ASEAN-KOREA CENTRE

ASEAN-Korea Centre is an inter-governmental organization dedicated to promoting cooperation in trade, investment, culture, and tourism between ASEAN (Association of Southeast Asian Nations) member states and the Republic of Korea. Since its establishment in March 2009, the Centre has been undertaking various trade and investment promotion activities to further strengthen trade and investment ties between ASEAN and Korea.

The trade between ASEAN and Korea has expanded following the entry into force of ASEAN-Korea FTA on goods in June 2007. Total trade volume between ASEAN and Korea reached at US $ 90 billion in 2008 from US $ 38 billion in 2000, ranking ASEAN as the third largest trading partner for Korea, and Korea as the fifth largest partner for ASEAN.

As part of its programs to further promote trade between ASEAN and Korea, the Centre published *Survey on the Korean Market for ASEAN Exports*.

The Survey is organized into the following sections: (1) trade analysis between individual ASEAN countries and Korea; (2) case studies on selective items with their market conditions, import policies, procedures, customs duties and taxes; and (3) statistical analysis of ASEAN exports to global and Korean markets.

I hope that this publication would serve as a useful guide for business and help to further enhance trade relations between ASEAN and Korea.

February 2010
Young Jai CHO
Secretary General
ASEAN-Korea Centre

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Acronyms

ASEAN	Association of Southeast Asian Nations
AUP	Average Unit Price
C/O	Certificate of Origin
FDI	Foreign Direct Investment
FSMS	Food Safety Management System
FTA	Free Trade Area
HACCP	Hazard Analysis and Critical Control Point
ITC	International Trade Centre
AKFTA	ASEAN-Korea Free Trade Agreement
KCFTA	Korea-Chile Free Trade Agreement
KEFTA	Korea-Europe Free Trade Agreement
SKFTA	Singapore-Korea Free Trade Agreement
KFDA	Korea Food and Drug Administration
KITA	Korea International Trade Association
NQS	National Quarantine Station
VAT	Value Added Tax
WTO	World Trade Agreement

Notation

excl.	excluding
incl.	including
mm	millimeter
nes, nesoi	not elsewhere specified or included
o/t	other than
w/n	whether or not

Section I.
ASEAN-Korea trade analysis: status and trends

1 Brunei Darussalam

1. General status

With its per capita GDP over $35,000, Brunei is one of the most affluent countries in Asia. Its economy is generally stable, except for its relatively high dependence on the oil industry.

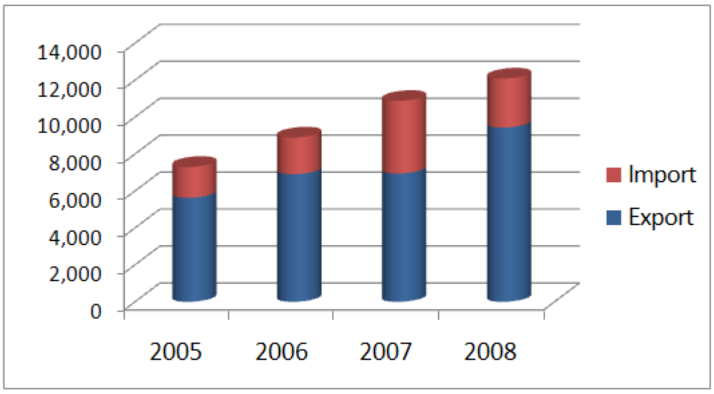
By carrying out its 8th economic development plan that started in 2002, Brunei is lowering its economic dependence on the oil and gas industries. At the same time, it is exerting efforts for industrial diversification under the goal of achieving annual growth of over 5%.

In particular, the country is actively trying to attract foreign direct investment (FDI) and preparing various investment promotion measures such as the implementation of One-Stop Service. These steps are expected to improve investment environments for foreigners.

2. Trade trends

Brunei's annual trade volume increased from $7,303 million in 2005 to $12,088 million in 2008, recording yearly growth of 18.3% on average. This trend is predicted to continue. During the 2005-2008 period, the nation's exports expanded by annual average of 18.8% from $5,633 million to $9,433 million. Its imports grew by 16.7% a year from $1,670 million to $2,655 million.

Figure 1 Brunei's Export and Import Trends



(Unit: $ Million)

Class.	2005		2006		2007		2008	
	Value	% change	Value	% change	Value	% change	Value	% change
Export	5,633	-	6,907	22.6%	6,944	0.5%	9,433	35.8%
Import	1,670	-	1,990	19.2%	3,933	97.6%	2,655	-32.5%
Balance	3,964	-	4,917	24.0%	3,011	-38.8%	6,778	125.1%

Source: Korea International Trade Association (KITA)

Brunei's trade surplus jumped from $3,964 million in 2005 to $4,917 million in 2006. In 2007, the nation's imports soared 97.6% compared with the previous year, while exports grew by a meager 0.5%. As a consequence, the country's trade surplus shrank to $3,011 million. In 2008, the surplus went up again to $6,778 million thanks to a huge export increase.

(1) Export status

1) Export status by country

In 2008, Brunei's largest export destination was Japan, to which Brunei shipped $4,152 million worth of goods, accounting for 40.8% of its total exports. Japan was followed by Indonesia, which absorbed 21.6% of Brunei's exports, or about $2,197 million. Korea was ranked third by importing from Brunei $1,568 million worth of products, which constituted 15.4% of Brunei's total exports.

Table 1 Brunei's Top 10 Export Destinations

(Unit: $ 1,000,000)

Rank	Country	2005		2006		2007		2008	
		Value	Share	Value	Share	Value	Share	Value	Share
1	Japan	2,074	36.8%	2,067	29.1%	2,276	31.8%	4,152	40.8%
2	Indonesia	1,089	19.3%	1,461	20.6%	1,695	23.7%	2,197	21.6%
3	Korea	715	12.7%	1,096	15.4%	850	11.9%	1,568	15.4%
4	Australia	524	9.3%	775	10.9%	927	12.9%	1,023	10.0%
5	New Zealand	67	1.2%	199	2.8%	129	1.8%	316	3.1%
6	India	1	0.0%	195	2.7%	219	3.1%	250	2.5%
7	Singapore	135	2.4%	200	2.8%	127	1.8%	174	1.7%
8	U.S.A.	536	9.5%	523	7.4%	383	5.3%	107	1.1%
9	Malaysia	12	0.2%	69	1.0%	87	1.2%	93	0.9%
10	Thailand	184	3.3%	117	1.6%	102	1.4%	80	0.8%
Total		5,633	100%	7,099	100%	7,160	100%	10,188	100%

Source: Korea International Trade Association (KITA)

2) Export status by item

Crude oil and petroleum gases are Brunei's predominant export items. In 2006, crude oil and natural gas exports reached $5,140.8 million and $2,214.58 million, accounting for 67.3% and 29% of the nation's total exports, respectively. Combined, the two sectors constituted more than 96% of the nation's export volume. Brunei also exports various kinds of apparel and machinery, but they hold minimal portions in its exports. To improve the situation, Brunei needs to diversify its export items.

Table 2 Brunei's Top 10 Exports

(Unit: $ Thousands)

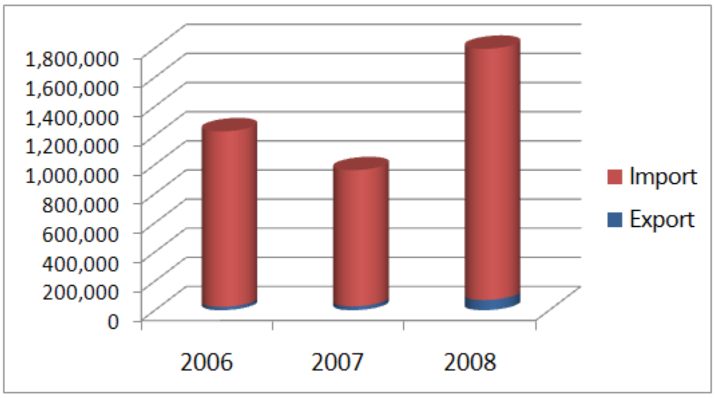
Rank	HS Code	Commodity	2002	2003	2006	2008 Korea's import
1	2709	Crude petroleum oils	1,688,871	2,022,102	5,140,804	85,855,363
2	2711	Petroleum gases	1,400,489	1,594,727	2,214,588	24,892,560
3	6109	T-shirts, singlets and other vests, knitted or crocheted	36,373	51,183	67,242	458,628
4	6106	Women's blouses & shirts, knitted or crocheted	3,606	8,100	28,196	50,130
5	8459	Machine-tool for drill / boring / milling, threading / tapping	94	497	22,153	116,161
6	8803	Aircraft parts	15,015	20,715	18,507	572,991
7	6105	Men's shirts, knitted or crocheted	4,839	1,182	12,940	45,986
8	6104	Women's suits, dresses, skirt & short, knitted / crocheted	9,377	15,995	11,399	79,978
9	8479	Machines & mechanical appliance having unique functions	6,939	7,616	9,178	3,275,448
10	8207	Interchangeable tools for hand tools, or for machine-tools	9.045	29,715	5,844	244,330

Source: International Trade Centre (ITC)

3. Brunei-Korea trade

Korea's exports to Brunei climbed from $22.43 million in 2006 to $70.20 million in 2008, recording annual growth of 76.9%. Imports from Brunei also sharply rose from $1,205.62 million in 2006 to $1,724.48 million in 2008. Bilateral trade has been in favor of Brunei since 2006, with Korea's deficit reaching $1,654.27 million in 2008.

Figure 2 Trends in Korea's Trade with Brunei



(Unit: $ Thousands)

Class.	2006		2007		2008	
	Value	% change	Value	% change	Value	% change
Export	22,435	-	26,613	18.6%	70,209	163.8%
Import	1,205,629	-	934,960	-22.5%	1,724,487	84.4%
Balance	-1,183,194	-	-908,347	23.2%	-1,654,278	-82.1%

Source: Korea International Trade Association (KITA)

(1) Korean exports to Brunei

As of 2008, Korea's key export items to Brunei were motor cars, heating and cooking machinery, steel products and telephone sets. Motor cars topped the list with $22.04 million, which accounted for 31.4% of Korea's total exports to Brunei. Heating and cooking machinery showed a conspicuous jump from zero in 2007 to $20.35 million; which was 29% of the total exports.

Table 3 Korea's Top 10 Exports to Brunei

(Unit: ＄1,000, %)

Rank	HS Code	Commodity	2007		2008	
			Value	% change	Value	% change
1	8703	Motor cars	19,547	69	22,043	12.8
2	8419	Heating, cooking, roasting machinery	0	-	20,352	-
3	8417	Industrial or laboratory furnaces and ovens	0	-	5,862	-
4	7307	Tube or pipe fittings, of iron or steel	192	3,571	3,458	1,698
5	7419	Other articles of copper	0	-	1,792	-
6	8517	Telephone sets	486	3,058.7	1,765	263
7	8481	Taps, cocks, valves	94	3,355.2	1,591	1,589.1
8	8544	Insulated wire, cables	526	-67.8	1,562	197
9	7306	Other tubes, pipes and hollow profiles	38	-	1,418	3,638.1
10	3901	Polymers of ethylene	914	-60.2	1,356	48.5

Source: Korea International Trade Association (KITA)

(2) Korean imports from Brunei

1) Import status by industry

In 2008, imports of mineral products amounted to $1,723.32 million, accounting for 99.9% of total imports. The mineral products were followed by agricultural and fisheries products, and steel and metal products, but these sectors constituted just 0.06% and 0.01% of the total import volume, respectively. To increase its export to Korea, Brunei needs to develop strategic items other than crude oil and natural gas.

Table 4 Industrial Trends in Korea's Imports from Brunei

(Unit: ＄ 1,000, %)

Rank	Industrial sector	2007			2008		
		Value	% change	Share	Value	% change	Share
1	Mineral Product	934,412	-22.4	99.94	1,723,323	84.4	99.93
2	Agricultural, Forest, Marine Products	435	130.0	0.05	987	126.8	0.06
3	Articles of Iron or Steel, Metals	63	-90.7	0.01	160	155.6	0.01
4	Textile & Apparel	37	-68.3	0.0	8	-78.1	0.0
5	Electrical Articles, Electronic Articles	5	-77.1	0.0	5	2.7	0.0
6	Chemical Industry Manufactures	6	50,790.9	0.0	2	-59.4	0.0
7	Articles of Plastic Rubber or Leather	0	23.8	0.0	0	-2.0	0.0
8	Miscellaneous Articles/Sundries	1	121.1	0.0	0	-74.9	0.0
9	Living ware	0	-57.4	0.0	0	-41.4	0.0
10	Machinery	0	-99.1	0.0	0	106.5	0.0
Total		934,960	-22.4	100	1,724,487	84.5	100

Source: Korea International Trade Association (KITA)

2) Import status by item

Crude oil and petroleum gases accounted for over 99% of Korea's imports from Brunei. But, these items held mere 1.3% and 2.4% import market shares in Korea, respectively.

Table 5 Korea's Top 10 Imports from Brunei and Their Import Market Shares

(Unit: $ Thousands)

Rank	HS Code	Commodity	Total imports	Imports from Brunei			Top 3 countries in share		
				Value	Share	Rank in market	1st	2nd	3rd
1	2709	Crude petroleum oils	85,855,363	1,125,629	1.3%	12	Saudi Arabia	U.A.E.	Kuwait
2	2711	Petroleum gases and hydrocarbons	24,892,560	597,694	2.4%	10	Catarrh	Oman	Malaysia
3	4408	Sheets for veneering	154,840	987	0.6%	11	China	Malaysia	Brazil
4	7404	Copper waste and scrap	1,427,493	160	0.01%	82	U.S.A.	South Africa	Vietnam
5	6205	Men's or boys' shirts	145,991	8	0.01%	55	China	Italy	U.S.A.
6	3822	Diagnostic or laboratory reagents	332,972	2	0.0%	57	U.S.A.	Germany	Japan
7	8471	Automatic data processing machines	3,630,936	2	0.0%	91	China	U.S.A.	Ireland
8	8473	Parts and accessories with machines	2,345,157	2	0.0%	75	China	U.S.A.	Taiwan

Source: Korea International Trade Association (KITA), 2008
Note 1) Total imports: Korea's total imports by category
2) Rank in market: Rank in Korea's import market

Table 6 Detailed Status of Key Korean Imports from Brunei

(Unit: $ Thousands)

HS Code		Commodity	Total imports	Imports from Brunei			Top 3 countries in share		
				Value	Share	Rank in market	1st	2nd	3rd
2711	2711110000	Natural gas	19,806,104	597,694	3%	7	Catarrh	Oman	Malaysia

Source: Korea International Trade Association (KITA), 2008
Note 1) Total imports: Korea's total imports by category
2) Rank in market: Rank in Korea's import market

2 Cambodia

1. General status

The Cambodian economy has achieved growth of more than 10% every year since 2004, with tourism, garments and construction sectors playing key roles. The economy has a structure of a consumption market, heavily dependent on imports, except for the garments sector.

Since its admission into the WTO in September 2004, Cambodia revised a total of 46 domestic laws to meet WTO standards. In addition, quotas in the multilateral textile agreement were abolished effective in January 2005. These moves contributed to improvement in the country's investment environment, which, in turn, led to increasing foreign direct investment (FDI).

Cambodia has been participated in regional economic cooperation since it joined ASEAN as its 10th member in April 1999. After parliamentary ratification in October 2004, the nation was admitted into the WTO as its 148th member.

(1) Foreign direct investment (FDI) status

FDI in Cambodia grew 118.2% a year on average from $1,048 million in 2005 to $10,889 million in 2008. In 2008, the largest investor was China, which had an FDI capital of $4,371 million. Korea's investments were about $1,238 million, accounting for 11.3% of total FDI.

Table 7 FDI Status in Cambodia

(Unit: $ 1,000,000)

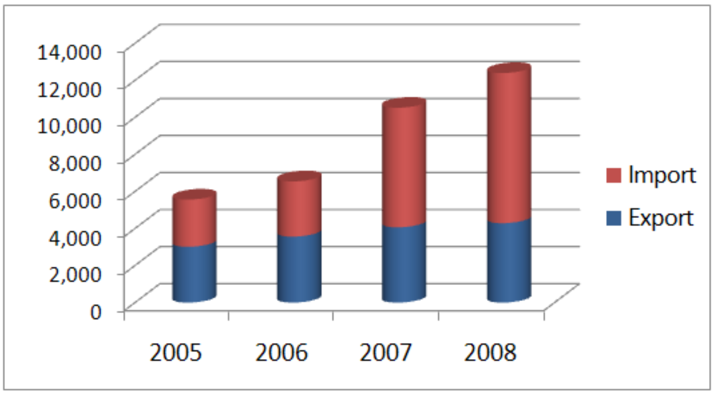
Class.	2005		2006		2007		2008	
	Value (% change)	Share	Value (% change)	Share	Value (% change)	Share	Value (% change)	Share
China	452 (-)	43.1%	717 (58.6%)	16.2%	180 (-74.8%)	6.7%	4,371 (2,328.3%)	40.1%
Korea	56 (-)	5.3%	1,010 (1,701.7%)	22.8%	148 (-85.3%)	5.5%	1,238 (736.1%)	11.3%
ASEAN	133 (-)	12.5%	171 (29.5%)	3.8%	507 (195.9%)	18.9%	150 (-70.5%)	1.3%
Total	1,048		4,415		2,667		10,889	

Source: The Council for the Development of Cambodia (CDC), www.globalwindow.org

2. Trade trends

Cambodia's annual trade increased in amount from $5,562 million in 2005 to $12,397 million in 2008, recording annual growth of 30.6%. Exports expanded by 12.5% annually from $3,014 million in 2005 to $4,290 million in 2008. Imports soared by 47.1% a year on average from $2,548 million in 2005 to $8,170 million in 2008. The country had maintained a trade surplus since 2004, but it turned into a deficit in 2007 because of a drastic increase in imports.

Figure 3 Cambodia's Export and Import Trends



(Unit: $ 1,000,000)

Class.	2005		2006		2007		2008	
	Value	% change	Value	% change	Value	% change	Value	% change
Export	3,014	37.8%	3,562	18.2%	4,066	14.1%	4,290	5.5%
Import	2,548	22.8%	2,985	17.2%	6,457	116.3%	8,107	25.6%
Balance	466	312.4%	576	23.6%	-2,390	-514.9%	-3,818	-59.7%

Source: Korea International Trade Association (KITA)

(1) Export status

1) Export status by country

As of 2008, Cambodia's largest export destination was the United States, whose imports from Cambodia reached $2,314 million, accounting for 54.4% of Cambodia's total exports. The United States was followed by Germany, which imported $329 million worth of goods, or 7.7% of total Cambodian exports.

Cambodia's exports to Korea in 2008 amounted to $13 million, accounting for just 0.3% of its total export volume. To enhance its export to Korea, Cambodia needs to develop strategic items.

Table 8 Cambodia's Top 10 Export Destinations

(Unit: $ 1,000,000)

Rank	Country	2005		2006		2007		2008	
		Value	Share	Value	Share	Value	Share	Value	Share
1	U.S.A.	1,595	52.9%	1,899	53.3%	2,363	58.0%	2,314	54.4%
2	Germany	225	7.5%	233	6.5%	298	7.3%	329	7.7%
3	Canada	107	3.6%	115	3.2%	189	4.6%	252	5.9%
4	U.K.	124	4.1%	153	4.3%	212	5.2%	232	5.5%
5	Vietnam	46	1.5%	75	2.1%	187	4.6%	191	4.5%
6	Spain	34	1.1%	85	2.4%	115	2.8%	141	3.3%
7	Japan	63	2.1%	34	1.0%	126	3.1%	110	2.6%
8	Singapore	70	2.3%	139	3.9%	77	1.9%	105	2.5%
9	Thailand	15	0.5%	15	0.4%	45	1.1%	81	1.9%
10	Belgium	10	0.3%	23	0.6%	43	1.1%	56	1.3%
21	Korea	2	0.1%	3	0.1%	8	0.2%	13	0.3%
Total		3,014	100%	3,562	100%	4,075	100%	4,251	100%

Source: Korea International Trade Association (KITA)

2) Export status by item

Cambodia has a very limited scope of export products such as various kinds of apparel, rubber goods, lumber products, and agricultural and fisheries items. Its top 10 exports are mostly various kinds of apparel and footwear for men and women.

Table 9 Cambodia's Top 10 Exports

(Unit: $ Thousands)

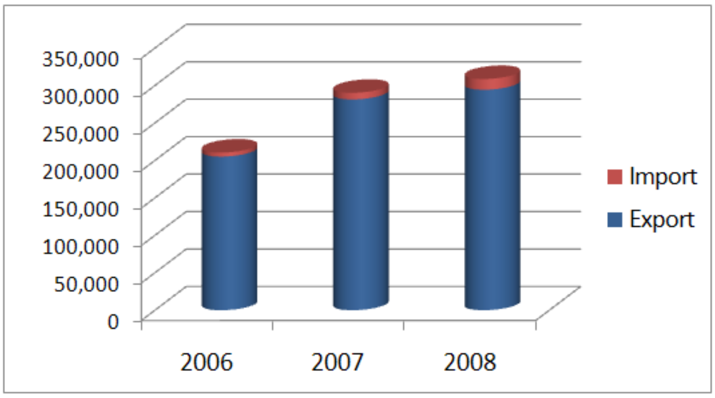
Rank	HS Code	Commodity	2004	2005	2006	2008 Korea's import
1	6110	Jerseys, pullovers, cardigans, knitted or crocheted	569,573	732,297	970,524	321,393
2	6204	Women's suits, jackets, dresses skirts & shorts	49,361	522,144	476,135	773,868
3	6203	Men's suits, jackets, trousers & shorts	17,018	224,608	275,149	609,700
4	6109	T-shirts, singlets and other vests, knitted or crocheted	23,408	122,072	226,924	458,628
5	6108	Women's slips, panties, pyjamas, bathrobes, knitted/crocheted	151,833	190,519	192,086	41,488
6	6403	Footwear, upper of leather	37,268	121,812	177,980	447,107
7	6104	Women's suits, dresses, skirt & short, knitted/crocheted	486,260	95,778	169,952	79,978
8	6106	Women's blouses & shirts, knitted or crocheted	98,733	105,340	138,348	50,130
9	6105	Men's shirts, knitted or crocheted	107,479	75,139	136,762	45,986
10	6107	Men's underpants, pyjamas, bathrobes, knitted/crocheted	75,756	75,180	78,446	34,150

Source: International Trade Centre (ITC)

3. Cambodia-Korea trade

After exceeding the $200 million mark in 2006, Korea's exports to Cambodia rose 37.2% to $281.42 million in 2007, and then to $294.38 million in 2008. Although still at a minimal level, Korea's imports from Cambodia grew by annual average of 62.3% from $5.46 million in 2006 to $14.37 million in 2008.

Figure 4 Trends in Korea's Trade with Cambodia



(Unit: $ Thousands)

Class.	2006		2007		2008	
	Value	% change	Value	% change	Value	% change
Export	205,093	-	281,426	37.2%	294,383	4.6%
Import	5,461	-	8,873	62.5%	14,378	62.1%
Balance	199,632	-	272,553	36.0%	280,005	2.9%

Source: Korea International Trade Association (KITA)

(1) Korean exports to Cambodia

Other knitted or crocheted fabrics topped the list of Korean exports to Cambodia for two consecutive years by amounting to $64.17 million in 2007 and $60.72 million in 2008. The second spot was taken by motor vehicles for the transport of goods, the exports of which in 2008 reached $32.14 million in value, up 35.3% from the previous year. This sector deserves particular attention for its prospect for growth.

Korea's top 10 exports to Cambodia are mainly comprised of various textile products and car-related goods. This situation leaves room for Korea to diversify its export products to Cambodia.

Table 10 Korea's Top 10 Exports to Cambodia

(Unit: $ Thousands)

Rank	HS Code	Commodity	2007		2008	
			Value	% change	Value	% change
1	6006	Other Knitted or crocheted fabrics	64,172	43.4%	60,729	-5.4%
2	8704	Motor vehicles for the transport of goods	23,750	45.3%	32,142	35.3%
3	6004	Knitted or crocheted fabrics	36,630	50.8%	27,419	-25.1%
4	6309	Worn clothing and other worn articles	19,876	7.9%	20,444	2.9%
5	6310	Used or new rags, scrap twine cordage, rope and cables	10,282	-0.7%	8,497	-17.4%
6	8702	Motor vehicles for the transport of ten or more persons	7,631	58.6%	8,412	10.2%
7	8711	Motorcycles	6,382	-2.0%	6,723	5.3%
8	6217	Other made up clothing accessories	5,257	32.8%	6,684	27.1%
9	8708	Parts and accessories of the motor vehicles of headings	6,469	17.2%	6,100	-5.7%
10	8703	Motor cars and other motor vehicles principally designed for the transport of persons	3,769	126.1%	6,081	61.3%

Source: Korea International Trade Association (KITA)

(2) Korean imports from Cambodia

1) Import status by industry

Textile and apparel products constituted the largest sector of imported goods from Cambodia in 2008. This sector's imports reached $8.89 million, accounting for 61.9% of total imports from Cambodia. Ranked second and third were steel and metal products, and agricultural, forest, marine products, which accounted for 17.6% and 12.2% of the total imports, respectively.

Table 11 Industrial Trends in Korea's Imports from Cambodia

(Unit: $ Thousands, %)

Rank	Industrial sector	2007			2008		
		Value	% change	Share	Value	% change	Share
1	Textile & Apparel	6,391	79.6	72.0	8,898	39.2	61.9
2	Articles of iron or Steel, Metals	1,493	193.2	16.8	2,529	69.5	17.6
3	Agricultural, Forest, Marine Products	661	129.1	7.4	1,751	164.8	12.2
4	Living ware	276	120.9	3.1	729	164.3	5.1
5	Electrical Articles, Electronic Articles	22	-50.4	0.2	235	982.3	1.6
6	Machinery	10	-98.8	0.1	168	1,577.2	1.2
7	Articles of Plastic Rubber or Leather	12	-83.4	0.1	31	169.4	0.2
8	Chemical Industry Manufactures	8	719.6	0.1	30	267.5	0.2
9	Mineral Product	0	-	0.0	6	-	0.04
10	Miscellaneous Articles/Sundries	1	11.2	0.0	2	102.0	0.01
Total		8,873	62.5	100.0	14,378	62.1	100.0

Source: Korea International Trade Association (KITA)

2) Import status by item

An item review of the imports from Cambodia shows that in 2008, aluminum waste and scrap were in the top spot with their import amount standing at $2.11 million. These products, however, had a meager 0.2% share in the Korean import market. In contrast, men's suits (knitted or crocheted) from Cambodia was ranked third in the Korean import market by holding a 3.2% share.

Table 12 Korea's Top 10 Imports from Cambodia and Their Import Market Shares

(Unit: ＄ Thousands)

Rank	HS Code	Commodity	Total imports	Imports from Cambodia			Top 3 countries in share		
				Value	Share	Rank in market	1st	2nd	3rd
1	7602	Aluminium waste and scrap	1,020,541	2,112	0.2%	44	U.S.A.	U.K.	Australia
2	4001	Natural rubber, balata, gutta-percha, guayule, chicle	1,003,034	1,598	0.1%	7	Thailand	Indonesia	Malaysia
3	6109	T-shirts, singlets and other vests, knitted or crocheted.	458,628	1,503	0.3%	16	China	Italy	India
4	6104	Women's or girls' suits, ensembles, jackets, knitted or crocheted.	79,978	1,273	1.5%	9	China	Italy	U.S.A.
5	6103	Men's or boys' suits, ensembles, jackets, knitted or crocheted.	38,611	1,265	3.2%	3	China	Philippines	Cambodia
6	6203	Men's or boys' suits, ensembles, jackets	609,700	1,086	0.1%	19	China	Italy	Vietnam
7	6204	Women's or girls' suits, ensembles, jackets	773,868	688	0.1%	30	China	Italy	U.S.A.
8	6110	Jerseys, pullovers, cardigans, waistcoats and similar articles	321,393	679	0.2%	17	China	Italy	Vietnam
9	6403	Footwear with outer soles of rubber, plastics	447,107	632	0.1%	21	China	Italy	Vietnam
10	6114	Other garments, knitted or crocheted	40,367	474	1.1%	8	China	Vietnam	El Salvador

Source: Korea International Trade Association (KITA)

Note 1) Total imports: Korea's total imports by category

2) Rank in market: Rank in Korea's import market

3 Indonesia

1. General status

Indonesia has abundant energy resources such as coal, crude oil and natural gas, as well as a solid domestic consumption market supported by its population of 240 million people. These two factors form the backbone of the country's economic growth.

In macroeconomic terms, Indonesia is entering a stable path of growth after coming out of the 1997-1998 financial crisis. In particular, it achieved solid growth of 6.1% in 2008 despite a number of unfavorable developments such as international financial instability, soaring prices of crude oil and other raw materials, and the upward trend of interest rates driven by inflation pressures.

To diversify its economic structure which is heavily dependent on energy resources, Indonesia is now looking for new growth engines in various sectors such as fabrics and fabric products, electronics and parts, automobiles and parts, shipbuilding, petrochemical, steel, and aquaculture.

(1) Foreign direct investment (FDI) status

FDI in Indonesia in 2008 amounted to $14,871 million invested in 1,138 projects. Compared with the previous year, the amount went up 43.8% in value terms while the number of projects increased 15.9%. Mauritius emerged as the largest investor with an invested capital of $6,478 million. By investing $310 million in 182 projects, Korea ranked second in terms of the number of projects, and sixth in terms of value.

Table 13 FDI Status in Indonesia

(Unit: $ 1,000,000)

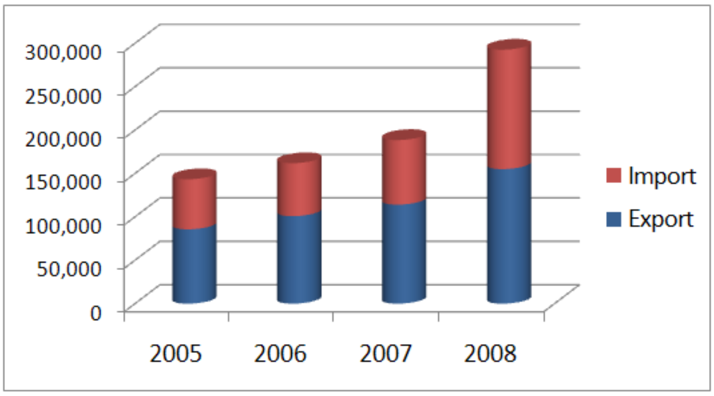
Rank	Country	2007		2008	
		No. of Projects	Value	No. of Projects	Value
1	Republic of Mauritius	7	224	5	6,478
2	Singapore	124	3,748	184	1,487
3	Japan	113	618	130	1,365
4	U.K.	63	1,686	57	513
5	Malaysia	56	217	74	363
6	Korea	164	628	182	301
Total		982	10,341	1,138	14,871

Source: Indonesia Investment Coordinating Board (BKPM), www.globalwindow.org

2. Trade trends

As of 2008, Indonesia was ranked 30th worldwide in terms of trade volume, according to IMF statistics. Indonesia's exports grew by an average of 21.9% a year from $85,660 million in 2005 to $155,060 million in 2008. During the same period, the country's imports rose 33.6% from $57,714 million to $137,638 million. Trade surplus jumped from $27,946 million in 2005 to $39,628 million in 2007, registering 19.1% annual growth on average. In 2008, the surplus declined 56% from the previous year.

Figure 5 Indonesia's Export and Import Trends



(Unit: $ 1,000,000)

Class.	2005		2006		2007		2008	
	Value	% change	Value	% change	Value	% change	Value	% change
Export	85,660	19.7%	100,842	17.7%	114,112	13.2%	155,060	35.9%
Import	57,714	24.0%	61,073	5.8%	74,484	22.0%	137,638	84.8%
Balance	27,946	11.5%	39,769	42.3%	39,628	-0.4%	17,422	-56.0%

Source: Korea International Trade Association (KITA)

(1) Export status

1) Export status by country

Indonesia's largest export destination in 2008 was Japan, which imported Indonesian goods worth about $27,744 million, up 17.4% from 2007. The shipments to Japan accounted for 20.7% of Indonesia's total exports. Japan was followed by the United States, Singapore and China. Worthy of note is India, the Indonesian exports to which grew 35.5% a year on average.

Korea was placed fifth by importing $9,117 million worth of products or 6.6% of total Indonesian exports in 2008.

Table 14 Indonesia's Top 10 Export Destinations

(Unit: $ 1,000,000)

Rank	Country	2005		2006		2007		2008	
		Value	Share	Value	Share	Value	Share	Value	Share
1	Japan	18,049	21.1%	21,732	21.6%	23,633	20.7%	27,744	20.7%
2	U.S.A.	9,889	11.5%	11,259	11.2%	11,644	10.2%	13,080	10.2%
3	Singapore	7,837	9.1%	8,930	8.9%	10,502	9.2%	12,862	9.2%
4	China	6,662	7.8%	8,344	8.3%	9,676	8.5%	11,637	8.5%
5	Korea	7,086	8.3%	7,694	7.6%	7,583	6.6%	9,117	6.6%
6	India	2,878	3.4%	3,391	3.4%	4,944	4.3%	7,163	4.3%
7	Malaysia	3,431	4.0%	4,111	4.1%	5,096	4.5%	6,433	4.5%
8	Australia	2,228	2.6%	2,771	2.7%	3,395	3.0%	4,111	3.0%
9	Netherlands	2,234	2.6%	2,518	2.5%	2,749	2.4%	3,926	2.4%
10	Thailand	2,246	2.6%	2,702	2.7%	3,054	2.7%	3,661	2.7%
Total		85,660	100%	100,842	100%	114,112	100%	137,022	100%

Source: Korea International Trade Association (KITA)

(2) Export status by item

Indonesia's largest export item is natural gas, whose exports amounted to $10,197 million in 2006, accounting for 10.1% of the country's total exports. It was followed by crude oil, whose exports reached $8,169 million in value, or 8.1% of the country's total exports.

Table 15 Indonesia's Top 10 Exports

(Unit: $ 1,000,000)

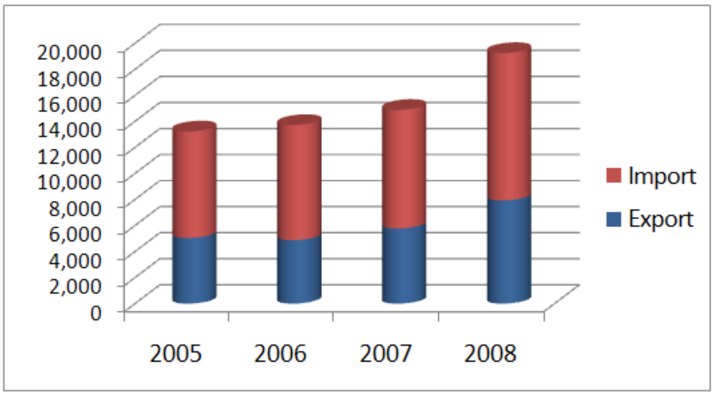
Rank	HS Code	Commodity	2004	2005	2006	2008 Korea's import
1	2711	Petroleum gases	2,213	9,154	10,197	24,893
2	2709	Crude petroleum oils	4,679	8,146	8,169	85,855
3	2701	Coal; briquettes, ovoids & similar solid fuels manufactured from coal	2,758	4,354	6,082	12,372
4	1511	Palm oil & its fraction	3,442	3,756	4,818	225
5	2603	Copper ores and concentrates	1,802	3,311	4,646	3,514
6	4001	Natural rubber, balata, gutta-percha	2,181	2,584	4,322	1,003
7	2710	Petroleum oils, not crude	1,631	1,904	2,815	17,081
8	8471	Automatic data processing machines; optical reader	1,517	1,850	1,786	3,631
9	4412	Plywood, veneered panels and similar laminated wood	1,577	1,375	1,507	544
10	4802	Uncoated paper for writing, printing	738	1,050	1,392	147

Source: International Trade Centre (ITC)

3. Indonesia-Korea trade

In March 2009, Indonesia was ranked 15th among Korea's export destinations, and the ninth largest source of import. Trade volume between Korea and Indonesia registered average annual growth of 13.3% during the 2005-2008 period, rising from $13,230 million to $19,254 million. In 2008, Korea exported $7,934 million worth of products and imported $11,320 worth of good, thus recording a deficit of $3,387 million.

Figure 6 Trends in Korea's Trade with Indonesia



(Unit: $ 1,000,000)

Class.	2005		2006		2007		2008	
	Value	% change	Value	% change	Value	% change	Value	% change
Export	5,046	37.2%	4,874	-3.4%	5,771	18.4%	7,934	37.5%
Import	8,184	28.5%	8,849	8.1%	9,114	3.0%	11,320	24.2%
Balance	-3,139	-	-3,975	26.6%	-3,343	-15.9%	-3,387	1.3%

Source: Korea International Trade Association (KITA)

(1) Korean exports to Indonesia

Major Korean exports to Indonesia in 2008 included petroleum oils and oils obtained from bituminous minerals, special-purpose vessels, and synthetic rubber. Ranked first in 2008 were petroleum oils and oils obtained from bituminous minerals whose exports were worth $2,477 million, accounting for 31.2% of the total export volume. They were followed by special-purpose vessels, whose exports amounted to $530 million, or 6.7% of the total exports.

Table 16 Korea's Top 10 Exports to Indonesia

(Unit: $ million)

Rank	HS Code	Commodity	2007		2008	
			Value	% change	Value	% change
1	2710	Petroleum oils and oils; waste oils.	1,494	17.9%	2,477	65.8%
2	8905	Vessels, drilling or production platforms.	10	-	530	5,071.3%
3	6006	Other Knitted or crocheted fabrics.	209	39.0%	295	41.1%
4	4002	Synthetic rubber and mixtures.	88	16.8%	196	122.6%
5	7210	Flat-rolled products of iron or non-alloy steel.	121	29.5%	167	37.2%
6	7208	Flat-rolled products of iron or non-alloy steel.	32	-11.8%	144	349.0%
7	3902	Polymers of propylene or of other olefin.	67	3.6%	128	91.2%
8	8522	Parts and accessories suitable for sound/video apparatus.	105	-17.3%	127	20.9%
9	7209	Flat-rolled products of iron or non-alloy steel.	78	59.7%	125	59.0%
10	6004	Knitted or crocheted fabrics.	95	13.4%	120	26.3%

Source: Korea International Trade Association (KITA)

(2) Korean imports from Indonesia

1) Import status by industry

Mineral products were at the top of the list of Korean imports from Indonesia in 2008, with $7,843 million which accounted for 69.3% of total imports. Ranked second were chemical industry manufactures, whose imports amounted to $971 million, constituting 8.6% of total imports.

Imports of miscellaneous articles were up 68.7% from 2007, recording the highest growth rate. In value terms, mineral products were ranked first as their import amount jumped by $1,593 million.

Table 17 Industrial Trends in Korea's Imports from Indonesia

(Unit: $ 1,000,000, %)

Rank	Industrial sector	2007			2008		
		Value	% change	Share	Value	% change	Share
1	Mineral Product	6,250	-3.9	68.6	7,843	25.5	69.3
2	Chemical Industry Manufactures	804	1.3	8.8	971	20.7	8.6
3	Agricultural, Forest, Marine Products	667	18.3	7.3	888	33.3	7.8
4	Articles of Iron or Steel, Metals	578	126.0	6.3	644	11.5	5.7
5	Electrical Articles, Electronic Articles	355	12.6	3.9	440	24.1	3.9
6	Textile & Apparel	264	4.9	2.9	314	19.0	2.8
7	Living ware	122	15.0	1.3	135	10.5	1.2
8	Machinery	37	44.2	0.4	40	9.6	0.4
9	Articles of Plastic Rubber or Leather	34	1.3	0.4	37	11.2	0.3
10	Miscellaneous Articles/Sundries	4	22.4	0.05	7	68.7	0.1
Total		9,114	3.0	100	11,320	24.2	100

Source: Korea International Trade Association (KITA)

2) Import status by item

Of the key imports from Indonesia, petroleum gases were ranked first in value terms as their imports amounted to $2,768 million in 2008. In terms of annual increase, ammonia in aqueous solution was in the first place, with its imports recording 85% growth from the previous year. In value terms, coal and similar solid fuels were ranked first as their imports jumped by $730 million.

Precious metal imports amounted to $275 million, holding a 57.5% share of the Korean import market. Though small in their volumes, chemical wood pulp and ammonia held the largest shares in their respective import markets in Korea.

Table 18 Korea's Top 10 Imports from Indonesia and Their Import Market Shares

(Unit: $ 1,000,000)

Rank	HS Code	Commodity	Total imports	Imports from Indonesia			Top 3 countries in share		
				Value	Share	Rank in market	1st	2nd	3rd
1	2711	Petrtoleum gases and hydrocarbons.	24,893	2,768	11.1%	4	Qatar	Oman	Malaysia
2	2701	Coal and similar solid fuels	12,372	2,098	17.0%	3	Australia	China	Indonesia
3	2709	Petroleum oils and oils	85,855	1,555	1.8%	10	Saudi Arabia	U.A.E.	Kuwait
4	2710	Petroleum oils and oils; waste oils.	17,081	649	3.8%	7	India	Saudi Arabia	U.A.E.
5	2603	Copper ores and concentrates.	3,514	482	13.7%	3	Chile	Australia	Indonesia
6	**4703**	**Chemical wood pulp**	**1,530**	**384**	**25.1%**	**1**	**Indonesia**	**Canada**	**Chile**
7	**4001**	**Natural rubber and similar natural gums.**	**1,003**	**298**	**29.7%**	**2**	**Thailand**	**Indonesia**	**Malaysia**
8	**7501**	**Nickel and other intermediate products**	**636**	**280**	**44.0%**	**2**	**Canada**	**Indonesia**	**Australia**
9	**7112**	**Waste and scrap of precious metal**	**478**	**275**	**57.5%**	**1**	**Indonesia**	**Brazil**	**India**
10	**2814**	**Ammonia, anhydrous or in aqueous solution.**	**602**	**179**	**29.7%**	**1**	**Indonesia**	**Iran**	**Australia**

Source: Korea International Trade Association (KITA), 2008
Note 1) Total imports: Korea's total imports by category
2) Rank in market: Rank in Korea's import market

Table 19 Detailed Status of Key Korean Imports from Indonesia

(Unit: $ 1,000,000)

HS Code		Commodity	Total imports	Imports from Indonesia			Top 3 countries in share		
				Value	Share	Rank in market	1st	2nd	3rd
4703	4703212000	Bleached: Coniferous	420	18	4.3%	6	Canada	Chile	U.S.A.
	4703292000	Bleached: Non-coniferous	1,006	366	36.4%	1	Indonesia	Canada	Chile
4001	4001212000	Natural rubber smoked sheets, Rss No.1	2	1.8	90.2%	1	Indonesia	Thailand	-
	4001220000	Technically specified natural rubber (TSNR)	838	294	35.1%	2	Thailand	Indonesia	Malaysia
	4001290000	Other natural rubber	26	2	7.7%	5	Philippines	Thailand	Vietnam
	4001309000	Other natural gums	1	0.9	94.4%	1	Indonesia	Italy	China
7501	7501201090	Nickel oxide sinters (Other)	631	280	44.4%	2	Canada	Indonesia	Australia
7112	7112991000	Other - Of residues	457	275	60.2%	1	Indonesia	Brazil	India
2814	2814100000	Anhydrous ammonia	602	179	29.7%	1	Indonesia	Iran	Australia

Source: Korea International Trade Association (KITA), 2008
Note 1) Total imports: Korea's total imports by category
2) Rank in market: Rank in Korea's import market

4 Lao PDR

1. General status

Having concentrated on implementing the five-year social and economic development plan approved by parliament in 2001, Lao PDR has achieved high annual growth of 8% on average since 2006.

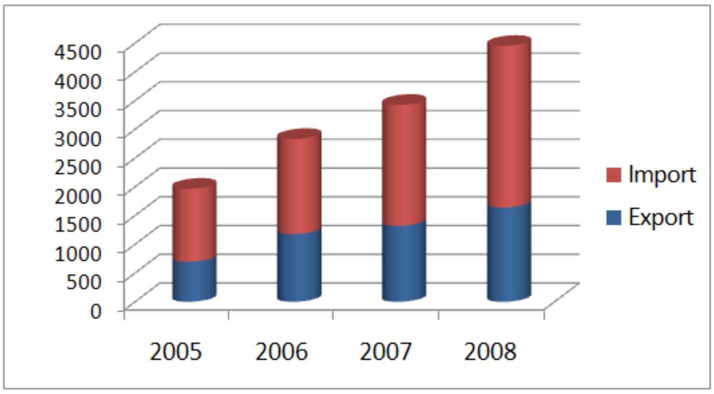
The agricultural sector accounts for about 50% of the country's GDP, absorbing 80% of its employed population. With the entire Lao PDR economy greatly affected by climate change, the agricultural sector's influence is becoming lower. In contrast, high value-added industries such as construction, manufacturing and service are growing lately.

Foreign direct investment (FDI) has contributed considerably to the country's rapid economic growth since the mid 1990s. Rich in natural resources such as calium, iron, gold, precious metals, scapolite, coal and natural gas, Lao PDR is considered to have good prospects for attracting foreign investment.

2. Trade trends

Trade volume of Lao PDR jumped from $1,967 million in 2005 to $4,453 million in 2008, registering an average growth rate of 31.3% a year. This upward trend is predicted to continue. The country's exports climbed by an annual average of 33% from $697 million in 2005 to $1,639 million in 2008. Imports rose 30.4% a year from $1,270 million in 2005 to $2,814 million in 2008.

Figure 7 Lao PDR's Export and Import Trends



(Unit: $ 1,000,000)

Class.	2005		2006		2007		2008	
	Value	% change	Value	% change	Value	% change	Value	% change
Export	697	30.3%	1,178	69.0%	1,321	12.1%	1,639	24.1%
Import	1,270	20.3%	1,655	30.3%	2,106	27.3%	2,814	33.6%
Balance	-573	10.2%	-477	-16.8%	-785	64.6%	-1,175	-49.7%

Source: Korea International Trade Association (KITA)

Lao PDR' trade volume is expanding, with both exports and imports on the rise. But, its trade balance remains in the red. Future developments merit attention as the country's exports have been surpassing imports in their growth rates since 2006.

(1) Export status

1) Export status by country

Thailand is the top export destination of Lao PDR, ahead of Vietnam, China and the United Kingdom. Lao PDR's exports to Thailand amounted to $569 million in 2008, which represented 35.5% of total exports of the country in that year. Thailand was followed by Vietnam in second with transactions worth $248 million, or 15.5% of the total Lao PDR exports.

Korea is one of the main export destination of Lao PDR, importing $48 million worth of goods, or 3.0% of the entire Lao PDR exports.

Table 20 Lao PDR's Top 10 Export Destinations

(Unit: $ 1,000,000)

Rank	Country	2005		2006		2007		2008	
		Value	Share	Value	Share	Value	Share	Value	Share
1	Thailand	204	29.3%	475	40.3%	431	32.6%	569	35.5%
2	Vietnam	89	12.8%	151	12.8%	192	14.5%	248	15.5%
3	China	23	3.3%	45	3.8%	77	5.8%	136	8.5%
4	U.K.	8	1.1%	1	0.1%	42	3.2%	54	3.4%
5	Korea	2	0.3%	16	1.4%	64	4.8%	48	3.0%
6	Germany	32	4.6%	35	3.0%	43	3.2%	42	2.6%
7	U.S.A.	4	0.6%	8	0.7%	19	1.4%	40	2.5%
8	France	42	6.0%	29	2.5%	26	2.0%	22	1.4%
9	Belgium	16	2.3%	17	1.4%	11	0.8%	18	1.1%
10	Japan	7	1.0%	11	0.9%	11	0.8%	16	1.0%
Total		697	100%	1,178	100%	1,324	100%	1,604	100%

Source: Korea International Trade Association (KITA)

2) Export status by item

The most significant export items of Lao PDR are refined copper and copper alloys. Their exports amounted to $316.22 million in 2006, accounting for 26.8% of the country's total exports. Ranked second were sawn/chipped wood, the exports of which were worth $82.91 million. Exports of refined copper and copper alloys recorded the most conspicuous growth rate, but those of wood in the rough, women's wear and sawn/chipped wood contracted sharply.

Table 21 Lao PDR's Top 10 Exports

(Unit: $ 1,000)

Rank	HS Code	Commodity	2004	2005	2006	2008 Korea's import
1	7403	Refined copper and copper alloys, unwrought	0	77,098	316,229	3,124,498
2	4407	Wood sawn/chipped lengthwise, sliced/peeled	104,727	117,498	82,914	288,351
3	6110	Jerseys, pullovers, cardigans, knitted or crocheted	37,520	36,435	44,193	321,393
4	6203	Men's suits, jackets, trousers & shorts	31,734	28,107	34,380	609,700
5	6109	T-shirts, singlets and other vests, knitted or crocheted	22,759	26,423	33,040	458,628
6	6205	Men's shirts	23,208	25,425	24,753	145,991
7	4403	Wood in the rough	36,143	35,273	19,066	838,829
8	7108	Gold unwrought or in semi-manufactured forms	0	6,367	17,668	1,284,402
9	6204	Women's suits, jackets, dresses skirts & shorts	22,131	20,248	15,115	773,868
10	4001	Natural rubber, balata, gutta-percha	1,537	4,224	12,141	1,003,034

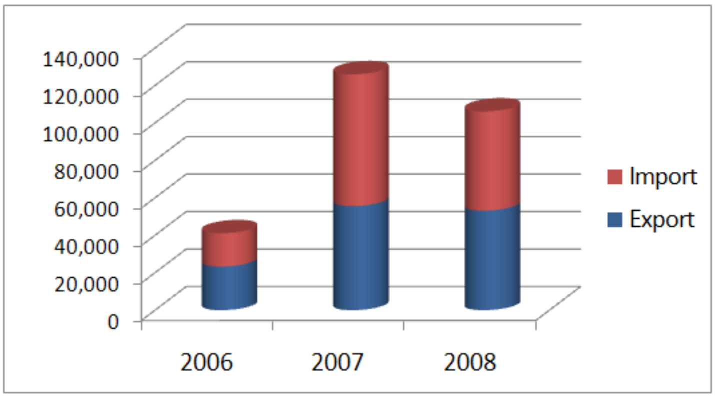
Source: International Trade Centre (ITC)

3. Lao PDR-Korea trade

Bilateral trade between Korea and Lao PDR expanded from $41.08 million in 2006 to $106.15 million in 2008, recording average annual growth of 198.2%.

Korea's export to Lao PDR increased by annual average of 151% from $23.32 million in 2006 to $53.18 million in 2008. Imports from Lao PDR climbed by annual average of 172.7% from $17.76 million to $52.96 million during the same period. Korea had a surplus in the bilateral trade in 2006, but it turned into a deficit in 2007, when import growth outpaced that of exports. The trade situation turned in Korea's favor again in 2008, when imports from Lao PDR contracted considerably.

Figure 8 Trends in Korea's Trade with Lao PDR



(Unit: $ 1,000)

Class.	2006		2007		2008	
	Value	% change	Value	% change	Value	% change
Export	23,328	-	55,653	138.6%	53,187	-4.4%
Import	17,760	-	70,335	296.0%	52,965	-24.7%
Balance	5,567	-	-14,683	-363.8%	222	-101.5%

Source: Korea International Trade Association (KITA)

(1) Korean exports to Lao PDR

High on the list of top Korean exports to Lao PDR are various motor vehicles and related parts and accessories. Ranked first in 2008 were motor vehicles for the transport of goods whose exports amounted to $19.71 million. Second in rank were motor cars designed for the transport of persons, whose export volume was $15.09 million. Other items on the top 10 list included medicaments, electric accumulators, various steel products, and safety glass. Steel structures and medicaments emerged as items with particularly good prospects, with their export volume increasing significantly in 2008.

Table 22 Korea's Top 10 Exports to Lao PDR

(Unit: $ 1,000)

Rank	HS Code	Commodity	2007		2008	
			Value	% change	Value	% change
1	8704	Motor vehicles for the transport of goods	19,808	99.2%	19,713	-0.5%
2	8703	Motor cars and vehicles principally designed for the transport of persons	11,320	112.6%	15,095	33.4%
3	8708	Parts and accessories of the motor vehicles	2,869	54.1%	3,117	8.6%
4	8702	Motor vehicles for the transport of ten or more persons	5,145	195.6%	3,071	-40.3%
5	3004	Medicaments	115	-30.1%	1,576	1,275.0%
6	4011	New pneumatic tires, of rubber	828	94.6%	1,137	37.3%
7	7308	Structures	19	-	796	4,148.8%
8	8507	Electric accumulators	1,159	372.9%	760	-34.4%
9	7216	Angles, shapes and sections of iron or non-alloy steel	0	-	741	-
10	7007	Safety glass	0	-	527	-

Source: Korea International Trade Association (KITA)

(2) Korean imports from Lao PDR

1) Import status by industry

Iron, steel and metals constituted the largest import sector in 2008, with their import volume standing at $29.95 million, accounting for 56.6% of total imports. But, this sector recorded considerable contraction from its amount of $67.16 million and share of 95.5% registered in 2007.

In contrast, mineral product, $25 thousand in 2007, increased tremendously to $20.17 million in 2008, accounting for 38.1% of total imports. Imports of this sector are expected to continue to grow.

Ranked third and fourth were agricultural, forest, marine products and living ware, whose imports amounted to $2.18 million and $ 0.374 million, respectively. The other products remained at miniscule levels, so Lao PDR needs to diversify its export items and develop strategic items targeting the Korean market.

Table 23 Industrial Trends in Korea's Imports from Lao PDR

(Unit: $ 1,000, %)

Rank	Industrial sector	2007			2008		
		Value	% change	Share	Value	% change	Share
1	Articles of Iron or Steel, Metals	67,169	372.7	95.5	29,952	-55.4	56.6
2	Mineral Product	25	-	0.0	20,179	79,139.1	38.1
3	Agricultural, Forest, Marine Products	2,950	69.5	4.2	2,188	-25.8	4.1
4	Living ware	0	-	0.0	374	-	0.7
5	Textile & Apparel	190	-17.5	0.3	271	42.4	0.5
6	Miscellaneous Articles/Sundries	0	-	0.0	1	-	0.0
7	Chemical Industry Manufactures	0	-	0.0	0	-	0.0
Total		70,335	296.0	100	52,965	-24.7	100

Source: Korea International Trade Association (KITA)

2) Import status by item

Ranked first among the Korean imports from Lao PDR are refined copper and copper alloys, whose imports reached $29.95 million. They were followed by copper ores and concentrates whose imports were worth $20.17 million. In terms of import market shares, these two categories accounted for just 1% (8th) and 0.6% (13th).

Various other products such as nuts, wood and apparel were among the top 10 imports. But, except for the items ranked first and second, these items were generally small in volume and low in market shares.

Table 24 Top 10 Korean Imports from Lao PDR and Their Import Market Shares

(Unit: $ 1,000)

Rank	HS Code	Commodity	Total imports	Imports from Lao PDR			Top 3 countries in share		
				Value	Share	Rank in market	1st	2nd	3rd
1	7403	Refined copper and copper alloys, unwrought	3,124,498	29,951	1.0%	8	Chile	Philippines	Japan
2	2603	Copper ores and concentrates	3,514,025	20,179	0.6%	13	Chile	Australia	Indonesia
3	0802	Other nuts	92,043	752	0.8%	4	U.S.A.	China	Turkey
4	4409	Wood	85,917	607	0.7%	15	China	Indonesia	Canada
5	8305	Fittings for loose-leaf binders or files	10,850	363	3.3%	3	China	Japan	Lao PDR
6	2402	Cigars, cheroots, cigarillos and cigarettes	12,484	277	2.2%	7	Japan	U.A.E.	U.S.A.
7	4407	Wood sawn or chipped lengthwise	288,351	200	0.1%	29	Canada	China	Malaysia
8	4402	Wood charcoal	61,991	164	0.3%	9	Indonesia	China	Malaysia
9	6110	Jerseys, pullovers, cardigans and similar articles	321,393	162	0.1%	33	China	Italy	Vietnam
10	1211	Plants and parts of plants	53,866	89	0.2%	19	China	Uzbek	Vietnam

Source: Korea International Trade Association (KITA), 2008
Note 1) Total imports: Korea's total imports by category
2) Rank in market: Rank in Korea's import market

5 Malaysia

1. General status

Rich in natural resources such as crude oil, natural gas, palm oil and tin, Malaysia has great potential for growth. Through intensive investment in infrastructure and improvement in its business environment, Malaysia is endeavoring to attract regional headquarters and logistics centers of multinational companies, ultimately trying to become an economic hub of Southeast Asia. Based on these efforts, the country is beginning to depart from its past trade pattern of relying on Singapore, while pursuing intermediary trade involving neighboring countries.

Since the mid 1980s, Malaysia has actively implemented a policy to draw foreign investment. Consequently, about 4,000 multinational companies have advanced to Malaysia, turning the country into a place of competition for global companies leading world markets, particularly in manufacturing sectors such as electricity and electronics.

Most of the foreign companies operating in Malaysia and many local companies are engaged in manufacturing activities focused on assembly for finished products. So, they are highly reliant on imports of capital goods such as machinery, intermediate products and components. Because of this situation, Malaysia is showing an industrial pattern traditionally displayed by processing trade-oriented countries where export growth automatically leads to increase in imports.

(1) Foreign direct investment (FDI) status

Top foreign investors in Malaysia include Australia, the United States, and Japan. In 2008, Australia was the largest foreign investors in Malaysia, with $3,936 million. Japan, which was the largest investor in 2007, slipped to the third place in 2008, with its investment of $1,680 million. Korea invested $59 million in 2008, thus assuming the 14th spot, down from its previous 10th.

Table 25 FDI Status in Malaysia (Based on Manufacturing Permits)

(Unit: $ 1,000,000)

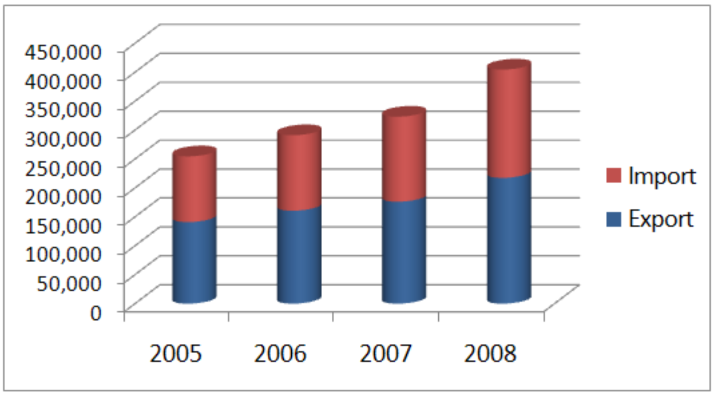
Rank	Country	2006		2007		2008	
		No. of Projects	Value	No. of Projects	Value	No. of Projects	Value
1	Australia	20	698	17	490	20	3,936
2	U.S.A.	38	675	33	878	22	2,603
3	Japan	81	1,202	60	1,896	63	1,680
4	Germany	15	63	26	1,092	19	1,333
5	Netherlands	13	895	9	491	19	539
14	Korea	18	119	23	325	9	59
Total		607	5,512	515	9,717	521	13,844

Source: MDA (Malaysian Industrial Development Authority), www.globalwindow.org

2. Trade trends

Malaysia was the 20th largest trading nation in the world in 2008, according to IMF statistics. Malaysia's exports grew 15.5% a year on average from $140,980 million in 2005 to $217,448 million in 2008. The imports expanded by 18.1% a year from $113,619 million in 2005 to $187,172 million in 2008. Malaysia is steadily maintaining its trade surplus, which increased from $27,361 million in 2005 to $30,276 million in 2008.

Figure 9 Malaysia's Export and Import Trends



(Unit: $ 1,000,000)

Class.	2005		2006		2007		2008	
	Value	% change	Value	% change	Value	% change	Value	% change
Export	140,980	11.4%	160,666	14.0%	176,213	9.7%	217,448	23.4%
Import	113,619	8.9%	130,487	14.8%	146,992	12.6%	187,172	27.3%
Balance	27,361	23.3%	30,179	10.3%	29,221	-3.2%	30,276	3.6%

Source: Korea International Trade Association (KITA)

(1) Export status by country

Malaysia's top export destination in 2008 was Singapore with transactions worth $29,416 million, an increase of 14.1% from 2007. Shipments to Singapore accounted for 14.7% of the total Malaysian exports. Singapore was followed by the United States, which absorbed 12.5% of the Malaysian exports by importing $24,936 million worth of products.

Malaysian exports to Korea registered 18.1% growth a year on average, rising from $4,737 million in 2005 to $7,800 million in 2008. The products shipped to Korea represented 3.9% of the total Malaysian exports.

Of the top 10 destinations, Japan showed highest growth in imports from Malaysia, which in 2008 amounted to $21,466 million, up 33.4% from the previous year.

Table 26 Malaysia's Top 10 Export Destinations

(Unit: $ 1,000,000)

Rank	Country	2005		2006		2007		2008	
		Value	Share	Value	Share	Value	Share	Value	Share
1	Singapore	22,010	15.6%	24,744	15.4%	25,772	14.6%	29,416	14.7%
2	U.S.A.	27,764	19.7%	30,191	18.8%	27,531	15.6%	24,936	12.5%
3	Japan	13,181	9.3%	14,241	8.9%	16,091	9.1%	21,466	10.8%
4	China	9,303	6.6%	11,646	7.2%	15,452	8.8%	19,049	9.5%
5	Thailand	7,585	5.4%	8,502	5.3%	8,730	5.0%	9,571	4.8%
6	Hong kong	8,241	5.8%	7,947	4.9%	8,145	4.6%	8,530	4.3%
7	Korea	4,737	3.4%	5,806	3.6%	6,703	3.8%	7,800	3.9%
8	India	3,955	2.8%	5,129	3.2%	5,884	3.3%	7,413	3.7%
9	Australia	4,766	3.4%	4,553	2.8%	5,939	3.4%	7,345	3.7%
10	Netherlands	4,609	3.3%	5,849	3.6%	6,878	3.9%	7,031	3.5%
Total		140,980	100%	160,666	100%	176,213	100%	199,510	100%

Source: Korea International Trade Association (KITA)

(2) Export status by item

Malaysia's largest export items in 2007 were electronic integrated circuits whose exports were worth $23,354 million, or 13.3% of the total exports. Ranked second were automatic data processing machines with $16,168 million.

Of the top 10 items, palm oil and its fraction showed the highest average annual growth rate of 38.6% during the 2005-2007 period, as their exports rose from $4,285 million to $8,235 million.

Table 27 Malaysia's Top 10 Exports

(Unit: $ 1,000,000)

Rank	HS Code	Commodity	2005	2006	2007	2008 Korea's import
1	8542	Electronic integrated circuits and micro assemblies	19,606	21,032	23,354	25,881
2	8471	Automatic data processing machines; optical reader	14,245	16,322	16,168	3,631
3	8473	Parts & accessories of computers & office machines	8,393	11,102	10,552	2,345
4	2709	Crude petroleum oils	7,982	8,886	9,762	85,855
5	2711	Petroleum gases	6,580	7,672	9,289	24,893
6	1511	Palm oil & its fraction	4,285	5,203	8,235	225
7	2710	Petroleum oils, not crude	4,012	5,233	5,766	17,081
8	8525	Television camera, transmission appliance for radio-telephone	3,858	4,854	4,372	804
9	8541	Diodes/transistors & similar semiconductor devices	3,353	3,801	4,229	3,778
10	4001	Natural rubber, balata, gutta-percha	1,528	2,247	2,136	1,003

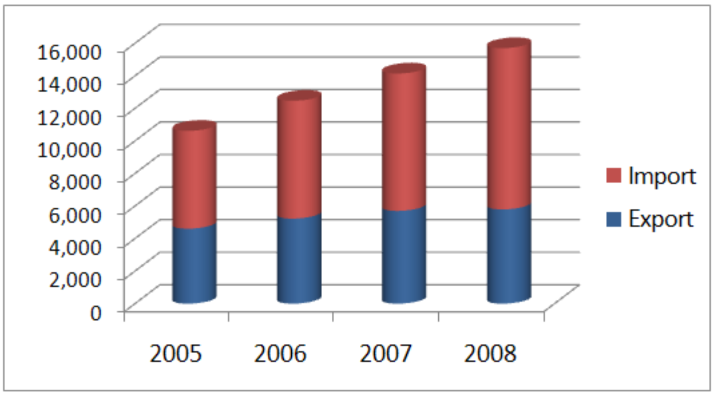
Source: International Trade Centre (ITC)

3. Malaysia-Korea trade

In March 2009, Malaysia was ranked 24th among Korea's export destinations, and eighth among the sources of imports. Bilateral trade increased by annual average of 13.9%

from $10,620 million in 2005 to $15,703 in 2008. Korea's exports to Malaysia climbed by annual average of 7.9% from $4,608 million to $5,794 million during the same period. Imports jumped by an average of 18.1% from $6,012 million to $9,909 million. Thus, Korea's deficit in its trade with Malaysia grew from $1,403 million in 2005 to $4,115 million in 2008.

Figure 10 Trends in Korea's Trade with Malaysia



(Unit: $ 1,000,000)

Class.	2005		2006		2007		2008	
	Value	% change	Value	% change	Value	% change	Value	% change
Export	4,608	2.9%	5,227	13.4%	5,704	9.1%	5,794	1.6%
Import	6,012	5.9%	7,242	20.5%	8,442	16.6%	9,909	17.4%
Balance	-1,403	-	-2,015	43.6%	-2,738	35.9%	-4,115	50.3%

Source: Korea International Trade Association (KITA)

(1) Korean exports to Malaysia

Top Korean exports to Malaysia include electronic integrated circuits, liquid crystals, and telephone sets. Electronic integrated circuits were ranked first, with their export amount in 2008 reaching $908 million, or 15.7% of the total Korean exports to Malaysia. This amount, however, represented an 18.1% contraction from the previous year. In the second spot were liquid crystals, whose export amount was $542 million, or 9.4% of the total export volume.

Table 28 Korea's Top 10 Exports to Malaysia

(Unit: $ 1,000,000)

Rank	HS Code	Commodity	2007		2008	
			Value	% change	Value	% change
1	8542	Electronic integrated circuits.	1,108	29.1%	908	-18.1%
2	9013	Liquid crystal; lasers; other optical appliances and instruments.	271	251.2%	542	99.8%
3	8517	Telephone sets; other apparatus for the transmission or reception	317	4,174.4%	314	-0.9%
4	8473	Parts and accessories suitable for typewriters and automatic data processing machines	527	22.1%	274	-48.0%
5	8534	Printed Circuits.	217	28.4%	246	13.5%
6	8529	Parts suitable for use transmission apparatus and monitors and projectors.	168	201.2%	197	17.2%
7	7209	Flat-rolled products of iron or non-alloy steel.	80	22.6%	175	119.9%
8	8471	Automatic data processing machines.	96	-67.4%	148	53.7%
9	8528	Monitors and projectors, not incorporating television reception apparatus	280	7,332.4%	134	-52.0%
10	7210	Flat-rolled products of iron or non-alloy steel.	96	2.3%	124	28.7%

Source: Korea International Trade Association (KITA)

(2) Korean imports from Malaysia

1) Import status by industry

Mineral products constituted the largest import sector in 2008, with their imports worth $5,320 million accounting for 53.7% of total imports from Malaysia. They were followed by the electric and electronic articles sector, and the agriculture, forest and marine products sector, whose import volumes reached $2,489 million and $898 million, respectively.

Imports of chemical industry manufactures jumped 44.5% from the previous year, recording the biggest growth rate, while imports of miscellaneous articles and machinery declined 47.9% and 31.6%, respectively.

Table 29 Industrial Trends in Korea's Imports from Malaysia

(Unit: $ 1,000,000, %)

Rank	Industrial sector	2007			2008		
		Value	% change	Share	Value	% change	Share
1	Mineral Product	4,119	25.4	48.8	5,320	29.1	53.7
2	Electrical Articles, Electronic Articles	2,608	2.8	30.9	2,489	-4.6	25.1
3	Agricultural, Forest, Marine Products	763	22.5	9.0	898	17.7	9.1
4	Chemical Industry Manufactures	385	5.5	4.6	556	44.5	5.6
5	Articles of Iron or Steel, Metals	247	40.8	2.9	349	41.4	3.5
6	Machinery	167	28.5	2.0	114	-31.6	1.2
7	Articles Of Plastic Rubber Or Leather	81	38.1	1.0	96	17.5	1.0
8	Textile & Apparel	46	1.7	0.5	63	35.8	0.6
9	Living ware	20	4.4	0.2	22	8.9	0.2
10	Miscellaneous Articles/Sundries	5	94.6	0.1	2	-47.9	0.03
Total		8,442	16.6	100	9,909	17.4	100

Source: Korea International Trade Association (KITA)

2) Import status by item

Of the products imported from Malaysia, petroleum gases were ranked first in value terms, with their import amount standing at $3.456 million, or 13.9% of total imports in 2008. Of the top 10 items, tin showed the highest import growth rate of 85.8% compared with 2007. In value terms, petroleum gases recorded the largest increase of $1,017 million.

Table 30 Top 10 Korean Imports from Malaysia and Their Import Market Shares

(Unit: $ 1,000,000)

Rank	HS Code	Commodity	Total imports	Imports from Malaysia			Top 3 countries in share		
				Value	Share	Rank in market	1st	2nd	3rd
1	2711	Petroleum gases and hydrocarbons.	24,893	3,456	13.9%	3	Qatar	Oman	Malaysia
2	8542	Electronic integrated circuits.	25,881	1,320	5.1%	6	Singapore	Taiwan	China
3	2709	Petroleum oils and oils	85,855	1,241	1.4%	11	Saudi Arabia	U.A.E.	Kuwait
4	2710	Petroleum oils and oils; waste oils.	17,081	604	3.5%	8	India	Saudi Arabia	U.A.E.
5	8517	Telephone; other apparatus for the transmission or reception	5,218	313	6.0%	4	China	U.S.A.	Japan
6	**4412**	**Plywood, veneered panels and similar laminated wood.**	**544**	**237**	**43.6%**	**1**	**Malaysia**	**China**	**Indonesia**
7	**1511**	**Palm oil and its fractions.**	**225**	**210**	**93.3%**	**1**	**Malaysia**	**Indonesia**	**U.S.A.**
8	8541	Diodes, transistors and similar semiconductor devices.	3,778	159	4.2%	6	Japan	China	Taiwan
9	4001	Natural rubber and similar natural gums.	1,003	154	15.4%	3	Thailand	Indonesia	Malaysia
10	**8001**	**Unwrought tin.**	**331**	**154**	**46.5%**	**1**	**Malaysia**	**Indonesia**	**Thailand**

Source: Korea International Trade Association (KITA), 2008

Note 1) Total imports: Korea's total imports by category

2) Rank in market: Rank in Korea's import market

Table 31 Detailed Status of Key Korean Imports from Malaysia

(Unit: $ 1,000,000)

HS Code		Commodity	Total imports	Imports from Malaysia			Top 3 countries in share		
				Value	Share	Rank in market	1st	2nd	3rd
4412	4412102000	Floorboard of bamboo	2	0.002	0.1%	4	China	U.S.A.	Indonesia
	4412311000	Plywood - With at least one outer ply of tropical wood - Of a thickness less than 3.2 mm	39	34	87.0%	1	Malaysia	Indonesia	China
	4412312000	Plywood - With at least one outer ply of tropical wood - Of a thickness less than 4 mm but not less than 3.2 mm	3	2	83.8%	1	Malaysia	Indonesia	India
	4412313000	Plywood - With at least one outer ply of tropical wood - Of a thickness less than 6 mm but not less than 4 mm	54	46	85.5%	1	Malaysia	Indonesia	China
	4412314000	Plywood - With at least one outer ply of tropical wood - Of a thickness less than 10 mm but not less than 6 mm	108	37	34.3%	2	Indonesia	Malaysia	China
	4412315000	Plywood - With at least one outer ply of tropical wood - Of a thickness less than 12 mm but not less than 10 mm	105	76	72.4%	1	Malaysia	China	Indonesia
	4412316000	Plywood - With at least one outer ply of tropical wood - Of a thickness less than 15 mm but not less than 12 mm	31	10	31.0%	2	China	Malaysia	Indonesia
	4412317000	Plywood - With at least one outer ply of tropical wood - Of a thickness not less than 15 mm	20	6	27.2%	2	China	Malaysia	Indonesia
	4412321000	Plywood - with at least one outer ply of non-coniferous wood - Of a thickness less than 3.2 mm	0.9	0.8	85.7%	1	Malaysia	China	Germany
	4412323000	Plywood - with at least one outer ply of non-coniferous wood - Of a thickness less than 6 mm but not less than 4 mm	1	0.4	28.7%	2	Indonesia	Malaysia	China
	4412324000	Plywood - with at least one outer ply of non-coniferous wood - Of a thickness less than 10 mm but not less than 6 mm	36	2	4.3%	4	Finland	Latvia	Russia
	4412325000	Plywood - with at least one outer ply of non-coniferous wood - Of a thickness less than 12 mm but not less than 10 mm	6	3	53.4%	1	Malaysia	China	Myanmar

HS Code		Commodity	Total imports	Imports from Malaysia			Top 3 countries in share		
				Value	Share	Rank in market	1st	2nd	3rd
	4412326000	Plywood - with at least one outer ply of non-coniferous wood - Of a thickness less than 15 mm but not less than 12 mm	19	0.02	0.1%	7	Finland	Latvia	China
	4412327000	Plywood - with at least one outer ply of non-coniferous wood - Of a thickness not less than 15 mm	14	0.1	0.8%	8	Finland	Latvia	Russia
	4412391010	Plywood - With both outer ply of coniferous wood - Of a thickness less than 6 mm	1	1	92.8%	1	Malaysia	China	Russia
	4412391090	Plywood - With both outer ply of coniferous wood - Other	1	0.5	53.3%	1	Malaysia	Finland	Chile
	4412399010	Plywood - Other - Of a thickness less than 6 mm	0.4	0.2	63.1%	1	Malaysia	China	Germany
	4412399090	Plywood - Other - Other	4	0.3	7.9%	2	China	Malaysia	Germany
	4412941000	Blockboard	18	1	6.6%	3	Indonesia	China	Malaysia
	4412942000	Laminboard	13	10	73.1%	1	Malaysia	Indonesia	China
	4412992010	Other - With at least one ply of tropical wood - Of a whole thickness not less than 6 mm, with each ply not exceeding 6 mm thickness	16	5	32.2%	2	Indonesia	Malaysia	China
	4412999191	Plywood - Other - Of a whole thickness not less than 6 mm, with each ply not exceeding 6 mm thickness	2	1	43.8%	1	Malaysia	Indonesia	China
	4412999199	Plywood - Other - Other	0.5	0.01	17.9%	3	Japan	China	Malaysia
	4412999211	Other Veneered panels and similar laminated wood Floorboard Of a whole thickness not less than 6 mm, with each ply not exceeding 6 mm thickness	14	2	11.3%	2	China	Malaysia	Indonesia
	4412999291	Other Veneered panels and similar laminated wood - Other - Of a whole thickness not less than 6 mm, with each ply not exceeding 6 mm thickness	1	0.01	1.0%	2	China	Malaysia	Netherlands
1511	1511100000	Crude oil	0.8	0.4	52.2%	1	Malaysia	U.S.A.	Thailand
	1511901000	Palm olein	39	39	99.9%	1	Malaysia	Brazil	Colombia
	1511902000	Palm stearin	45	45	99.3%	1	Malaysia	Singapore	Netherlands
	1511909000	Other palm oil and its fractions	140	126	90.1%	1	Malaysia	Indonesia	Colombia
8001	8001100000	Tin, not alloyed	319	154	48.2%	1	Malaysia	Indonesia	Thailand
	8001200000	Tin alloys	12	0.1	0.5%	5	Germany	Philippines	Japan

Source: Korea International Trade Association (KITA), 2008
Note 1) Total imports: Korea's total imports by category
2) Rank in market: Rank in Korea's import market

6 Myanmar

1. General status

Primary industries like agriculture, mining and forestry constitute the backbone of Myanmar's economy. With brisk offshore gas mine development in recent years, the resources development sector is leading the nation's economy along with the traditional industries of agriculture, fishery and forestry.

The agriculture and fisheries industry assumes a significant portion of Myanmar's GDP and plays an important role in earning foreign currency. Principal export products are crustaceans, including shrimps, and various kinds of fish.

In November 2006, Myanmar announced a plan to develop special economic zones to attract foreign investment. Concrete execution of the plan has been under way since late 2007, which prompted predictions that foreign investment will gradually increase.

(1) Foreign direct investment (FDI) status

The main investors in Myanmar include Thailand, China and the United Kingdom. As of 2008, China was the largest investor with its FDI capital of $856 million. China was also the largest investor in 2006 when it invested $281 million in Myanmar. Thailand topped the list of investors in 2005 with its investment of $6,034 million. Korea's investment remained at quite low levels, reaching $37 million in 2006 and $12 million in 2007.

Table 32 FDI Status in Myanmar

(Unit: $ 1,000,000)

Class.	2005		2006		2007		2008	
	Value	Share	Value	Share	Value	Share	Value	Share
Thailand	6,034.4	99.5%	0	0%	16.2	9.4%	0	0%
U.K.	0	0%	240.7	32.0%	0	0%	0	0%
China	0.7	0%	281.2	37.4%	0	0%	856.0	86.9%
Korea	0	0%	37.0	4.9%	12.0	6.9%	0	0%
Total	6,065.7	100%	752.7	100%	172.7	100%	985.0	100%

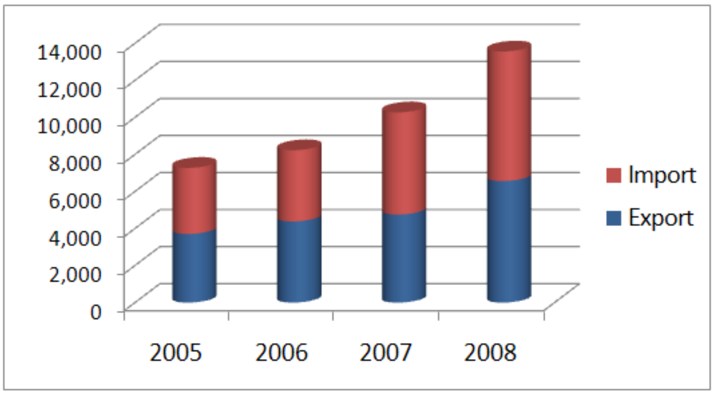
Source: KOTRA (Korea Trade-Investment Promotion Agency)
Note: based on fiscal year (Apr.1 - Mar.31)

2. Trade trends

Myanmar's annual trade expanded from $7,275 million in 2005 to $13,561 million in 2008, registering an average annual growth rate of 23.1%. The country's trade volume is predicted to continue to grow for years to come. A detailed review of Myanmar's trade status shows that the country's exports rose from $3,706 million in 2005 to $6,566 million in 2008, recording an annual increase of 21% on average. The imports jumped 25.1% a year on average from $3,569 million in 2005 to $6,995 million in 2008.

