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Wine Market Brief 2012

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Report Highlights:

Despite a challenging economic environment, the South Korean wine market continues to recover. Wine imports in the first half of 2012 totaled \$67.6 million, up 12.3 percent from the same period last year. The United States remained the fourth largest supplier during the period with \$7.4 million in sales, up 14.5 percent. Implementation of the Korea-United States Free Trade Agreement (KORUS FTA) on March 15, 2012 eliminated a 15 percent import tariff on American wine, and leveled the playing field for American suppliers competing with Chilean and European wineries. Diversifying tastes of Korean consumers should provide American suppliers new opportunities in the coming years.

General Information:

Author Defined:

Table of Contents

SECTION I. MARKET OVERVIEW

SECTION II. MARKET SECTOR OPPORTUNITIES AND THREATS

1. **Competitors**
2. **The United States**
3. **Local Wine Production**
4. **Alcohol Beverage Market in South Korea**
5. **Distribution Channel**
 - Off-Premise Market**
 - On-Premise Market**
6. **Market Entry and Marketing Strategy**

SECTION III. COST & PRICING

1. **Tariff, Taxes, and Mark-ups**
2. **Currency Exchange Rates**

SECTION IV. MARKET ACCESS

1. **Licenses**
2. **Labeling**
3. **Inspections & Food Safety Standards**

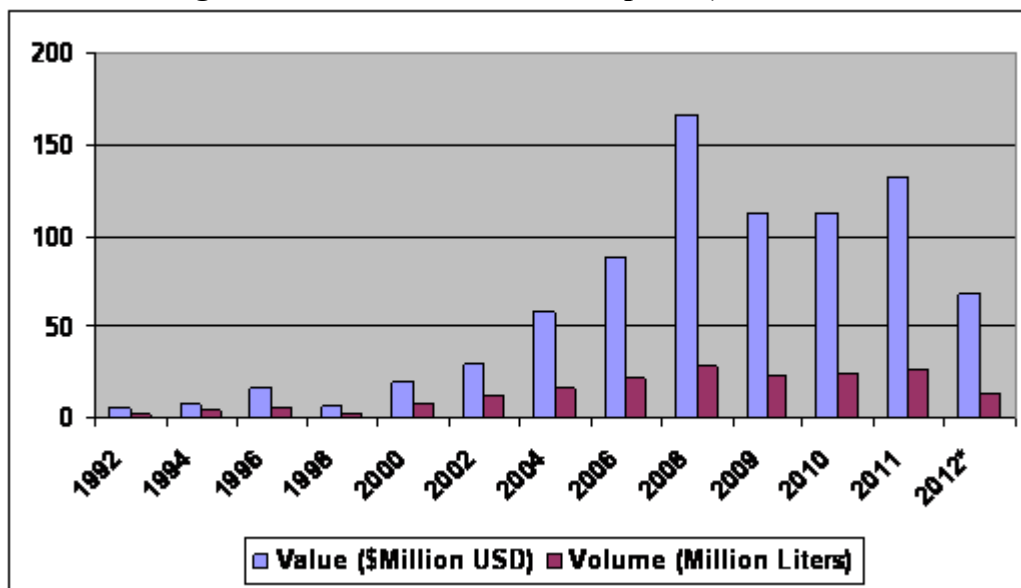
SECTION V. KEY CONTACTS AND FURTHER INFORMATION

APPENDIX: WINE IMPORT STATISTICS

SECTION I. MARKET OVERVIEW

- South Korea's wine imports from all countries amounted to \$67.6 million during the first half of 2012, up 12.3 percent from the same period of 2011. Total volume of imports amounted to 12.8 million liters, up 5 percent.
- Imports from the United States amounted to \$7.4 million and 1.5 million liters during the period, up 14.5 percent and 3.7 percent respectively.
- France remained the leading supplier of wine to South Korea in the first half 2012 with a 30.3 percent market share in terms of value, followed by Chile (22.3 percent), Italy (16.9 percent), and the United States (11.0 percent). In terms of volume, value-oriented countries, Chile and Spain in particular, were the leading suppliers.
- After peaking in 2008 at \$167 million, South Korea's wine imports declined sharply to \$112 million in 2009 mainly as a result of the international financial crisis that started at the end of 2008. However, the market rebounded in 2011 to \$132 million. Wine imports maintained a double digit growth in the first half of 2012 even under the challenging economic environment, which suggests that the South Korean wine market should continue a robust recovery in the coming year.

Figure 1: South Korea's Wine Imports (1992-2012*)



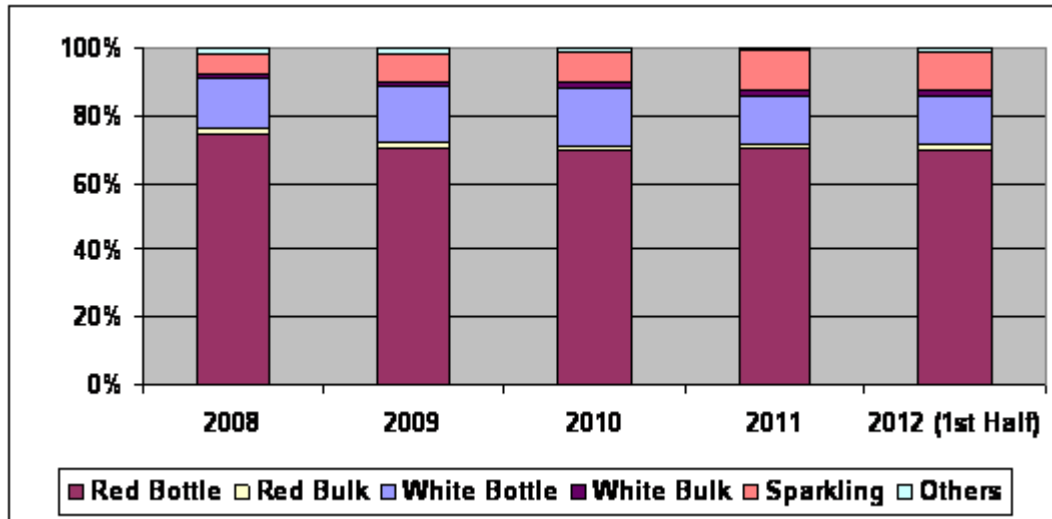
Source: Korea Trade Information Service Database (KOTIS)

* 2012: January-June

- Due to highly publicized health benefit of drinking red wine, current wine consumption in South Korea is heavily skewed toward red wine, as indicated by the fact that red wine accounted for a 71.4 percent of total wine imports (in value) in the first half of 2012. However, the idea of food-wine pairing is spreading in the market, and as a result white wine and sparkling wine are likely

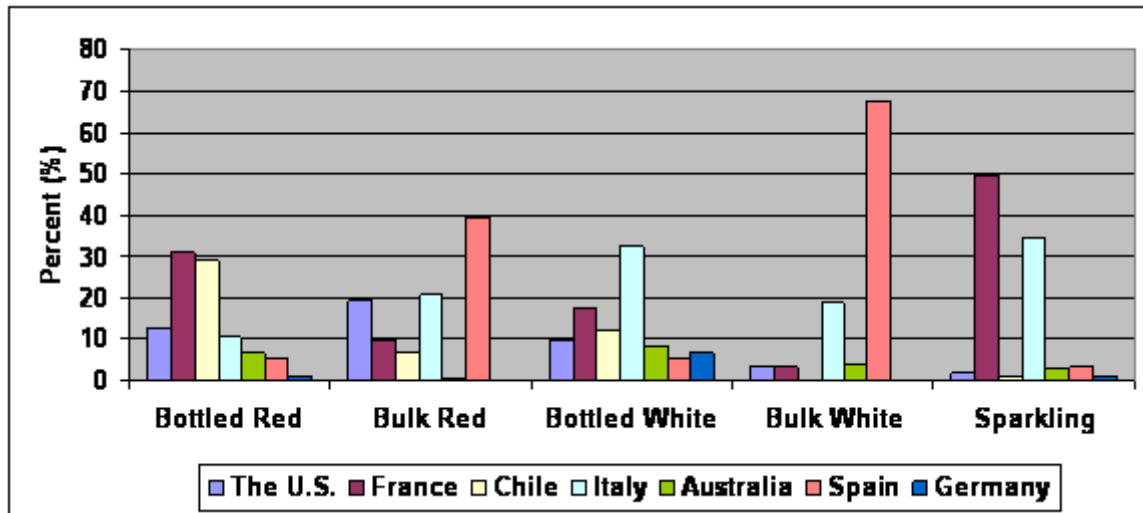
to gain additional market share in the coming years. In particular, the share of the market taken by sparkling wine has shown the most outstanding growth in recent years to reach 11.5 percent (in value) in the first half of 2012 (5.5 percent in 2008). It is likely that sparkling wine will become the second most consumed wine in Korea in a few years.

