hurdle for Central American exporters.
- ❖ However, the rising demand for convenient and processed pineapple products, which are less affected by distance and freshness constraints, presents an opportunity.

#### Strengths

- Strong consumer preference
- Heavy dependence on imports
- Tariff reductions under the K-CA FTA

#### Opportunities

- Growing demand for convenient and processed pineapple products

#### Weaknesses

- Complex regulatory requirements
- Difficulty maintaining pineapple quality within a 25-day timeframe

#### Threats

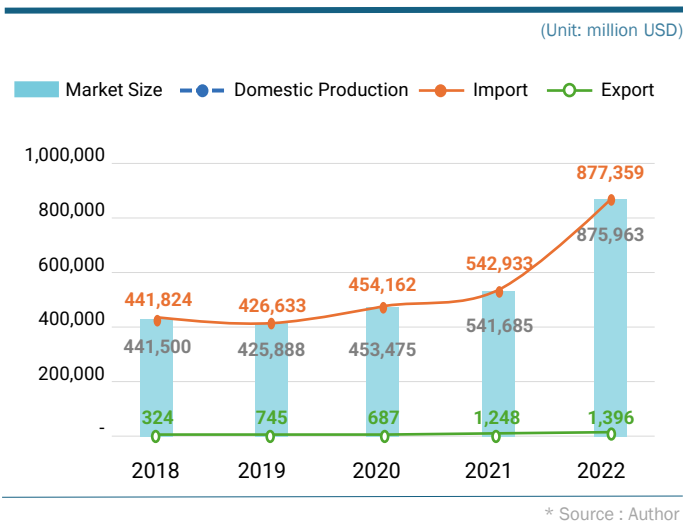
- Competition from the Philippines
- Entry of other fruits due to new FTAs

# GREEN COFFEE BEANS

## Key Facts

- ❖ Korea, the 11th largest coffee importer, has seen a coffee culture boom since 1999. In 2018, Korean drinks an average of 353 cups of various coffees per person, markedly exceeding the global average of 130 cups.
- ❖ Korea's green coffee bean market size surged significantly from 441,500 million USD in 2018 to 875,963 million USD in 2022, with an annual growth rate of 21.03%.
  - The market value nearly doubled in 5 years, reflecting global coffee price and Korea's complete reliance on imports.
- ❖ Brazil, Vietnam, and Colombia are major suppliers, controlling 61% of Korea's imports.
  - Central American countries like Guatemala and Honduras also play a key role in the market.

### ROK green coffee bean market in value (2018-2022)



### Import volume of Coffee per country (2018-2022)

(Unit: Ton)

	2018	2019	2020	2021	2022
<b>Brazil</b>	<b>30,395</b>	<b>32,315</b>	<b>34,508</b>	<b>39,579</b>	<b>46,761</b>
<b>Vietnam</b>	<b>29,737</b>	<b>30,302</b>	<b>30,126</b>	<b>30,988</b>	<b>31,330</b>
<b>Colombia</b>	<b>26,768</b>	<b>28,685</b>	<b>29,651</b>	<b>29,407</b>	<b>28,840</b>
Ethiopia	10,857	12,762	13,533	16,576	18,643
Guatemala	6,511	6,268	8,458	9,450	10,204
Peru	8,694	8,019	9,183	7,227	7,657
Honduras	8,390	8,707	8,803	10,295	6,535
India	4,293	4,236	3,981	4,013	5,169
Kenya	4,409	4,255	4,212	3,494	4,979
Others	13,370	14,637	14,487	10,367	15,911
<b>Total</b>	<b>143,784</b>	<b>150,186</b>	<b>156,942</b>	<b>161,396</b>	<b>176,029</b>

\* Source : Korean Statistical Office(K-STAT)

- ❖ All of CA countries already have a comparative advantage due to lower tariffs on green coffee bean.

### Tariff on HS Code 090111 as of 2024

Country	HS Code	Current rate(2024)	Elimination of custom duties
Costa Rica	090111.0000	0%	2019.11.01
El Salvador	090111.0000	0%	2020.01.01
Panama	090111.0000	0%	2021.03.01
Honduras	090111.0000	0%	2019.10.01
Nicaragua	090111.0000	0%	2019.10.01
Guatemala	090111.0000	0%	-

\* Source : K-CA FTA text, FTA Korea

- ❖ Coffee is a top beverage choice for many adults, with increasing interest in home brewing and various coffee formats.
  - The most produced coffee products in Korea are ready to drink(RTD) liquid coffee, roasted whole beans, and ready brewed coffee.