Myanmar recorded trade surplus for two years in a row in 2005 and 2006. In 2007, however, the surplus turned into a deficit due to a substantial increase in imports.

Figure 11 Myanmar's Export and Import Trends



(Unit: $ 1,000,000)

Class.	2005		2006		2007		2008	
	Value	% change	Value	% change	Value	% change	Value	% change
Export	3,706	17.4%	4,382	18.2%	4,754	8.5%	6,566	38.1%
Import	3,569	3.4%	3,848	7.8%	5,520	43.5%	6,995	26.7%
Balance	137	-146.8%	534	289.8%	-766	-243.4%	-430	43.9%

Source: Korea International Trade Association (KITA)

(1) Export status

1) Export status by country

Thailand was the top destination for Myanmar exports in 2008, followed by India, China and Japan. Myanmar's exports to Thailand amounted to $3,447 million, which accounted for 51.8% of the country's total exports. Second ranked was India with $833 million or 12.5% of the total Myanmar exports.

In 2008, Korea was in the sixth place with $106 million, or 1.6% of the total Myanmar exports. Myanmar needs to develop strategic products targeting Korea.

Table 33 Myanmar's Top 10 Export Destinations

(Unit: $ 1,000,000)

Rank	Country	2005		2006		2007		2008	
		Value	Share	Value	Share	Value	Share	Value	Share
1	Thailand	1,623	43.8%	2,136	47.7%	2,105	43.9%	3,447	51.8%
2	India	451	12.2%	653	14.6%	730	15.2%	833	12.5%
3	China	249	6.7%	230	5.1%	337	7.0%	586	8.8%
4	Japan	185	5.0%	226	5.0%	269	5.6%	288	4.3%
5	Malaysia	122	3.3%	114	2.5%	127	2.6%	162	2.4%
6	Korea	51	1.4%	88	2.0%	73	1.5%	106	1.6%
7	Germany	102	2.8%	115	2.6%	110	2.3%	91	1.4%
8	Singapore	99	2.7%	63	1.4%	56	1.2%	80	1.2%
9	Bangladesh	29	0.8%	24	0.5%	27	0.6%	76	1.1%
10	Vietnam	42	1.1%	59	1.3%	69	1.4%	69	1.0%
Total		3,706	100%	4,479	100%	4,794	100%	6,650	100%

Source: Korea International Trade Association (KITA)

2) Export status by item

Myanmar's major export items include petroleum gases, dried vegetables, wood in the rough and various garments. Petroleum gases were ranked first in value terms for three consecutive years from 2004, followed by dried vegetables and wood in the rough.

Exports of petroleum gases were worth $2,018.56 million, accounting for 34.1% of the total export amount. Ranked second were dried vegetables whose exports amounted to $594.77 million, or 13.6% of total exports. They were followed by wood in the rough in third with $544.55 million, or 12.4% of total exports.

Table 34 Myanmar's Top 10 Exports

(Unit: $ 1,000)

Rank	HS Code	Commodity	2004	2005	2006	2008 Korea's import
1	2711	Petroleum gases	1,079,713	1,493,221	2,018,560	24,892,560
2	0713	Dried vegetables, shelled	238,835	335,801	594,773	27,437
3	4403	Wood in the rough	486,419	561,493	544,558	838,829
4	0306	Crustaceans	140,408	139,336	150,994	456,435
5	4407	Wood (sawn/chipped lengthwise)	105,169	143,050	97,702	288,351
6	7403	Refined copper and copper alloys	62,921	102,124	87,556	3,124,498
7	6203	Men's suits, jackets, trousers & shorts	97,630	70,857	80,508	609,700
8	2709	Crude petroleum oils	-	68,918	80,438	85,855,363
9	6205	Men's shirts	58,511	57,720	66,883	145,991
10	7103	Precious & semi-precious stone, not strung	40,625	38,061	60,652	2,922

Source: International Trade Centre (ITC)

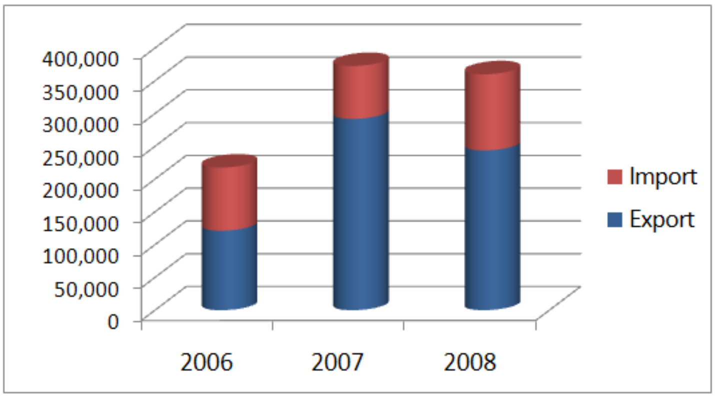
3. Myanmar-Korea trade

Trade between Korea and Myanmar rose by annual average of 28.5% from $217.74 million in 2006 to $360.06 million in 2008.

Korea's exports to Myanmar rose from $121.31 million in 2006 to $243.81 million in 2008, registering annual growth of 41.8% on average.

Imports from Myanmar rose 9.8% a year on average from $96.43 million to $116.25 million during the same period. Korea maintained its trade surplus, but the margin declined sharply due to considerable growth in imports in 2008.

Figure 12 Trends in Korea's Trade with Myanmar



(Unit: $ 1,000)

Class.	2006		2007		2008	
	Value	% change	Value	% change	Value	% change
Export	121,311	-	291,981	140.7%	243,815	-16.5%
Import	96,433	-	80,689	-16.3%	116,254	44.1%
Balance	24,877	-	211,292	749.3%	127,561	-39.6%

Source: Korea International Trade Association (KITA)

(1) Korean exports to Myanmar

Principal Korean exports to Myanmar are mostly steel products, machinery, and intermediate materials. Noteworthy are semi-finished products of iron or non-alloy steel, which were ranked first with the export amount of $44.51 million in 2008.

Flat-rolled products of iron or non-alloy steel (cold rolled) registered the fast growth rate as their exports amounted to $7.1 million in 2008.

Table 35 Korea's Top 10 Exports to Myanmar

(Unit: $ 1,000)

Rank	HS Code	Commodity	2007		2008	
			Value	% change	Value	% change
1	7207	Semi-finished products of iron or non-alloy steel	-	-	44,515	-
2	8429	Self-propelled bulldozers, angle dozers, graders, levellers	21,345	87.7%	23,518	10.2%
3	7214	Other bars and rods of iron or non-alloy steel	-	-	13,845	-
4	3902	Polymers of propylene or of other olefins, in primary forms	3,338	-58.0%	11,884	256.0%
5	4107	Leather further prepared after tanning or crusting	7,845	14.4%	10,117	29.0%
6	3921	Other plates, sheets, film, foil and strip, of plastics	7,638	35.1%	9,477	24.1%
7	5807	Labels, badges and similar articles of textile materials	5,563	35.7%	7,946	42.8%
8	7210	Flat-rolled products of iron or non-alloy steel, of a width of 600㎜ or more, clad, plated or coated	8,053	72.7%	7,904	-1.8%
9	5407	Woven fabrics of synthetic filament yarn	7,639	-1.9%	7,189	-5.9%
10	7209	Flat-rolled products of iron or non-alloy steel, of a width of 600㎜ or more(cold rolled)	506	-49.6%	7,107	1,305.7%

Source: Korea International Trade Association (KITA)

(2) Korean imports from Myanmar

1) Import status by industry

Minerals made up the largest import sector in 2008, with their imports reaching $65.91 million or 56.7% of total imports. Ranked second and third were the textile & apparel sector and the agriculture, forest and marine products sector, which accounted for 26.2% and 14.9% of total imports, respectively.

Minerals marked substantial growth in their import market share and import volume, while textile & apparel as well as agriculture, forest and marine products registered negative growth in both categories. Future developments involving these sectors merit attention.

The above-mentioned three sectors account for more than 92% of total imports. This situation prompts the need for Myanmar to diversify export items targeting the Korean market.

Table 36 Industrial Trends in Korea's Imports from Myanmar

(Unit: $ 1,000, %)

Rank	Industrial sector	2007			2008		
		Value	% change	Share	Value	% change	Share
1	Mineral Product	26,126	-48.5	32.4	65,918	152.3	56.7
2	Textile & Apparel	30,424	65.1	37.7	30,492	0.2	26.2
3	Agricultural, Forest, Marine Products	21,221	-16.6	26.3	17,312	-18.4	14.9
4	Living ware	1,177	-3.2	1.5	1,366	16.0	1.2
5	Articles of Iron or Steel, Metals	1,100	27,490,150.0	1.4	506	-54.0	0.4
6	Miscellaneous Articles/Sundries	44	-0.3	0.1	309	603.2	0.3
7	Machinery	211	-32.6	0.3	194	-8.1	0.2
8	Articles of Plastic Rubber or Leather	91	58.1	0.1	134	48.1	0.1
9	Chemical Industry Manufactures	140	1,226.2	0.2	20	-86.1	0.0
10	Electrical Articles, Electronic Articles	154	-15.0	0.2	3	-98.2	0.0
Total		80,689	-16.3	100	116,254	44.1	100

Source: Korea International Trade Association (KITA)

2) Import status by item

Ranked first among the Korean imports from Myanmar were petroleum gases and oils obtained from bituminous minerals, the imports of which amounted to $65.85 million in 2008. Despite being the leading import items, these products accounted for just 0.08% of the Korean import market.

In contrast, dried leguminous vegetables accounted for 16.5% of the Korean import market, holding the second highest market share among the foreign imports. Also worthy of note are swimwear, and track and ski suits, which held the third highest share in the Korean import market.

Table 37 Top 10 Korean Imports from Myanmar and Their Import Market Shares

(Unit: $ 1,000)

Rank	HS Code	Commodity	Total imports	Imports from Myanmar			Top 3 countries in share		
				Value	Share	Rank in market	1st	2nd	3rd
1	2709	Petroleum oils and oils	85,855,363	65,856	0.08%	21	Saudi Arabia	U.A.E.	Kuwait
2	6211	Track suits, ski suits and swimwear	230,932	6,311	2.7%	3	China	Vietnam	Myanmar
3	6204	Women's or girls' suits, ensembles, jackets, blazers	773,868	5,486	0.7%	8	China	Italy	U.S.A.
4	6203	Men's or boys' suits, ensembles, jackets, blazers	609,700	5,398	0.8%	6	China	Italy	Vietnam
5	6202	Women's or girls' overcoats, car-coats, capes, cloaks	258,817	5,319	2.0%	4	China	Italy	Vietnam
6	6201	Men's or boys' overcoats, car-coats, capes, cloaks	159,531	4,742	2.9%	4	China	Italy	Vietnam
7	**0713**	**Dried leguminous vegetables, shelled**	**27,437**	**4,553**	**16.5%**	**2**	**China**	**Myanmar**	**Canada**
8	4412	Plywood, veneered panels and similar laminated wood	544,175	3,294	0.6%	10	Malaysia	China	Indonesia
9	0306	Crustaceans	456,435	2,627	0.5%	16	China	Russia	Vietnam
10	1005	Maize (corn)	2,819,964	1,182	0.04%	8	U.S.A.	India	Brazil

Source: Korea International Trade Association (KITA)
Note 1) Total imports: Korea's total imports by category
2) Rank in market: Rank in Korea's import market

Table 38 Detailed Status of Key Korean Imports from Myanmar

(Unit: $ 1,000)

HS Code		Commodity	Total imports	Imports from Myanmar			Top 3 countries in share		
				Value	Share	Rank in market	1st	2nd	3rd
0713	0713200000	Chickpeas (garbanzos)	62	10	16.1%	3	India	Australia	Myanmar
	0713339000	Other Kidney beans	5,839	2,149	36.8%	1	Myanmar	Canada	China
	0713390000	Other Beans (Dried)	2,549	2,390	93.8%	1	Myanmar	Uzbek	Thailand
	0713900000	Other	52	3	5.8%	3	China	India	Myanmar

Source: Korea International Trade Association (KITA)

Note 1) Total imports: Korea's total imports by category

2) Rank in market: Rank in Korea's import market

7 Philippines

1. General status

With a population of more than 90 million, and rich in natural and marine resources, the Philippines show a multi-faceted economic structure. The service sector makes up a significant portion of the national economy, accounting for 44.7% of its GDP, whereas manufacturing and construction sectors constitute 29.6%.

With the aim of developing its rich mineral and other natural resources, the Philippines is actively trying to attract foreign investment. In a related move, the Philippine government has announced a plan to invest in infrastructure, thus helping to form a favorable environment for future economic growth.

In an effort to strengthen ties with its neighbors, the Philippines have joined the regional cooperative body of ASEAN. With this as a pillar in its diplomacy, the Philippines is exerting efforts to ensure regional security and promote trade, while actively participating in activities of a number of international organizations and forums like APEC, ASEM and the United Nations.

Manufacturing exports of the Philippines are increasing significantly as a result of its implementation of the EPZs (Export Processing Zone) system with attendant tax and customs benefits for companies setting up in the zones. In addition, exports by foreign-invested multinational corporations are also showing an upward trend.

(1) Foreign direct investment (FDI) status

Foreign direct investment in the Philippines expanded by an average of 69.5% a year from $667 million in 2003 to $3,253 million in 2006. In 2006, Korea emerged as the largest investor in the Philippines with an FDI capital of $1,065 million, which accounted for 32.8% of the total amount of FDI the country attracted in that year.

Table 39 FDI Status in the Philippines

(Unit: $ 1,000,000)

Class.	2003		2004		2005		2006	
	Value (% change)	Share	Value (% change)	Share	Value (% change)	Share	Value (% change)	Share
Korea	14 (-)	2.1%	64 (357.9%)	1.9%	212 (232.1%)	11.3%	1065 (401.7%)	32.8%
U.S.A.	205 (-)	30.7%	532 (159.9%)	15.6%	292 (-45.0%)	15.6%	749 (156.2%)	23.0%
Japan	173 (-)	26.0%	521 (200.9%)	15.3%	540 (3.5%)	28.7%	393 (-27.1%)	12.1%
China	6 (-)	0.9%	2 (-59.4%)	0.1%	4 (54.0%)	0.2%	352 (9144.3%)	10.8%
Total	667		3,410		1,879		3,253	

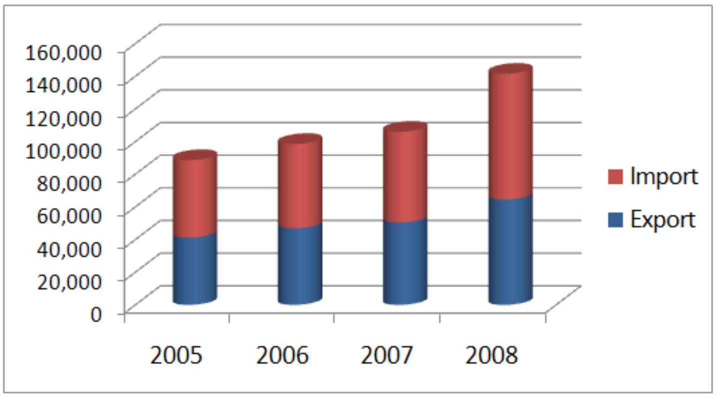
Source: National Statistical Coordination Board (Philippines)

2. Trade trends

The Philippines' overseas trade recorded high annual growth of 16.9% during the 2005-2008 period, rising from $88,644 million to $141,481 million. A detailed review shows that the country's exports went up from $41,224 million in 2005 to $64,572 million in 2008, recording 16.1% annual growth on average. The imports rose by an average of 17.5% from $47,420 million to $76,909 million during the same period.

With its exports and imports both on the rise, the Philippines' foreign trade has been increasing significantly in recent years.

Figure 13 Philippines's Export and Import Trends



(Unit: $ 1,000,000)

Class.	2005		2006		2007		2008	
	Value	% change	Value	% change	Value	% change	Value	% change
Export	41,224	3.9%	46,991	14.0%	50,483	7.4%	64,572	27.9%
Import	47,420	7.7%	51,539	8.7%	55,514	7.7%	76,909	38.5%
Balance	-6,196	42.3%	-4,548	-26.6%	-5,031	10.6%	-12,337	-145.2%

Source: Korea International Trade Association (KITA)

(1) Export status

1) Export status by country

As of 2008, the United States was the largest destination for Philippine exports, with transactions of $8,216 million, which accounted for 16.78% of the total exports of the Philippines. The United States was followed by Japan with $7,707 million, or 15.7%, and China with $5,469 million, or 11.1%.

Ranked seventh, Korea in 2008 imported $2,523 million worth of Philippine products, which represented 5.1% of the total Philippine exports. Assuming over 3% share every year, Korea is being firmly established as one of the top 10 export destinations of the Philippines.

Korea recorded the most conspicuous increase in its imports from the Philippines which soared 22.0% a year on average from $1,391 million in 2005 to $2,523 million in 2008. In contrast, Philippine exports to the Malaysia dwindled sharply from $2,457 million in 2005 to $1,958 million in 2008.

Table 40 Philippines's Top 10 Export Destinations

(Unit: $ 1,000,000)

Rank	Country	2005		2006		2007		2008	
		Value	Share	Value	Share	Value	Share	Value	Share
1	U.S.A.	7,429	18.0%	8,608	18.3%	8,601	17.0%	8,216	16.7%
2	Japan	7,203	17.5%	7,741	16.5%	7,304	14.5%	7,707	15.7%
3	China	4,077	9.9%	4,617	9.8%	5,750	11.4%	5,469	11.1%
4	Hong Kong	3,339	8.1%	3,676	7.8%	5,804	11.5%	4,987	10.1%
5	Netherlands	4,032	9.8%	4,753	10.1%	4,150	8.2%	3,708	7.5%
6	Singapore	2,706	6.6%	3,449	7.3%	3,139	6.2%	2,607	5.3%
7	Korea	1,391	3.4%	1,408	3.0%	1,784	3.5%	2,523	5.1%
8	Germany	1,346	3.3%	1,775	3.8%	2,149	4.3%	2,440	5.0%
9	Malaysia	2,457	6.0%	2,616	5.6%	2,507	5.0%	1,958	4.0%
10	Thailand	1,169	2.8%	1,325	2.8%	1,403	2.8%	1,509	3.1%
Total		41,224	100%	46,991	100%	50,483	100%	49,148	100%

Source: Korea International Trade Association (KITA)

2) Export status by item

Top ranked among the leading exports of the Philippines in 2006 were electronic integrated circuits and micro assemblies, whose exports amounted to $9,036.65 million, accounting for 19.2% of the nation's total exports. The amount, however, was down by a large margin from $12,966 million recorded in 2004. In the second place were diodes and transistors, the exports of which were worth $7,936.24 million, or 16.9% of total exports. Of the principal exports, the diodes and transistors sector recorded highest annual growth of 186.6% on average from 2004 to 2006.

Table 41 Philippines's Top 10 Exports

(Unit: $ 1,000)

Rank	HS Code	Commodity	2004	2005	2006	2008 Korea's import
1	8542	Electronic integrated circuits and micro assemblies	12,966,017	8,322,186	9,036,650	25,881,225
2	8541	Diodes/transistors&sim semiconductor devices	2,278,229	6,682,752	7,936,240	3,778,070
3	8471	Automatic data processing machines; optical reader	4,238,488	4,080,655	4,666,077	3,630,936
4	8473	Parts & accessories of computers & office machines	3,251,826	3,600,299	3,370,014	2,345,157
5	8708	Parts & accessories of motor vehicles	1,172,333	1,355,131	1,400,325	3,408,493
6	8531	Electric sound/visual signaling appliance (e.g. bell/siren, fire alarms)	1,918,433	2,058,345	1,296,475	1,971,560
7	7403	Refined copper and copper alloys, unwrought	412,925	361,750	1,232,671	3,124,498
8	2710	Petroleum oils, not crude	383,552	585,750	918,296	17,080,908
9	8544	Insulated wire/cable	890,966	814,239	905,428	1,705,002
10	8536	Electrical appliance for switching (ex fuse, switch) not exceeding 1000 volt	472,464	539,041	756,241	1,861,188

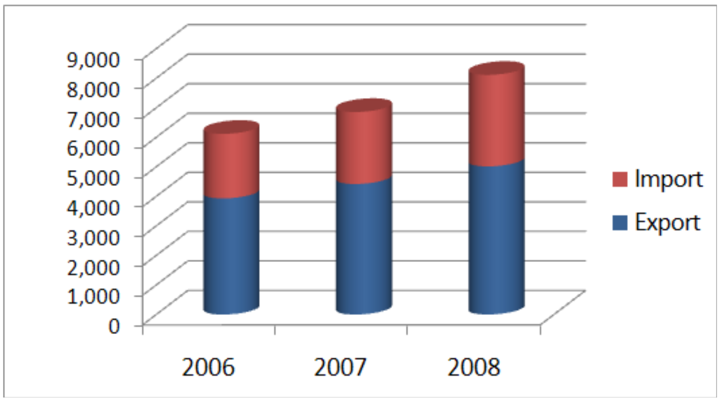
Source: International Trade Centre (ITC)

3. Philippines-Korea trade

Trade between Korea and the Philippines jumped from $6,118 million in 2006 to $8,115 million in 2008, registering average annual growth of 115.2%. During the same period, exports rose 122.7% a year on average from $3,931 million to $5,016 million. Imports from the Philippines expanded by annual average of 119% from $2,187 million in 2006 to $3,099 million in 2008. The 2008 figure represented 27.1% growth compared with the previous year.

Korea maintained a surplus in its trade with the Philippines, with exports registering higher growth rates than imports. However, the surplus margin dwindled due to a great jump in imports.

Figure 14 Trends in Korea's Trade with Philippines



(Unit: $ 1,000)

Class.	2006		2007		2008	
	Value	% change	Value	% change	Value	% change
Export	3,931	-	4,420	12.4%	5,016	13.5%
Import	2,187	-	2,438	11.5%	3,099	27.1%
Balance	1,744	-	1,982	13.6%	1,917	-3.3%

Source: Korea International Trade Association (KITA)

(1) Korean exports to the Philippines

Electronic integrated circuits were the leading sector of Korean exports to the Philippines in 2008, with their exports standing at $1,203.78 million. In the second spot were petroleum oils and oils obtained from bituminous minerals, the export volume of which reached $889.37 million.

Other top 10 Korean exports included telephone sets, flat-rolled iron products, motor cars designed for the transport of persons, and printed circuits. Exports of telephone sets in 2007 reached $185.82 million, recording a phenomenal increase of 13,545.7% from 2006. These products merit attention with regard to their potential for export growth.

Table 42 Korea's Top 10 Exports to Philippines

(Unit: $ 1,000)

Rank	HS Code	Commodity	2007		2008	
			Value	% change	Value	% change
1	8542	Electronic integrated circuits	1,177,217	-14.9%	1,203,785	2.3%
2	2710	Petroleum oils and oils obtained from bituminous minerals	683,922	63.1%	889,377	30.0%
3	8517	Telephone sets	185,826	13,545.7%	145,763	-21.6%
4	7208	Flat-rolled products of iron or non-alloy steel	38,946	251.2%	145,307	273.1%
5	7408	Copper wire	120,372	53.0%	121,066	0.6%
6	8703	Motor cars and vehicles principally designed for the transport of persons	111,812	43.6%	110,443	-1.2%
7	7210	Flat-rolled products of iron or non-alloy steel, of a width of 600㎜ or more, clad, plated	74,084	20.4%	96,666	30.5%
8	8532	Electrical capacitors, fixed, variable or adjustable	70,103	191.1%	79,422	13.3%
9	7308	Structures	48,818	389.6%	71,918	47.3%
10	8534	Printed circuits	62,468	-22.1%	64,409	3.1%

Source: Korea International Trade Association (KITA)

(2) Korean imports from the Philippines

1) Import status by industry

Electrical and electronic articles constituted the leading sector of goods imported from the Philippines in 2008. Their imports were worth $1,518 million, which accounted for 49% of total imports. However, compared with 2007, this sector represented a decrease of about $8 million in value terms, and 13.6% in terms of share in total imports.

In contrast, imports of second-ranked steel and metal products soared from $384 million in 2007 to $830 million in 2008. Consequently, their share in total imports increased from 15.8% to 26.8%.

Table 43 Industrial Trends in Korea's Imports from Philippines

(Unit: $ 1,000,000, %)

Rank	Industrial sector	2007			2008		
		Value	% change	Share	Value	% change	Share
1	Electrical Articles, Electronic Articles	1,526	7.4	62.6	1,518	-0.5	49.0
2	Articles of Iron or Steel, Metals	384	18.5	15.8	830	115.9	26.8
3	Agricultural, Forest, Marine products	366	9.2	15.0	429	17.3	13.9
4	Mineral Product	39	140.4	1.6	165	320.9	5.3
5	Chemical Industry Manufactures	51	57.9	2.1	72	41.3	2.3
6	Machinery	24	6.9	1.0	34	46.6	1.1
7	Textile & Apparel	29	69.9	1.2	30	4.3	1.0
8	Articles of Plastic Rubber or Leather	11	6	0.5	14	23.6	0.4
9	Living ware	7	-2.2	0.3	6	-3.7	0.2
10	Miscellaneous Articles/Sundries	1	62.2	0.1	1	-23.2	0.0
Total		2,438	11.5	100	3,099	27.1	100

Source: Korea International Trade Association (KITA)

2) Import status by item

Electronic integrated circuits ranked first among the goods imported from the Philippines, with their import volume reaching $903.69 million in 2008. They were followed by refined copper and copper alloys whose imports amounted to $630.04 million.

In terms of import market shares, however, electronic integrated circuits were placed behind refined copper and copper alloys. The former accounted for 3.5% of the Korean import market, being ranked 7th, while the latter held a 20.2% share to be ranked second.

In 2008, banana and tobacco imports had a total $153.76 million and $58.62 million, respectively. Although small in their import volume, bananas accounted for 99.8% of the Korean import market, and tobacco held an impressive share of 75.6%.

Other top 10 import items include diodes and transistors, ferrous waste and scrap, and oil cakes. Except for petroleum oils and oils obtained from bituminous minerals, these principal items mostly belonged to the top 10 in terms of their respective Korean import market shares.

Table 44 Top 10 Korean Imports from Philippines and Their Import Market Shares

(Unit: $ 1,000)

Rank	HS Code	Commodity	Total imports	Imports from Philippines			Top 3 countries in share		
				Value	Share	Rank in market	1st	2nd	3rd
1	8542	Electronic integrated circuits	25,881,225	903,692	3.5%	7	Singapore	Taiwan	China
2	**7403**	**Refined copper and copper alloys, unwrought**	**3,124,498**	**630,043**	**20.2%**	**2**	**Chile**	**Philippines**	**Japan**
3	**0803**	**Bananas, including plantains, fresh or dried**	**154,033**	**153,763**	**99.8%**	**1**	**Philippines**	**Mexico**	**Ecuador**
4	8541	Diodes, transistors and similar semiconductor devices	3,778,070	91,300	2.4%	7	Japan	China	Taiwan
5	2709	Petroleum oils and oils obtained from bituminous minerals, crude	85,855,363	85,032	0.1%	20	Saudi Arabia	U.A.E.	Kuwait
6	8473	Parts and accessories	2,345,157	79,726	3.4%	5	China	U.S.A.	Taiwan
7	7204	Ferrous waste and scrap; remelting scrap ingots of iron or steel	4,562,050	76,420	1.7%	6	U.S.A.	Japan	Russia
8	**2306**	**Oil-cake and other solid residues**	**411,906**	**64,541**	**15.7%**	**3**	**India**	**Indonesia**	**Philippines**
9	7404	Copper waste and scrap	1,427,493	63,977	4.5%	7	U.S.A.	South Africa	U.K.
10	**2403**	**Tobacco and substitutes**	**77,554**	**58,627**	**75.6%**	**1**	**Philippines**	**Malaysia**	**Japan**

Source: Korea International Trade Association (KITA)
Note 1) Total imports: Korea's total imports by category
2) Rank in market: Rank in Korea's import market

Table 45 Detailed Status of Key Korean Imports from the Philippines

(Unit: $ 1,000)

HS Code		Commodity	Total imports	Imports from Philippines			Top 3 countries in share		
				Value	Share	Rank in market	1st	2nd	3rd
0803	0803000000	Bananas, including plantains, fresh or dried	154,033	153,763	99.8%	1	Philippines	Mexico	Ecuador
2403	2403109000	Other Pipe tobacco	61,494	58,627	95.3%	1	Philippines	Germany	India
7403	7403110000	Cathodes and sections of cathodes	2,708,279	630,043	23.3%	2	Chile	Philippines	Zambia
2306	2306500000	Of coconut or copra	103,429	64,541	62.4%	1	Philippines	Indonesia	China

Source: Korea International Trade Association (KITA)
Note 1) Total imports: Korea's total imports by category
2) Rank in market: Rank in Korea's import market

8 Singapore

1. General status

As the biggest market in Southeast Asia, Singapore is playing a role as a production and circulation base for world-class multinational companies. Its main trade items are electronics components, including semiconductors, and computer parts. Trade with Korea is also centered on these products. Singapore also functions as an 'intermediary trade' center, re-exporting about 40% of its imports.

Under its free trade policy, nearly all the products are traded without tariffs, except for four major categories of alcoholic beverages, cigarettes, automobiles and oil products, which are subject to special consumption taxes. Between Korea and Singapore, all the products are traded free of tariffs because of the bilateral Free Trade Agreement that went into effect in March 2006.

(1) Foreign direct investment (FDI) status

Foreign direct investment in Singapore steadily increased by annual average of 15.1% during the 2003-2006 period, climbing from $147,961 million to $225,530 million. By nation, the United Kingdom topped the list of foreign investors in 2006, with its FDI capital of $34,312 million. Korea's investment amounted to $1,030 million, accounting for 0.5% of the total.

Table 46 FDI Status in Singapore

(Unit: $ 1,000,000)

Class.	2003		2004		2005		2006	
	Value (% change)	Share	Value (% change)	Share	Value (% change)	Share	Value (% change)	Share
U.K.	22,397	15.1%	26,885 (20.0%)	15.4%	29,800 (10.8%)	15.2%	34,312 (15.1%)	15.2%
U.S.A.	22,151	15.0%	27,636 (24.8%)	15.8%	27,255 (-1.4%)	13.9%	30,059 (10.3%)	13.3%
Korea	989	0.7%	518 (-47.6%)	0.3%	762 (47.1%)	0.4%	1,030 (35.2%)	0.5%
Total	147,961	100%	174,997 (18.3%)	100%	196,518 (12.3%)	100%	225,530 (14.8%)	100%

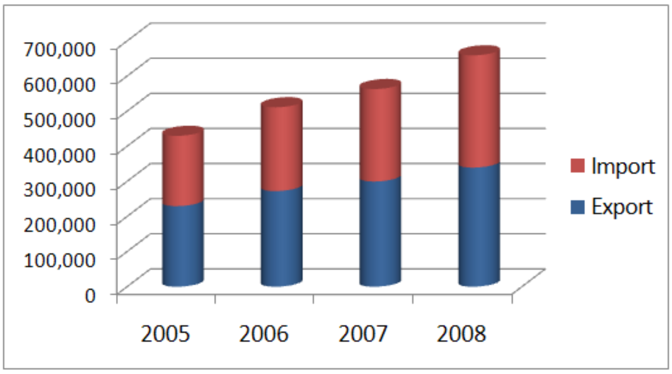
Source: Department of Statistics, “Foreign Equity Investment in Singapore, 2006”, Yearbook of Statistics, 2008

2. Trade trends

As of 2008, Singapore was the world's 16th largest trading nation, according to IMF statistics.

Singapore's exports grew by 13.9% a year on average, rising from $229,708 million in 2005 to $339,414 million in 2008. The imports climbed by an average of 16.9% from $200,197 million to $319,779 million. Singapore's trade surplus went up sharply from $29,511 million in 2005 to $36,538 million in 2007. However, it shrank by 46.3% to $19,635 million in 2008.

Figure 15 Singapore's Export and Import Trends



(Unit: $ 1,000,000)

Class.	2005		2006		2007		2008	
	Value	% change	Value	% change	Value	% change	Value	% change
Export	229,708	15.5%	272,549	18.7%	299,871	10.0%	339,414	13.2%
Import	200,197	15.9%	238,799	19.2%	263,333	10.3%	319,779	21.4%
Balance	29,511	12.6%	33,750	14.3%	36,538	8.2%	19,635	-46.3%

Source: Korea International Trade Association (KITA)

(1) Export status by country

Singapore's top export destination is Malaysia. Singaporean exports to Malaysia in 2008 increased 5.9% from the previous year to $40,912 million, which represented 12.1% of Singapore's total exports. Malaysia was followed by Indonesia (with $35,747 million), Hong Kong (with $35,098 million), China, the United States and Japan.

One of the major destinations for Singaporean exports, Korea in 2008 imported $12,291 million worth of goods, absorbing 3.6% of the total Singaporean exports.

Table 47 Singapore's Top 10 Export Destinations

(Unit: $ 1,000,000)

Rank	Country	2005		2006		2007		2008	
		Value	Share	Value	Share	Value	Share	Value	Share
1	Malaysia	30,405	13.2%	35,537	13.0%	38,626	12.9%	40,912	12.1%
2	Indonesia	22,109	9.6%	24,901	9.1%	29,467	9.8%	35,747	10.5%
3	Hong kong	21,570	9.4%	27,571	10.1%	31,335	10.4%	35,098	10.3%
4	China	19,752	8.6%	26,514	9.7%	28,927	9.6%	31,125	9.2%
5	U.S.A.	23,880	10.4%	27,622	10.1%	26,643	8.9%	24,196	7.1%
6	Japan	12,536	5.5%	14,855	5.5%	14,389	4.8%	16,710	4.9%
7	Australia	8,429	3.7%	10,186	3.7%	11,191	3.7%	13,876	4.1%
8	Thailand	9,431	4.1%	11,313	4.2%	12,390	4.1%	13,193	3.9%
9	Korea	8,053	3.5%	8,736	3.2%	10,609	3.5%	12,291	3.6%
10	India	5,897	2.6%	7,673	2.8%	10,000	3.3%	11,962	3.5%
Total		229,708	100%	272,549	100%	299,871	100%	339,414	100%

Source: Korea International Trade Association (KITA)

Of the 10 major export destinations, India most rapidly increased its share. Its imports from Singapore jumped from $5,897 million in 2005 to $11,962 million in 2008, recording 26.6% growth a year on average. In value terms, Indonesia registered the largest growth margin. Its imports from Singapore in 2008 were worth $35,747 million, up by $13,638 million from 2005.

(2) Export status by item

Electronic integrated circuits made up the biggest export sector in 2006, with their export amount standing at $62,776 million, or 21% of total exports. They were followed by petroleum oils, the exports of which reached $39,697 million, accounting for 13.3% of total exports.

Of the top 10 items, printing machinery parts recorded the highest growth rate, as their exports went up from a meager $143 million in 2006 to $20,258 million in 2006.

Table 48 Singapore's Top 10 Exports

(Unit: $ 1,000,000)

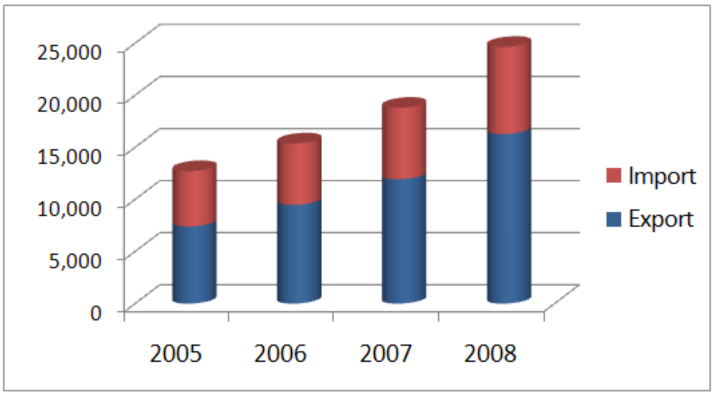
Rank	HS Code	Commodity	2005	2006	2007	2008 Korea's import
1	8542	Electronic integrated circuits and micro assemblies	48,572	61,223	62,776	25,881
2	2710	Petroleum oils, not crude	26,561	33,848	39,697	17,081
3	8443	Printing machinery	112	143	20,258	1,638
4	8517	Electric app for line telephone, including current line system	1,884	1,802	9,960	5,218
5	8471	Automatic data processing machines	15,559	12,992	9,788	3,631
6	8541	Diodes/transistors & similar semiconductor devices	4,946	6,334	6,923	3,778
7	3004	Medicament mixtures, put in dosage	1,801	3,796	4,866	1,931
8	8523	Prepared unrecorded media for sound record (tapes)	1,286	1,818	4,837	2,243
9	2922	Oxygen-function amino-compounds	2,233	2,106	4,442	238
10	8431	Machinery part (product group 84.25 to 84.30)	2,931	3,203	4,062	672

Source: International Trade Centre (ITC)

3. Singapore-Korea trade

In March 2009, Singapore was Korea's fifth largest export destination, and 13th largest source of imports. Trade between Korea and Singapore expanded by annual average of 24.7% during the 2005-2008, rising from $12,725 million to $24,655 million. The trade balance was in favor of Korea, whose surplus increased by yearly average of 56% from $2,089 million in 2004 to $7,931 million in 2008.

Figure 16 Trends in Korea's Trade with Singapore



(Unit: $ 1,000,000)

Class.	2005		2006		2007		2008	
	Value	% change	Value	% change	Value	% change	Value	% change
Export	7,407	31.0%	9,489	28.1%	11,949	25.9%	16,293	36.4%
Import	5,318	19.2%	5,887	10.7%	6,860	16.5%	8,362	21.9%
Balance	2,089	75.1%	3,603	72.5%	5,090	41.3%	7,931	55.8%

Source: Korea International Trade Association (KITA)

(1) Korean exports to Singapore

Three sectors: petroleum oil and oil products, vessels, and electronic integrated circuits accounted for 74.3% of the total Korean exports to Singapore in 2008. Exports of petroleum oil amounted to $4,469 million, or 27.4% of the total export volume. Vessels were ranked second with their export amount reaching $4,201, or 25.8% of the total. Electronic integrated circuits slipped from first to third, as their export amount decreased 12.3% from 2007 to $3,438 million.

Table 49 Korea's Top 10 Exports to Singapore

(Unit: $ 1,000,000)

Rank	HS Code	Commodity	2007		2008	
			Value	% change	Value	% change
1	2710	Petroleum oil and oil products; waste oils.	1,604	19.5%	4,469	178.7%
2	8901	Vessels.	2,945	315.8%	4,201	42.7%
3	8542	Electronic integrated circuits.	3,921	10.3%	3,438	-12.3%
4	8517	Telephone sets; other apparatus for the transmission or reception	508	3,299.6%	499	-1.8%
5	8473	Parts and accessories suitable for typewriters and automatic data processing machines	252	-45.9%	236	-6.3%
6	7108	Gold.	82	-60.7%	142	73.0%
7	8544	Insulated wire, cable; optical fiber cables.	99	11.2%	141	41.6%
8	8419	Machinery for the treatment of materials by a process involving a change of temperature	15	36.0%	119	694.0%
9	7901	Unwrought zinc.	7	-4.3%	101	1,289.6%
10	7208	Flat-rolled products of iron or non-alloy steel.	66	23.7%	94	43.1%

Source: Korea International Trade Association (KITA)

(2) Korean imports from Singapore

1) Import status by industry

Electrical and electronic articles constituted the largest import sector in 2008, with their imports amounting to $6,423 million, or 76.8% of total imports. Ranked second were chemical industry manufactures whose imports reached $833 million.

Compared with 2007, imports of mineral products showed the highest increase rate of 231.6%. Imports of electrical and electronic articles jumped by $1,093 million, recording highest growth in value terms.

Table 50 Industrial Trends in Korea's Imports from Singapore

(Unit: $ 1,000,000, %)

Rank	Industrial sector	2007			2008		
		Value	% change	Share	Value	% change	Share
1	Electrical Articles, Electronic Articles	5,330	21.4	77.7	6,423	20.5	76.8
2	Chemical Industry Manufactures	801	9.0	11.7	833	4.0	10.0
3	Mineral Product	166	-43.2	2.4	550	231.6	6.6
4	Machinery	322	27.5	4.7	302	-6.1	3.6
5	Articles of Iron or Steel, Metals	99	12.3	1.4	124	24.9	1.5
6	Agricultural, Forest, Marine Products	47	16.7	0.7	50	7.0	0.6
7	Articles of Plastic Rubber or Leather	44	32.9	0.6	41	-5.6	0.5
8	Miscellaneous Articles/Sundries	23	-7.0	0.3	20	-15.9	0.2
9	Textile & Apparel	18	-15.3	0.3	13	-27.3	0.2
10	Living ware	9	15.4	0.1	5	-44.9	0.1
Total		6,860	16.5	100	8,362	21.9%	100

Source: Korea International Trade Association (KITA)

2) Import status by item

Top ranked among the import items were electronic integrated circuits whose import volume of $5,053 million accounted for 19.5% of total imports in 2008. Noteworthy were epoxides and nitrogenized derivatives, the imports of which were small at $121 million but accounted for 59% of the Korean import market.

Table 51 Top 10 Korean Imports from Singapore and Their Import Market Shares

(Unit: $ 1,000,000)

Rank	HS Code	Commodity	Total imports	Imports from Singapore			Top 3 countries in share		
				Value	Share	Rank in market	1st	2nd	3rd
1	**8542**	**Electronic integrated circuits.**	**25,881**	**5,053**	**19.5%**	**1**	**Singapore**	**Taiwan**	**China**
2	2710	Petroleum oils and oils; waste oils.	17,081	539	3.2%	9	India	Saudi Arabia	U.A.E.
3	8523	Non-volatile storage devices and other media for the recording of sound	2,243	265	11.8%	3	Taiwan	Japan	Singapore
4	8517	Telephone sets; other apparatus for the transmission or reception.	5,218	233	4.5%	6	China	U.S.A.	Japan
5	8471	Automatic data processing machines.	3,631	208	5.7%	4	China	U.S.A.	Ireland
6	**2910**	**Epoxides, nitrosated derivatives etc.**	**205**	**121**	**59.0%**	**1**	**Singapore**	**Japan**	**Netherlands**
7	8443	Printing machinery; parts and accessories thereof.	1,638	96	5.9%	3	China	Japan	Singapore
8	8473	Parts and accessories suitable for automatic data processing machines	2,345	96	4.1%	4	China	U.S.A.	Taiwan
9	**3811**	**Anti-knock preparations and other prepared additives, for mineral oils**	**321**	**93**	**29.0%**	**2**	**U.S.A.**	**Singapore**	**Germany**
10	8541	Diodes, transistors and similar semiconductor devices.	3,778	88	2.3%	8	Japan	China	Taiwan

Source: Korea International Trade Association (KITA), 2008
Note 1) Total imports: Korea's total imports by category
2) Rank in market: Rank in Korea's import market

Table 52 Detailed Status of Key Korean Imports from Singapore

(Unit: $ 1,000,000)

HS Code		Commodity	Total imports	Imports from Singapore			Top 3 countries in share		
				Value	Share	Rank in market	1st	2nd	3rd
8542	8542312000	Processors and controllers - Hybrid integrated circuits	13	2	13.4%	4	Austria	U.S.A.	Japan
	8542313000	Processors and controllers - Multichip integrated circuits	910	741	81.5%	1	Singapore	Taiwan	Japan
	8542321010	Memories - Monolithic integrated circuits - DRAM	979	5	0.5%	7	China	U.S.A.	Taiwan
	8542321020	Memories - Monolithic integrated circuits - SRAM	21	0.1	0.6%	9	U.S.A.	Indonesia	China
	8542321030	Memories - Monolithic integrated circuits - Flash memory	932	38	4.1%	4	U.S.A.	Taiwan	China
	8542321090	Memories - Monolithic integrated circuits - Other	2,790	17	0.6%	8	China	U.S.A.	Taiwan
	8542322000	Memories - Hybrid integrated circuits	3	0.5	17.5%	3	Germany	Malaysia	Singapore
	8542323000	Memories - Multichip integrated circuits	954	46	4.8%	4	Japan	China	Hong kong
	8542331000	Amplifiers - Monolithic integrated circuits	152	40	26.4%	1	Singapore	Malaysia	Taiwan
	8542332000	Amplifiers - Hybrid integrated circuits	3	0.2	6.8%	5	U.S.A.	Hong kong	Philippines
	8542333000	Amplifiers - Multichip integrated circuits	0.6	0.1	22.7%	2	Taiwan	Singapore	Philippines
	8542391000	Other electronic integrated circuits - Monolithic integrated circuits	4,339	1,619	37.3%	1	Singapore	Taiwan	U.S.A.
	8542392000	Other electronic integrated circuits - Hybrid integrated circuits	25	2	8.6%	5	U.S.A.	China	U.K.
	8542393000	Other electronic integrated circuits - Multichip integrated circuits	802	541	67.4%	1	Singapore	Taiwan	U.S.A.
	8542901010	Parts of Monolithic integrated circuits - Lead frames	30	0.2	0.8%	8	Japan	China	Germany
	8542901090	Parts of Monolithic integrated circuits - Other	16	1	9.1%	3	Japan	China	Singapore
	8542902090	Parts of Hybrid integrated circuits - Other	13	0	0.001%	7	Japan	U.S.A.	Italy
	8542903090	Parts of Multichip integrated circuits - Other	8	1	7.6%	3	U.S.A.	Taiwan	Singapore
2910	2910200000	Methyloxirane (propylene oxide)	157	121	77.2%	1	Singapore	Japan	Netherlands
3811	3811190000	Anti-knock preparations : Other	1	0.01	0.6%	6	Germany	U.S.A.	Japan
	3811210000	Additives for lubricating oils : Containing petroleum oils or oils obtained from bituminous minerals	243	91	37.3%	1	Singapore	U.S.A.	France
	3811290000	Additives for lubricating oils : Other	28	1	2.1%	8	U.S.A.	Japan	France
	3811900000	Other prepared additives	48	2	4.1%	5	Germany	U.S.A.	France

Source: Korea International Trade Association (KITA), 2008
Note 1) Total imports: Korea's total imports by category
2) Rank in market: Rank in Korea's import market

9 Thailand

1. General status

Thailand achieved high economic growth of around 10% in the late 1980s, thanks to the positive effect of its export-oriented policy gradually introduced in the 1970s as well as the favorable turn of the world economy and increased investments from Japan and the United States. Since then, the country had maintained stable growth of about 8% till the mid 1990s.

In 1997, however, Thailand faced a financial crisis caused by its expanding trade deficit resulted from weakening competitiveness in exports as well as excessive introduction of foreign capital in the course of its financial market opening. After four years of economic doldrums, the Thai economy began recovering its previous vitality. Beginning in the latter half of 2002, private consumption and exports soared thanks to the effect of proper macroeconomic measures such as finance, monetary and exchange rate policies. And, the nation's per capita GDP was almost restored to the pre-crisis level.

Since the U.S. financial crisis hit the world economy in 2008, Thailand has experienced from a slowdown in the manufacturing sector as well as declining export growth rates. The export sector, the nation's main growth engine, has been dwindling since 2007. But, Contraction in the import sector is being delayed, thus contributing to expansion of the nation's trade and current account deficits.

(1) Foreign direct investment (FDI) status

Foreign direct investment in Thailand in 2008 amounted to $10,061 million in 838 projects, down 32.9% from the previous year in value terms. Japan continued to maintain its status as the largest investor in Thailand, with an FDI capital of $3,042 million. Korea's direct investment reached $266 million, the sixth largest in terms of value.

Table 53 FDI Status in Thailand (based on approvals)

(Unit: $ 1,000,000)

Country	2006		2007		2008	
	No. of Projects	Value	No. of Projects	Value	No. of Projects	Value
Japan	353	3,196	330	4,873	324	3,042
Netherlands	28	173	20	315	27	886
Singapore	62	520	78	1,022	67	726
Malaysia	35	149	33	343	46	723
India	18	74	23	219	21	275
Korea	24	112	46	177	56	266
Total	751	7,396	836	14,994	838	10,061

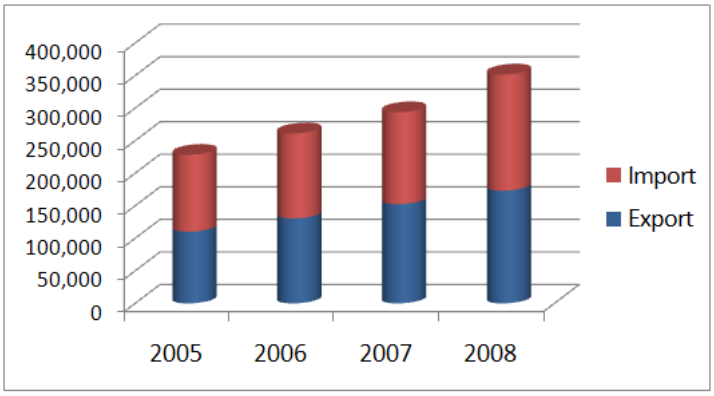
Source: The Board of Investment of Thailand (BOI), www.globalwindow.org

2. Trade trends

Thailand's foreign trade jumped from $228,303 million in 2005 to $351,761 million in 2008, recording an average growth rate of 15.5% a year.

During the period, exports increased 16.3% a year from $110,160 million to $173,235 million. Imports expanded by 14.8% a year from $118,143 million to $178,526 million. The country recored a trade deficit of $5,291 million in 2008.

Figure 17　Thailand's Export and Import Trends



(Unit: $ 1,000,000)

Class.	2005		2006		2007		2008	
	Value	% change	Value	% change	Value	% change	Value	% change
Export	110,160	14.5%	130,556	18.5%	152,460	16.8%	173,235	13.6%
Import	118,143	25.1%	130,605	10.5%	141,346	8.2%	178,526	26.3%
Balance	-7,983	-541.3%	-49	-99.4%	11,114	-22781.6%	-5,291	-147.6%

Source: Korea International Trade Association (KITA)

(1) Export status by country

In 2008, Thailand's largest export destination was the United States, which absorbed about $19,754 million worth of Thai goods, or 11.4% of the total Thai exports. The United States was followed by Japan, China and Singapore.

Among the top 10 export destinations, Australia was the fastest growing export market for Thailand. Thai exports to Australia grew 33.6% annually on average from $3,151 million in 2005 to $7,512 million in 2008. In terms of value, exports to China recorded the largest margin of growth by soaring by $6,871 million during the same period.

Table 54 Thailand's Top 10 Export Destinations

(Unit: $ 1,000,000)

Rank	Country	2005		2006		2007		2008	
		Value	Share	Value	Share	Value	Share	Value	Share
1	U.S.A.	16,950	15.4%	19,626	15.0%	19,250	12.6%	19,754	11.4%
2	Japan	14,979	13.6%	16,492	12.6%	18,122	11.9%	19,724	11.4%
3	China	9,105	8.3%	11,810	9.0%	14,834	9.7%	15,976	9.2%
4	Singapore	7,641	6.9%	8,411	6.4%	9,535	6.3%	9,844	5.7%
5	Hong kong	6,123	5.6%	7,214	5.5%	8,686	5.7%	9,774	5.6%
6	Malaysia	5,781	5.2%	6,656	5.1%	7,792	5.1%	9,717	5.6%
7	Australia	3,151	2.9%	4,379	3.4%	5,726	3.8%	7,512	4.3%
8	Indonesia	3,954	3.6%	3,336	2.6%	4,768	3.1%	6,138	3.5%
9	Vietnam	2,348	2.1%	3,094	2.4%	3,803	2.5%	4,962	2.9%
10	Netherlands	2,755	2.5%	3,260	2.5%	3,801	2.5%	3,978	2.3%
12	Korea	2,244	2.0%	2,688	2.1%	2,967	1.9%	3,568	2.1%
Total		110,160	100%	130,556	100%	152,460	100%	173,235	100%

Source: Korea International Trade Association (KITA)

(2) Export status by item

Automatic data processing machines constituted Thailand's largest export sector in 2007, as their exports amounted to $12,388 million, accounting for 8.1% of total exports. Ranked second were electronic integrated circuits with $8,053 million.

Among the 10 most important export items, petroleum oils showed the fastest growing rate of 36.7% a year on average, jumping from $2,620 million in 2005 to $4,896 million in 2007. In value terms, automatic data processing machines registered fastest growth, increasing by $4,045 million from $$8,343 million in 2005 to $12,388 million in 2007.

Table 55 Thailand's Top 10 Exports

(Unit: $ 1,000,000)

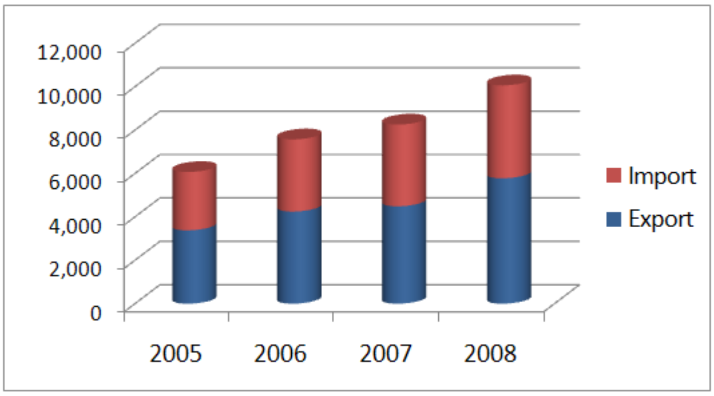
Rank	HS Code	Commodity	2005	2006	2007	2008 Korea's import
1	8471	Automatic data processing machines; optical reader	8,343	10,850	12,388	3,631
2	8542	Electronic integrated circuits and micro assemblies	5,496	7,074	8,053	25,881
3	4001	Natural rubber, balata, gutta-percha	3,695	5,430	5,641	1,003
4	2710	Petroleum oils	2,620	3,990	4,896	17,081
5	8704	Trucks, motor vehicles for the transport of goods	2,997	3,683	4,298	192
6	8703	Cars (incl. station wagon)	2,161	2,922	3,854	2,478
7	1006	Rice	2,322	2,579	3,470	195
8	8708	Parts & accessories of motor vehicles	2,120	2,500	3,398	3,408
9	8473	Parts & accessories of computers & office machines	3,137	3,761	3,346	2,345
10	8415	Air conditioning machines, with motor-driven elements	2,169	2,314	3,192	342

Source: International Trade Centre (ITC)

3. Thailand-Korea trade

As of March 2009, Thailand was the 17th largest destination for Korean exports, and the 21st largest source of imports.

Figure 18 Trends in Korea's Trade with Thailand



(Unit: $ 1,000,000)

Class.	2005		2006		2007		2008	
	Value	% change	Value	% change	Value	% change	Value	% change
Export	3,381	4.1%	4,246	25.6%	4,488	5.7%	5,779	28.8%
Import	2,689	14.4%	3,328	23.8%	3,769	13.2%	4,282	13.6%
Balance	692	-	918	32.7%	719	-21.7%	1,497	108.2%

Source: Korea International Trade Association (KITA)

In the 2005-2008, bilateral trade grew by annual average of 18.3% from $6,070 million to $10,061 million. Korea's exports to Thailand increased by 19.6% a year from $3,381 million to $5,779 million. Imports from Thailand rose by 16.8% a year from $2,689 million to $4,282 million. Korea recorded a surplus of $1,497 million in its trade with Thailand in 2008.

(1) Korean exports to Thailand

Top Korean exports to Thailand include flat-rolled iron products (clad, coated), hot-rolled steel plats, and automobile parts. Flat-rolled iron plates (clad, coated) were ranked first in 2008 as their exports amounted to $358 million, accounting for 6.2% of total Korean exports. They were followed by hot-rolled steel plates with $222 million, and automobile parts with $206 million.

Table 56 Korea's Top 10 Exports to Thailand

(Unit: $ 1,000,000)

Rank	HS Code	Commodity	2007		2008	
			Value	% change	Value	% change
1	7210	Flat-rolled products of iron or non-alloy steel.	236	13.9%	358	51.5%
2	7208	Flat-rolled products of iron or non-alloy steel.	130	93.5%	222	70.2%
3	8708	Parts and accessories of the motor vehicles.	164	120.4%	206	26.0%
4	7219	Flat-rolled products of stainless steel.	243	38.3%	196	-19.1%
5	8517	Telephone sets; other apparatus for the transmission or reception.	144	1,053.9%	181	25.0%
6	9013	Liquid crystal; lasers; other optical appliances and instruments.	116	15.7%	165	43.2%
7	8542	Electronic integrated circuits.	262	10.4%	161	-38.4%
8	7403	Refined copper and copper alloys, unwrought.	70	-1.8%	144	106.1%
9	8529	Parts suitable for use transmission apparatus.	126	-57.8%	139	9.8%
10	3105	Mineral or chemical fertilisers.	95	7.6%	117	22.9%

Source: Korea International Trade Association (KITA)

(2) Korean imports from Thailand

1) Import status by industry

Electronic and electrical products constituted the largest import sector in 2008, with the import volume amounting to $1,550 million, or 36.2% of total imports. It was followed by the agricultural, forest and marine products sector with $1,173 million, and the mineral products sector with $508 million. Import of mineral products recorded the highest increase rate of 358.9% from 2007.

Table 57 Industrial Trends in Korea's Imports from Thailand

(Unit: $ 1,000,000, %)

Rank	Industrial sector	2007			2008		
		Value	% change	Share	Value	% change	Share
1	Electrical Articles, Electronic Articles	1,667	21.0	44.2	1,550	-7.0	36.2
2	Agricultural, Forest, Marine Products	815	4.9	21.6	1,173	44.0	27.4
3	Mineral Product	111	-53.1	2.9	508	358.9	11.9
4	Chemical Industry Manufactures	535	45.8	14.2	389	-27.4	9.1
5	Machinery	169	15.2	4.5	219	29.0	5.1
6	Articles of Iron or Steel, Metals	205	30.1	5.4	172	-16.0	4.0
7	Textile & Apparel	111	-10.8	2.9	108	-2.8	2.5
8	Articles of Plastic Rubber or Leather	74	3.4	2.0	86	16.5	2.0
9	Living ware	64	9.5	1.7	62	-3.1	1.5
10	Miscellaneous Articles/Sundries	18	52.7	0.5	15	-17.6	0.4
Total		3,769	13.2	100	4,282	13.6	100

Source: Korea International Trade Association (KITA)

2) Import status by item

A review of imports by item shows that electronic integrated circuits were ranked first with their import amount standing at $485 million in 2008. These products were followed by natural rubber whose imports amounted to $441 million, accounting for 44% of the Korean import market. Noteworthy were the three items of arrowroots, carbon paper and particle boards, which all accounted for more than 60% of the Korean import markets.

Table 58 Top 10 Korean Imports from Thailand and Their Import Market Shares

(Unit: $ 1,000,000)

Rank	HS Code	Commodity	Total imports	Imports from Thailand			Top 3 countries in share		
				Value	Share	Rank in market	1st	2nd	3rd
1	8542	Electronic integrated circuits.	25,881	485	1.9%	9	Singapore	Taiwan	China
2	**4001**	**Natural rubber and similar natural gums.**	**1,003**	**441**	**44.0%**	**1**	**Thailand**	**Indonesia**	**Malaysia**
3	2709	Petroleum oils and oils.	85,855	379	0.4%	15	Saudi Arabia	U.A.E.	Kuwait
4	8517	Telephone; other apparatus for the transmission or reception.	5,218	249	4.8%	5	China	U.S.A.	Japan
5	8471	Automatic data processing machines.	3,631	206	5.7%	5	China	U.S.A.	Ireland
6	**0714**	**Arrowroot, sweet potatoes and roots and tubers etc**	**203**	**160**	**78.8%**	**1**	**Thailand**	**Vietnam**	**Indonesia**
7	**4410**	**Particle board, oriented strand board and similar board.**	**140**	**95**	**67.9%**	**1**	**Thailand**	**Malaysia**	**U.S.A.**
8	2710	Petroleum oils and oils; waste oils.	17,081	93	0.5%	25	India	Saudi Arabia	U.A.E.
9	**1701**	**Cane or beet sugar and chemically pure sucrose.**	**544**	**81**	**14.9%**	**2**	**Australia**	**Thailand**	**South Africa**
10	**4816**	**Carbon paper, self-copy paper and other transfer papers**	**103**	**79**	**76.7%**	**1**	**Thailand**	**Japan**	**China**

Source: Korea International Trade Association (KITA), 2008
Note 1) Total imports: Korea's total imports by category
2) Rank in market: Rank in Korea's import market

Table 59 Detailed Status of Key Korean Imports from Thailand

(Unit: $ 1,000,000)

HS Code		Commodity	Total imports	Imports from Thailand			Top 3 countries in share		
				Value	Share	Rank in market	1st	2nd	3rd
4001	4001100000	Natural rubber latex	63	36	57.0%	1	Thailand	Vietnam	Malaysia
	4001212000	Natural rubber smoked sheets, Rss No.1	2	0.2	9.8%	2	Indonesia	Thailand	-
	4001214000	Natural rubber smoked sheets, Rss No.3	73	67	91.8%	1	Thailand	India	Sri Lanka
	4001215000	Natural rubber smoked sheets, Rss No.4	0.3	0.3	100%	1	Thailand	-	-
	4001220000	Technically specified natural rubber (TSNR)	838	331	39.5%	1	Thailand	Indonesia	Malaysia
	4001290000	Other natural rubber	26	7	27.4%	2	Philippines	Thailand	Vietnam
0714	0714102010	Dried manioc (cassava)	41	0.1	0.3%	3	Vietnam	Indonesia	Thailand
	0714102020	Dried manioc (cassava) - Pellets	160	160	99.6%	1	Thailand	Taiwan	Saudi Arabia
4410	4410111000	Particle board - Unworked or not further worked than sanded	24	21	87.5%	1	Thailand	Malaysia	Romania
	4410119000	Particle board - Other	87	62	71.8%	1	Thailand	Malaysia	Spain
	4410129000	Oriented strand board - Other	11	0.5	4.5%	3	U.S.A.	Canada	Thailand
	4410199010	Other board - Unworked or not further worked than sanded	0.6	0.5	89.6%	1	Thailand	Belgium	U.S.A.
	4410199090	Other board - Other	11	9	82.4%	1	Thailand	Romania	Canada
	4410900000	Other board - not wood	2	1	44.1%	1	Thailand	China	Romania
1701	1701111000	Cane sugar - Of a polarization not exceeding 98.5°	26	25	97.1%	1	Thailand	Philippines	India
	1701112000	Cane sugar - Of a polarization exceeding 98.5°	503	52	10.3%	2	Australia	Thailand	South Africa
	1701122000	Beet sugar - Of a polarization exceeding 98.5°	0.3	0.2	84.5%	1	Thailand	China	Japan
	1701990000	Other sucrose - Other	13	4	27.5%	2	Malaysia	Thailand	U.S.A.
4816	4816201000	Self-copy paper - One ply	5	2	40.7%	2	China	Thailand	Japan
	4816202000	Self-copy paper - Multi-ply	3	0.1	3.4%	3	Japan	China	Thailand
	4816903000	Graphic art paper	5	0.04	0.9%	3	Japan	China	Thailand
	4816904000	Carbon or similar copying papers	78	75	96.7%	1	Thailand	China	Australia
	4816909000	Other	7	2	24.4%	2	Indonesia	Thailand	Japan

Source: Korea International Trade Association (KITA), 2008
Note 1) Total imports: Korea's total imports by category
2) Rank in market: Rank in Korea's import market

10 Vietnam

1. General status

Vietnam's low labor cost and plentiful raw material resources are making the country an optimum investment destination for labor-intensive industries. As Vietnam is in the course of opening its economy, its value as an overseas production base targeting North American, ASEAN and European export markets is increasing.

Vietnam is endeavoring for globalization of its economy, as seen in its conclusion of a trade agreement with the United States in 2001 and its participation in the creation of the ASEAN free trade zone.

Vietnam has maintained high GDP growth since it marked 6% in 2000. Its annual growth rate since 2005 has averaged 8%, the second highest in Asia following China's. In particular, it achieved 6.23% growth in 2008, despite the global economic slowdown.

(1) Foreign direct investment (FDI) status

Foreign direct investment in Vietnam reached $60,271 million in 2008. Taiwan, the leader in terms of total investments during the 20-year period since 1988, made new investment worth $8,643 million in 2008. Malaysia was ranked first in 2008, with its investment of $14,938 million. Korea is the fourth largest investor in Vietnam overall.

Table 60 FDI Status in Vietnam

(unit: $ 1,000,000)

Rank	Country	Total (1988.1.1～2008.12.22)		2008 (1.1～12.22)	
		No. of Projects	Value	No. of Projects	Value
1	Taiwan	1,940	19,651	132	8,643
2	Malaysia	302	17,783	55	14,938
3	Japan	1,046	17,158	105	7,288
4	Korea	2,058	16,526	292	1,803
5	Singapore	651	15,438	101	4,466
Total		9,803	149,775	1,171	60,271

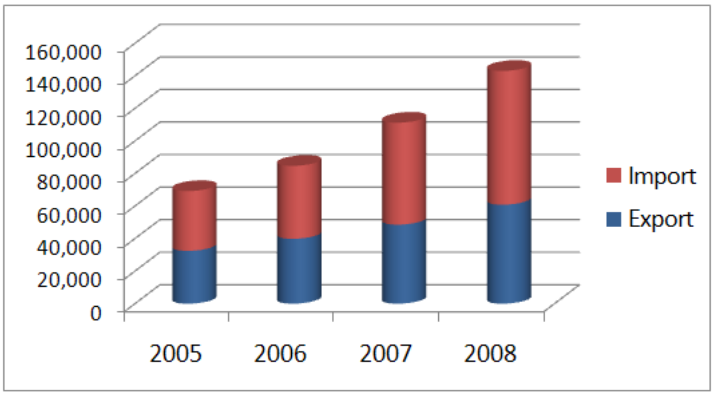
Source: Ministry of Planning and Investment of Vietnam, material carried on www.globalwindow.org

2. Trade trends

Vietnam's foreign trade grew 27.4% a year on average from $69,280 million in 2005 to $143,058 million in 2008. Exports surged from $32,447 million in 2005 to $60,816 million in 2008, representing an average annual increase of 23.3%. During the same period, imports soared from $36,761 million to $82,242 million, recording average annual growth of 30.8%.

Vietnam's trade deficit expanded from $4,314 million in 2005 to $21,426 million in 2008.

Figure 19 Vietnam's Export and Import Trends



(Unit: $ 1,000,000)

Class.	2005		2006		2007		2008	
	Value	% change	Value	% change	Value	% change	Value	% change
Export	32,447	22.5%	39,826	22.7%	48,561	21.9%	60,816	25.2%
Import	36,761	15.0%	44,891	22.1%	62,682	39.6%	82,242	31.2%
Balance	-4,314	-21.3%	-5,065	17.4%	-14,121	178.8%	-21,426	51.7%

Source: Korea International Trade Association (KITA)

(1) Export status

1) Export status by country

The United States is the top destination for Vietnamese exports. Vietnamese exports to the United States in 2008 reached $11,869 million, up 17.5% from the previous year and representing 18.9% of the entire Vietnamese exports. The United States was followed by Japan with $8,538 million or 13.6% of the total exports, and China with $4,536 million or 7.2%.

Table 61 Vietnam's Top 10 Export Destinations

(Unit: $ 1,000,000)

Rank	Country	2005		2006		2007		2008	
		Value	Share	Value	Share	Value	Share	Value	Share
1	U.S.A.	5,924	18.3%	7,845	19.7%	10,105	20.8%	11,869	18.9%
2	Japan	4,340	13.4%	5,240	13.2%	6,090	12.5%	8,538	13.6%
3	China	3,228	9.9%	3,243	8.1%	3,646	7.5%	4,536	7.2%
4	Australia	2,723	8.4%	3,745	9.4%	3,802	7.8%	4,225	6.7%
5	Singapore	1,917	5.9%	1,812	4.5%	2,234	4.6%	2,660	4.2%
6	Germany	1,086	3.3%	1,445	3.6%	1,855	3.8%	2,073	3.3%
7	Malaysia	1,028	3.2%	1,254	3.1%	1,555	3.2%	1,955	3.1%
8	Philippines	829	2.6%	783	2.0%	965	2.0%	1,825	2.9%
9	Korea	664	2.0%	843	2.1%	1,243	2.6%	1,784	2.8%
10	U.K.	1,016	3.1%	1,180	3.0%	1,431	2.9%	1,581	2.5%
Total		32,447	100%	39,826	100%	48,561	100%	62,685	100%

Source: Korea International Trade Association (KITA)

Of the 10 major export destinations, Korea emerged as the fastest growing market for Vietnamese exports. Vietnamese exports to Korea increased from $664 million in 2005 to $1,784 million in 2008, registering average annual growth of 43.6%.

2) Export status by item

Vietnam's largest export sector in 2006 was composed of crude and petroleum oils. Their exports amounted to $8,060 million, or 19.4% of the nation's total export volume. These were followed by footwear in second with $3,063 million.

Exports of footwear of rubber or plastics expanded most conspicuously, soaring 206.5% from $316 million in 2004 to $1,348 million in 2006. In value terms, crude and petroleum oils recorded the biggest increase of $2,389 million from $5,671 million in 2004 to $8,060 million in 2006.

Table 62 Vietnam's Top 10 Exports

(Unit: $ 1,000,000)

Rank	HS Code	Commodity	2004	2005	2006	2008 Korea's import
1	2709	Crude petroleum oils	5,671	7,373	8,060	85,855
2	6403	Footwear, upper of leather	761	898	3,063	447
3	9403	Other furniture and parts thereof	717	1,014	1,803	587
4	6402	Footwear, outer soles and uppers of rubber/plastics	316	321	1,348	216
5	0901	Coffee	642	740	1,323	289
6	0306	Crustaceans	1,363	1,408	1,169	456
7	2701	Coal; briquettes, ovoids & similar solid fuels	354	670	1,055	12,372
8	6204	Women's suits, jackets, dresses skirts & shorts	634	832	1,047	774
9	6404	Footwear, upper of textile mat	1,155	1,411	949	198
10	1006	Rice	950	1,408	932	195

Source: International Trade Centre (ITC)

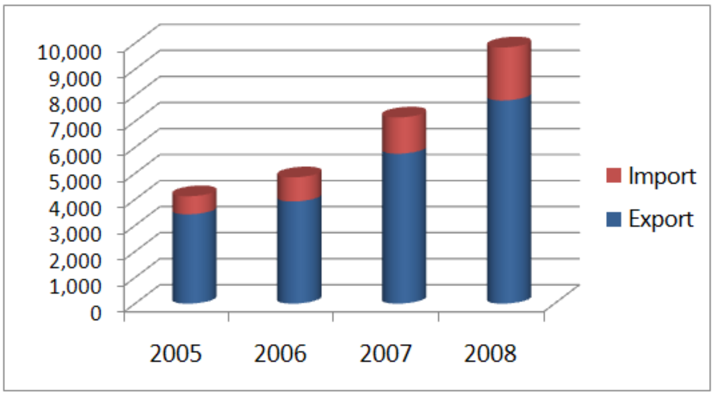
3. Vietnam-Korea trade

As of March 2009, Vietnam was Korea's 12th largest export destination, and ranked 29th among the sources for import. During the 2005-2008 period, the bilateral trade volume registered annual growth of 133.6%, rising from $4,126 million to $9,842 million.

Korea's exports to Vietnam expanded 131.5% annually on average from $3,432 million to $7,805 million. Imports from Vietnam soared from $694 million to $2,037 million, recording average annual growth of 143.2%.

In its trade with Vietnam, Korea steadily maintained a surplus, which rose 128.2% a year on average from $2,738 million in 2005 to $5,768 million in 2008.

Figure 20 Trends in Korea's Trade with Vietnam



(unit: $ 1,000,000)

Class.	2005		2006		2007		2008	
	Value	% change	Value	% change	Value	% change	Value	% change
Export	3,432	-	3,927	14.4%	5,760	46.7%	7,805	35.5%
Import	694	-	925	33.3%	1,392	50.5%	2,037	46.3%
Balance	2,738	-	3,003	9.7%	4,368	45.5%	5,768	32.1%

Source: Korea International Trade Association (KITA)

(1) Korean exports to Vietnam

Principal Korean exports to Vietnam include petroleum oils and oils, apparel, and automobiles. In 2008, petroleum oils and oils obtained from bituminous minerals constituted the leading export sector, with their exports amounting to $2,032 million, or 26% of total exports.

Flat-rolled iron products showed the highest growth rate, as their exports in 2008 jumped 246.9% from 2007 to $198 million. In value terms, however, petroleum oils and oils obtained from bituminous minerals were ranked first with an increase of $749 million.

Table 63 Korea's Top 10 Exports to Vietnam

(Unit: $ 1,000,000)

Rank	HS Code	Commodity	2007		2008	
			Value	% change	Value	% change
1	2710	Petroleum oils and oils; waste oils.	1,283	147.0%	2,032	58.4%
2	6006	Other Knitted or crocheted fabrics.	250	69.8%	325	30.2%
3	8703	Motor cars and vehicles (for the transport of persons)	176	1,043.2%	222	26.2%
4	7208	Flat-rolled products of iron or non-alloy steel.	57	72.2%	198	246.9%
5	6004	Knitted or crocheted fabrics.	107	79.5%	177	66.6%
6	8704	Motor vehicles for the transport of goods.	104	19.1%	165	59.1%
7	3901	Polymers of ethylene, in primary forms	130	34.5%	160	23.2%
8	3902	Polymers of propylene or of other olefins in primary forms	86	37.0%	144	67.7%
9	5407	Woven fabrics of synthetic filament yarn	128	12.9%	140	9.2%
10	5903	Textile fabrics.	132	9.1%	139	5.4%

Source: Korea International Trade Association (KITA)

(2) Korean imports from Vietnam

1) Import status by industry

Agricultural, forest and marine products made up the largest sector of imports from Vietnam in 2008. The imports of these products amounted to $612 million, accounting for 30% of total imports. This sector was followed by the textile & apparel sector with 19.1% and the mineral products sector with 18%.

Imports of steel and metal products registered most conspicuous growth by increasing 198.8% compared with 2007. In value terms, the import of mineral products was ranked first by recording an increase of $148 million from 2007.

Table 64 Industrial Trends in Korea's Imports from Vietnam

(Unit: $ 1,000,000, %)

Rank	Industrial sector	2007			2008		
		Value	% change	Share	Value	% change	Share
1	Agricultural, Forest, Marine Products	472	29.2	33.9	612	29.5	30.0
2	Textile & Apparel	253	31.8	18.2	390	54.0	19.1
3	Mineral Product	218	255.6	15.7	366	67.8	18.0
4	Living ware	189	24.6	13.6	227	20.4	11.2
5	Electrical Articles, Electronic Articles	135	82.6	9.7	173	28.1	8.5
6	Articles of Iron or Steel, Metals	44	174.1	3.2	131	198.8	6.4
7	Machinery	26	131.8	1.9	64	144.1	3.1
8	Chemical Industry Manufactures	32	5.6	2.3	49	50.3	2.4
9	Articles of Plastic Rubber or Leather	13	2.5	0.9	16	27.9	0.8
10	Miscellaneous Articles/Sundries	8	-12.8	0.6	9	6.0	0.4
Total		1,392	50.5	100	2,037	46.4	100

Source: Korea International Trade Association (KITA)

2) Import status by item

By item, petroleum oils were in the top spot in 2008, with their import amount standing at $183 million. Of the 10 top items, coal and similar solid fuels showed the highest import growth rate of 185.2%. They were also ranked first in value terms by registering an increase of $96 million.

Coffee imports from Vietnam were not big in volume, standing at $101 million. But they were top ranked in the Korean import market with a share of 34.9%. Of the 10 largest import items from Vietnam, nine belonged to the top 10 in their respective import markets in Korea.