Figure 2: Break Down of Korea's Wine Imports by Category (in Value)



Source: Korea Trade Information Service Database (KOTIS)

Figure 3: Share of Korea's Wine Imports (in Value) by Country (First Half of 2012)



Source: Korea Trade Information Service Database (KOTIS)

- Although import trends so far this year indicate a strong sign of recovery, opinions are still divided among the local marketers whether the South Korean wine market will soon fully return back to an explosive growth curve experienced before the financial crisis (between 2000 and 2008, South Korea's wine imports increased 741 percent from \$20 million to \$167 million). Many wine businesses were forced out of business over the last two years, and wine importers and distributors in general still maintain a conservative stance in expanding product portfolio as well as deploying additional marketing activities. But marketers agree that the

market should easily maintain a double digit annual growth in the coming years because strong attention on globalized dietary culture and healthy lifestyle among the general public, which was the key driving force behind the explosive growth in the past, still prevails.

- The South Korean wine market is still in an early stage of development. Although the wine business was liberalized in early 1990's, wine is still considered a luxury good and is consumed by a small portion of the population. According to the industry data, wine accounted for about 2 percent of total alcohol beverage consumption in Korea (in terms of volume) in 2011. Marketers estimate that purchases during holiday seasons for gifts account for about one third of total yearly wine sales. Furthermore, products targeting the entry level segment of the market, many of which are in jug bottles and taste sweet, account for over a half of total yearly wine sales (in terms of volume). However, marketers in general forecast that, as local consumers develop a better understanding and taste for wine, the South Korean wine market should eventually grow to a size comparable to other developed markets. As an indicator, Japan's wine imports (\$1.3 billion) were over ten times larger than South Korea's in 2011. A major barrier that restricts growth of the market is high local taxes and distribution costs, which makes retail price of imported wine in Korea several times higher than the price in the export country.
- Key consumers of wine in South Korea are the economically established elderly population in the 50-60 year age group and young professionals in their 30-40's. It is also notable that many young Koreans in their 20-30's have much higher exposure to Western culture than their predecessors and are developing an interest in wine. In addition, wine is emerging as the most preferred alcohol beverage among female consumers. Serious wine consumers in Korea tend to actively share their ideas and experiences with others. Internet-based wine communities have become the leading venue for these wine opinion leaders to interact and communicate. As a result, the opinion leaders have a strong influence on consumption trends.
- Off-premise retail channel (i.e., liquor stores and grocery stores) is expected to account for higher percentage of overall wine sales in the coming years. In particular, hypermarket stores will dominate distribution for products targeting entry level to mid-price market segment. However, on-premise retail (i.e., restaurants and bars) is likely to remain a key distribution channel for products targeting higher-end segments of the market.
- American wine faces strong competition in South Korea from both quality-imaged old world suppliers (France and Italy) and value-imaged new world suppliers (Chile and Australia). The overall share of the market held by American wine has been on a gradual decline over the years as local consumers welcomed entries of new wines from wider origins. The Korea-United States Free Trade Agreement (KORUS FTA), implemented on March 15, 2012, has finally eliminated the import duty (15 percent) disadvantage that American wine was subject to against Chilean and European products.
- Nevertheless, American wine is expected to remain one of the top choices of Korean wine consumers, as it is firmly positioned in the market with an image of good value and unique quality. American wine has performed particularly well in entry level market segment as well as in luxury segment. The close political and economic ties between South Korea and the United States have also contributed heavily to the popularity of American brands and products to local

consumers.

SECTION II. MARKET SECTOR OPPORTUNITIES AND THREATS

Table 1: Opportunities & Challenges

Advantages	Challenges
Health benefit of drinking red wine is highly publicized among the general public.	Both consumers and traders in general have limited knowledge and experience about wine.
The general public maintains a strong attention to globalized dietary culture.	American wine faces steep competition against both old and new world competitors.
The Korean wine market is still in the early stage of development. Considering the size of overall alcohol beverage consumption in South Korea, wine has a good potential.	Retail price of imported wine in South Korea is very high due to high local taxes and distribution costs.
American wine is firmly positioned in the market, especially among young consumers, as a product of good value and unique quality.	Korean importers intend to do business directly with foreign wineries. However, many American wineries prefer to work through export middlemen for smaller markets like South Korea.
Local wine industry presents little competition to imported products both in terms of quality and value.	Imported wine is subject to complex local labeling and food safety standards, which change frequently.

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

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

Source: Industry Interviews

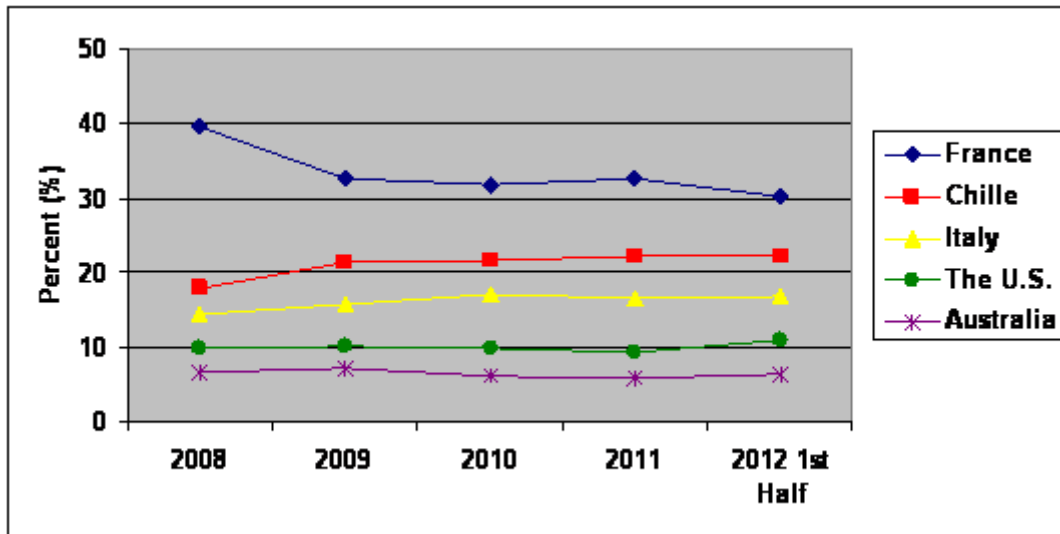
* Note: \$1 USD = KRW 1,150 as of July 1, 2012

1. Competitors

- France: Many Koreans, both wine opinion leaders and regular consumers, harbor the perception that old world European countries, France in particular, are the source of the best quality wine in the world. As a result, France has remained the leading supplier of wine to South Korea over the years. Total imports from France amounted to \$20.5 million (1.5 million liters) in the first half