## Different Types of Coffee Products

Coffee Product	Photo
Roasted Whole Beans (including Ground Coffee)	
RTD (Ready to Drink) Liquid Coffee	
Ready brewed Coffee (Coffee without sugar or powdered milk)	
Instant Coffee (Coffee with sugar and powdered milk to make it artificially sweet)	

## Market Insights

- ❖ While CA countries benefit from tariff-free access under the K-CA FTA, exporters must navigate intense competition from Brazil, Vietnam, and Colombia, as well as the oversaturation of the coffee market in Korea.
- ❖ Given Korea's clear preference for Arabica beans, strategic branding will be essential for establishing and expanding CA exporters' market presence.

### Strengths

- The 11<sup>th</sup> largest coffee importer in the world
- Strong and positive recognition of brands from Guatemala, Panama, and Costa Rica
- Tariff-free under the K-CA FTA

### Opportunities

- Clear preference for Arabica beans over Robusta beans

### Weaknesses

- High transport costs and long shipping times
- Limited consumer awareness of brands from Honduras, Nicaragua, and El Salvador

### Threats

- Intense market competition from Brazil, Vietnam, and Colombia
- Oversaturation of the coffee market

# REGULATION

## Frozen Beef Regulations

- ❖ Boneless Frozen beef for human consumption must meet three import requirements before export.
  - First, it must undergo quarantine by the Ministry of Agriculture, Forestry and Rural Affairs with an ORIGINAL VETERINARY HEALTH CERTIFICATE.
  - Second, it must be reported to the local food and drug safety agency and undergo a lab inspection.
  - Third, exporters must verify if the cattle species is subject to CITES regulations, and if so, obtain an import license from the environment agency.
- ❖ As of 2024, Central American countries are not listed on the Import Allowed Country list. It is necessary to open up export channels through government level agreements between countries and be released from the Import Prohibition.
  - Also, livestock products can only be imported from overseas facilities that are registered based on the agreement between Korea and CA country.

## Frozen Shrimp Regulations

- ❖ To export frozen shrimp for human consumption:
  - An original quarantine certificate from the exporting country must be prepared, and the product must undergo fishery product quarantine through the National Fishery Products Quality Management Service.
  - A thorough lab inspection must be conducted by the Ministry of food and drug safety, utilizing prepared photos of Korean labels.
  - If the product requires a CITES import permit, an import license must be obtained prior to customs clearance.
- ❖ As of 2024, only the countries and seafood products listed in the Table below are permitted for import into Korea. Therefore, it is essential to establish export channels through government level agreements between countries to lift the import prohibition.

### Shrimp products allowed for import from CA to ROK

Country	Agreed Products	Certificate Authority
Nicaragua	Frozen White Legged Shrimp	Instituto de Proteccion y Sanidad Agropecuaria
Panama	Frozen shrimp	Ministry of Agricultural Development

- Also, overseas facility has to be registered with the Food and Drug Administration based on the agreement between Korea and CA country.

## Import Regulations and Requirements

- ❖ Central American exporters must review import regulations and requirements in accordance with relevant Korean laws before exporting, as animal and vegetable products undergo strict inspections.
  - A government-issued Original Phytosanitary Certificate must be submitted to the relevant Animal and Plant Quarantine Office, and inspection by a plant quarantine officer is mandatory.
  - A comprehensive inspection is required for first-time imports after declaring food preparation to the Regional Offices of Food and Drug Safety.

## Labeling

- ❖ Proper labeling and compliance with safety standards are mandatory. The Ministry of Food and Drug Safety (MFDS) requires a Korean label with specific details, including product name, country of origin, production or packaging date, and importer information to ensure transparency and consumer safety.

Information to be included in the Product label: Vegetable Product

Product Name	
Raw ingredients and contents	
Country of Origin	
Date of production or date of packaging	
Packaging Material	
Storage Method	
Name and Location of the Importer	
Import sales business contact information	
Returns and exchanges information	

Rules of Origin

- ❖ The exporter needs to check whether the goods are eligible for tariff concessions under the Korea-Central America FTA and the Product Specific Rules, and once the country of origin is determined as within the CA region, the exporter or producer voluntarily prepares and issues a certificate of origin in English according to the specified format.
- ❖ In the case of exporting the same goods, a blanket period of not more than one year (less than 12 months) can be used for one case during one year by using the Blanket Period.

We look forward to supporting your success in the ROK market.