Table 65 Top 10 Korean Imports from Vietnam and Their Import Market Shares

(Unit: $ 1,000,000)

Rank	HS Code	Commodity	Total imports	Imports from Vietnam			Top 3 countries in share		
				Value	Share	Rank in market	1st	2nd	3rd
1	2709	Petroleum oils and oils.	85,855	183	0.2%	17	Saudi Arabia	U.A.E.	Kuwait
2	2701	Coal; and similar solid fuels.	12,372	148	1.2%	7	Australia	China	Indonesia
3	**0307**	**Molluscs; aquatic invertebrates.**	**361**	**105**	**29.1%**	**2**	**China**	**Vietnam**	**Japan**
4	**0901**	**Coffee; coffee substitutes containing coffee**	**289**	**101**	**34.9%**	**1**	**Vietnam**	**Colombia**	**Brazil**
5	0306	Crustaceans	456	72	15.8%	3	China	Russia	Vietnam
6	4001	Natural rubber and similar natural gums.	1,003	69	6.9%	4	Thailand	Indonesia	Malaysia
7	6403	Footwear.	447	68	15.2%	3	China	Italy	Vietnam
8	**0304**	**Fish meat.**	**339**	**63**	**18.6%**	**2**	**China**	**Vietnam**	**U.S.A.**
9	8544	Insulated wire, cable, optical fiber cables.	1,705	57	3.3%	3	China	U.S.A.	Vietnam
10	5509	Yarn	361	54	15.0%	3	China	Indonesia	Vietnam

Source: Korea International Trade Association (KITA), 2008
Note 1) Total imports: Korea's total imports by category
2) Rank in market: Rank in Korea's import market

Table 66 Detailed Status of Key Korean Imports from Vietnam

(Unit: $ 1,000,000)

HS Code		Commodity	Total imports	Imports from Vietnam			Top 3 countries in share		
				Value	Share	Rank in market	1st	2nd	3rd
0307	0307291000	Scallops - Frozen	9	0.1	1.4%	4	China	Japan	U.S.A.
	0307391000	Mussels - Frozen	0.1	0.001	1.0%	4	China	Indonesia	New Zealand
	0307491010	Cuttle fish - Frozen	20	13	66.2%	1	Vietnam	Thailand	Indonesia
	0307491020	Squid - Frozen	25	2	9.3%	4	Peru	China	Argentina
	0307492000	Cuttle fish - Salted or in brine	0.5	0.02	3.0%	2	China	Vietnam	Peru
	0307493000	Cuttle fish - Dried	31	30	96.0%	1	Vietnam	China	Peru
	0307591010	Octopus - Frozen	1	0.03	3.0%	4	China	Japan	Malaysia
	0307591020	Poulp squid - Frozen	92	14	15.5%	2	China	Vietnam	Indonesia
	0307591030	Webfoot octopus - Frozen	49	42	84.5%	1	Vietnam	Indonesia	Thailand
	0307911190	Hard clams - Other - Live, fresh or chilled	3	0.03	1.1%	3	China	Russia	Vietnam
	0307911990	Other aquatic invertebrates - Live, fresh or chilled	7	0.01	0.1%	4	China	Japan	Russia
	0307919090	Other - Live, fresh or chilled	5	0.003	0.1%	5	China	Indonesia	Fiji
	0307991150	Ark shells - Frozen	2.5	2	79.1%	1	Vietnam	China	Ireland
	0307991190	Molluscs - Other - Frozen	10	1	10.4%	3	Canada	China	Vietnam
	0307991990	Other - Other - Frozen	0.6	0.1	18.3%	2	China	Vietnam	Russia
	0307992920	Sea-cucumbers - Dried	0.2	0.001	0.4%	8	Canada	Philippines	China
	0307993930	Jelly fish - Salted or in brine	10	1	8.6%	4	Thailand	China	Indonesia
0901	0901110000	Coffee, not roasted : Not decaffeinated	249	101	40.4%	1	Vietnam	Colombia	Brazil
	0901120000	Coffee, not roasted : Decaffeinated	3	0	0.002%	9	Spain	Germany	Colombia
	0901210000	Coffee roasted : Not decaffeinated	35	0.2	0.5%	10	U.S.A.	Italy	Switzerland
	0901220000	Coffee roasted : Decaffeinated	2	0	0.01%	21	U.S.A.	Switzerland	Italy
	0901901000	Coffee husks and skins	0.1	0.01	4.7%	2	Philippines	Vietnam	Indonesia
	0901902000	Coffee substitutes containing coffee	0.02	0.01	68.4%	1	Vietnam	Japan	Indonesia
0304	0304210000	Frozen fillets : Swordfish	3	0.3	10.3%	3	Taiwan	Japan	Vietnam
	0304298000	Frozen fillets : Of file fish	8	1	13.1%	2	China	Vietnam	Thailand
	0304299000	Frozen fillets : Other	26	4	16.8%	3	Japan	China	Vietnam
	0304991010	Alaska pollack - Frozen Fish surimi	53	0	0.0001%	5	U.S.A.	Russia	China
	0304999010	Other fish - Frozen Fish surimi	141	57	40.7%	1	Vietnam	China	Indonesia
	0304999090	Other fish - Other (not fresh or chilled)	2	0.05	2.2%	8	Thailand	China	Japan

Source: Korea International Trade Association (KITA), 2008
Note 1) Total imports: Korea's total imports by category
2) Rank in market: Rank in Korea's import market

Section II.
Case Studies

This section presents an in-depth analysis of ten trade product groups between Korea and ASEAN countries. The trade products were selected based on an analysis of statistical data, by comparing the following factors:

- ASEAN products exported to the world with the high values and volumes;
- Products from the world exported to Korea with the high values and volumes; and
- Products from ASEAN countries exported to Korea in comparatively small values and volumes.

The analysis identified the ASEAN products with the greatest possible potential to enter the Korean market. Many ASEAN products are exported to the world, but some of these items enter Korea in relatively small volume. On the other hand, world products are exported to Korea in relatively huge volumes. The case studies makes a detailed comparison of these products using these factors, and conclusions emerge on the potential of ASEAN products in being competitively exported to Korea, compared to other products entering Korea from other countries.

The product groups are as follows:

- Confectionary
- Fishery products (shrimps and crabs)
- Beer and beverages
- Coffee
- Lighting fixtures
- Toys and sports equipment
- Jewelry
- Home textiles
- Aromatic products
- Furniture (seats)

The case study of each product group proceeds with the analysis based on the following outline:

1. Market conditions in Korea
2. Trends in trade
3. Key considerations in exporting to Korea
4. Customs duties and taxes
5. List of major importers and trade exhibitions in Korea

1 Confectionery

1. Market conditions in Korea

(1) Definition of category

In 2006, ASEAN's total exports of confectionery commodities under HS Codes 1704, 1905 and 2106 amounted to $245,527,000 (up 35% from 2005), $518,024,000 (up 14.8%), and $828,377,000 (down 1%), respectively. As of 2008, ASEAN exports of these products to Korea reached $8,533,000 (up 123.2% from 2007), $14,673,000 (down 4.3%), and $21,257,000 (up 33.4%), respectively.

Table 67 Exports of Confectionery Commodities

(Unit: $ thousands)

Class. / HS Code	ASEAN to the World (2006)	ASEAN to Korea (2008)	World to Korea (2008)
1704	245,527	8,533	63,706
1905	518,024	14,673	152,792
2106	828,377	21,257	440,651

Source: ITC, Korea International Trade Association

This report deals with sugar confectionery, including chewing gum, as defined in the HS Code 1704, bread and cookies under the HS Code 1905, as well as miscellaneous food preparations such as Bean-Curd and butter preparations under the HS Code 2106. Table 68 shows the classification criteria of these HS Codes.

Table 68 Confectionery Commodity Classification

HS CODE	Commodity	Description
1704.100000	Chewing gum	**Sugar Confectionery**
1704.90.1000-9000	Others(Caramel, Candies, Crackers, Popcorn, etc.)	
1905.100000	Crisp bread	**Bread and Cookies**
1905.200000	Ginger bread	
1905.310000-320000	Sweet biscuits, Waffles, Wafers	
1905.9010.10-90	Other bakers' wares	
2106.101000	Bean-Curd	**Miscellaneous Food Preparations**
2106.9090.10-23	Coffee creamer and butter preparations	
2106.90909.1-9	Royal jelly, Honey preparations and others (Pizza dough, Artificial shark's fin, Artificial cheese, etc.)	

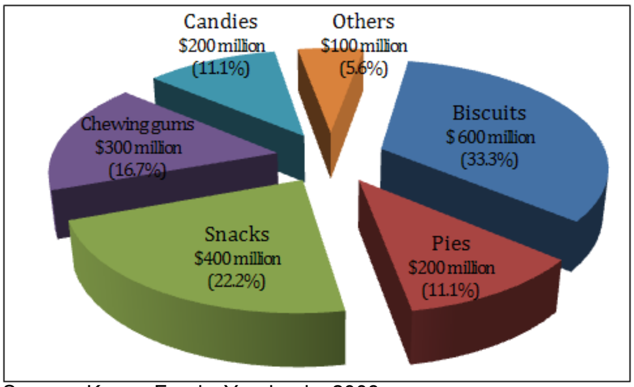
Source: Korea International Trade Association (KITA)

(2) Market conditions

■ Confectionery market trends

The size of the Korean confectionery market was estimated at $1.8 billion as of 2007. Biscuits, including cookies and crackers, accounted for the largest portion, with their market size worth about $600 million. The other sectors were estimated to be worth $200 million for pies, $400 million for snacks, $300 million for chewing gums, $200 million for candies, and $100 million for the rest. The principal market leaders are Lotte Confectionery Co., Orion Confectionery Co., Haitai Confectionery Co., and Crown Confectionery Co. They are followed by Nong Shim and Sam Lip General Foods Co.

Figure 21 Status of the Korean Confectionery Market



Source: Korea Foods Yearbook, 2008

Korea's confectionery business has recently been in the doldrums, although some sectors registered slight growth. This unsatisfactory performance may be attributable to the economic downturn and a number of other unfavorable developments, including toxicity controversy caused by melamine-tainted products, and decreasing demand for confectionery commodities related with the nation's low birth rate. Candies, gums and caramels are making little progress in sales promotion, while snacks, biscuits, cookies, crackers and pies are showing an upward trend. Sales of pies, which have chocolate or cacao as main ingredients, are increasing, which may be explained by growth in the number of consumers who want to relieve themselves of fatigue and stress by tasting sweet things.

Also noteworthy is the release of quite a few snacks and biscuits made of corn, potatoes or sweet potatoes that are healthy and free of harmful elements. Related markets are expanding, riding on the well-being trend of health-conscious consumers. The key to this success appears to be the level-up strategy designed to enhance the quality of products through the use of well-being materials.

In contrast, chewing gums, candies and caramels are showing a downward trend, amid concerns about high sugar content. However, markets for functional gums and candies that are said to have the effect of removing bad mouth odor or preventing tooth decay are steadily expanding. These developments indicate that success in related markets will depend on the release of easy-to-eat and functional products.

To ensure growth of the entire confectionery market, it is necessary to explore niche markets through the release of new products that can meet the health-conscious trend. Manufacturers are required to develop products designed for women and middle-aged and elderly people while reducing their excessive reliance on goods for younger generations and children. It is also necessary to develop markets for functional premium products.

In a related development, the prices of wheat, corn and other grains as well as butter and powdered milk are on the rise. Amid this situation, it is of particular concern whether the confectionery industry will increase the price of their products. Children and young boys and girls, the main consumers of confectionery goods, are very sensitive to price. So, manufacturers are coping with the situation by reducing product weight while freezing the price. This move alone cannot fully offset the burden caused by the price hikes of raw materials. So, it remains to be seen what steps the confectionery industry will take.

One of the characteristics of the Korean confectionery market is the existence of products that have maintained their market-leader status for up to scores of years. Good examples are Choco Pie, Saewookkang, Ace, Kkokkal Corn and Jollypong, whose separate market shares have stayed in the top range for 20 to 30 years. This is quite a unique phenomenon, similar cases of which cannot be found worldwide, especially in food markets where consumer trends rapidly change.

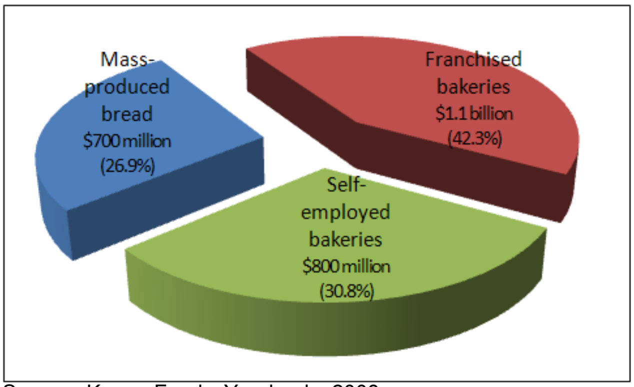
The greatest reason for these products enjoying longevity in the Korean market does not lie in their taste or price. It rather lies in their nostalgic marketing strategy that makes consumers recall their childhood days, thus eliciting their loyalty. Another important reason is that during recession. consumers tend to choose products with proven records rather than new goods.

Also, these products have high recognition levels, making it possible for manufacturers to save on advertising and marketing costs and eventually, to enhance their competitive edge. Practically speaking, it is quite difficult to break the strongholds of these products. Therefore, it would be better for any foreign confectionery manufacturer trying to enter the Korean market to check whether their products overlap with these Korean products in target markets.

■ Bread market trends

The Korean bread market is estimated to have the size of about $2.6 billion. It is comprised of manufacturers of mass-produced bread whose market size is about $700 million, franchised bakeries with the market size of $1.1 billion, and self-employed bakeries whose sector is estimated to be worth $800 million. Affected by the well-being trend enthusiastically followed by the entire Korean society, the prevailing trend in the domestic bread market is emphasis on "health-promoting" breads that are made of organic agricultural products like home-grown wheat or corn. Also gaining popularity among consumers are breads that are made by using oligosaccharides instead of sugar and fruit sugar. Another element of importance is growing preference for additive-free bread freshly baked at bakeries over packaged mass-produced bread. In this regard, prospects for bakery businesses appear particularly bright.

Figure 22 Status of the Korean Bread Market



Source: Korea Foods Yearbook, 2008

In a related development, the mass-produced bread sector has recently released premium-class products using high-quality packaging in an effort to address the problem of consumers regarding its products as cheap ones. It is also trying to regain consumer trust by clearly stating the fact if its bread products contain trans fat contents. It merits attention whether the sector can gain its desired effects through these measures.

The bakery industry is facing an unfavorable development of rising prices of flour and other major bakery ingredients. Overcoming this difficulty is a prerequisite to ensuring the industry's future growth. Another important factor will be whether the industry can continue to meet the needs of consumers by steadily putting on the market new products, including well-being and premium goods.

Amid these developments, polarization is occurring in the local confectionery and bread markets. The recent business slowdown has prompted some makers to reduce the weight of their products, lowering the price instead. The number of items that hold just for one person is also increasing. Practical items like these are becoming increasingly popular. Meanwhile, there are cookies which are made of natural materials raised through organic farming, and free of any artificial additive. These cookies are three times as expensive as ordinary ones. Also being sold in the market are pies and cakes whose ingredients are green tea and organic farming products. These premium foods are increasing their market shares rapidly.

■ Market trends regarding food preparations

The Korean bean-curd market is worth $450 million in size, 60% of which is occupied by packaged bean curd. Bean-curd, which was used mainly for cooking a pot stew, is now emerging as a new health food. With an increasing number of people eating raw bean-curd for breakfast, snacks or dessert, its market is growing rapidly. Premium bean-curd made of beans raised through organic farming or high-density bean milk is also attracting attention.

To further expand the bean-curd market, it is necessary to release a variety of new products that depart from the conventional concept regarding this food item. Pulmuone is by far the largest bean-curd maker in Korea, followed by Green Jayeon Food Farming Corporation and CJ Cheil Jedang.

Prices of beans, which are the main ingredients of bean-curd, have jumped due to their reduced domestic production. So, most bean-curd manufacturers are replacing domestic beans with imports. Under these circumstances, it remains to be seen whether these manufacturers will be able to maintain the quality and taste of their products, thus satisfying the needs of domestic consumers who are enthusiastically following the well-being trend and yearning for premium products.

(3) Distribution system and business practices in Korea

One of the features characterizing the Korean confectionery market is that new products are released in rapid succession. And, except for a very limited number of popular items, consumer loyalty toward specific products or companies is not that great. Under these circumstances, it assumes considerable significance to judiciously manage retail stores. For this reason, large confectionery companies are placing emphasis on retail store management, sometimes even coaching them on ways to effectively lay out items at shops.

As in the overall food industry in Korea, 'food safety' is an issue of utmost significance facing confectionary businesses. A number of food-related incidents occurred recently, causing anxiety about harmful effects of trans fat and artificial condiments. Consequently, a growing number of people are expressing concern about the safety of confectionery items. To cope with this situation, confectionery businesses are employing 'honesty marketing' strategy which involves such measures as the disclosure of all the additives contained in their products by marking them on product wrappings.

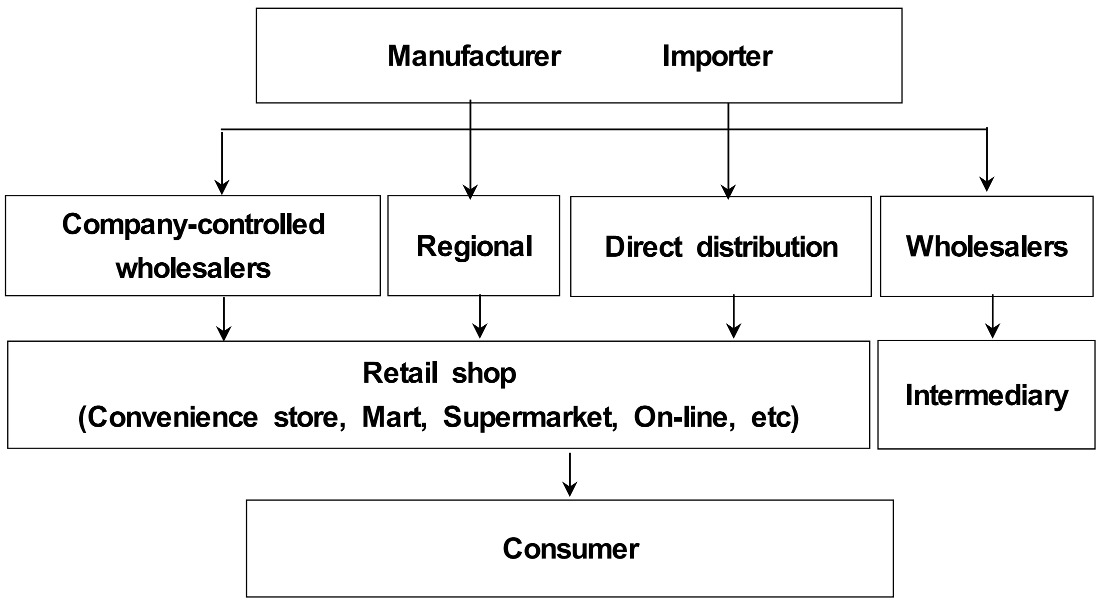
There are Predictions retail stores and franchised bakeries will form the backbone of the nation's bread distribution channel. The retail channel is used mainly by mass-produced bread businesses such as Shany, Samlip General Food, and Kirin. These companies are exerting efforts to get out of their long business slump and regain glory they once enjoyed in the 1980s. First of all, they are trying to enhance the quality of their products, in taste as well as appearance such as wrappings. They are also endeavoring to secure technology and system to ensure food safety through the entire process from production to packaging, sales and distribution. These manufacturers are hoping that these endeavors will help change the attitude of consumers who tend to regard mass-produced bread products as cheap and low-quality items.

In contrast, franchised bakeries are on an upward trend. Currently, franchised bakeries such as Paris Baguette, Crown Bakery, and Tous Les Jours account for 40% of the local bread market. A considerable number of self-employed bakeries, which are now holding a 30% market share, are expected to become franchised bakeries, further enhancing the clout of the franchised bakeries. Of the bakery franchises, Paris Baguette has 1,600 shops throughout the nation, thus being ranked first in both the number of shops and sales volume. It is followed by Tous Les Jours with 900 shops, and Crown Bakery with 700 shops.

Lately, bakery businesses are showing a new trend of shifting toward a bakery-style cafe where consumers can not only buy bread but enjoy coffee and other beverages. There is a strong tendency among consumers to prefer freshly baked, high-quality products. In addition, bakery business is a sector with relatively low entrance barriers, thus attracting attention from a growing number of people looking for business opportunities after losing their jobs amid recession. Thanks to these factors, the bakery industry is likely to continue to grow.

Recently, online markets involving Internet shops and TV home shopping channels are emerging as new mechanisms for retail sales. But, in the case of confectionery products and bread, online marketing remains insignificant, at least for now. This is because it is difficult for online shops to maintain the quality and freshness of confectionery products. In addition, these items are generally low-priced goods, which is not appealing to online shops, one of the most important strategies of which lies in price competitiveness. In contrast, large discount stores are increasingly used by some confectionery businesses as their sales outlets. The distribution system for confectionery in Korea is shown in Chart 1.

Chart 1 Distribution Channel of Confectionery in Korea



2. Trade trends

(1) Import trends in Korea

Korea's import market for confectioneries grew by annual average of 12.5% from $385.69 million in 2005 to $549.80 million in 2008. Miscellaneous food preparations accounted for 61.8% with $339.98 million, followed by bread and cookies that accounted for 26.6% with $146.10 million, and sugar confectionery that held a 11.6% share with $63.70 million.

By item, imports of royal jelly and other items classified as miscellaneous food preparations under HS Code 2106 amounted to $253.08 million, accounting for 46% of the total confectionery imports in 2008. These were followed by bakery products whose imports reached $138.27 million (25.2%), and coffee creamer and butter preparations, the import volume of which stood at $86.29 million (15.7%).

Figure 23 Trends in Confectionery Imports in Korea

Figure 23-1 Imports of Confectioneries by Year(Total)

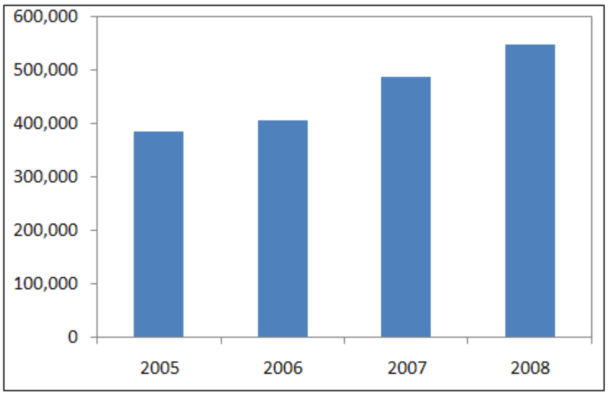


Figure 23-2 Imports of Confectioneries by Item

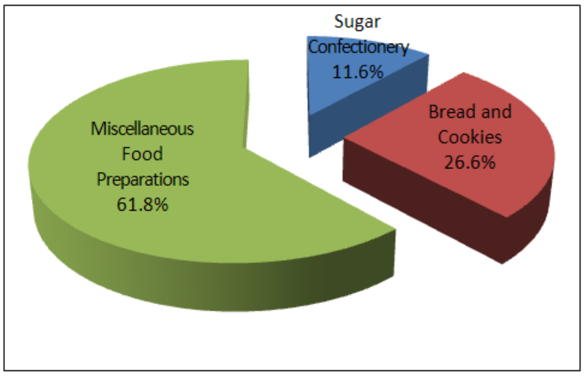


Figure 23-3 Imports of Sugar Confectionery by Year(Total)

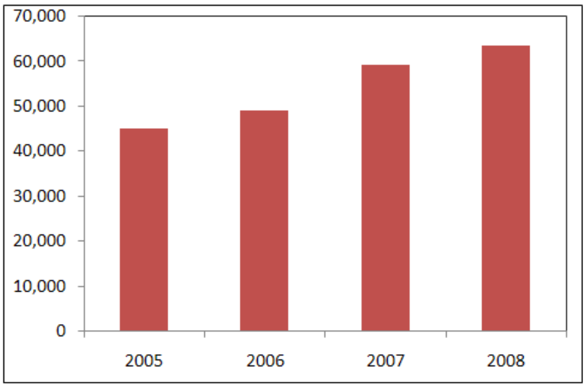


Figure 23-4 Imports of Sugar Confectionery by Item

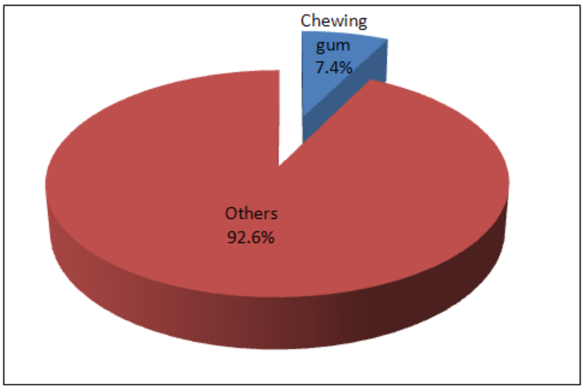


Figure 23-5 Imports of Bread and Cookies by Year(Total)

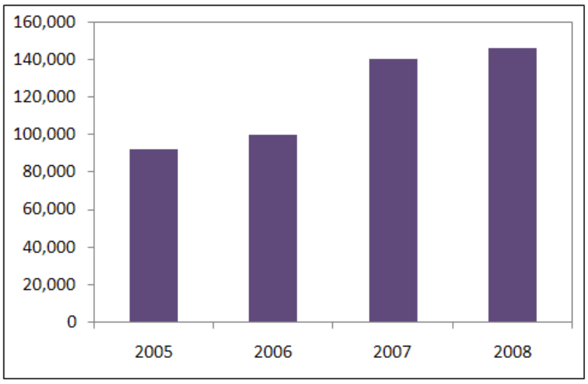


Figure 23-6 Imports of Bread and Cookies by Item

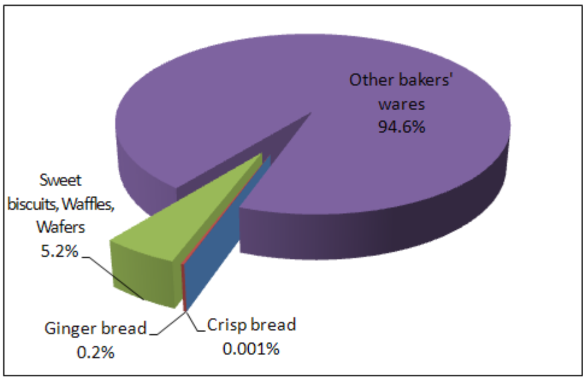


Figure 23-7 Imports of Miscellaneous Food Preparations by Year(Total)

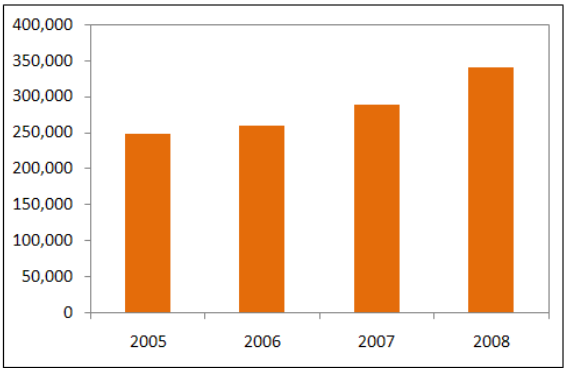
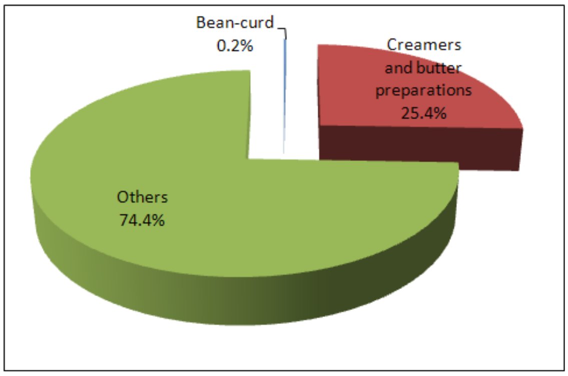


Figure 23-8 Imports of Miscellaneous Food Preparations by Item



Class.		Value ($1,000)				Volume (t)				2008		
		2005	2006	2007	2008	2005	2006	2007	2008	share(%) value	share(%) volume	AUP ($/kg)
I	A	3,724	4,937	5,340	4,703	1,416	1,471	1,252	902	0.9	0.8	5.2
	B	41,406	44,276	53,852	59,003	15,670	15,567	17,302	16,537	10.7	13.9	3.6
	Sub total	45,130	49,213	59,192	63,706	17,087	17,038	18,554	17,439	11.6	14.6	3.7
II	C	104	27	17	2	9	3	1	0.1	0.0003	0.0001	24.7
	D	0.6	0.1	282	303	0.04	0.01	26	33	0.1	0.03	9.3
	E	3,459	4,687	6,444	7,526	1,324	1,660	2,095	2,091	1.4	1.8	3.6
	F	88,477	94,876	133,502	138,278	34,947	36,769	41,323	40,034	25.2	33.6	3.5
	Sub total	92,041	99,591	140,245	146,109	36,281	38,433	43,446	42,158	26.6	35.3	3.5
III	G	446	558	637	606	128	143	171	142	0.1	0.1	4.3
	H	49,786	46,756	52,903	86,294	20,328	21,309	23,451	22,966	15.7	19.3	3.8
	I	198,290	211,272	235,296	253,086	31,095	35,200	36,893	36,566	46.0	30.7	6.9
	Sub total	248,522	258,587	288,835	339,986	51,551	56,651	60,515	59,674	61.8	50.0	5.7
Total		385,693	407,390	488,272	549,800	104,918	112,122	122,515	119,270	100	100	4.6

Source: Korea International Trade Association (KITA)
Note 1) 1. Category I : Sugar confectionery(A: Chewing gum / B: Other Sugar confectionery)
2. Category II : Bread and Cookies(C: Crispbread / D: Gingerbread / E: Sweet biscuits waffles and wafers / F: Bakers` wares)
3. Category III : Miscellaneous food preparations(G: Bean-curd / H: Coffee creamer and Preparations with a basis of butter / I: Other Food preparations)
Note 2) AUP : Average Unit Price

(2) Principal confectionery export to Korea sugar confectionery

China is Korea's largest import source of sugar confectionery. It exported $15.34 million worth of products in 2008, accounting for 24.1% of Korea's import market in this sector.

China was followed by the United States ($9.91 million, 15.6%), and Spain ($8.52 million, 13.4%).

ASEAN members' exports to Korea amounted to $8.53 million in 2008, holding a 13.4% share in the Korean import market. Vietnam exported $4.81 million worth of goods, accounting for 7.6% of total Korean imports. The Vietnamese exports registered phenomenal growth of 678.3% over the previous year.

Figure 24 Principal Exporters of Sugar Confectionery to Korea

Figure 24-1 Annual Trends in Korean Imports from Major Exporters

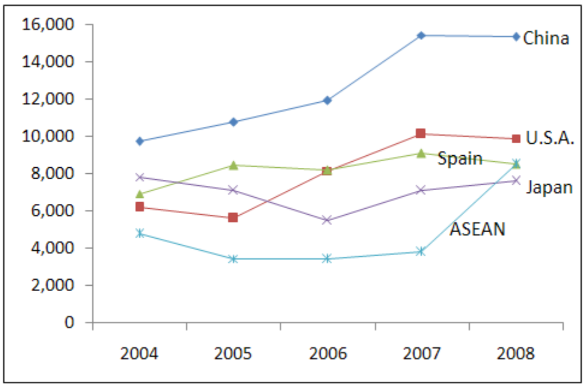
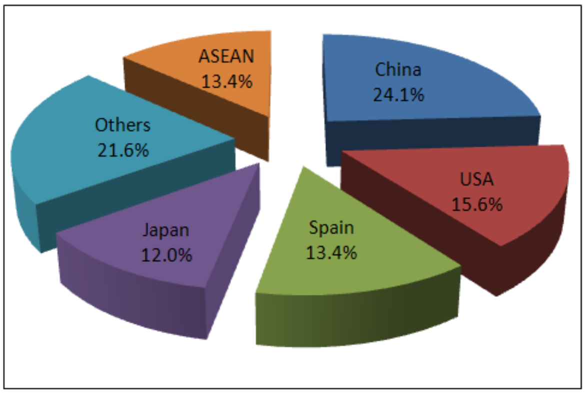


Figure 24-2 Major Exporters' Shares in the Korean Import Market



(Units: $ Thousand, ton, %, $/kg)

Class.		2004	2005	2006	2007		2008				
		Value	Value	Value	Value	Volume	Value	Share	Volume	Share	AUP
1	China	9,761	10,749	11,918	15,434	7,211	15,340	24.1	5,987	34.3	2.6
2	U.S.A.	6,201	5,636	8,160	10,143	2,228	9,910	15.6	2,200	12.6	4.5
3	Spain	6,936	8,462	8,198	9,089	1,499	8,524	13.4	1,324	7.6	6.4
4	Japan	7,849	7,098	5,505	7,079	1,540	7,635	12.0	1,366	7.8	5.6
5	Vietnam	716	329	359	618	63	4,810	7.6	737	4.2	6.5
6	Germany	2,308	2,206	2,420	3,815	805	3,869	6.1	804	4.6	4.8
7	Indonesia	3,666	2,438	2,364	2,060	927	2,499	3.9	1,026	5.9	2.4
8	Brazil	1,056	1,067	949	1,531	919	1,603	2.5	774	4.4	2.1
9	Belgium	387	424	1,054	1,292	336	1,430	2.2	299	1.7	4.8
10	Mexico	940	946	1,108	1,243	443	1,387	2.2	429	2.5	3.2
Total		45,399	45,130	49,213	59,192	18,554	63,706	100	17,439	100	3.7
ASEAN		4,801	3,467	3,426	3,822	1,458	8,533	13.4	2,273	13.0	3.8

Source: Korea International Trade Association (KITA)
Note) AUP : Average Unit Price

Bread and cookies

The largest exporter of bread and cookies to Korea is the United States, whose exports to Korea amounted to $48.57 million in 2008, holding a 33.2% market share. China was ranked second with its exports of $42.63 million (a 29.2% share). Combined, these two countries accounted for 62.9% of the Korean import market for bread and cookies.

ASEAN exports to Korea in this sector totalled $12.35 million in 2008, accounting for 8.5% of Korea's total imports. Malaysia was ranked sixth with its export volume of $3.03 million (a 2.1% share). Thailand and Vietnam were also among the top 10 countries.

Figure 25 Principal Exporters of Bread and Cookies to Korea

Figure 25-1 Annual Trends in Korean Imports from Major Exporters

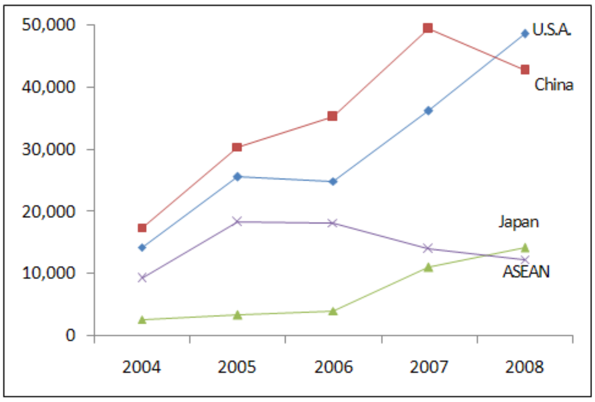
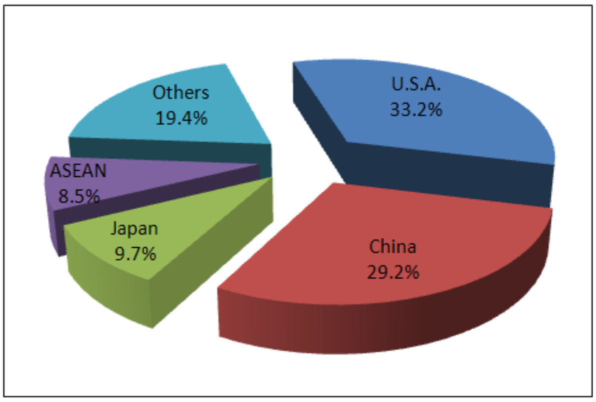


Figure 25-2 Major Exporters' Shares in the Korean Import Market



(Units: $ Thousand, ton, %, $/kg)

Class.		2004	2005	2006	2007		2008				
		Value	Value	Value	Value	Volume	Value	Share	Volume	Share	AUP
1	U.S.A.	14,271	25,617	24,886	36,237	8,806	48,578	33.2	12,324	29.2	3.9
2	China	17,452	30,433	35,182	49,394	19,928	42,632	29.2	17,071	40.5	2.5
3	Japan	2,710	3,333	4,114	11,117	1,246	14,239	9.7	1,458	3.5	9.8
4	Belgium	7,177	3,707	5,015	9,369	1,061	5,304	3.6	698	1.7	7.6
5	Denmark	1,219	1,726	1,887	2,894	795	3,063	2.1	753	1.8	4.1
6	Malaysia	1,191	2,856	4,118	4,701	1,601	3,039	2.1	1,037	2.5	2.9
7	Canada	496	590	570	3,271	1,405	3,028	2.1	1,260	3.0	2.4
8	Thailand	886	932	3,464	3,812	1,508	2,527	1.7	771	1.8	3.3
9	Vietnam	1,128	1,727	1,207	1,585	1,185	2,312	1.6	1,277	3.0	1.8
10	Italy	156	392	378	1,008	198	2,239	1.5	401	1.0	5.6
Total		61,448	92,041	99,591	140,245	43,446	146,109	100	42,158	100	3.5
ASEAN		9,335	18,382	18,223	14,027	6,240	12,354	8.5	4,700	11.1	2.6

Source: Korea International Trade Association (KITA)
Note) AUP : Average Unit Price

Miscellaneous food preparations

The United States is Korea's largest import source in the sector of miscellaneous food preparations. In 2008, the United States exported $147.08 million worth of products in this category to Korea, holding a 43.3% market share. It was followed by Japan with $33.47 million (9.8%), the Netherlands with $31.98 million (9.4%), and New Zealand with $26.92 million (7.9%). In particular, the Netherlands registered average annual growth of 42.2% in its exports to Korea in this sector during the 2004-2008 period. Fourth-ranked New Zealand also registered high annual growth of 49.8% during the period.

ASEAN exports to Korea totalled $17.32 million in 2008, accounting for 5.1% of total

Korean imports. Of the ASEAN members, Singapore exported $7.55 million worth of products, followed by Thailand whose exports to Korea reached $6.82 million.

Figure 26 Principal Exporters of Miscellaneous Food Preparations to Korea

Figure 26-1 Annual Trends in Korean Imports from Major Exporters

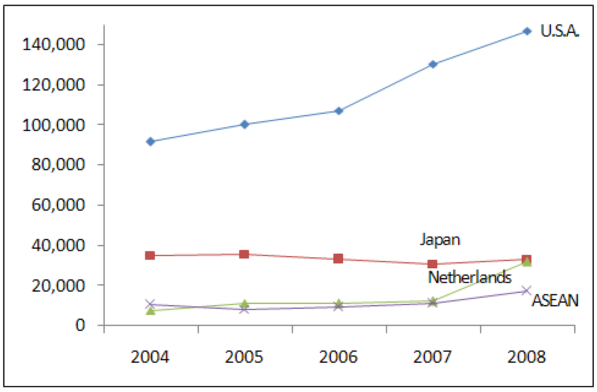
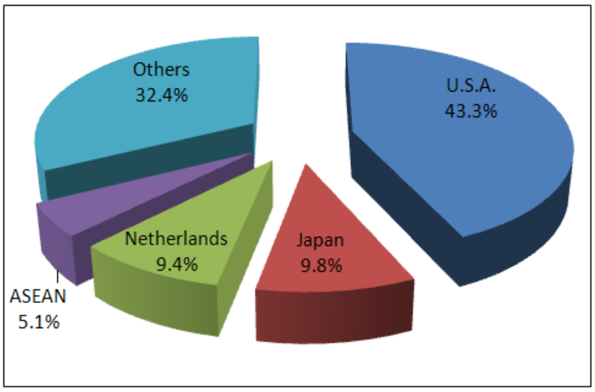


Figure 26-2 Major Exporters' Shares in the Korean Import Market



(Units: $ Thousand, ton, %, $/kg)

Class.		2004	2005	2006	2007			2008			
		Value	Value	Value	Value	Volume	Value	Share	Volume	Share	AUP
1	U.S.A.	91,909	100,463	107,372	130,649	5,844	147,083	43.3	9,921	16.6	14.8
2	Japan	35,301	35,961	33,223	31,044	2,432	33,476	9.8	2,407	4.0	13.9
3	Netherlands	7,811	11,497	11,272	12,380	4,585	31,982	9.4	7,561	12.7	4.2
4	NZL	5,348	9,843	9,080	7,916	3,061	26,926	7.9	6,171	10.3	4.4
5	Australia	20,741	18,553	11,962	20,076	6,153	22,470	6.6	4,993	8.4	4.5
6	China	10,795	11,020	13,499	15,394	12,265	18,903	5.6	11,203	18.8	1.7
7	Canada	8,089	9,797	11,240	9,874	2,172	10,267	3.0	2,176	3.6	4.7
8	Singapore	5,460	3,551	4,220	5,146	1,524	7,555	2.2	1,125	1.9	6.7
9	Thailand	4,340	3,848	3,887	4,754	5,430	6,829	2.0	7,009	11.7	1.0
10	Uruguay	3,753	3,228	3,063	5,506	124	5,397	1.6	120	0.2	45.2
Total		226,383	248,522	258,587	288,835	60,515	339,986	100	59,674	100	5.7
ASEAN		10,487	8,462	9,381	11,339	7,483	17,327	5.1	9,283	15.6	1.9

Source: Korea International Trade Association (KITA)
Note) AUP : Average Unit Price

Other sugar confectionery

Imports of products classified as other sugar confectionery such as candies, caramels, popcorns, snacks and crackers amounted to $59 million in 2008. China held a 25% market share with its exports worth $14.75 million, followed by the United States whose exports to Korea stood at $9.05 million, or 15.3% of total imports. Of the ASEAN members, Vietnam was ranked fifth with its exports of $4.81 million (8.2%), followed by Indonesia which was placed seventh with its export volume of $2.2 million (3.7%).

Table 69 Principal Exporters of Other Sugar Confectionery to Korea

(Units: $ Thousand, ton, %, $/kg)

Class.		2004	2005	2006	2007		2008				
		Value	Value	Value	Value	Volume	Value	Share	Volume	Share	AUP
1	China	9,248	10,374	11,027	14,487	6,856	14,757	25.0	5,788	35.0	2.5
2	U.S.A.	5,197	5,107	7,849	9,468	2,180	9,054	15.3	2,113	12.8	4.3
3	Spain	6,936	8,462	8,198	9,089	1,499	8,524	14.4	1,324	8.0	6.4
4	Japan	7,040	6,259	4,560	5,574	1,298	6,018	10.2	1,181	7.1	5.1
5	Vietnam	716	329	359	618	63	4,810	8.2	737	4.5	6.5
6	Germany	2,308	2,206	2,420	3,815	805	3,869	6.6	804	4.9	4.8
7	Indonesia	2,816	1,707	1,763	1,627	672	2,206	3.7	851	5.1	2.6
8	Brazil	807	775	875	1,271	782	1,472	2.5	703	4.3	2.1
9	Belgium	387	424	1,054	1,292	336	1,430	2.4	299	1.8	4.8
10	Mexico	940	946	1,108	1,059	429	1,284	2.2	413	2.5	3.1
Total		41,500	41,406	44,276	53,852	17,302	59,003	100	16,537	100	3.6
ASEAN		3,878	2,642	2,662	3,186	1,167	8,083	13.7	2,069	12.5	3.9

Source: Korea International Trade Association (KITA)
Note) AUP : Average Unit Price

Bakers' wares

In 2008, the largest exporter of bakery products to Korea was the United States, whose exports valued at $48.46 million accounted for 35% of total Korean imports in this sector. The United States was followed by China with $42.63 million (30.8%) and Japan with $14.22 million (10.3%). These three countries accounted for 76.2% of total Korean imports.

ASEAN exports to Korea in 1008 totalled $11.66 million, constituting a 8.4% market share. Malaysia held a 2.2% share with its exports worth $3.03 million in 2008. Thailand and Vietnam were also ranked among the top 10 countries.

Table 70 Principal Exporters of Bakers' Wares to Korea

(Units: $ Thousand, ton, %, $/kg)

Class.		2004	2005	2006	2007		2008				
		Value	Value	Value	Value	Volume	Value	Share	Volume	Share	AUP
1	U.S.A.	14,270	25,611	24,880	36,163	8,791	48,465	35.0	12,299	30.7	3.9
2	China	17,452	30,433	35,182	49,394	19,928	42,632	30.8	17,071	42.6	2.5
3	Japan	2,710	3,333	4,114	11,117	1,246	14,226	10.3	1,458	3.6	9.8
4	Belgium	7,177	3,707	5,015	9,369	1,061	5,304	3.8	698	1.7	7.6
5	Denmark	1,219	1,726	1,887	2,894	795	3,063	2.2	753	1.9	4.1
6	Malaysia	1,183	2,811	4,105	4,701	1,601	3,039	2.2	1,037	2.6	2.9
7	Canada	496	590	570	3,271	1,405	3,028	2.2	1,260	3.1	2.4
8	Thailand	886	885	3,464	3,812	1,508	2,527	1.8	771	1.9	3.3
9	Vietnam	1,128	1,727	1,207	1,585	1,185	2,312	1.7	1,277	3.2	1.8
10	Italy	156	392	378	1,008	198	2,239	1.6	401	1.0	5.6
Total		57,699	88,477	94,876	133,502	41,323	138,278	100	40,034	100	3.5
ASEAN		9,200	18,093	18,095	13,811	6,115	11,667	8.4	4,454	11.1	2.6

Source: Korea International Trade Association (KITA)
Note) AUP : Average Unit Price

Coffee creamer and butter preparations

The top three countries exporting Coffee creamer and butter preparations to Korea are the Netherlands, New Zealand and Australia, whose export volumes in 2008 amounted to $27.71 million (a 32.1% market share), $24.68 million (28.6%), and $13.76 million (16%), respectively.

Korean imports of Coffee creamer and butter preparations soared 63.1% in 2008, compared with 2007. In particular, imports from the United States and France jumped 2274% and 1630.2%, respectively.

Table 71 Principal Exporters of Coffee creamer and Butter Preparations to Korea

(Units: $ Thousand, ton, %, $/kg)

Class.		2004	2005	2006	2007		2008				
		Value	Value	Value	Value	Volume	Value	Share	Volume	Share	AUP
1	Netherlands	5,833	9,651	8,532	9,500	3,799	27,717	32.1	6,534	28.5	4.2
2	New Zealand	4,491	8,249	7,415	6,318	3,022	24,682	28.6	6,133	26.7	4.0
3	Australia	15,505	13,550	6,271	12,755	5,421	13,769	16.0	4,161	18.1	3.3
4	U.S.A.	742	155	444	504	337	11,965	13.9	3,164	13.8	3.8
5	Singapore	2,361	553	1,762	2,827	1,184	3,104	3.6	653	2.8	4.8
6	China	390	200	850	1,169	1,195	2,711	3.1	1,774	7.7	1.5
7	France	424	3	-	63	16	1,090	1.3	235	1.0	4.6
8	Canada	-	-	-	-	-	840	1.0	200	0.9	4.2
9	Germany	1,117	17	2	35	11	209	0.2	54	0.2	3.9
10	India	-	-	0.01	-	-	68	0.1	21	0.1	3.2
14	Japan	11	93	11	11	3	21	0.02	5	0.02	4.4
Total		38,122	49,786	46,756	52,903	23,451	86,294	100	22,966	100	3.8
ASEAN		2,540	553	1,798	2,828	1,184	3,163	3.7	675	2.9	4.7

Source: Korea International Trade Association (KITA)
Note) AUP : Average Unit Price

Imports from the ASEAN countries in 2008 amounted to $3.16 million, or 3.7% of the total. Singapore has steadily accounted for over 90% of the ASEAN exports since 2004.

Korean imports of Coffee creamer and butter preparations soared 63.1% in 2008, compared with 2007. In particular, imports from the United States and France jumped 2274% and 1630.2%, respectively.

Imports from the ASEAN countries in 2008 amounted to $3.16 million, or 3.7% of the total. Singapore has steadily accounted for over 90% of the ASEAN exports since 2004.

Other food preparations

Korean imports of Other Food Preparations in this sector amounted to $253.08 million in 2008. Imports from the United States reached $135.11 million, accounting for 53.4% of the total. During the 2004-2008 period, the United States steadily maintained its status as the top exporter to Korea. Second ranked was Japan with $32.97 worth of exports to Korea (a 13% market share), followed by China with $16.06 million (6.3%).

Imports from ASEAN totalled $14.16 million in 2008, constituting 5.6% of total Korean imports. In value terms, Thailand and Singapore were ranked sixth and 10th, respectively. In particular, Singapore recorded 91.9% growth, compared with 2007.

Table 72 Principal Exporters of Other Food Preparations to Korea

(Units: $ Thousand, ton, %, $/kg)

Class.		2004	2005	2006	2007		2008				
		Value	Value	Value	Value	Volume	Value	Share	Volume	Share	AUP
1	U.S.A.	91,139	100,308	106,928	130,145	5,507	135,119	53.4	6,757	18.5	20.0
2	Japan	35,104	35,493	32,794	30,530	2,282	32,976	13.0	2,277	6.2	14.5
3	China	10,364	10,751	12,509	14,099	11,053	16,069	6.3	9,413	25.7	1.7
4	Canada	8,089	9,797	11,240	9,874	2,172	9,426	3.7	1,976	5.4	4.8
5	Australia	5,236	5,004	5,691	7,321	732	8,701	3.4	832	2.3	10.5
6	Thailand	4,158	3,848	3,887	4,754	5,430	6,829	2.7	7,009	19.2	1.0
7	Uruguay	3,753	3,227	3,063	5,506	124	5,397	2.1	120	0.3	45.2
8	Belgium	2,049	2,188	2,368	4,277	1,362	5,009	2.0	1,325	3.6	3.8
9	Germany	3,561	3,267	4,314	4,362	1,246	4,491	1.8	1,032	2.8	4.4
10	Singapore	3,099	2,998	2,458	2,319	341	4,451	1.8	472	1.3	9.4
Total		188,004	198,290	211,272	235,296	36,893	253,086	100	36,566	100	6.9
ASEAN		7,944	7,906	7,584	8,512	6,300	14,162	5.6	8,593	23.5	1.6

Source: Korea International Trade Association (KITA)
Note) AUP : Average Unit Price

ASEAN's confectionery exports to Korea in 2008 amounted to $38.21 million, holding a 6.9% share in the Korean import market for confectioneries. Major export items were bakers' wares and miscellaneous food preparations, which accounted for 30.5% and 37.1% of the total ASEAN exports to Korea, respectively.

Singapore, Thailand and Vietnam showed higher market shares than other countries. In 2008, Singapore exported $8.57 million worth of confectioneries to Korea, accounting for 1.6% of total Korean imports. Thailand exported $9.78 million worth of confectionery products to Korea, holding a 1.8% market share. Vietnamese exports amounted to $7.9 million, up 246.9% from 2007. Thus, Vietnam's share in the Korean confectionery import market rose from under 1% to 1.4%.

Table 73 Trends in Confectionery Imports from ASEAN by Country/Category

	Class.		Value($1,000)					Volume(t)					AUP ($/kg)
			2004	2005	2006	2007	2008	2004	2005	2006	2007	2008	2008
ASEAN	I	A	923	825	763	636	449	579	461	372	292	205	2.2
		B	3,878	2,642	2,662	3,186	8,083	1,616	1,162	1,051	1,167	2,069	3.9
	II	C	15	96	19	11	0.2	2	8	1.5	0.8	0.03	7.7
		D	-	-	-	25	27	-	-	-	3	2	16.2
		E	119	193	109	180	660	95	136	83	121	244	2.7
		F	9,200	18,093	18,095	13,811	11,667	5,350	9,193	8,987	6,115	4,454	2.6
	III	G	3	2	-	-	1.4	0.3	2	-	-	0.7	1.9
		H	2,540	553	1,798	2,828	3,163	1,379	219	874	1,184	675	4.7
		I	7,944	7,906	7,584	8,512	14,162	6,397	5,734	5,756	6,300	8,607	1.6
	Total		24,622	30,310	31,030	29,188	38,215	15,418	16,915	17,124	15,181	16,256	2.4
	Total imports		334,349	386,656	408,809	489,609	551,272	95,775	105,265	112,547	122,810	119,571	4.6
	Shares		7.4%	7.8%	7.6%	6.0%	6.9%	16.1%	16.1%	15.2%	12.4%	13.6%	

	Class.		Value($1,000)					Volume(t)					AUP ($/kg)
			2004	2005	2006	2007	2008	2004	2005	2006	2007	2008	2008
INDONESIA	I	A	850	731	601	434	293	558	438	345	255	175	1.7
		B	2,816	1,707	1,763	1,627	2,206	1,367	862	761	672	851	2.6
	II	C	-	-	-	-	-	-	-	-	-	-	-
		D	-	-	-	-	-	-	-	-	-	-	-
		E	-	2	21	43	-	-	0.7	17	35	-	-
		F	1,477	916	1,085	1,141	1,229	950	588	681	606	534	2.3
	III	G	-	-	-	-	-	-	-	-	-	-	-
		H	-	-	-	-	37	-	-	-	-	18	2.1
		I	56	152	332	123	124	17	23	159	50	49	2.6
	Total		5,199	3,507	3,803	3,367	3,889	2,892	1,912	1,962	1,618	1,627	2.4
	Total imports		334,349	386,656	408,809	489,609	551,272	95,775	105,265	112,547	122,810	119,571	4.6
	Shares		1.6%	0.9%	0.9%	0.7%	0.7%	3.0%	1.8%	1.7%	1.3%	1.4%	

	Class.		Value($1,000)					Volume(t)					AUP ($/kg)
			2004	2005	2006	2007	2008	2004	2005	2006	2007	2008	2008
MALAYSIA	I	A	-	-	-	-	-	-	-	-	-	-	-
		B	37	83	134	187	149	18	39	46	48	56	2.7
	II	C	8	45	14	-	-	1.1	3	1.4	-	-	-
		D	-	-	-	-	-	-	-	-	-	-	-
		E	114	178	82	112	264	93	133	64	70	85	3.1
		F	1,183	2,811	4,105	4,701	3,039	398	1,339	1,710	1,601	1,037	2.9
	III	G	-	-	-	-	-	-	-	-	-	-	-
		H	-	-	35	-	22	-	-	33	-	4.6	4.8
		I	621	877	753	1,096	1,842	446	463	440	429	508	3.6
	Total		1,964	3,993	5,124	6,097	5,317	955	1,977	2,294	2,149	1,691	3.1
	Total imports		334,349	386,656	408,809	489,609	551,272	95,775	105,265	112,547	122,810	119,571	4.6
	Shares		0.6%	1.0%	1.3%	1.2%	1.0%	1.0%	1.9%	2.0%	1.7%	1.4%	

Table 73 Trends in Confectionery Imports from ASEAN by Country/Category

Country	Class.		Value($1,000) 2004	2005	2006	2007	2008	Volume(t) 2004	2005	2006	2007	2008	AUP ($/kg) 2008
PHILIPPINES	I	A	-	62	120	140	137	-	14	24	28	28	4.9
		B	125	159	159	424	358	78	81	89	230	190	1.9
	II	C	-	-	-	-	-	-	-	-	-	-	-
		D	-	-	-	-	-	-	-	-	-	-	-
		E	5.3	2.3	4.5	8.7	270	2.3	1.0	2.2	3.6	120	2.3
		F	4,443	11,547	7,893	2,061	1,833	2,525	5,517	3,956	1,128	720	2.5
	III	G	-	-	-	-	-	-	-	-	-	-	-
		H	-	-	-	0.4	-	-	-	-	0.04	-	-
		I	2	27	49	136	170	1.4	9	20	39	57	3.0
	Total		4,574	11,797	8,225	2,770	2,767	2,607	5,622	4,091	1,429	1,115	2.5
	Total imports		334,349	386,656	408,809	489,609	551,272	95,775	105,265	112,547	122,810	119,571	4.6
	Shares		1.4%	3.1%	2.0%	0.6%	0.5%	2.7%	5.3%	3.6%	1.2%	0.9%	

Country	Class.		Value($1,000) 2004	2005	2006	2007	2008	Volume(t) 2004	2005	2006	2007	2008	AUP ($/kg) 2008
SINGAPORE	I	A	-	-	-	-	-	-	-	-	-	-	-
		B	-	6	50	87	260	-	3	23	35	105	2.5
	II	C	7	3.6	5	11	0.2	0.8	1	0.1	0.8	0.03	7.7
		D	-	-	-	25	27	-	-	-	3	1.6	16.2
		E	-	-	1.4	1.3	7	-	-	0.1	0.3	0.8	9.0
		F	83	208	341	511	727	13	38	58	86	115	6.3
	III	G	-	-	-	-	-	-	-	-	-	-	-
		H	2,361	553	1,762	2,827	3,104	1,177	219	841	1,184	653	4.8
		I	3,099	2,998	2,458	2,319	4,451	215	342	411	341	472	9.4
	Total		5,550	3,769	4,618	5,781	8,576	1,405	603	1,333	1,649	1,347	6.4
	Total imports		334,349	386,656	408,809	489,609	551,272	95,775	105,265	112,547	122,810	119,571	4.6
	Shares		1.7%	1.0%	1.1%	1.2%	1.6%	1.5%	0.6%	1.2%	1.3%	1.1%	

Country	Class.		Value($1,000) 2004	2005	2006	2007	2008	Volume(t) 2004	2005	2006	2007	2008	AUP ($/kg) 2008
THAILAND	I	A	73	31	42	63	19	21	9	4	8.5	2	9.7
		B	184	358	197	244	300	92	141	97	119	129	2.3
	II	C	-	47	-	-	-	-	4.4	-	-	-	-
		D	-	-	-	-	-	-	-	-	-	-	-
		E	-	11	-	15	111	-	1.6	-	12	36	3.1
		F	886	885	3,464	3,812	2,527	320	297	1,526	1,508	771	3.3
	III	G	3	-	-	-	-	0	-	-	-	-	-
		H	179	-	-	-	-	202	-	-	-	-	-
		I	4,158	3,848	3,887	4,754	6,829	5,717	4,896	4,716	5,430	7,009	1.0
	Total		5,484	5,181	7,591	8,888	9,787	6,352	5,348	6,343	7,077	7,947	1.2
	Total imports		334,349	386,656	408,809	489,609	551,272	95,775	105,265	112,547	122,810	119,571	4.6
	Shares		1.6%	1.3%	1.9%	1.8%	1.8%	6.6%	5.1%	5.6%	5.8%	6.6%	

Table 73 Trends in Confectionery Imports from ASEAN by Country/Category

	Class.		Value($1,000)					Volume(t)					AUP ($/kg)
			2004	2005	2006	2007	2008	2004	2005	2006	2007	2008	2008
VIETNAM	I	A	-	-	-	-	0.02	-	-	-	-	0.01	4.6
		B	716	329	359	618	4,810	61	36	34	63	737	6.5
	II	C	-	-	-	-	-	-	-	-	-	-	-
		D	-	-	-	-	-	-	-	-	-	-	-
		E	-	-	-	-	7.6	-	-	-	-	2.4	3.2
		F	1,128	1,727	1,207	1,585	2,312	1,145	1,414	1,057	1,185	1,277	1.8
	III	G	2	-	-	-	1.4	2.3	-	-	-	0.7	1.9
		H	-	-	-	-	-	-	-	-	-	-	-
		I	7.8	5.5	12	74	768	1.3	1.2	3	11	516	1.5
	Total		1,853	2,061	1,577	2,277	7,900	1,210	1,451	1,093	1,259	2,533	3.1
	Total imports		334,349	386,656	408,809	489,609	551,272	95,775	105,265	112,547	122,810	119,571	4.6
	Shares		0.6%	0.5%	0.4%	0.5%	1.4%	1.3%	1.4%	1.0%	1.0%	2.1%	

Class.	Value($1,000)					Volume(t)					AUP ($/kg)
	2004	2005	2006	2007	2008	2004	2005	2006	2007	2008	2008
Myanmar	-	-	93	9	14	-	-	8	0.4	14	1.0

Source: Korea International Trade Association (KITA)
Note) 1. Category I : Sugar confectionery(A: Chewing gum / B: Other Sugar confectionery)
2. Category II : Bread and Cookies(C: Crispbread / D: Gingerbread / E: Sweet biscuits waffles and wafers / F: Bakers` wares)
3. Category III : Miscellaneous food preparations(G: Bean-curd / H: Coffee creamer and Preparations with a basis of butter / I: Other Food preparations)
Note 2) AUP : Average Unit Price

3. Key considerations related to exporting to Korea

(1) Korea's import procedures

Korea's import procedures for confectioneries are shown in Chart 2.

Chart 2 Korea's Import Procedures for Confectionery: Importers

Reporting a food import and sales business
(For importation of food items, one should first notify the Korea Food and Drug Administration of his or her opening a food import and sales business in accordance with Food Sanitation Act)

↓

Import declaration for food items
(This declaration should be submitted to the KFDA or the National Quarantine Station)
(According to Food Sanitation Act, information on this declaration should include the country of origin, Korean labeling, manufacturing process schedule, and ingredients table, etc.)

↓

Food Inspection by the Korea Food and Drug Administration
(Document and laboratory inspections are conducted according to Food Sanitation Act)

↓

Import declaration
(Following food inspection, an import declaration should be submitted to customs authorities for clearance of imported items)

(2) Korean requirements concerning imports and sales in Korea

Importation of confectioneries require a few additional measures plus general importation procedures. First of all, those who want to import food items for commercial purposes should notify the regional agency of the Korea Food and Drug Administration (KFDA) of their starting an import and sales business for food products. Imported confectioneries should undergo inspections required of food items. It should be checked whether the items have been made of proper materials and additives and whether adequate manufacturing standards have been abided by. It should also be confirmed whether the products are properly labeled according to Korean requirements.

Following are the information that should be marked on labels of imported foods, as announced by the KFDA. The label should be sticked to each smallest distribution unit.

▣ Labeling standards for food items

- Product name (excluding apparatus or container · package)
- Food type (limited to those specifically designated)
- Business name and location
- Date of manufacture (limited to those specifically designated)
- Shelf life (excluding food additives and apparatus or container · package)
- Net content (excluding apparatus or container · package)
- The names (material name for apparatus or container · package) and quantities (limited to the case in which raw materials are used as the whole or part of the product name) of raw materials
- The names and quantities of food components (limited to the case in which food or food components to be labeled are used as the whole or part of the product name)
- Nutrients (limited to those specifically designated)
- Miscellaneous as prescribed in the detailed labeling standards for foods

After completing the notification process regarding their food import and sales business, importers should submit an import declaration for food items, along with required documents, to the regional agency of the KFDA (including the food inspection agency) or the National Quarantine Station (that has jurisdiction over the area of clearance of imported food). This is followed by inspections for the imported food items. The following documents are necessary for food quarantine inspection.

• Notification form for importation of foods(Notification form for importation of functional foods) • A copy of business registration certificate • General shipping documents (B/L, C/I, P/L) • Raw materials mix formula • Manufacturing process schedule • For importation of raw materials, the notification form for manufacturing business and the Item Manufacture Report are additionally needed • Korean labeling and the main label of the product • Certificate of origin • Ingredients table • Chemical composition table • Revenue stamps(Specified fees)

An import declaration for food (which concurrently serves as a quarantine declaration, KFDA form) prepared on the basis of these documents is submitted for inspections. For items that pass inspections, importers are issued quarantine certificates, with which they present an import declaration to customs authorities for clearance. The initial shipment of food imports is subject to laboratory inspection, which takes about 7 to 10 days. Inspection fees are different depending on items.

• When the initial shipment exceeds 100kg in quantity and passes laboratory inspection, document inspection is applied to next shipments if their amounts exceed 100kg as well(this regulation applies only to the same product of the same company). • When the quantity of the initially imported food that has passed inspection is less than 100kg, inspection for next shipments will be conducted through document inspection only if they are also less than 100kg. Thus, importers are encouraged to import more than 100kg of products in initial shipment if they want to benefit from simplified inspection (exempt from laboratory inspection and random sample inspection).

Exportation of confectioneries to Korea is subject to application of such laws as 'Food Sanitation Act' and 'Functional Food Act.' In addition, tax can be levied on exported goods according to various laws regulating value added tax, customs tariffs and income tax during the procedures of importation and sale. So, exporters are encouraged to have proper understanding of the related laws.

1) Food Sanitation Act

▣ Food and other products subject to the regulation of Food Sanitation Act can be imported only when they meet Korean requirements in standards and specifications. Every time they are imported, an import declaration should be submitted to the heads of the regional agency of the KFDA or the head of the National Quarantine Station (excluding the station at Incheon International Airport as well as those in Busan, Incheon and Gimhae).

▣ Import Declaration for Food Items (Article 16 of the Food Sanitation Act, Article 11 of the Enforcement Regulations of the Food Sanitation Act)

A person who intends to import food for sale or business shall submit the following documents to the head of the regional agency of the KFDA or the head of the local National Quarantine Station (excluding the quarantine station at Incheon International Airport as well as those in Busan, Incheon, Gunsan and Gimhae) that has jurisdiction over the area of clearance of imported food. A declaration can be presented as early as five days prior to the expected date of arrival of food imports. If major reported events such as the arrival port or the expected arrival date change, it should be reported in documents (including electronic ones) immediately.

- Inspection Results or Inspection Certificate (It applies only when imported foods belong to the category of items subject to laboratory inspection. These documents should be the ones issued by local or foreign inspection agencies approved by the KFDA commissioner.)
- Packing paper that has a Korean label (including packing paper that on the surface has a sticker with a Korean label) or a document that contains a Korean label
- Identity preserved (IP) handling certificate (a document certifying that imported food has been segregated from Genetically Modified Foods through their seed purchasing, production, storage, delivery and shipping processes) or other documents recognized by the relevant governments to have an equivalent effect. This applies to foods that belong to the category of items subject to GM Food labeling but do not bear GM Food labels.

▣ Inspection for Imported Food (Article 11 of the Enforcement Regulations of the Food Sanitation Act, Appendix 6)

After the receipt of an import declaration for food items, the head of the regional agency of the KFDA or the head of the National Quarantine Station implements inspection for the items according to the following methods.

• Document Inspection
A. Method : Document inspection refers to the inspection process that inspects the propriety of import reports, etc.
B. Food subject to this inspection : Food imported for obtaining foreign currencies, and food or food additives imported as "raw materials for the manufacturing of the company's own products," etc.
• Organoleptic Inspection
A. Method : Organoleptic Inspection refers to the comprehensive inspection that determines the propriety of the sample based on the image, taste, scent, color, labelling, package, and laboratory inspection records.
B. Food subject to this inspection : Agricultural, forestry or fisheries products which are used as raw materials for food and whose standards and specifications have not been specified.
• Laboratory Inspection
A. Method : Laboratory inspection refers to inspection conducted using physical, chemical or microbiological methods while also encompassing document inspection and organoleptic inspection.
B. Food subject to this inspection : Food being imported for the first time, and food recognized at home and abroad to contain harmful substances that give reasons for concern.
• Random Sample Inspection
A. Method : Random sample inspection is carried out according to physical, chemical or microbiological examination methods according to a sample inspection plan drafted by the KFDA commissioner. This inspection is conducted for foods other than those subject to laboratory inspection.
B. Food items subject to this inspection : The head of the regional agency of the KFDA can make decisions on which items should undergo random sample inspection to ensure safety of imported food items.

2) Functional Food Act

▣ In accordance with Functional Food Act, the following items should be reported to the head of the local agency of the KFDA or the head of the local national quarantine station (excluding those at Incheon International Airport and in Busan, Incheon and Gimhae).

• Propolis extract products, Royal jelly products, Bee preparations, etc.

▣ Import declaration for functional food items(Article 8 and 10 of the Functional Food Act).

A person who intends to import functional food for business should submit the following documents to the head of the regional agency of the KFDA that has jurisdiction over the area of clearance of imported functional food. A declaration can be submitted as early as five days ahead of the date when functional food imports are expected to arrive. If major reported events such as the arrival port or the expected arrival date change, it should be reported in documents (including electronic ones) immediately.

- Import declaration for functional food (including electronic reports)
- Inspection Results or Inspection Certificate (It applies only when the importer wants to be exempted from part or all of the inspection)
- Packing paper that has a Korean label (or a document that contains a Korean label when the packing paper cannot be presented for some reasons)
- Identity preserved (IP) handling certificates or a certificate recognized by the relevant governments to have an equivalent effect. This applies to foods that belong to the category items subject to GM Food labeling but do not bear GM Food labels.

▣ Labeling Standards (Article 17 of the Functional Food Act)

Any container or package of functional food shall bear the following.

- Words meaning 'functional food' or diagrams that stand for functional food.
- Functional components or nutrients, and their ratios in relation to recommended daily amounts (limited to those with established recommended daily amounts).
- Acceptable daily intake, intake method, and warning notices
- Shelf life and the storage method.
- A disclaimer making it clear that the food is not a medicine for preventing and curing disease.
- Other matters determined by the KFDA commissioner.

▣ Inspection for functional food (Article 10, Clause 3, of the Functional Food Act) : Document Inspection, Organoleptic Inspection, Laboratory Inspection, Random Sample Inspection.

(3) Labeling regulations in Korea

Food items exported to Korea should undergo food safety inspection during customs clearance procedures, but there is no mandatory certification mark for them to acquire. In Korea, there are various food-related quality certification marks that can be of help during sale or circulation in markets. One of the best-known marks is the Hazard Analysis and Critical Control Point (HACCP) mark certified jointly by KFDA and the Ministry for Food, Agriculture, Forestry and Fisheries.

The HACCP mark indicates that food items bearing the mark have been hygienically produced in accordance with standards set by KFDA and the ministry. The mark is awarded only to products whose quality has been officially certified by the Korean Standards Association, the ministry and KFDA.

Recently, KFDA has introduced a quality certification mark for children's favorite food items like hamburgers, cookies and beverages. There is also the Goods of health (GH) mark, which is awarded by the government-invested Korea Health Industry Development Institute to quality products in the fields of foods, cosmetics, medicine, medical equipment, living commodities, and electronic appliances.

ISO 22000 mark is related to food safety management system (FSMS) that covers the entire process from purchasing of raw materials to consumption with the aim of enhancing the hygienics management mechanism and gaining consumer confidence. Combining the conventional ISO 9001 system and HACCP, this mark is attracting attention in advanced countries, including a number of European nations and the United States. Such domestic food companies as CJ Cheil Jedang, Lotte Chilsung and Maeil Dairies have received the ISO 22000 mark, which is awarded by the Korea Management Association. The above-mentioned marks are shown in Figure 27.

Figure 27 Quality Certification Marks for Confectioneries Sold in Korea

(4) Key considerations for entering the Korean market

When exporting foods to Korea, foreign exporters should make sure that information listed in Korean as required by Food Sanitation Act corresponds with actual ingredients of products to be exported. They should review whether the labeling meets requirements specified in Food Sanitation Act. It should also be confirmed whether inscriptions on the label contain correct information that matches contents of basic documents (ingredients table, manufacturing process schedule, etc.).

When exporting confectioneries to Korea, attention should also be paid to customs clearance procedures regarding trademark rights. If the product's trademark is already registered in Korea, the clearing procedures for the product may be postponed, or the application for clearance may be rejected. The exporter may also be subject to fines. If found to be copycat products of well-known goods or carrying counterfeit trademarks, items undergoing customs clearance procedures will be confiscated and disposed of. Plus, the exporter will be subject to fines. But, parallel importation of non-counterfeit products is possible for some well-known products or trademarks. So, the exporter should check in advance regarding this system. If products exported to Korea as parallel imports are later found to be non-parallel import items or counterfeits, the exporter will be subject to fines or face criminal punishment for violation of trademark rights.

Following the recent discovery of harmful substances from confectionery products from China, concern is mounting among Korean consumers about the components and safety of confectioneries. This development has prompted more rigorous import procedures for food imports. So, those who want to export confectioneries to Korea should be aware of the strengthened regulations in Korea.

(5) Regulatory agency contacts

Agency Name	Pertinent Department	Business	Homepage	Contact
Korea Customs Service	Clearance Facilitation Bureau	Customs Clearance	www.customs.go.kr	82-42-472-2181
Korea Food & Drug Administration	Food Import Team	Food Inspection, Quality Certification	www.kfda.go.kr	82-2-380-1733
National Quarantine Station	Quarantine Division	Food Quarantine	nqs.cdc.go.kr	82-32-740-2700
Ministry for Food, Agriculture, Forestry and Fisheries	Food Industry Policy Office	Quality Certification	www.mifaff.go.kr	82-2-500-2093

4. Customs duties and taxes

(1) Customs duties

Korean duty rates for confectioneries are shown in Table 74.

Table 74 Duty Rates by Confectionery Item

(Unit : %)

HS Code	Items	Basic	A-K FTA	K-C FTA	K-E FTA	S-K FTA	WTO	A-P Trade	C/O
1704.90	Others	8	0	0	4.8	2.7	19.7	-	○
1905901010	Bread	8	0	0	4	2.7	19.7	4	○
1905901020	Ship`s biscuits	8	0	0	4.8	2.7	19.7	4	○
1905901030	Pastries and cakes	8	0	0	4.8	2.7	19.7	4	○
1905901040	Biscuits, cookies and crackers	8	0	0	4.8	2.7	19.7	5.6	○
1905901050	Bakers` wares of rice	8	8	0	-	-	27	-	○
1905901090	Other	8	0	0	4.8	2.7	27	-	○
2106909010	Coffee creamer	8	0	0	4.8	2.7	54	-	○
2106909021	Coffee creamer (Of a butter content, by weight, not exceeding 30 %)	8	8	3.6	-	5.1	54	-	○
2106909022	Exceeding 30 % but not exceeding 70 %	8	8	3.6	-	5.1	54	-	○
2106909023	Exceeding 70 %	8	8	3.6	-	5.1	54	-	○
2106909091	Preparations for royal jelly and honey	8	0	3.6	-	-	54	-	○
2106909099	Other	8	0	0	4.8	5.1	54	-	○

Note) A-KFTA: ASEAN-Korea FTA / K-CFTA: Korea-Chile FTA / K-EFTA: Korea-Europe FTA / S-KFTA: Korea-Singapore FTA / WTO : WTO Agreement / Preferential : Poorest countries preferential duty / A-P Trade : Asia Pacific Trade Agreement(Bangladesh, Lao PDR) / C/O : Certificate of Origin

(2) Internal taxes

A 10% value added tax is levied on confectionery items. Value added tax is levied by applying a 10% tax rate to the taxable amount, which is the aggregate of the market price plus customs duty and all the internal taxes like special consumption tax and liquor tax. Value added tax is calculated in the following manner.

▶ Value added tax = taxable amount × 10%

▶ Taxable amount of VAT = taxable amount of customs duties + customs duties + internal taxes imposed at the time of importation (special consumption tax, transportation tax, liquor tax, special tax for rural development, education tax)

(The taxable amount of customs duties means the market price, which is the total amount the purchaser has paid or will have to pay the seller for the imported product.)

Of the products that belong to the HS Code <2106.101000> (Bean-Curd) category, parboiled vegetables, Kimchi, pickled radish, vegetables pickled in soy sauce, salted seafood, bean curds, fermented soybeans, soybean sauce, soybean paste and red pepper paste are classified as unprocessed foods, thus being exempt from value added tax. In contrast, of the products under the HS Code <2106.909091> (royal jelly and honey preparations) and HS Code <2106.909099> (others), deer antlers and royal jelly are subject to special consumption tax. So, special consumption tax is levied on deer antlers and royal jelly at the basic rate of 7%, with additional imposition of education tax with a 30% rate. Taxable amount of special consumption tax and the amount of special consumption tax are calculated in the following manner.

▶ Taxable amount of special consumption tax = taxable amount of customs duties + customs duties

▶ Special consumption tax = taxable amount (quantity) × special consumption tax rate

Example: the taxable amount of customs duties for a royal jelly product exported from an ASEAN country is 1 million won per unit. Then, its special consumption tax and value added tax can be calculated according to the following formula.

Classification	Calculation formula Example: 1 million won
Taxable amount of customs duties	1 million won
Customs duties(0%)	0 won
Taxable amount of special consumption tax	1 million won
Special consumption tax(7%)	1 million won × 0.07 = 70 thousand won
Education tax(30%)	70 thousand won × 0.3 = 21 thousand won
Real import price	1 million 91 thousand won
Import price before VAT	1 million 91 thousand won
Value added tax(10%)	1 million 91 thousand won × 0.1 = 1 hundred thousand 91 hundred won
Final import price	**1.2 million 1 hundred won**

5. Related organizations

Name	Homepage	Contact
Korea Foods Industry Association	www.kfia.or.kr	82-2-3470-8100
Korea Food Research Institute	www.kfri.re.kr	82-31-780-9114
Korean Society of Food Science and Technology	www.kosfost.or.kr	82-2-566-9937
Food News	www.foodnews.co.kr	82-2-3477-7114
Agriculture and Fishery Trade News	www.atnews.co.kr	82-2-6300-8001

6. Major Korean exhibitions and importers

(1) Major confectionery-related exhibitions in Korea

Table 75 Major Korean Exhibitions Related to Confectionery

Exhibitions Name	Exhibitions Period				Participating Company		Participating Buyers		Description
	1/4	2/4	3/4	4/4	Korea	Foreign	Korea	Foreign	
International Food Industry Exhibition(seoulfood.or.kr)		●			649	383	25,121	1,210	Sugar confectionery, Bread, etc
Busan International Food Exhibition(www.bofas.com)		●			120	30	4,080	150	Sugar confectionery, Bread, etc
Gwangju International Food Fair(www.foodshow.kr)				●	135	38	2,576	65	Sugar confectionery, Bread, etc
Food Week (www.foodweek.co.kr)				●	409	20	11,885	168	Sugar confectionery, Bread, etc
Import Goods Fair / Household Exhibition(www.igf.co.kr)		●			5	127	7,910	186	Sugar confectionery, Bread, etc
Seoul International Bakery Fair				●	49	27	0	0	Sugar confectionery, Bread, etc

(2)-1. Major Importer List(over 1 million dollar by import value in 2008)(HS code 1704)

Company Name	Tel. No	Homepage/E-mail	Import Item (Sugar confectionery)
			Others
NONG-SHIM CO.	82-2-820-7114	www.nongshim.co.kr	○
CHUN HA CORP. LTD	82-2-3431-0100	www.chun-ha.co.kr	○
YES CO.	82-31-266-2270	www.yeshs.com	○
UNITED FOOD CO.	82-2-6300-2250	www.unitedfood.co.kr	○
E-MAX TRADING CO.	82-2-428-0034	www.emaxtrading.co.kr	○
JEWON INTERNATIONAL CORP.	82-2-998-5151	www.jewon1986.com	○
SAMKYOUNG F.S. CO.	82-2-2058-0140	www.samkyoung.com	○
CROWN CONFECTIONERY CO.	82-2-3415-2854	www.crown.co.kr	○

(2)-2. Major Importer List(over 1 million dollar by import value in 2008)(HS code 1905)

Company Name	Tel. No	Homepage/E-mail	Import Item Bakers' wares
CROWN CONFECTIONERY CO.	82-2-3415-2854	www.crown.co.kr	○
SINHWA POP-VILLAGE CO.	82-2-579-8934/5	www.shpop.co.kr	○
YES CO.	82-31-266-2270	www.yeshs.com	○
PARIS CROISSANT CO.	82-31-740-5500	www.paris.co.kr	○
E-MAX TRADING CO.	82-2-428-0034	www.emaxtrading.co.kr	○
CHOCO CYBER CO.	82-2-597-1090	www.chococyber.co.kr	○
KOREA FOOD SERVICES. CO.	82-41-539-3843	www.kfsc.co.kr	○
CHEIL ACCESS CO.	82-2-598-0803	www.cheilaccess.com	○
LOTTE CONFECTIONERY CO.	82-2-2670-6305	www.lotteconf.co.kr	○
HAITAI CONFECTIONERY & FOODS CO.	82-2-709-7586, 7684	www.ht.co.kr	○
ORION CORP.	82-2-710-6006	www.orionworld.co.kr	○
DONGSUH COMPANIES INC.	82-2-716-7731	www.dongsuh.com	○
KOREAN AIR LINES CO..	82-2-2656-7154	www.koreanair.co.kr	○
CJ FRESH WAY CORP.	82-51-260-0262	www.cjfreshway.com	○
BINGGRAE CO.	82-31-560-8303	www.bing.co.kr	○
DONGSUH FOODS CORPORATION	82-32-526-3111	www.dongsuh.co.kr	○

(2)-3. Major importer list with over 1 million dollar value in 2008(HS code 2106)

Company Name	Tel. No	Homepage / E-mail	Import Item (Food preparations)	
			Coffee creamer	Others
LOTTE SAMKANG CO.	82-2-2629-0222	www.lottesamkang.co.kr	-	○
SPL CO.	82-31-740-5645/5537	www.paris.co.kr	○	-
WELLGA INC.	82-31-780-7500	www.wellga.com	○	○
WONWOO CO.	82-2-786-7441	www.wonwoocamera.co.kr	○	○
GARIM CO, LTDO. LTD.	82-32-819-0012	www.galimfood.com	-	○
BISION BUSINESS CO.	82-31-737-9570	www.bision.co.kr	-	○
HERBALIFE KOREA CO.	82-2-508-7575	kr.herbalife.com	-	○
SUNIN CO.	82-41-532-6274	www.ppang.biz	-	○
PARIS CROISSANT CO.	82-31-740-5500	www.paris.co.kr	○	○
WHANEE CORPORATION	82-2-507-1393	www.whanee.com	○	○
TSQ INC.	82-2-589-4837	www.stangekr.com	-	○
DONGWON F&B CO.	82-2-589-3061	www.dw.co.kr	○	○
SEOKANG DAIRY & FOOD CO.	82-55-852-5511	www.seokang.com	○	○
DAEDOO FOODS CD.	82-63-450-3523	www.daedoofood.co.kr	-	○
NAMYANG DAIRY PRODUCTS CO.	82-2-734-1305	www.namyangi.com	-	○
UNION TRADING CO.	82-2-554-3293	www.uniontd.com	-	○
CJ FRESH WAY CORPORATION	82-51-260-0262	www.cjfreshway.com	○	○
BINGGRAE CO.	82-31-560-8303	www.bing.co.kr	-	○
SEWOO CO.	82-31-498-6311	www.sewoofood.co.kr	-	○
OTTOGI CORPORATION	82-2-528-1939	www.ottogi.co.kr	○	○
DONGSUH FOODS CORPORATION	82-32-526-3111	www.dongsuh.co.kr	○	○
MAEIL DAIRIES CO.	82-2-2127-2071	www.maeil.com	○	○

Note) Coffee creamer : Preparations with a basis of butter
Others : Preparations for royal jelly and honey

2 Fishery Products: Shrimps and Crabs

1. Market conditions in Korea

(1) Definition of category

As of 2006, ASEAN's total exports of commodities under HS Code 0306 amounted to $4,024,818,000, up 40.4% from 2005. ASEAN exports of these items to Korea in 2008 reached $159,729,000, down 12.5% compared with the previous year.