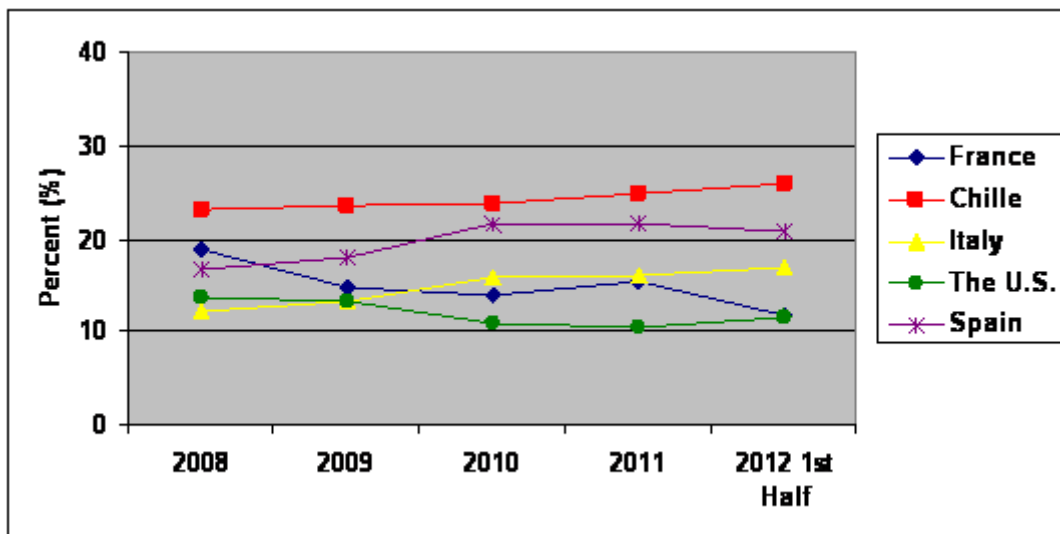
of 2012, up 22.5 percent from the same period of 2011. The Korea-EU Free Trade Agreement, which was implemented on July 1, 2011, eliminated the 15 percent import duty on French wine. However, overall market share held by France has continued a decline since mid 2000's because French suppliers lost much of the ground in value-oriented segments of the market to Chile (red and white) and Italy (white). Italy has also eroded some of the market demand for high end French wine. French suppliers are likely to maintain bigger focus on mid-price to higher end market segments. French suppliers should also benefit from the rapidly growing popularity of sparkling wine.

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



Source: Korea Trade Information Service Database (KOTIS)

Figure 5: Share of South Korea's Wine Imports by Country (in Volume)

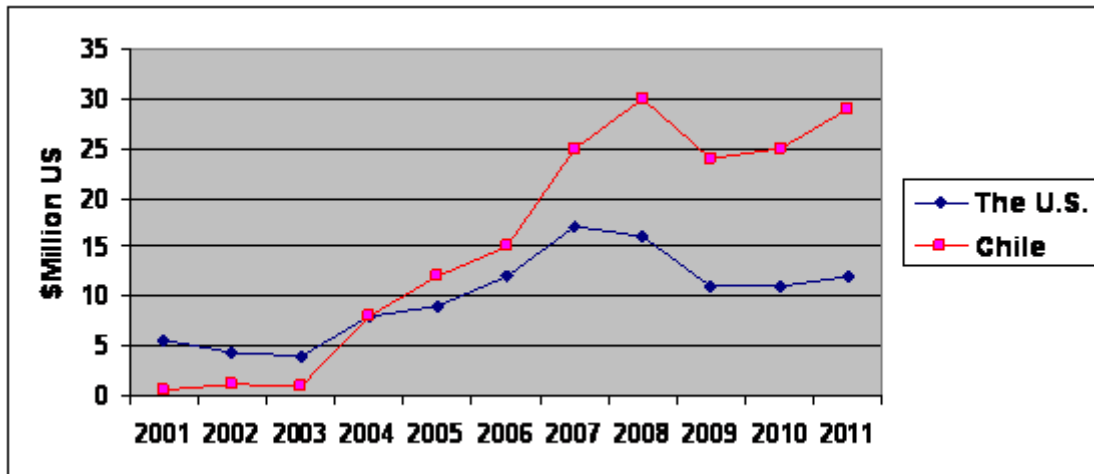


Source: Korea Trade Information Service Database (KOTIS)

- Chile: Wine imports from Chile totaled \$15.1 million (3.3 million liters) in the first half of 2012, down 0.3 percent from the same period of 2011. The rise of Chilean wine that started in 2005

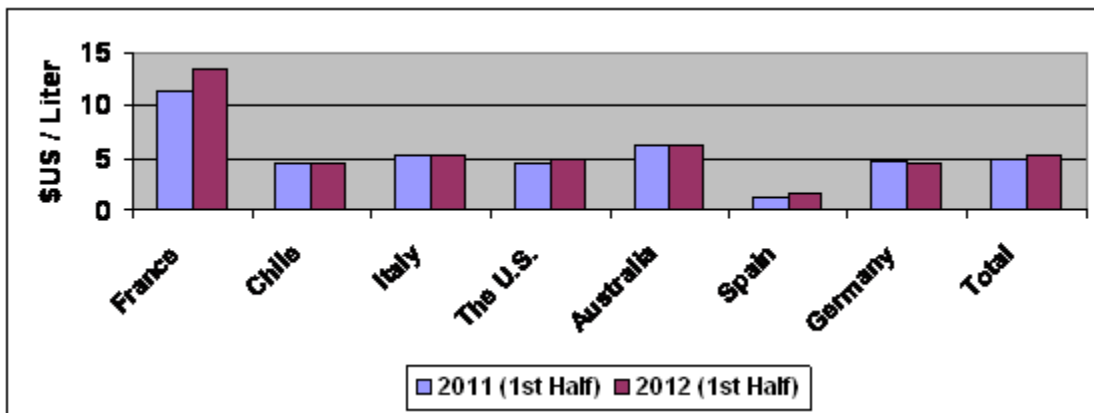
largely stemmed from strong public awareness of the preferential duty treatment under the South Korea-Chile Free Trade Agreement that went into effect in April 2004. Under the agreement, the 15 percent import duty on Chilean wine was eliminated over a seven year period (the import duty was reduced down to zero on January 1, 2011). The FTA advantage solely enjoyed by Chilean suppliers disappeared upon implementation of the Korea-EU FTA (July 2011) and the Korea-The United States FTA (March 2012). However, Chile, viewed as a leading source of value wine by many Korean consumers, should continue to present tough competition to other countries, including the United States, particularly in entry level through mid-price segment of the market. However, Chile presents less competition in white and sparkling wine as the demand for Chilean wine in South Korea is highly concentrated on red wine.

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



Source: Korea Trade Information Service Database (KOTIS)
Note: South Korea-Chile FTA was implemented in April, 2004

Figure 7: Average Unit Import Price of Wine by Origin (CIF Value)



Source: Korea Trade Information Service Database (KOTIS)

- Italy: Total wine imports from Italy amounted to \$11.4 million (2.2 million liters) in the first half of 2012, up 9.4 percent from the same period of 2011. Italian wine is expected to maintain a strong performance in South Korea in the coming years considering increased popularity of Italian cuisine among the general public. In particular, Italy has become the leading supplier of

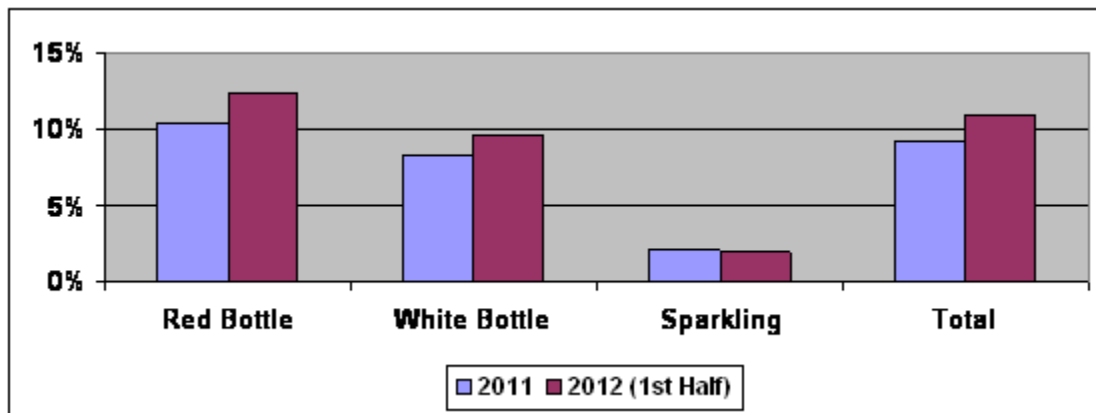
white wine to South Korea based on a huge success of *Frizantte* style product (white wine with small amount of bubbles) made from Moscato grapes.

- Australia: Wine imports from Australia totaled \$4.3 million (0.7 million liters) in the first half of 2012, up 4.4 percent from the same period of 2011. A significant rise in the value of Australian dollar against other international currencies has eroded price competitiveness of Australian wine in South Korea over the last couple of years. On top of this, South Korea's implementation of free trade agreements with the EU and the United States has further deteriorated the value position of Australian wine in the market. As a result, Australian suppliers face steeper competition in the market.
- Spain: Total wine imports from Spain amounted to \$4.4 million (2.7 million liters) in the first half of 2012, up 22.3 percent from the same period of 2011. Spanish wine mainly targets value-oriented segments of the market. In addition, a significant portion of Spanish wine imports is for local bottling or blending, not only for grape wine but also for other types of fruit wine such as Japanese apricot wine. Bulk wine accounted for about 45 percent of Spain's wine exports to Korea.
- Germany: Wine imports from Germany totaled \$1.3 million (0.3 million liters) in the first half of 2012, up 15.7 percent from the same period of 2011. Much of the German wine imported into South Korea was bottled white wine.
- Other Competitors: Wine imports from all minor suppliers combined, including Argentina, South Africa, and New Zealand, amounted to \$3.3 million (0.7 million liters) in the first half of 2012, up 21.9 percent from the same period of 2011. Increased consumer attention on products from more diverse origins is likely to generate demand for wine from these origins in coming years.
- Competitor suppliers are export-oriented by nature and as a result are currently investing much more resources than American suppliers into marketing and promotional efforts in South Korea. Competitors' major marketing programs include: tasting seminars, paid-invitations of wine traders and press to overseas wine exhibitions, hosting cultural and culinary events incorporating wine components, supporting commercial consumer trips to wineries, exhibitions at local trade shows, supporting local wine schools with free samples and educational materials, and working closely with local wine experts including providing supports to Korean sommelier competitions.

2. The United States

- Wine imports from the United States totaled \$7.4 million (1.5 million liters) in the first half of 2012, up 14.5 percent from the same period of 2011. The overall market share held by American wine in South Korea reached 11.0 percent (in value) during the period. Many traders agree that implementation of the Korea United States Free Trade Agreement in March 2012 was a key driving force behind the outstanding import growth of American wine in the first half of 2012. Many importers and retailers staged special sales promotions and new product launchings to coincide with implementation of the KORUS FTA.

Figure 8: American Wine's Market Share by Category (in Value)



Source: Korea Trade Information Service Database (KOTIS)

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

segments than to competitors' products because many of them have traveled to the United States and are aware of the going retail price of the wine in the United States.

3. Local Wine Production

- Grape wine production in South Korea is expected to remain small as it lacks competitiveness in price and quality against imported products. High cost of land and labor, coupled with unfavorable weather condition, are the major obstacles that restrict development of a large-scale wine industry in Korea. Most of the local wines are either souvenir wines made in small quantity or cheap blends between local table grape wine and imported bulk wine. Currently, there is no *Vitis. vinifera* grape variety commercially cultivated in South Korea.
- Instead of maintaining local vineyards, major South Korean liquor companies have switched to either co-bottling in foreign wineries or importing bulk wine for local blending/bottling. Lotte Liquor BG (www.wine.co.kr), Hite-Jinro (www.terrior.co.kr) and Gooksoondang L&B (www.ksdlb.com) are the major players that currently operate local bottling and/or co-bottling in foreign wineries. A total of 3.7 million liters of bulk-packaged wines (products shipped in two liter or larger size containers) were imported in 2011, most of which were used for local blending/bottling. It is notable that a large portion of imported bulk white wine has been used for blending 'Japanese apricot wine' and other types of local white fruit wine.
- There are some fruit wines produced in South Korea from locally grown fruit, including Japanese apricot, Korean pear, persimmon, and *Bok-boon-ja* (local berry fruit similar in appearance to raspberry). Most locally made fruit wines have a sweet taste (sugar and alcohol added) and mainly target young and female consumers. The production of *Bok-boon-ja* wine has been on a rapid increase partly due to active regulatory and financial support by the local government. However, these local fruit wines present little direct competition to imported wines. Rather they are likely to help the general public develop a taste for higher quality table wine.

4. Alcohol Beverage Market in South Korea

- South Korea is one of the leading markets in the world for alcohol beverages. Drinking is considered an important part of social life and is often encouraged at social and business occasions. Although drinking is decreasing among the elderly population for health concerns, the market is gaining new drinkers among the young female population.
- The value of alcohol beverage products discharged to the market totaled KRW 9.4 trillion in 2011. Beer and soju (traditional Korean hard liquor) together accounted for a 74 percent of the total alcohol beverage sales. Imported products accounted for a 21 percent of the sales.

Table 3: Value of Alcohol Beverage Products Distributed in South Korea (2011)

Product Category	Sub-Total	Local Products	Imported Products
Beer	4,049	3,800	250
Soju	2,873	2,870	3
Whiskey	1,167	117	1,050

Mak-Gul-Lee*	451	451	0
Fruit Wine and Others	872	230	641
Total	9,412	7,468	1,944

Source: Korea Alcohol Beverage Industry Association, Korea Wine & Spirits Importers Association

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

Unit: Billion KRW

Table 4: Volume of Alcohol Beverage Products Distributed in South Korea (2011)

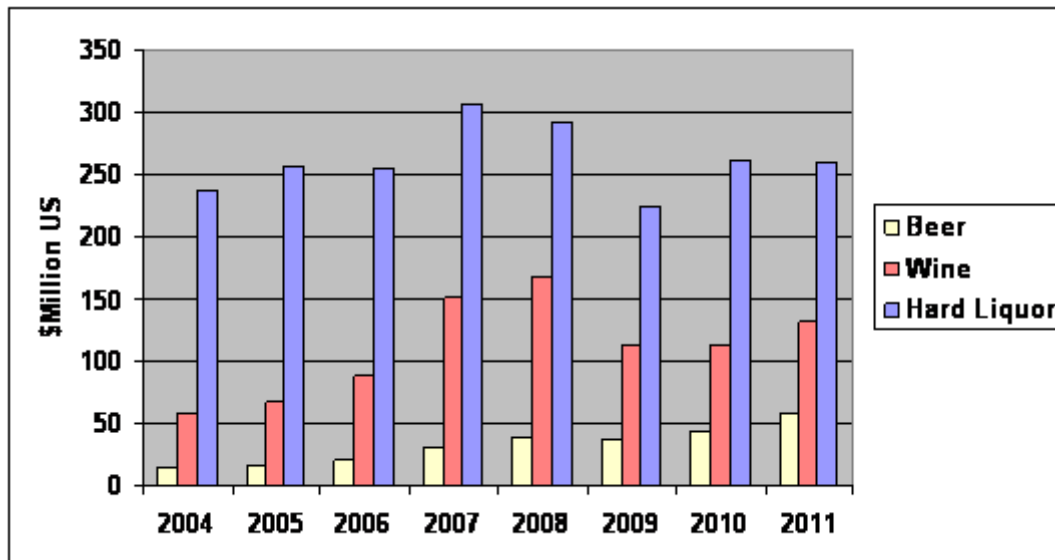
Product Category	Sub-Total	Local Products	Imported Products
Beer	1,797,752	1,738,759	58,993
Soju	1,178,240	1,178,135	105
Whiskey	21,443	1,860	19,583
Mak-Gul-Lee	412,269	412,269	0
Fruit Wine and Others	518,223	473,244	44,979
Total	3,515,658	3,391,998	123,660

Source: Korea Alcohol Beverage Industry Association, Korea Wine & Spirits Importers Association