Table 76 Exports of Shrimps and Crabs

(Unit: $ Thousand)

Class. / HS Code	ASEAN to World (2006)	ASEAN to Korea (2008)	World to Korea (2008)
0306	4,024,818	159,729	456,435

Source: ITC, Korea International Trade Association (KITA)

In this report, shrimps and crabs refer to 'shrimps and prawns' and 'crabs' as defined in the HS Code No. 0306, and these are classified into 'frozen' and 'not frozen.' Table 77 shows the classification criteria of the HS Code No. 0306.

Table 77 Commodity Classification of Shrimps and Crabs

HS CODE	Commodity		Description
0306.13.1000-9000	Shrimps and Prawns	frozen	**Shrimps**
0306.23.1000-3000		not frozen	
0306.14.1000-9000	Crabs	frozen	**Crabs**
0306.24.1000-3000		not frozen	

Source: Korea International Trade Association (KITA)

(2) Market conditions

In 2007, Korea's fish catch amounted to about $5.7 billion in value, comprising $3 billion from coastal fishing, $1.7 billion from fish farming, and $1 billion from deep sea fishing. In percentage terms, coastal fishing accounted for 55% of the total, followed by fish farming with 30%, and deep sea fishing with 15%.

By tonnage, coastal fishing accounted for 40% of the total catch of 3.3 million tons. Fish farming and deep sea fishing constituted 35% and 20%, respectively. The catch of crustaceans, including shrimps and crabs, amounted to 85,000 tons, accounting for 3% of the total. To meet domestic demand that exceeds supply, imports of crustaceans are showing an upward trend.

About 80% of the imported crustaceans, including shrimps and crabs, arrive in Korea in frozen conditions. The domestic frozen food market is estimated to be worth about $600 million in size. As for frozen crustaceans, domestic production amounts to about $40 million, while imports reach more than $200 million in value terms.

In the Korean frozen food market, the leading company is CJ Cheil Jedang, followed by such companies as Dongwon F&B, Haitai Confectionery Co. Ottogi, and Pulmuone.

The market of processed fish products, which are made through adding other foods or additives to the main ingredient of fish, is estimated to be worth $300 million. Sajo Daerim, Jinjuham, Samho F&G, and Dongwon F&B are the principal companies recording high shares in the market.

Table 78 Major Korean Businesses Related to Shrimps and Crabs

Company Name	Product	Homepage	Contact
CJ Cheil Jedang	Frozen seafood	www.cj.co.kr	82-2-726-8114
Dongwon F&B		www.dw.co.kr	82-2-589-3000
Haitai Confectionery Co.		www.ht.co.kr	82-2-709-7766
Ottogi		www.ottogi.co.kr	82-2-528-1992
Pulmuone		www.pulmuone.co.kr	82-80-022-0085
Sajo Daerim	Processed fish products	www.daerimi.com	82-2-3470-6000
Jinjuham		www.jinjuham.co.kr	82-80-387-5001
Samho F&G		www.sweethome.co.kr	82-31-730-9114

Domestic demand for marine products is on the rise because of population growth and improving living standards. In particular, operation of the high-speed railway and expansion of express road networks have made it possible to deliver products to consumers within one day after receipt of order. Amid these developments, demand for not just frozen fish but live fish is expected to increase.

In contrast, Korea's deep sea fishing catch has levelled off due to difficulties in securing fishing grounds, and coastal fishery production has been declining in its growth rate. Amid these developments, imports of marine products have exceeded exports since 2001, aggravating the imbalance between supply and demand. To resolve the problem, it is urgently needed to expand production and create added values through improvement in circulation systems and product quality. At the same time, it is necessary to enhance the competitiveness of the processing industry for marine products.

A growing number of health-conscious Koreans concerned about their diet are showing preference for fresh marine products over foods processed with chemical condiments. Crabs and shrimps are among their favorite food items.

Rich in protein and essential amino acids, and low in calories, crabs are popular among young women as one of the best diet foods. Demand for shrimps, which are also among the most well-known high-protein, low-calorie food items, is increasing as well, It appears that shrimps have become all the more popular as their rich content of chito acid, an element considered a cure-all by some Koreans, helps to increase stamina.

Since the melamine-tainted cookies incident in 2008, the Korean public's anxiety over imported Chinese foods has escalated. Making the situation worse was the recent finding of cancer-causing materials in shrimps imported from China. There were also reports regarding incidents in which the origin of country was falsely marked on imports from China.

These cases have led to increased public concern about the safety of imported marine products, prompting a call for strengthening management and supervision for fishery products regarding their components and country of origin markings. In a related development, sushi made of decayed fishery products was found recently at some large supermarkets, which indicated the negligence in hygienic supervision over domestic fishery products during distribution and sales processes.

Accordingly, Korea's related authorities are expected to strengthen inspection-related standards for imported fishery products substantially. One of the likely measures will be to make it mandatory to mark on the product whether or not it contains harmful elements. These moves will help ensure the elimination of products that contain harmful substances and do not meet related standards.

Countries that want to export shrimps, crabs and other fishery products to Korea will have to pay attention to strengthened Korean regulations on inspection, customs clearance as well as other measures such as those on country of origin and ingredient markings.

In recent years, massive reclamation projects led to decreases in mud flat areas, resulting in reduced production in fishery products from mud flats and coastal areas. But, demand for fishery products has jumped considerably because of growth in income and improved standards for diet. As a result, imports of fishery products are rapidly increasing.

Compared with 2000, fishery imports have jumped more than 70%. This percentage far exceeds 7% growth registered in the sector of agricultural imports. Imports of crustaceans doubled during the same period, with crabs and shrimps showing particularly high growth rates of 300% and 150%, respectively.

Substantial growth in fishery imports naturally led to their increased market shares. Imported shrimps account for over 90% of all the shrimps sold at the joint market run by the National Federation of Fisheries Cooperatives. The share is 70% for crabs. The latest health-conscious consumption patterns affected by the well-being trend will likely result in growing demand for fishery products, thus further expanding imports.

But, depending on the extent to which domestic production increases, unconditional expansion in imports may lead to oversupply and price collapses, dealing fatal blows to both domestic fishermen and importers. Thus, it is advisable to adjust the amount of fishery imports on the basis of rational predictions for domestic demand.

(3) Distribution system and business practices in Korea

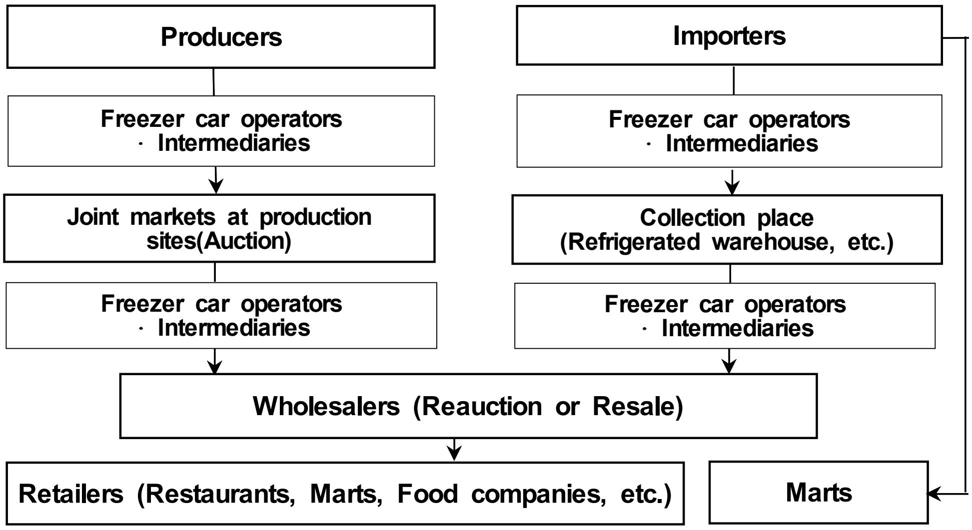
Compared with manufactured products, fishery products are easy to decay and difficult to standardize. Fishery products also have seasonal and regional peculiarities. It is also difficult to predict their production due to uncertainties in the natural environment. In addition, it is difficult to control their supply and demand because fishery products are still reliant on small-scale production methods to a considerable extent. This can cause rapid changes in prices depending on the amount of supply. These special characteristics have been reflected in the distribution system, which is much more complicated than those for manufactured products and agricultural goods.

The logistics mechanism for fishery products consists of three basic structures of collection, exchange and distribution. After being caught in coastal areas or imported from abroad, fishery products are gathered at collection places, then sold to wholesalers through auction and other exchange procedures. These products are auctioned again, distributed to retailers, and sold to consumers.

But, various logistics-related people are involved in these procedures, like cold-storage owners, auction intermediaries, middlemen, and freezer car operators. Due to the involvement of these various people, the logistics mechanism becomes complicated and devoid of transparency, ultimately resulting in retail prices several times as high as those at production sites.

These complicated procedures lead to long storage periods, which often prompts the use of artificial additives to prevent the decay of products, sometimes triggering a nationwide controversy as seen in the case of shrimps containing cancer-causing substances. This vicious cycle is repeated again and again. To resolve this problem, the overall logistics mechanism should be simplified. A simplified system would lead to the elimination of unnecessary costs, this making it possible to provide fishery products to consumers at reasonable prices. The logistics mechanism for fishery products in Korea is seen in Chart 3.

Chart 3　Distribution Channels for Fishery Products in Korea



2. Trade trends

(1) Import trends in Korea

Shrimps and prawns

The size of the Korean market for shrimps and prawns expanded from $180 million in 2004 to $269.65 million in 2007, recording average annual growth of 22.2%. In 2008, however, the market size shrank 12.1% to $237.13 million, due to the economic downturn. By item, frozen products accounted for 85.6% of the total in value terms, and 64.6% in quantity terms as of 2008. Unfrozen products (including fresh, refrigerated and dried items) accounted for 14.4% of the total in value terms and 35.4% in quantity terms.

Figure 28　Trends in Shrimp and Prawn Imports in Korea

Figure 28-1 Imports of Shrimps and Prawns by Year(Total)

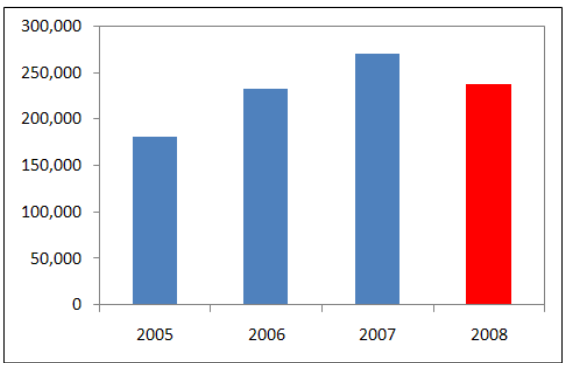
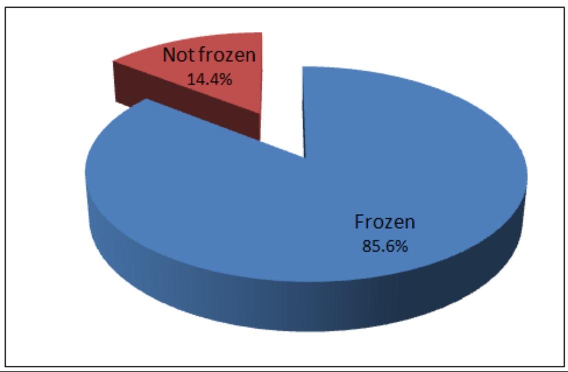


Figure 28-2 Imports of Shrimps and Prawns by Item



Class.	Value($1,000)				Volume(t)				2008		
									share(%)		AUP ($/kg)
	2005	2006	2007	2008	2005	2006	2007	2008	value	volume	
Frozen	114,858	165,112	210,095	203,022	25,525	33,486	37,818	36,054	85.6	64.6	5.6
Not frozen	65,814	67,251	59,563	34,108	30,149	33,552	28,992	19,797	14.4	35.4	1.7
Total	180,672	232,363	269,658	237,130	55,675	67,038	66,810	55,851	100	100	4.2

Source: Korea International Trade Association (KITA)
Note) AUP : Average Unit Price

Crabs

Imports of crabs dwindled in 2008, reversing the steady upward trend maintained since 2005. The imports in 2008 amounted to $197.66 million in value, down 12.9% from 2007, and 44,000 tons in quantity, down 17.9%. Regardless of changes in the import volume, frozen products have continued to account for more than 60% of the total.

Figure 29 Korean Imports of Crabs

Figure 29-1 Crab Imports by Year(Total)

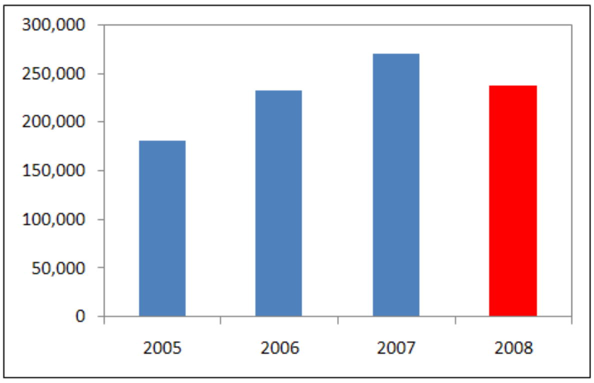
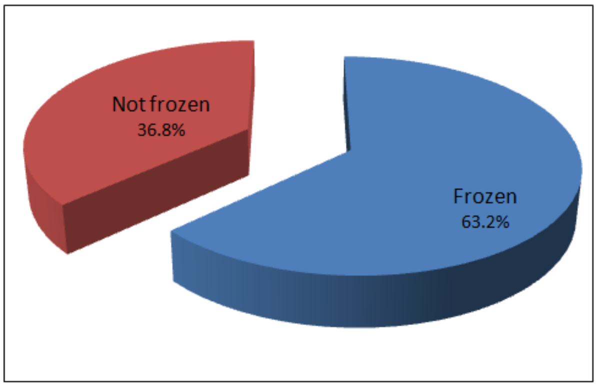


Figure 29-2 Crab Imports by Item



Class.	Value($1,000)				Volume(t)				2008		
	2005	2006	2007	2008	2005	2006	2007	2008	share(%) value	share(%) volume	AUP ($/kg)
Frozen	92,407	119,051	134,477	124,829	27,789	35,118	36,024	31,040	63.2	70.5	4.0
Not frozen	68,300	84,294	92,353	72,840	14,913	17,707	17,641	12,993	36.8	29.5	5.6
Total	160,707	203,345	226,830	197,668	42,702	52,825	53,665	44,033	100	100	4.5

Source: Korea International Trade Association (KITA)

(2) Principal ASEAN exporters of shrimps to shrimps and prawns

The total value of the shrimps and prawns exported by the ASEAN members to Korea in 2008 amounted to $153.39 million, accounting for 64.7% of Korea's total imports of these products. Of the ASEAN members, Vietnam and Malaysia recorded large increases in this category. In 2008, Vietnam topped Thailand and China which had held dominant portions in value terms until the previous year. Vietnam's exports reached $66.34 million, registering an increased market share of 28%.

Figure 30 Principal Exporters of Shrimps and Prawns to Korea

Figure 30-1 Trends in Korean Imports from Major Exporters(by Year)

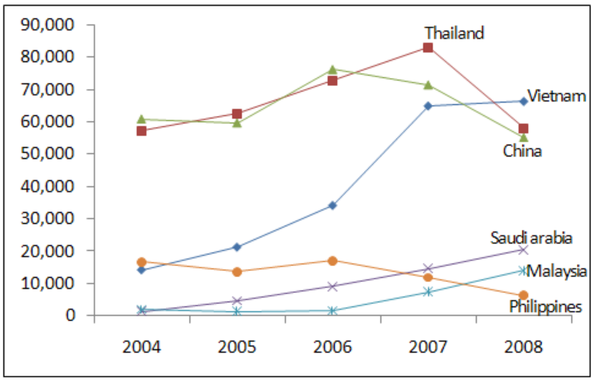
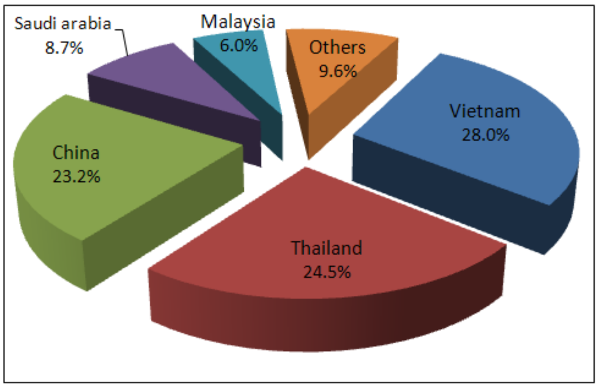


Figure 30-2 Major Exporters' Market Shares in Korea



(Units: $ Thousand, ton, %, $/kg)

Class.		2004	2005	2006	2007		2008				
		Value	Value	Value	Value	Volume	Value	Share	Volume	Share	AUP
1	Vietnam	14,188	21,189	34,114	64,938	11,035	66,346	28.0	10,238	18.3	6.5
2	Thailand	57,267	62,660	72,965	83,215	14,397	58,145	24.5	10,642	19.1	5.5
3	China	60,890	59,648	76,357	71,556	32,852	55,105	23.2	25,212	45.1	2.2
4	Saudi Arabia	1,296	4,693	9,093	14,708	2,171	20,641	8.7	3,067	5.5	6.7
5	Malaysia	1,940	1,297	1,494	7,467	1,565	14,222	6.0	3,148	5.6	4.5
6	Philippines	16,774	13,680	17,253	11,925	1,179	6,226	2.6	555	1.0	11.2
7	Indonesia	5,457	3,346	4,768	4,419	596	4,632	2.0	620	1.1	7.5
8	Greenland	1,168	1,803	2,473	980	371	2,682	1.1	776	1.4	3.5
9	Canada	4,127	4,298	5,494	4,217	1,760	2,526	1.1	830	1.5	3.0
10	Myanmar	2,850	4,068	3,858	2,218	282	2,271	1.0	336	0.6	6.8
14	Japan	168	258	547	515	117	448	0.2	103	0.2	4.4
TOTAL		171,225	180,672	232,363	269,658	66,810	237,129	100	55,851	100	4.2
ASEAN		99,026	106,488	135,114	174,467	29,087	153,396	64.7	25,631	45.9	6.0

Source: Korea International Trade Association (KITA)

Ranked second was Thailand, whose exports to Korea reached $58.14 million, down by 30.1% compared with the previous year. (The Philippines, ranked seventh, registered the largest reduction rate of 47.8%.) Third-placed China exported 25,212 tons, worth at $55.1 million. The unit price of the Chinese exports was 2.2 dollars per kilogram, which was the lowest of all the exporting countries. In contrast, the Philippines exported 555 tons, valued at $6.22 million, recording the unit price of 11.2 dollars, the highest among the top 10 countries.

ASEAN has a high share in the Korean import market of shrimps and prawns, accounting for over 50% of the total in both frozen and unfrozen categories. In particular, Thailand exported $41.56 million worth of frozen products and $16.58 million worth of unfrozen products in 2008, holding 20.5% and 48.6% market shares, respectively. Vietnam registered average annual growth of 52.7% in the sector of frozen shrimps and prawns it had exported to Korea since 2004. The highest growth rate in the sector of frozen shrimps and prawns was recorded by fourth-ranked Saudi Arabia. Its exports to Korea in this category soared 99.8% annually on average from $1.29 million in 2004 to $20.64 million in 2008. In the sector of unfrozen shrimps and prawns, Thailand and China held a combined market share of over 90%.

Table 79 Principal Exporters of Frozen Shrimps and Prawns to Korea

(Units: $ Thousand, ton, %, $/kg)

Class.		2004	2005	2006	2007		2008				
		Value	Value	Value	Value	Volume	Value	Share	Volume	Share	AUP
1	Vietnam	12,085	19,082	32,984	63,533	7,847	65,674	32.3	9,056	25.1	7.3
2	Thailand	38,815	35,670	50,488	53,254	9,262	41,561	20.5	7,675	21.3	5.4
3	China	29,961	31,207	41,346	47,301	12,712	40,404	19.9	9,854	27.3	4.1
4	Saudi Arabia	1,296	4,692	9,093	14,708	2,171	20,641	10.2	3,067	8.5	6.7
5	Malaysia	1,935	1,286	1,450	7,434	1,561	14,171	7.0	3,140	8.7	4.5
6	Philippines	6,591	5,943	9,261	8,775	782	4,733	2.3	381	1.1	12.4
7	Indonesia	3,884	3,025	4,657	4,263	583	4,585	2.3	618	1.7	7.4
8	Greenland	1,168	1,803	2,473	980	371	2,682	1.3	776	2.2	3.5
9	Canada	4,127	4,298	5,494	4,217	1,760	2,526	1.2	830	2.3	3.0
10	Myanmar	2,850	4,067	3,834	2,205	281	2,270	1.1	336	0.9	6.8
20	Japan	36	73	156	163	12	65	0.03	7	0.02	9.9
TOTAL		107,722	114,858	165,112	210,095	37,818	203,022	100	36,054	100	5.6
ASEAN		66,711	69,317	103,336	139,744	20,350	134,547	66.3	21,297	59.1	6.3

Source: Korea International Trade Association (KITA)

Table 80 Principal Exporters of Unfrozen Shrimps and Prawns to Korea

(Units: $ Thousand, ton, %, $/kg)

Class.		2004	2005	2006	2007		2008				
		Value	Value	Value	Value	Volume	Value	Share	Volume	Share	AUP
1	Thailand	18,451	26,990	22,476	29,961	5,135	16,584	48.6	2,967	15.0	5.6
2	China	30,929	28,441	35,011	24,254	20,141	14,701	43.1	15,357	77.6	1.0
3	Philippines	10,184	7,737	7,992	3,150	397	1,492	4.4	174	0.9	8.6
4	Vietnam	2,102	2,107	1,130	1,405	3,188	672	2.0	1,182	6.0	0.6
5	Japan	132	185	391	352	105	383	1.1	96	0.5	4.0
6	U.S.A.	31	0.1	14	147	0.3	98	0.3	0.3	0.002	319.5
7	Taiwan	2	11	47	79	8	68	0.2	8	0.04	8.4
8	Malaysia	4	11	44	33	4	52	0.2	9	0.04	5.9
9	Indonesia	1,573	321	111	156	14	47	0.1	2	0.01	23.6
10	Hong Kong	0.2	-	2	-	-	4	0.01	0.4	0.002	9.4
TOTAL		63,503	65,814	67,251	59,563	28,992	34,108	100	19,797	100	1.7
ASEAN		32,315	37,172	31,778	34,722	8,738	18,849	55.3	4,334	21.9	4.3

Source: Korea International Trade Association (KITA)

Imports of shrimps and prawns from ASEAN countries account for more than half of Korea's total imports in this sector in value terms. Of the ASEAN exports, more than 80% are from Thailand and Vietnam.

Thailand exported $58.14 million worth of shrimps and prawns in 2008, holding a 24.5% market share. Vietnam's exports amounted to $66.34 million, accounting for 28% of the Korean import market.

The export volumes of other ASEAN members in 2008 were $4.63 million for Indonesia, $6.22 million for the Philippines, and $14.22 million for Malaysia. In particular, Malaysia recorded average annual growth of 64.6% in its exports to Korea, which rose from $1.29 million in 2004 to $14.22 million in 2008.

Table 81 Korean Imports of Shrimps and Prawns from ASEAN by Country

	Class.	Value($1,000)					Volume(t)					AUP ($/kg)
		2004	2005	2006	2007	2008	2004	2005	2006	2007	2008	2008
ASEAN	Frozen	66,711	69,317	103,336	139,744	134,547	10,484	11,329	16,589	20,350	21,297	6.3
	Not frozen	32,315	37,172	31,778	34,722	18,849	8,363	10,146	7,749	8,738	4,334	4.3
	total	99,026	106,489	135,114	174,466	153,396	18,847	21,475	24,337	29,087	25,631	6.0
	Total imports	171,225	180,672	232,363	269,658	237,129	57,712	55,675	67,038	66,810	55,851	4.2
	Shares	57.8%	58.9%	58.1%	64.7%	64.7%	32.7%	38.6%	36.3%	43.5%	45.9%	
INDONESIA	Frozen	3,884	3,025	4,657	4,263	4,585	652	467	647	583	618	7.4
	Not frozen	1,573	321	111	156	47	268	78	12	14	2	23.5
	total	5,457	3,346	4,768	4,419	4,632	920	545	659	596	620	7.5
	Total imports	171,225	180,672	232,363	269,658	237,129	57,712	55,675	67,038	66,810	55,851	4.2
	Shares	3.2%	1.9%	2.1%	1.6%	2.0%	1.6%	1.0%	1.0%	0.9%	1.1%	
MALAYSIA	Frozen	1,935	1,286	1,450	7,434	14,171	395	303	498	1,561	3,140	4.5
	Not frozen	4	11	44	33	52	0.3	23	6	4	9	5.8
	total	1,939	1,297	1,494	7,467	14,223	396	326	504	1,565	3,148	4.5
	Total imports	171,225	180,672	232,363	269,658	237,129	57,712	55,675	67,038	66,810	55,851	4.2
	Shares	1.1%	0.7%	0.6%	2.8%	6.0%	0.7%	0.6%	0.8%	2.3%	5.6%	
MYANMAR	Frozen	2,850	4,067	3,834	2,205	2,270	464	623	615	281	336	6.8
	Not frozen	-	2	24	13	1	-	0.3	1.7	0.5	0.2	5.0
	total	2,850	4,069	3,858	2,218	2,271	464	624	616	282	336	6.8
	Total imports	171,225	180,672	232,363	269,658	237,129	57,712	55,675	67,038	66,810	55,851	4.2
	Shares	1.7%	2.3%	1.7%	0.8%	1.0%	0.8%	1.1%	0.9%	0.4%	0.6%	

Table 81 Korean Imports of Shrimps and Prawns from ASEAN by Country

	Class.	Value($1,000)					Volume(t)					AUP ($/kg)
		2004	2005	2006	2007	2008	2004	2005	2006	2007	2008	2008
PHILIPPINES	Frozen	6,591	5,943	9,261	8,775	4,733	782	628	1,018	782	381	12.4
	Not frozen	10,184	7,737	7,992	3,150	1,492	1,028	838	939	397	174	8.6
	total	16,775	13,680	17,253	11,925	6,225	1,810	1,467	1,957	1,179	555	11.2
	Total imports	171,225	180,672	232,363	269,658	237,129	57,712	55,675	67,038	66,810	55,851	4.2
	Shares	9.8%	7.6%	7.4%	4.4%	2.6%	3.1%	2.6%	2.9%	1.8%	1.0%	

	Class.	Value($1,000)					Volume(t)					AUP ($/kg)
		2004	2005	2006	2007	2008	2004	2005	2006	2007	2008	2008
SINGAPORE	Frozen	551	243	473	90	1,541	15	17	36	5	85	18.1
	Not frozen	-	4	0	4	1	-	0.05	0.08	0.17	0.04	25.0
	total	551	247	473	94	1,542	15	17	36	5	85	18.1
	Total imports	171,225	180,672	232,363	269,658	237,129	57,712	55,675	67,038	66,810	55,851	4.2
	Shares	0.3%	0.1%	0.2%	0.03%	0.7%	0.03%	0.03%	0.1%	0.01%	0.2%	

	Class.	Value($1,000)					Volume(t)					AUP ($/kg)
		2004	2005	2006	2007	2008	2004	2005	2006	2007	2008	2008
THAILAND	Frozen	38,815	35,670	50,488	53,254	41,561	6,222	6,365	9,043	9,262	7,675	5.4
	Not frozen	18,451	26,990	22,476	29,961	16,584	2,442	4,518	4,005	5,135	2,967	5.6
	total	57,266	62,660	72,964	83,215	58,145	8,665	10,884	13,048	14,397	10,642	5.5
	Total imports	171,225	180,672	232,363	269,658	237,129	57,712	55,675	67,038	66,810	55,851	4.2
	Shares	33.4%	34.7%	31.4%	30.9%	24.5%	15.0%	19.5%	19.5%	21.5%	19.1%	

	Class.	Value($1,000)					Volume(t)					AUP ($/kg)
		2004	2005	2006	2007	2008	2004	2005	2006	2007	2008	2008
VIETNAM	Frozen	12,085	19,082	32,984	63,533	65,674	1,954	2,926	4,704	7,847	9,056	7.3
	Not frozen	2,102	2,107	1,130	1,405	672	4,624	4,688	2,784	3,188	1,182	0.6
	total	14,187	21,189	34,114	64,938	66,346	6,577	7,614	7,488	11,035	10,238	6.5
	Total imports	171,225	180,672	232,363	269,658	237,129	57,712	55,675	67,038	66,810	55,851	4.2
	Shares	8.3%	11.7%	14.7%	24.1%	28.0%	11.4%	13.7%	11.2%	16.5%	18.3%	

Source: Korea International Trade Association (KITA)
Note) AUP : Average Unit Price

(3) Principal ASEAN exports of crabs to Korea

The largest exporter of crabs to Korea is Russia, which accounted for 42.6% of the Korean import market in value terms. However, its exports in 2008 marked a decrease of 25.6% from 2007. Second-ranked China exported $74.17 million worth of crabs to Korea. The volume was measured at 21,775 tons, accounting for 45.9% of the total. Third-placed Japan exported $8.72 million worth of crabs to Korea, maintaining a steady upward trend it had maintained since 2004.

Figure 31 Principal Exporters of Crabs to Korea

Figure 31-1 Trends in Korean Imports from Major Exporters(by Year)

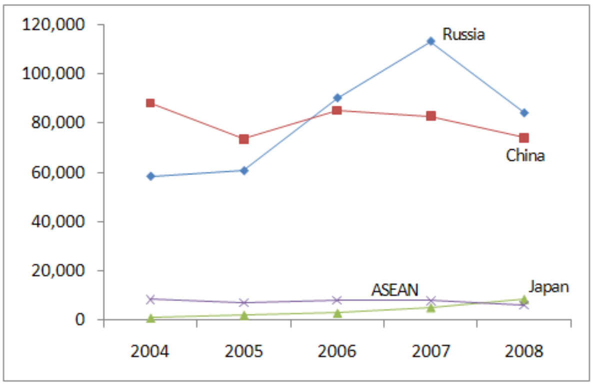
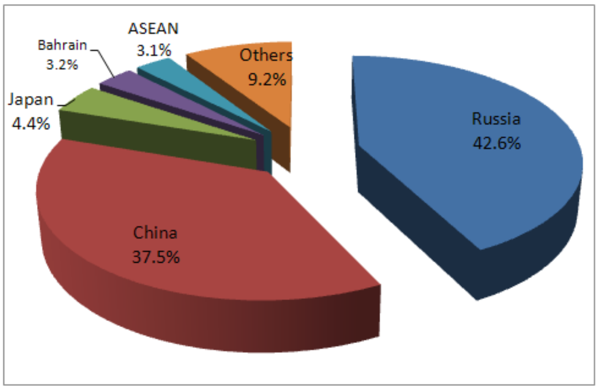


Figure 31-2 Major Exporters' Market Shares in Korea



(Units: $ Thousand, ton, %, $/kg)

Class.		2004	2005	2006	2007		2008				
		Value	Value	Value	Value	Volume	Value	Share	Volume	Share	AUP
1	Russia	58,497	60,723	90,194	113,110	18,826	84,116	42.6	11,990	27.2	7.0
2	China	88,181	73,596	85,131	82,926	25,795	74,171	37.5	21,775	49.5	3.4
3	Japan	1,010	2,213	3,015	5,306	771	8,724	4.4	1,608	3.7	5.4
4	Bahrain	7,552	5,956	6,322	7,642	2,581	6,370	3.2	1,885	4.3	3.4
5	Pakistan	3,260	3,208	2,266	2,119	1,036	5,566	2.8	2,382	5.4	2.3
6	Vietnam	6,571	5,615	6,975	6,813	1,758	5,176	2.6	1,107	2.5	4.7
7	Mexico	379	1,096	1,862	1,872	736	3,600	1.8	1,228	2.8	2.9
8	Canada	206	209	63	557	73	3,103	1.6	299	0.7	10.4
9	India	7,237	4,369	3,793	3,202	1,177	2,862	1.4	1,038	2.4	2.8
10	Norway	-	0	1	123	6	1,506	0.8	90	0.2	16.7
TOTAL		176,748	160,706	203,346	226,832	53,665	197,668	100	44,033	100	4.5
ASEAN		8,492	7,116	8,226	7,954	2,029	6,119	3.1	1,336	3.0	4.6

Source: Korea International Trade Association (KITA)
Note) AUP : Average Unit Price

In the unfrozen crabs sector, Russia accounted for 78.9% of the total, but recorded a 31.7% contraction from the previous year. In the frozen crabs sector, China was ranked first, with its exports of $68.69 million, which accounted for 55% of the total. Russia fared well in this sector as well, being placed second and outperforming lower ranked countries by big margins.

Of the ASEAN countries, Vietnam was placed fifth ($5.17 million, 4.1% share) in the frozen crabs sector. But, its exports were on the downward trend, with its market share standing at under 5% in both value and quantity.

Table 82 Principal Exporters of Frozen Crabs to Korea

(Units: $ Thousand, ton, %, $/kg)

Class.		2004	2005	2006	2007		2008				
		Value	Value	Value	Value	Volume	Value	Share	Volume	Share	AUP
1	China	79,515	64,969	78,846	79,658	24,582	68,698	55.0	19,765	63.7	3.5
2	Russia	2,956	3,573	14,565	29,001	3,087	26,676	21.4	2,668	8.6	10.0
3	Bahrain	7,552	5,956	6,322	7,642	2,581	6,370	5.1	1,885	6.1	3.4
4	Pakistan	3,260	3,208	2,266	2,119	1,036	5,566	4.5	2,382	7.7	2.3
5	Vietnam	6,547	5,612	6,975	6,812	1,758	5,176	4.1	1,107	3.6	4.7
6	Mexico	379	1,096	1,862	1,872	736	3,600	2.9	1,228	4.0	2.9
7	Canada	187	201	26	546	72	2,955	2.4	292	0.9	10.1
8	India	7,227	4,352	3,793	3,202	1,177	2,862	2.3	1,038	3.3	2.8
9	Norway	-	-	-	-	-	575	0.5	45	0.14	12.9
10	USA	287	371	612	309	19	388	0.3	26	0.08	15.0
21	Japan	52	77	1,107	815	111	39	0.03	14	0.05	2.8
TOTAL		111,114	92,407	119,051	134,477	36,024	124,827	100	31,040	100	4.0
ASEAN		8,272	6,855	7,923	7,679	2,011	5,997	4.8	1,324	4.3	4.5

Source: Korea International Trade Association (KITA) / Note) AUP : Average Unit Price

Table 83 Principal Exporters of Unfrozen Crabs to Korea

(Units: $ Thousand, ton, %, $/kg)

Class.		2004	2005	2006	2007		2008				
		Value	Value	Value	Value	Volume	Value	Share	Volume	Share	AUP
1	Russia	55,541	57,151	75,630	84,109	15,738	57,441	78.9	9,322	71.7	6.2
2	Japan	958	2,137	1,909	4,491	659	8,685	11.9	1,594	12.3	5.4
3	China	8,666	8,627	6,285	3,268	1,213	5,474	7.5	2,010	15.5	2.7
4	Norway	-	-	1	123	6	931	1.3	46	0.4	20.4
5	Canada	18	8	37	10	1	147	0.2	6	0.05	22.8
6	Indonesia	63	46	71	69	3	45	0.06	3	0.03	13.8
7	Singapore	78	124	147	153	4	39	0.05	.3	0.003	115.7
8	Philippines	36	52	55	35	10	31	0.04	7	0.05	4.5
9	Haiti	-	8	4	45	4	24	0.03	1.4	0.01	16.7
10	Thailand	19	36	30	18	2	7	0.01	1.2	0.01	6.3
TOTAL		65,634	68,300	84,294	92,353	17,641	72,839	100	12,993	100	5.6
ASEAN		220	261	303	275	18	122	0.2	12	0.1	10.5

Source: Korea International Trade Association (KITA) / Note) AUP : Average Unit Price

Crabs exported by the ASEAN members to Korea were worth $6.11 million in 2008, accounting for 3.1% of Korea's total imports. Except those of Vietnam, the amounts of crabs exported by other ASEAN countries were insignificant. In 2008, Vietnam's crab exports to Korea amounted to $5.17 million, which constituted a 2.6% market share. The exports of Indonesia and Myanmar were valued at $358,000 and $270,000, respectively, accounting for less than 1% of the total.

Table 84 Status of ASEAN's Crab Exports to Korea by Country

	Class.	Value($1,000)					Volume(t)					AUP($/kg)
		2004	2005	2006	2007	2008	2004	2005	2006	2007	2008	2008
ASEAN	Frozen	8,272	6,855	7,923	7,679	5,997	2,317	1,839	2,162	2,011	1,324	4.5
	Not frozen	220	261	303	275	122	22	22	23	18	12	10.2
	total	8,492	7,116	8,226	7,954	6,119	2,339	1,861	2,185	2,029	1,336	4.6
	Total imports	176,748	160,707	203,345	226,831	197,666	49,517	42,702	52,825	53,665	44,033	4.5
	Shares	4.8%	4.4%	4.0%	3.5%	3.1%	4.7%	4.4%	4.1%	3.8%	3.0%	

Table 84 Status of ASEAN's Crab Exports to Korea by Country

INDONESIA

Class.	Value($1,000)					Volume(t)					AUP ($/kg)
	2004	2005	2006	2007	2008	2004	2005	2006	2007	2008	2008
Frozen	78	100	43	148	313	32	30	9	38	52	6.0
Not frozen	63	46	71	69	45	7	3	2	3	3	15.0
total	141	146	114	217	358	39	33	10	41	55	6.5
Total imports	176,748	160,707	203,345	226,831	197,666	49,517	42,702	52,825	53,665	44,033	4.5
Shares	0.1%	0.1%	0.1%	0.1%	0.2%	0.1%	0.1%	0.0%	0.1%	0.1%	

MALAYSIA

Class.	Value($1,000)					Volume(t)					AUP ($/kg)
	2004	2005	2006	2007	2008	2004	2005	2006	2007	2008	2008
Frozen	95	77	38	92	-	31	27	11	26	-	-
Not frozen	-	0	-	-	-	-	0.02	-	-	-	-
total	95	77	38	92	-	31	27	11	26	-	-
Total imports	176,748	160,707	203,345	226,831	197,666	49,517	42,702	52,825	53,665	44,033	4.5
Shares	0.1%	0%	0%	0%	-	0.06%	0.06%	0.02%	0.05%	-	-

MYANMAR

Class.	Value($1,000)					Volume(t)					AUP ($/kg)
	2004	2005	2006	2007	2008	2004	2005	2006	2007	2008	2008
Frozen	788	494	403	425	270	311	172	166	142	101	2.7
Not frozen	-	-	-	-	-	-	-	-	-	-	-
total	788	494	403	425	270	311	172	166	142	101	2.7
Total imports	176,748	160,707	203,345	226,831	197,666	49,517	42,702	52,825	53,665	44,033	4.5
Shares	0.4%	0.3%	0.2%	0.2%	0.1%	0.6%	0.4%	0.3%	0.3%	0.2%	

PHILIPPINES

Class.	Value($1,000)					Volume(t)					AUP ($/kg)
	2004	2005	2006	2007	2008	2004	2005	2006	2007	2008	2008
Frozen	107	41	10	13	136	43	21	1	9	51	2.7
Not frozen	36	52	55	35	31	8	17	19	10	7	4.4
total	143	93	65	48	167	52	38	20	19	58	2.9
Total imports	176,748	160,707	203,345	226,831	197,666	49,517	42,702	52,825	53,665	44,033	4.5
Shares	0.1%	0.1%	0.0%	0.0%	0.1%	0.10%	0.09%	0.04%	0.04%	0.13%	

SINGAPORE

Class.	Value($1,000)					Volume(t)					AUP ($/kg)
	2004	2005	2006	2007	2008	2004	2005	2006	2007	2008	2008
Frozen	-	-	-	0	30	-	-	-	0.01	4.09	7.3
Not frozen	78	124	147	153	39	0.7	0.2	1.0	3.6	0.3	130.0
total	78	124	147	153	69	0.7	0.2	1.0	3.6	4.4	15.7
Total imports	176,748	160,707	203,345	226,831	197,666	49,517	42,702	52,825	53,665	44,033	4.5
Shares	0.0%	0.1%	0.1%	0.1%	0.0%	0.001%	0.001%	0.002%	0.007%	0.010%	

Table 84 Status of ASEAN's Crab Exports to Korea by Country

	Class.	Value($1,000)					Volume(t)					AUP ($/kg)
		2004	2005	2006	2007	2008	2004	2005	2006	2007	2008	2008
THAILAND	Frozen	658	531	454	190	73	177	126	98	37	9	8.1
	Not frozen	19	36	30	18	7	2	1	1	2	1	7.0
	total	677	567	484	208	80	179	127	99	39	10	8.0
	Total imports	176,748	160,707	203,345	226,831	197,666	49,517	42,702	52,825	53,665	44,033	4.5
	Shares	0.4%	0.4%	0.2%	0.1%	0.0%	0.36%	0.30%	0.19%	0.07%	0.02%	

	Class.	Value($1,000)					Volume(t)					AUP ($/kg)
		2004	2005	2006	2007	2008	2004	2005	2006	2007	2008	2008
VIETNAM	Frozen	6,547	5,612	6,975	6,812	5,176	1,723	1,463	1,878	1,758	1,107	4.7
	Not frozen	24	2	0	1	-	3.61	0.32	0.04	0.23	-	-
	total	6,571	5,614	6,975	6,813	5,176	1,726	1,463	1,878	1,758	1,107	4.7
	Total imports	176,748	160,707	203,345	226,831	197,666	49,517	42,702	52,825	53,665	44,033	4.5
	Shares	3.7%	3.5%	3.4%	3.0%	2.6%	3.5%	3.4%	3.6%	3.3%	2.5%	

Source: Korea International Trade Association (KITA)
Note) AUP : Average Unit Price

3. Key considerations related to exporting to Korea

(1) Korea's import procedures

Korea's import procedures for shrimps and crabs are shown in Chart 4.

Chart 4 Korea's Import Procedures for Shrimps and Crabs: Importers

Notification concerning starting a food import and sales business
(For importation of food items, one should first notify the Korea Food and Drug Administration of his or her opening a food import and sales business in accordance with Food Sanitation Act)

↓

Import declaration for food items
(This declaration should be submitted to the KFDA or the National Quarantine Station)
(According to Food Sanitation Act, information on this declaration should include the country of origin, Korean labeling, manufacturing process schedule, and ingredients table, etc.)

↓

Food Inspection by the Korea Food and Drug Administration
(Document and laboratory inspections are conducted according to Food Sanitation Act)

↓

Inspection by the National Fisheries Products Quality Inspection Service
(In accordance with the Aquatic Animal Diseases Control Act, inspection is conducted by marine product quarantine officers)

↓

Import declaration
(After food inspections, an import declaration should be submitted to customs authorities for clearance of the imported items)

(2) Korean requirements concerning imports and sales in Korea

Importation of shrimps and crabs require a few additional measures plus general importation procedures. First of all, those who want to import food items for commercial purposes should notify the regional agency of the Korea Food and Drug Administration of their import and sales business for food products. Shrimps and crabs should also undergo quarantine inspection conducted by the National Fisheries Products Quality Inspection Service. For this inspection, the original of quarantine certificate issued by government institutions of the exporting country should be presented. So, exporters should send this to the importer when shipping export items to Korea. After submitting an import declaration for food items, shrimps and crabs should undergo inspections required of imported food items. It should be checked whether the items have been made of proper materials and additives and whether adequate manufacturing standards have been abided by. It should also be confirmed whether the products are properly labeled according to Korean requirements.

Following are the information that should be marked on labels of imported foods, as announced by the KFDA. The label should be sticked to each smallest distribution unit.

▣ Labeling standards for food items

- Product name (excluding apparatus or container · package)
- Food type (limited to those specifically designated)
- Business name and location
- Date of manufacture (limited to those specifically designated)
- Shelf life (excluding food additives and apparatus or container · package)
- Net content (excluding apparatus or container · package)
- The names (material name for apparatus or container · package) and quantities (limited to the case in which raw materials are used as the whole or part of the product name) of raw materials
- The names and qualities of food components (limited to the case in which food or food components to be labeled are used as the whole or part of the product name)
- Nutrients (limited to those specifically designated)
- Miscellaneous as prescribed in the detailed labeling standards for foods

After completing the notification process regarding their import and sales business for food products, importers should submit an import declaration for food items, along with required documents, to the regional agency of the Korea Food and Drug Administration (including the food inspection agency) or the National Quarantine Station (that has jurisdiction over the area of clearance of imported food). This is followed by inspections for the imported food items. The following documents are necessary for food quarantine inspection.

▣ Documents for food quarantine inspection

- Notification form for importation of foods (Notification form for importation of health functional foods)
- A copy of business registration certificate
- General shipping documents (B/L, C/I, P/L)
- Raw materials mix formula
- Manufacturing process schedule
- For importation of raw materials, the notification form for manufacturing business and the Item Manufacture Report are additionally needed
- Korean labeling and the main label of the product
- Certificate of origin
- Ingredients table
- Chemical composition table
- Revenue stamps (Specified fees)

An import declaration for food (which concurrently serves as a quarantine declaration, KFDA form) prepared on the basis of these documents is submitted for inspections. For items that pass inspections, importers are issued quarantine certificates, with which they present an import declaration to customs authorities for clearance. The initial shipment of food imports is subject to laboratory inspection, which takes about seven to 10 days. Inspection fees are different depending on items.

▣ Inspection fees

- When the initial shipment exceeds 100kg in quantity and passes laboratory inspection, document inspection is applied to next shipments if their amounts exceed 100kg as well (this regulation applies only to the same product of the same company).
- When the quantity of the initially imported food that has passed inspection is less than 100kg, inspection for next shipments will be conducted through document inspection only if they are also less than 100kg.

  Thus, importers are encouraged to import more than 100kg of products in initial shipment if they want to benefit from simplified inspection (exempt from laboratory inspection and random sample inspection).

Exportation of shrimps and crabs to Korea is subject to application of such laws as 'Food Sanitation Act' and 'Aquatic Animal Disease Control Act.' In addition, tax can be levied on exported goods according to various laws regulating value added tax, customs tariffs and income tax during the procedures of importation and sale. So, exporters are encouraged to have proper understanding of the related laws.

1) Food Sanitation Act

▶ Food Import Requirements(Article 13, Enforcement Rule of the Food Sanitation Act)

• Those who intend to import food for sale should notify the commissioner of the Korea Food and Drug Administration of their staring a food import and sales business.

▶ Import Declaration for Food Items(Article 16 of the Food Sanitation Act, Article 11 of the Enforcement Regulations of the Food Sanitation Act)

A person who intends to import food for sale or business shall submit the following documents to the head of the regional agency of the KFDA or the head of the local National Quarantine Station (excluding the quarantine station at Incheon International Airport as well as those in Busan, Incheon, Gunsan and Gimhae) that has jurisdiction over the area of clearance of imported food. A declaration can be presented as early as five days prior to the expected date of arrival of food imports. If major reported events such as the arrival port or the expected arrival date change, it should be reported in documents (including electronic ones) immediately.

• Inspection Results or Inspection Certificate (It applies only when imported foods belong to the category of items subject to laboratory inspection. These documents should be the ones issued by local or foreign inspection agencies approved by the KFDA commissioner.) • Packing paper that has a Korean label (including packing paper that on the surface has a sticker with a Korean label) or a document that contains a Korean label • Identity preserved (IP) handling certificate (a document certifying that imported food has been segregated from Genetically Modified Foods through their seed purchasing, production, storage, delivery and shipping processes) or other documents recognized by the relevant governments to have an equivalent effect. This applies to foods that belong to the category of items subject to GM Food labeling but do not bear GM Food labels.

▶ Inspection for Imported Food (Article 11 of the Enforcement Regulations of the Food Sanitation Act, Appendix 6)

Receiving an import declaration for food items, the head of the regional agency of the KFDA or the head of the National Quarantine Station implements inspection for the items according to the following methods.

- Document Inspection
  - A. Method : Document inspection refers to the inspection process that inspects the propriety of import reports, etc.
  - B. Food subject to this inspection : Food imported for obtaining foreign currencies, and food or food additives imported as "raw materials for the manufacturing of the company's own products," etc.
- Organoleptic Inspection
  - A. Method : Organoleptic Inspection refers to the comprehensive inspection that determines the propriety of the sample based on the image, taste, scent, color, labelling, package, and laboratory inspection records.
  - B. Food subject to this inspection : Agricultural, forestry or fisheries products which are used as raw materials for food and whose standards and specifications have not been specified.
- Laboratory Inspection
  - A. Method : Laboratory inspection refers to inspection conducted using physical, chemical or microbiological methods while also encompassing document inspection and organoleptic inspection.
  - B. Food subject to this inspection : Food being imported for the first time, and food recognized at home and abroad to contain harmful substances that give reasons for concern.
- Random Sample Inspection
  - A. Method : Random sample inspection is carried out according to physical, chemical or microbiological examination methods according to a sample inspection plan drafted by the KFDA commissioner. This inspection is conducted for foods other than those subject to laboratory inspection.
  - B. Food items subject to this inspection : The head of the regional agency of the KFDA can make decisions on which items should undergo random sample inspection to ensure safety of imported food items.

2) Aquatic Animal Diseases Control Act

▶ Designated Quarantine Items(Aquatic animals or items subject to export/import quarantine inspection, Article 25 of the Aquatic Animal Diseases Control Act)

- Live fish, shellfish, and crustacean for human consumptions, aquariums, and research and laboratory works

▶ Application for Import Inspection(Article 27 of Aquatic Animal Diseases Control Act, Article 30 of the Enforcement Regulations of Aquatic Animal Diseases Control Act)

- Those who imported designated quarantine items should apply for quarantine inspection by submitting the following documents (including electronic ones) to the head of the National Fisheries Products Quality Inspection Service that has jurisdiction over the area of quarantine inspection. Inspection of these items should be done by marine product quarantine officers. When the application is made through electronic documents, the relevant documents can be sent via fax or in the form of attached files. But, the original documents should be submitted by the inspection date.
  A. Application for import inspection (reinspection) (including electronic documents)
  B. Copies of Cargo Manifest
  C. An original of Quarantine Certificate issued by government institutions of the exporting country
  D. The original of Import Approval Certificate (only permitted by the president of NFIS as import prohibit articles)
  E. The original of Aquatic Animal Dispatch Quarantine Certificate (conducting a dispatch quarantine only)
  F. Copies of Transplant Approval(only aquatic animals approved for farming)
  G. Weight Confirmations issued by weight survey institutions(a voluntary provision)

(3) Related agencies

Agency Name	Pertinent Department	Business	Homepage	Contact
Korea Customs Service	Clearance Facilitation Bureau	Customs clearance	www.customs.go.kr	82-42-472-2181
Korea Food & Drug Administration	Food Import Team	Food inspection, Quality certification	www.kfda.go.kr	82-2-380-1733
National Quarantine Station	Quarantine Division	Food quarantine	www.nfis.go.kr	82-31-977-6405

4. Customs duties and taxes

(1) Customs duties

Shrimps and crabs are among the items to which the tariff rate quota (TRQ) system is applied. Subject to the TRQ system under the Korea-ASEAN FTA are four fisheries products of shrimps and prawns (regardless of frozen and unfrozen), processed shrimps (shrimp flesh), and frozen cuttlefish, whose countries of origin are seven ASEAN countries of Singapore, Malaysia, Indonesia, Myanmar, Vietnam, the Philippines and Brunei. Regarding these items, the TRQ regime does not allow the application of preferential tariffs to unlimited amounts of exports. Instead, the two sides set limits on the amounts of exports that can benefit from preferential tariffs.

These fish products are imported to Korea within the agreed limits through auction involving Korean importers. Successful bidders can import the products without paying tariffs if they import them within a specified period of time. The overall TRQ limit for 2009 has been set at 9,300 tons, within which quota allotment is made among relevant items. Korean tariff rates for shrimps and crabs are shown in Table 85.

Table 85 Tariff Rates for Shrimps and Crabs by Category

(unit : %)

Class.	HS Code	Items	Basic	Adjustment	A-K FTA	K-C FTA	K-E FTA	S-K FTA	WTO	A-P Trade	C/O
Shrimps & Prawns	0306131000	Peeled (frozen)	20	-	0% (up to 5,000 tons a year)	0	6.8	-	-	14	○
	0306139000	Others (frozen)	20	-	0% (up to 5,000 tons a year)	0	0	-	-	-	○
	0306231000	Live, fresh or chilled	20	-	0% (up to 300 tons a year)	0	0	12.7	-	-	○
	0306232000	Dried	20	-	20%	0	12.8	12.7	-	-	○
	0306233000	Salted or in brine	20	42% or 287won/kg	55% or 363won/kg higher amount of the two	0	0	-	-	-	○
Crabs	0306141000	Crab meat (frozen)	20	-	0	0	0	6.7	-	14	○
	0306142000	King crabs (frozen)	20	-	0	0	6.8	6.7	-	14	○
	0306143000	Blue crab (frozen)	20	-	14	0	9	-	14	-	○
	0306149000	Others (frozen)	20	-	14	0	4.8	-	14	-	○
	0306241010	Blue crab (Live, fresh or chilled)	20	-	20	0	12.8	6.7	-	-	○
	0306241020	Snow crab (Live, fresh or chilled)	20	-	20	0	12.8	-	-	-	○
	0306241090	Others (Live, fresh or chilled)	20	-	20	0	0	-	-	-	○
	0306242000	Dried	20	-	20	0	6.8	0	-	-	○
	0306243000	Salted or in brine	20	-	0	0	6.8	6.7	-	-	○

Note) A-KFTA : ASEAN-Korea FTA / K-CFTA : Korea-Chile FTA / Adjustment : Adjustment duties / K-EFTA : Korea-Europe FTA / S-KFTA : Singapore-Korea FTA / WTO : WTO Agreement / Preferential : Poorest countries preferential duty / A-P Trade : Asia Pacific Trade Agreement(Lao PDR) / C/O : Certificate of Origin
Note) Adjustment : higher amount of the two

(2) Internal taxes

Shrimps and crabs are exempt from value added tax as they are classified as unprocessed foods if they meet specifications for crustaceans (The presence of outer layers does not matter. This category applies only to live ones, as well as freshly preserved, chilled, frozen, dried and salted ones, and those preserved in saltwater. Included are chilled, frozen, dried and salted ones as well as those preserved in saltwater after being boiled or steamed in water).

A 10% value added tax is levied on products that do not meet these specifications. Value added tax is levied by applying a 10% tax rate to the taxable amount, which is the aggregate of the market price plus customs duty and all the internal taxes like special consumption tax and liquor tax. Value added tax is calculated in the following manner.

▶ Value added tax = taxable amount × 10%

▶ Taxable amount of VAT = taxable amount of customs duties + customs duties + internal taxes imposed at the time of importation (special consumption tax, transportation tax, liquor tax, special tax for rural development, educational tax)
(The taxable amount of customs duties means the market price, which is the total amount the purchaser has paid or will have to pay the seller for the imported product.)

Value added tax for shrimps and crabs, whose taxable amount of customs duties is 1 million won, can be calculated in accordance with the following formula.

Class.	Calculation formula
	Example: 1 million won
Taxable amount of customs duties	1 million won
Customs duties(0%)	0 won
Import price before VAT	1 million won
Value added tax(10%)	1 million won × 0.1 = 1 hundred thousand won
Final import price	**1.1 million won**

5. Related organizations

Name	Homepage	Contact
Korea Fisheries Economic Times	www.fisheco.com	82-2-813-1124
Korea Fisheries Association	korfish.or.kr	82-2-589-0602
Susaninshinmun	www.isusanin.com	82-2-588-3092
National Fisheries Research & Development Institute	www.nfrdi.re.kr	82-51-720-2114

6. Major Korean exhibitions and importers

(1) Major exhibitions in Korea

Table 86 Major Korean Exhibitions Related to Shrimps and Crabs

Exhibitions Name	Exhibitions Period				Participating Company		Participating Buyers	
	1/4	2/4	3/4	4/4	Korea	Foreign	Korea	Foreign
Gwangju International Food Fair (www.foodshow.kr)			●		135	38	2,576	65
Busan International Seafood & Fisheries EXPO (www.bisfe.com)			●		200	50	6,500	500
Seoul Seafood Show (www.seoulseafood.com)	●				123	27	2,550	55
Food Week (www.foodweek.co.kr)				●	409	20	11,885	168
International Food Industry Exhibition (seoulfood.or.kr)		●			649	383	25,121	1,210

(2) Major Importers List(over one million dollar by import value in 2008)

Company Name	Tel. No	Homepage/E-mail	Import item	
			Shrimp and Prawn	Crab
HWAJIN ENTERPRISES CO.	82-2-406-6622	hwajin92@netsgo.com	○	○
DEOKSU FROZEN CO.	82-33-532-0023	www.charmcrab.com	-	○
LIGER TRADING CORP.	82-2-416-6458, 6459	user.chollian.net/~ligerlg	○	○
SUNHILL FISHRIES CO.	82-2-425-2211/3	www.sunhill.co.kr	○	-
GORDEN TRADING CO.	82-2-407-6483	gorden1@hanafos.com	○	-
SEAMOA	82-2-431-6121	seamoa@gmail.com	○	○
SEA FOOD CO.	82-2-2631-8828/9	dhmarine@gmail.com	○	○
ASEEN CO., LTD.	82-2-544-8820	www.aseen.co.kr	○	-
BAREUN DISTRIBUTION CO.	82-2-579-0484	bareunco@korea.com	○	-
ACHIMBADA CO.	82-2-823-7402	achimbada100@korea.com	○	○
WANGSEONG FISHIERIES CO.	82-31-734-0231	wsfish@hanmail.net	○	-
OCEAN SQUARE INCORPORATED	82-2-419-8121	haejinseafood.com	○	○
OUR HOME LTD.	82-80-234-7575	www.ourhome.co.kr	○	-
SIWON MOOLSAN CO.	82-51-253-3682/4	www.시원물산.kr	○	-
GEOYOUNG CORPORATION CO.	82-51-247-9981	-	-	○
EUNSEONG FISHERIES CO.	82-51-243-7151	silstarfishery@hanmail.net	○	○
ACE FISHERIES CO.	82-51-254-5544	www.acefish.net	○	○
HIGHNET SEAFOOD CORP.	82-51-977-1101	trybc@hanmail.net	○	○
SUPER STAR CO. LTD.	82-51-442-5657	buan5657@kotis.net	○	-
HAE IN TRADING CO.	82-51-208-5792/3	worldhaein@hanmail.net	○	-
HYUN LEE TRADING CO.	82-51-241-8501	hyounleetr@yahoo.co.kr	○	○
BORAM CORPORATION CO.	82-51-262-6084/5	boramkjc@hotmail.com	○	○
PULUN FISHERY CO.	82-51-248-3290	seafood21@kotis.net	-	○
C.K GLOBAL CO.	82-32-441-1680	www.ckseafood.co.kr	○	-
YOOJIN SUSAN CO.	82-2-815-5087	www.yoojinseafood.com	○	○
DEOKSU F&C CO.	82-33-532-9851	www.charmcrab.com	-	○
SAMSUNG EVERLAND	82-31-288-5061	www.welstory.com	-	○
DK FOODS CO.	82-2-546-5520	gosma@dkfoods.co.kr	-	○
TAEHO TRADING CO.	82-31-977-2208	tskiim@hanmail.net	-	○
SEVEN SEAFOOD CO.	82-2-423-0061	yotaek@gmail.com	○	-
MKC FOOD CO.	82-31-338-7600	www.mkcfood.co.kr	○	○
CLEAN OCEAN CO.	82-2-409-0015	cleanocean.co.kr	○	-
C.K.GLOBAL CO.	82-51-266-4418	www.ckseafood.com	○	○
TS CORPORATION	82-2-410-6121	www.ts.co.kr	○	○
NONG-SHIM CO.	82-2-820-7114	www.nongshim.co.kr	○	○

3 Beer and Beverages

1. Market conditions in Korea

(1) Definition of category

In 2006, ASEAN's total exports of commodities under HS Code 2202 and 2203 amounted to $300,742,000 (up 16% from 2005) and $235,036,000 (up 16.4%), respectively. ASEAN exports of the same items to Korea in 2008 reached $1,992,000 (down 27.3% compared with 2007) and $1,175,000 (up 20.1%).

Table 87 Exports of Beer and Beverages

(Unit: $ Thousands)

Class. / HS Code	ASEAN to World (2006)	ASEAN to Korea (2008)	World to Korea (2008)
2202	300,742	1,992	33,191
2203	235,036	1,175	39,373

Source: ITC, Korea International Trade Association

In this report, beer and beverages refer to beer under HS Code 2203 and fruit drinks as defined in HS Code 2202.902000. Classifications of beer and beverages and HS Code are shown in Table 88.

Table 88 Beer and Beverages Commodity Classification

HS Code	Commodity
2203.000000	Beer
2202.902000	Fruit drinks

Source: Korea International Trade Association (KITA)

(2) Market conditions

■ **Beer market trends**

The Korean beer market is estimated to be worth $3 billion, accounting for over 60% of the entire market for alcoholic beverages. Domestically brewed beer accounts for more than 98% of the entire beer market, with imported beer constituting less than 2%. Hite Beer is the leading brand, occupying more than 50% of the market, followed by OB Beer with a 45% market share. These two Korean beer brands account for over 97% of the total market. Still at insignificant levels, imports of foreign beer more than tripled in value terms compared with 2001. Imported brands are sold at somewhat higher prices than their Korean counterparts. Imported brands include Miller (US), San Miguel (Philippines), Tiger

(Singapore), Hoegaarden (Belgium), KGB (New Zealand), Guinness (Germany), Carlsberg (Denmark), Kronenbourg (France), Heineken (Netherlands), Budweiser (US), and Asahi (Japan). Of these, the best-selling brands are Heineken, Hoegaarden, Miller and Budweiser.

Given such developments as the implementation of the five-day workweek system, which has given more leisure time to workers, and the growing number of women in the workforce, the Korean beer market is considered to have good prospects. But, it may face obstacles stemming from the growing popularity of wine and other alcoholic beverages made of fruits, and increases in prices of raw materials such as barley and malt. Future growth of the local beer market is likely to be dependent on whether local beer manufacturers can expeditiously cope with market changes by steadily releasing new brands, including low-calorie beer, for example, that can meet the well-being trend.

Diversification, polarization and health-conscious consumption are the main consumption trends that can be found in the domestic beer market. Hite and OB are still maintaining their predominant market shares, but a variety of foreign brands are being imported. Also, a diversity of locally brewed beers with different tastes has been released. Now, Korean consumer have quite a wide range of choices as far as beer is concerned. In 2000, the number of imported foreign beer brands was just around 20. The market has greatly expanded to the extent that as of 2009, 200 kinds of foreign beer are available in Korea. The home brewers of Hite and OB are also producing various kinds of beer such as beer with 100% barley flavor and low-alcohol beer. Beers that contain fruit components or dietary fibers are gaining popularity, especially among young women who are increasingly concerned about their health.

The local beer market is also witnessing polarized consumption trends. High-priced imported beers such as Hoegaarden (Belgium), Kronenbourg (France) and Tiger (Singapore) are forming a luxury market, along with functional beers that makers say can improve bowel movements or help people on a diet. On the other hand, the economic downturn has prompted a growing number of consumers to look for inexpensive products, thus buying large quantities of beer packs, beer in pet bottles or canned beer at discount stores to consume them over a long period of time.

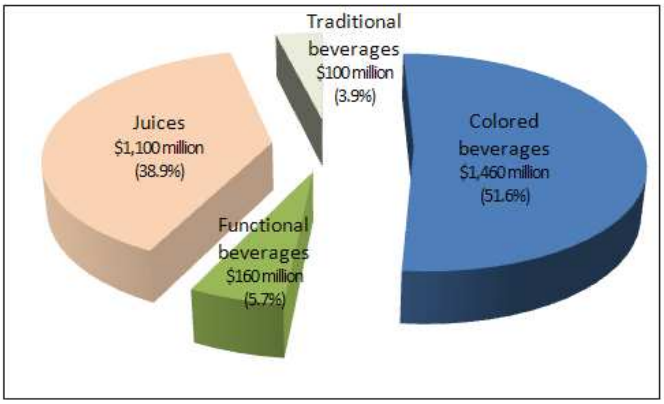
Table 89 Major Beer Producers and Importers in Korea

Company Name	Domestic beers / Imported beers	Homepage	Contact
HITE BREWERY	HITE, MAX	www.thehite.com	82-1588-0150
Oriental Brewery Company	OB, CASS, CAFRI	www.ob.co.kr	82-2-2149-5000
Korea Specialty Beer Company	Becks, Hoegaarden	www.stellaartois.co.kr	82-31-272-0170
Independent Liquor Korea	KGB	www.mykgb.co.kr	82-2-3473-1994
Sanmi Company	San Miguel	www.sanmiguel.com	82-2-553-6861
Heineken Korea	Heineken	www.heineken.co.kr	82-2-558-8553
Diageo Korea	Guinness	www.diageo.co.kr	82-31-630-9500
Lotteasahi	Asahi	www.lotteasahi.co.kr	82-2-523-9542
Soo Seok Trading Company	Tiger	www.jnbscotch.co.kr	82-2-301-2000

■ Beverages market trends

During the 2006-2008 period, the Korean market for beverages grew in size by annual average of 2.5% from $2,770 million to $2,930 million. In terms of retail prices, the market in 2007 was worth $2,830 million. Colored beverages accounted for 51.6% of the market with their sales amount of $1,460 million (which breaks down to $1,200 million for carbonated drinks and $260 million for sports beverages). They were followed by juices, including fruit juices, fruit drinks and vegetable juices, with $1,100 million (38.9%), ginseng drinks and other functional beverages with $160 million (5.7%), and traditional beverages, including sikhye (a sweet drink made from fermented rice), with $110 million (3.9%).

Figure 32 The Size of the Beverages Market by Item



Source : FNBNEWS. 2007

Fruit drinks containing components of such fruits as oranges, apples, strawberries, peaches and tomatoes are rapidly appealing to young consumers, who do not eat as much fruit as older generations. Orange drinks have traditionally been the best-known fruit drinks. Lately, however, apple drinks, grape drinks and tangerine drinks are registering rapid growth, thus contributing to the expansion of the entire market for fruit drinks. These drinks are mostly easy to eat and inexpensive, as they are sold in cans or small-capacity containers. This is related to related manufacturers' strategy targeting unmarried singles and single households. This strategy has turned out to be successful. Fruit drinks have smaller contents of fruit components than fruit juices, but are cheaper, and registering more rapid growth in market expansion. This may be related to recession, during which people tend to buy low-priced products. Another contributing factor may be young people's preference for fruit drinks over fruit juices.

Amid the trend to consume more fruits for health reasons, Noni drink, known for their alleged curing effects regarding high blood pressure and diabetes, is being exported to a number of countries, including the Philippines, China and Tahiti. Meanwhile, growth rates of pineapple, guava and papaya drinks are showing signs of slowing, in sharp contrast with their rapid expansion of market shares in recent years.

Haitai Beverage, Maeil Dairies, Lotte Chilsung, and Namyang Dairy Products are leading companies in the local fruit drinks market. Of foreign companies, Coca-Cola is firmly establishing itself in the Korean beverages market by putting on the market fruit drinks like 'Minutemaid' in addition to its traditional cola products.

With concern about the H1N1 flu spreading throughout society, "yellow foods," or fruits with high vitamin content like bananas and peaches, are attracting attention as food items that can strengthen immunity. Amid these developments, the fruit drinks market is expected to continue its upward trend.

Table 90 Major Fruit Drinks Manufacturers in Korea

Company Name	Product	Homepage	Contact
Lotte-chilsung	Chilsung cider, Mirinda	company.lottechilsung.co.kr	82-80-730-1472
Haitai beverage	Sunny10, Sunkist	www.htb.co.kr	82-2-3219-7114
Namyang dairy	Lemonade	company.namyangi.com	82-2-734-1305
Maeil dairies Co.	Sunup rich	www2.maeil.com	82-2-2127-2114

(3) Distribution system and business practices in Korea

Chart 5 Distribution Channels for Beer in Korea

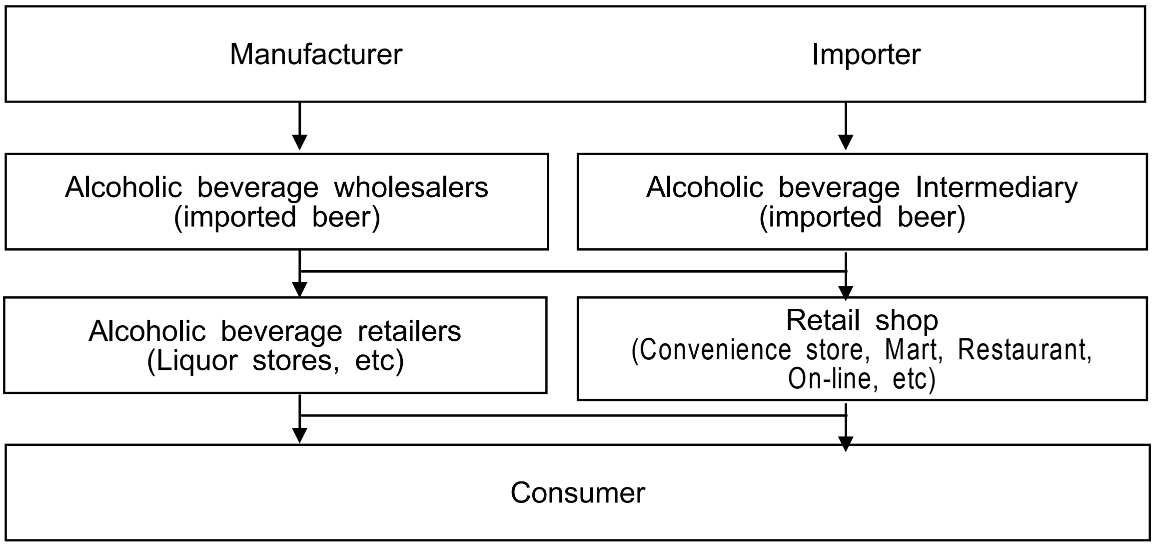
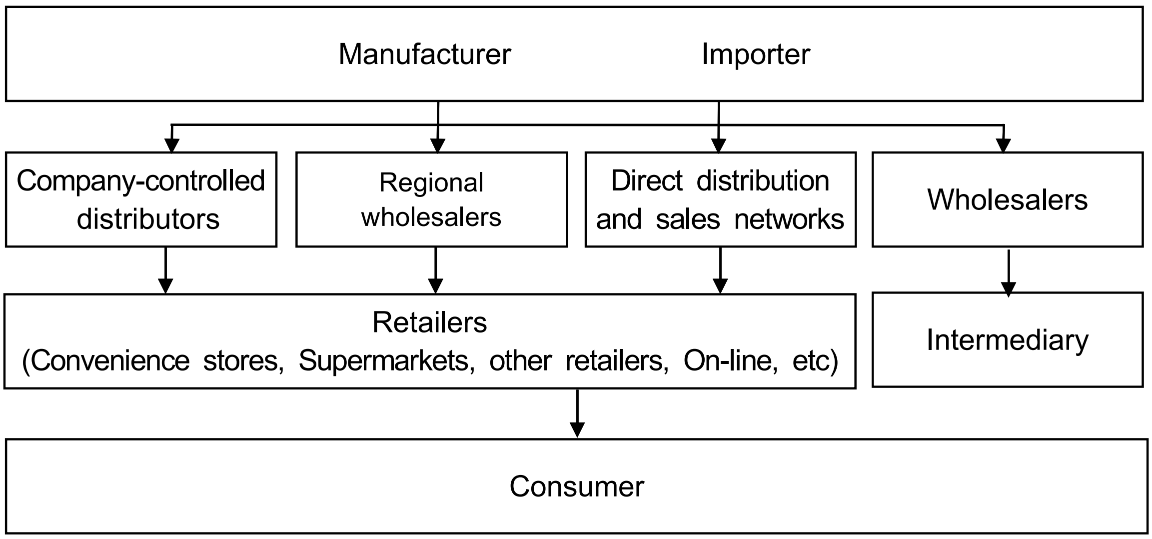


Chart 6 Distribution Channels for Beverages in Korea



The distribution system for beverages in Korea follows the traditional flow from manufacturing companies to consumers through wholesalers and retailers. But, this mechanism has some peculiar features because of the nature of the food industry, in which management and preservation are very important factors. There are two kinds of wholesalers - those under direct control of manufacturing companies and ordinary wholesalers. Regionally produced beverages with regional specialties as ingredients are distributed to retailers through regional wholesalers. Large manufacturing companies provide products to retailers through their distribution and sales networks.

The distribution system for beer has its own characteristics. First of all, alcoholic beverage wholesalers should possess a liquor wholesale trade license, and intermediaries for imported beer are required to have a liquor intermediary license. Wholesalers with these licenses provide beer products to retailers with liquor licenses or common retailers, through whom consumers can but the products.

In the beverages market where consumer loyalty toward specific items or companies is relatively low, management of retailers is as important as PR efforts through advertisements. This is because sales of certain products are, to a considerable extent, dependent on how they are laid out at retail stores. Thus, most beverage manufacturing companies are managing retailers through their own distribution networks. Through these networks, these companies exercise influence on supermarkets, marts or convenience stores to ensure that their products are advantageously laid out on shelves. Sometimes, these companies also put pressure on bars or saloons to serve customers with their products.

Product management and preservation are very important in the beverages industry. Consequently, large marts, convenience stores and supermarkets account for a dominant portion in beverage sales in Korea. But, sales through Internet shopping malls and TV home shopping channels are also growing rapidly. This latest phenomenon may be ascribable to the fact that these online malls and TV shopping channels are employing systems in which they directly contact manufacturers, thus lowering prices and helping to relieve consumer anxiety about food safety.

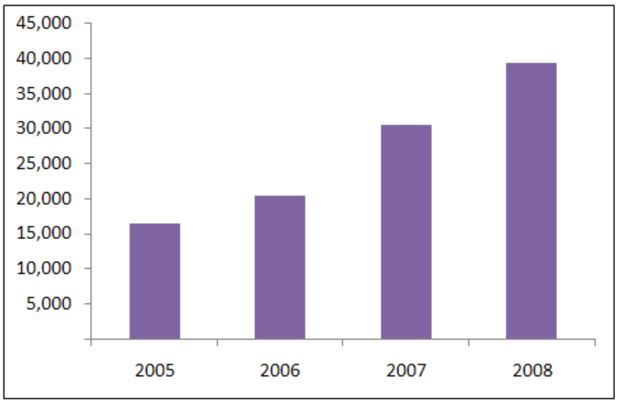
2. Trade trends

(1) Import trends in Korea

Korea's beer import market grew in size from $16.53 million in 2005 to $39.37 million in 2008, recording annual growth of 33.5% on average.

The import market for fruit drinks expanded by an average annual rate of 8.5% from $6.07 million in 2005 to $7.74 million in 2008. However, the import amount registered in 2008 represented a 20.8% contraction from 2007, and was even lower than that of 2006.