Unit: Kiloliter

- Increased health concerns among the general public is generating demand for products with less alcohol content. Soju (distilled-diluted liquor made from sweet potato or tapioca) has shown a steady performance in recent years mainly backed by continued launchings of new products that contained less alcohol. According to the Korea National Tax Service, sales of soju that contained less than 19 percent alcohol doubled in 2010 from the previous year (conventional soju product contains over 20 percent alcohol). On-going popularity of Mak-Gul-Lee (cloudy type rice wine) partly stems from consumers' health concerns. Sales of imported Japanese sake type rice wine are also on an increase.
- The beer market in South Korea has been dominated by local brewers as indicated by the fact that local products accounted for 99 percent of total beer sales in 2011. However, local consumers' increased demand for new and higher quality product is likely to generate additional opportunities for imported products. Total imports of beer amounted to \$32.5 million (33 million liters) in the first half 2012, up 28.7 percent from the same period of 2011. Japan was the leading source of imported beer (\$11.7 million) during the period, followed by Netherlands (\$4.5 million) and the United States (\$3.1 million).
- Consumption of premium hard liquor products, particularly Scotch whiskey, remains high in South Korea despite the elevated health concerns. Total imports of hard liquor products, over two thirds of which were Scotch whiskey, amounted to \$113 million in the first half of 2012, down 1.4 percent from the same period of 2011. United Kingdom remained the dominant source of imported hard liquor (\$91.7 million) during the period, followed by France (\$3.7 million) and the United States (\$3.7 million). It is notable that a majority of the locally produced hard liquor products are blends of imported bulk liquor.

Figure 9: South Korea's Alcohol Beverage Imports



Source: Korea Trade Information Service Database

5. Distribution Channel

Off-Premise Market

- While no official statistics are available at the moment, industry interviews indicate that large-scale supermarkets (including hypermarkets and warehouse discount stores) have become the leading distribution channel of wine, accounting for about 60 percent of total wine sold in Korea in terms of volume. Independent liquor stores and convenience stores distribute another 10 percent and 2 percent of the wine market sales in volume respectively.
- Large-scale supermarkets have a designated wine section that offers a large selection of wines to everyday shoppers. For example, a typical hypermarket store carries about 200 different varieties of wine, most of which are entry level through mid-price segment products under KRW 60,000. Leading retail companies are putting efforts to expand “private label brand” products for better control of the price and higher store loyalty. For example, “G7” wine brand launched by Shinsegae Emart (the leading hypermarket store chain in South Korea) a couple years ago has become the bestselling wine of the store. At the same time, large-scale retail companies are trying to develop direct business relationship with foreign wineries, bypassing import middlemen in the supply chain. As a result, independent wine importers are likely to be pressured to focus on mid and higher price segment products that are largely distributed through independent liquor stores and restaurant sector in the coming years.
- There are many stand-alone liquor/wine shops, either independent or under franchise chain operation, popping up in metropolitan areas. Some of these wine-oriented liquor stores, in particular those operated directly by leading wine importers, offer the most extensive selections of wine available in the market. The majority of sales in liquor/wine shops is from mid-price and high-price segment products retailing at KRW 30,000 up to 100,000. Convenience stores, most of which are under franchise chain operation, are another emerging player in the market. Although each outlet currently carries a limited number of products (about a dozen),

convenience stores now offer the most extensive retail network in South Korea as the total number of outlets across the nation is fast increasing (expected to reach 24,000 stores by the end of 2012). Currently, there is no zoning regulation in South Korea that restricts the number and location of alcohol beverage retailers in a given area, which is partly responsible for the proliferation of alcohol beverage retailers in the market.

- Currently, sales of alcohol beverage products through on-line channel, including Internet, postal mail, and TV home-shopping, are prohibited in South Korea (the only exception is officially recognized Korean traditional alcohol beverage products from small volume suppliers). The Korean government announced in mid 2012 that it was in the process of assessing the need of allowing sales of imported wine through on-line channel.
- An estimate of 30 percent of annual wine sales of the off-premise market takes place during the following local holiday seasons: Korean Thanksgiving Day ("*Chu-Sok*", late September), Christmas, New Year's Day, Lunar New Year's Day (early February), Valentine's Day (mid February), and Parents' Day (mid May). Wines are increasingly replacing traditionally popular gift sets of whiskey or other hard liquors. Products in the mid and high-price segment constitute the largest portion of gift set sales.

On-Premise Market

- On-premise channel (restaurants and bars) accounts for an estimate of 30 percent of overall wine market sales in South Korea in terms of volume. Large-scale food service companies, such as franchise restaurant chains and five-star hotels, generally buy wine directly from importers while wholesalers bridge importers and small-scale restaurants and bars. Local laws do not allow restaurants to procure liquor products from retail stores. Demand for wine has been on a rapid increase in the food service sector as more restaurants and bars intend to serve wine. The quality and variety of wine offered by restaurants vary widely depending on the food and target consumers of the restaurant. Dedicated wine bars and Western restaurants in five-star hotels would carry the most extensive wine selections in the sector, most of which are mid-price and high-price segment products. In general, restaurants and bars take much higher mark-ups on wine than off-premise channel retail stores. Many wines are available exclusively in restaurants and bars as importers do not want consumers to develop price resistance to their products by making them available in retail stores at lower prices.

6. Market Entry and Marketing Strategy

- Below are some tools recommended to new-to-market suppliers who seek an entry into the South Korean market:
 - (1) Exhibiting in a local trade show to develop contacts with a large number of importers and industry opinion leaders. Two events are particularly recommended:
 - Seoul Food & Hotel (www.seoulfoodnhotel.co.kr) is the most important food trade show held annually in South Korea and is attended by a large number of international wine exporters and local distributors. This is the only show in Korea that is

officially endorsed and sponsored by USDA/FAS. The Agricultural Trade Office (ATO) of the U.S. Embassy Seoul (www.atoseoul.com) plans to organize a U.S. Pavilion in the up-coming show in 2013 (May 14-17). For registration information, please contact the pavilion organizer, Oak Overseas (rhoood@oakoverseas.com).

- The Seoul International Wines & Spirits Expo (www.swsexpo.com) is a key trade show in South Korea dedicated to wine and alcohol beverage products. Organized by the Korea Wines & Spirits Importers Association, this show has brought together many foreign wine exporters and local wine traders over the years. The show in 2013 will be in early May. ATO Seoul plans to organize 'New American Wine Showcase' booth in the show together with new-to-market American exhibitors.

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

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

(4) There are many different bodies of wine opinion leaders emerging in South Korea. Wine academies, Internet-based wine communities, periodic wine journals, and not-for-profit organizations (such as Korea Sommelier Association) are actively engaging with the general consumers and have a significant influence on new consumption trends in the market. Entry strategy of a new-to-market supplier should incorporate a tool to develop relationship with these opinion leading groups.

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

- California Wine Institute:
Phone: 415-512-0151
Fax: 415-356-7569
Internet Home-page: www.wineinstitute.org

- Napa Valley Vintners Association:
Phone: 707-968-4213
Fax: 707-963-3488
Internet Home-page: www.napavintners.com

- Washington State Wine Commission:
Phone: 206-667-9463
Fax: 206-583-0573
E-mail: info@washingtonwine.org
Internet Home-page: www.washingtonwine.org

- Oregon Wine Board:
Phone: 503-228-8336
Fax: 503-228-8337
E-mail: info@oregonwine.org
Internet Home-page: www.oregonwine.org

SECTION III. COST & PRICING

A combined effect of import tariff, local taxes, distribution costs, and distributor mark-ups makes retail price of an imported wine in South Korea several times higher than in the export country.

1. Tariff, Taxes, and Mark-ups

- Korea applies a complicated tariff and tax system to imported alcohol beverage. The table below summarizes import tariffs and taxes applied to American alcohol beverage products as of 2012.

Product	Import Tariff	Liquor Tax	Education Tax
Fruit Wine	0%	30%	10%
Beer	25.7%	72%	30%
Bourbon Whiskey	0%	72%	30%

- The Free Trade Agreement between the United States and South Korea (KORUS FTA) immediately eliminated the 15 percent import tariff on American wine upon implementation in March 2012.
- The following table illustrates the effects of import tariff, taxes, and distributor mark-ups on a bottle of \$10 (CIF import value) American wine imported into South Korea:

A	CIF* Invoice Value	\$10.00
B	Import Tariff: A x 0%	\$0.00
C	Liquor Tax: (A+B) x 30%	\$3.00
D	Education Tax: C x 10%	\$0.30
E	Subtotal: (A+B+C+D)	\$13.30
F	Value Added Tax **: E x 10%	\$1.33
G	Handling fees for customs clearance ***:	\$0.80

	A x 8%	
H	Total cost of wine upon customs clearance: (E+F+G)	\$15.43
I	Typical Importer Mark-ups ****:	
	1. Importer's selling price to large-scale retail store (hypermarket): (mark-up 15-40%)	\$16.22-19.74
	2. Importer's selling price to wholesaler: (mark-up 15-20%)	\$16.22-16.92
	3. Importer's selling price to luxury hotel: (mark-up 40-50%)	\$19.74-21.15
J	2. Wholesaler's selling price to liquor store: (mark-up 15-30%)	\$18.65-22.00
K	Typical Retailer Mark-ups:	
	1. Hypermarket store's retail price: (mark-up 20-30%)	\$19.46-27.64
	2. Liquor store's retail price: (mark-up 30-40%)	\$24.24-30.79
	3. Luxury hotel restaurant's selling price: (mark-up 50-200%)	\$29.61-63.45

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

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

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

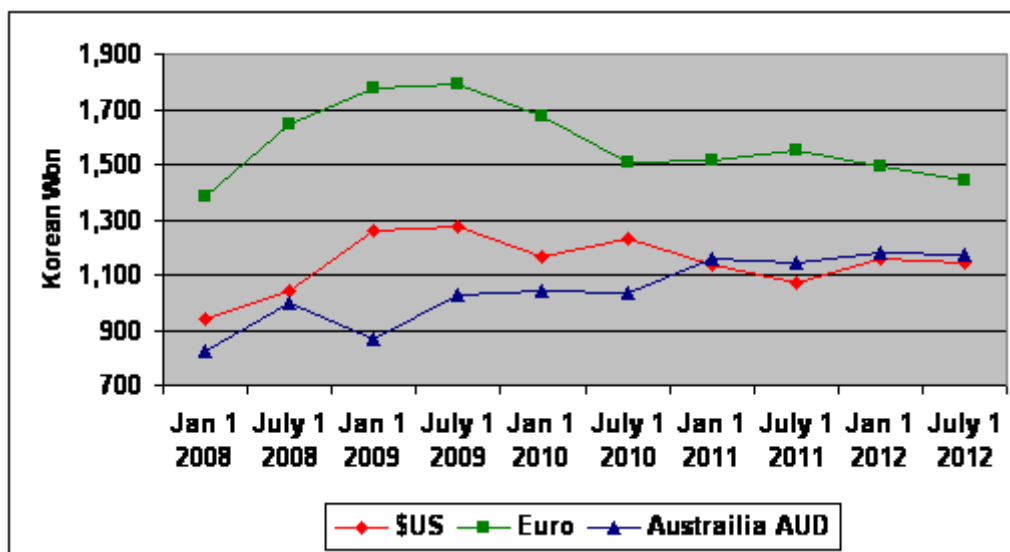
****Each mark-up calculation is based on \$16.10, the cost of wine upon customs clearance (H: \$17.63) minus the value added tax (F: \$1.53).

- Thus, a bottle of \$10 imported American wine typically retails for about \$19 to \$28 in hypermarket stores, \$24 to \$31 in liquor stores, and \$29 to \$63 in luxury hotel restaurants in South Korea.
- Some of the local wine marketing companies offer Internet based product database that track information, including retail price, of thousands of imported wines currently marketed in South Korea. Most notable ones are www.winesearcher.co.kr and www.wineok.com.

2. Currency Exchange Rates

- Retail price of imported wine in South Korea is directly affected by change of exchange rates between the export country's currency and Korean won (KRW). As a result, shifts of exchange rates bring shifts of price competitiveness among competitors. For example, a steep value rise of Australian dollar against Korean won in recent years has resulted in a significant shrink of Australian wine's market share in value-oriented segments of the market.

Figure 10: Change of Currency Exchange Rates



Source: Korea Exchange Bank

SECTION IV. MARKET ACCESS

1. Licenses

- By law, only licensed liquor importers are allowed to import alcohol beverages, including wine. There is no ceiling on the number of licenses issued, so any qualified candidate can obtain a liquor import license. Currently there are over 500 licensed liquor importers, but marketers estimate that about 50 of them currently maintain an active business. Moreover, a dozen leading importers account for over 70 percent of total imports. Importers are allowed to sell directly to wholesalers, retailers (restaurants and liquor stores), and individual consumers (through the importer's own wine shop only). However, importers are not allowed to purchase from other importers or from wholesalers. A few of the leading importers operate wholesale business and retail wine shops under separate wholesale and retail licenses, a tactic to maintain greater control of the distribution channel.

2. Labeling

- Korean law requires a separate Korean language label on imported wine. In most cases, the Korean language label (sticker) is attached to the back of the bottle manually by the importer in the duty-free warehouse before customs clearance. The Korean language label should contain the following information:
 1. Product Name (e.g., Robert Mondavi Cabernet Sauvignon)
 2. Country of origin (e.g., U.S.A)
 3. Product Type (e.g., Grape Wine)
 4. Importer's name, address, and phone number
 5. Importer's business license number
 6. Date of bottling (e.g., Year-Month-Day or Julian Code or Lot Number)

7. Alcohol percentage and product volume (e.g., 13.5%, 750 ml)
 8. Name of major ingredients (e.g., Grape)
 9. Name of place where the product can be returned or exchanged in case the product has any defect.
 10. Instructions for proper storage
 11. Name of food additives used (e.g., Sulfur Dioxide)
 12. Mandatory health warning clause
 13. Mandatory warning clause against liquor sales to minors.
 14. Name of designated distribution channel (only required on bottles sold in retail stores. Bottles sold in retail stores should be marked “For Home Use”.)
- Fruit images or photos are not allowed on the label of food and beverage products, including wine, if the product contains synthetic flavors only.
 - Currently USDA organic certified wine is allowed to be labeled and marketed as organic wine in South Korea. However, the Korean government has revised its organic labeling regulation, and accordingly will not recognize foreign organic certificates after 2012 (which means foreign products will have to be certified by a Korean government accredited certifying body to be labeled and marketed as organic product in South Korea). American suppliers of organic wine are advised to contact the ATO Seoul for up-to-date information about the Korean organic labeling standards.

3. Inspections & Food Safety Standards

- Imported foods and beverages are subject to Ministry of Health and Welfare (MHW) Food Quarantine inspections. The Korea Food & Drug Administration (KFDA) under MHW is responsible for executing all inspections. There are two kinds of inspections: detailed inspection (chemical analysis test) and visual inspection (document inspection).
- The first commercial shipment of new-to-market wine is mandated to a detailed inspection, which under Korean law should take no longer than 10 working days (in case of incubation test, up to 14 working days). In practice, however, importers claim that it could take longer. For detailed inspection, importers are required to submit one sample bottle of each product to the inspection authority along with detailed product information such as major ingredient list and processing flow chart. Once detailed inspection on the first shipment confirms no potential health concerns, subsequent shipments of the same product will be subject to visual (document) inspections. Visual inspection should take no longer than 3 working days provided that the product in the subsequent shipment is identical to the product in the first shipment with respect to label, product name, ingredients, and net volume (vintage change is not recognized as a reason for detailed inspection). However, KFDA maintains a policy to require detailed inspections randomly on a significant portion of subsequent shipments of identical products. For more information about Korean regulations and standards on imported agricultural products, please refer to [FAIRS report](#) written by the Agricultural Affairs Office of the U.S. Embassy Seoul (available in www.fas.usda.gov under Attaché Report section).
- The cost of mandatory lab analysis under detailed inspection has been on a steep increase over

the last few years. At the moment, each detailed inspection costs the importer about \$300 of fee.