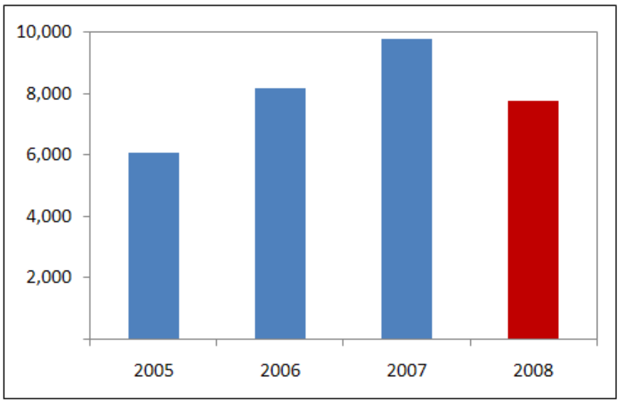
Figure 33 Trends in Beer Imports in Korea



Class.	Value($1,000)				Volume(t)				2008
	2005	2006	2007	2008	2005	2006	2007	2008	AUP ($/kg)
Beer	16,532	20,506	30,579	39,373	22,828	26,912	35,816	43,196	0.9

Source: Korea International Trade Association (KITA)
Note) AUP : Average Unit Price

Figure 34 Korean Imports of Fruit Drinks



Class.	Value($1,000)				Volume(t)				2008
	2005	2006	2007	2008	2005	2006	2007	2008	AUP($/kg)
Fruit drinks	6,070	8,187	9,787	7,749	4,309	5,883	8,383	4,769	1.6

Source: Korea International Trade Association (KITA)
Note) AUP : Average Unit Price

(2) Principal exporters of beer and beverages to Korea

The largest exporter of beer and beverages to Korea is the United States, whose exports in this sector amounted to $11.41 million in 2008, accounting for 24.2% of Korea's total imports. Second placed was the Netherlands, whose exports to Korea amounted to $9.19 million (19.5%). Since it was ranked first in this category with its exports of $6.45 million, or a 28.5% share, in 2004, the United States had remained on top by achieving average annual growth of 15.3%. Exports by the Netherlands, which amounted to $9.19 million, swelled 154.5% a year on average during the period, the highest rate among the top 10 countries. The upward trend is expected to continue for the Netherlands.

ASEAN exports of beer and beverages to Korea decreased by annual average of 19.5% from $3.71 million in 2004 to $1.55 million in 2008. Their share in the Korean import market also went down from 16.4% to 3.3%. This downward trend contrast with the growing trend of the Korean import market, which has registered annual expansion of 20.1%. ASEAN needs to take special steps to promote its exports to Korea.

Of the ASEAN countries, the Philippines exported $1.09 million worth of beer and beverages to Korea in 2008, holding a 2.3% share and being ranked among the top 10. The Philippines has continued to account for more than 70% of the ASEAN exports to Korea in this sector.

Figure 35 Major Countries Exporting Beer and Beverages to Korea

Figure 35-1 Trends in Korean Imports of Beer and Beverages by Year(Total)

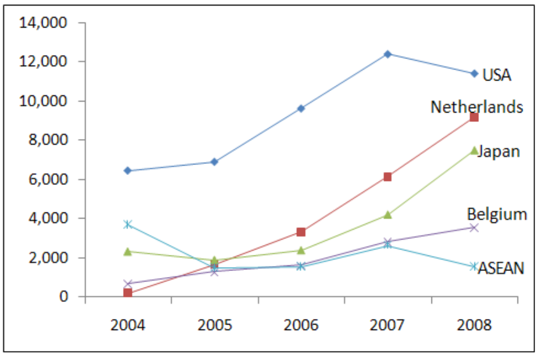
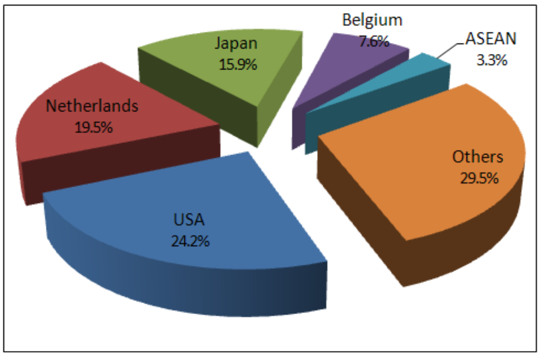


Figure 35-2 Major Exporters' Market Shares in Korea



(Units: $ Thousand, ton, %, $/kg)

Class.		2004	2005	2006	2007		2008				
		Value	Value	Value	Value	Volume	Value	Share	Volume	Share	AUP
1	U.S.A.	6,457	6,903	9,626	12,396	14,091	11,411	24.2	13,727	28.6	0.8
2	Netherlands	219	1,697	3,341	6,140	7,118	9,192	19.5	9,610	20.0	1.0
3	Japan	2,336	1,905	2,400	4,220	3,909	7,504	15.9	6,381	13.3	1.2
4	Belgium	690	1,285	1,628	2,828	2,537	3,563	7.6	3,031	6.3	1.2
5	Mexico	2,069	2,435	2,742	2,859	2,805	3,143	6.7	3,138	6.5	1.0
6	Canada	3,232	3,256	2,808	2,752	1,310	2,604	5.5	1,234	2.6	2.1
7	Germany	1,101	869	1,030	1,612	2,241	2,257	4.8	2,521	5.3	0.9
8	Ireland	460	598	875	1,923	1,534	2,006	4.3	1,857	3.9	1.1
9	China	1,059	857	1,049	960	2,157	1,282	2.7	2,594	5.4	0.5
10	Philippines	1,306	562	1,224	2,166	4,080	1,096	2.3	1,435	3.0	0.8
TOTAL		22,638	22,602	28,692	40,367	44,199	47,123	100	47,965	100	1.0
ASEAN		3,712	1,499	1,548	2,660	4,791	1,559	3.3	2,063	4.3	0.8

Source: Korea International Trade Association (KITA)
Note) AUP : Average Unit Price

(3) Import trends by item

Beer

Ranked top on the list of countries exporting beer to Korea is the Netherlands, which held a 23.3% market share by exporting $9.19 million worth of products to Korea in 2008. The Netherlands was followed by the United States with $7.35 million (18.7%) and Japan with $7.32 million (18.6%). These three countries accounted for 60.6% of the Korean import market for beer products. In particular, beer imports from the Netherlands had grown 154.5% a year on average since they amounted to $210,000 in 2004.

Table 91 Principal Beer Exporters to Korea

(Units: ＄ Thousand, ton, %, ＄/kg)

Class.		2004	2005	2006	2007		2008				
		Value	Value	Value	Value	Volume	Value	Share	Volume	Share	AUP
1	Netherlands	219	1,697	3,341	6,107	7,081	9,192	23.3	9,610	22.2	1.0
2	U.S.A.	3,602	4,389	5,244	7,051	10,315	7,354	18.7	10,806	25.0	0.7
3	Japan	2,143	1,821	2,335	4,086	3,887	7,324	18.6	6,303	14.6	1.2
4	Belgium	521	1,016	1,263	2,581	2,379	3,247	8.2	2,873	6.7	1.1
5	Mexico	2,062	2,435	2,715	2,817	2,767	3,110	7.9	3,115	7.2	1.0
6	Germany	1,068	829	1,017	1,611	2,238	2,202	5.6	2,503	5.8	0.9
7	Ireland	460	598	875	1,923	1,534	2,006	5.1	1,857	4.3	1.1
8	Canada	660	1,234	1,266	1,470	1,115	1,439	3.7	1,056	2.4	1.4
9	China	1,024	776	1,000	938	2,128	1,270	3.2	2,584	6.0	0.5
10	Philippines	254	286	378	663	922	852	2.2	1,081	2.5	0.8
	TOTAL	14,848	16,532	20,506	30,579	35,816	39,373	100	43,196	100	0.9
	ASEAN	2,580	1,146	561	978	1,358	1,175	3.0	1,524	3.5	0.8

Source: Korea International Trade Association (KITA)
Note) AUP: Average Unit Price

ASEAN's beer exports to Korea amounted to $1.17 million in 2008, accounting for 3% of the Korean import market. The philippines, whose beer exports to Korea reached $850,000 in 2008, had a 72.5% share of the total ASEAN exports.

Fruit drinks

The largest exporter of fruit drinks to Korea is the United States, which accounted for 52.4% of the Korean import market with its exports reaching $4.05 million in 2008. Ranked second and third were Canada with $1.16 million (15%) and Spain with $710,000 (9.2%). Since it was ranked first by recording $2.85 million worth of exports and a 36.7% market share in 2004, the United States had continued to remain on top. In contrast, Canada registered an annual growth rate of -18% during the period after it held a 33% market share by exporting $2.57 million worth of products to Korea in 2004. Given these situations, the U.S. dominance is expected to continue.

Among ASEAN countries, the Philippines exported $240,000 worth of products to Korea in 2008, being ranked fifth with a 30.1% market share. The Philippines' exports, however, showed considerable fluctuations every year, declining by annual average of 30.6%. Total ASEAN exports to Korea in this sector amounted to $380,000 in 2008, constituting 5% of Korea's total imports of fruit drinks. ASEAN as a whole also registered significant fluctuations in its exports to Korea. Its total exports of fruit drinks to Korea shrank by 23.7% a year on average. This reduction is mostly due to the dwindling exports of the Philippines. It is necessary for ASEAN to take special measures to increase its exports to Korea, whose import market for fruit drinks is expanding by annual average of 8.5%.

Table 92 Principal Fruit Drinks Exporters to Korea

(Units: $ Thousand, ton, %, $/kg)

Class.		2004	2005	2006	2007		2008				
		Value	Value	Value	Value	Volume	Value	Share	Volume	Share	AUP
1	U.S.A.	2,855	2,514	4,382	5,345	3,776	4,057	52.4	2,921	61.3	1.39
2	Canada	2,572	2,022	1,542	1,282	195	1,165	15.0	178	3.7	6.55
3	Spain	274	324	251	374	180	715	9.2	317	6.6	2.26
4	Belgium	169	269	365	247	158	317	4.1	158	3.3	2.01
5	Philippines	1,052	276	846	1,503	3,158	244	3.1	354	7.4	0.69
6	France	84	3	17	47	19	186	2.4	79	1.6	2.37
7	Japan	193	84	65	134	22	179	2.3	78	1.6	2.30
8	South Africa	30	40	20	4	7	151	1.9	48	1.0	3.15
9	Austria	-	6	12	71	58	119	1.5	139	2.9	0.86
10	Portugal	-	42	179	112	87	93	1.2	65	1.4	1.42
-	China	35	81	49	23	28	12	0.1	10	0.2	1.19
TOTAL		7,789	6,070	8,187	9,787	8,383	7,749	100.0	4,769	100.0	1.62
ASEAN		1,132	353	987	1,682	3,433	384	5.0	539	11.3	0.71

Source: Korea International Trade Association (KITA)
Note) AUP: Average Unit Price

ASEAN beer exports to Korea

ASEAN's beer and beverages exports to Korea totalled $1.55 million in 2008, holding a 3.3% market share. Beer accounted for 75.4% of the exports, and beverages 24.6%. ASEAN needs to take measures to promote exports to Korea, as its beer and beverage exports have been dwindling since 2004. ASEAN members' exports to Korea in this sector have not showed any steady trends, but fluctuated significantly. By country, the Philippines accounted for a very high portion of the total ASEAN exports. In 2008 when ASEAN's total exports held a 3.3% market share in Korea in the beer and beverages sector, the Philippines alone recorded a 2.3% share with its export amount of $1.09 million. Of the other ASEAN members, Singapore and Vietnam exported $130,000 and $120,000 worth of products to Korea, respectively. But, neither country exceeded 0.3% in market share in this sector.

Table 93 Korean Imports of Beer and Beverages from ASEAN by Country

	Class.	Value($1,000)					Volume(t)					AUP ($/kg)
		2004	2005	2006	2007	2008	2004	2005	2006	2007	2008	2008
ASEAN	Beer	2,580	1,146	561	978	1,175	3,678	1,534	816	1,358	1,524	0.8
	Fruit drinks	1,132	353	987	1,682	384	1,324	542	2,134	3,433	539	0.7
	Total	3,712	1,499	1,548	2,660	1,559	5,001	2,077	2,949	4,791	2,063	0.8
	Total imports	22,638	22,602	28,692	40,367	47,123	27,233	27,138	32,794	44,199	47,965	1.0
	Shares	16.4%	6.6%	5.4%	6.6%	3.3%	18.4%	7.7%	9.0%	10.8%	4.3%	

Table 93 Korean Imports of Beer and Beverages from ASEAN by Country

INDONESIA

Class.	Value($1,000)					Volume(t)					AUP ($/kg)
	2004	2005	2006	2007	2008	2004	2005	2006	2007	2008	2008
Beer	20	30	17	9	5	24	36	23	10	5	1.1
Fruit drinks	3	24	25	35	45	4	30	33	44	49	0.9
Total	23	55	42	44	51	28	66	56	53	54	0.9
Total imports	22,638	22,602	28,692	40,367	47,123	27,233	27,138	32,794	44,199	47,965	1.0
Shares	0.1%	0.2%	0.1%	0.1%	0.1%	0.1%	0.2%	0.2%	0.1%	0.1%	

MALAYSIA

Class.	Value($1,000)					Volume(t)					AUP ($/kg)
	2004	2005	2006	2007	2008	2004	2005	2006	2007	2008	2008
Beer	1	-	-	9	21	2	-	-	8	17	1.2
Fruit drinks	23	25	88	32	59	59	50	128	47	78	0.8
Total	24	25	88	42	80	60	50	128	55	95	0.8
Total imports	22,638	22,602	28,692	40,367	47,123	27,233	27,138	32,794	44,199	47,965	1.0
Shares	0.1%	0.1%	0.3%	0.1%	0.2%	0.2%	0.2%	0.4%	0.1%	0.2%	

PHILIPPINES

Class.	Value($1,000)					Volume(t)					AUP ($/kg)
	2004	2005	2006	2007	2008	2004	2005	2006	2007	2008	2008
Beer	254	286	378	663	852	377	410	561	922	1,081	0.8
Fruit drinks	1,052	276	846	1,503	244	1,146	406	1,912	3,158	354	0.7
Total	1,306	562	1,224	2,166	1,096	1,523	816	2,474	4,080	1,435	0/8
Total imports	22,638	22,602	28,692	40,367	47,123	27,233	27,138	32,794	44,199	47,965	1.0
Shares	5.8%	2.5%	4.3%	5.4%	2.3%	5.6%	3.0%	7.5%	9.2%	3.0%	

SINGAPORE

Class.	Value($1,000)					Volume(t)					AUP ($/kg)
	2004	2005	2006	2007	2008	2004	2005	2006	2007	2008	2008
Beer	2,270	787	85	120	134	3,224	1,027	106	172	176	0.8
Fruit drinks	5	-	-	-	-	0.4	-	-	-	-	-
Total	2,275	787	85	120	134	3,224	1,027	106	172	176	0.8
Total imports	22,638	22,602	28,692	40,367	47,123	27,233	27,138	32,794	44,199	47,965	1.0
Shares	10.0%	3.5%	0.3%	0.3%	0.3%	11.8%	3.8%	0.3%	0.4%	0.4%	

Table 93 Korean Imports of Beer and Beverages from ASEAN by Country

	Class.	Value($1,000)					Volume(t)					AUP ($/kg)
		2004	2005	2006	2007	2008	2004	2005	2006	2007	2008	2008
THAILAND	Beer	28	40	27	87	49	32	56	39	118	69	0.7
	Fruit drinks	48	18	21	100	25	112	35	50	169	39	0.6
	Total	76	57	48	187	73	144	91	89	287	108	0.7
	Total imports	22,638	22,602	28,692	40,367	47,123	27,233	27,138	32,794	44,199	47,965	1.0
	Shares	0.3%	0.3%	0.2%	0.5%	0.2%	0.5%	0.3%	0.3%	0.6%	0.2%	

	Class.	Value($1,000)					Volume(t)					AUP ($/kg)
		2004	2005	2006	2007	2008	2004	2005	2006	2007	2008	2008
VIETNAM	Beer	-	3	54	90	111	-	5	87	129	175	0.6
	Fruit drinks	1	9	7	12	11	3	21	10	15	17	0.6
	Total	1	13	61	102	122	3	26	96	144	192	0.6
	Total imports	22,638	22,602	28,692	40,367	47,123	27,233	27,138	32,794	44,199	47,965	1.0
	Shares	0.004%	0.1%	0.2%	0.3%	0.3%	0.01%	0.1%	0.3%	0.3%	0.4%	

Class.	Value($1,000)					Volume(t)					AUP ($/kg)
	2004	2005	2006	2007	2008	2004	2005	2006	2007	2008	2008
Lao PDR	-	-	-	-	2	-	-	-	-	2	1.0
Myanmar	6	-	-	-	-	19	-	-	-	-	-

Source: Korea International Trade Association (KITA)
Note) AUP : Average Unit Price

3. Key considerations related to exporting to Korea

(1) Korea's import procedures

Korea's import procedures for beer and beverages are shown in Chart 7 and Chart 8.

Chart 7 Korea's Import Procedures for Beer(Importers)

Notification Concerning Starting a Food Import and Sales Business
(For importation of food items, one should first notify the Korea Food and Drug Administration of his or her opening a food import and sales business in accordance with Food Sanitation Act)

Obtaining of a License for Liquor Export/Import Business
(In accordance with the Liquor Tax Act, those who intend to import liquor products should obtain a license for liquor export/import business from the head of the tax office in the area where their business is located)

Import Declaration for Food Items
(This declaration should be submitted to the KFDA or the National Quarantine Station)
(According to Food Sanitation Act, information on this declaration should include the country of origin, Korean labeling, manufacturing process schedule, and ingredients table, etc.)

Food Inspection by the Korea Food and Drug Administration
(Document and laboratory inspections are conducted according to Food Sanitation Act)

Import Declaration
(After food inspections, an import declaration should be submitted to customs authorities for clearance)

Chart 8 Korea's Import Procedures for Fruit Drinks(Importers)

Notification of Import and Sales Business for Food Products
(This notification should be made to the Korea Food and Drug Administration according to Food Sanitation Act)

Import Declaration for Food Items
(This declaration should be submitted to the KFDA or the National Quarantine Station)
(According to Food Sanitation Act, information on this declaration should include the country of origin, Korean labeling, manufacturing process schedule, and ingredients table, etc.)

Food Inspection by the Korea Food and Drug Administration
(Document and laboratory inspections are conducted according to Food Sanitation Act)

Import Declaration
(After food inspections, an import declaration should be submitted to customs authorities for clearance)

(2) Korean requirements concerning imports and sales in Korea

Importation of beverages require a few additional measures plus general importation procedures. First of all, those who want to import food items for commercial purposes should notify the regional agency of the Korea Food and Drug Administration of their import and sales business for food products. Importers of beer should possess a liquor import and export license. Beverages should also undergo inspections required of imported food items. It should be checked whether the items have been made of proper materials and additives and whether adequate manufacturing standards have been abided by. It should also be confirmed whether the products are properly labeled according to Korean requirements.

Following are the information that should be marked on labels of imported foods, as announced by the KFDA. The label should be sticked to each smallest distribution unit.

▣ Labeling Standards for Food Items

- Product name (excluding apparatus or container · package)
- Food type (limited to those specifically designated)
- Business name and location
- Date of manufacture (limited to those specifically designated)
- Shelf life (excluding food additives and apparatus or container · package)
- Net content (excluding apparatus or container · package)
- The names (material name for apparatus or container · package) and quantities (limited to the case in which raw materials are used as the whole or part of the product name) of raw materials
- The names and qualities of food components (limited to the case in which food or food components to be labeled are used as the whole or part of the product name)
- Nutrients (limited to those specifically designated)
- Miscellaneous as prescribed in the detailed labeling standards for foods

▣ Suggested new subhead: Required information for listing

- Type of product
- Importer's business type and telephone number
- Country of origin (country name)
- Alcohol percentage and product volume
- Names of ingredients

After completing the notification process regarding their import and sales business for food products, importers should submit an import declaration for food items, along with required documents, to the regional agency of the Korea Food and Drug Administration (including the food inspection agency) or the National Quarantine Station (that has jurisdiction over the area of clearance of imported food). This is followed by inspections for the imported food items. The following documents are necessary for food quarantine inspection.

▣ Documents for food quarantine inspection

- Notification form for importation of foods (Notification form for importation of health functional foods)
- A copy of business registration certificate
- General shipping documents (B/L, C/I, P/L)
- Raw materials mix formula
- Manufacturing process schedule
- For importation of raw materials, the notification form for manufacturing business and the Item Manufacture Report are additionally needed
- Korean labeling and the main label of the product
- Certificate of origin
- Ingredients table
- Chemical composition table
- Revenue stamps (Specified fees)

An import declaration for food (which concurrently serves as a quarantine declaration, KFDA form) prepared on the basis of these documents is submitted for inspections. For items that pass inspections, importers are issued quarantine certificates, with which they present an import declaration to customs authorities for clearance. The initial shipment of food imports is subject to laboratory inspection, which takes about seven to 10 days. Inspection fees are different depending on items.

▣ Inspection fee

- When the initial shipment exceeds 100kg in quantity and passes laboratory inspection, document inspection is applied to next shipments if their amounts exceed 100kg as well (this regulation applies only to the same product of the same company).
- When the quantity of the initially imported food that has passed inspection is less than 100kg, inspection for next shipments will be conducted through document inspection only if they are also less than 100kg.

  Thus, importers are encouraged to import more than 100kg of products in initial shipment if they want to benefit from simplified inspection (exempt from laboratory inspection and random sample inspection).

Exportation of beer and beverages to Korea is subject to application of such laws as 'Food Sanitation Act' and 'Liquor Tax Act.' In addition, tax can be levied on exported goods according to various laws regulating value added tax, customs tariffs and income tax during the procedures of importation and sale. So, exporters are encouraged to have proper understanding of the related laws.

1) Food Sanitation Act

▶ Items subject to inspection
Food and food additives, apparatus, containers and packages

▶ Import Declaration for Food Items (Article 16 of the Food Sanitation Act, Article 11 of the Enforcement Regulations of the Food Sanitation Act)

A person who intends to import food for sale or business shall submit the following documents to the head of the regional agency of the KFDA or the head of the local National Quarantine Station (excluding the quarantine station at Incheon International Airport as well as those in Busan, Incheon, Gunsan and Gimhae) that has jurisdiction over the area of clearance of imported food. A declaration can be presented as early as five days prior to the expected date of arrival of food imports. If major reported events such as the arrival port or the expected arrival date change, it should be reported in documents (including electronic ones) immediately.

- Inspection Results or Inspection Certificate (It applies only when imported foods belong to the category of items subject to laboratory inspection. These documents should be the ones issued by local or foreign inspection agencies approved by the KFDA commissioner.)
- Packing paper that has a Korean label (including packing paper that on the surface has a sticker with a Korean label) or a document that contains a Korean label.
- Identity preserved (IP) handling certificate (a document certifying that imported food has been segregated from Genetically Modified Foods through their seed purchasing, production, storage, delivery and shipping processes) or other documents recognized by the relevant governments to have an equivalent effect. This applies to foods that belong to the category of items subject to GM Food labeling but do not bear GM Food labels. This applies to foods that belong to the category of items subject to GM Food labeling but do not bear GM Food labels.

2) Liquor Tax Act

▶ Importers can import liquors after obtaining the following licenses from the head of the tax office in the area where their business is located (Article 3 of the Liquor Tax Act).

- In case importers want to import finished liquor products for sale: a liquor export/import business license.
- In case importers want to import liquor products as raw materials: a liquor manufacturing license for the products in question.
- In case importers want to serve as an intermediary for liquor imports: a liquor intermediary license.

▶ Those who intend to import liquor products for special purposes or for use in manufacturing food may import liquor products after obtaining certificates proving their intent from the head of the tax office in the area where their business is located (Article 4 of the Liquor Tax Act).

(3) Key considerations for entering the Korean market

When exporting foods to Korea, foreign exporters should make sure that information listed in Korean as required by Food Sanitation Act corresponds with actual ingredients of products to be exported. They should review whether the labeling meets requirements specified in Food Sanitation Act. Deserving special attention is that in the case of alcoholic beverages, including beer, there are additional information to be listed in Korean such as alcohol content on products, compared with other items. It should also be confirmed whether inscriptions on the labeling contain correct information that matches contents of basic documents (ingredients table, manufacturing process schedule, etc.).

(4) Related agencies

Agency Name	Pertinent Department	Business	Homepage	Contact
Korea Customs Service	Clearance Facilitation Bureau	Customs Clearance	www.customs.go.kr	82-42-472-2181
Korea Food & Drug Administration	Food Import Team	Food inspection, Quality certification	www.kfda.go.kr	82-2-380-1733
National Quarantine Station	Quarantine Division	Food quarantine	nqs.cdc.go.kr	82-32-740-2700
National Tax Service	Legal Affairs Division	Issuance of liquor export/Import licenses	www.nts.go.kr	82-2-397-1600

4. Customs duties and taxes

(1) Customs duties

Tariff rates for beer and beverages are shown in Table 94.

Table 94 Tariff Rates for Beer and Beverages by Category

HS Code	Items	Basic	A-K FTA	K-C FTA	K-E FTA	S-K FTA	WTO	C/O
2203.000000	Beer	30%	30%	0%	19.2%	19.1%	30%	○
2202.902000	Fruit drinks	8%	9%	2.3%	5.4%	3%	(out-of-quota rates: 9%)	○

Note 1) A-KFTA : ASEAN-Korea FTA / K-CFTA : Korea-Chile FTA / K-EFTA : Korea-Europe FTA / S-KFTA : Singapore-Korea FTA / WTO : WTO Agreement / Preferential : Poorest countries preferential duty / C/O : Certificate of Origin

Note 2) In general, when FTA tariff rates are higher than basic rates, lower rates (basic rates) should be applied. So, the basic rate of 8% is supposed to be applied to fruit drinks. But, fruit drinks are subject to concession rates for agricultural and dairy products, which are among the WTO rates out-of-quota rates that take precedence over FTA rates. Thus, the 9% rate is applied to fruit drinks.

(2) Internal taxes

A 10% value added tax is levied on beer and beverage items. Value added tax is levied by applying a 10% tax rate to the taxable amount, which is the aggregate of the market price plus customs duty and all the internal taxes like special consumption tax and liquor tax. Value added tax is calculated in the following manner.

▶ Value added tax = taxable amount × 10%
▶ Taxable amount of VAT = taxable amount of customs duties + customs duties + internal taxes imposed at the time of importation (special consumption tax, transportation tax, liquor tax, special tax for rural development, educational tax)
(The taxable amount of customs duties means the market price, which is the total amount the purchaser has paid or will have to pay the seller for the imported product.)

For beer, liquor tax is levied at the basic rate of 72%, with additional imposition of education tax with a 30% rate. Liquor tax is calculated in the following manner.

▶ Liquor tax : taxable amount of liquor tax (taxable amount of customs duties + customs duties) × liquor tax rate

Liquor tax and value added tax for a beer item whose taxable amount of customs duties is 1 million won can be calculated according to the following formula.

Class.	Calculation formula Example: 1 million won
Taxable amount of customs duties	1 million won
Customs duties(30%)	1 million won × 0.3 = 3 hundred thousand won
Taxable amount of liquor tax	1.3 million won
Liquor tax rate (72%)	1.3 million won × 0.72 = 9.3 hundred thousand 6 thousand won
Education tax (30%)	9.3 hundred thousand 6 thousand won × 0.3 = 2.8 hundred thousand 8 hundred won
Import price before VAT	2.51 million 6.8 thousand won
Value added tax	2.51 million 6.8 thousand won × 0.1 = 2.5 hundred thousand 1.68 thousand won
Final import price	**2.76 million 8.48 thousand won**

5. Related organizations

Name	Homepage	Contact
Korea Foods Industry Association	www.kfia.or.kr	82-2-3470-8100
FNBNEWS	www.thinkfood.co.kr	82-2-3273-1114
Korea Food Research Institute	www.kfri.re.kr	82-31-780-9114
Korean Society of Food Science and Technology	www.kosfost.or.kr	82-2-566-9937
Food News	www.foodnews.co.kr	82-2-3477-7114

6. Major Korean exhibitions and importers

(1) Major exhibitions in Korea

Principal Korean exhibitions related to beer and beverages are shown in Table 95.

Table 95 Major Korean Exhibitions Related to Beer and Beverages

Exhibitions Name	Exhibitions Period				Participating Company		Participating Buyers	
	1/4	2/4	3/4	4/4	Korea	Foreign	Korea	Foreign
International Food Industry Exhibition (www.kotra.or.kr)		●			649	383	25,121	1,210
Busan International Food Exhibition (www.bofas.com)		●			120	30	4,080	150
Gwangju International Food Fair (www.foodshow.kr)				●	135	38	2,576	65
Food Week (www.foodweek.co.kr)				●	409	20	11,885	168
Import Goods Fair/household exhibition (www.igf.co.kr)		●			5	127	7,910	186

(2) Major importer list

Company Name	Tel. No.	Homepage / E-mail	Import Item (Beer & Beverage)	
			Fruit	Beer
COSTCO WHOLE SALE	82-2-2630-2722	www.costco.co.kr	○	-
NONG-SHIM CO.	82-2-820-7114	www.nongshim.com	○	-
COMMERCE JAPAN CO.	82-2-401-6132	www.wakodo.co.kr	○	-
E&I TRADE CO.	82-2-2193-6159	www.eitrade.co.kr	○	-
SAN MI CO.	82-2-553-6861	jenifer@sanmi.co.kr	-	○
SOO SEOK TRADING CO.	82-2-301-2000	www.jnbscotch.co.kr	-	○
HAN WOL TRADING CO.	82-31-462-3440	www.hanwolbiz.com	-	○

4 Coffee

1. Market conditions in Korea

(1) Definition of category

As of 2006, ASEAN's total exports of commodities under HS Code 0901 and 2101 stood at $1,991,662,000 (up 232.2% from 2005) and $320,699,000 (down 2.1%), respectively. In 2008, ASEAN exports of the same commodities to Korea amounted to $102,693,000 (up 58.1% from 2007) and $5,092,000 (up 251%).

Table 96 Export of Coffee

(Unit: $ Thousand)

Class. / HS Code	ASEAN to World (2006)	ASEAN to Korea (2008)	World to Korea (2008)
0901	1,991,662	102,693	289,254
2101	320,699	5,092	55,069

Source: ITC, Korea International Trade Association

In this report, coffee refers to raw unroasted beans, roasted beans, other coffee substitutes, and instant coffee as defined in HS Code 0901 and 2101. Other coffee substitutes refer to coffee husks and skins as well as substitutes containing coffee in any proportion. Instant coffee means extracted soluble solids from coffee beans dehydrated into the form of powder or granules. With hot water, this product becomes a drink similar to conventional coffee. The classification criteria of HS Code 0901 and 2101 are shown in Table 97.

Table 97 Coffee Commodities Classification

HS CODE	Commodity
0901.110000·0901.120000	Coffee(raw unroasted beans)
0901.210000·0901.220000	Roasted coffee(roasted beans)
0901.901000·0901.902000	Other coffee substitutes
2101.11-2101.121000	Instant coffee

Source: Korea International Trade Association (KITA)

(2) Market conditions

Korea is the world's 11th largest coffee-consuming country. Coffee beans are not produced in Korea, so the country relies on imports for most of the coffee beans it consumes. About 90% of the imports are raw unroasted beans, which are roasted at roasting houses for various uses, and distributed to manufacturers of instant coffee and various beverages as well as to coffee franchises.

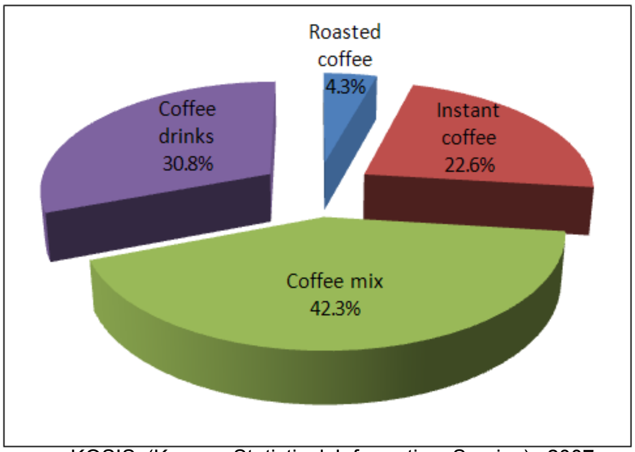
Coffee beans are classified into three kinds - Arabica, Robusta and Liberica. Liberica beans are produced in very small quantities, so they are mostly consumed in domestic markets of the producing countries. The beans imported into Korea are Arabica and Robusta beans. Robusta species are somewhat inferior to Arabica beans in taste and flavor, and have higher caffeine content. But, because of their lower production cost, Robusta beans are sold at less than half the price of Arabica beans. For these reasons, Robusta beans are mainly used for producing commercial coffee, including instant coffee. Arabica species, called the 'aristocrat of coffee,' have excellent flavor and taste, and contains less caffeine than other beans. So, they are used mostly for roasted coffee. But, they are more difficult to cultivate than other species, which means higher cultivation cost compared with others. For these reasons, Arabica beans are sold at much higher prices than others.

With instant coffee occupying a very high portion in its coffee market, Korea imports more Robusta beans than other species. Noteworthy is the fact that most of the Robusta imports are from Vietnam. The world's second largest coffee producing country, Vietnam is ranked first globally in Robusta production. Imports from Vietnam accounts for about 40% of the Korean coffee import market, thus holding the highest market share. Called 'coffee nations,' Colombia and Brazil produce mainly Arabica species. They also produce Robusta beans, but their production cost is higher than that in Vietnam. So, each country's coffee exports to Korea constitute less than half the amount of the Vietnamese exports. Roasted coffee using Arabica beans account for over 90% of coffee markets in Western countries. This share is also over 50% in Japan. These figures show the existence of huge roasted bean coffee markets using Arabica species in advanced countries.

Currently, roasted coffee using Arabica beans account for less than 20% of the Korean coffee market. However, preference for Arabica roasted coffee with relatively small caffeine content is on the rise, which may be ascribable to the well-being trend spreading through the Korean society and an increase in the number of youths who relish the smell and taste of coffee. The market of roasted coffee using Arabica beans is expected to keep growing, which will inevitably lead to increased imports of Arabica species. It takes a lot of endeavors to ensure freshness of Arabica beans. Thus, they are difficult to import and distribute in large quantities, compared with instant coffee. But, related businesses have recently come up with a special vacuum packing method that can help maintain the freshness of coffee beans to the utmost extent. This development and other related efforts are expected to result in increased consumption and imports of Arabica beans.

As of 2007, the Korean coffee market was worth $879 million, in terms of aggregate production of coffee products.

Figure 36 Status of the Korean Coffee Market



Source: KOSIS (Korean Statistical Information Service), 2007

Roasted coffee accounts for the largest portion of coffee markets in such countries as the United States and Japan. In Korea, however, coffee mixes, which may be included in the category of instant coffee, are holding the largest market share. Coffee mix production amounted to $372 million (42.3%), followed by coffee drinks with $271 million (30.8%), instant coffee with $199 million (22.6%), and roasted coffee with $38 million (4.3%).

Offsetting its weakest point of 'being commonplace' in taste with its strongest point of 'being convenient,' the coffee mix has quite successfully secured its position in the coffee market to the extent that its consumption is considered a trend in this busy modern society. The coffee mix market is led by Dongsuh Co. and Nestle, with Dongsuh holding a market share of over 70%. Future success in this market is likely to be dependent on how to satisfy the needs of consumers seeking premium coffee as part of their endeavors to promote their well-being. Even among the coffee mix users, a growing number of people are requesting that the taste of coffee mix products be upgraded to the level of roasted coffee. Considering this change in the attitude of consumers, it would be difficult for coffee mix-producing companies to stay competitive in the market by only trumpeting the convenient aspect of the products. Aware of this, Dongsuh and Nestle are trying to explore premium coffee mix markets by developing new products using 'well-being materials.

In the coffee drinks market, such Korean companies as Lotte Chilsung (Cantata, Let's Be), Dongsuh (Maxim), Maeil Dairies (Cafe Latte) and the foreign company of Nestle(Nescafe) are engaged in competition in the canned coffee sector. In the cup coffee sector, a three-way competition is underway involving Maeil Dairies, Namyang Dairy Products, and Dongsuh. Future success in the coffee drinks market is also expected to be dependent on steady release of premium products with the taste of ground coffee.

In the coffee franchises market, specialized coffee shops directly run by large companies are forming one major portion. They include Starbucks of Shinsegae, Angelinus of Lotte, and A Twosome Place of CJ. There are also such foreign brands as Coffee Bean and Pascucci as well as Korean brands like Hollys and Tomntoms. Foreign brands account for about 60% of the market for specialized coffee shops. Of them, the leader is Starbucks that was operating 298 shops as of July 2009. No longer remaining in the sphere of favorite foods, coffee is firmly taking root as a cultural code. This phenomenon will surely brighten business prospects for coffee specialty shops.

Table 98 Major Coffee Drinks Producers and Coffee Franchises in Korea

Company Name	Product	Homepage	Contact
Lotte Chilsung	Cantata, Let's be	company.lottechilsung.co.kr	82-80-730-1472
Dongsuh Food	Maxim, Maxwell	www.dongsuh.co.kr	82-2-3271-0114
Maeil Dairies	Caffelatte	www.maeil.com	82-2-2127-2114
Namyang Dairy Product Co.	French cafe	company.namyangi.com	82-2-734-1305
Hollys	-	www.hollys.co.kr	82-2-2188-7100
TOMNTOMS	-	www.tomntoms.com	82-2-3412-0781
A Twosome Place	-	www.twosome.co.kr	82-2-6244-7400

The dominant factors in the Korean coffee market have been coffee franchises, coffee vending machines, canned coffee, and coffee mixes. However, change is taking place in this structure. The instant coffee sector is gradually dwindling in terms of its market share, amid the well-being trend sweeping through society. Another contributing factor may be public concern about food safety which kept growing since the outbreak of the melamine-tainted cookies scandal. This compares with roasted coffee, the market share of which is on the rise.

Instant coffee is produced through complicated procedures that take one to three months, and goes through various distribution channels. While undergoing varied production and circulation processes, coffee loses its original freshness. Furthermore, there are increased chances of coffee being contaminated by harmful elements. In contrast, roasted coffee is made by roasting green beans on the sport, making it relatively easy to ensure the freshness as well as the deep and rich taste and flavor of coffee.

In Korea, the sales amount of instant coffee is greater than that of roasted coffee by the ratio of 8 to 2. This ratio is expected to become 5 to 5 eventually. Needless to say, realignment of the market in this fashion would involve fierce competition between the two main sectors representing instant and roasted coffee.

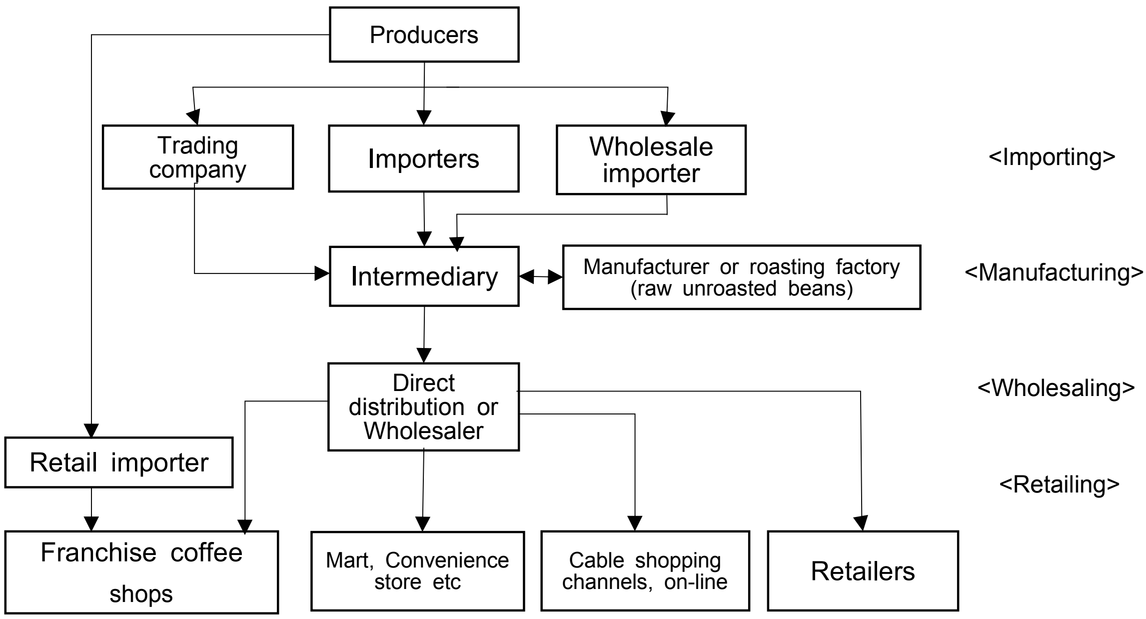
The local coffee market is also witnessing the emergence of polarized consumption patterns. Large-size marts register record growth in sales of 500g or bigger packs of coffee mixes, which may be construed as the display of rational consumption patterns related with recession. This phenomenon compares with rapid expansion of the premium coffee market, amid rising public concern about the effects of caffeine and artificial condiments. A growing number of consumers are opting for coffee products whose fat rates have been reduced drastically through the addition of no-fat milk. Also gaining popularity are decaffeinated roasted coffee, organic coffee that use beans raised without the use of chemical fertilizers, and black coffee that does not contain sugar, cream and saturated fat.

The Korean coffee market has developed while reflecting values pursued by consumers as well as changes in the social environment. With 'convenience' and 'speed' emerging as values pursued by the entire society, particularly following the financial crisis of the late 1990s, coffee mix items have become the chief beneficiary. Against this backdrop, the market for coffee mix products has become enormously great in an unprecedented phenomenon throughout the world. Nowadays, consumers are demanding new added values that can be characterized by such words as 'well-being,' 'health,' and 'premium.' One of the main features of the current coffee market is the consumption trend of thinking highly of the original value of coffee. Future success of coffee businesses will depend on whether they can steadily release new products that can accommodate this trend.

(3) Distribution system and business practices in Korea

Large marts, convenience stores, super markets, and franchised coffee shops account for a very high portion of coffee sales in Korea. However, with the nation suffering from a protracted business slowdown, sales through Internet shopping malls and home TV shopping channels are increasing significantly.

Chart 9 Distribution Channels for Coffee in Korea



The logistics mechanism of coffee in Korea follows the traditional pattern: coffee processed at roasting houses reach consumers through wholesalers and retailers. The distribution process takes one to three months, during which coffee loses some of its freshness. So, related businesses are exerting efforts to reduce this period to the maximum extent.

In coffee sales, management of retail shops is as important as PR activities through advertisements. Large companies generally manage retail shops through distribution networks under their direct control. In the case of beverages, consumer loyalty toward specific items or companies is relatively low, which makes it important to ensure that products are properly laid out at shops so that they can easily attract the attention of customers. This is why the manufacturing companies are maintaining their own circulation networks.

Distribution accounts for a high portion of beverage prices. The distribution process involves various wholesalers and retailers, who are equipped with freezing, cooling and airtight storage facilities. As products go through various stages involving these merchants, prices go up because of accumulated costs such as transportation and packaging expenses as well as intermediary profits.

2. Trade trends

(1) Import trends in Korea

The size of the Korean import market for coffee expanded by 30.7% a year on average from $113.43 million in 2004 to $331.35 million in 2008. Imports of raw unroasted beans totalled $252.05 million, accounting for 76.1% of the total import market, in 2008. They were followed by roasted beans whose imports amounted to $37.05 million or 11.2% of the total, and instant coffee valued at $40.29 million, which was 12.7% of the total. Of these products, roasted beans registered average annual growth of 40.2%, higher than other items, in 2004-2008.

Figure 37 Trends in Coffee Imports in Korea

Figure 37-1 Coffee Imports by Year(Total)

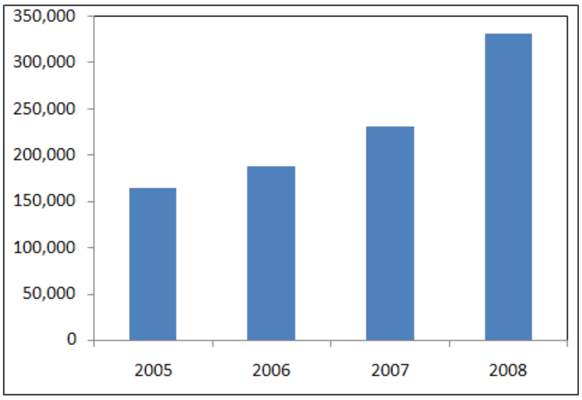
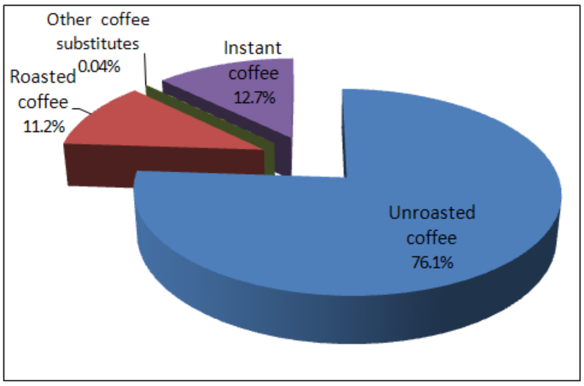


Figure 37-2 Status of Coffee Imports by Item



Class.	Value($1,000)				Volume(t)				2008		
	2005	2006	2007	2008	2005	2006	2007	2008	share(%) value	share(%) volume	AUP ($/kg)
Unroasted	129,084	146,718	177,821	252,052	83,327	84,930	84,542	97,820	76.1	90.2	2.6
Roasted	11,469	16,000	26,058	37,055	1,210	1,613	2,522	3,081	11.2	2.8	12.0
substitutes	51	18	54	148	495	51	281	1,185	0.04	1.1	0.1
Instant	24,329	25,046	26,985	42,098	6,587	5,068	3,544	6,327	12.7	5.8	6.7
Total	164,933	187,782	230,918	331,353	91,618	91,661	90,889	108,414	100	100	3.1

Source: Korea International Trade Association (KITA)
Note 1) Unroasted : Unroasted coffee / Roasted : Roasted coffee / substitutes : Other coffee substitutes / Instant : Instant coffee
2) AUP : Average Unit Price

Raw unroasted beans account for a majority of the coffee imports because of their relative advantage in terms of the unit price as well as Korea's advanced roasting technology.

(2) Principal coffee exporters to Korea

Overview

As of 2008, the largest exporter of coffee to Korea was Vietnam, whose exports amounted to $101.64 million, accounting for 30.7% of Korea's total imports. Vietnam was followed by Brazil with $50.48 million (15.2%) and Colombia with $45.06 million (13.6%). These three countries had a combined market share of 59.5%. The total ASEAN exports to Korea grew 37.6% a year on average from $30.01 million in 2004 to $107.75 million in 2008. The exports recorded in 2008 accounted for 32.5% of the total Korean imports.

Figure 38 Principal Coffee Exporters to Korea

Figure 38-1 Trends in Korean Coffee Imports from Major Exporters(by Year)

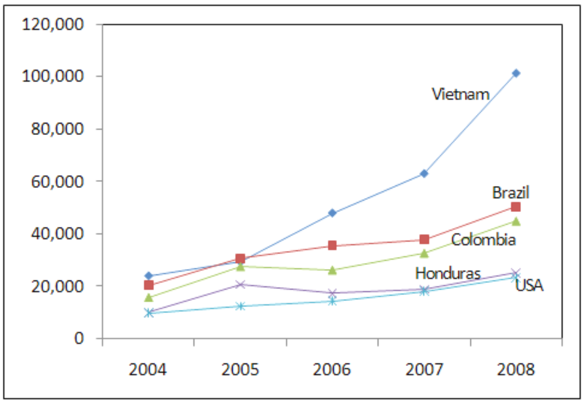
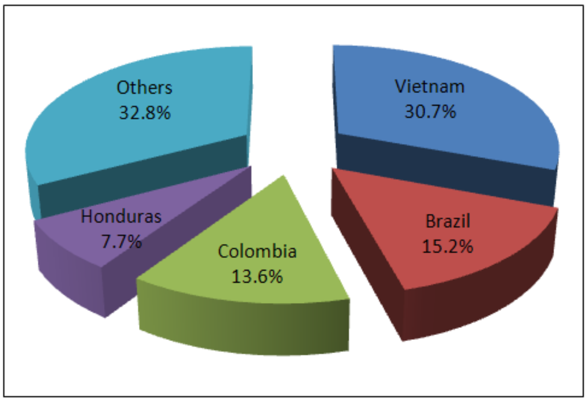


Figure 38-2 Major Exporting Countries' Market Shares in Korea



(Units: $ Thousand, ton, %, $/kg)

Class.		2004	2005	2006	2007		2008				
		Value	Value	Value	Value	Volume	Value	Share	Volume	Share	AUP
1	Vietnam	24,196	29,487	48,209	63,301	39,114	101,648	30.7	47,368	43.7	2.1
2	Brazil	20,524	30,837	35,697	37,928	14,041	50,487	15.2	16,035	14.8	3.1
3	Colombia	15,815	27,598	26,289	32,761	11,893	45,066	13.6	13,719	12.7	3.3
4	Honduras	10,088	20,963	17,411	19,098	7,781	25,412	7.7	8,450	7.8	3.0
5	U.S.A.	9,973	12,585	14,517	18,195	2,070	23,393	7.1	2,461	2.3	9.5
6	Peru	7,035	5,745	11,460	14,411	5,867	22,610	6.8	8,011	7.4	2.8
7	Japan	1,620	2,827	4,843	5,290	651	12,734	3.8	2,167	2.0	5.9
8	Italy	1,736	2,459	3,998	5,909	484	8,507	2.6	628	0.6	13.5
9	Switzerland	279	454	1,007	3,036	164	4,994	1.5	144	0.1	34.7
10	P.N.G.	546	2,801	2,238	981	396	4,868	1.5	1,775	1.6	2.7
18	China	642	1,793	336	1,626	520	1,833	0.6	550	0.5	3.3
Total		113,432	164,933	187,782	230,918	90,889	331,353	100	108,414	100	3.1
ASEAN		30,017	42,645	52,153	66,417	40,345	107,758	32.5	49,827	46.0	2.2

Source: Korea International Trade Association (KITA)
Note) AUP. : Average Unit Price

(3) Import status by item

Coffee(raw unroasted beans)

The largest exporter of unroasted beans to Korea is Vietnam, which exported $100.5 million worth of green beans in 2008, accounting for 39.9% of total Korean imports. Vietnam was followed by Colombia with $42.31 million (16.8%) and Brazil with $40.67 million (16.1%). These three countries accounted for 72.8% of Korea's coffee import market.

Exports by the ASEAN countries amounted to $102.15 million, which constituted 40.5% of the Korean import market for unroasted coffee beans. Vietnam alone accounted for 98.4% of ASEAN's total exports to Korea. Indonesia exported $1.64 million worth of unroasted beans, holding a 0.7% market share.

Table 99 Principal Exporters of Raw Unroasted Beans to Korea

(Units: $ Thousand, ton, %, $/kg)

Class.		2004	2005	2006	2007		2008				
		Value	Value	Value	Value	Volume	Value	Share	Volume	Share	AUP
1	Vietnam	23,982	29,361	48,087	63,144	39,071	100,504	39.9	47,055	48.1	2.1
2	Colombia	15,381	27,319	25,669	31,126	11,670	42,312	16.8	13,377	13.7	3.2
3	Brazil	13,809	23,876	28,448	29,592	12,891	40,675	16.1	14,752	15.1	2.8
4	Honduras	10,088	20,963	17,411	19,098	7,781	25,412	10.1	8,450	8.6	3.0
5	Peru	7,035	5,725	11,460	14,411	5,867	22,610	9.0	8,011	8.2	2.8
6	P.N.G.	546	2,794	2,237	980	396	4,786	1.9	1,766	1.8	2.7
7	Ethiopia	773	1,404	1,197	3,449	1,206	3,554	1.4	1,101	1.1	3.2
8	Spain	1,543	1,338	1,491	1,776	491	1,833	0.7	440	0.4	4.2
9	Indonesia	5,261	9,051	3,151	1,551	739	1,641	0.7	603	0.6	2.7
10	Costa Rica	401	965	664	1,157	376	1,510	0.6	396	0.4	3.8
12	China	619	1,744	24	1,098	415	1,320	0.5	452	0.5	2.9
20	Japan	53	34	672	442	303	64	0.03	9	0.01	7.1
Total		86,347	129,084	146,718	177,821	84,542	252,052	100	97,820	100	2.6
ASEAN		29,243	38,451	51,274	64,766	39,822	102,153	40.5	47,659	48.7	2.1

Source: Korea International Trade Association (KITA)
Note) AUP : Average Unit Price

Roasted coffee (roasted beans)

The United States is Korea's largest source of import for roasted beans. U.S. exports of roasted coffee grew 41.6% annually on average from $4.81 million in 2004 to $19.32 million in 2008, accounting for 52.2% of total Korean imports. Vietnam is the only ASEAN country ranked among the top 10 in this category. But the export amount was insignificant, valued at $180,000, or a 0.5% market share.

Table 100 Principal Exporters of Roasted Beans to Korea

(Units: $ Thousand, ton, %, $/kg)

Class.		2004	2005	2006	2007		2008				
		Value	Value	Value	Value	Volume	Value	Share	Volume	Share	AUP
1	U.S.A.	4,810	6,428	8,795	14,794	1,551	19,327	52.2	1,884	61.1	10.3
2	Italy	1,728	2,443	3,962	5,846	477	8,324	22.5	609	19.8	13.7
3	Switzerland	214	410	597	2,103	150	4,934	13.3	140	4.5	35.2
4	Japan	450	664	993	1,297	154	1,521	4.1	178	5.8	8.5
5	Germany	415	341	498	537	52	627	1.7	58	1.9	10.8
6	Australia	128	255	357	378	34	511	1.4	47	1.5	10.9
7	Canada	193	232	361	266	25	316	0.9	26	0.8	12.2
8	U.K.	64	35	56	122	12	237	0.6	16	0.5	14.8
9	Poland	-	-	-	107	18	195	0.5	19	0.6	10.3
10	Vietnam	5	7	47	12	2	180	0.5	35	1.1	5.1
28	China	5	22	0	1	0.03	1	0.003	0.1	0.003	10.0
Total		9,597	11,469	16,000	26,058	2,522	37,055	100	3,081	100	12.0
ASEAN		58	59	131	156	13	396	1.1	47	1.5	8.4

Source: Korea International Trade Association (KITA)
Note) AUP : Average Unit Price

Instant coffee

In the category of instant coffee, Japan ranked first. In 2008, it exported $11.14 million worth of instant coffee to Korea, holding a 26.5% market share. Brazil followed Japan, with its exports standing at $9.63 million, accounting for 22.9% of total Korean imports. Combined, these two countries accounted for 49.4% of the Korean import market for instant coffee.

Total ASEAN exports of instant coffee to Korea in 2008 reached $5.06 million, or 12% of total Korean imports. Malaysia and Vietnam were ranked among the top 10, with $3.07 million (7.3%) and $940,000 (2.2%), respectively.

Table 101 Major Countries Exporting Instant Coffee to Korea

(Units: $ Thousand, ton, %, $/kg)

Class.		2004	2005	2006	2007		2008				
		Value	Value	Value	Value	Volume	Value	Share	Volume	Share	AUP
1	Japan	1,114	2,127	3,171	3,542	190	11,145	26.5	1,979	31.3	5.6
2	Brazil	5,542	6,744	7,215	8,208	1,142	9,637	22.9	1,262	20.0	7.6
3	U.S.A.	5,052	6,076	5,681	2,996	468	3,828	9.1	562	8.9	6.8
4	Egypt	1,889	1,780	2,090	2,531	506	3,136	7.4	511	8.1	6.1
5	Malaysia	-	52	2	396	46	3,075	7.3	549	8.7	5.6
6	Colombia	418	279	620	1,632	223	2,739	6.5	339	5.4	8.1
7	Germany	632	274	763	988	38	1,043	2.5	40	0.6	26.1
8	India	159	217	1,389	1,735	360	1,026	2.4	166	2.6	6.2
9	France	776	728	815	754	72	1,017	2.4	87	1.4	11.7
10	Vietnam	200	120	71	129	37	945	2.2	234	3.7	4.0
14	China	18	26	312	528	105	511	1.2	98	1.5	5.2
Total		17,359	24,329	25,046	26,985	3,544	42,098	100	6,327	100	6.7
ASEAN		605	4,101	738	1,450	234	5,065	12.0	937	14.8	5.4

Source: Korea International Trade Association (KITA)
Note) AUP : Average Unit Price

(4) Status and characteristics of ASEAN's coffee exports to Korea

ASEAN's coffee exports to Korea amounted to $107.75 million in 2008, constituting 32.52% of total Korean imports. Raw unroasted coffee accounts for 94.8% of ASEAN's coffee exports to Korea.

Vietnam holds an absolutely high portion, while the other countries remain insignificant in the amounts of their coffee exports to Korea. Vietnam exported $101.64 million worth of coffee to Korea in 2008, holding a 30.7% market share. The Vietnamese exports constituted most of the ASEAN exports.

In 2008, other ASEAN countries' coffee exports to Korea were worth $2.07 million for Indonesia, $460,000 for the Philippines, $3.22 million for Malaysia, and $340,000 for Singapore. All combined, exports by these countries accounted for just 1% of total Korean imports. But, Malaysian coffee exports to Korea jumped conspicuously from $52,000 to $3.22 million in 2008.

ASEAN countries' coffee exports to Korea have the following features.

First, Vietnam holds an absolute majority of ASEAN coffee exports to Korea. This is related to the fact that Vietnam is the world's second largest coffee producing country and a principal production site for Robusta beans. Another reason is Vietnam's geographical proximity, which helps to reduce transportation cost and ensure price competitiveness.

Second, raw unroasted beans account for most of the coffee imports from ASEAN. This is because importation of processed beans would lead to higher units prices. Other contributing factors include Korea's advanced roasting technology and intentions to ensure the development of Korea's coffee-related industries.

Roasted and premium coffee imports are small in volume. This is due to small domestic demand, which is restricted to specific items like Italy's Illy and Lavazza. Another reason is price taking precedence over quality in the Korean import market. Given this, it is advisable that ASEAN countries place the utmost priority on price competitiveness in trying to expand coffee exports to Korea.

Table 102 Status of Korean Coffee Imports from ASEAN by Country

	Class.	Value($1,000)					Volume(t)					AUP ($/kg)
		2004	2005	2006	2007	2008	2004	2005	2006	2007	2008	2008
ASEAN	Unroasted	29,243	38,451	51,274	64,766	102,153	43,605	44,405	43,709	39,822	47,659	2.1
	roasted	58	59	131	156	396	7	7	14	13	47	8.4
	Others	112	34	10	44	143	1,610	470	48	276	1,184	0.1
	Instant	605	4,101	738	1,450	5,065	149	2,677	137	234	937	5.4
	Total	30,018	42,645	52,153	66,416	107,757	45,371	47,559	43,908	40,345	49,827	2.2
	Total imports	113,432	164,933	187,782	230,918	331,353	87,870	91,618	91,661	90,889	108,414	3.1
	Shares	26.5%	25.9%	27.8%	28.8%	32.5%	51.6%	51.9%	47.9%	44.4%	46.0%	

	Class.	Value($1,000)					Volume(t)					AUP ($/kg)
		2004	2005	2006	2007	2008	2004	2005	2006	2007	2008	2008
INDONESIA	Unroasted	5,261	9,051	3,151	1,551	1,641	7,816	8,460	2,697	739	603	2.7
	roasted	32	37	35	27	13	3	4	3	4	2	6.5
	Others	-	0.5	2	2	2	-	0.2	0.7	0.9	0.8	2.5
	Instant	207	291	290	297	421	41	44	26	30	52	8.1
	Total	5,500	9,380	3,478	1,877	2,077	7,860	8,508	2,727	774	658	3.2
	Total imports	113,432	164,933	187,782	230,918	331,353	87,870	91,618	91,661	90,889	108,414	3.1
	Shares	4.8%	5.7%	1.9%	0.8%	0.6%	8.9%	9.3%	3.0%	0.9%	0.6%	

	Class.	Value($1,000)					Volume(t)					AUP ($/kg)
		2004	2005	2006	2007	2008	2004	2005	2006	2007	2008	2008
MALAYSIA	Unroasted	-	-	-	24	1	-	-	-	0.6	0.2	5.0
	roasted	-	-	38	55	147	-	-	0.7	1	6	24.5
	Others	-	-	-	-	-	-	-	-	-	-	-
	Instant	-	52	2	396	3,075	-	8	0.3	46	549	5.6
	Total	-	52	40	475	3,223	-	8	1	48	555	5.8
	Total imports	113,432	164,933	187,782	230,918	331,353	87,870	91,618	91,661	90,889	108,414	3.1
	Shares	-	0.03%	0.02%	0.2%	1.0%	-	0.01%	0.001%	0.1%	0.5%	

	Class.	Value($1,000)					Volume(t)					AUP ($/kg)
		2004	2005	2006	2007	2008	2004	2005	2006	2007	2008	2008
PHILIPPINES	Unroasted	-	-	-	0.005	5	-	-	-	0.002	0.1	50.0
	roasted	-	-	2	27	4	-	-	0.3	0.4	0.06	66.7
	Others	104	33	4	26	122	1,516	470	47	272	1,138	0.1
	Instant	-	18	301	521	334	-	4	73	97	51	6.5
	Total	104	51	307	574	465	1,516	474	120	369	1,189	0.4
	Total imports	113,432	164,933	187,782	230,918	331,353	87,870	91,618	91,661	90,889	108,414	3.1
	Shares	0.1%	0.03%	0.2%	0.2%	0.1%	1.7%	0.5%	0.1%	0.4%	1.1%	

	Class.	Value($1,000)					Volume(t)					AUP ($/kg)
		2004	2005	2006	2007	2008	2004	2005	2006	2007	2008	2008
SINGAPORE	Unroasted	-	-	12	12	46	-	-	17	6	4	11.5
	roasted	18	16	9	8	8	2	2	1	1	1	8.0
	Others	-	1	0.01	-	0.02	-	0.2	0.03	-	1	0.02
	Instant	197	3,602	75	105	289	57	2,587	19	24	51	5.7
	Total	215	3,619	96	125	343	59	2,589	37	31	57	6.0
	Total imports	113,432	164,933	187,782	230,918	331,353	87,870	91,618	91,661	90,889	108,414	3.1
	Shares	0.2%	2.2%	0.1%	0.1%	0.1%	0.1%	2.8%	0.04%	0.03%	0.1%	

Table 102 Status of Korean Coffee Imports from ASEAN by Country

	Class.	Value($1,000)					Volume(t)					AUP ($/kg)
		2004	2005	2006	2007	2008	2004	2005	2006	2007	2008	2008
VIETNAM	Unroasted	23,982	29,361	48,087	63,144	100,504	35,789	35,926	40,992	39,071	47,055	2.1
VIETNAM	roasted	5	7	47	12	180	0.7	2	8	2	35	5.1
VIETNAM	Others	8	-	4	16	19	94	-	0.9	4	45	0.4
VIETNAM	Instant	200	120	71	129	946	50	25	18	37	234	4.0
VIETNAM	Total	24,195	29,488	48,209	63,301	101,649	35,934	35,953	41,019	39,114	47,369	2.1
VIETNAM	Total imports	113,432	164,933	187,782	230,918	331,353	87,870	91,618	91,661	90,889	108,414	3.1
VIETNAM	Shares	21.3%	17.9%	25.7%	27.4%	30.7%	40.9%	39.2%	44.8%	43.0%	43.7%	

Class.	Value($1,000)					Volume(t)					AUP ($/kg)
	2004	2005	2006	2007	2008	2004	2005	2006	2007	2008	2008
Lao PDR	-	-	-	22	-	-	-	-	3.5	-	-
Myanmar	2	19	0.4	-	-	1	9	0.2	-	-	-
Thailand	-	40	23	42	0.03	-	19	3	6	0.004	7.5

Source: Korea International Trade Association (KITA)
Note 1) Unroasted : Unroasted coffee / Roasted : Roasted coffee / substitutes : Other coffee substitutes / Instant : Instant coffee
2) AUP : Average Unit Price

3. Key considerations related to exporting to Korea

(1) Korea's import procedures

Korea's import procedures for coffee are shown in Chart 10.

Chart 10 Korea's Import Procedures for Coffee: Importers

Notification Concerning Starting a Food Import and Sales Business
(For importation of food items, one should first notify the Korea Food and Drug Administration of his or her opening a food import and sales business in accordance with Food Sanitation Act)

↓

Import Declaration for Food Items
(This declaration should be submitted to the KFDA or the National Quarantine Station)
(According to Food Sanitation Act, information on this declaration should include the country of origin, Korean labeling, manufacturing process schedule, and ingredients table, etc.)

↓

Food Inspection by the Korea Food and Drug Administration
(In accordance with Food Sanitation Act, laboratory inspection and agrochemical residue inspection are conducted)

↓

Inspection by the National Plant Quarantine Service
(In accordance with the Plant Protection Act, the imported item should undergo inspection conducted by plant quarantine officers after an import declaration is lodged with the National Plant Quarantine Service)

↓

Import Declaration
(After food inspections, an import declaration should be submitted to customs authorities for clearance)

(2) Korean requirements concerning imports and sales in Korea

Importation of coffee require more complicated and rigorous procedures than general items. It needs a few more steps plus ordinary importation procedures. First of all, those who want to import food items for commercial purposes should notify the regional agency of the Korea Food and Drug Administration of their import and sales business for food products. Coffee beans brought into Korea should undergo quarantine inspection conducted by the National Plant Quarantine Service, for which a phytosanitary certificate issued by pertinent authorities of the exporting country should be submitted. So, exporters should send this certificate to the importer in advance. Coffee should undergo inspections required of imported food items. It should be checked whether the items have been made of proper materials and additives and whether adequate manufacturing standards have been abided by. It should also be confirmed whether the products are properly labeled according to Korean requirements.

Following are the information that should be marked on labels of imported foods, as announced by the KFDA. The label should be sticked to each smallest distribution unit.

▣ Labeling Standards for Food Items

- Product name (excluding apparatus or container · package)
- Food type (limited to those specifically designated)
- Business name and location
- Date of manufacture (limited to those specifically designated)
- Shelf life (excluding food additives and apparatus or container · package)
- Net content (excluding apparatus or container · package)
- The names (material name for apparatus or container · package) and quantities (limited to the case in which raw materials are used as the whole or part of the product name) of raw materials
- The names and qualities of food components (limited to the case in which food or food components to be labeled are used as the whole or part of the product name)
- Nutrients (limited to those specifically designated)
- Miscellaneous as prescribed in the detailed labeling standards for foods

▣ Labeling Standards for Coffee

- As for mixed or liquid coffee, coffee content should be marked with the weight percentages of raw materials converted into roasted beans or coffee extract solids per 100gram of the product.
- Products made of raw materials, more than 90% of whose caffeine content has been eliminated, can bear the 'decaffeinated product' mark.
- Proper dilution ratios should be marked on liquid coffee concentrates.
- Products for which favoring agents have been used are required to state the fact by adding such expressions as 'addition of natural favoring agents,' 'use of artificial flavoring agents,' and 'addition of synthetic flavoring agents' in parentheses beside the type of the food.

After completing the notification process regarding their import and sales business for food products, importers should submit an import declaration for food items, along with required documents, to the regional agency of the Korea Food and Drug Administration (including the food inspection agency) or the National Quarantine Station (that has jurisdiction over the area of clearance of imported food). This is followed by inspections for the imported food items. The following documents are necessary for food quarantine inspection.

- Notification form for importation of foods (Notification form for importation of health functional foods)
- A copy of business registration certificate
- General shipping documents (B/L, C/I, P/L)
- Raw materials mix formula
- Manufacturing process schedule
- For importation of raw materials, the notification form for manufacturing business and the Item Manufacture Report are additionally needed
- Korean labeling and the main label of the product
- Certificate of origin
- Ingredients table
- Chemical composition table
- Revenue stamps (Specified fees)

An import declaration for food (which concurrently serves as a quarantine declaration, KFDA form) prepared on the basis of these documents is submitted for inspections. For items that pass inspections, importers are issued quarantine certificates, with which they present an import declaration to customs authorities for clearance. The initial shipment of food imports is subject to laboratory inspection, which takes about seven to 10 days. Inspection fees are different depending on items.

- When the initial shipment exceeds 100kg in quantity and passes laboratory inspection, document inspection is applied to next shipments if their amounts exceed 100kg as well (this regulation applies only to the same product of the same company).
- When the quantity of the initially imported food that has passed inspection is less than 100kg, inspection for next shipments will be conducted through document inspection only if they are also less than 100kg.

Thus, importers are encouraged to import more than 100kg of products in initial shipment if they want to benefit from simplified inspection (exempt from laboratory inspection and random sample inspection).

Exportation of coffee to Korea is subject to application of such laws as 'Food Sanitation Act' and 'Plant Protection Act.' In addition, tax can be levied on exported goods according to various laws regulating value added tax, customs tariffs and income tax during the procedures of importation and sale. So, exporters are encouraged to have proper understanding of the related laws.

1) Food Sanitation Act

▶ Items subject to inspection

Food and food additives, apparatus, containers and packages

▶ Qualifications of importers (Article 13 of the Enforcement Regulations of the Food Sanitation Act)

• Those who intend to import food for sale should notify the commissioner of the Korea Food and Drug Administration of their staring a food import and sales business.

▶ Import Declaration for Food Items (Article 16 of the Food Sanitation Act, Article 11 of the Enforcement Regulations of the Food Sanitation Act)

A person who intends to import food for sale or business shall submit the following documents to the head of the regional agency of the KFDA or the head of the local National Quarantine Station (excluding the quarantine station at Incheon International Airport as well as those in Busan, Incheon, Gunsan and Gimhae) that has jurisdiction over the area of clearance of imported food. A declaration can be presented as early as five days prior to the expected date of arrival of food imports. If major reported events such as the arrival port or the expected arrival date change, it should be reported in documents (including electronic ones) immediately.

Box. Import declaration of food items
• Inspection Results or Inspection Certificate (It applies only when imported foods belong to the category of items subject to laboratory inspection. These documents should be the ones issued by local or foreign inspection agencies approved by the KFDA commissioner.) • Packing paper that has a Korean label (including packing paper that on the surface has a sticker with a Korean label) or a document that contains a Korean label • Identity preserved (IP) handling certificate (a document certifying that imported food has been segregated from Genetically Modified Foods through their seed purchasing, production, storage, delivery and shipping processes) or other documents recognized by the relevant governments to have an equivalent effect. This applies to foods that belong to the category of items subject to GM Food labeling but do not bear GM Food labels.

▶ Inspection for Imported Food (Article 11 of the Enforcement Regulations of the Food Sanitation Act, Appendix 6)

Receiving an import declaration for food items, the head of the regional agency of the KFDA or the head of the National Quarantine Station implements inspection for the items according to the following methods.

- Document Inspection
  - A. Method : Document inspection refers to the inspection process that inspects the propriety of import reports, etc.
  - B. Food subject to this inspection : Food imported for obtaining foreign currencies, and food or food additives imported as "raw materials for the manufacturing of the company's own products," etc.
- Organoleptic Inspection
  - A. Method : Organoleptic Inspection refers to the comprehensive inspection that determines the propriety of the sample based on the image, taste, scent, color, labelling, package, and laboratory inspection records.
  - B. Food subject to this inspection : Agricultural, forestry or fisheries products which are used as raw materials for food and whose standards and specifications have not been specified.
- Laboratory Inspection
  - A. Method : Laboratory inspection refers to inspection conducted using physical, chemical or microbiological methods while also encompassing document inspection and organoleptic inspection.
  - B. Food subject to this inspection : Food being imported for the first time, and food recognized at home and abroad to contain harmful substances that give reasons for concern.
- Random Sample Inspection
  - A. Method : Random sample inspection is carried out according to physical, chemical or microbiological examination methods according to a sample inspection plan drafted by the KFDA commissioner. This inspection is conducted for foods other than those subject to aboratory inspection.
  - B. Food items subject to this inspection : The head of the regional agency of the KFDA can make decisions on which items should undergo random sample inspection to ensure safety of imported food items.

2) Plant Protection Act

▶ Plants subject to quarantine inspection (Article 2, Plant Protection Act)

• Plants A. The seed plant, fern, moss, and mushroom B. Seeds, fruits and processed products of the plants mentioned in A • Containers and packaging, pests

▶ Application for inspection (Article 12, Plant Protection Act, Article 24 of the Enforcement Regulations)

Those who want to lodge an import declaration and apply for inspection should submit the following documents to the head of the National Plant Quarantine Service branch or office that has jurisdiction over the import port or arrival site.

• Import declaration and application for inspection • Plant inspection certificate issued by a government agency of the exporting country (Phytosanitary Certificate) • Import permit (for import-prohibited items) • An agricultural genetic resources certificate (in case import-prohibited items are brought in as agricultural genetic resources) • A statement of plants subject to inspection, whose form is listed as No. 5 in the addendum (in case there are two or more items that should undergo inspection)

(3) Labeling regulations at the time of sale in Korea

Food items exported to Korea should undergo food safety inspection during customs clearance procedures, but there is no mandatory certification mark for them to acquire. In Korea, there are various food-related quality certification marks that can be of help during sale or circulation in markets. One of the best-known mark is the HACCP (Hazard Analysis and Critical Control Point) mark certified jointly by KFDA and the Ministry for Food, Agriculture, Forestry and Fisheries.

The HACCP mark indicates that food items bearing the mark have been hygienically produced in accordance with standards set by KFDA and the ministry. The mark is awarded only to products whose quality has been officially certified by the Korean Standards Association, the ministry and KFDA.

ISO 22000 mark is related to food safety management system (FSMS) that covers the entire process from purchasing of raw materials to consumption with the aim of enhancing the hygienics management mechanism and gaining consumer confidence. Combining the conventional ISO 9001 system and HACCP, this mark is attracting attention in advanced countries, including a number of European nations and the United States. Such domestic food companies as CJ Cheil Jedang, Lotte Chilsung and Maeil Dairies have received the ISO 22000 mark, which is awarded by the Korea Management Association. HACCP and ISO 22000 marks are shown in Figure 39.

Figure 39 Quality Certification Marks for Coffee Products Sold in Korea

(4) Key considerations for entering the Korean market

When exporting foods to Korea, foreign exporters should make sure that information listed in Korean as required by Food Sanitation Act corresponds with actual ingredients of products to be exported. They should review whether the labeling meets requirements specified in Food Sanitation Act. It should also be confirmed whether inscriptions on the label contain correct information that match contents of basic documents (ingredients table, manufacturing process schedule, etc.). The commercial invoice and the packing list should be attached as well. Coffee has a limited shelf life, so delay in export procedures would lead to serious trouble. Particular attention must be paid to this fact.

(5) Regulatory agency contacts

Agency Name	Pertinent Department	Business	Homepage	Contact
Korea Customs Service	Clearance Facilitation Bureau	Customs clearance	www.customs.go.kr	82-42-472-2181
Korea Food & Drug Administration	Food Import Team	Food inspection, Quality certification	www.kfda.go.kr	82-2-380-1733
National Quarantine Station	Quarantine Division	Food quarantine	nqs.cdc.go.kr	82-32-740-2700
National Plant Quarantine Station	Quarantine Planning Division	Plant inspection	www.npqs.go.kr	82-31-420-7688

4. Customs duties and taxes

(1) Customs duties

Tariff rates for coffee items are shown in Figure 153. Items that belong to HS Code <0901.11.0000> (not decaffeinated) and HS Code <0901.12.0000> (decaffeinated coffee) are subject to quota tariffs (P1), but the rate is 0%.

Table 103 Tariff Rates of Coffee by Category

Items	HS Code	Basic	A-K FTA	K-C FTA	K-E FTA	S-K FTA	WTO	Preferential	A-P Trade	C/O
Coffee unroasted	0901110000	2%	0%	0%	0%	0%	54%	0%	1.2%	○
	0901120000	2%	0%	0%	0%	0%	54%	-	1.2%	○
Coffee roasted	0901210000	8%	0%	0%	5.1%	2.7%	29.5%	-	-	○
	0901220000	8%	0%	0%	5.1%	2.7%	29.5%	-	-	○
Instant coffee	2101110000	8%	0%	0%	5.1%	2.7%	40%	-	-	○
	2101119000	8%	0%	0%	5.1%	2.7%	40%	-	-	○
	2101121000	8%	0%	0%	5.1%	2.7%	54%	-	-	○

Note) A-KFTA : ASEAN-Korea FTA / K-CFTA : Korea-Chile FTA / K-EFTA : Korea-Europe FTA / S-KFTA : Singapore-Korea FTA / WTO : WTO Agreement / Preferential : Poorest countries preferential duty / A-PTrade : Asia Pacific Trade Agreement / C/O : Certificate of Origin

(2) Internal taxes

A 10% value added tax is levied on coffee. Value added tax is levied by applying a 10% tax rate to the taxable amount, which is the aggregate of the market price plus customs duty and all the internal taxes like special consumption tax and liquor tax. Value added tax is calculated in the following manner.

▶ Value added tax = taxable amount × 10%

▶ Taxable amount of VAT = taxable amount of customs duties + customs duties + internal taxes imposed at the time of importation (special consumption tax, transportation tax, liquor tax, special tax for rural development, educational tax)

(The taxable amount of customs duties means the market price, which is the total amount the purchaser has paid or will have to pay the seller for the imported product.)

For a coffee product whose taxable amount of customs duties is 1 million won, value added tax can be calculated according to the following formula.

Classification	Calculation formula Example: 1 million won
Taxable amount of customs duties	1 million won
Customs duties(0%)	0 won
Real import price	1 million won
Import price before VAT	1 million won
Value added tax(10%)	1 million won × 0.1 = 100 thousand won
Final import price	**1.1 million won**

5. Related organizations

Name	Homepage	Contact
Korea Food Research Institute	www.kfri.re.kr	82-31-780-9114
Korean Society of Food Science and Technology	www.kosfost.or.kr	82-2-566-9937
Food News	www.foodnews.co.kr	82-2-3477-7114
FNBNEWS	www.thinkfood.co.kr	82-2-3273-1114

6. Major Korean exhibitions and importers

(1) Major exhibitions in Korea

Principal coffee-related exhibitions in Korea are shown in Table 104.

Table 104 Major Korean Exhibitions Related to Coffee

Exhibitions Name	Exhibitions Period				Participating Company		Participating Buyers	
	1/4	2/4	3/4	4/4	Korea	Foreign	Korea	Foreign
International Food Industry Exhibition (www.kotra.or.kr)		●			649	383	25,121	1,210
Busan International Food Exhibition (www.bofas.com)		●			120	30	4,080	150
Gwangju International Food Fair (www.foodshow.kr)				●	135	38	2,576	65
Food Week (www.foodweek.co.kr)				●	409	20	11,885	168
Import Goods Fair/Household Exhibition (www.igf.co.kr)		●			5	127	7,910	186

(2) Major Importer List(over 1 million dollar by import value in 2008)

Company Name	Tel. No	Homepage/E-mail	Import item(coffee)		
			Coffee	Roasted Coffee	Instant Coffee
DONGSUH FOODS CORPORATION	82-32-526-3111～9	www.dongsuh.co.kr	○	○	○
JARDIN CO.	82-2-546-3881	www.jardin.co.kr	○	-	○
JUNHAN F&C CO.	82-2-2279-1631	www.junhan.co.kr	-	○	-
PARIS CROISSANT CO.	82-31-740-5500	www.paris.co.kr	○	○	○
COSTCO WHOLESALE KOREA LTD.	82-2-2630-2722	www.costco.co.kr	-	○	○
DAESANG CORPORATION	82-2-2220-9319	www.daesang.co.kr	○	-	○
LOTTE CHILSUNG BEVERAGE CO.	82-2-2017-5742	www.lottechilsung.co.kr	○	○	○
B.R. KOREA CO.	82-43-877-5031	www.baskinrobbins.co.kr	-	○	○
DAIRANG CO.	82-55-585-0361	www.cafemago.co.kr	-	-	○
NAMYANG DAIRY PRODUCTS CO	82-2-734-1305	www.namyangi.com	-	-	○
DONGSUH COMPANIES INC.	82-2-716-7731	www.dongsuh.com	○	-	○

5 Lighting Fixtures

1. Market conditions in Korea

(1) Definition of category

Total ASEAN exports of HS Code 9405 commodities dealt with in this report amounted to $323,298,000 in 2006, up 10.9% from 2005. ASEAN exports of the same products to Korea reached $3,591,000 in 2008, recording 23% growth compared with the previous year.