- Korean labeling regulations for alcohol percentage allows for a +/- 0.5 percent point margin of error for the difference between the labeled and actual alcohol content. For example, a wine labeled as 12 percent alcohol must be measured within 11.5 percent to 12.5 percent range.
- South Korean government is paying more attention to food safety issues for imported food. When a new food safety issue associated with specific additive or ingredient arises, local authority may enforce additional safety standards and tests on imported wine. For example, test for Melamine was temporarily added to detailed inspection for imported wine from March 2009 until June 2011 due to a food safety scandal involving Melamine. Tests for Ochratoxin A and lead have been newly added to detailed inspection for imported wine since July 2010. Other ingredients that South Korean authority currently considers adding tests or strengthening safety standards for imported wine include Ethyl carbamate and Cyclamate. Consumer groups have also been questioning the safety of Sulfur dioxide in wine.
- Below table summarizes key food safety and additive standards currently applied to fruit wine in Korea:

Key Issue		Standards
1	Methanol	Less than 1.0 mg/ml
2	Food Preservatives	Preservatives other than those specified below should not be detected in fruit wine. (1) Sorbic acid (Potassium Sorbate): Less than 0.2 g/liter (2) Sulfur dioxide: Less than 0.35g/kg
3	Ochratoxin A	Less than 2ug/kg
4	Melamine	Less than 2.5 mg/kg
5	Lead	Less than 0.2mg/kg
6	Food Additives that can be added to fruit wine	(1) Sweeteners: Sugar, Glucose, Fructose, Wheat-gluten, Molasses syrup, Maple syrup, Oligo sugar, Honey, Aspartame, Sorbitol, Stebioside, Sorbitol, Sucralose, Acelsulfame potassium, Erythritol, Xylitol (2) Acids: Lactic acid, Succinic acid, Acetic acid, Fumalic acid, Gluconic acid, Tartaric acid, Citric acid, Malic acid, Tannic acid (3) Seasonings: Amino acids, Glycerin, Dextrin, Hop, Minerals (4) Flavorings: Ester compounds, Aldehyde compounds, Fusel compounds (5) Colorants: Compounds allowed by the food safety law
7	Total Heavy Metals	Below 10 mg/Kg
8	Food poisoning pathogens	Should not be detected: <i>Salmonella spp.</i> , <i>Staphylococcus aureus</i> , <i>Vibrio paraphaemolyticus</i> , <i>Clostridium perfringens</i> , <i>Listeria monocytogenes</i> , <i>Escherichia coli</i> O157:H7

SECTION V. KEY CONTACTS AND FURTHER INFORMATION

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

U.S. Agricultural Trade Office Seoul

Korean Address: Room 303, Leema Building, 146-1, Susong-dong, Jongro-gu, Seoul, Korea

U.S. Mailing Address: U.S. Embassy Seoul, Unit 15550-ATO, APO, AP 96205-5550

Telephone: 82-2 397-4188 Fax: 82-2 720-7921

E-mail: atoseoul@fas.usda.gov

Internet homepage: www.atoseoul.com

Agricultural Affairs Office, U.S. Embassy Seoul

Korean Address: U.S. Embassy, 82, Sejong-ro, Jongro-gu, Seoul, Korea

U.S. Mailing Address: U.S. Embassy Seoul, Unit 15550-AgAff, APO, AP 96205-5550

Telephone: 82-2 397-4297 Fax: 82-2 738-7147

E-mail: agseoul@usda.gov

- For more information on how you can register for USDA/FAS' Supplier List:

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

You can register online for this service at

http://www.fas.usda.gov/agx/partners_trade_leads/us_suppliers_list.asp

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

U.S. Animal Plant and Health Inspection Service Seoul (APHIS)

Korean Address: Room 303, Leema Building, 146-1, Susong-dong, Jongro-gu, Seoul, Korea

U.S. Mailing Address: U.S. Embassy Seoul, Unit 15550-APHIS, APO, AP 96205-5550

Telephone: 82-2 725-5495 Fax: 82-2 725-5496

E-mail: yunhee.kim@aphis.usda.gov

Internet Homepage: www.aphis.usda.gov

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

Food Export Association of the Midwest USA

309 W. Washington St., Suite 600

Chicago, Illinois 60606

Telephone: 312-334-9200 Fax: 312 334-9230

E-mail: thamilton@foodexport.org

Website: www.foodexport.org

Western United States Agricultural Trade Association (WUSATA)
2500 Main Street, Suite 110, Vancouver, WA 98660-2697, USA
Telephone: 360-693-3373 Fax: 360-693-3464
E-mail: janet@wusata.org
Website: www.wusata.org

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

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

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

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

APPENDIX: WINE IMPORT STATISTICS

Table 1: South Korea's Annual Wine Imports

Year	Value	Growth	Volume	Growth
1992	5,644	65.3%	2,109,570	68.9%
1993	5,855	3.7%	3,233,975	53.3%
1994	8,104	38.4%	4,225,764	30.7%
1995	13,633	68.2%	6,181,234	46.3%
1996	16,406	20.3%	5,852,665	-5.3%
1997	22,809	39.0%	9,390,449	60.4%
1998	6,491	-71.5%	2,558,561	-72.8%
1999	15,122	133.0%	5,766,043	125.4%
2000	19,802	31.0%	8,052,562	39.7%
2001	23,109	16.7%	8,861,609	10.0%

2002	29,432	27.4%	11,522,387	30.0%
2003	45,783	55.6%	13,979,720	21.3%
2004	57,979	26.6%	15,897,748	13.7%
2005	67,654	16.7%	18,984,127	19.4%
2006	88,607	31.0%	22,194,500	16.9%
2007	150,364	69.7%	31,810,196	43.3%
2008	166,512	10.7%	28,795,281	-9.5%
2009	112,450	-32.5%	23,009,429	-20.1%
2010	112,888	0.4%	24,568,118	6.8%
2011	132,079	17.0%	26,003,973	5.8%
2012 (through June)	67,626	12.3%	12,797,995	5.0%

Source: Korea Trade Information Service Database (KOTIS)

Unit: \$1,000 (Value), Liter (Volume)

Table 2. South Korea's Wine Imports Broken down by Country and Product

Country	Category	2011					2012 (thru June)				
		Value	Volume	Val. Growth	Val. M/S	Vol. M/S	Value	Volume	Val. Growth	Val. M/S	Vol. M/S
France	Red Bottle	30,976	3,270,738	18.9%	33.2%	20.0%	14,688	1,155,919	24.7%	31.0%	14.7%
	Red Bulk	156	2,317	57.6%	10.3%	0.2%	80	1,824	42.9%	9.4%	0.3%
	White Bottle	3,019	303,219	8.6%	16.0%	7.6%	1,697	183,380	18.1%	17.2%	8.4%
	White Bulk	84	2,703	460.0%	3.7%	0.1%	33	1,624	-21.4%	3.3%	0.2%
	Sparkling	8,649	366,780	28.9%	57.3%	19.4%	3,871	162,020	17.9%	49.8%	14.5%
	Others Bottle	199	16,545	-22.0%	28.7%	21.5%	113	7,307	-3.4%	22.0%	13.5%
	Others Bulk	101	5,698	16.1%	25.1%	33.0%	33	1,248	6.5%	17.5%	14.9%
	Total	43,184	3,968,000	20.0%	32.7%	15.3%	20,514	1,513,322	22.5%	30.3%	11.8%
Chile	Red Bottle	26,399	5,568,303	20.0%	28.3%	34.1%	13,749	2,932,750	0.2%	29.0%	37.4%
	Red Bulk	44	47,953	-89.0%	2.9%	3.8%	58	52,854	190.0%	6.8%	8.8%
	White Bottle	2,341	591,796	45.0%	12.4%	14.8%	1,176	307,674	0.4%	11.9%	14.2%
	White Bulk	344	240,000	13.5%	15.1%	10.0%	0	0	-100.0%	0.0%	0.0%
	Sparkling	83	10,610	5.1%	0.5%	0.6%	65	12,798	170.8%	0.8%	1.1%
	Others Bottle	15	1,918	-83.9%	2.2%	2.5%	8	1,358	33.3%	1.6%	2.5%
	Others Bulk	14	1,562	27.3%	3.5%	9.0%	7	905	16.7%	3.7%	10.8%
	Total	29,240	6,462,142	19.3%	22.1%	24.9%	15,063	3,308,339	-0.3%	22.3%	25.9%
Italy	Red Bottle	10,576	1,525,370	22.0%	11.3%	9.3%	5,076	706,192	-4.7%	10.7%	9.0%
	Red Bulk	263	139,974	157.8%	17.4%	11.1%	175	77,013	56.3%	20.6%	12.8%
	White Bottle	6,656	1,493,172	-17.0%	35.2%	37.3%	3,173	706,207	-5.5%	32.1%	32.5%
	White Bulk	302	157,237	122.1%	13.3%	6.5%	188	86,745	48.0%	18.7%	8.7%
	Sparkling	4,192	858,753	95.5%	27.8%	45.4%	2,689	592,372	84.8%	34.6%	53.2%