Table 105 Lighting Fixtures Exports

(Unit: $ Thousand)

Class. / HS Code	ASEAN to World (2006)	ASEAN to Korea (2008)	World to Korea (2008)
9405	323,298	3,591	224,076

Source: ITC, Korea International Trade Association

In this report, lighting fixtures refer to electric ceiling or wall lighting fittings as well as tabletop lamps out of home and office appliances. Specifically, of the commodities under HS Code 9405, only those under HS Code 9405.10 and 9405.20 are dealt with in this report. The classification criteria for commodities under 9405.10 and 9405.20 are shown in Table 106.

Table 106 Commodity Classification for Lighting Fixtures

HS CODE	Commodity
9405.10.1000-9000	Chandeliers and other electric ceiling or wall lighting fittings
9405.20.1000-9000	Electric table, desk, bedside or floor-standing lamps

Source: Korea International Trade Association (KITA)

(2) Market conditions

The Korean lighting fixtures market is estimated to be worth about $2.1 billion. It is the 27th largest in the world in size, accounting for 2% of the global market. Fluorescent lamps sold in the nation number 130 million a year, and electricity used for lighting accounts for over 30% of the nation's total electricity consumption. And, the current trend shows steady expansion of the lighting fixtures market.

The local market are mostly foreign multinational companies, including the global top three of Osram, Philips and GE, which account for about half of the world's lighting market. Kumho Electric, Feelux, Woree Lighting, and Samjung are among the Korean companies active in the local market, most of which are small- and medium-sized enterprises.

The number of people working for the local lighting industry is estimated to be around 30,000, which constitutes 5% of the population engaged in the electronics industry. The lighting industry encompasses some 7,000 businesses, about half of which are located in Seoul and the adjacent Gyeonggi-do area. In particular, Bucheon in Gyeonggi alone houses 1,700 businesses.

Technology development is urgently needed for the domestic lighting industry which relies on foreign countries, particularly Japan, in the key field of light source. Recently, some large Korean companies are advancing into the industry, aware of its significance. Yet, most of the Korean companies engaged in the industry remain at low levels by international standards in terms of technological development and brand recognition. The government is implementing a policy to foster the lighting industry as a sector that can serve as one of the nation's key growth engines. This move will certainly help accelerate growth of the industry. With big potential for growth, the industry deserves comprehensive assistance from the government under a strategic plan.

Table 107 Major Korean Manufacturers of Lighting Fixtures

Company Name	Product	Homepage	Contact
Kumho electric	Lamps, LED lighting fittings, etc	www.khe.co.kr	82-2-707-4000
Feelux	Lamps, LED lighting fittings, etc	www.feelux.com	82-70-7780-8200
Woree lighting	Lamps, LED lighting fittings, etc	www.wooree.co.kr	82-31-492-1012
Samjung	Electric table, tabletop lamps	www.samjung.com	82-2-357-0210

The latest trend in the Korean lighting industry shows growing preference for energy-efficient and eco-friendly products. With energy conservation emerging as an issue of importance throughout society in the era of high oil prices, power-efficient appliances that can last long while maintaining their light intensity are gaining popularity. Consumers prefer appliances using halogen and fluorescent lamps to incandescent lamps which are generally low in energy efficiency. Of the fluorescent lamps, induction lamps are gaining particularly high popularity among consumers because of their considerably improved energy efficiency. Social awareness on energy conservation is being greatly enhanced, with the government providing tax benefits and other supportive measures to manufacturers of energy-efficient products. Amid these developments, the upward trend of energy-efficient appliances is expected to continue.

Among traditional lighting fixtures of incandescent, fluorescent and halogen lamps, incandescent lamps have the lowest energy-efficiency rate. Thus, they are on a downward trend, and expected to disappear from the market eventually. The government has announced a plan to replace all the existing incandescent lamps with compact fluorescent lamps by 2013, by which circulation of the incandescent lamps will likely be stopped. Various countries around the world are also announcing plans to replace energy-inefficient incandescent lamps with other types of lamps, so the markets for incandescent lamps are expected to shrink rapidly.

The trend for well-being Which is spreading throughout society affecting the lighting market as well, as seen in the latest phenomenon of environment friendly products winning popularity. This phenomenon is conspicuous in the sector of tabletop lamps which normally are located near the user. Leading this sector are stands with antiglare and eyesight protection functions. Also popular among consumers are products free of harmful effects in terms of wavelengths, for example. This phenomenon of functional items gaining popularity is expected to continue for some time to come. Considering such increasing importance of environment friendliness, products containing mercury and lead that can cause air and water contamination will likely face an uphill battle in the lighting market.

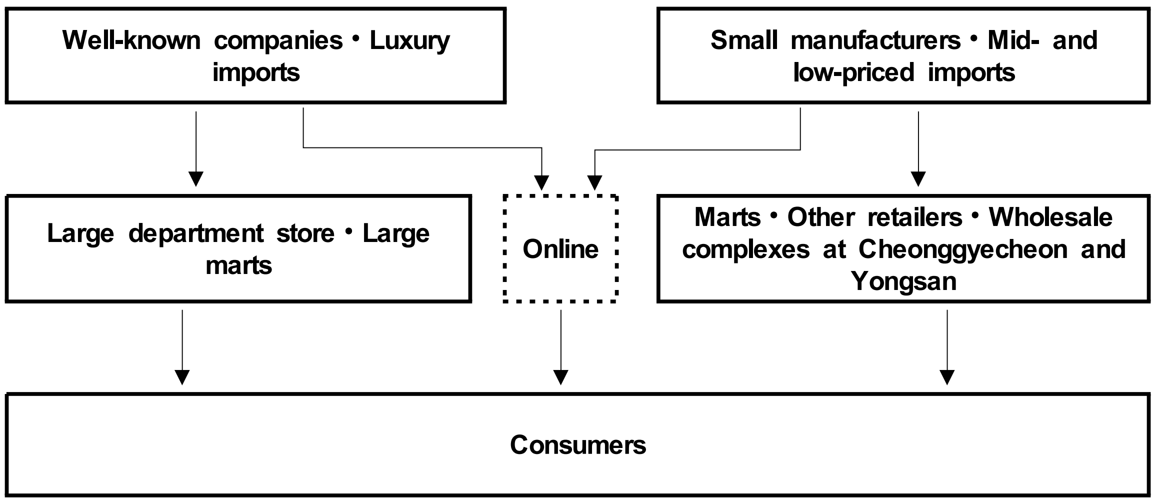
The future Korean lighting market is expected to be realigned through a shift from traditional methods using fluorescent, incandescent and halogen lamps to a new method using LEDs (light-emitting diodes). Long-term predictions are that fluorescent and halogen lamps will follow the example of incandescent lamps, which are rapidly disappearing from the market because of their low energy efficiency. LED lighting fixtures are expected to dominate the lighting market, given their strong points such as low electricity consumption rates, long product life, and eco-friendliness. At present, the size of the global LED lighting fixtures market is estimated at $3 billion, accounting for just 3% of the world's entire lighting market. But, predictions are that the market worth will expand from $20.5 billion in 2012 to $57 billion in 2018. As in the general lighting market, the Big 3 of Philips, Osram and GE are leading the LED lighting market by holding a combined market share of 43%. Currently, high prices of LEDs are the greatest obstacle to growth of the LED lighting market. This problem should be resolved to ensure that LED lighting is firmly established as the mainstream lighting system. The retail price of a top-quality fluorescent lamp is around $5, but the LED lamp price ranges from $90 to $120.

(3) Distribution system and business practices in Korea

Being relatively expensive items, domestically circulated lighting fixtures include a large portion of imported products. Consequently, department stores, large marts and luxury shops account for high percentages of the total sales. In addition, franchise-style large wholesale complexes at such areas as Cheonggyecheon and Yongsan in Seoul are also serving as important sales outlets. These franchise-style wholesalers are providing better warranty and after-sales services than conventional stores, thus being established as one of the major distribution channels for lighting fixtures, dealing in some imported items as well as domestic ones.

Recently, the online market for lighting fixtures comprising Internet shopping malls and home shopping networks is rapidly expanding in size, taking root as a new form of retail transactions. Given the fact that the lighting market is led by imported luxury items, it was difficult for the online sector to increase its market share. Lately, however, sales through online channels are increasing, which may be largely ascribable to improved after-sales services as well as eased restrictions on product exchange or refund. In a related development, the economic slowdown has led to an increase of consumers who buy low-priced Chinese or domestically produced items with just basic functions. This phenomenon, in turn, has contributed to spreading the notion that one does not necessarily have to examine products before purchase. This change of attitude among consumers is expected to help the online sector to continue its upward trend.

Chart 11 Distribution Channels for Lighting Fixtures



2. Trade trends

(1) Import trends in Korea

The size of the Korean import market for lighting fixtures grew by an average of 17.4% a year from $31.87 million in 2005 to $51.55 million in 2008. Imports of electric ceiling or wall lighting fittings amounted to $37.61 million in 2008, accounting for 73% of total imports. tabletop lamps accounted for the remaining 27%.

Imports of the ceiling or wall lighting fixtures have been steadily growing by 21.1% a year since 2005, when their import amount reached $21.19 million. Their market share has also continued to increase from 66.5%. Amid the nation's business slowdown, imports of tabletop lamps in 2008 went down 1.3% from the previous year to $13.98 million. Still, this sector had registered annual growth of 9.3% since 2005, when its imports stood at $10.67 million, accounting for 33.5% of total imports.

Figure 40 Trends in Korean Imports of Lighting Fixtures

Figure 40-1 Import Trend by Year(Total)

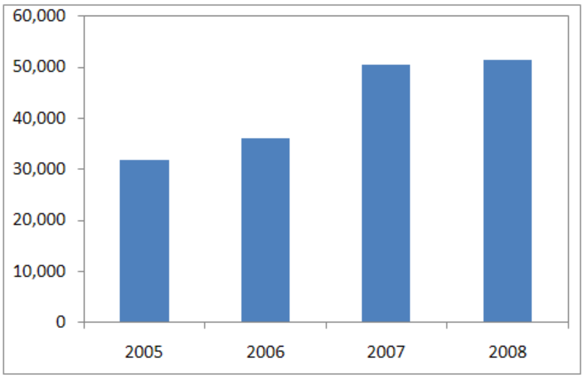
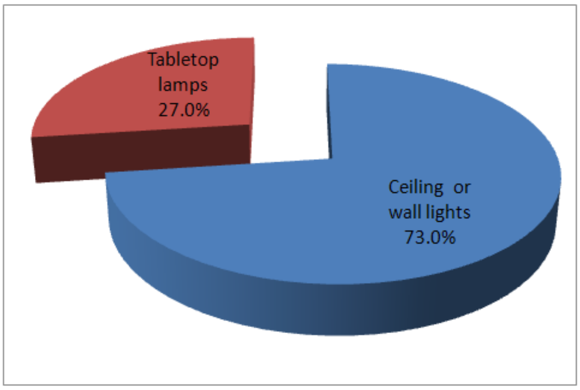


Figure 40-2 Import Status by Category



Class.	Value($1,000)				Volume(t)				2008		
	2005	2006	2007	2008	2005	2006	2007	2008	Share(%) Value	Share(%) Volume	AUP ($/kg)
Ceiling or wall	21,196	22,264	36,457	37,615	2,156	2,575	4,807	4,671	73.0	72.3	8.1
Tabletop	10,677	13,697	14,114	13,936	1,203	1,507	1,740	1,791	27.0	27.7	7.8
TOTAL	31,873	35,961	50,571	51,551	3,359	4,081	6,546	6,462	100	100	8.0

Source: Korea International Trade Association (KITA)
Note 1) Ceiling or wall : Ceiling or wall lights / Tabletop : Tabletop lamps
2) AUP : Average Unit Price

(2) Principal exporters of lighting fixtures to Korea

In 2008, Korea's top import source for lighting fixtures was China, which exported $26 million worth of products to Korea, holding a 50.4% market share. Second ranked was Germany whose volume of exports to Korea in this sector amounted to $12.04 million, or 23.4% of total Korean imports. Since its export volume marked $10.70 (38.5%) in 2004, China had registered annual growth of 24.8% in its lighting fixtures exports to Korea, thus retaining its top rank. Germany had recorded 29.4% growth on average since it exported $4.3 million worth of products (15.5%) to Korea in 2004. It was placed second all through this period. Meantime, Hong Kong had recorded the highest average annual growth rate of 135.2% since its exports to Korea totalled $48,000 in 2004.

Of the ASEAN members, Thailand showed a relatively high annual growth rate of 78.9%, with its exports going up from $47,000 in 2004 to $480,000 in 2008. With its market share also having risen from 0.2% to 0.9%, Thailand was ranked ninth among countries exporting lighting fixtures to Korea. Given this trend, Thailand exports to Korea are expected to keep growing. ASEAN's total exports to Korea had expanded 76.4% a year on average since they reached $52,000, accounting for 0.2% of Korea's total imports, in 2004. The share rose, but still remain below 1%. So, it is advisable that ASEAN take special steps to expand exports to Korea.

Figure 41 Principal Exporters of Lighting Fixtures to Korea

Figure 41-1 Trends in Imports from Major Exporters(by Year)

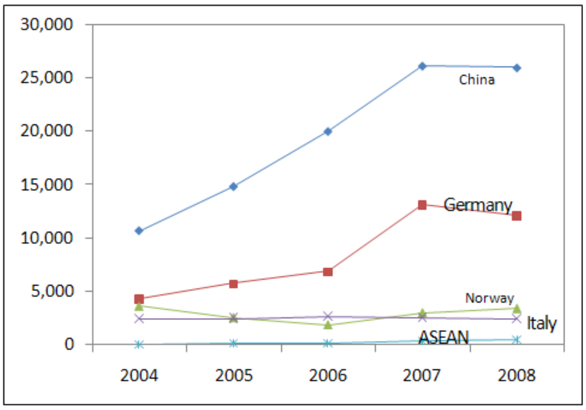
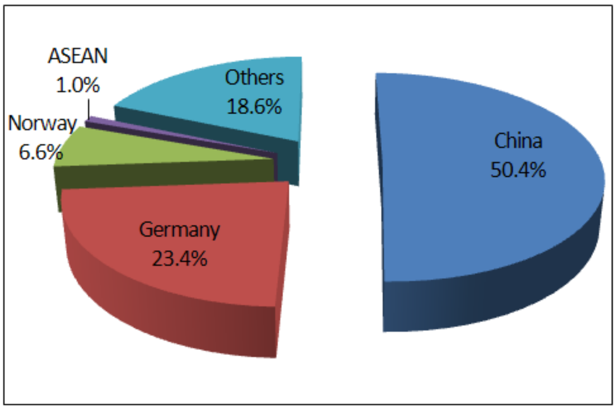


Figure 41-2 Major Exporters' Market Shares in Korea



(Units: $ Thousand, ton, %, $/kg)

Class.		2004	2005	2006	2007		2008				
		Value	Value	Value	Value	Volume	Value	Share	Volume	Share	AUP
1	China	10,706	14,858	20,029	26,169	5,647	26,004	50.4	5,499	85.1	4.7
2	Germany	4,300	5,713	6,847	13,116	395	12,049	23.4	280	4.3	43.0
3	Norway	3,613	2,569	1,899	3,023	89	3,410	6.6	78	1.2	43.7
4	Italy	2,480	2,525	2,677	2,579	49	2,477	4.8	44	0.7	56.3
5	U.S.A	2,880	1,573	2,333	2,074	162	2,473	4.8	74	1.1	33.4
6	Hong Kong	48	51	35	388	70	1,469	2.8	335	5.2	4.4
7	U.K	895	988	574	1,547	37	1,387	2.7	40	0.6	34.7
8	France	412	670	238	128	2	594	1.2	2	0.03	297.0
9	Thailand	47	100	118	112	8	481	0.9	35	0.5	13.7
10	Spain	220	184	216	460	10	369	0.7	9	0.1	41.0
12	Japan	238	119	52	69	2	212	0.4	1	0.02	212.0
TOTAL		27,789	31,873	35,961	50,571	6,546	51,551	100	6,462	100	8.0
ASEAN		52	133	132	374	20	503	1.0	35	0.5	14.4

Source: Korea International Trade Association (KITA)

(3) Import trends by commodity classification

Ceiling or wall lighting fittings

The largest exporter of ceiling or wall lighting fittings to Korea is China, whose exports amounted to $13.8 million in 2008, holding a 36.7% market share. In 2004, China fell behind German and Norway in this sector by recording $1.76 million worth of exports to Korea (10.6%). But, by registering annual growth of 67.4% on average, China has maintained its top status since 2006. China was followed by Germany and Norway, whose exports to Korea in this sector amounted to $11.81 million (31.4%) and $3.41 million (9.1%), respectively. Germany has particularly good prospects as it has shown average annual growth of 31.2% since 2004.

Of the ASEAN countries, Singapore and Thailand are exporting small amounts to Korea, whose shares in the Korean market are less than 1%.

Table 108 Principal Exporters of Ceiling or Wall Lighting Fittings to Korea

(Units: $ Thousand, ton, %, $/kg)

Class.		2004	2005	2006	2007		2008				
		Value	Value	Value	Value	Volume	Value	Share	Volume	Share	AUP
1	China	1,760	5,418	8,102	13,538	4,012	13,808	36.7	3,828	81.9	3.6
2	Germany	3,991	5,647	6,787	13,013	390	11,815	31.4	275	5.9	43.0
3	Norway	3,613	2,569	1,897	2,822	81	3,410	9.1	78	1.7	43.6
4	U.S.A.	2,236	1,305	2,143	2,005	160	2,304	6.1	63	1.3	36.6
5	Italy	1,837	2,074	2,002	2,124	36	1,926	5.1	30	0.6	63.9
6	Hong Kong	43	45	33	297	60	1,469	3.9	335	7.2	4.4
7	U.K.	881	985	184	1,463	37	1,384	3.7	39	0.8	35.0
8	France	412	664	223	126	2	581	1.5	2	0.05	259.5
9	Spain	190	161	197	460	10	362	1.0	8	0.2	42.9
10	Japan	232	118	51	64	1	149	0.4	1	0.01	218.8
TOTAL		16,592	21,196	22,264	36,457	4,807	37,615	100	4,671	100	8.1
ASEAN		8	41	5	271	13	152	0.4	7	0.2	20.4

Source: Korea International Trade Association (KITA)
Note) AUP : Average Unit Price

Tabletop lamps

Top ranked among the countries exporting tabletop lamps to Korea is China, whose exports amounted to $12.19 million in 2008, accounting for 87.5% of total Korean imports. China was followed by Italy, which held a 4% market share with its exports reaching $551,000. China's exports have jumped by an average of 8.1% a year since 2004, when they amounted to $8.94 million, or 79.9% of total Korean imports. Now, China is dominating the Korean market with its share exceeding 80%. Meanwhile, Spain's exports declined 30.5% a year on average from $30,000 in 2004 to $7,000 in 2008. The downward trend is expected to continue.

Of the ASEAN members, Thailand was ranked third among the top 10 countries in 2008 when its exported amounted to $344,000, or 2.5% of total Korean imports. Its exports to Korea soared 67.2% annually on average during the period. Now accounting for over 99% of the total ASEAN exports to Korea in this sector, Thailand is predicted to witness further growth in its exports in the future.

Table 109 Principal Exporters of tabletop lamps to Korea

(Units: $ Thousand, ton, %, $/kg)

Class.		2004	2005	2006	2007		2008				
		Value	Value	Value	Value	Volume	Value	Share	Volume	Share	AUP
1	China	8,946	9,440	11,927	12,631	1,635	12,197	87.5	1,672	93.3	7.3
2	Italy	642	451	675	455	13	551	4.0	14	0.8	39.3
3	Thailand	44	85	114	103	6	344	2.5	28	1.6	12.4
4	Taiwan	525	281	212	346	58	327	2.3	60	3.3	5.5
5	Germany	309	65	59	102	5	234	1.7	5	0.3	45.4
6	U.S.A.	644	269	190	69	3	168	1.2	11	0.6	14.9
7	Japan	6	1	0	6	0.5	63	0.5	0.5	0.03	135.2
8	France	-	7	15	2	0.05	13	0.1	0.2	0.01	62.8
9	Israel	-	-	-	-	-	11	0.1	0.1	0.01	108.9
10	Spain	30	23	19	0	0.01	7	0.1	0.4	0.02	18.4
TOTAL		11,197	10,677	13,697	14,114	1,740	13,936	100	1,791	100	7.8
ASEAN		44	92	126	103	6	350	2.5	28	1.6	12.6

Source: Korea International Trade Association (KITA)
Note) AUP : Average Unit Price

(4) Status and characteristics of ASEAN lighting fixtures exports to Korea

ASEAN's lighting fixtures exports to Korea totalled $502,000 in 2008, holding a 1% market share. Of the ASEAN exports, 30% were ceiling or wall lighting fittings, while the remaining 70% were tabletop lamps. Exports of ceiling or wall lighting fittings showed significant fluctuations, while the desk lamp exports steadily increased by annual average of 67.9%. The overall ASEAN exports also registered steady growth of 76.3%.

Thailand holds an absolutely high portion in the ASEAN exports. In 2008, Thai exports accounted for over 90% of the total ASEAN exports, which held a 0.9% share in the Korean import market. Thailand registered annual growth of 78.9% in its exports to Korea, with its exports increasing in both sectors of ceiling or wall lighting fittings and tabletop lamps in 2008. Other ASEAN countries' exports were very insignificant in size, thus prompting calls for ASEAN to diversify the scope of exporting countries in the lighting fixtures market.

ASEAN has the following characteristics in its exports of lighting apparatuses to Korea.

Korea has particularly high demand for tabletop lamps among the lighting fixtures. But, ASEAN countries are producing a very limited range of tabletop lamps, and their technology level is relatively low. Given the price competitiveness of Thailand and Vietnam, however, ASEAN as a whole has potential for growth in its exports to Korea, only if its products are diversified.

Table 110 Trends in Korean Imports of Lighting Fixtures from ASEAN Countries

	Class.	Value($1,000)					Volume(t)					AUP ($/kg)
		2004	2005	2006	2007	2008	2004	2005	2006	2007	2008	2008
ASEAN	Ceiling or wall	8	41	5	271	152	0.2	2	0.6	13	7	20.4
	Tabletop	44	92	126	103	350	3	5	7	6	28	12.6
	Total	52	133	131	374	502	3	7	8	20	35	14.2
	Total imports	27,789	31,873	35,961	50,571	51,551	2,178	3,359	4,081	6,546	6,462	8.0
	Shares	0.2%	0.4%	0.4%	0.7%	1.0%	0.1%	0.2%	0.2%	0.3%	0.5%	

	Class.	Value($1,000)					Volume(t)					AUP ($/kg)
		2004	2005	2006	2007	2008	2004	2005	2006	2007	2008	2008
SINGAPORE	Ceiling or wall	0.5	22	0.7	223	15	0.002	0.56	0.003	10	0.1	146.2
	Tabletop	-	6	8	-	6	-	0.26	0.021	-	0.03	253.3
	Total	0.5	27	9	223	21	0.002	0.8	0.02	10	0.1	167.5
	Total imports	27,789	31,873	35,961	50,571	51,551	2,178	3,359	4,081	6,546	6,462	8.0
	Shares	0.002%	0.09%	0.02%	0.44%	0.04%	0.0001%	0.025%	0.0006%	0.15%	0.002%	

Table 110 Trends in Korean Imports of Lighting Fixtures from ASEAN Countries

	Class.	Value($1,000)					Volume(t)					AUP ($/kg)
		2004	2005	2006	2007	2008	2004	2005	2006	2007	2008	2008
THAILAND	Ceiling or wall	3	15	4	9	137	0.1	1	0.3	1.4	7.1	19.2
	Tabletop	44	85	114	103	344	3	5	7	6	28	12.4
	Total	47	100	118	112	481	3	5	8	8	35	13.8
	Total imports	27,789	31,873	35,961	50,571	51,551	2,178	3,359	4,081	6,546	6,462	8.0
	Shares	0.2%	0.3%	0.3%	0.2%	0.9%	0.1%	0.2%	0.2%	0.1%	0.5%	

Class.	Value($1,000)					Volume(t)					AUP ($/kg)
	2004	2005	2006	2007	2008	2004	2005	2006	2007	2008	2008
Indonesia	0.1	0.7	1.0	-	0.8	0.02	0.06	0.03	-	0.2	4.0
Malaysia	-	2	-	38	-	-	0.002	-	2	-	-
Philippines	4	-	1	0.8	-	0.1	-	0.3	0.1	-	-
Vietnam	-	3	3	-	0.1	-	0.3	0.1	-	0.02	5.6

Source: Korea International Trade Association (KITA)
Note 1) Ceiling or wall : Ceiling or wall lights / Tabletop : Tabletop lamps / 2) AUP : Average Unit Price

3. Key considerations related to exporting to Korea

(1) Korean import procedures

Korea's import procedures regarding lighting fixtures are shown in Chart 12.

Chart 12 Procedures for Importing Lighting Fixtures: Foreign Manufacturers

Application for Safety Certification
(Anyone who intends to export lighting fixtures manufactured abroad to Korea must file application for safety certification with safety certification agencies in accordance with the Electrical Appliances Safety Control Act) (Application can be made through an agent in Korea)

↓

Product Test + Factory Inspection
(Safety certification agencies conduct a product test and overseas factory inspection)
(Safety certification agencies: Korean Agency for Technology and Standards, Korea Electric Testing Institute, EMC Research Institute, Korea Testing Laboratory, etc.)

↓

Issuance of Safety Certificate
(Product certificates are issued when products concerned pass safety certification tests)

↓

Exporting to Korea Possible After Obtaining K Electric Safety Certification Mark
(To retain safety certification, one must successfully undergo regular screening procedures every year)

(2) Requirements concerning exporting products to Korea

Exports of lighting fixtures to Korea are subject to the application of the 'Electrical Appliances Safety Control Act.' Importation and customs clearance of lighting fixtures require product safety certification by safety certification agencies. Foreign manufacturers can submit the application through a legal representative whose residency is in Korea.

Application for safety certification is followed by a product test and factory inspection. Products that pass both tests are issued safety certificates, which should be followed by the process for obtaining K Electric Safety Certification Mark. After completing these procedures, the exporter can export products to Korea. Even after gaining the K Electric Safety Certification mark, products concerned should pass regular safety inspection every year in order for their exportation to Korea to continue.

1) Electrical Appliances Safety Control Act

▶ Of electrical appliances used within AC voltage between 50V and 1,000V, the following items with lamp wattage of 150w or less can be imported after obtaining safety certification by safety certification bodies.

• fluorescent lamps, incandescent lamps, halogen lamp appliances, self ballasted lamps, electrical stands, etc.

▶ Safety Certification Agencies: Korean Agency for Technology and Standards, Korea Testing Laboratory, Korea Electric Testing Institute, Korea Electrical Products Safety Association, EMC Research Institute, and other agencies designated by the Knowledge Economy Minister.

▶ Matters to Be Confirmed by the Head of the Customs Office.

• Items : Items subject to the application of the Electrical Appliances Safety Control Act • Requirements : Safety Certificate issued by the head of the safety certification agency

▶ Safety Certification for Electrical Appliances (Articles 2 and 3 of the Electrical Appliances Safety Control Act)

• Safety certification means the act of certifying the safety of electrical appliances manufactured for the purpose of selling or lending through 'product test' that tests the appliances and 'factory inspection' that evaluates related manufacturing facilities, testing facilities, technological capacity and the manufacturing system. • Any person who intends to import electrical appliances subject to safety certification should obtain certification for each model of the appliances from safety certification agencies in accordance with the relevant ordinance of the Knowledge Economy Ministry.

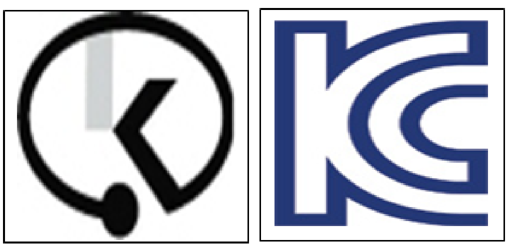
▶ Applying for Safety Certification (Articles 4 and 5 of the Enforcement Regulations of the Electrical Appliances Safety Control Act)

- Any person who intends to obtain safety certification for an appliance that is subject to safety certification is required to submit an application for electrical appliance safety certification to a safety certification body before distribution or before passage through customs. The following documents should be attached to the application. In this case, a foreign electrical appliances manufacturer may assign an agent resident in Korea and apply through the agent.
    - A. Product description (including user's manual)
    - B. Circuit diagram
    - C. List of critical components
    - D. Letter of authorization (in case of application by agent)
- When applying for safety certification, the applicant should submit the following samples. In this case, the number of samples shall be 1, but the number shall be 2 if electromagnetic waves interference test is required for the safety certification test.
    - A. The electrical appliance concerned
    - B. Part(s) of the appliance that do not have safety certification mark
    - C. Other part(s) that were designated as needed for safety certification by the head of the Korean Agency for Technology and Standards
- Application Processing Period : Within 45 days

(3) Labeling regulations

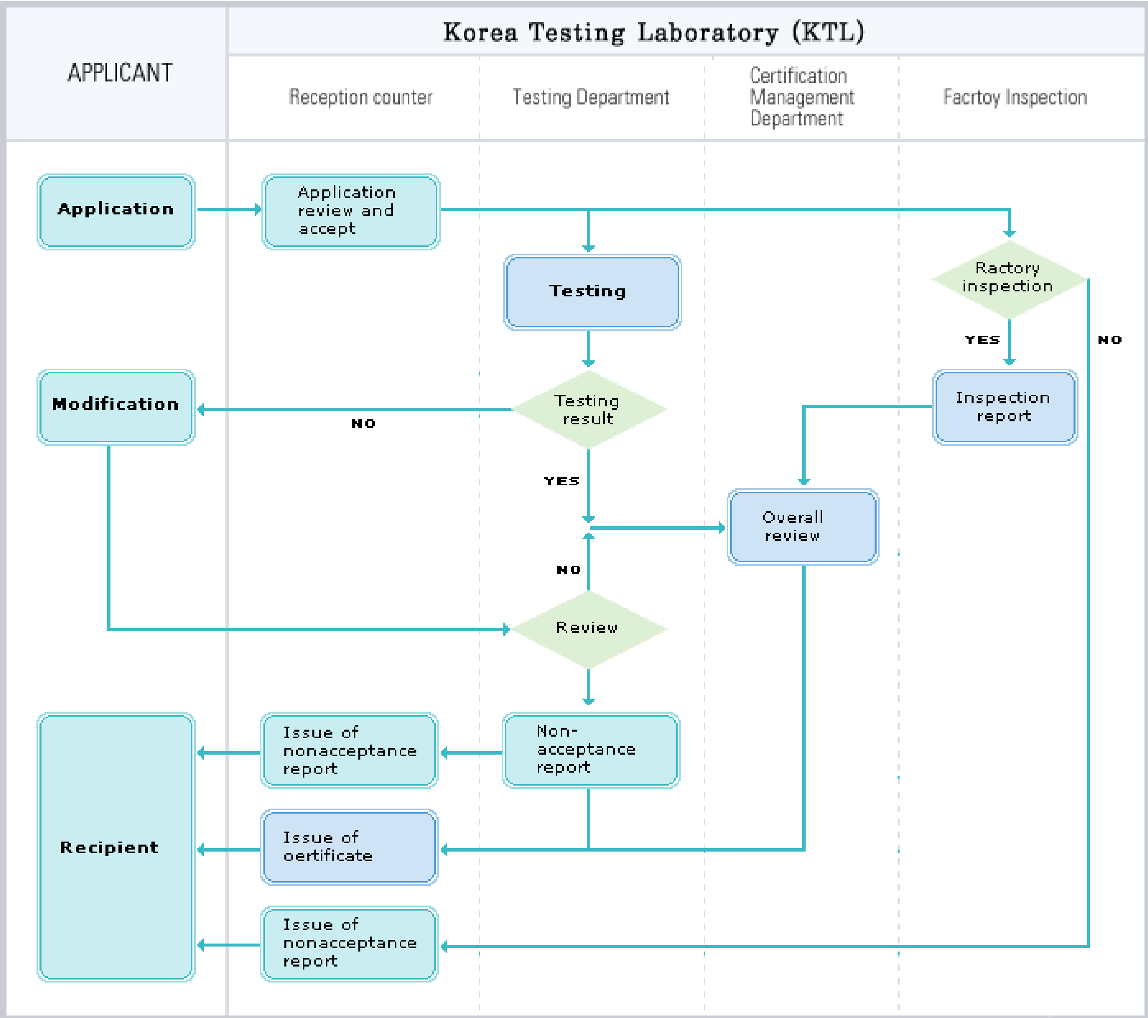
Currently, there are various quality certification marks related to lighting fixtures, but the most significant one is the K Mark, a legal mandatory safety certification mark. Recognized by the Ministry of Knowledge Economy, the K Mark is required on electrical appliances in accordance with the Electrical Appliances Safety Control Act. Manufacturers (including foreign manufacturers) of lighting fixtures can import, sell and distribute products only after gaining safety certification from designated certification agencies, including the Korea Testing Laboratory. The K mark will be integrated into the Korea Certification (KC) Mark, which is scheduled to be introduced to unify the current 13 mandatory marks legally required for industrial products. The K Mark and the KC Mark are shown in Figure 42.

Figure 42 Quality Certification Marks for Lighting Fixtures Sold in Korea: (Legal Mandatory Certification Marks)



Procedures for obtaining the K Mark (or the KC Mark) are shown in Chart 13.

Chart 13 Safety Certification Process for Lighting Fixtures



source: Korea Testing Laboratory

(4) Key considerations for entering the Korean market

When exporting lighting fixtures to Korea, safety certification should be obtained for every different model of the products. Products that have obtained safety certification during the first shipment do not have to gain it again.

(5) Regulatory agency contacts

Agency Name	Pertinent Department	Business	Homepage	Contact
Korea Customs Service	Clearance Facilitation Bureau	Customs clearance	www.customs.go.kr	82-42-472-2181
Korean Agency for Technology and Standards	Product Safety Division	Safety certification	www.kats.go.kr	82-2-509-7411~3
The EMC Research Institute	Certification Business Div.	Safety certification	www.eri.re.kr	82-31-679-9594

4. Customs duties and taxes

(1) Customs duties

Korean duty rates for lighting fixtures are shown in Table 111.

Table 111 Duty Rates for Lighting Fixtures

Class.	HS Code	Items	Basic	A-K FTA	K-C FTA	K-E FTA	S-K FTA	WTO	Preferential	C/O
Ceiling or wall lights	9405101000	Of filament	8%	0%	0%	0%	2.7%	13%	0%	○
	9405102000	Of fluorescent	8%	0%	0%	0%	2.7%	13%	0%	○
	9405109000	Other	8%	0%	0%	0%	2.7%	13%	0%	○
Tabletop lamps	9405201000	Of filament	8%	0%	0%	0%	2.7%	13%	0%	○
	9405202000	Of fluorescent	8%	0%	0%	0%	2.7%	13%	0%	○
	9405209000	Other	8%	0%	0%	0%	2.7%	13%	0%	○

Note) A-KFTA : ASEAN-Korea FTA / K-CFTA : Korea-Chile FTA / K-EFTA : Korea-Europe FTA /
K-SFTA : Singapore-Korea FTA / WTO : WTO Agreement / Preferential : Poorest countries preferential duty /
C/O : Certificate of Origin

(2) Internal taxes

A 10% value added tax is levied on lighting fixtures items. Value added tax is levied by applying a 10% tax rate to the taxable amount, which is the aggregate of the market price plus customs duty and all the internal taxes like special consumption tax and liquor tax. Value added tax is calculated in the following manner.

▶ Value added tax = taxable amount of VAT × 10%
▶ Taxable amount of VAT = taxable amount of customs duties + customs duties + internal taxes imposed at the time of importation (special consumption tax, transportation tax, liquor tax, special tax for rural development, education tax)
(The taxable amount of customs duties means the market price, which is the total amount the purchaser has paid or will have to pay the seller for the imported product.)

For lighting fixtures, whose taxable amount of customs duties exceeds 8 million won per set or 5 million won per unit, special consumption tax is levied at the basic rate of 20%. In addition, special tax for rural development with the rate of 10% and education tax with 30% rate are imposed. Taxable amount of special consumption tax and special consumption tax are calculated in the following manner.

▶ Taxable amount of special consumption tax = taxable amount of customs duties + customs duties
▶ In case of items with predetermined base price :
Taxable amount of special consumption tax = (taxable amount of customs duties + customs duties) - base price
▶ Special consumption tax = taxable amount of special consumption tax (quantity) × special consumption tax rate

Special consumption tax and value added tax for lighting fixtures, whose taxable amount of customs duties is 10 million won per unit, can be calculated in accordance with the following form.

Classification	Calculation formula	
	Under 5 million won (example: 5 million won)	Over 5 million won (example: 10 million won)
Taxable amount of customs duties	5 million won	10 million won
Customs duties(0%)	5 million won × 0 = 0 won	10 million won × 0 = 0 won
Taxable amount of special consumption tax	(5 million won + 0 won) - 5 million won = 0 won	(10 million won + 0 won) - 5 million won= 5 million won
Special consumption tax(20%)	0 won	5 million won × 0.2 = 1 million won
Educational tax(30%)	0 won	1 million won × 0.3= 300,000 won
Special tax for rural development (10%)	0 won	1 million won × 0.1 = 100,000 won
Real import price	5 million won	11.4 million won
Value added tax	5 million won × 0.1 = 500,000 won	11.4 million won × 0.1 = 1,140,000 won
Final import price	**5.5 million won**	**12.54 million won**

5. Related organizations

Name	Homepage	Contact
Korea Electrical Products Safety Association	www.esak.or.kr	82-2-890-8300
Korea Lighting and Utensil Manufacturing Association	www.klma.co.kr	82-2-747-0877
The Korean Lighting Newspaper	www.koreanlighting.com	82-2-792-7080
Korea Institute of Lighting Technology	www.kilt.re.kr	82-32-670-8888

6. Major Korean exhibitions and importers

(1) Major exhibitions in Korea

Principal Korean exhibitions related to lighting fixtures are shown below.

Table 112 Major Lighting Fixtures Exhibitions in Korea

Exhibitions Name	Exhibitions Period				Participating Company		Participating Buyers	
	1/4	2/4	3/4	4/4	Korea	Foreign	Korea	Foreign
Korea International Sign and Design Show (www.kosignshow.com)				●	134	16	8,866	589
International LED EXPO & OLED EXPO (www.ledexpo.com)		●			172	56	20,764	969
Housing Brand Fair (www.leadexpo.co.kr)	●				283	10	6,550	950
Home Builders &elopers27 Expo (www.homdex.com)	●				167	4	1,000	30
Korea International Broadcast, Audio & Lighting Equipment Show(www.eandex.co.kr)		●			99	566	37,857	546
Kyung Hyang Housing Fair (www.khfair.com)	●			●	482	146	54,878	405

(2) Major importer list

Company Name	Tel. No	Homepage /E-mail	Import Item	
			Ceiling or Wall	Tabletop
DONGWOO OPTRON CO.	82-31-765-0300	www.dwoptron.com	○	-
C&C ELECTRONICS CO.	82-2-668-2221	www.cclite.com	-	○
HANLUX CO.	82-31-763-0272	www.ehanlux.com	○	-
GE SAMSUNG LIGHTING CO.	82-2-6201-4324	www.ge.com/kr	-	○
DEUNGJU INSTRUMENT CO.	82-31-938-8181	www.deungju.com	○	-
NEW LITE CO.	82-2-741-0231	www.newlite.co.kr	○	-
COSTCO WHOLESALE KOREA LTD.	82-2-2630-2722	www.costco.co.kr	○	○
NASCHEM CO.	82-32-581-2775/8	www.naschem.co.kr	-	○
ALTEK TECHNOLOGYS CO.	82-2-512-7779	www.altek.co.kr	○	-
FAWOO TECHNOLOGY CO.	82-32-621-1414	www.fawoo.co.kr	○	-
HANSUENG ELECTRIC LIGHTING CO.	82-42-253-3052	www.hansueng.co.kr	○	-
TAEWON LIGHTING CO.	82-2-555-0500(184)	www.taewon.co.kr	○	-
DONGBANG HITECH CO.	82-31-351-7508~9	www.dbstarter.co.kr	○	-
HANS LUCE CO.	82-2-540-7674	www.hansluce.com	○	-
SAMJUNG ELECTRIC CO.	82-32-672-4501/4	www.batec.co.kr	-	○
SEIL LIGHTING CO.	82-51-245-8551	www.seillight.co.kr	○	-
LUMENS CO.	82-31-427-2244	www.lumens.co.kr	-	○
FEELUX CO.	82-31-820-8171	www.feelux.com	○	○

6 Toys and Sports Equipment

1. Market conditions in Korea

(1) Definition of category

As of 2006, total ASEAN exports of HS Code 9503 and 9506 items dealt with in this report amounted to $545,683,000 (up 37.4% from 2005) and $667,374,000 (up 38.9%), respectively. ASEAN exports of the same commodities to Korea in 2008 reached $17,210,000 and $8,430,000, recording increases of 35.3% and 6.6% compared with the previous year.

Table 113 Exports of Toys and Sports Equipment

(Unit: $ Thousand)

Class. / HS Code	ASEAN to World (2006)	ASEAN to Korea (2008)	World to Korea (2008)
9503	545,683	17,210	271,614
9506	667,374	8,430	580,402

Source: ITC, Korea International Trade Association

Toys and sports equipment dealt with in this report refer to some of the commodities under HS Code 9503 and golf equipment and various balls under HS Code 9506. The classification criteria of HS Code 9503 and 9506 are shown in Table 114.

Table 114 Commodity Classification for Toys and Sports Equipment

HS Code	Commodity	Description
9503.003.1.10-90	Electric trains	Toys
9503.003.200	Reduced-scale models and constructional kits	
9503.003.300	Other constructional toys	
9503.003.4.11-99	Toys representing animals or non-human creatures	
9503.003.500	Toy musical instruments	
9503.003.600	Puzzles	
9503.003.700	Toys in sets or outfits	
9503.003.800	Toys with motor	
9503.003.9.11	Balloons · toy balls · kites, etc.	
9503.003.9.19	Other toys	
9503.003.9.90	Parts and accessories	
9506.3.10000-90000	Golf equipment (including clubs, parts and balls)	Sports equipment
9506.6.10000-99000	Balls, other than golf balls and table-tennis balls	

Source: Korea International Trade Association

(2) Market conditions

■ Toy market status

The Korean toy market is estimated to be worth about $700 million. Imported toys currently account for over 60% of the domestic market, and this percentage is expected to increase further. U.S. companies such as Fisher Price, Mattel, and Lego, and Bandai of Japan are leading the market, Korean companies that remain in the market include Sonokong, Aurora World, and Mimi World.

The local doll market is led by Mattel, a U.S. company famous for Barbie dolls, and MGA Entertainment, also a U.S. company that is emerging as a globally prestigious maker with its Brats dolls. Korean makers active in this sector include Sonokong and Aurora World.

Table 115 Major Korean Toy and Sports Equipment Manufacturers and Importers

Company Name	Product	Homepage	Contact
Sonokong	Dolls and Toys	www.sonokong.co.kr	82-2-2610-8750
Aurora World	Dolls and Toys	www.auroraworld.co.kr	82-2-3420-4114
Mimi World	Toys	www.mimiworld.com	82-80-424-5400
Fantom	Golf ball and Golf equipment	www.fantomkorea.co.kr	82-2-3427-2215

In the Korea toy market, there is rapid growth for (a) toys that can be used as learning tools' and (b) 'toys with digital functions.' Korean parents, known for their enthusiasm for the education of their children, look for toys that can be of help in early childhood education or intelligence development for their children.

Reflecting this phenomenon, items with educational functions such as puzzles, constructional toys, and toys representing well-known figures are winning popularity. Lately, infant toys with digital functions, including dancing dolls and musical instruments for infants, are showing good sales records.

Concern about the safety of infant toys has been escalating following the finding of cancer-causing substances from some toys and the occurrence of accidents involving infant toys. This growing uneasiness will likely lead to strengthened regulations which, for example, would make it mandatory for toy manufacturers to put markings on products to clarify whether they contain any harmful element. Under these circumstances, only those products meeting safety regulations and containing no harmful elements will survive in the market.

■ **Sports equipment market status**

The size of the Korean market for entire sports equipment, including golf, tennis and badminton equipment as well as various kinds of balls, is estimated at $3 billion. The golf equipment market alone is worth an estimated $500 million, which includes the sector for golf balls worth about $70 million.

Imports account for over 90% of the entire golf equipment market. U.S. brands such as Titleist, Taylor Made, and Callaway are leading the market. They are followed by such brands as Nike, Dunlop, Honma, and Ping. The principal brands in the golf ball market are Dunlop and Titleist, followed by the local brand, Fantom. The market for sports balls, except for golf and table tennis balls, is estimated at $40 million, with imported balls holding a market share of over 80%.

The sports equipment market recently achieved rapid growth, thanks to the implementation of the five-day workweek system, which has allowed a growing number of salaried people to enjoy leisure time. Other contributing factors include the tendency among young generations to heartily spend money on activities that can enhance their personal satisfaction, The Korean national team's superb performance during international sports events like the Olympic Games and the FIFA World Cup also made a majer impact.

As the well-being trend spreading throughout the entire society, the number of people trying to enjoy sports and leisure activities is on the rise. This development will provide a basis for the sports equipment market to maintain its steady growth. In Korea, demand for certain products is likely to change considerably depending on events of national importance, or incidents that attract nationwide attention. Therefore, it is necessary to consider this phenomenon when working out marketing strategy.

The domestic market for toys and sports equipment is witnessing the occurrence of polarized consumption patterns. On the one hand, premium golf equipment worth over scores of thousands of dollars, and multi-functional bicycles are steadily sold. Expensive bicycles for infants and luxurious toys with digital functions are also registering rapid growth in their domestic sales. On the other hand, the economic downturn has prompted a growing number of people to choose practical items with just basic functions.

Amid this phenomenon, such products as bicycles equipped with only fundamental functions and low-priced infant toys are gaining popularity. And, the number of people who want to enjoy relatively inexpensive leisure activities such as skating, table tennis, and badminton is also increasing.

(3) Distribution system and business practices in Korea

Discount stores serve as the largest sales channel for toy products made by small domestic businesses as well as low-price imports from China. Small marts, toy chain stores and wholesalers at such places as Changsin-dong in Jongno-gu, Seoul, also account for a considerable portion of toy sales in Korea.

In contrast, high-priced imports and items from well-known domestic companies are usually distributed through prestigious department stores and large marts. In consideration of the fact that consumers in the toy market have relatively low levels of loyalty toward specific products or brands, large Korean toy companies are actively managing retail shops, advising them on such matters as the laying out of items and the exchange of new and old products.

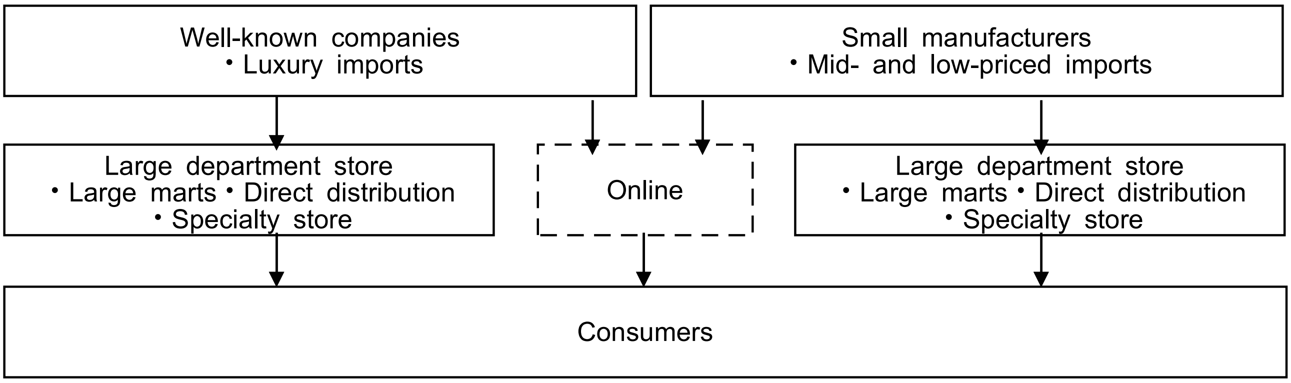
Sports equipment, luxury imports and items made by famous domestic companies are usually sold at top-notch department stores, specialized shops and large marts. Low-priced imports and products from small domestic manufacturers are distributed mainly through discount stores and specialized shops. Small marts account for a very small portion in sales of sports equipment, except for balls.

Lately, Korea is witnessing rapid expansion of sales of infant toys and sports equipment through the Internet and home shopping channels. This is ascribable to a simplified distribution system, which, in turn, results in lower product prices.

Another contributing factor is the spreading notion that one does not necessarily have to examine toys and inexpensive sports equipment before purchase, except for some luxury items. The business slowdown also played a role as the Internet and home shopping channels are appealing to a growing number of people eager to save on expenses.

In the markets for infant toys and sports equipment, the principal consumers are comprised of young parents in their 20s and 30s as well as men in their 30s and 40s who are accustomed to online transaction methods. Given this, online trading will likely become a principal way of transactions in this sector. Distribution channels for toys and sports equipment in Korea are shown in Chart 14.

Chart 14 Distribution Channels for Toys and Sports Equipment



2. Trade trends

(1) Import trends in Korea

The size of the Korean import market for toys and sports equipment expanded from $451.72 million in 2005 to $636.44 million in 2008, recording average growth of 12.1% a year. Toys made up 39.6% of the market, worth $252.29 million, while sports equipment constituted 60.4% or $384.14 million. During the 2004-2008 period, imports of toys with motor and golf equipment increased conspicuously, growing on average by 87% and 13.3% a year, respectively.

Figure 43 Korean Import Trends for Toys and Sports Equipment

Figure 43-1 Import Status by Year(Total)

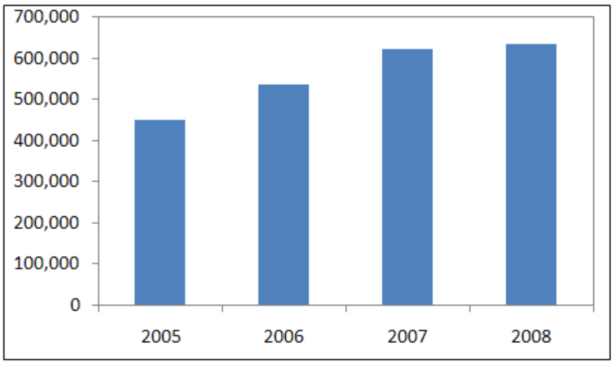


Figure 43-2 Import Status by Category

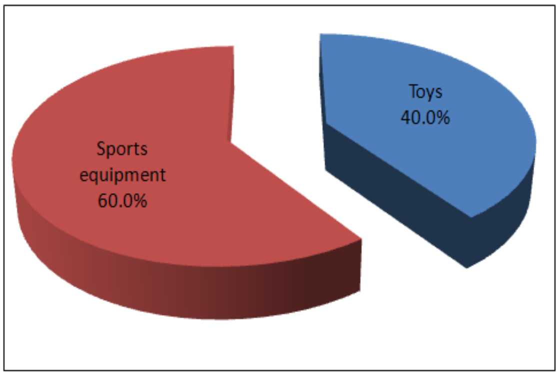


Figure 43-3 Import Trends for Toys

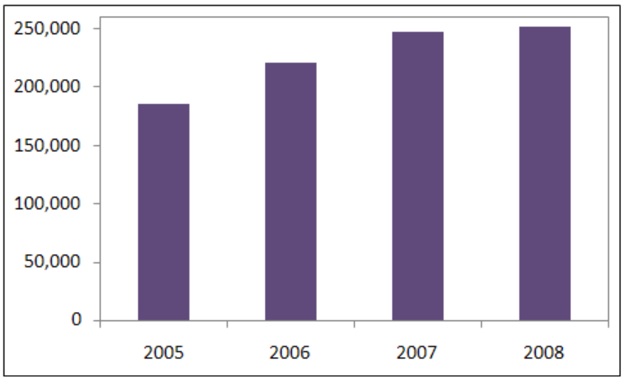


Figure 43-4 Import Status of Toys by Commodity

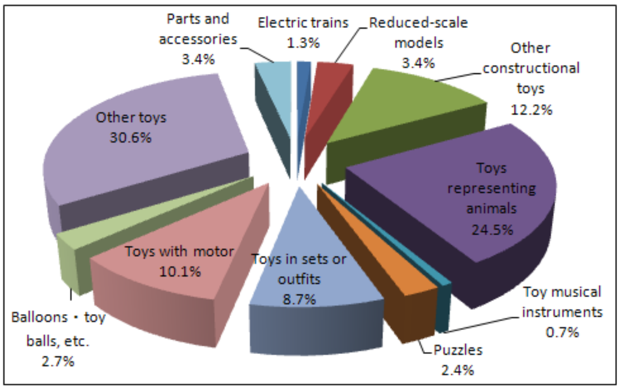


Figure 43-5 Import Trends for Sports Equipment

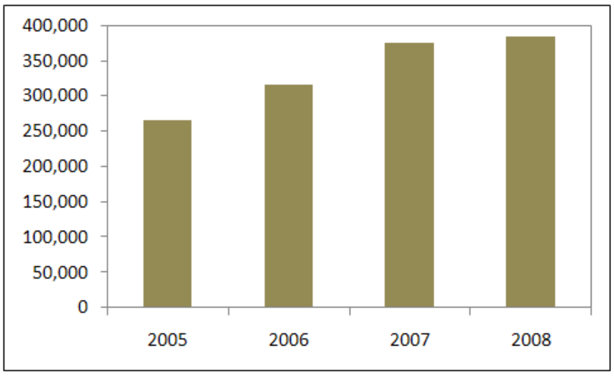
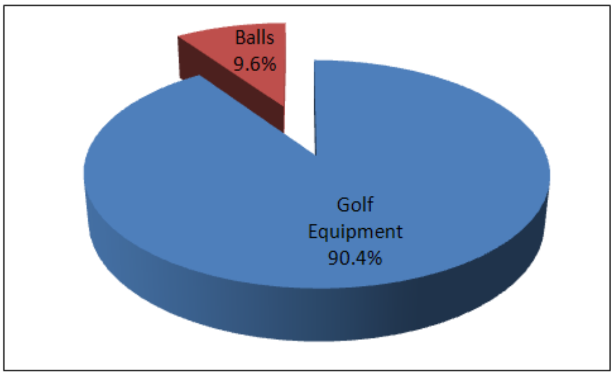


Figure 43-6 Import Status of Sports Equipment by Commodity



Class.		Value($1,000)				Share in 2008(%)
		2005	2006	2007	2008	
Toys	Electric trains	3,012	3,640	3,662	3,219	0.5
	Reduced-scale models and constructional kits	6,614	8,938	11,239	8,460	1.3
	Other constructional toys	18,071	18,851	27,321	30,869	4.9
	Toys representing animals or non-human creatures	55,196	69,853	63,429	61,822	9.7
	Toy musical instruments	927	1,435	1,429	1,830	0.3
	Puzzles	3,557	4,014	4,496	6,095	1.0
	Toys in sets or outfits	9,962	13,686	23,142	22,021	3.5
	Toys with motor	3,910	12,661	18,238	25,581	4.0
	Balloons, toy balls, kites, etc.	6,771	6,120	7,296	6,718	1.1
	Other toys	67,782	74,175	78,809	77,215	12.1
	Parts and accessories	9,951	7,297	8,319	8,470	1.3
	sub total	185,753	220,671	247,380	252,298	39.6
Sports equipment	Golf equipment	238,755	280,833	341,277	347,399	54.6
	Balls	27,217	35,857	33,983	36,743	5.8
	sub total	265,972	316,690	375,260	384,143	60.4
Total		451,725	537,361	622,640	636,441	100

Source: Korea International Trade Association (KITA)

(2) Principal exporters of toys and sports equipment to Korea

Korea's largest source of imports for toys is China, which recorded an export amount of $172.5 million and a 68.4% share in the Korean market in 2008. Second ranked was Japan whose exports amounted to $16.7 million, making up 6.6% of total Korean imports.

ASEAN as a whole accounted for 6.7% of the Korean import market, by exporting $16.98 million worth of toy products to Korea in 2008. Of the total ASEAN exports, 86% were from Thailand, Vietnam and the Philippines.

Figure 44 Principal Toy Exporters to Korea

Figure 44-1 Trends in Imports from Major Exporters(by Year)

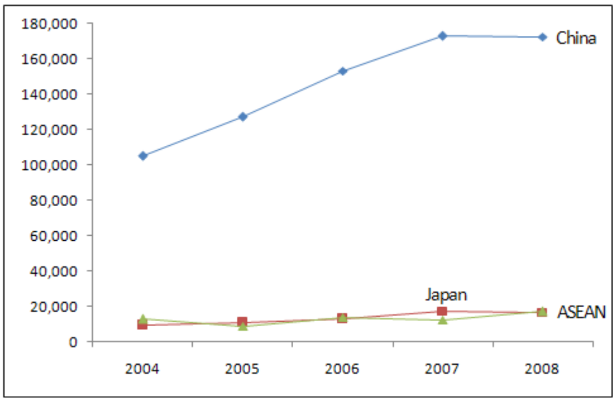
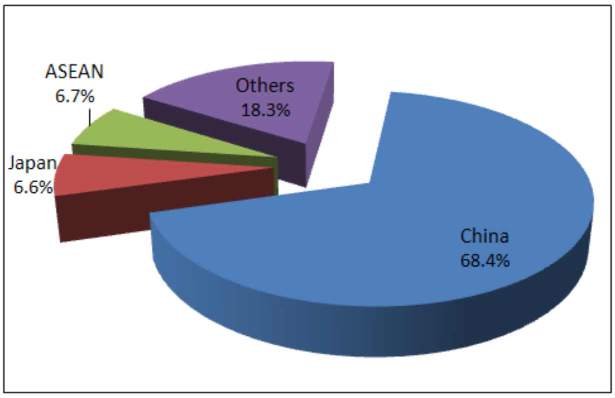


Figure 44-2 Major Exporters' Market Shares in Korea



(Units: $ Thousand, %)

Class.		2004	2005	2006	2007	2008	
		Value	Value	Value	Value	Value	Share
1	China	105,130	127,316	153,377	172,982	172,509	68.4
2	Japan	9,524	10,657	13,111	17,567	16,713	6.6
3	Denmark	10,511	11,373	11,133	15,446	13,443	5.3
4	Thailand	6,788	4,208	5,856	5,528	7,410	2.9
5	U.S.A.	7,146	6,784	6,661	6,864	6,997	2.8
6	Czech Republic	510	471	927	2,546	5,308	2.1
7	Vietnam	4,077	3,215	5,994	3,478	5,005	2.0
8	Germany	4,200	4,167	5,522	4,649	4,703	1.9
9	Taiwan	1,802	2,250	3,016	3,774	4,700	1.9
10	Philippines	905	932	1,148	1,560	2,185	0.9
TOTAL		165,260	185,753	220,671	247,380	252,298	100
ASEAN		12,955	8,954	13,955	12,543	16,985	6.7

Source: Korea International Trade Association (KITA)

The largest exporter of sports equipment to Korea is Japan, which registered an export amount of $200.74 million and a 52.3% share of the Korean import market. Japan was followed by the United States with $88.07 million (22.9%) and China with $80.72 million (21%). These three countries accounted for 96.2% of total Korean imports of sports equipment. ASEAN as a whole exported $6.2 million worth of sports equipment to Korea in 2008, holding a 1.6% market share. The bulk of the ASEAN exports was from Thailand and Indonesia, whose exports to Korea amounted to $3.9 million and $1.91 million, respectively.

Figure 45 Principal Exporters of Sports Equipment to Korea

Figure 45-1 Trends in Imports from Major Exporters(by Year)

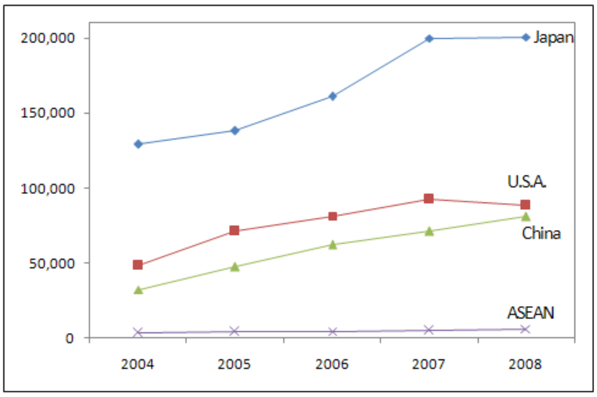
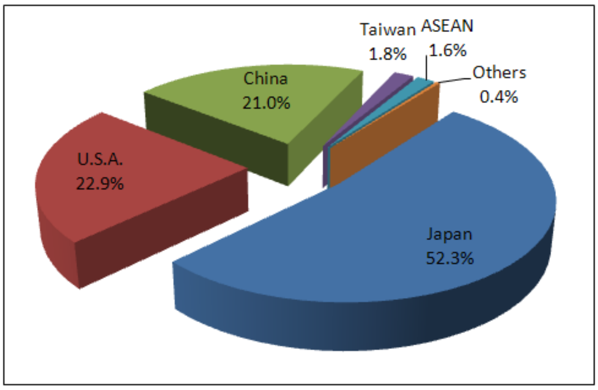


Figure 45-2 Major Exporters' Market Shares in Korea



(Units: $ Thousand, %)

Class.		2004	2005	2006	2007	2008	
		Value	Value	Value	Value	Value	Share
1	Japan	129,162	137,929	161,276	199,841	200,740	52.3
2	U.S.A.	48,233	70,882	81,291	92,647	88,074	22.9
3	China	32,347	47,212	62,311	71,390	80,728	21.0
4	Taiwan	2,878	3,266	4,588	4,759	6,953	1.8
5	Thailand	737	1,442	2,022	2,249	3,903	1.0
6	Indonesia	2,172	2,062	1,658	1,978	1,912	0.5
7	Pakistan	1,133	1,287	1,970	980	826	0.2
8	Vietnam	64	83	154	307	277	0.07
9	India	20	69	49	95	122	0.03
10	Hong Kong	419	497	286	276	111	0.03
TOTAL		218,048	265,972	316,690	375,260	384,143	100
ASEAN		3,481	4,020	4,437	4,722	6,203	1.6

Source: Korea International Trade Association (KITA)

(3) Import trends by commodity

Electric toy trains

In 2008, China ranked first among the top 10 countries exporting electric toy trains to Korea. Its exports to Korea topped $1.55 million, accounting for 48.4% of total Korean imports. Ranked second was the United States, whose exports amounted to $437,000 (a 13.6% share). However, the U.S. exports declined 30.7% a year on average during the 2004 - 2008 period. Fourth-placed Japan topped all other countries in the export expansion rate, as its exports registered yearly growth of 54.5% on average during the period. In contrast, exports from Thailand, the only ASEAN country exporting electric toy trains to Korea, dwindled by 44.2% a year on average.

Table 116 Principal Exporters of Electric Toy Trains to Korea

(Units: $ Thousand, %)

Class.		2004	2005	2006	2007	2008	
		Value	Value	Value	Value	Value	Share
1	China	1,045	888	1,621	2,134	1,556	48.4
2	U.S.A.	1,890	693	337	469	437	13.6
3	Hong Kong	759	520	392	444	313	9.7
4	Japan	52	58	199	217	296	9.2
5	Switzerland	52	76	12	42	196	6.1
6	Germany	173	268	652	187	154	4.8
7	France	-	-	-	35	113	3.5
8	Norway	-	2.3	32	1.4	58	1.8
9	Thailand	320	376	355	110	31	1.0
10	U.K.	-	0.6	10	1.0	25	0.8
Total		4,332	3,012	3,640	3,662	3,219	100
ASEAN		320	376	355	110	31	1.0

Source: Korea International Trade Association (KITA)

Reduced-scale models and constructional kits

Japan shipped $5.74 million worth of products to Korea in this category in 2008, securing a 67.9% share in the Korean import market and being ranked first among the exporting countries. China was placed second, with its export amount of $1.14 million and a 13.5% import market share. ASEAN's total exports in this category have been declining since 2006. The Philippines, however, recorded steady annual growth of 33.1% in its exports to Korea during the 2004-2008 period.

Table 117 Principal Exporters of Reduced-Scale Models and Constructional Kits to Korea

(Units: $ Thousand, %)

Class.		2004	2005	2006	2007	2008	
		Value	Value	Value	Value	Value	Share
1	Japan	4,580	4,349	5,801	8,444	5,741	67.9
2	China	610	1,019	1,049	1,030	1,142	13.5
3	Philippines	224	339	525	445	702	8.3
4	Taiwan	189	117	73	339	364	4.3
5	U.S.A.	162	178	137	136	137	1.6
6	Hong Kong	39	18	32	16	73	0.9
7	Thailand	16	308	778	523	58	0.7
8	Italy	56	14	25	47	44	0.5
9	U.K.	17	4	15	11	43	0.5
10	Germany	128	43	83	37	38	0.45
Total		6,231	6,614	8,938	11,239	8,460	100
ASEAN		271	678	1,304	969	764	9.0

Source: Korea International Trade Association (KITA)

Other constructional toys

In the sector of other constructional toys, Denmark topped China and Japan, which were the leading exporters in other areas. In 2008, Denmark shipped $13.29 million worth of goods to Korea in this category, securing a 43.1% share in the Korean import market. Second ranked was the Czech Republic, which recorded an export amount of $5.24 million and an import market share of 17%. The Czech Republic achieved particularly high growth of 118.6% a year on average in its exports to Korea during the 2004-2008 period. Exports of fourth-placed Japan rose from $406,000 in 2004 to $4.16 million in 2008, registering average growth of 78.9% a year. ASEAN recorded an export amount of $726,000 and a market share of 2.4%. Vietnam, the only ASEAN member that belonged to the top 10, has shown an average expansion rate of 35.9% annually in its exports.

Table 118 Principal Exporters of Other Constructional Toys to Korea

(Units: $ Thousand, %)

Class.		2004	2005	2006	2007	2008	
		Value	Value	Value	Value	Value	Share
1	Denmark	5,005	8,332	10,955	15,307	13,299	43.1
2	Czech	230	313	855	2,356	5,248	17.0
3	China	3,382	4,377	2,744	4,591	4,349	14.1
4	Japan	406	272	226	1,770	4,160	13.5
5	Vietnam	197	197	377	450	672	2.2
6	Germany	629	251	685	416	647	2.1
7	U.S.A.	522	386	331	486	522	1.7
8	Hungary	5	2	707	686	499	1.6
9	Poland	-	1	-	238	326	1.1
10	Taiwan	135	122	114	318	274	0.9
Total		14,862	18,071	18,851	27,321	30,869	100
ASEAN		1,608	585	404	501	726	2.4

Source: Korea International Trade Association (KITA)

Toys representing animals

China is dominating the sector of toys representing animals (including those representing non-human creatures). As of 2008, China exported $56.54 million worth of products to Korea in this sector, securing a 91.5% share of the Korean import market. ASEAN as a whole recorded an export amount of $1.52 million and a 2.5% market share. Although small in amount, exports of Indonesia and Vietnam have risen on average by 65.5% and 20% annually since 2004.

Table 119 Principal Exporters of Toys Representing Animals to Korea

(Units: $ Thousand, %)

Class.		2004	2005	2006	2007	2008	
		Value	Value	Value	Value	Value	Share
1	China	42,287	50,579	64,974	58,205	56,545	91.5
2	Germany	955	645	479	571	968	1.6
3	Taiwan	120	236	161	103	745	1.2
4	Japan	488	636	1,079	1,700	698	1.1
5	Indonesia	89	162	308	699	667	1.1
6	Vietnam	287	524	552	639	595	1.0
7	U.S.A.	358	629	408	427	547	0.9
8	Hong Kong	761	913	688	73	223	0.4
9	Italy	173	97	106	64	223	0.4
10	Thailand	295	330	501	230	136	0.2
Total		46,471	55,196	69,853	63,429	61,822	100
ASEAN		812	1,053	1,435	1,662	1,522	2.5

Source: Korea International Trade Association (KITA)

Puzzles

ASEAN held a relatively high share of 13.3% of the Korean import market in the area of puzzles in 2008, by recording an export amount of $808,000. Of the ASEAN exports, $703,000 worth of goods were from Vietnam, which was ranked second among the top 10 exporting countries. (Top ranked was China, which registered an export amount of $3.62 million and a share of 59.5%.) Vietnam's exports are expected to grow further, as the country's exports soared by an average yearly rate of 89.1% since 2004, topping all other top 10 exporting nations.

Table 120 Principal Exporters of Puzzles to Korea

(Units: $ Thousand, %)

Class.		2004	2005	2006	2007	2008	
		Value	Value	Value	Value	Value	Share
1	China	1,734	2,033	2,145	2,663	3,624	59.5
2	Vietnam	55	99	143	151	703	11.5
3	Germany	281	246	355	315	438	7.2
4	Japan	366	323	356	445	396	6.5
5	Hong Kong	29	35	88	15	228	3.7
6	Israel	-	197	193	246	189	3.1
7	Taiwan	67	25	93	147	116	1.9
8	Thailand	87	37	82	28	105	1.7
9	Netherland	41	207	64	132	93	1.5
10	Italy	68	149	110	68	88	1.4
Total		2,783	3,557	4,014	4,496	6,095	100
ASEAN		146	137	237	217	808	13.3

Source: Korea International Trade Association (KITA)

Toys in sets or outfits

The category of toys in sets or outfits is also one of the areas where ASEAN exports account for a relatively high portion of the Korean import market. In 2008, ASEAN recorded an export amount of $4.17 million and a market share of 19%. Following first-ranked China, Vietnam and Thailand were placed second and third. These two countries account for over 99.9% of total ASEAN exports. In particular, Thailand exports jumped 73.4% a year on average from $224,000 in 2004 to $2.02 million in 2008. (This growth rate is the second highest among the top 10 countries, following 86.7% registered by Japan.)

Table 121 Principal Exporters of Toys in Sets or Outfits to Korea

(Units: $ Thousand, %)

Class.		2004	2005	2006	2007	2008	
		Value	Value	Value	Value	Value	Share
1	China	4,129	5,451	7,027	18,226	14,030	63.7
2	Vietnam	1,655	1,784	3,958	1,427	2,147	9.7
3	Thailand	224	253	700	759	2,027	9.2
4	U.S.A.	586	135	85	509	1,459	6.6
5	Israel	188	755	611	1,403	1,265	5.7
6	Japan	20	109	140	203	243	1.1
7	Germany	337	965	509	166	223	1.0
8	Hong Kong	23	13	79	2	215	1.0
9	France	27	59	12	90	111	0.5
10	Poland	-	14	-	-	45	0.2
Total		7,758	9,962	13,686	23,142	22,021	100
ASEAN		1,885	2,052	4,692	2,208	4,175	19.0

Source: Korea International Trade Association (KITA)

Toys with motor

ASEAN has shown relatively good export performance in this category as well. Following top-ranked China which recorded an export amount of $20.2 million and a market share of 79%, Thailand was placed second. Thailand exports registered phenomenal average growth of 316.8% a year, amounting to $3.62 million, or 14.2% of total Korean imports.

Table 122 Principal Exporters of Toys with Motor to Korea

(Units: $ Thousand, %)

Class.		2004	2005	2006	2007	2008	
		Value	Value	Value	Value	Value	Share
1	China	2,826	3,328	9,898	15,149	20,204	79.0
2	Thailand	12	27	1,827	1,608	3,623	14.2
3	Taiwan	14	66	44	643	635	2.5
4	Japan	37	192	260	428	404	1.6
5	Philippines	136	51	157	215	254	1.0
6	Germany	20	105	29	40	139	0.5
7	Hong Kong	64	39	174	15	124	0.5
8	Vietnam	3	-	-	-	65	0.3
9	U.S.A.	63	65	226	77	63	0.2
10	Australia	-	-	-	4	33	0.1
Total		3,250	3,910	12,661	18,238	25,581	100
ASEAN		151	83	1,985	1,827	3,946	15.4

Source: Korea International Trade Association (KITA)

Balloons, toy balls, kites, etc.

In 2008, ASEAN's share in the Korean import market in this category reached 24.6%, higher than in any other toy sectors. China ranked first with an export amount of $1.57 million, followed by Colombia with $1.42 million. Malaysia and Thailand were ranked fourth and fifth, respectively. In particular, Malaysia's exports recorded an impressive average growth rate of 149.8% a year, rising from $31,000 in 2004 50 $1.2 million in 2008.

Table 123 Principal Exporters of Balloons, Toy Balls and Kites to Korea

(Units: $ Thousand, %)

Class.		2004	2005	2006	2007	2008	
		Value	Value	Value	Value	Value	Share
1	China	1,545	3,134	1,986	1,776	1,571	23.4
2	Colombia	244	441	838	1,717	1,423	21.2
3	U.S.A.	1,721	1,869	1,427	1,725	1,382	20.6
4	Malaysia	31	24	410	924	1,207	18.0
5	Thailand	438	358	368	378	323	4.8
6	Mexico	347	399	478	282	220	3.3
7	Japan	48	35	30	53	139	2.1
8	Indonesia	194	308	83	115	110	1.6
9	Canada	35	132	317	16	86	1.3
10	Italy	19	6	2	5	77	1.1
Total		4,821	6,771	6,120	7,296	6,718	100
ASEAN		664	691	861	1,467	1,654	24.6

Source: Korea International Trade Association (KITA)

Other toys

In the category classified as other toys, China ranked first with an export amount of $64.13 million and a 83.1% share in the Korean import market. ASEAN's exports totalled $3.18 million, accounting for 4.1% of total Korean imports. The Philippine exports reached $1.08 million in 2008 after having expanded 43.5% a year on average since 2004, recording the highest growth rate among the top 10.

Table 124 Principal Exporters of Other Toys to Korea

(Units: $ Thousand, %)

Class.		2004	2005	2006	2007	2008	
		Value	Value	Value	Value	Value	Share
1	China	45,124	53,894	58,451	64,884	64,135	83.1
2	Japan	1,420	2,662	3,242	2,478	2,837	3.7
3	Germany	1,525	1,487	2,490	2,698	1,957	2.5
4	U.S.A.	1,390	2,444	3,083	2,417	1,886	2.4
5	Taiwan	450	812	1,129	949	1,204	1.6
6	Philippines	256	433	321	735	1,087	1.4
7	Thailand	4,089	2,113	1,164	1,613	996	1.3
8	Vietnam	1,762	523	899	680	778	1.0
9	Hong Kong	1,104	2,394	1,787	631	347	0.4
10	Romania	3	-	62	200	264	0.3
Total		60,060	67,782	74,175	78,809	77,215	100
ASEAN		6,211	3,096	2,441	3,121	3,181	4.1

Source: Korea International Trade Association (KITA)

Golf equipment

Korea's largest source of imports for golf equipment is Japan. Japan's exports rose 11.7% a year on average from $128.59 million in 2004 to $199.98 million in 2008, accounting for 57.6% of the Korean import market for golf equipment. Japan was followed by the United States ($87.97 million, 25.3%) and China ($49.71 million, 14.3%), which were ranked second and third, respectively. These three countries accounted for 97.3% of total Korean imports.

Korean imports of golf equipment has been expanding by an average rate of 15.5% a year, registering faster growth than any other domestic sports equipment sector. ASEAN exports account for just 1% of total Korean imports of golf equipment. However, their average yearly growth rate of 29.1% is higher than that of the Korean import market for golf equipment. Fifth-placed Thailand has particularly bright prospects. Its exports soared on average by 205.1% annually from $27,000 in 2004 to $2.34 million in 2008.

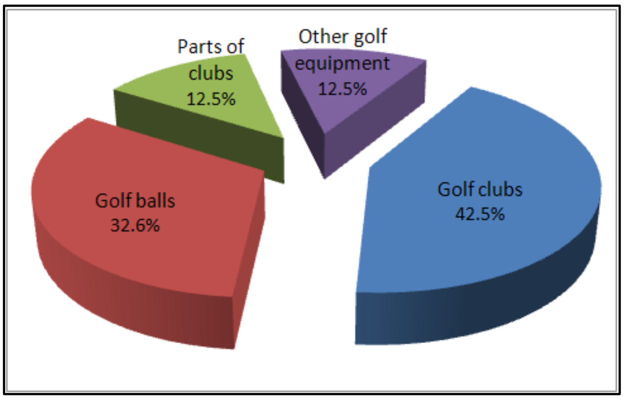
Table 125 Principal Exporters of Golf Equipment to Korea

(Units: $ Thousand, %)

Class.		2004	2005	2006	2007	2008	
		Value	Value	Value	Value	Value	Share
1	Japan	128,596	137,329	160,523	199,235	199,984	57.6
2	U.S.A.	48,086	70,722	81,194	92,522	87,975	25.3
3	China	15,058	25,964	33,013	42,471	49,716	14.3
4	Taiwan	1,686	2,024	3,440	4,139	5,719	1.6
5	Thailand	27	300	715	1,115	2,341	0.7
6	Indonesia	785	861	699	932	1,093	0.3
7	Vietnam	50	75	132	156	133	0.04
8	Hong Kong	382	339	266	262	106	0.03
9	India	-	48	6	66	85	0.02
10	Mexico	12	11	12	24	66	0.02
Total		195,300	238,755	280,833	341,277	347,399	100
ASEAN		1,300	1,597	2,075	2,334	3,608	1.0

Source: Korea International Trade Association (KITA)

Figure 46 Status of ASEAN Exports of Golf Equipment to Korea



Source: Korea International Trade Association (KITA), 2008

Balls

China ranked first in this category in 2008, by recording an export amount of $31.01 million and a 84.4% share in the Korean import market. China was followed by Thailand which recorded an export amount of $1.56 million and a 4.3% share, and Taiwan with $1.23 million and a 3.4% share.

ASEAN as a whole registered an export amount of $2.59 million and a 7.1% share of the Korean import market for balls in 2008. Thailand products accounted for 60.2% of the total ASEAN balls exports to Korea. And, Indonesia held a 2.2% share of the Korean import market with its export amount standing at $819,000.

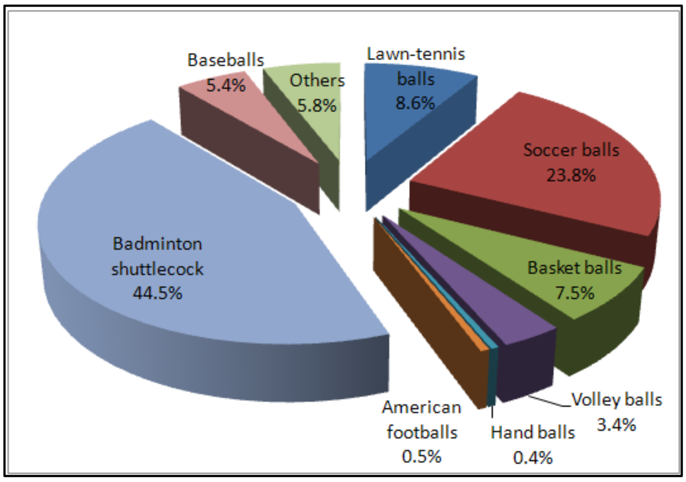
Table 126 Principal Exporters of Balls to Korea

(Units: $ Thousand, %)

Class.		2004	2005	2006	2007	2008	
		Value	Value	Value	Value	Value	Share
1	China	17,289	21,248	29,298	28,919	31,012	84.4
2	Thailand	711	1,142	1,306	1,134	1,562	4.3
3	Taiwan	1,192	1,242	1,147	620	1,234	3.4
4	Pakistan	1,133	1,287	1,970	979	826	2.2
5	Indonesia	1,386	1,201	959	1,046	819	2.2
6	Japan	566	600	753	606	756	2.1
7	Vietnam	15	9	22	151	144	0.4
8	U.S.A.	146	160	97	126	99	0.3
9	Italy	26	22	45	65	71	0.2
10	Philippines	68	57	70	50	65	0.2
Total		22,748	27,217	35,857	33,983	36,743	100
ASEAN		2,181	2,423	2,363	2,387	2,595	7.1

Source: Korea International Trade Association (KITA)

Figure 47 Status of Korean Imports of Balls by Commodity



Source: Korea International Trade Association (KITA), 2008

(4) Status and characteristics of ASEAN exports of toys and sports equipment to Korea

ASEAN's total exports of toys and sports equipment to Korea amounted to $23.18 million in 2008, holding a 3.6% share of the Korean import market. Toys in sets or outfits constitute the most outstanding sector, accounting for 18% of the total ASEAN exports in this category.

Thailand accounts for a large portion of the ASEAN exports, compared with other members whose exports to Korea remain at insignificant levels. In 2008, Thailand recorded an export amount of $11.31 million and a 1.8% share of the Korean import market. And Vietnam recorded an export amount of $5.28 million and a 0.8% share of the Korean import market. Indonesia and the Philippines recorded exports amounts of $2.95 million and $2.25 million, respectively, but they accounted for less than 1% of total Korean imports.

ASEAN members have the following characteristics in their exports of toys and sports equipment to Korea.

ASEAN's toy exports to Korea are relatively small in amount, which may be explained in part by the fact that toys are mass-produced items. China, the largest exporter of toys to Korea, has a definite edge in this respect. First of all, China has a number of factories built by Korean companies as overseas production plants, which enables China to mass produce toys to be exported to Korea. China also has an advantage in terms of price as it can significantly lower production cost per unit through mass production.

Table 127 Status of Korean Imports of Toys and Sports Equipment from ASEAN Members

	Class.		Value($1,000)				
			2004	2005	2006	2007	2008
ASEAN	Toys	Electric trains	320	376	355	110	31
		Reduced-scale models and constructional kits	271	678	1,304	969	764
		Other constructional toys	1,608	585	404	501	726
		Toys representing animals or non-human creatures	812	1,053	1,435	1,662	1,522
		Toy musical instruments	-	14	16	31	8
		Puzzles	146	137	237	217	808
		Toys in sets or outfits	1,885	2,052	4,692	2,208	4,175
		Toys with motor	151	83	1,985	1,827	3,946
		Balloons · toy balls · kites, etc.	664	691	861	1,467	1,654
		Other toys	6,211	3,096	2,441	3,121	3,181
		Parts and accessories	886	190	224	432	171
	Sports equipment	Golf equipment	1,300	1,597	2,075	2,334	3,608
		Balls	2,181	2,423	2,363	2,387	2,595
	Total		16,436	12,973	18,393	17,264	23,188
	Total imports		383,308	451,725	537,361	622,640	636,441
	Shares		4.3%	2.9%	3.4%	2.8%	3.6%

Table 127 Status of Korean Imports of Toys and Sports Equipment from ASEAN Members

	Class.		Value($1,000)				
			2004	2005	2006	2007	2008
INDONESIA	Toys	Electric trains	-	-	-	-	-
		Reduced-scale models and constructional kits	8	11	-	-	-
		Other constructional toys	11	2	-	3	-
		Toys representing animals or non-human creatures	89	162	308	699	667
		Toy musical instruments	-	1.2	1.4	14	3
		Puzzles	4	-	-	37	0.04
		Toys in sets or outfits	6	-	28	7	0.1
		Toys with motor	-	-	-	-	1.4
		Balloons · toy balls · kites, etc.	194	308	83	115	110
		Other toys	65	10	31	79	262
		Parts and accessories	633	0.8	-	-	1.5
	Sports equipment	Golf equipment	785	861	699	932	1,093
		Balls	1,386	1,201	959	1,046	819
	Total		3,183	2,557	2,110	2,933	2,958
	Total imports		383,308	451,725	537,361	622,640	636,441
	Shares		0.8%	0.6%	0.4%	0.5%	0.5%

	Class.		Value($1,000)				
			2004	2005	2006	2007	2008
MALAYSIA	Toys	Electric trains	-	-	-	-	-
		Reduced-scale models and constructional kits	-	0.2	-	0.3	4
		Other constructional toys	-	-	-	-	-
		Toys representing animals or non-human creatures	1	3	10	-	0.02
		Toy musical instruments	-	-	-	-	-
		Puzzles	-	-	0.3	0.1	-
		Toys in sets or outfits	1	-	-	-	-
		Toys with motor	-	-	0.3	0.1	0.1
		Balloons · toy balls · kites, etc.	31	24	410	924	1,207
		Other toys	33	10	7	.3	48
		Parts and accessories	0.8	-	0.9	11	3
	Sports equipment	Golf equipment	383	276	488	88	16
		Balls	2	14	0.01	2	4
	Total		451	327	916	1,026	1,282
	Total imports		383,308	451,725	537,361	622,640	636,441
	Shares		0.1%	0.1%	0.2%	0.2%	0.2%

Table 127 Status of Korean Imports of Toys and Sports Equipment from ASEAN Members

	Class.		Value($1,000)				
			2004	2005	2006	2007	2008
PHILIPPINES	Toys	Electric trains	-	-	-	-	-
		Reduced-scale models and constructional kits	224	339	525	445	702
		Other constructional toys	126	2	9	31	-
		Toys representing animals or non-human creatures	72	29	39	70	113
		Toy musical instruments	-	-	-	-	-
		Puzzles	-	-	-	-	-
		Toys in sets or outfits	-	15	1.3	0.6	0.6
		Toys with motor	136	51	157	215	254
		Balloons · toy balls · kites, etc.	-	-	-	-	1
		Other toys	256	433	321	735	1,087
		Parts and accessories	90	62	95	63	27
	Sports equipment	Golf equipment	2	8	0.8	5	8
		Balls	68	57	70	50	65
	Total		975	996	1,219	1,614	2,259
	Total imports		383,308	451,725	537,361	622,640	636,441
	Shares		0.3%	0.2%	0.2%	0.3%	0.4%

	Class.		Value($1,000)				
			2004	2005	2006	2007	2008
SINGAPORE	Toys	Electric trains	-	-	-	-	-
		Reduced-scale models and constructional kits	10	7	1	-	0.2
		Other constructional toys	2	19	11	0.1	31
		Toys representing animals or non-human creatures	67	4	25	23	10
		Toy musical instruments	-	.02	-	-	-
		Puzzles	-	-	1	0.3	-
		Toys in sets or outfits	-	-	4	2	0.3
		Toys with motor	-	5	0.4	4	1.4
		Balloons · toy balls · kites, etc.	0.4	1.1	-	-	12
		Other toys	3	7	19	7	10
		Parts and accessories	21	23	6	32	11
	Sports equipment	Golf equipment	53	78	40	38	14
		Balls	0.1	0.1	5	4	0.2
	Total		158	145	110	110	91
	Total imports		383,308	451,725	537,361	622,640	636,441
	Shares		0.04%	0.03%	0.02%	0.02%	0.01%

Table 127 Status of Korean Imports of Toys and Sports Equipment from ASEAN Members

Country	Class.		Value($1,000) 2004	2005	2006	2007	2008
THAILAND	Toys	Electric trains	320	376	355	110	31
		Reduced-scale models and constructional kits	16	308	778	523	58
		Other constructional toys	1,273	365	8	17	23
		Toys representing animals or non-human creatures	295	330	501	230	136
		Toy musical instruments	-	11	14	17	5
		Puzzles	87	37	82	28	105
		Toys in sets or outfits	224	253	700	759	2,027
		Toys with motor	12	27	1,827	1,608	3,623
		Balloons · toy balls · kites, etc.	438	358	368	378	323
		Other toys	4,089	2,113	1,164	1,613	996
		Parts and accessories	35	30	59	246	84
	Sports equipment	Golf equipment	27	300	715	1,115	2,341
		Balls	711	1,142	1,306	1,134	1,562
	Total		7,525	5,650	7,877	7,778	11,313
	Total imports		383,308	451,725	537,361	622,640	636,441
	Shares		2.0%	1.3%	1.5%	1.2%	1.8%

Country	Class.		Value($1,000) 2004	2005	2006	2007	2008
VIETNAM	Toys	Electric trains	-	-	-	-	-
		Reduced-scale models and constructional kits	12	13	1	-	-
		Other constructional toys	197	197	377	450	672
		Toys representing animals or non-human creatures	287	524	552	639	595
		Toy musical instruments	-	1.7	-	-	-
		Puzzles	55	99	143	151	703
		Toys in sets or outfits	1,655	1,784	3,958	1,427	2,147
		Toys with motor	3	-	-	-	65
		Balloons · toy balls · kites, etc.	0.6	-	-	50	0.2
		Other toys	1,762	523	899	680	778
		Parts and accessories	105	74	63	81	45
	Sports equipment	Golf equipment	50	75	132	156	133
		Balls	15	9	22	151	144
	Total		4,142	3,299	6,148	3,784	5,282
	Total imports		383,308	451,725	537,361	622,640	636,441
	Shares		1.1%	0.7%	1.1%	0.6%	0.8%

Source: Korea International Trade Association (KITA)

3. Key considerations related to exporting to Korea

(1) Korean import procedures

Korean import procedures for toys are seen in Chart 15 and Chart 16.

Chart 15 Korean Import Procedures for Toys: Importer

Application for Self Safety Confirmation
(Before passing through customs, importers of toys subject to self safety confirmation should submit an application for self safety confirmation to a safety certification agency and receive a self safety confirmation test)

↓

Self Safety Confirmation by Safety Certification Agency
(After passing a test conducted by a testing agency for self safety confirmation, the importer should give notification about this to a safety certification agency)

↓

Import Declaration
(After passing a self safety confirmation test, an import declaration should be submitted to customs authorities for clearance of imported items)

Chart 16 Korean Import Procedures for Toys: Foreign Manufacturer

Application for Safety Certification
(Anyone who manufacturers toys subject to safety certification and intends to export them to Korea must submit an application for safety certification to a Korean safety certification agency)
(Application can be made through an agent in Korea)

↓

Product Test + Factory Inspection
(Safety certification agencies conduct a product test and an overseas factory inspection)
(Safety certification agencies : Korea Environment and Merchandise Testing Institute, Meter and Petrochemical Testing and Research Institute, Korean Agency for Technology and Standards, Korea Apparel Testing and Research Institute, Korea Testing and Research Institute, and other agencies designated by the knowledge economy minister.

↓

Issuance of Safety Certificate
(Product certificates are issued when products concerned pass safety certification tests)

↓

Exporting to Korea Possible After Placing KPS Mark on Products
(Safety certification should be renewed every year through regular inspection)

(2) Requirements concerning imports and sales in Korea

Exporting toys to Korea is subject to the application of the 'Quality Management and Safety Control of Industrial Products Act.' Sports equipment can be exported to Korea without being subject to regulations such as safety certification. When exporting toys subject to self safety confirmation, the importer should submit an application for self safety confirmation and pass a self safety confirmation test in order to gain customs clearance. In the case of exportation of toys subject to safety certification, the foreign manufacturer should submit an application for safety certification, This application can be made through an agent residing in Korea. Application for safety certification is followed by a product test and an overseas factory inspection. When the foreign manufacturer passes the test and inspection, a safety certificate is issued. Then, the product can be exported to Korea after being placed with the KPS safety certification mark. In order for the exporter to continue exporting toys to Korea, the exporter should renew the safety certification through regular inspection conducted every year.

1) Quality Management and Safety Control of Industrial Products Act

▶ The following items can be imported after obtaining safety certification or confirmation from safety certification agencies. But, this does not apply to those classified as items exempt from safety certification.

• Kick boards (including those with rechargeable batteries, excluding fuel-using products and those without wheel bearings), baby walkers, children's play equipment, baby carriages

▶ Safety Certification (Article 14 of the Quality Management and Safety Control of Industrial Products Act, Article 8 of the Enforcement Regulations of the Act)

• The foreign manufacturer of an industrial product subject to safety certification should obtain safety certification from a safety certification agency for each model of the product.
• The safety certification agency should issue a safety certificate when the applicant meets the criteria for a product test and a factory inspection.
• Application for safety certification
Any foreign manufacturer who intends to obtain safety certification should submit an application for safety certification (No. 4 document form as defined in the appendix of the Enforcement Regulations) for each model of an industrial product to a safety certification agency. The following document should be attached to the application.
(Foreign manufacturers can file the application through an agent resident in Korea.)
A. A copy of business registration certificate
B. Product description (including photos.)
C. Letter of authorization (in case of application by agent)

▶ Safety certification agencies: Korean Agency for Technology and Standards, Meter and Petrochemical Testing and Research Institute, Korea Environment and Merchandise Testing Institute, Korea Apparel Testing & Research Institute, Korea Testing & Research Institute, and other institutes designated by the minister of knowledge economy.

▶ The following items can be imported after giving notification concerning self certification confirmation to a safety certification agency or after confirmation (of the same model or sample).

- Tricycles for infants, operation toys (only those operated by electricity, inertia or a spring)

▶ Notification of industrial products subject to self safety confirmation (Article 19 of the Quality Management and Safety Control of Industrial Products, Article 19 of the Enforcement Regulations of the Act)

• The importer of an industrial product subject to self safety confirmation should receive a test and an inspection for each model of the product from a designated testing and inspection agency. And, after confirming that the product meets the safety criteria, the importer should notify a safety certification agency of the results. • Any importer who intends to give notification about self safety confirmation should submit a self safety confirmation notification (No. 12 document form as defined in the appendix of the Enforcement Regulations) to a safety certification agency for each model of an industrial product subject to self safety confirmation, prior to the release of the product or its customs clearance. The notification should be attached with the following documents. A. A copy of business registration certificate B. Product description (including photos) C. Safety test results issued by testing and inspection agencies regarding industrial products subject to self safety confirmation • The safety certification agency that has received a self safety confirmation notification should issue a certificate concerning the notification of self safety confirmation.

▶ Documents to be confirmed by the head of the customs office

• Industrial products subject to safety certification : A safety certificate or a safety confirmation document issued by a safety certification agency (Item inspection, model and sample confirmation, and advance customs clearance) • Industrial products subject to self safety confirmation : A notification or confirmation document regarding self safety confirmation, issued by a safety certification agency (confirmation of the same mode or sample)

(3) Labeling regulations

Currently, there are various quality certification marks related to toys and sports equipment, but the most significant one is the KPS Mark, which is a legal mandatory safety certification mark. In accordance with the Quality Management and Safety Control of Industrial Products Act, importers or foreign manufacturers of toys can import, sell and circulate toys only after obtaining safety certification or approval on self confirmation on safety from the Korean Agency for Technology and Standards or other designated agencies. In a related development, the Korea Certification (KC) Mark will be enforced as a unified certification mark required on any certified product with regard to manufacture, importation, distribution and sale. The current 13 mandatory marks legally required for industrial products will be gradually integrated into the KC Mark. The KC and KPS marks are shown in Figure 48.

Figure 48 Quality Certification Marks for Toys on Sale in Korea: Legal Mandatory Certification Marks

(4) Key considerations for entering the Korean market

When exporting toys and sports equipment to Korea, attention should be paid to customs clearance procedures regarding trademark rights. If the product's trademark is already registered in Korea, the clearing procedures for the product may be postponed, or the application for clearance may be rejected. If found to be copycat products of well-known goods or carrying counterfeit trademarks, items undergoing customs clearance procedures will be confiscated and disposed of. Plus, the exporter will be subject to fines. But, parallel importation of non-counterfeit products is possible for some well-known products or trademarks. So, the exporter should check in advance regarding this system. If products exported to Korea as parallel imports are later found to be non-parallel import items or counterfeits, the exporter will be subject to fines or face criminal punishment for violation of trademark rights.

As concern has been raised recently about the safety of Chinese-made toys, import procedures for toys are being conducted more rigorously. So, it is advisable to receive the help of related agencies or professionals dealing in tariff affairs.

(5) Regulatory agency contacts

Agency Name	Pertinent Department	Business	Homepage	Contact
Korea Customs Service	Clearance Facilitation Bureau	Customs clearance	www.customs.go.kr	82-42-472-2181
Korean Agency for Technology and Standards	Bureau of Product Safety Policy	Safety certification	www.ats.go.kr	82-2-509-7223
Korea Environment & Merchandise Testing Institute	Product Safety Inspection Bureau	Safety certification	www.kemti.org	82-2-2102-2500
Meter and Petrochemical Testing and Research Institute	Verification and Inspection Bureau	Safety certification	www.mpi.or.kr	82-2-2056-4700

4. Customs duties and taxes

Tariff rates applied for toys and sports equipment imported into Korea are shown in Table 128 and Table 129.

Table 128 Tariff Rates for Toys

HS Code	Items	Basic	A-K FTA	K-C FTA	K-E FTA	S-K FTA	WTO	Preferential	A-P Trade	C/O
9503.0031-33	Electric trains	8%	0%	0%	0%	0%	0%	0%	-	○
9503003411	Toys representing animals or non-human creatures of textile materials	8%	0%	0%	0%	2.7%	13%	0%	5.6%	○
9503003419	Other	8%	0%	0%	0%	2.7%	13%	0%	5.6%	○
9503003491	Of textile	8%	0%	0%	0%	2.7%	13%	0%	-	○
9503003492	Of rubbers	8%	0%	0%	0%	0%	0%	0%	-	○
9503003493	Of plastics	8%	0%	0%	0%	2.7%	13%	0%	-	○
9503003494	Of metal	8%	0%	0%	0%	2.7%	13%	0%	-	○
9503003495	Of ceramics	8%	0%	0%	0%	0%	0%	0%	-	○
9503003496	Of glasses	8%	0%	0%	0%	0%	0%	0%	-	○
9503003497	Of wood	8%	0%	0%	0%	0%	0%	0%	-	○
9503003499	Others	8%	0%	0%	0%	2.7%	13%	0%	-	○
9503003600	Puzzles	8%	0%	0%	0%	0%	0%	0%	-	○
9503003700	Other toys, put up in sets or outfits	8%	0%	0%	0%	0%	13%	0%	-	○
9503003800	Other toys incorporating a motor	8%	0%	0%	0%	0%	13%	0%	-	○
9503003911	Balloons, toy balls, kites and the like	8%	0%	0%	0%	2.7%	13%	0%	5.6%	○
9503003919	Other	8%	0%	0%	0%	2.7%	13%	0%	5.6%	○

Note) A-KFTA : ASEAN-Korea FTA / K-CFTA : Chile-Korea FTA / K-EFTA : Korea-Europe FTA /
S-KFTA : Singapore-Korea FTA / WTO : WTO Agreement / Preferential : Poorest countries preferential duty /
A-P Trade : Asia Pacific Trade Agreement / C/O : Certificate of Origin

Table 129 Tariff Rates for Sports Equipment

HS Code	Items	Basic	A-K FTA	K-C FTA	K-E FTA	S-K FTA	WTO	Preferential	A-P Trade	C/O
9506310000	Golf clubs, Coplete	8%	0%	0%	0%	0%	16%	0%	-	○
9506320000	Golf Balls	8%	0%	0%	0%	2.7%	16%	0%	-	○
9506391000	Parts of clubs	8%	0%	0%	0%	0%	16%	-	-	○
9506399000	Other	8%	0%	0%	0%	0%	16%	-	-	○
9506610000	Lawn-tennis balls	8%	0%	0%	0%	0%	16%	0%	-	○
9506621000	Soccer balls	8%	0%	0%	0%	2.7%	16%	0%	5.6%	○
9506622000	Basket balls	8%	0%	0%	0%	2.7%	16%	0%	5.6%	○
9506623000	Volley balls	8%	0%	0%	0%	2.7%	16%	0%	5.6%	○
9506624000	Hand balls	8%	0%	0%	0%	2.7%	16%	0%	5.6%	○
9506625000	American footballs	8%	0%	0%	0%	2.7%	16%	0%	5.6%	○
9506629000	Other	8%	0%	0%	0%	2.7%	16%	0%	5.6%	○
9506691000	Badminton shuttlecock	8%	0%	0%	0%	2.7%	16%	0%	-	○
9506692000	Baseballs	8%	0%	0%	0%	2.7%	16%	0%	-	○
9506699000	Other	8%	0%	0%	0%	2.7%	16%	0%	-	○

Note) A-KFTA : ASEAN-Korea FTA / K-CFTA : Chile-Korea FTA / K-EFTA : Korea-Europe FTA /
S-KFTA : Singapore-Korea FTA / WTO : WTO Agreement / Preferential : Poorest countries preferential duty /
A-P Trade : Asia Pacific Trade Agreement / C/O : Certificate of Origin

Among sports equipment under the HS Code 9506, some items may be exempt from tariff duties if they have been specially produced for the disabled or if they are classified as sports equipment or items for the disabled (rehabilitation and training devices).

5. Related organizations

Name	Homepage	Contact
Korea Toy Industry Cooperative	www.kotoy.or.kr	82-2-795-9505
Korea Testing & Research Institute	www.ktr.or.kr	82-2-2634-0011

6. Major Korean exhibitions and importers

(1) Major exhibitions in Korea

Principal Korean exhibitions related to Toys and Sports Equipment are shown in Table 130.

Table 130 Major Toys and Sports Equipment Exhibitions in Korea

Exhibitions Name	Exhibitions Period				Participating Company		Participating Buyers		Description
	1/4	2/4	3/4	4/4	Korea	Foreign	Korea	Foreign	
Seoul Int'l Kids Product Fair (www.kidsfair.co.kr)				●	280	20	25,500	500	Toys
Seoul Gift Show (www.seoulgiftshow.com)			●		394	29	11,552	388	Toys
Seoul International Toy Fair (www.sitoy.or.kr)				●	26	18	5,506	285	Toys
Korea Golf Show (www.kogolf.co.kr)	●				133	54	36,279	84	Golf Equipment
Seoul International Sports & Leisure Industry Show (www.spoex.com)	●				148	76	8,367	601	Sports Equipment
Seoul International Cartoon & Animation Festival(sicaf.org)			●		81	8	0	273	Character products including dolls

(2)-1. Major Importer List(over 1 million dollar by import value in 2008)(HS code 9503)

Company Name	Tel. No	Homepage/E-mail	Import Item(toys)
KOREA R/C DISTRIBUTION CO.	82-2-529-2333	www.korearc.com	○
H.I. TRADING CO.	82-31-457-6208	hacoma@kornet.net	○
GYM WORLD INC.	82-2-596-0949	www.gymboree.co.kr	○
INTER TOY CO.	82-2-568-6361	www.intertoys.co.kr	○
HANBIT SOFT INC	82-2-6202-7000	www.hanbitsoft.co.kr	○
DAEHO CO.	82-31-726-9200	www.daehotoys.com	○
TOYSKOOL CO.	82-2-512-3420	-	○
YAYA CO.	82-2-569-0767	www.yayatoy.com	○
SONOKONG CO.	82-2-2610-8858	www.sonokong.co.kr	○
KOREA FOOD SERVICES. CO.	82-41-539-3843	www.kfsc.co.kr	○
GUNICA CO.	82-2-761-8947	www.igunica.com	○
SUNWOO ENTERTAINMENT CO.	82-2-2103-8150	www.mocomenter.com	○
BOYUKSA CO.	82-2-928-3390	www.boyuksa.co.kr	○
ACADEMY PLASTIC MODEL CO.	82-2-908-7000	www.academy.co.kr	○
BORYUNG MEDIENCE CO.	82-2-708-8032	www.medience.co.kr	○
AURORA WORLD CORP.	82-2-3420-4130	www.auroraworld.co.kr	○
MIMI WORLD CO.	82-31-422-5241	www.mimiworld.com	○

(2)-2. Major Importer List(over 1 million dollar by import value in 2008)(HS code 9506)

Company Name	Tel. No.	Homepage/E-mail	Import Item	
			Golf equipment	Balls
SAMHWA INDUSTRIAL CO.	82-2-556-3957	www.dunlopkorea.co.kr	○	○
SOKIO CORP.	82-2-558-2235	www.bsgolf.co.kr	○	-
ORIENT GOLF CO.	82-2-582-5004	www.yamahagolf.co.kr	○	-
MINTON SPORTS CO.	82-2-333-8688	www.minton.co.kr	-	○
CENTRAL FITNESS INDUSTRIAL CO.	82-2-557-0480	www.centralfit.co.kr	-	○
VIVASPORTS CO.	82-2-2644-2387	www.vivasports.co.kr	-	○
SAMYANG INT'L CO.	82-2-3670-9672/9600	www.samyangint.co.kr	○	-
SEYANG SPORTS CO.	82-2-335-2551	www.yonex.co.kr	○	-
GIGA GOLF CORP.	82-2-794-3669	www.gigagolf.co.kr	○	-
SHINHWA AQUA CO.	82-2-444-1474	www.swaqua.com	-	○
JB SPORTS CO.	82-2-2055-2081	joobong.com	-	○
DOIL TRADING CORP.	82-2-2252-2163	www.doiltrading.com	-	○
CLEVELAND GOLF KOREA CO., INC.	82-2-2057-1872	donshin@korea.com	○	-
OPTOPAC INC.	82-43-218-7866	www.optopac.com	○	-
MASTERS INTERNATIONAL	82-2-569-2194	www.mastersco.kr	○	-
ELLIM CORP.	82-32-777-5630	www.buzrun.com	○	-
NASSAU CO.	82-32-671-8989	www.nassau.co.kr	-	○
NEXEN CORP.	82-55-333-0771	www.nexencorp.co.kr	○	-
SYNSHEEN CO.	82-31-591-1201	www.starsports.co.kr	-	○
DONG SEUNG TRADING CO.	82-2-335-2551	www.yonex.co.kr	○	○

7 Jewelry

1. Market conditions in Korea

(1) Definition of category

As of 2006, ASEAN's total exports of HS Code 7113 commodities dealt with in this report amounted to $3,525,217,000, recording 7.9% growth over the previous year. In 2008, ASEAN exports of the same items to Korea reached $9,086,000, down 20.9% from 2007.

Table 131 Exports of Jewelry Commodities

(Unit: $ Thousand)

Class. / HS Code	ASEAN to the World (2006)	ASEAN to Korea (2008)	World to Korea (2008)
7113	3,525,217	9,086	151,814

Source: ITC, Korea International Trade Association

The term 'jewelry' generally refers to personal accessories made of precious metals. Included in this category are precious metals such as gold, silver and platinum, items made of such precious metals, and items of jewelry made of other precious metals like palladium, iridium, and rhodium. This category also covers base metal jewelry clad with precious metals as well as other items of base metal jewelry made of such materials as aluminum and zinc. This report excludes from this category precious and semi-precious stones such as diamond, pearl, sapphire, ruby, emerald, opal, jade, chalcedony and rocky crystal. In short, this report deals with only articles of jewelry and the parts thereof as defined in the HS Code No. 7113.

The expression 'articles of jewelry' as defined in the HS Code No. 7113 means any small objects of personal adornment (gem-set or not) (for example, rings, bracelets, necklaces, brooches, ear-rings, watch-chains, fobs, pendants, tie-pins, cuff-links, dress-studs, religious or other medals and insignia). It also means articles of personal use of a kind normally carried in the pocket, in the handbag or on the person (such as cigarette cases, powder boxes, chain purses, and cachou boxes). The classification criteria of the HS Code No. 7113 are shown in Table 132.

Table 132 Jewelry Commodity Classification

HS CODE	Commodity	Description
7113.110000	Silver jewelry	**Precious metal jewelry**
7113.191000	Platinum jewelry	
7113.192000	Gold jewelry	
7113.199000	Other jewelry(palladium, iridium, rhodium, etc)	
7113.201000	Platinum-clad jewelry	**Base metal jewelry**
7113.202000	Gold-clad jewelry	
7113.203000	Silver-clad jewelry	
7113.209000	Other jewelry(aluminum, zinc, etc)	

Source: Korea International Trade Association (KITA)

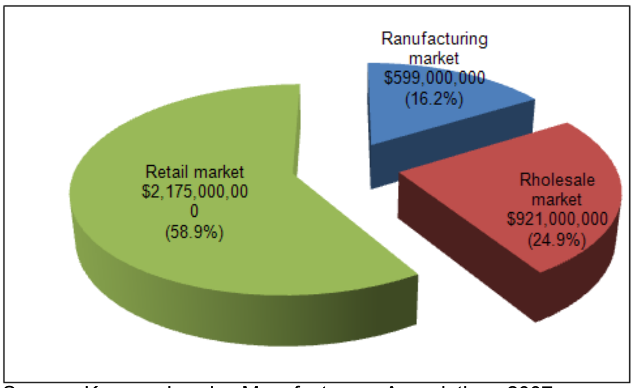
(2) Market conditions

Korea's jewelry market is estimated to be worth $3.695 billion, according to figures compiled by the Korean Jewelry Manufacturers Association in 2007. By market type, this breaks down to $599 million for the manufacturing market (16.2% of the total market size), $921 million for the wholesale market (24.9%), and $2.175 billion for the retail market (58.9%).

As of 2008, Korea's jewelry import market size was $151.81 million. Imports of precious metal jewelry amounted to $150.9 million, accounting for 99.4% of the total; imports of base metal jewelry reached $879,000, accounting for 0.6%.

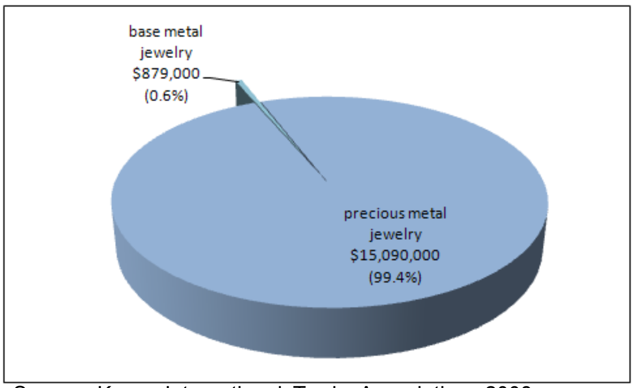
Figure 49 Jewelry Market Status in Korea

Figure 49-1 Korea's Jewelry Market



Source: Korean Jewelry Manufacturers Association, 2007

Figure 49-2 Korea's Jewelry Import Market



Source: Korea International Trade Association, 2008

Korea's jewelry market has the following characteristics in terms of price and brand. In the mid- and low-end jewelry markets, items made of relatively inexpensive materials like silver and crystal are gaining huge popularity, due to the effects of the latest business slowdown and gold price increases. The main customers in this market are made up of young women in their teens through 30s. The mid- and low-priced jewelry products are mainly sold at road shops, franchise outlets and some department stores. In the case of local brands, Lloyd is operating about 120 shops throughout the country, thus securing the largest number of outlets. Lloyd is followed by other local franchises such as Mini Gold, O.S.T., Clue, Juliet, and Jewelria.

Table 133 Jewelry Franchise Business in Korea

Company Name	Brand	Homepage	Contact
E·LAND	LLOYD	www.lloydgift.com	82-2-2029-9274
	O.S.T	www.ost.co.kr	82-2-2029-9262
	CLUE	www.clue.co.kr	82-2-2029-9588
HON	MINI GOLD	www.minigold.co.kr	82-2-2013-4400
Juliet	JULIET	www.julietgold.com	82-2-337-6580
Jewelria	JEWELRIA	www.jewelria.co.kr	82-80-365-1473
Romanson	JESTINA	www.jestina.com	82-80-998-0077
Golden Dew	GOLDEN DEW	www.goldendew.com	82-2-3415-5700
WOORIM FMG	STONHENGE	www.themosaic.co.kr	82-2-3284-1300

Such brands as Jestina, Golden Dew and Stonhenge are mainly sold at department stores. These brands are following consumer trends by focusing on affordably priced accessories made of inexpensive materials like silver and metal. This strategy has helped them buck the recession to show good sales performance.

International exporters who want to supply jewelry items to Korean franchise companies should first send product samples, brochures, and related documents to import-related departments of the franchise companies. The franchise companies will consider various factors and qualifications before deciding whether to accept the applicants as suppliers. Trade-related departments such as overseas business teams will examine such factors as the proposed item's unit price and the applicant's capability to meet the delivery date. Design-related teams will review the item's design, and the extent to which the item complies with the image of their own products. The item's relativity to products already released on the market as well as its sales prospects will also be considered.

Other considerations include precious metal content requirements and the designation of specific delivery companies. In order for international exporters to supply jewelry items to Korean franchise companies, they should have suitable design capability and the capacity to carry out small batch production. The applicants should also pay attention to such important factors as the unit price, seasonally planned items, and delivery dates for popular and fashion trend products.

Pursuing a strategy to secure a diverse array of items and brands through investments in or attraction of large distribution companies will also be a good way to increase sales in Korea.

Of the imported brands, Swarovski is pursuing an affordable price strategy, which has resulted in sharp sales increases and made it the most popular brand among young Korean women. Other foreign brands popular in mid- and low-end markets include Agatha and Walt Disney Jewelry.

In the upscale jewelry market, imported luxury brand items outperform local brands, occupying a predominant share. Made of high-priced materials such as gold and platinum, these foreign brand items are mostly sold at direct outlets located at prominent department stores, targeting high-income women in their 40s or older.

Cartier, Bvlgari and Tiffany, often called the Big Three in the jewelry industry, have succeeded in increasing their sales considerably even amidst the latest business slump. Other well-known brands such as Chanel, Dior, Fred and Damiani are also achieving rapid growth. Recently, super luxury brands like Vancleef & Arpels, Chaumet and Boucheron are showing strong performance through differentiated marketing strategies targeting a very limited number of VIP customers. This development reflects polarization in consumption patterns in the jewelry market.

Korea's present jewelry market is marked by three outstanding developments - polarized consumption patterns, jewelry items' assuming the aspect of fashion merchandise, and sharp increases in the number of male customers.

First, the business slump and gold price hikes have led to the growing popularity of mid- and low-priced jewelry among middle-class consumers, particularly women in their 20s and 30s, who are showing their increasing preference for relatively inexpensive products made of silver or other metals. In contrast, consumption of luxury brand-name items is on the rise among people in high-income brackets, especially women in their 40s and 50s. These developments are deepening the phenomenon of polarized consumption in the jewelry market.

Second, demand for jewelry with fashion features is on an upward trend. The most prominent consumers of these items are young women in their teens and 20s. The trend toward bringing jewelry into the realm of fashion merchandise will likely intensify. Given this trend as well as rising gold prices, it can be said that fashion jewelry items made of silver and other low-priced materials have bright business prospects.

Another major change in the Korean jewelry market is a sharp rise in the number of male jewelry consumers, a phenomenon that reflects the blurring of traditional sexual boundaries in consumption practices. According to Interpark, a leading Internet shopping mall in Korea, sales of tie-pins, cuff-links, and other items for men, including rings and necklaces, have kept growing to the extent that they account for over 20% of the total revenue in the mall's jewelry section.

(3) Distribution system and business practices in Korea

Ordinary products reach consumers through a multi-phased distribution system involving manufacturers, wholesalers and retailers. In the case of jewelry, however, there are varied channels of distribution. First of all, manufacturers or importers can directly sell jewelry products online or distribute them through wholesalers. Franchise companies may operate direct outlets in an effort to secure price competitiveness. There are also other sales routes like department stores and cable shopping channels.

According to statistics compiled on the basis of retail prices in 2007, the franchise shops achieved their annual sales of $600 million, accounting for 27.5% of the market. The amount was $516 million (23.6%) for large shopping malls, including department stores, $324 million (14.8%) for cable shopping channels, $116 million (5.3%) for Internet shopping malls, and $619 million (28.5%) for others (road shops, etc.).

Chart 17 Production and Distribution System for Jewelry

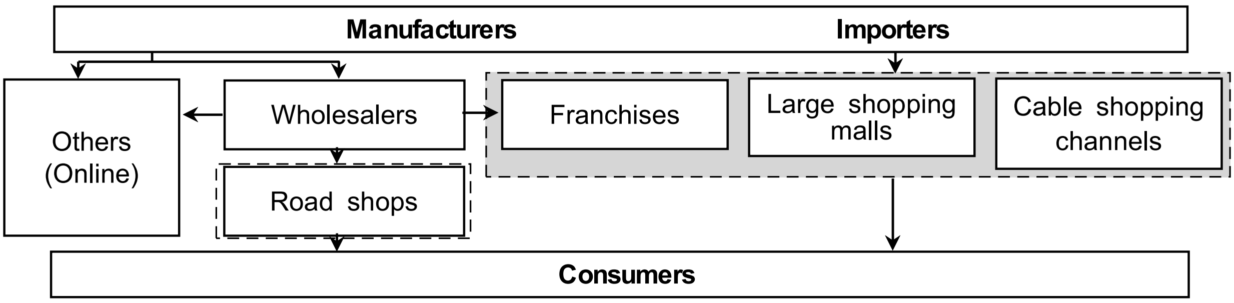
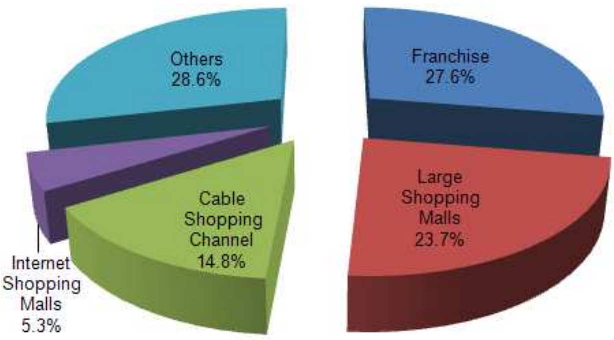


Figure 50 Jewelry Sales Status by Distribution Channels in Korea



Source: Korean Jewelry Manufacturers Association, 2007

Jewelry articles made of high-priced materials like gold were sold mainly at department stores and other large shopping malls. Products made of silver and other materials in mid-price ranges were mostly distributed through franchise shops, cable shopping channels and large shopping malls, including department stores. Jewelry commodities made of low-priced materials like aluminum were sold through the Internet, franchise shops, and other channels like road shops.

2. Trade trends

(1) Import trends in Korea

Korea's jewelry import market size expanded from $94.98 million in 2004 to $158.31 million in 2007, registering an average annual growth rate of 12.4%. In 2008, affected by the business slowdown, the size shrank by 4.1% from the previous year to $151.81 million.

By category, the imports of gold jewelry amounted to $78.77 million in value in 2008, accounting for 51.9% of the nation's total jewelry imports. The imports of silver and platinum jewelry reached $33.95 million (a 22.4% share) and $32.6 million (21.5%), respectively.

Recent years have shown the trends of growing imports of silver and platinum jewelry, a phenomenon that reflects consumer preference for inexpensive and stylish items. From 2004 to 2008, the gold jewelry imports went down by an average annual rate of 0.06%, while the imports of silver and platinum jewelry rose by 33% and 39.3%, respectively.

Figure 51 Trends in Korea's Jewelry Imports

Figure 51-1 Total Jewelry Imports

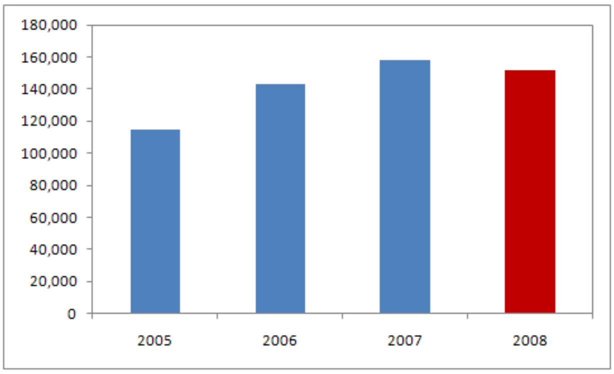
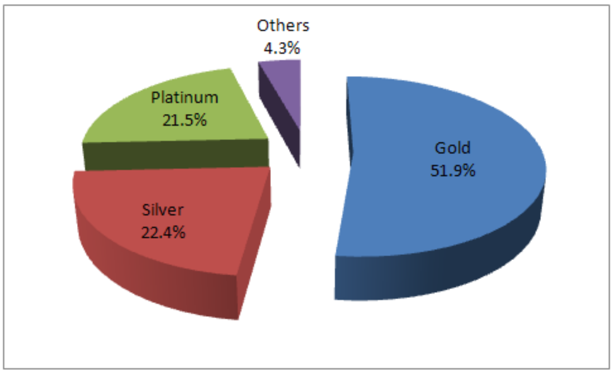


Figure 51-2 Shares of Jewelry Imports in 2008(Value Basis)



Class.	Value($1,000)				Volume(kg)			
	2005	2006	2007	2008	2005	2006	2007	2008
Gold	80,291	100,938	99,221	78,773	9,791	10,810	11,319	7,834
Silver	14,436	24,013	33,275	33,952	21,582	26,660	31,126	28,637
Platinum	12,070	14,018	21,581	32,609	444	821	1,221	1,586
Others	7,990	3,722	4,233	6,481	2,349	2,374	4,337	4,691
Total	114,787	142,691	158,310	151,815	34,166	40,665	48,003	42,748

Source: Korea International Trade Association (KITA)

(2) Principal exporters to Korea

The most prominent countries that export jewelry to Korea are China, France and the United States. In 2008, China exported $51.55 million worth of jewelry to Korea, occupying a 34% share of Korea's jewelry import market. China was followed by France, whose jewelry exports to Korea in that year reached $31.46 million, accounting for 20.7% of the market. The U.S. jewelry exports to Korea were valued at $28.16 million (18.8%). Combined, these three countries accounted for 73.5% of Korea's entire jewelry imports. The jewelry exports by the ASEAN countries to Korea increased by an average of 11.9% a year from $5.8 million in 2004 to $9.08 million in 2008. The 2008 figure represents 6% of Korea's total jewelry imports.

Figure 52 Principal Exporters of Jewelry(Total) to Korea

Figure 52-1 Trends in Imports from Leading Exporters

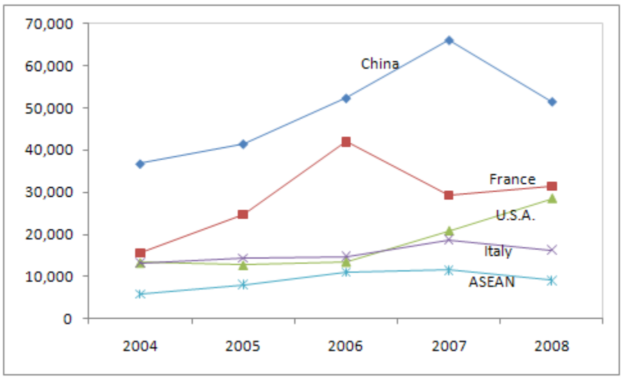
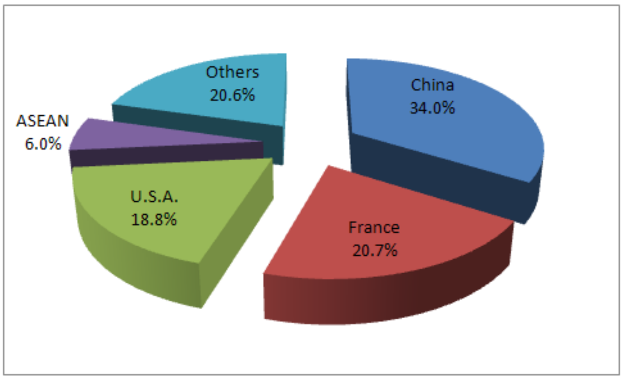


Figure 52-2 Shares of Jewelry Imports in 2008(Value Basis)



(Units: $ Thousand, Kg, %, $/g)

Class.		2004	2005	2006	2007		2008				
		Value	Value	Value	Value	Volume	Value	Share	Volume	Share	AUP
1	China	36,764	41,482	52,378	66,180	22,416	51,552	34.0	20,827	48.7	2.5
2	France	15,541	24,726	41,931	29,320	5,183	31,458	20.7	4,589	10.7	6.9
3	U.S.A.	13,323	12,758	13,574	20,900	2,400	28,518	18.8	2,535	5.9	11.2
4	Italy	13,215	14,378	14,761	18,720	3,605	16,251	10.7	2,690	6.3	6.0
5	Vietnam	4,683	5,535	7,388	5,630	1,179	5,302	3.5	1,137	2.7	4.7
6	Switzerland	1,578	2,497	429	1,299	412	5,000	3.3	1,086	2.5	4.6
7	Hong Kong	2,082	3,724	2,650	3,388	1,453	3,750	2.5	761	1.8	4.9
8	Thailand	1,007	2,418	3,488	5,502	8,007	3,056	2.0	5,657	13.2	0.5
9	Japan	3,163	2,206	1,183	2,561	633	2,577	1.7	575	1.3	4.5
10	Greece	410	933	1,032	1,133	380	1,140	0.8	449	1.1	2.5
TOTAL		94,985	114,787	142,690	158,310	48,003	151,815	100	42,748	100	3.6
ASEAN		5,805	8,090	10,973	11,487	9,496	9,086	6.0	7,466	17.5	1.2

Source: Korea International Trade Association, 2008
Note) AUP : Average Unit Price

The polarized consumption trend in Korea's jewelry market, marked by growth in consumption of overseas high-brand products, is leading to increases in imports of luxury brand products. At the same time, imports of mid- and low-end items from China, Thailand and Vietnam are also on the rise.

Figure shows that the entire ASEAN countries' jewelry exports to Korea are smaller than that of China. This may be partially explained by the fact that a number of related Korean companies are operating local factories or legal entities in China, which has relative advantages in terms of low wages. In contrast, there are very few related Korean factories built in ASEAN countries.

(3) Import trends by materials

Overview of the imports of precious metal jewelry

The size of Korea's precious metal jewelry import market expanded from $114.27 million in 2005 to $150.93 million in 2008, recording a 9.7% annual growth rate on average during the period. However, the market size dwindled by 4.2% in 2008 from the previous year due to the slump in domestic consumption.

By category, the gold jewelry imports in 2008 amounted to $78.65 million, accounting for 52.1% of the total jewelry imports. Silver jewelry imports were valued at $33.4 million, or 22.2% of the total imports, while platinum jewelry imports reached $32.4 million, holding a 21.5% share.

Figure 53 Trends in Korea's Precious Metal Jewelry Imports

Figure 53-1 Precious Metal Jewelry Imports

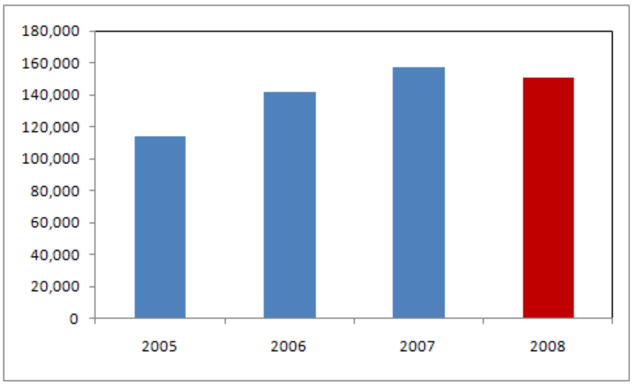
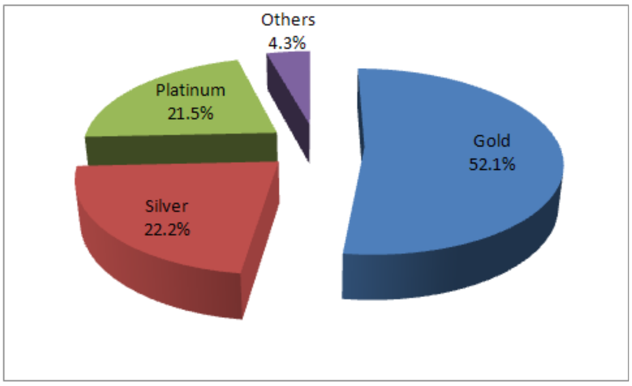


Figure 53-2 Shares of Precious Metal Jewelry Imports in 2008



Class.	Value($1,000)				Volume(kg)			
	2005	2006	2007	2008	2005	2006	2007	2008
Gold	80,182	100,870	99,163	78,652	9,241	10,605	10,385	7,494
Silver	14,122	23,723	32,782	33,439	20,363	25,624	29,848	27,535
Platinum	12,060	13,948	21,378	32,403	432	750	906	1,156
Others	7,906	3,560	4,181	6,442	1,551	972	3,007	4,467
Total	114,270	142,101	157,504	150,936	31,587	37,951	44,146	40,652

Source: Korea International Trade Association, 2008

Gold jewelry

The leading gold jewelry exporter to Korea is China, which shipped $27.1 million worth of products to Korea in 2008, occupying a 34.5% market share. France exported $24.38

million worth of gold jewelry to Korea, accounting for 31% of the Korean market in this sector. Together, these two countries hold a 65% share of Korea's gold jewelry import market.

ASEAN as a whole exported $5.56 million worth of gold jewelry to Korea in 2008, accounting for 7.1% of the nation's total gold jewelry imports. Vietnam took the lion's share of 89.2% by exporting gold jewelry products valued at $4.96 million to Korea.

Table 134 Principal Exporters of Gold Jewelry to Korea

(Units: $ Thousand, Kg, %, $/g)

Class.		2004	2005	2006	2007		2008				
		Value	Value	Value	Value	Volume	Value	Share	Volume	Share	AUP
1	China	30,616	35,842	36,808	44,248	3,953	27,108	34.5	1,693	22.6	16.0
2	France	8,861	18,896	38,915	25,442	3,517	24,382	31.0	2,336	31.2	10.4
3	Italy	7,776	8,782	7,546	12,680	682	9,585	12.2	601	8.0	15.9
4	Vietnam	4,628	5,310	7,176	5,458	696	4,962	6.3	524	7.0	9.5
5	U.S.A.	3,921	3,928	3,456	4,122	634	4,206	5.3	726	9.7	5.8
6	Hong Kong	1,553	1,607	1,897	2,029	119	3,056	3.9	149	2.0	20.5
7	Switzerland	282	365	158	1,121	387	2,448	3.1	1,015	13.5	2.4
8	Japan	1,666	1,045	582	895	80	935	1.2	119	1.6	7.9
9	Thailand	190	1,531	1,541	619	86	504	0.6	84	1.1	6.0
10	U.K.	152	69	252	1,078	66	318	0.4	16	0.2	19.9
TOTAL		61,557	80,182	100,870	99,163	10,385	78,652	100	7,494	100	10.5
ASEAN		4,898	6,944	8,760	6,134	813	5,560	7.1	616	8.2	9.0

Source: Korea International Trade Association (KITA)

Table shows that China has a higher average unit price than ASEAN and France. This may be related to the economy of scale. To lower the average unit price of an item, it should be mass produced for a long period of time. However, factories in China mostly produce a variety of items during short periods of time, which may help explain the high unit price of Chinese products. And, consumption trends for jewelry are changing rapidly, making it difficult to produce the same product for a long period. This can be cited as another factor that prompts a rise in the average unit price.

Silver jewelry

Korea's import market for silver jewelry is growing by 26.9% a year, thanks mainly to the increasing popularity of silver jewelry articles among young consumers. In 2008, China exported $22.72 million worth of silver jewelry to Korea, gaining a 67.9% market share. Thailand was the distant second, with exporter of $2.12 million, or a 6.4% share.

ASEAN as a whole exported $2.93 million worth of silver jewelry to Korea, accounting for 8.8% of the total imports in this category. Of the ASEAN exports, 72.5% were made by Thailand, Indonesia and Vietnam.

Table 135 Principal Exporters of Silver Jewelry to Korea

(Units: $ Thousand, Kg, %, $/g)

Class.		2004	2005	2006	2007		2008				
		Value	Value	Value	Value	Volume	Value	Share	Volume	Share	AUP
1	China	5,912	5,463	15,469	21,117	14,690	22,721	67.9	14,632	53.1	1.6
2	Thailand	610	630	1,740	4,416	7,058	2,126	6.4	4,844	17.6	0.4
3	U.S.A.	1,023	899	1,237	1,655	1,379	2,063	6.2	1,302	4.7	1.6
4	Italy	1,392	1,521	1,355	1,792	1,897	1,832	5.5	1,671	6.1	1.1
5	France	1,853	1,864	1,252	1,352	1,422	1,766	5.3	1,875	6.8	0.9
6	Greece	378	857	957	1,041	372	996	3.0	400	1.5	2.5
7	Indonesia	28	24	41	125	233	379	1.1	481	1.7	0.8
8	Japan	728	696	319	423	426	343	1.0	317	1.2	1.1
9	Vietnam	55	225	209	172	478	338	1.0	603	2.2	0.6
10	Hong Kong	468	1,226	533	239	531	281	0.8	488	1.8	0.6
TOTAL		12,901	14,122	23,723	32,782	29,848	33,439	100	27,535	100	1.2
ASEAN		695	882	1,990	4,731	7,800	2,931	8.8	6,098	22.1	0.5

Source: Korea International Trade Association

Overview of the imports of base metal jewelry

The size of the Korean market for base metal jewelry imports grew by an average of 19.4% a year from $517,000 in 2005 to $879,000 in 2008. The imports of precious metal jewelry went down in 2008 due to the business slump, but the imports of base metal jewelry kept growing.

As of 2008, the imports of silver-clad base metal jewelry amounted to $513,000, accounting for 58.4% of the nation's total base metal jewelry imports. The imports of platinum-clad jewelry and gold-clad jewelry were valued at $206,000 (23.4%) and $121,000 (13.8%), respectively.

Figure 54 Trends in Korea's Base Metal Jewelry Imports

Figure 54-1 Base Metal Jewelry Imports

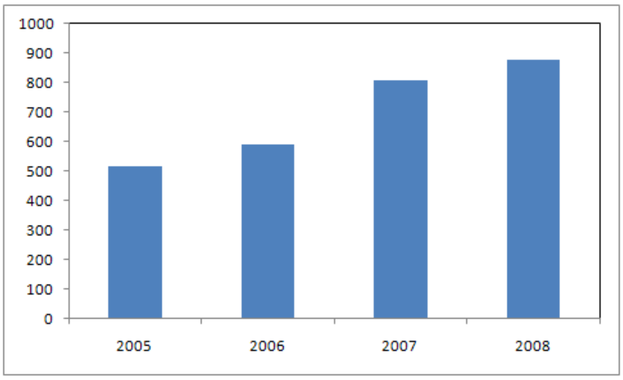
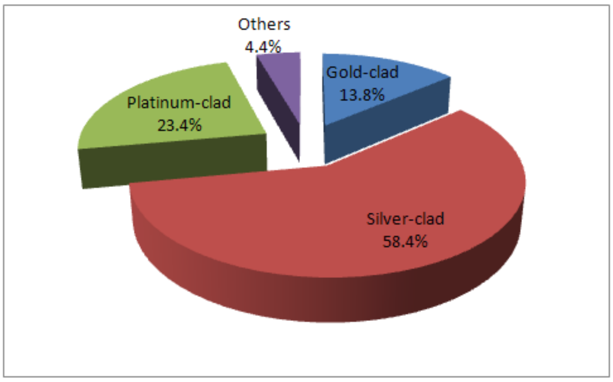


Figure 54-2 Shares of Base Metal Jewelry Imports in 2008



Class.	Value($1,000)				Volume(kg)			
	2005	2006	2007	2008	2005	2006	2007	2008
Gold	109	68	58	121	550	205	934	340
Silver	314	290	493	513	1,219	1,036	1,278	1,102
Platinum	10	70	203	206	12	71	315	430
Others	84	162	52	39	798	1,402	1,330	224
Total	517	590	806	879	2,579	2,714	3,857	2,096

Source: Korea International Trade Association, 2008

Gold-Clad jewelry

In 2008, Korea imported a minimal amount of gold-clad base metal jewelry, which was valued at $121,000. The major exporters included China ($55,000), the United States ($38,000), and the United Kingdom ($20,000). These three countries accounted for 93.4% of the Korean import market of gold-clad jewelry.

Thailand is the only ASEAN member that is exporting gold-clad jewelry to Korea, but the amount is very small, valued at just thousands of dollars.

Table 136 Principal Exporters of Gold-Clad Jewelry to Korea

(Units: ＄ Thousand, Kg, %, ＄/g)

Class.		2004	2005	2006	2007		2008				
		Value	Value	Value	Value	Volume	Value	Share	Volume	Share	AUP
1	China	1	14	15	4	71	55	45.5	285	83.8	0.2
2	U.S.A.	3	6	2	7	6	38	31.4	51	15.0	0.7
3	U.K.	-	-	-	-	-	20	16.5	2	0.6	10.0
4	Thailand	-	-	1	2	-	4	3.3	-	-	-
5	Lebanon	-	-	-	-	-	3	2.5	1	0.3	3.0
6	Colombia	-	-	-	-	-	1	0.8	1	0.3	1.0
7	Hong Kong	-	2	2	20	692	-	-	-	-	-
8	Italy	82	4	-	21	162	-	-	-	-	-
9	Japan	4	6	2	4	3	-	-	-	-	-
TOTAL		97	109	68	58	934	121	100	340	100	0.4
ASEAN		0	0	1	2	-	4	3.3	-	-	-

Source: Korea International Trade Association

Silver-clad jewelry

The imports of silver-clad base metal jewelry amounted to $510,000 in 2008. Although small in scale, they constituted 52.6% of Korea's total imports of base metal jewelry. Germany shipped $204,000 worth of silver-clad jewelry, holding a 39.8% market share in this sector.

Table 137 Principal Exporters of Silver-Clad Jewelry to Korea

(Units: $ Thousand, Kg, %, $/g)

Class.		2004	2005	2006	2007		2008				
		Value	Value	Value	Value	Volume	Value	Share	Volume	Share	AUP
1	Germany	-	50	13	159	262	204	39.8	391	35.5	0.5
2	Italy	22	13	28	102	230	82	16.0	51	4.6	1.6
3	China	197	2	3	18	120	73	14.2	401	36.4	0.2
4	Thailand	106	167	142	152	568	59	11.5	163	14.8	0.4
5	Greece	-	-	-	-	-	49	9.6	29	2.6	1.7
6	France	1	-	-	-	-	16	3.1	14	1.3	1.1
7	Nepal	-	-	-	-	-	14	2.7	20	1.8	0.7
8	Sweden	-	-	-	-	-	12	2.3	2	0.2	6.0
9	Hong kong	4	6	3	1	1	2	0.4	20	1.8	0.1
10	U.K.	23	16	10	0	1	1	0.2	2	0.2	0.5
Japan		-	2	1	8	18	1	0.2	8	0.8	0.1
TOTAL		448	314	290	493	1,278	513	100	1,102	100	0.5
ASEAN		106	172	147	157	585	59	11.5	163	14.8	0.4

Source: Korea International Trade Association (KITA)

Among the ASEAN members, Thailand exported $59,000 worth of silver-clad jewelry to Korea in 2008, thus securing the status of a major exporter with an 11.5% market share.

(4) Status of ASEAN Countries' Jewelry Exports to Korea

Gold and silver jewelry account for more than 90% of ASEAN's total jewelry exports to Korea. By country, only Vietnam and Thailand have shares worth mentioning in Korea's jewelry import market. Other ASEAN countries have negligible records. In 2008, Vietnam exported $5.302 million worth of jewelry to Korea, occupying a 3.5% market share. Thailand's jewelry exports to Korea amounted to $3.056 million, which constituted 2% of the market. These two countries account for most of ASEAN's jewelry exports to Korea. Particularly worthy of note is that Thailand's jewelry exports to Korea are increasing at an annual rate of 32%, much higher than the 12.4% growth rate for Korea's jewelry import market.

Indonesia topped the list of other ASEAN members by exporting $556,000 worth of jewelry to Korea in 2008. In the same year, Singapore and the Philippines shipped $77,000 and $89,000 worth of jewelry products to Korea, respectively. Together, they constitute less than 1% of Korea's total jewelry imports. However, Indonesia registered a sharp growth rate of 104.2% in its jewelry exports to Korea, raising the prospect of it becoming a major jewelry exporting country like Thailand and Vietnam.

Table 138 Trends in Jewelry Imports from ASEAN by Country/Category

		Class.	Value($1,000)					Volume(kg)					AUP ($/g)
			2004	2005	2006	2007	2008	2004	2005	2006	2007	2008	2008
ASEAN	precious	gold	4,898	6,944	8,760	6,134	5,560	883	1,199	1,228	813	616	9.0
		silver	695	882	1,990	4,731	2,931	4,068	3,551	5,004	7,800	6,098	0.5
		platinum	30	52	31	267	169	8	47	7	110	93	1.8
		others	74	41	19	196	212	10	21	51	185	255	0.8
	base	gold	0	0	1	2	4	-	-	-	-	-	-
		silver	106	172	147	157	59	496	792	606	585	163	0.4
		platinum	0	0	3	0	149	-	-	-	-	239	0.6
		others	2	0	23	2	1	8	6	38	3	2	0.5
		Total	5,805	8,090	10,973	11,487	9,086	5,473	5,616	6,934	9,496	7,466	1.2
		Total imports	94,985	114,787	142,690	158,310	151,814	97,415	34,166	40,665	48,003	42,748	3.6
		Shares	6.1%	7.0%	7.7%	7.3%	6.0%	5.6%	16.4%	17.1%	19.8%	17.5%	

		Class.	Value($1,000)					Volume(kg)					AUP ($/g)
			2004	2005	2006	2007	2008	2004	2005	2006	2007	2008	2008
INDONESIA	precious	gold	1	1	-	3	13	0	0	-	0	4	3.3
		silver	28	24	41	125	379	64	101	128	233	481	0.8
		platinum	-	1	-	-	-	-	17	-	-	-	-
		others	3	-	2	-	164	5	-	12	-	11	14.9
	base	gold	-	-	-	-	-	-	-	-	-	-	-
		silver	-	4	5	-	-	-	34	23	2	-	-
		platinum	-	-	-	-	-	-	-	-	-	-	-
		others	-	-	-	-	-	-	-	-	-	-	-
		Total	32	30	48	128	556	69	152	163	235	496	1.1
		Total imports	94,985	114,787	142,690	158,310	151,814	97,415	34,166	40,665	48,003	42,748	3.6
		Shares	0.03%	0.03%	0.03%	0.08%	0.37%	0.07%	0.44%	0.40%	0.49%	1.16%	

		Class.	Value($1,000)					Volume(kg)					AUP ($/g)
			2004	2005	2006	2007	2008	2004	2005	2006	2007	2008	2008
THAILAND	precious	gold	190	1,531	1,541	619	504	17	200	141	86	84	6.0
		silver	610	630	1,740	4,416	2,126	3,914	2,978	4,341	7,058	4,844	0.4
		platinum	29	49	29	264	169	8	30	7	107	93	1.8
		others	70	41	16	46	44	5	21	39	185	233	0.2
	base	gold	-	-	1	2	4	-	-	0	0	0	0
		silver	106	167	142	152	59	496	758	583	568	163	0.4
		platinum	-	-	3	-	149	-	-	-	-	239	0.6
		others	2	0	17	2	0	8	1	31	3	1	0.0
		Total	1,007	2,418	3,488	5,502	3,056	4,448	3,988	5,142	8,007	5,657	0.5
		Total imports	94,985	114,787	142,690	158,310	151,814	97,415	34,166	40,665	48,003	42,748	3.6
		Shares	1.1%	2.1%	2.4%	3.5%	2.0%	4.6%	11.7%	12.6%	16.7%	13.2%	

Table 138 Trends in Jewelry Imports from ASEAN by Country/Category

Class.			Value($1,000)					Volume(kg)					AUP ($/g)
			2004	2005	2006	2007	2008	2004	2005	2006	2007	2008	2008
VIETNAM	precious	gold	4,628	5,310	7,176	5,458	4,962	859	983	1,075	696	524	9.5
		silver	55	225	209	172	338	88	365	534	478	603	0.6
		platinum	-	-	-	-	-	-	-	-	-	-	-
		others	-	-	-	-	2	-	-	-	-	10	0.2
	base	gold	-	-	-	-	-	-	-	-	-	-	-
		silver	-	-	-	0	-	-	-	-	5	-	-
		platinum	-	-	-	-	-	-	-	-	-	-	-
		others	-	-	3	-	-	-	-	7	-	-	-
	Total		4,683	5,535	7,388	5,630	5,302	947	1,348	1,616	1,179	1,137	4.7
	Total imports		94,985	114,787	142,690	158,310	151,814	97,415	34,166	40,665	48,003	42,748	3.6
	Shares		4.9%	4.8%	5.2%	3.6%	3.5%	1.0%	3.9%	4.0%	2.5%	2.7%	

Class.		Value($1,000)					Volume(kg)					AUP ($/g)
		2004	2005	2006	2007	2008	2004	2005	2006	2007	2008	2008
Malaysia	precious	3	1	2	7	5	4	5	1	5	3	1.7
	base	-	-	-	-	-	-	-	-	-	-	-
	Total	3	1	2	7	5	4	5	1	5	3	1.7
Philippines	precious	2	61	3	20	89	1	117	1	47	163	0.5
	base	-	-	-	4	-	-	-	-	10	-	-
	Total	2	61	3	24	89	1	117	1	57	163	0.5
Singapore	precious	76	44	42	195	76	4	6	11	13	9	8.4
	base	1	-	2	-	1	0	-	0	-	1	1
	Total	77	44	44	195	77	4	6	11	13	10	7.7

Source: Korea International Trade Association (KITA)
Note) AUP : Average Unit Price

3. Key considerations to exporting to Korea

(1) Regulations and procedural requirements at the time of importation in Korea

There are no specific legal regulations on importation of jewelry into Korea. But, sales of imported jewelry in Korea are subject to regulations in accordance with the "Quality Control and Safety Management of Industrial Products Act" and the "Measures Act." And, taxes can be levied in accordance with the Value Added Tax Act, the Consumption Tax Act, and the Customs Act. Detailed information can be obtained from relevant government agencies (refer to (3) regulatory agency contacts).

1) Quality Control and Safety Management of Industrial Products Act

Article 8 of the Quality Control and Safety Management of Industrial Products Act prescribes the obligation for labeling of quality on jewelry products for sale.

The Fair Trade Commission is in charge of supervision over unfair product labeling.

<Quality Labeling Information>

- Precious metal type and content (parts per thousand)
- Marking (weight, measures, trademarks, etc.)
- Warranty

▶ Precious Metal Type and Content

- In case the gold content of a jewelry item is 999 as defined in parts per thousand, it should be marked as a "24K gold or 999 gold." If the content is 750, the marking should be "18K or 750 gold." Likewise, a gold jewelry item with the fineness of 585 should bear the marking of "14K or 585 gold."
- As for platinum jewelry, an article with the fineness of 999 should be marked with the description of "PT999 or pure platinum." An item with the fineness of 950 should have the marking of "PT950 or Platinum 950."
- The allowable margin of error is -0.4% of the content of a precious metal that is the main component of a jewelry item.

▶ Marking(weight, measures, trademarks, etc.)

- The weight should be marked, with gram (g) as a unit. The allowable margin of error is -1% for items that weigh less than 10 grams and -0.8% for items that weigh 10grams or higher.
- Rings should be marked with characters or numerical codes denoting their sizes. In this case, the margin of error is ±0.3mm.
- Every single jewelry item should carry engraved quality markings as well as trademarks or trade names. When selling a jewelry article, the manufacturer, seller or importer should issue a written warranty document containing the following information.

Box. Information to be listed on warranty documents

- Product name
- Size (only for rings)
- Grade of precious metal
- Weight of precious metal
- Processing method (only for those gilded or coated with precious metal)
- Manufacturer's name or trademark
- Address or telephone number

2) Measures Act

Articles 4 and 11 of the Measures Act prescribes obligations to undergo inspections and abide by correct measurement regulations for people using legal measuring units in transactions or corroborative activities. The inspections are carried out by agencies appointed by the minister of knowledge economy, such as the Korea Machinery-Meter and Petrochemical Testing and Research Institute.

▶ Basic Unit

• The basic measuring unit for length is meter (m), and that for weight is kilogram (kg).
• Allowable Margin of Error
  ◇ Articles that weigh less than 10g: -1%
  ◇ Articles that weigh 10g or higher: -0.8%

▶ Inspection

• There are regular inspections (once every two years) and occasional inspections.

(2) Labeling regulations at the time of sale in Korea

The jewelry industry in Korea is using a label called the "Hallmark." which plays a crucial role in gaining customer trust in precious jewelry articles. There are three types of hallmarks now in use in Korea - Taegeuk, Gold and Mugunghwa hallmarks. Of these, the Taegeuk hallmark is most widely used.

Figure 55 The Taegeuk Hallmark for Jewelry in Korea

Source: Gem Trade Laboratory and Assay Office of Korea

(3) Regulatory agency contacts

Agency Name	Pertinent Department	Business	Homepage	Contact
Korea Customs Service	Clearance Facilitation Bureau	Customs clearance	www.customs.go.kr	82-42-472-2181
Korea Machinery-Meter And Petrochemical Testing & Research Institute	Verification and Inspection Bureau	Quality certification	www.mpi.or.kr	82-2-2056-4700
Fair Trade Commission	Anti-monopoly Bureau	Quality certification	www.ftc.go.kr	82-2-2023-4700
Ministry of Knowledge Economy	Office of industrial economic policy	Import approval	www.mke.go.kr	82-2-2110-5100

4. Customs duties and taxes

(1) Customs duties

The basic rate of the customs duties imposed on jewelry imported into Korea is 8%. However, jewelry imported from the ASEAN countries are exempted from the customs duties in accordance with the Korea-ASEAN FTA. Figure 211 shows various customs duty rates by category and agreements.

Table 139 Jewelry Duty Rates by Category

	HS Code	Items	Basic	K-A FTA	K-C FTA	K-E FTA	K-S FTA	WTO	Preferential	A-P Trade	C/O
gold	**7113192000**	**gold**	8%	0%	0%	0%	5.1 %	13%	-	5.6%	○
	7113202000	**gold-clad**	8%	0%	0%	0%	0%	13%	0%	-	○
silver	**7113110000**	**silver**	8%	0%	0%	0%	5.1 %	13%	0%	-	○
	7113203000	**silver-clad**	8%	0%	0%	0%	0%	13%	0%	-	○

Note) A-KFTA: ASEAN-Korea FTA / K-CFTA: Korea -Chile FTA /
K-EFTA: Korea-Europe FTA / S-KFTA: Singapore-Korea FTA /
WTO: World Trade Organization Agreement / Preferential: Poorest countries preferential duty /
A-P Trade: Asia Pacific Trade Agreement / C/O: Certificate of Origin

(2) Consumption Tax

In general, a 10% value added tax is imposed on jewelry as consumption tax. Value added tax is levied by applying a 10% tax rate to the taxable amount, which is the aggregate of the market price plus and customs duty plus all the internal taxes like customs duty, special consumption tax and liquor tax. Value added tax is calculated in the following manner.

▶ Value added tax = taxable amount × 10%
▶ Taxable amount of VAT = taxable amount of customs duties + customs duties + internal taxes imposed at the time of importation (special consumption tax, transportation tax, liquor tax, special tax for rural development, educational tax)

The taxable amount of customs duties means the market price, which is the total amount the purchaser has paid or will have to pay the seller for the imported product.

In the case of products, the per-unit taxable amount of which exceeds the tax base of 2 million won, a 20% special consumption tax is imposed. In addition, educational tax worth 30% of the special consumption tax is levied on such products. The taxable amount and the tax are calculated in the following manner.

▶ Taxable amount of special consumption tax = taxable amount of customs duties + customs duties

▶ In the case of products for which base prices have been established:
Taxable amount of special consumption tax = (taxable amount of customs duties + customs duties) - base price

▶ Special consumption tax = taxable amount (quantity) × special consumption tax rate

Example: two jewelry items, the taxable amounts of which are 2 million won and 10 million won, respectively, are imported from an ASEAN country. Special consumption tax and value added tax for these items can be calculated by using the following formula.

Class.	Calculation Formula	
	Under 2 million won (Example: 2 million won)	Over 2 million won (Example: 10 million won)
Taxable amount of customs duties	2 million won	10 million won
Customs duties(0%)	2 million won × 0 = 0 won	10 million won × 0 = 0 won
Taxable amount of special consumption tax	(2 million won + 0 won) - 2 million won = 0 won	(10 million won + 0 won) - 2 million won = 8 million won
Special consumption tax(20%)	0 won	8 million won × 0.2 = 1.6 million won
Educational tax(30%)	0 won	1.6 million won × 0.3= 480,000 won
Real import price	2 million won	12.08 million won
Value added tax	200,000 won (2 million won × 0.1)	1.208 million won (12.08 million won × 0.1)
Final import price	**2.2 million won**	**13.288 million won**

5. Related organizations

Name	Homepage	Contact
Korea Jewelry Business News	www.diamonds.co.kr	82-2-743-6101～2
The Precious Metal Analysis And Gem Trade Laboratory Of Korea	www.hallmark.or.kr	82-2-743-3920
Korea Diamond Association	www.kda88.com	82-2-747-0086
Korea Jewellers Association	www.jewelkorea.org	82-2-776-9989
Korean Gem Trade Association	www.kgta.co.kr	82-2-744-1266

6. Major Korean exhibitions and importers

(1) Major exhibitions in Korea

Principal jewelry-related exhibitions in Korea are shown in Table 140.

Table 140 Major Jewelry Exhibitions in Korea

Exhibitions Name	Exhibitions Period				Participating Company		Participating Buyers		Description
	1/4	2/4	3/4	4/4	Korea	Foreign	Korea	Foreign	
Korea International Jewelry&Watch Fair	●				273	74	13,117	1,014	Precious metal jewelry. Fashion accessory, etc
Seoul Gift Show (www.seoulgiftshow.com)			●		394	29	11,552	388	Gift, Sales promotion products
Seoul Essence Wedding Fair (www.esswedding.co.kr)	●		●		80	0	302	21	Precious metal jewelry, Wedding products
The Wedding Exhibition Korea (www.seoulfairs.com)	●		●		178	7	240	2,699	Precious metal jewelry, Wedding products
Import Goods Fair /Household Exhibition (www.koima.or.kr)	●				5	127	7,910	186	Import Goods, Household goods

(2) Major importer list

Company Name	Tel. No.	Homepage/E-mail	Import Item(jewelry)	
			Gold	Silver
SEWON KOREA CORPORATION	82-2-3673-3000	www.sewongems.com	○	○
WOORIM FMG CO.	82-2-3284-1300(102)	www.galleryoclock.co.kr	-	○
SAEHOON TRADING CO.	82-2-598-8271/4	www.bice.co.kr	○	-
GEMOPIA JEWELLERY CO.	82-31-708-2005	www.gemopia.com	○	○
PANLINE COMPANY	82-2-6900-5551	-	-	○
EREPE CO.	82-31-708-2005	-	○	○
GEMCO JEWELRY CO.	82-2-981-7400	www.igemco.co,kr	○	○
LOOKS JEWERLY CO.	82-2-741-6981	-	○	-
MYUNGBO CO.	82-2-3279-9000	www.myungboco.com	○	-
VIICGIOIELLI	82-2-771-7775	www.viicgioielli.com	○	○
GEMBROS JEWELRY CO.	82-63-833-7117/8	www.gembros.co.kr	○	○
SILLA JEWELRY CO.	82-63-833-3310	www.sillajewelry.co.kr	○	○
CAMBRIDGE MEMBERS CO.	82-2-3677-8052	www.cambridge.co.kr	○	-
INA DIAMOND CO.	82-63-833-4140	-	○	○

Company Name	Tel. No.	Homepage/E-mail	Import Item(jewelry)	
			Gold	Silver
WOOSUNG JEWELRY MFG., CO	82-63-835-3491	wsmfg@chollian.net	○	○
ROMANSON CO.	82-2-2190-7040	www.romanson.co.kr	○	○
SEIN INDUSTRIAL SERVICES	82-2-458-5416	www.sein.com	-	○
MSD KOREA LTD.	82-2-6363-0048	www.msd-korea.com	-	○
CORE JEWELRY CO,	82-2-469-5962	www.corejewel.co.kr	○	○
SAMSHIN DIAMONDS CO.	82-2-540-3344	www.dianet.com	○	○
MIKWANG METAL CO.	82-2-883-4099	www.lucebella.co.kr	○	○
ELCA KOREA LTD.	82-2-3440-2616	www.cliniquekorea.co.kr	-	○
TAEKWANG JEWELRY	82-63-833-3740	www.caraty.co.kr	○	○

8 Home Textiles

1. Market conditions in Korea

(1) Definition of category

As of 2006, ASEAN's total exports of HS Code 6302 commodities dealt with in this report amounted to $364,821,000, recording 59.5% growth over the previous year. In 2008, ASEAN exports of the same items to Korea reached $13,655,000, up 35.4% from 2007.