	g										
	Others Bottle	55	4,899	-28.6%	7.9%	6.4%	81	5,915	211.5%	15.8%	10.9%
	Others Bulk	22	2,149	-24.1%	5.5%	12.4%	14	1,189	40.0%	7.4%	14.2%
	Total	22,066	4,181,554	15.1%	16.7%	16.1%	11,396	2,175,633	9.4%	16.9%	17.0%
U.S.	Red Bottle	9,725	2,037,490	9.0%	10.4%	12.5%	5,897	1,112,543	13.5%	12.4%	14.2%
	Red Bulk	267	184,321	12.7%	17.6%	14.6%	162	104,102	76.1%	19.1%	17.3%
	White Bottle	1,595	354,096	13.0%	8.4%	8.8%	949	204,753	14.6%	9.6%	9.4%
	White Bulk	98	55,401	34.2%	4.3%	2.3%	36	24,220	-34.5%	3.6%	2.4%
	Sparkling	323	49,744	113.9%	2.1%	2.6%	146	20,905	2.8%	1.9%	1.9%
	Others Bottle	164	17,536	5.1%	23.6%	22.8%	152	19,391	97.4%	29.6%	35.8%
	Others Bulk	173	3,323	0.6%	43.0%	19.2%	95	1,977	-9.5%	50.3%	23.6%
	Total	12,345	2,701,911	11.0%	9.3%	10.4%	7,436	1,487,891	14.5%	11.0%	11.6%
Australia	Red Bottle	6,154	948,906	13.6%	6.6%	5.8%	3,184	492,062	-0.6%	6.7%	6.3%
	Red Bulk	3	142	-93.6%	0.2%	0.0%	3	597	200.0%	0.4%	0.1%
	White Bottle	1,158	224,804	-0.7%	6.1%	5.6%	795	147,981	19.4%	8.0%	6.8%
	White Bulk	70	4,601	311.8%	3.1%	0.2%	37	2,506	3700.0%	3.7%	0.3%
	Sparkling	319	48,962	30.2%	2.1%	2.6%	224	37,647	44.5%	2.9%	3.4%
	Others Bottle	88	12,811	-35.3%	12.7%	16.7%	35	3,837	-51.4%	6.8%	7.1%
	Others Bulk	19	1,063	46.2%	4.7%	6.2%	10	584	0.0%	5.3%	7.0%
	Total	7,811	1,241,289	11.0%	5.9%	4.8%	4,288	685,214	4.4%	6.3%	5.4%
Spain	Red Bottle	5,170	2,087,139	23.8%	5.5%	12.8%	2,531	965,999	29.9%	5.3%	12.3%
	Red Bulk	757	881,966	112.0%	50.0%	70.1%	333	348,737	18.1%	39.3%	57.9%
	White Bottle	824	572,439	-0.1%	4.4%	14.3%	531	397,727	39.4%	5.4%	18.3%
	White Bulk	1,361	1,932,636	13.5%	59.9%	80.2%	678	852,457	-9.2%	67.6%	85.5%
	Sparkling	562	152,922	72.9%	3.7%	8.1%	274	83,556	38.4%	3.5%	7.5%
	Others Bottle	99	16,322	450.0%	14.3%	21.2%	48	11,935	50.0%	9.3%	22.0%
	Others Bulk	8	1,050	-11.1%	2.0%	6.1%	4	493	11.1%	2.1%	5.9%
	Total	8,781	5,644,474	27.1%	6.6%	21.7%	4,397	2,660,904	22.3%	6.5%	20.8%
Germany	Red Bottle	768	220,860	4.3%	0.8%	1.4%	518	140,962	38.1%	1.1%	1.8%
	Red Bulk	2	932	-33.3%	0.1%	0.1%	0	0	-100.0%	0.0%	0.0%
	White Bottle	1,533	220,386	-20.1%	8.1%	5.5%	665	115,077	8.3%	6.7%	5.3%
	White Bulk	2	500	-97.4%	0.1%	0.0%	1	175	-50.0%	0.1%	0.0%
	Sparkling	201	51,143	12.3%	1.3%	2.7%	76	15,538	-21.6%	1.0%	1.4%
	Others Bottle	6	984	-80.0%	0.9%	1.3%	3	315	50.0%	0.6%	0.6%
	Others Bulk	4	342	-60.0%	1.0%	2.0%	2	241	0.0%	1.1%	2.9%

	Total	2,516	495,147	-14.8%	1.9%	1.9%	1,265	272,308	15.7%	1.9%	2.1%
Others	Red Bottle	3,452	683,196	17.3%	3.7%	4.2%	1,771	343,556	13.5%	3.7%	4.4%
	Red Bulk	21	1,349	75.0%	1.4%	0.1%	37	17030	270.0%	4.4%	2.8%
	White Bottle	1,513	1,258,954	2.4%	8.0%	31.4%	895	108,913	20.0%	9.1%	5.0%
	White Bulk	12	15,927	-87.0%	0.5%	0.7%	30	29,439	114.3%	3.0%	3.0%
	Sparkling	762	354,685	43.8%	5.0%	18.7%	431	189,553	43.2%	5.5%	17.0%
	Others Bottle	68	5,814	-38.2%	9.8%	7.6%	74	4150	111.4%	14.4%	7.7%
	Others Bulk	61	2,080	90.6%	15.2%	12.0%	24	1741	84.6%	12.7%	20.8%
	Total	6,135	1,309,263	18.0%	4.6%	5.0%	3,267	694,384	21.9%	4.8%	5.4%
Grand Total	Red Bottle	93,220	16,342,002	18.1%	70.6%	62.8%	47,414	7,849,983	10.0%	70.1%	61.3%
	Red Bulk	1,513	1,258,954	20.3%	1.1%	4.8%	848	602,157	47.5%	1.3%	4.7%
	White Bottle	18,885	4,006,124	-1.7%	14.3%	15.4%	9,881	2,171,712	7.4%	14.6%	17.0%
	White Bulk	2,273	2,409,005	18.8%	1.7%	9.3%	1,003	997,166	-12.8%	1.5%	7.8%
	Sparkling	15,091	1,893,599	45.6%	11.4%	7.3%	7,776	1,114,389	37.5%	11.5%	8.7%
	Others Bottle	694	76,829	-20.7%	0.5%	0.3%	514	54,208	40.1%	0.8%	0.4%
	Others Bulk	402	17,267	10.7%	0.3%	0.1%	189	8,378	3.3%	0.3%	0.1%
	Total	132,078	26,003,780	17.0%	100.0%	100.0%	67,626	12,797,995	12.3%	100.0%	100.0%

Source: Korea Trade Information Service Database (KOTIS)
Unit: \$1,000 (Value), Liter (Volume)