Table 141 Exports of Home Textile Commodities

(Unit: $ Thousand)

Class. / HS Code	ASEAN to the World (2006)	ASEAN to Korea (2008)	World to Korea (2008)
6302	364,821	13,655	63,323

Source: ITC, Korea International Trade Association

In this report, home textiles refer to bed linens, table linens, and toilet and kitchen linens as defined in HS Code 6302. Bed linens refer to bedclothes such as bed sheets, comforter covers and pillow covers; table linens include tablecloths, cloth napkins and table mats; toilet linens mean bath gowns, bathroom slippers, and bathroom mats; and kitchen linens include kitchen towels.

Classification of home textile commodities and HS numbers are shown in Table 142.

Table 142 Classification of Home Textile Commodities

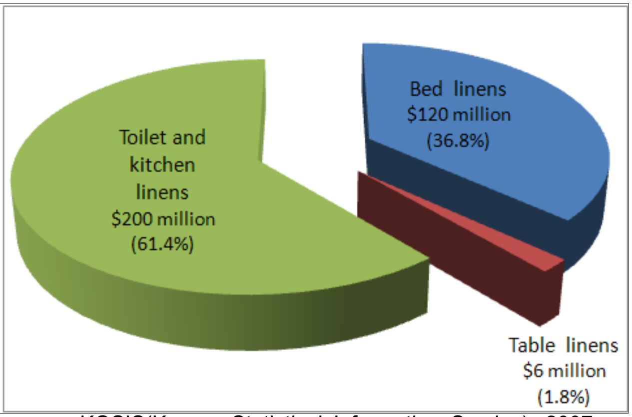
HS CODE	Commodity
6302.10.1000-9000, 6302.210000-290000, 6302.310000-390000	Bed linens
6302.400000, 6302.510000-590000	Table linens
6302.600000, 6302.910000-990000	Toilet and kitchen linens

Source: Korea International Trade Association (KITA)

(2) Market conditions

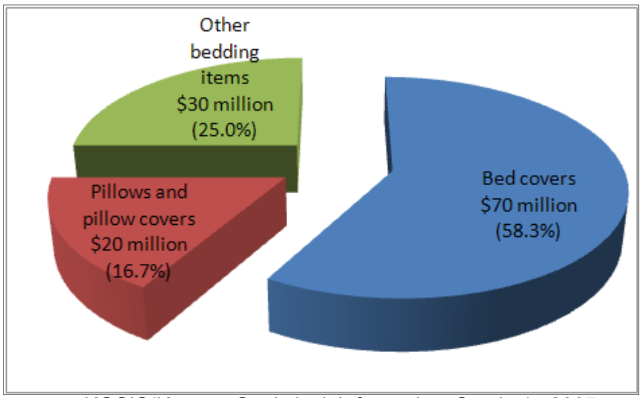
The korean home textiles market is estimated to be worth $326 million in production terms. Bed linens account for 36.8% of the total market with production of $120 million, followed by table linens with $6 million (1.8%), and toilet and kitchen linens with $200 million (61.4%).

Figure 56 Status of the Korean Market for Home Textile Commodities



source: KOSIS(Korean Statistical Information Service), 2007

Figure 57 Status of the Korean Market for Bed Linens



source: KOSIS(Korean Statistical Information Service), 2007

In detail, production of bed covers, including bed sheets and comforter covers, amounted to $70 million, accounting for 58.3% of the bed linens market. They were followed by pillows and pillow covers whose production stood at $20 million (16.7%), and other bedding items worth $30 million (25.0%).

Polarized consumption patterns are occurring at the home textiles market. Expensive items gaining popularity include bed clothes made of ultra prestigious materials like cashmere and Alpaca fibers, as well as towels and bath gowns made of ultra fine threads. On the other hand, Practical items which are durable and easy to wash and dry are also growing in their market shares.

The latter phenomenon may be explained by conventional wisdom that during recession, products with just basic functions become popular.

The bed linens market is showing three major trends of environment friendliness, functionality, and harmony with surrounding furniture. First, items made of eco-friendly and healthful materials are gaining popularity, in accordance with the health-oriented consumer trend spreading throughout society. Second, functional items are attracting attention, particularly those made of environment-friendly materials like pure cotton, bamboos and hemps that minimize skin irritation, feel pleasant, improve air permeability, and provide anti-fungal functions. Third, there is growing preference for design that can ensure harmony with furniture in the bedroom and the surrounding environment. An increasing number of consumers want to buy bedclothes that can form harmony with the bed and other pieces of furniture in the room. Gaining popularity are brilliantly colored items, products with patterns printed on them, and items made of premium materials like cashmere and Angora wool that can in themselves serve the purpose of interior decoration.

A major consumption trend in the table linens market is preference for design. As in the case of bed linens, consumers no longer regard table linens just as helpful materials related with meals. They want table linens that can harmonize with the table and the kitchen, thus serving as part of home interiors. Popular among consumers are products that can refresh the atmosphere of the kitchen with brilliant colors or prints, or items with natural tones that can ensure a stable atmosphere. Being related to meals and health, table linens are required to be hygienic and clean. In this regard, those made of pure cotton and other natural fibers that do not contain materials harmful to the human body are winning popularity. This trend marked by preference for design and health-related considerations is expected to continue for the time being.

The size of the domestic market for toilet and kitchen linens is estimated at $200 million. The towel sector is worth about $120 million. Towels made of terry textiles and natural materials are hugely popular among consumers these days. The leading towel manufacturer is Song Wol Towel. Daejeon is the hub of the domestic towel industry, serving as home to about 60% of the towel manufacturers and accounting for 60% of towel production.

Toilet and kitchen linens involve direct contact with the skin, and some of them are related to meals. In this respect, health-oriented environment-friendly products are gaining popularity. Items made of terry textiles have traditionally been popular among consumers because of their soft feel and high moisture absorption capability. Recently, top-selling items include eco-friendly ones made of pure cotton, bamboo threads, and natural plant fibers.

(3) Distribution system and business practices in Korea

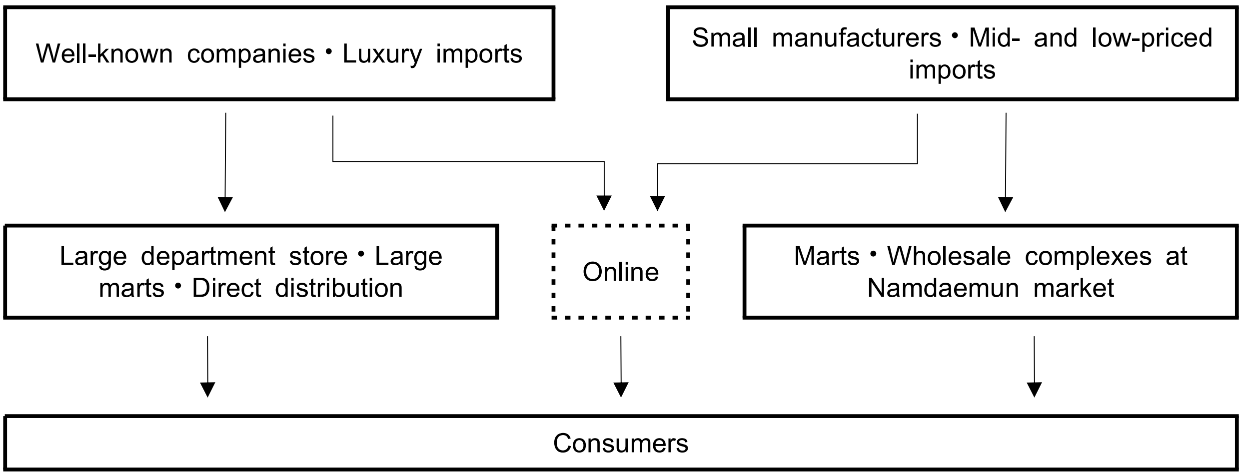
The retail status of home textiles shows that products of well-known companies or luxury imports are usually sold at department stores and large-scale marts, a phenomenon related to endeavors to retain brand value and ensure differentiation from products made by small businesses and low-priced imported items.

Products of small manufacturers or low-priced imports are usually sold at marts of various sizes and wholesale complexes at such places as Namdaemun and Dongdaemun markets. Some of these channels have simplified the distribution structure, lowering product prices, while gaining consumer trust through operating their own franchise systems. These low-priced items are sold at small marts or convenience stores which have advantages over department stores or large marts in terms of customer access.

Recently, well-known companies, importers and small manufacturing firms are all trying hard to expand sales through the online market encompassing Internet shops and home shopping channels. Except for a very limited range of products, most home textile products are not luxury items. So, most consumers do not feel the need to examine products before purchase. This phenomenon prompts predictions that sales of home textile products will increase substantially through the Internet shopping malls and TV home shopping channels.

Some bed linen brands have already recorded considerable amounts of sales through home shopping channels, indicating that the online market for home textiles has bright prospects.

Chart 18 Distribution Channels for Home textiles



2. Trade trends

(1) Import trends in Korea

The size of the Korean import market for home textiles has expanded 12.3% annually on average from $39.76 million in 2004 to $63.32 million in 2008. By item, toilet and kitchen linens accounted for 67.2% of total home textiles imports by registering an import amount of $42.56 million in 2008. They were followed by bed linens with $19.65 million or 31% of the total, and table linens with $1.1 million (1.7%).

While imports of bed linens and toilet and kitchen linens steadily increased, table linen imports fluctuated sharply every year.

Figure 58 Trends in Home Textiles Imports in Korea

Figure 58-1 Import Status by Year (total)

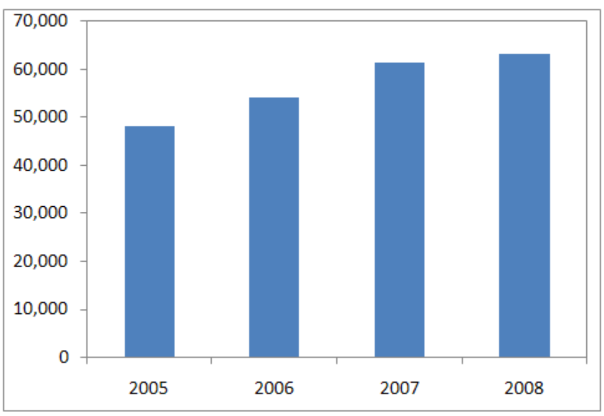
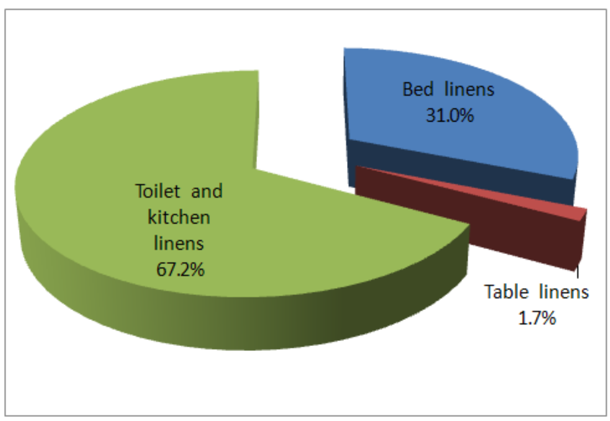


Figure 58-2 Import Status by Category



Class.	Value($1,000)				Volume(t)				2008		
	2005	2006	2007	2008	2005	2006	2007	2008	Share(%)		AUP ($/kg)
									Value	Volume	
Bed	12,224	17,541	19,441	19,658	2,098	3,161	3,698	3,392	31.0	26.0	5.8
Table	2,052	916	1,899	1,107	189	90	295	102	1.7	0.8	10.9
Toilet	33,900	35,638	40,145	42,561	9,193	9,640	10,341	9,540	67.2	73.2	4.5
TOTAL	48,175	54,096	61,483	63,323	11,480	12,892	14,334	13,033	100	100	4.9

Source: Korea International Trade Association
Note 1) Bed : Bed linens / Table : Table linens / Toilet : Toilet and kitchen linens / 2) AUP : Average Unit Price

(2) Principal exporters of home textiles to Korea

The Korean import market for home textiles has been expanding by an annual average of 12.3% in recent years. China held a 69.6% share of the market in 2008, with its exports standing at $44.09 million. It was followed by Vietnam whose exports valued at $13.42 million accounted for 21.2% of total Korean imports in this sector. These two countries occupied over 90% of the Korean import market.

In 2008, ASEAN as a whole had a 21.6% market share in Korea, with its exports amounting to $13.65 million. More than 99% of the ASEAN exports were from Vietnam.

Figure 59 Principal Exporters of Home Textiles to Korea

Figure 59-1 Trends in Imports from Major Exporters(by Year)

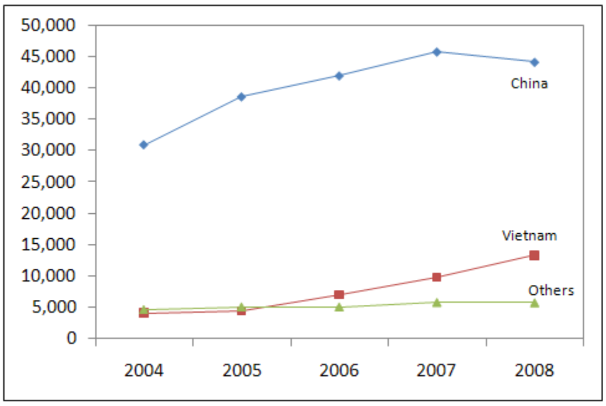
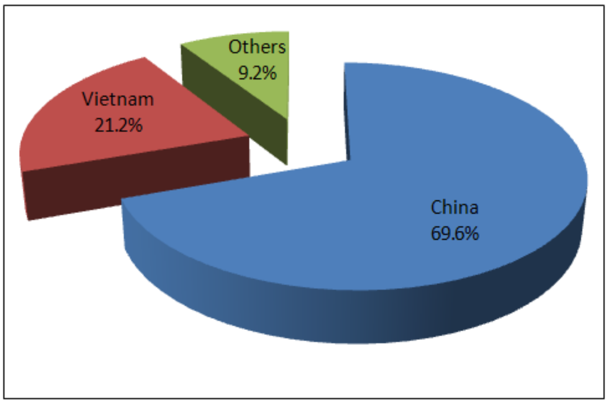


Figure 59-2 Major Exporters' Market Shares in Korea



(Units: ＄ Thousand, ton, %, ＄/kg)

	Class.	2004	2005	2006	2007		2008				
		Value	Value	Value	Value	Volume	Value	Share	Volume	Share	AUP
1	China	30,975	38,601	41,939	45,733	10,403	44,097	69.6	8,744	67.1	5.0
2	Vietnam	4,140	4,453	7,048	9,904	3,534	13,429	21.2	3,865	29.7	3.5
3	Italy	871	862	1,260	1,782	37	1,382	2.2	29	0.2	47.3
4	Japan	1,324	704	962	969	109	1,032	1.6	104	0.8	9.9
5	France	452	515	644	725	13	692	1.1	12	0.1	60.1
6	India	339	369	395	493	58	603	1.0	63	0.5	9.6
7	Pakistan	74	132	334	400	66	468	0.7	95	0.7	4.9
8	U.S.A.	494	582	358	234	27	305	0.5	32	0.2	9.4
9	Turkey	6	61	54	104	6	212	0.3	10	0.1	20.8
10	Portugal	33	146	69	124	3	209	0.3	10	0.1	20.2
	TOTAL	39,767	48,175	54,096	61,483	14,334	63,323	100.0	13,033	100.0	4.9
	ASEAN	4,272	4,836	7,300	10,086	3,554	13,655	21.6	3,891	29.9	3.5

Source: Korea International Trade Association (KITA)

(3) Import trends by item

Bed linens

Korea's largest import source for bed linens is China. The Chinese exports accounted for 86.3% of total Korean imports by amounting to $16.96 million in 2008, registering average annual growth of 20.2% from $8.13 million recorded in 2004.

Vietnam was the only ASEAN country ranked among the top 10. But its exports went down from 2004 to $112,000 in 2008, thus accounting for a mere 6% of total Korean imports.

Table 143 Principal Exporters of Bed Linens to Korea

(Units: ＄ Thousand, ton, %, ＄/kg)

Class.		2004	2005	2006	2007		2008				
		Value	Value	Value	Value	Volume	Value	Share	Volume	Share	AUP
1	China	8,137	10,351	15,298	16,548	3,584	16,969	86.3	3,279	96.7	5.2
2	Italy	775	776	1,133	1,498	31	1,326	6.7	28	0.8	46.9
3	France	308	424	494	534	9	504	2.6	7	0.2	67.9
4	Portugal	19	33	18	27	1	142	0.7	8	0.2	17.4
5	India	53	156	147	244	24	118	0.6	9	0.3	13.1
6	Vietnam	369	81	91	153	29	112	0.6	17	0.5	6.7
7	Pakistan	2	116	-	1	0.02	90	0.5	26	0.8	3.4
8	Germany	113	20	72	123	2	87	0.4	1	0.03	79.2
9	Japan	2	12	17	92	3	57	0.3	1	0.03	57.9
10	Turkmenistan	-	-	-	-	-	44	0.2	6	0.2	6.9
TOTAL		10,130	12,224	17,541	19,441	3,698	19,658	100	3,392	100	5.8
ASEAN		374	141	189	192	35	129	0.7	18	0.5	7.0

Source: Korea International Trade Association

Table linens

The largest exporter of table linens to Korea is China, which accounted for 64.2% of total Korean imports in 2008 as its exports reached $711,000, recording average annual growth of 9.5% from $495,000 in 2004. Of the ASEAN countries, Vietnam was ranked seventh, with its exports standing at $12,000. Its market share in Korea was just 1.1%.

Table 144 Principal Exporters of Table Linens to Korea

(Units: $ Thousand, ton, %, $/kg)

Class.		2004	2005	2006	2007		2008				
		Value	Value	Value	Value	Volume	Value	Share	Volume	Share	AUP
1	China	495	716	497	1,490	271	711	64.2	83	82.2	8.5
2	India	99	134	78	87	7	173	15.6	14	13.3	12.8
3	France	64	34	54	69	1	88	7.9	0.8	0.8	113.4
4	Portugal	3	32	4	-	-	26	2.4	0.8	0.8	32.1
5	Germany	23	38	52	39	1	18	1.6	0.2	0.2	72.0
6	U.S.A.	12	65	34	29	4	17	1.6	0.6	0.5	31.3
7	Vietnam	1	19	4	10	0.2	12	1.1	0.7	0.7	16.5
8	Italy	7	15	38	63	1.7	10	0.9	0.2	0.2	53.5
9	Japan	48	118	57	7	0.6	10	0.9	0.3	0.3	30.6
10	Greece	20	-	-	-	-	10	0.9	0.1	0.1	172.7
TOTAL		1,016	2,052	916	1,899	295	1,107	100	102	100	10.9
ASEAN		47	81	13	55	7	19	1.7	1	1.0	17.9

Source: Korea International Trade Association (KITA)

Toilet and kitchen linens

In 2008, Korean imports of toilet and kitchen linens amounted to $42.56 million, accounting for 67.2% of total home textiles imports. China exported $26.41 million worth of products to Korea, occupying a 62.1% market share. Of the ASEAN countries, Vietnam secured its status as a major exporter in this category by holding a 31.3% market share in Korea.

Table 145 Major Exporters of Toilet and Kitchen Linens to Korea

(Units: $ Thousand, ton, %, $/kg)

Class.		2004	2005	2006	2007		2008				
		Value	Value	Value	Value	Volume	Value	Share	Volume	Share	AUP
1	China	22,342	27,534	26,144	27,696	6,547	26,418	62.1	5,382	56.4	4.9
2	Vietnam	3,769	4,353	6,953	9,741	3,505	13,305	31.3	3,848	40.3	3.5
3	Japan	1,274	574	888	869	105	965	2.3	103	1.1	9.4
4	Pakistan	72	16	334	399	66	378	0.9	69	0.7	5.5
5	India	187	79	170	162	27	311	0.7	40	0.4	7.7
6	U.S.A.	415	469	294	168	19	247	0.6	27	0.3	9.2
7	Turkey	5	61	21	103	6	189	0.4	10	0.1	19.1
8	Egypt	100	114	148	126	12	167	0.4	15	0.2	10.8
9	Indonesia	5	137	13	4	1	122	0.3	20	0.2	6.0
10	France	80	58	96	121	4	100	0.2	3	0.03	30.1
TOTAL		28,620	33,900	35,638	40,145	10,341	42,561	100	9,540	100	4.5
ASEAN		3,851	4,614	7,097	9,839	3,512	13,508	31.7	3,872	40.6	3.5

Source: Korea International Trade Association (KITA)

(4) Status and characteristics of ASEAN members' home textiles exports to Korea

ASEAN's home textiles exports to Korea in 2008 amounted to $13.65 million, constituting 21.6% of total Korean imports in this sector. The most outstanding feature is that toilet and kitchen linens account for 98.9% of the total ASEAN exports. Vietnam has a dominant share in the ASEAN exports. Vietnam's home textiles exports to Korea reached $13.42 million in 2008, securing a 21.2% market share. Vietnam's export growth rate of 34.2% is much higher than the Korean import market's expansion rate of 12.3%. Given these situations, Vietnam's market share is expected to increase further.

Table 146 Trends in Korean Home Textiles Imports from ASEAN Countries

	Class.	Value($1,000)					Volume(t)					AUP ($/kg)
		2004	2005	2006	2007	2008	2004	2005	2006	2007	2008	2008
ASEAN	Bed	374	141	189	192	129	94	26	34	35	18	7.0
	Table	47	81	13	55	19	6	7	3	7	1	17.9
	Toilet	3,851	4,613	7,097	9,839	13,507	1,448	1,813	2,718	3,512	3,872	3.5
	Total	4,272	4,836	7,300	10,086	13,655	1,548	1,845	2,754	3,554	3,891	3.5
	Total imports	39,767	48,175	54,096	61,483	63,323	9,789	11,480	12,892	14,334	13,033	4.9
	Shares	10.7%	10.0%	13.5%	16.4%	21.6%	15.8%	16.1%	21.4%	24.8%	29.9%	

	Class.	Value($1,000)					Volume(t)					AUP ($/kg)
		2004	2005	2006	2007	2008	2004	2005	2006	2007	2008	2008
INDONESIA	Bed	0.02	47	71	27	1	0.001	9	15	6	0.1	11.3
	Table	1.6	36	8	1	6	0.1	4	0.6	0.03	0.3	21.4
	Toilet	4.6	137	13	4	122	1	29	3	1	20	6.0
	Total	6	220	91	32	129	1	42	19	7	21	6.3
	Total imports	39,767	48,175	54,096	61,483	63,323	9,789	11,480	12,892	14,334	13,033	4.9
	Shares	0.02%	0.5%	0.2%	0.05%	0.2%	0.01%	0.4%	0.15%	0.05%	0.16%	

	Class.	Value($1,000)					Volume(t)					AUP ($/kg)
		2004	2005	2006	2007	2008	2004	2005	2006	2007	2008	2008
MALAYSIA	Bed	-	0.003	-	0.005	-	-	0.03	-	0.001	-	-
	Table	-	17	0.6	16	-	-	1	0.02	0.6	-	-
	Toilet	0.2	-	28	0.02	0.1	0.02	-	1	0.004	0.02	7.0
	Total	0.2	17	29	16	0.1	0.02	1.0	1	0.6	0.02	7.0
	Total imports	39,767	48,175	54,096	61,483	63,323	9,789	11,480	12,892	14,334	13,033	4.9
	Shares	0.001%	0.035%	0.05%	0.03%	0.0002%	0.0002%	0.01%	0.01%	0.004%	0.0002%	

	Class.	Value($1,000)					Volume(t)					AUP ($/kg)
		2004	2005	2006	2007	2008	2004	2005	2006	2007	2008	2008
PHILIPPINES	Bed	-	-	0.1	0.2	-	-	-	0.1	0.03	-	-
	Table	2.8	-	-	0.7	0.002	0.9	-	-	0.01	-	-
	Toilet	0.01	4.3	1.5	-	-	0.001	0.4	0.1	-	-	-
	Total	2.8	4.3	1.6	0.9	0.002	0.9	0.4	0.2	0.04	-	-
	Total imports	39,767	48,175	54,096	61,483	63,323	9,789	11,480	12,892	14,334	13,033	4.9
	Shares	0.007%	0.01%	0.003%	0.002%	0.000003%	0.01%	0.003%	0.002%	0.0003%	-	

Table 146 Trends in Korean Home Textiles Imports from ASEAN Countries

	Class.	Value($1,000)					Volume(t)					AUP ($/kg)
		2004	2005	2006	2007	2008	2004	2005	2006	2007	2008	2008
SINGAPORE	Bed	0.6	7	1	0.5	2	0.1	4	0.3	0.04	0.4	4.1
	Table	0.3	0.4	0.5	26	0.02	1.0	0.02	0.3	5.6	0.002	9.5
	Toilet	7	0.7	3	16	0.2	0.1	0.2	0.2	1.3	0.03	9.2
	Total	8	8	5	43	2	1.1	4.5	0.8	6.9	0.5	4.5
	Total imports	39,767	48,175	54,096	61,483	63,323	9,789	11,480	12,892	14,334	13,033	4.9
	Shares	0.02%	0.02%	0.01%	0.07%	0.003%	0.01%	0.04%	0.01%	0.05%	0.004%	

	Class.	Value($1,000)					Volume(t)					AUP ($/kg)
		2004	2005	2006	2007	2008	2004	2005	2006	2007	2008	2008
THAILAND	Bed	5	5	26	11	14	0.7	0.2	1	0.5	1.2	11.6
	Table	41	10	0.6	0.2	0.03	3	0.6	0.1	0.1	0.002	16.5
	Toilet	70	118	99	78	80	5	11	15	5	4	19.8
	Total	115	133	126	89	94	8	11	17	5	5	17.9
	Total imports	39,767	48,175	54,096	61,483	63,323	9,789	11,480	12,892	14,334	13,033	4.9
	Shares	0.3%	0.3%	0.2%	0.1%	0.15%	0.1%	0.1%	0.1%	0.04%	0.04%	

	Class.	Value($1,000)					Volume(t)					AUP ($/kg)
		2004	2005	2006	2007	2008	2004	2005	2006	2007	2008	2008
VIETNAM	Bed	369	81	91	153	112	93	12	17	29	17	6.7
	Table	1.5	19	4	10	12	1	1	2	0.2	0.7	16.5
	Toilet	3,769	4,353	6,953	9,741	13,305	1,442	1,773	2,698	3,505	3,848	3.5
	Total	4,140	4,453	7,048	9,904	13,429	1,536	1,786	2,716	3,534	3,865	3.5
	Total imports	39,767	48,175	54,096	61,483	63,323	9,789	11,480	12,892	14,334	13,033	4.9
	Shares	10.4%	9.2%	13.0%	16.1%	21.2%	15.7%	15.6%	21.1%	24.7%	29.7%	

Source: Korea International Trade Association
Note 1) Bed : Bed linens / Table : Table linens / Toilet : Toilet and kitchen linens 2) AUP : Average Unit Price

3. Key considerations related to exporting to Korea

(1) Korean import procedures for home textiles

Chart 19 Korean Import Procedures for Home Textiles(Importer)

Application for Self Safety Confirmation

(Before customs clearance, importers of home textiles should submit an application for self safety confirmation to a safety certification agency and undergo a self safety confirmation test)

↓

Self Safety Confirmation Test at Safety Testing Agency

(After passing a self safety confirmation test, notification should be given to a safety certification agency)

↓

Import Declaration

(After completing self safety confirmation procedures, an import declaration should be submitted to customs authorities for clearance of imported items)

(2) Korean requirements on imports

Exports of home textiles to Korea is subject to the application of the 'Quality Management and Safety Control of Industrial Products Act'.

1) Quality Management and Safety Control of Industrial Products Act

▶ As for the following item, only the same models of a product for which self safety confirmation notification is completed can be imported.

• Textile products for infants and skin-contact textile products

▶ The following item should bear safety and quality marks.

• Home textile products

▶ Notification of industrial products subject to self safety confirmation (Article 19 of the Quality Management and Safety Control of Industrial Products Act, Article 19 of the Enforcement Regulations of the Act).

- The manufacturer or the importer of an industrial product subject to self safety confirmation should receive a test and an inspection for each model of the product from a designated testing and inspection agency. And, after confirming that the product meets the safety criteria, the importer should notify a safety certification agency of the results.
- Any manufacturer or an importer who intends to give notification about self safety confirmation should submit a self safety confirmation notification to a safety certification agency for each model of an industrial product subject to self safety confirmation, prior to the release of the product or its customs clearance. The notification should be attached with the following documents.
  - A. A copy of business registration certificate
  - B. Product description (including photos.)
  - C. Safety test results issued by testing and inspection agencies regarding industrial products subject to self safety confirmation
- The safety certification agency that has received a self safety confirmation notification should issue a certificate proving that it has received notification concerning self safety confirmation.

▶ Safety Certification Agencies: Korea Environment and Merchandise Testing Institute, Meter and Petrochemical Testing and Research Institute, Korean Agency for Technology and Standards, Korea Apparel Testing and Research Institute, Korea Testing and Research Institute, and other agencies designated by the Knowledge Economy Minister.

(3) Labeling regulations

Currently, there are various quality certification marks related to home textile products, but the most significant one is the KPS Mark, which is a legal mandatory safety certification mark. In accordance with the Quality Management and Safety Control of Industrial Products Act, importers who intend to import, sell and distribute home textile items should obtain this mark. To gain the mark, they should confirm the safety of the items themselves through tests and inspections conducted by testing and inspection agencies, and give notification about this confirmation to a safety certification agency. In a related development, the KC (Korea Certification) Mark will be enforced as a unified certification mark required on any certified product with regard to manufacture, importation, distribution and sale. Beginning in 2010, the current 13 mandatory marks legally required for industrial products will be gradually integrated into the KC Mark.

The KC and KPS marks are shown in Figure 60.

Figure 60 Quality Certification Marks for Home Textile Products on Sale in Korea: Mandatory Certification Marks

(4) Regulatory agency contacts

Agency Name	Pertinent Department	Business	Homepage	Contact
Korea Customs Service	Clearance Facilitation Bureau	Customs clearance	www.customs.go.kr	82-42-472-2181
Korea Apparel Testing & Research Institute	Quality Assurance Department	Safety certification	www.katri.re.kr	82-2-3668-3000
Korean Agency for Technology and Standards	Product Safety Division	Safety certification	www.kats.go.kr	82-2-509-7411
Korea Environment & Merchandise Testing Institute	Technology Headquarters	Safety certification	www.kemti.org	82-2-2102-2500

4. Customs duties and taxes

(1) Customs duties

The basic tariff rate for home textile products imported into Korea is 13%. As for home textile items imported from ASEAN, toilet and kitchen linens are subject to tariffs at the rate of 3% while other products are exempt from tariffs. Tariff rates for home textile products are shown in Table 147.

Table 147 Tariff Rates for Home Textile Products by Commodity

HS Code	Items	Basic	K-A FTA	K-C FTA	K-E FTA	K-S FTA	WTO	Preferential	C/O
6302. 10	Bed linen, knitted or crocheted	13%	0%	0%	0%	8.3%	30%	-	○
6302. 2	Bed linen, printed	13%	0%	0%	0%	8.3%	30%	0%	○
6302. 3	Other bed linen	13%	0%	0%	0%	8.3%	30%	-	○
6302400000	Table linen, knitted or crocheted	13%	0%	0%	0%	8.3%	30%	-	○
6302. 5	Other table linen	13%	0%	0%	0%	8.3%	30%	-	○
6302600000	Toilet linen and kitchen linen	13%	3%	0%	0%	8.3%	30%	-	○

Note) A-KFTA: ASEAN-Korea FTA / K-CFTA: Korea-Chile FTA /
K-EFTA: Korea-Europe FTA / S-KFTA: Singapore-Korea FTA /
WTO: World Trade Organization Agreement / Preferential: Poorest countries preferential duty /
C/O: Certificate of Origin

(2) Internal taxes

A 10% value added tax is levied on home textile products. Value added tax is levied by applying a 10% tax rate to the taxable amount, which is the aggregate of the market price plus customs duty and all the internal taxes like special consumption tax and liquor tax. Value added tax is calculated in the following manner.

▶ Value added tax = taxable amount of VAT × 10%

▶ Taxable amount of VAT = taxable amount of customs duties + customs duties + internal taxes imposed at the time of importation (special consumption tax, transportation tax, liquor tax, special tax for rural development, education tax)

(The taxable amount of customs duties means the market price, which is the total amount the purchaser has paid or will have to pay the seller for the imported product.)

Value added tax for a home textile product whose taxable amount of customs duties is 1 million won can be calculated in accordance with the following formula.

Class.	Calculation formula Example: 1 million won
Taxable amount of customs duties	1 million won
Customs duties (0%)	0 won
Real import price	1 million won
Import price before VAT	1 million won
Value added tax (10%)	1 million won × 0.1 = 1 hundred thousand won
Final import price	**1.1 million won**

5. Related organizations

Name	Homepage	Contact
The Korea Textile News	www.ktnews.com	82-2-326-3600
Korea Testing & Research Institute	www.ktr.or.kr	82-2-2634-0011
Korea Textile Development Institute	www.textile.or.kr	82-53-560-6600

6. Major Korean exhibitions and importers

(1) Major exhibitions in Korea

Principal Korean exhibitions related to Lighting Fixtures are shown in Table 148.

Table 148 Major Lighting Fixtures Exhibitions in Korea

Exhibitions Name	Exhibitions Period				Participating Company		Participating Buyers		Description
	1/4	2/4	3/4	4/4	Korea	Foreign	Korea	Foreign	
Seoul Living Design Fair (www.livingdesignfair.co.kr)	●				174	20	36,000	150	Interior products
Seoul Essence Wedding Fair (www.esswedding.co.kr)	●		●		80	0	302	21	Wedding products
Preview in SEOUL (www.kofoti.or.kr)			●		181	23	8,920	1,266	Textile goods
Preview In DAEGU (previewin.com)	●				177	17	4,708	1,416	Textile goods
Daegu International Fashion Fair(www.munhwabank.com)				●	120	10	1,192	83	Textile goods
Kyung Hyang Housing Fair (www.khfair.com)	●			●	482	146	54,878	405	Interior products

(2) Major importer list

Company Name	Tel. No.	Homepage/E-mail	Import Item(linen)		
			Bed	Table	Toilet / Kitchen
E.LAND WORLD LTD.	82-2-323-0456	www.eland.co.kr	○	○	○
DANDONG TRADING CO.	82-2-555-0916/7	postgraduate@hanmail.net	-	-	○
COSTCO WHOLESALE KOREA LTD.	82-2-2630-2722	www.costco.co.kr	○	○	○
SONGWOL TOWEL CO.	82-55-911-1000	www.songwol.co.kr	-	-	○
PYUNG AN CO.	82-53-582-2386	www.amante.co.kr	○	○	○
SHINSEGAE EMART	82-2-380-5114～7	emart.shinsegae.com	○	○	○
2001 OUTLET CO.	82-2-323-0456	www.eland.co.kr	○	-	○
CASAMIA CO.	82-31-701-7998	www.casamia.co.kr	-	○	-
ALLIED YOUNG FORTUNE BRANDS CO.	82-2-2631-0226	www.winenara.com	○	○	-
SHINHEUNG SEJIN CO.	82-2-2267-4011	www.protool.co.kr	-	-	○
WONU CO.	82-2-569-5722	www.wonu.co.kr	○	-	-
MUNHWA TRADING CO.	82-2-561-2028	munhwa.en.ec21.com	-	○	-
SSAMZIE CO.	82-2-422-8111	www.ssamzie.co.kr	-	-	○
SUNGBO CLEAMY CO.	82-31-959-2811/2	www.esungbo.com	-	-	○
BLACK & DECKER ASIA PACIFIC PTE. LTD.	82-2-3016-9254	www.blackanddecker.co.kr	-	-	○

9 Aromatic Products

1. Market conditions in Korea

(1) Definition of category

In 2006, ASEAN's total exports of HS Code 3307 commodities amounted to $273,025,000, up 15.2% from 2005. In the same category, ASEAN exports to Korea in 2008 stood at $10,033,000, down by 21% from the previous year.

Table 149 Exports of Aromatic Products

(Unit: $ 1,000)

Class. / HS Code	ASEAN to the World (2006)	ASEAN to Korea (2008)	World to Korea (2008)
3307	273,025	10,033	94,049

Source: ITC, Korea International Trade Association

Aromatic products as mentioned in this report refer to household items such as bath preparations and preparations for perfuming and deodorizing rooms, which are among the commodities classified under HS Code 3307. Bath preparations include body cleansers and body lotions. Classifications of aromatic products and HS numbers are shown in Table 150.

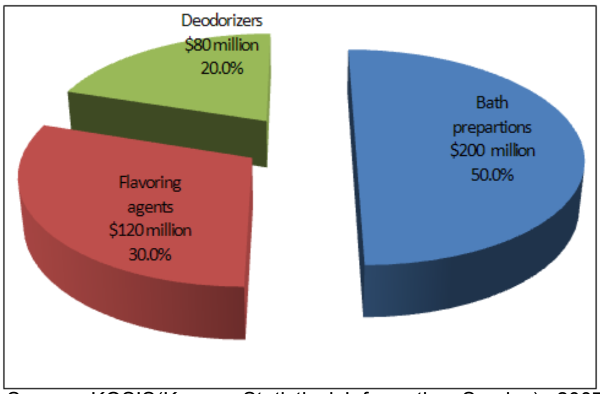
Table 150 Classifications of Aromatic Products

HS Code	Commodity
3307.30.1000-2000	Bath preparations
3307.4.10000-90000	Preparations for perfuming or deodorizing rooms
3307.902000	Scented sachets

Source: Korea International Trade Association (KITA)

(2) Market conditions

Figure 61 Status of the Korean Market for Aromatic Products



Source: KOSIS(Korean Statistical Information Service), 2007

The size of the Korean market for aromatic products is estimated at $400 million. It comprises bath preparations whose sector is estimated to be worth $200 million, accounting for 50% of the total market, flavoring agents worth $120 million (30%), and deodorizers worth $80 million (20%).

Aromatic products such as deodorizers, flavoring agents and bath preparations are gaining popularity as health-related items that can give a sense of satisfaction to not only the users but people around them. This phenomenon is related with the trend to pursue healthy life, growing concern about the living environment as seen in the controversy over the new house syndrome, and yearning for healthy and clean life spreading through society. Now, aromatic products have been firmly established as daily necessities. With rapid expansion of this market, imported goods made of expensive materials are also winning popularity. As the public becomes more knowledgeable about health and living standards, aromatic products representing advanced lifestyles are expected to become more popular.

A review by sectors shows that the Korean market for flavoring agents and deodorizers is worth $200 million. This market has recorded over 10% growth every year since 2000 amid rising desire among people for comfortable lives as well as the spreading well-being trend and calls for environment-friendly products. The size of the Japanese market for flavoring agents and deodorizers is estimated at $700 million, more than three times as large as that of Korea. The growth of the Japanese market indicates that as the living standards improve, people tend to regard flavoring agents and deodorizers as invisible interiors that can enhance their satisfaction in life.

Leading companies in the Korean market for aromatic products include such Korean companies as Aekyung S.T., LG Care, and Oxy, and foreign-invested companies such as Korea P&G. Korea's main manufacturers of aromatic items are shown in Table 151.

Table 151 Major Korean Manufacturers of Aromatic Products

Company Name	Product	Homepage	Contact
Amorepacific	Bath preparations and cosmetics	www.amorepacific.co.kr	82-2-709-5114
LG household & health care	Bath preparations and Preparations for perfuming or deodorizing rooms	www.lgcare.com	82-80-023-7007
Aekyung s.t.	Preparations for perfuming or deodorizing rooms and living products	www.aekyungst.co.kr	82-2-818-1700
Oxy	Preparations for perfuming or deodorizing rooms and living products	www.oxy.co.kr	82-2-421-6789

In the market for perfuming and deodorizing agents, demand for eco-friendly and functional items using natural flavors is growing. Also worthy of note is market specification strategy, under which separate products are put on the market for use at different places and for different purposes.

Examples include products that use natural flavors like aroma and herb scents, and do not generate ozone and other elements which are harmful to the environment. Products whose components do not include calcium chloride, an element commonly used in producing deodorizers; and items that have not just deodorizing but also with air purifying and anti-germ, anti-fungal functions. The Growth of this market is likely to be sustained as a number of new products are released in succession. One of the latest items put on the market is a deodorizer which rids smoke smell, the first of its kind in Korea.

The latest trend is market segmentation. Strategies include the use of different odor elimination methods and manufacturing components. Various products are being released for diverse places such as bathrooms, toilets, kitchens, cars, refrigerators and wardrobes. For example, there are three different kinds of deodorizers for refrigerators, each for the freezing chamber, the cooling chamber, and the vegetable chamber.

The market for bath preparations is worth an estimated $200 million. Leading the market are foreign brands such as Nivea, Unilever, and Neutrogena as well as local brands such as Amorepacific and LG Care. Compared with the markets in North America and Europe with developed bathing culture, the Korean market is still small in size. But, the practice of taking a shower regardless of the season is beginning to take root in Korea. The Korean market for bath preparations is expected to grow further to the extent that it will eventually match those of advanced countries.

In a phenomenon reflecting the well-being trend and eco-friendly movement, environment-friendly products using organic farming materials are hugely popular among consumers in the market for bath preparations. This phenomenon is particularly noticeable among body cleansers and other products that are directly applied to human bodies. Eco-friendly functional items are leading the bath preparations market. Containing natural ingredients derived from fruits, beans, pearls and cactuses, these products help to reduce skin irritation, provide moisture to the skin, and offer anti-aging and stress-relieving functions. For bath preparations, winter has been considered a off-season. Lately, however, these products are sold steadily regardless of the season, thus contributing to the expansion of the market.

In the future, efforts are expected to be made to more actively explore niche markets targeting specific groups of buyers. For example, bath items for elderly people are being released. Likewise, there are products exclusively for infants. In the past, bath items were usually classified just by gender. Nowadays, a diverse array of products targeting specific demands, including those classified in accordance with skin types, are being released in succession.

(3) Distribution system and business practices in Korea

Aromatic products are household commodities which are not in high price ranges. Their market is modest in size yet, dominated by items from a limited number of large domestic companies and well-known imported brands. Thus, there are few differences in distribution channels depending on price range or manufacturers. Aromatic products are mostly sold at large marts, department stores, cosmetic shops and other specialized stores. In accordance with the well-being trend, sales of high-priced imports are increasing lately, particularly through the online market. There will likely be active moves for market segmentations. In specified markets, it would be practically difficult for general retail shops to handle all kinds of aromatic products. This would lead to increased demand for the online market. Also worthy of mention is the tendency caused by recession, to look for bargain prices even for inexpensive items, which will naturally result in expansion of the online market. Sales of aromatic products at large marts also increased substantially, targeting consumers who want to buy large-capacity items at bargain prices. The number of retailers dealing in one-person products that are sold at reduced prices in return for reduced weight. In contrast, body cleansers and other items from well-known overseas brands are selling briskly, usually through Internet shopping malls, although they are priced at hundreds of dollars.

2. Trade trends

(1) Import trends in Korea

The size of the Korean import market for aromatic products expanded 9.8% a year on average from $40.02 million in 2005 to $52.96 million in 2008. As of 2008, imports of preparations for perfuming or deodorizing rooms amounted to $29.40 million, accounting for 55.5% of total imports of aromatic products. Bath preparations held a 44.3% share, with their imports reaching $23.44 million. Scented sachets accounted for just 0.2% of total imports. Of these three categories, bath preparations marked an average yearly growth rate of 10.2% in imports, exceeding the increase rate for entire imports of aromatic products. Preparations for perfuming and deodorizing rooms have accounted for the largest portion of imports of aromatic products every year. But, their imports went down 26.2% in 2008 from $39.82 million recorded in 2007.

Figure 62 Korean Import Trends for Aromatic Products

Figure 62-1 Import Status by Year(Total)

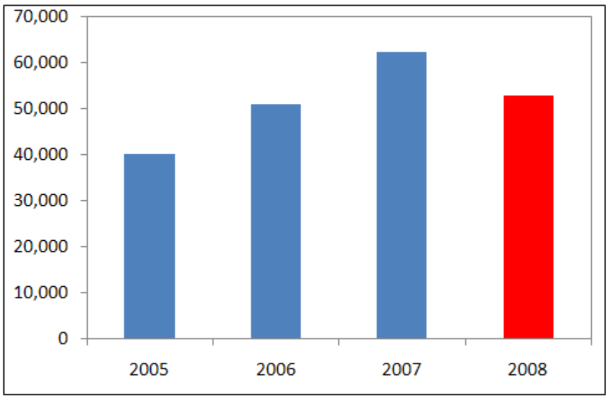
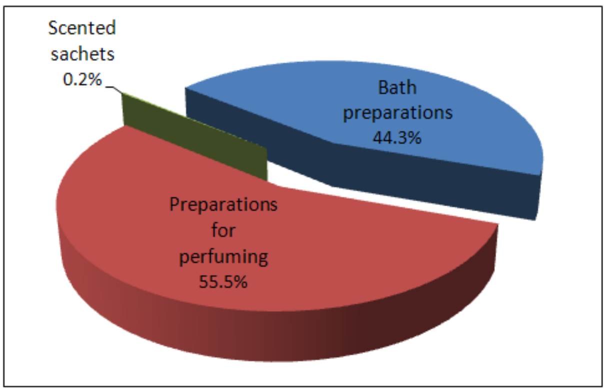


Figure 62-2 Import Status by Category



Class.	Value($1,000)				Volume(t)				2008		
	2005	2006	2007	2008	2005	2006	2007	2008	share(%) value	share(%) volume	AUP ($/kg)
Bath	17,513	18,836	22,513	23,446	2,725	2,740	3,500	3,530	44.3	33.0	6.6
Perfuming	22,383	32,036	39,820	29,403	5,441	6,726	7,952	7,150	55.5	66.9	4.1
Sachets	133	218	83	117	16	23	10	4	0.2	0.03	29.3
Total	40,029	51,089	62,415	52,966	8,182	9,489	11,462	10,683	100	100	5.0

Source: Korea International Trade Association
Note 1) Bath : Bath preparations / Perfuming : Preparations for perfuming or deodorizing rooms / Sachets : Scented sachets
2) AUP : Average Unit Price

(2) Principal exporters of aromatic products to Korea

The largest exporter of aromatic products to Korea is Japan, which recorded an export amount of $17.98 million and a 34% share in the Korean import market in 2008. Second ranked was the United States, which registered an export value of $10.14 million and a 19.2% market share. Combined, these two countries accounted for over 53% of total Korean imports. Since it recorded an export amount of $10.74 million and a 30.7% share of the Korean import market in 2004, Japan has seen its exports risen 13.6% a year on average, thus maintaining its top status. The United States retained its second spot as its exports increased by an average rate of 13% annually since 2004 when the country registered an export value of $6.19 million (a 17.6% share). China was ranked fourth in 2008 by exporting $4.49 million worth of aromatic products to Korea. China merits attention, however, as its exports have soared 61.8% a year on average, registering the highest growth rate among the top 10 exporting countries.

Figure 63 Principal Exporters of Aromatic Products to Korea

Figure 63-1 Trends in Imports from Major Exporters(by Year)

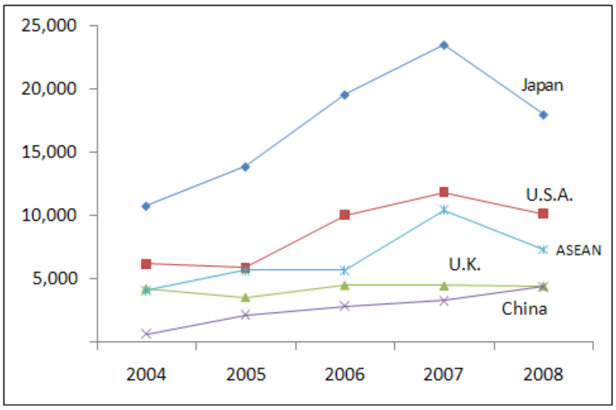
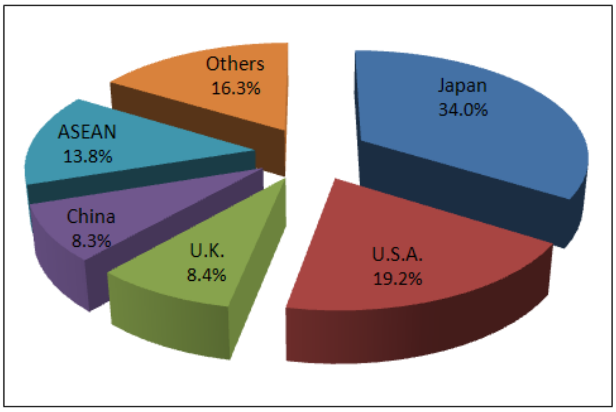


Figure 63-2 Major Exporters' Market Shares in Korea



(Units: $ Thousand, ton, %, $/kg)

Class.		2004	2005	2006	2007		2008				
		Value	Value	Value	Value	Volume	Value	Share	Volume	Share	AUP
1	Japan	10,783	13,877	19,551	23,479	4,141	17,985	34.0	3,803	35.6	4.7
2	U.S.A.	6,195	5,909	10,051	11,862	2,269	10,144	19.2	1,819	17.0	5.6
3	U.K.	4,247	3,532	4,533	4,491	364	4,468	8.4	380	3.6	11.8
4	China	645	2,183	2,865	3,313	1,253	4,418	8.3	1,261	11.8	3.5
5	Vietnam	2,003	3,466	3,008	7,176	1,326	3,380	6.4	1,168	10.9	2.9
6	France	2,324	2,319	2,310	2,279	127	2,746	5.2	113	1.1	24.4
7	Malaysia	416	635	930	1,764	680	1,904	3.6	688	6.4	2.8
8	Thailand	1,279	1,381	1,683	1,040	269	1,620	3.1	460	4.3	3.5
9	Germany	958	867	1,225	958	151	1,510	2.9	389	3.6	3.9
10	Australia	1,060	1,203	822	1,485	333	941	1.8	119	1.1	7.9
Total		35,140	40,029	51,089	62,415	11,462	52,966	100	10,683	100	5.0
ASEAN		4,113	5,687	5,714	10,460	2,306	7,330	13.8	2,345	21.9	3.1

Source: Korea International Trade Association (KITA)
Note) AUP : Average Unit Price

ASEAN's exports to Korea expanded by an average rate of 15.5% annually from $4.11 million in 2004 to $7.33 million in 2008. During the period, ASEAN's share in the Korean import market also rose from 11.7% to 13.8%. ASEAN's export growth rate exceeded the 10.8% expansion rate recorded by the Korean import market for aromatic products. This indicates that ASEAN has achieved relatively good results in exporting aromatic products to Korea.

Vietnamese exports, which are all preparations for perfuming or deodorizing rooms, account for 46.1% of ASEAN's shipment of aromatic products to Korea. In 2008, Vietnam recorded an export volume of $3.38 million and a 6.4% share in the Korean market, being ranked fifth among the top 10.

Vietnam's exports topped $2 million in 2004. Since then, they had grown substantially till 2007 when Vietnam recorded an export value of $7.17 million. But, in 2008, the country's exports to Korea dwindled 52.9% to $3.38 million. Meanwhile, Malaysian exports of aromatic products to Korea have been expanding 46.3% a year on average, providing reason to predict further growth for Malaysian exports.

(3) Import trends by commodity

Bath preparations

Top ranked in this sector is the U.S.A., which recorded an export value of $5.86 million and a 25% share in the Korean import market in 2008. The U.S.A. was followed by Britain and France, whose export amounts reached $4.39 million (18.7%) and $2.6 million (11.1%), respectively.

Table 152 Principal Exporters of Bath Preparations to Korea

(Units: $ Thousand, ton, %, $/kg)

Class.		2004	2005	2006	2007		2008				
		Value	Value	Value	Value	Volume	Value	Share	Volume	Share	AUP
1	U.S.A.	5,123	4,515	5,205	6,797	858	5,867	25.0	590	16.7	9.9
2	U.K.	3,906	3,435	4,376	4,440	362	4,391	18.7	376	10.7	11.7
3	France	1,951	2,012	1,928	2,081	116	2,605	11.1	108	3.1	24.1
4	Japan	2,426	1,633	1,160	1,506	236	2,037	8.7	230	6.5	8.9
5	Malaysia	64	135	268	1,373	633	1,493	6.4	644	18.2	2.3
6	China	144	286	596	876	292	1,381	5.9	383	10.8	3.6
7	Germany	829	714	1,006	684	137	1,354	5.8	381	10.8	3.6
8	Australia	943	1,067	758	1,421	329	899	3.8	116	3.3	7.8
9	Thailand	596	618	661	447	188	835	3.6	338	9.6	2.5
10	Italy	1,235	1,064	1,180	995	136	630	2.7	92	2.6	6.8
Total		19,301	17,513	18,836	22,513	3,500	23,446	100	3,530	100	6.6
ASEAN		762	948	1,020	2,257	848	2,666	11.4	1,007	28.5	2.6

Source: Korea International Trade Association (KITA)
Note) AUP : Average Unit Price

Among the ASEAN members, Malaysia has good prospects for export expansion. Malaysian exports soared by 119.8% a year on average from $64,000 (0.3%) in 2004 to $1.49 million (6.4%) in 2008. The nation was ranked fifth among the top 10 exporting countries. Mainly thanks to Malaysia's good export performance, total ASEAN exports have been growing on average by 36.8% a year. The percentage far exceeds ASEAN's overall export growth rate of 5%.

Preparations for perfuming or deodorizing rooms

Korea's largest source of import in this sector is Japan, which recorded an export value of $15.94 million and a 54.2% share of the Korean import market in 2008. Japan was ranked first by a large margin over the second-placed United States, whose export amount of $4.19 million made up 14.3% of total Korean imports. Japan's share in the Korean market has exceeded 50% every year since it reached 53% in 2004. Deserving attention is China whose exports have been growing by an average of 56.9% a year. The fast growth rate provides reason to expect that the Chinese exports will increase further from $3.03 registered in 2008.

ASEAN's exports amounted to $3.35 million in 2004, accounting for 21.2% of total Korean imports. They had since increased by an yearly average of 34.8% to reach $8.2 million in 2007. However, the ASEAN exports shrank 43.2% to $4.66 million in 2008. Its share in the Korean import market also went down to 15.9%.

Table 153 Principal Exporters of Preparations for Perfuming and Deodorizing Rooms to Korea

(Units: $ Thousand, ton, %, $/kg)

Class.		2004	2005	2006	2007		2008				
		Value	Value	Value	Value	Volume	Value	Share	Volume	Share	AUP
1	Japan	8,357	12,244	18,391	21,971	3,905	15,948	54.2	3,573	50.0	4.5
2	U.S.A.	1,036	1,357	4,798	5,056	1,411	4,192	14.3	1,228	17.2	3.4
3	Vietnam	2,003	3,466	3,002	7,176	1,326	3,380	11.5	1,168	16.3	2.9
4	China	501	1,858	2,154	2,415	955	3,038	10.3	878	12.3	3.5
5	Thailand	683	762	1,021	593	80	783	2.7	122	1.7	6.4
6	Malaysia	352	501	662	391	47	411	1.4	43	0.6	9.6
7	Taiwan	462	275	331	644	133	334	1.1	51	0.7	6.5
8	Spain	383	423	427	500	36	285	1.0	21	0.3	13.6
9	Germany	125	153	218	274	14	156	0.5	8	0.1	19.5
10	India	62	32	39	26	4	138	0.5	26	0.4	5.3
Total		15,775	22,382	32,036	39,820	7,952	29,403	100	7,150	100	4.1
ASEAN		3,351	4,738	4,694	8,202	1,458	4,661	15.9	1,337	18.7	3.5

Source: Korea International Trade Association (KITA)
Note) AUP : Average Unit Price

Vietnamese products made up over 70% of total ASEAN exports. Vietnam was ranked third among the top 10 countries in 2008, by recording an export value of $3.38 million and a 11.5% share of the Korean import market. The export amount however represented a 52.9% reduction from 2007.

(4) Status and characteristics of ASEAN exports of aromatic products to Korea

ASEAN's exports of aromatic products to Korea in 2008 amounted to $7.33 million, making up 13.8% of total Korean imports. Of the ASEAN exports, 63.6% were preparations for perfuming and deodorizing rooms, and the remaining 36.4% consisted of bath preparations. Exports of bath preparations have been growing on average by 36.8% a year, giving reason to predict that the export volume will further expand in the future. Total ASEAN exports of aromatic products have also been growing by an average of 15.5% a year.

ASEAN exports of aromatic products are mostly from the three countries of Vietnam, Malaysia and Thailand. Of the 13.8 percentage points ASEAN held in the Korean import market in 2008, Vietnam accounted for 6.4 percentage points, Malaysia 3.6 and Thailand 3.1. Malaysia, in particular, has been recording fast export growth of 46.3% a year on average. Its export expansion has been especially conspicuous in the sector of bath preparations.

In the category of aromatic products, low labor cost and price competitiveness are not decisive factors to be considered for export promotion. Rather, product quality is given foremost consideration as this sector handles items directly related to the human body.

Another important feature is that this category involves various kinds of products, which are produced in small quantities. Rapidly developing technologies and short shelf lives of products made it unnecessary to secure mass-producing facilities.

Among the ASEAN members, Thailand has a good reputation among Korean companies with regard to the quality of products. The category of aromatic products is an area where China has few merits related to low wages. This enhances prospects for export expansion by ASEAN countries.

Table 154 Status of Korean Imports of Aromatic Products from ASEAN Countries

	Class.	Value($1,000)					Volume(t)					AUP ($/kg)
		2004	2005	2006	2007	2008	2004	2005	2006	2007	2008	2008
ASEAN	Bath	762	948	1,020	2,257	2,666	282	415	397	848	1,007	2.6
	Perfuming	3,351	4,738	4,694	8,202	4,661	888	1,392	1,063	1,458	1,337	3.5
	Sachets	0	0	0	-	3	0.04	0.002	5	-	0.6	0.5
	Total	4,113	5,687	5,714	10,460	7,330	1,170	1,807	1,460	2,306	2,345	3.1
	Total imports	35,140	40,029	51,089	62,415	52,966	6,490	8,182	9,489	11,462	10,683	5.0
	Shares	11.7	14.2	11.2	16.8	13.8	18.0	22.1	15.4	20.1	22.0	

	Class.	Value($1,000)					Volume(t)					AUP ($/kg)
		2004	2005	2006	2007	2008	2004	2005	2006	2007	2008	2008
MALAYSIA	Bath	64	135	268	1,373	1,493	45	76	69	633	644	2.3
	Perfuming	352	501	662	391	411	71	87	92	47	43	9.6
	Sachets	-	-	-	-	-	-	-	-	-	-	-
	Total	416	635	930	1,764	1,904	116	163	162	680	688	2.8
	Total imports	35,140	40,029	51,089	62,415	52,966	6,490	8,182	9,489	11,462	10,683	5.0
	Shares	1.2	1.6	1.8	2.8	3.6	1.8	2.0	1.7	5.9	6.4	

	Class.	Value($1,000)					Volume(t)					AUP ($/kg)
		2004	2005	2006	2007	2008	2004	2005	2006	2007	2008	2008
THAILAND	Bath	596	618	661	447	835	217	279	314	188	338	2.5
	Perfuming	683	762	1,021	593	783	79	107	124	80	122	6.4
	Sachets	.5	.1	.1	-	3	.04	.002	.01	-	1	4.3
	Total	1,279	1,381	1,683	1,040	1,620	297	385	437	269	460	3.5
	Total imports	35,140	40,029	51,089	62,415	52,966	6,490	8,182	9,489	11,462	10,683	5.0
	Shares	3.6	3.4	3.3	1.7	3.1	4.6	4.7	4.6	2.3	4.3	

	Class.	Value($1,000)					Volume(t)					AUP ($/kg)
		2004	2005	2006	2007	2008	2004	2005	2006	2007	2008	2008
VIETNAM	Bath	-	-	6	-	-	-	-	1	-	-	-
	Perfuming	2,003	3,466	3,002	7,176	3,380	725	1,195	846	1,326	1,168	2.9
	Sachets	-	-	-	-	-	-	-	-	-	-	-
	Total	2,003	3,466	3,009	7,176	3,380	725	1,195	847	1,326	1,168	2.9
	Total imports	35,140	40,029	51,089	62,415	52,966	6,490	8,182	9,489	11,462	10,683	5.0
	Shares	5.7	8.7	5.9	11.5	6.4	11.2	14.6	8.9	11.6	10.9	

Source: Korea International Trade Association (KITA)
Note 1) Bath : Bath preparations / perfuming : Preparations for perfuming or deodorizing rooms / sachets : Scented sachets
2) AUP : Average Unit Price

3. Key considerations related to exporting to Korea

(1) Korean import procedures

Korean import procedures for aromatic products are shown in Chart 20.

Chart 20 Korean Import Procedures for Aromatic Products (Importer)

Notice for Customs Clearance

(When importing aromatic products, a notice for customs clearance should be presented to the Korea Pharmaceutical Traders Association for each product)
(Certificate of manufacture · certificate of free sale are required)
(Regulations on laboratories and other required facilities and equipment should also be met)

↓

Quality Inspection by the Institute of Health and Environment

(The product should pass a quality test administered by the Institute of Health and Environment in major cities and provinces)

↓

Self Safety Confirmation Test by a Safety Certification Agency & Notification Concerning Child-Proof Packaging (Only for Flavoring and Deodorizing Agents)

(After passing a self safety confirmation test, the importer should notify a safety certification agency of the results)
(The importer should undergo child-proof package inspection for each model, and notify a safety certification agency of the results)

↓

Import Declaration

(After passing a quality test or a self safety confirmation test, the importer should submit an import declaration to the customs office for customs clearance)

When exporting aromatic products to Korea, the importer should present a notice for customs clearance to the Korea Pharmaceutical Traders Association. Afterwards, depending on the product concerned, the importer should undergo a quality test, a self safety confirmation test, and a child-proof package inspection. After completing these procedures, an import declaration should be submitted to customs authorities for clearance of the product.

(2) Requirements on imports and sales

Any person who intends to import aromatic products should be equipped with required facilities, and submit a notice for customs clearance to the head of the Korea Pharmaceutical Traders Association. The notice should be attached with documents listed below. Afterwards, the importer should sell only those products that pass quality tests administered by the Institute of Health and Environment in major cities and provinces or self safety confirmation tests.

Facilities required of importers of aromatic products are as follows:

▶ A storage place for products
▶ A laboratory for quality management
▶ Facilities and apparatuses needed for quality management

The notice for customs clearance should be attached with the following documents.

▶ Business registration certificate, contract document on laboratory use, certificate of manufacture, certificate of free sale, documents related to Transmissible Spongiform Encephalopathy (TSE), documents related to Bovine Spongiform Encephalopathy (BSE), etc.

Exportation of aromatic products to Korea is subject to the application of the Pharmaceutical Affairs Act, the Cosmetic Products Act, and the Quality Management and Safety Control of Industrial Products Act. During the import and sales procedures, tax may be levied on imported products in accordance with the Value Added Tax Act, the Customs Duties Act, and the Income Tax Act. So, the importer is required to be well aware of pertinent laws.

1) Pharmaceutical Affairs Act

▶ Importers of non-medicinal items should first gain approval from or give notification to the head of the Korea Food and Drug Administration, and submit a notice for customs clearance to the head of the Korea Pharmaceutical Traders Association through an Electronic Data Interchange method. Within three days of customs clearance, the importer should submit an application for inspection to the head of the Institute of Health and Environment in major cities or provinces.

2) Cosmetic Products Act

▶ Those who intend to import cosmetic products should be equipped with required facilities and apparatuses, and submit a notice for customs clearance through an Electronic Data Interchange method. They should sell only those products that are found to be suitable for sale through self quality inspection.

▶ After customs clearance, importers of cosmetic products should conduct self inspection or commission pertinent agencies to conduct inspection to determine whether the imported products meet specifications as defined in the Cosmetic Products Act.

▶ Information that should be marked on containers(Article 10 of the Cosmetic Products Act, Article 13 of the Enforcement Regulations of the Act).

A. Name of the product
B. The company name and address of the manufacturer or the importer
C. All the ingredients used for the cosmetic product concerned
(excluding small-quantity ingredients not harmful to the human body as defined by the Ministry for Health, Welfare and Family Affairs)
D. Capacity or weight of contents
E. Manufacture number and the manufacturing year, month and date
(shelf life instead of manufacturing year, month and date for cosmetic products designated by the head of the Korea Food and Drug Administration)
F. Price (Marked by those who directly sell consumers)
G. In the case of functional cosmetic products, words indicating that the product is a functional cosmetic product
H. Cautions for usage

• The following containers or packages can bear only the product name, the company name and the price. But, products with "sample" or "not-for-sale" markings may not bear the price.
A. The container or package of cosmetic products whose content is less than 15mm or 15gram
B. The container and package of cosmetic products manufactured or imported not for sale, but for examination or review by consumers for selection of products

3) Quality Management and Safety Control of Industrial Products Act

▶ As for the following item, only products that have gained safety certification and the same models can be imported.

• Perfuming agents
• Deodorizing agents

▶ As for the following product, importation is allowed only for items whose model is identical with that of a product for which child-proof package notification has been completed.

• Perfuming agents

▶ Safety certification agencies: Korean Agency for Technology and Standards, Meter and Petrochemical Testing and Research Institute, Korea Environment and Merchandise Testing Institute, Korea Apparel Testing and Research Institute, Korea Testing & Research Institute and other institutes designated by the minister of knowledge economy.

(3) Labeling regulations in Korea

Exportation of aromatic products to Korea requires undergoing quality tests administered by the Institute of Health and Environment during import and customs clearance procedures. But there are no mandatory certification marks that should be obtained. In the case of perfuming and deodorizing agents, however, importers are required to give notification concerning self confirmation on safety and child-proof packaging and to obtain the mandatory KPS mark. Only after completing these procedures can they import products, clear customs and sell them on the market. The Korea Certification (KC) Mark will be enforced as a unified certification mark required on any certified product with regard to manufacture, importation, distribution and sale. Beginning in 2010, the current 13 mandatory marks legally required for industrial products will be gradually integrated into the KC Mark.

Although it is not a legal mandatory mark, the Goods of Health (GH) Mark is the most significant one among various quality marks that can be of use with regard to the manufacture, importation, distribution and sale of cosmetic products, pharmaceutical products, and other items. Awarded by the Korea Health Industry Development Institute affiliated with the Ministry for Health, Welfare and Family Affairs, the GH Mark indicates that pharmaceutical and cosmetic products, medical devices and other items bearing this mark have passed rigorous tests concerning their quality and functions. The KPS Mark, KC Mark and GH Mark are shown in Figure 64.

Figure 64 Quality Marks for Aromatic Products on Sale in Korea

(4) Regulatory agency contacts

Agency Name	Pertinent Department	Business	Homepage	Contact
Korea Customs Service	Clearance Facilitation Bureau	Customs clearance	www.customs.go.kr	82-42-472-2181
Korea Food & Drug Administration	Pharmaceutical Safety Bureau	Import approval	www.kfda.go.kr	82-2-3156-8016
Korea Pharmaceutical Traders Association	Import Management Team	Import approval	www.kpta.or.kr	82-2-6000-1841
Institute of Health & Environment	-	Quality certification	Located in major cities and provinces	

4. Customs duties and taxes

Tariff rates for aromatic products are shown in Table 155.

Table 155 Tariff Rates for Aromatic Products

Items	HS Code	Basic	A-K FTA	K-C FTA	K-E FTA	S-K FTA	WTO	Preferential	C/O
Bath	**3307310000**	8%	0%	0%	0%	2.7%	6.5%	-	○
	3307320000								
Perfuming	**3307410000**	8%	0%	0%	0%	2.7%	6.5%	0%	○
	3307490000	8%	0%	0%	0%	2.7%	6.5%	0%	○

Note 1) A-KFTA: ASEAN-Korea FTA / K-CFTA: Korea -Chile FTA / KEFTA: Korea-Europe FTA / S-KFTA: Singapore-Korea FTA / WTO: World Trade Organization Agreement / Preferential: Poorest countries preferential duty / C/O: Certificate of Origin
Note 2) Bath: Bath preparations / perfuming: Preparations for perfuming or deodorizing rooms / Sachets: Scented sachets

5. Related organizations

Name	Homepage	Contact
Korean Cosmetic Association	www.kcia.or.kr	82-2-785-7984
The Korean Pharmaceutical Association	www.kpanet.or.kr	82-2-581-1201

6. Major Korean exhibitions and importers

(1) Major exhibitions in Korea

Principal Korean exhibitions related to Aromatic Products are shown in Table 156.

Table 156 Major Aromatic Products Exhibitions in Korea

Exhibitions Name	Exhibitions Period				Participating Company		Participating Buyers		Description
	1/4	2/4	3/4	4/4	Korea	Foreign	Korea	Foreign	
The Seoul International Cosmetics & Beauty Expo(www.kcia.or.kr)		●			121	40	9,478	1,075	Cosmetics
Seoul Beauty Expo (www.kobis.org)		●			220	27	1,000	500	Cosmetics, Bath preparations etc
Beauty Expo Korea (www.expobeauty.co.kr)				●	100	25	400	100	Cosmetics
Import Goods Fair/household exhibition (www.igf.co.kr)		●			5	127	7,910	186	Household goods
Seoul Gift Show (www.seoulgiftshow.com)			●		394	29	11,552	388	Household goods
Seoul International Premium & Household Goods Show (www.sipremium.com)	●				253	74	1,591	17	Bath preparations, household goods

(2) Major importer list with over 1 million dollar value in 2008

Company Name	Tel. No	URL/E-mail	Import Item		
			Bath	Perfuming	Other
L.O.K. INC.	82-2-3497-9500	www.loreal.co.kr	○	-	○
KUMBI COSMETICS CO.	82-2-421-2818	www.e-kumbi.co.kr	○	-	○
C & B CORP., LTD.	82-2-561-9972	www.candb.co.kr	-	-	○
BSK CORPORATION	82-2-759-0780	www.thebodyshop.co.kr	○	-	○
COSTCO WHOLESALE KOREA LTD.	82-2-2630-2722	www.costco.co.kr	○	○	○
OXY CO., LTD.	82-2-421-6789	www.oxy.co.kr	○	○	○

Note) Bath: Bath preparations / Perfuming : Preparations for perfuming or deodorizing rooms

10 Furniture(Seats)

1. Market conditions in Korea

(1) Definition of category

As of 2006, total ASEAN exports of HS Code 9401 commodities amounted to $2,393,163,000, registering 36.9% growth over the previous year. In the same category, ASEAN exports to Korea reached $66,905,000 in 2008, up 10.2% from 2007.

Table 157 Exports of Seat Commodities

(Unit: $ 1,000)

Class. / HS Code	ASEAN to the World (2006)	ASEAN to Korea (2008)	World to Korea (2008)
9401	2,393,163	66,905	743,511

Source: ITC, Korea International Trade Association

In this report, seats refer to wooden seats, seats with wooden frames, seats with metal frames, parts of seats, and other seats as defined in HS Code 9401. Other seats include seats for aircraft, seats for motor vehicles, swivel seats, and seats convertible into beds. Classifications of seats and HS Code are shown in Table 158.

Table 158 Classifications of Seat Commodities

HS Code	Commodity
9401.5.0-9	Wooden seats
9401.6.1-9	Seats with wooden frames
9401.7.1-9	Seats with metal frames
9401.90.1000-9000	Parts of seats
9401.100000 **9401.200000** **9401.30.1000-9000** **9401.40.1000-9000**	Other seats (Seats for aircraft, Seats for motor vehicles, Swivel seats, Seats convertible into beds)

Source: Korea International Trade Association (KITA)

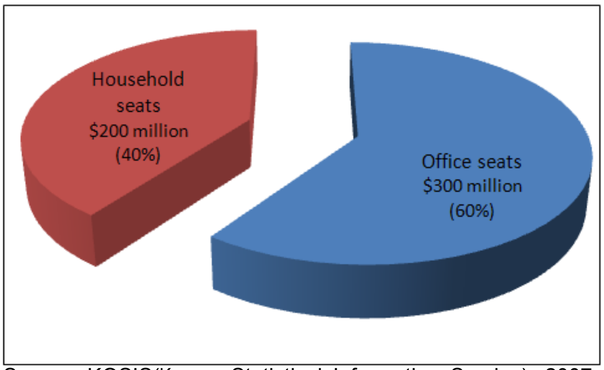
(2) Market conditions

The Korean market for seats is worth an estimated $500 million, comprising the office seats sector worth $300 million (60%) and the household seats sector worth $200 million (40%).

In the office seats sector, production of wooden and metal chairs amounts to $100 million and $140 million, respectively. Combined, the wooden and metal chairs account for 80% of the office seats market. In this category, Fursys is with the largest market share, followed by Livart, Borneo, and Koaswell. In the home and functional seats categories, Duoback is ranked first in terms of market share. These brands account for about half of the entire seats market. Seats made by small domestic manufacturers and imported products hold the remaining 50% share.

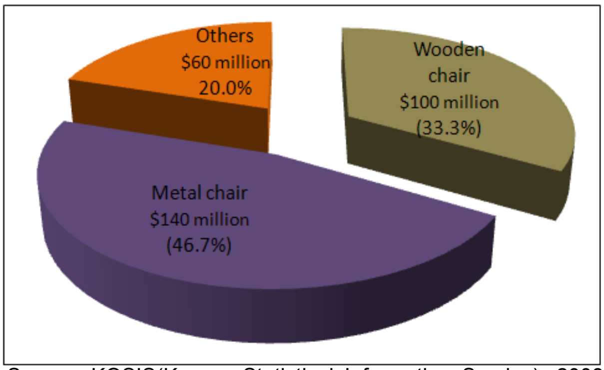
Figure 65 Status of the Korean Market for Seats

Figure 65-1 Status of the Korean Seats Market



Source: KOSIS(Korean Statistical Information Service), 2007

Figure 65-2 Status of the Korean Market for Office Seats



Source: KOSIS(Korean Statistical Information Service), 2008

Table 159 Major Korean Seat Producers

Company Name	Product	Homepage	Contact
Fursys	Chair, Table, Sofa, etc	www.fursys.com	82-2-443-9999
Livart	Chair, Kitchen, Office furniture	www.livart.co.kr	82-31-331-9114
Borneo	Chair, Kitchen, Office furniture	www.bif.co.kr	82-1577-8066
Koaswell	Office furniture	www.ikoas.com	82-2-2163-6000
Duoback	Chair	www.duoback.co.kr	82-1588-2501

The key words in the Korean market for seats are polarization, environment friendliness, and functionality. Polarization refers to the division of the market into two categories - one for mid- and low-priced products with simple functions, and the other for luxury products.

Due to recession, the sector for mid- and low-priced items equipped with just basic functions is expanding rapidly. Called 'fast furniture,' these products have short durability, but instead, are easy to buy and easy to dispose of Frequent movers such as student boarders, newly-wed couples and unmarried singles don't seem to feel the need to buy expensive furniture. These people are increasing in number.

Expensive seats made of top-quality materials as well as imported brands are also expanding their market shares. During the past several years, the Korean market has seen an increase in the import of seats, including sofas, featuring unique designs and super-expensive materials. Sales of top local brands are steadily expanding, indicating that they are no longer overwhelmed by cheap Chinese seats or those made by small local manufacturers. This phenomenon is related to increased consumption among wealthy people who are relatively free from the effects of the economic downturn. Another contributing factor may be the rising preference for products with good designs as well as the tendency to regard seats and other pieces of furniture as important parts of home interiors.

Amid health-oriented consumption patterns, an upward trend is shown in the sector of eco-friendly seats, including wooden seats, which do not pose health problems like the new house syndrome. Some sectors of the seat market will likely experience reductions in consumption caused by recession. On the other hand, the growth trend for practical and environment friendly seats is expected to continue.

Finally, there is a growing tendency to regard seats not just as items on which people sit but as products that can provide convenience as well as posture correction functions. Naturally, this tendency is leading to growth in sales of functional seats. So, the market is expanding for various functional seats such as those made of mesh or nets for improved air permeability and comfort, and seats ergonomically produced to provide spine correction functions. As health -oriented consumption patterns are expected to continue, so is the upward trend for functional seats.

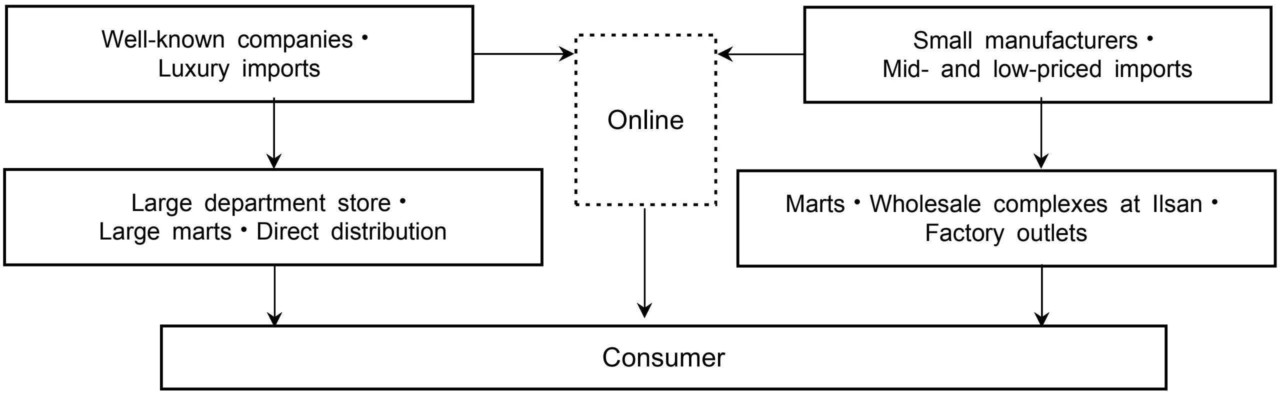
(3) Distribution system and business practices in Korea

Well-known furniture companies are selling seats through their own wholesale distributors. These are linked to retailers at departments stores and large marts as well as company factories. Leading domestic companies such as Fursys, Hanssem, Livart, Borneo, Enex and Duoback are employing this mechanism. By so doing, these companies are trying to maintain the value of their brands, systematically provide after-sales services, and differentiate themselves from small-sized furniture manufacturers.

Normally, prestigious department stores and large marts are not primary sales outlets for small-sized seat makers. Seats made by small businesses are usually sold at furniture complexes such as those at Ahyeon-dong and Wangsimni in Seoul, or through small-scale distributors that conduct both wholesale and retail business.

Small manufacturers sell their products at lower prices than large companies by reducing distribution channels to the maximum extent. They also use furniture streets formed as a kind of franchise in an effort to make up for the fact that their products fall behind well-known brands in terms of consumer trust. Furniture streets and furniture complexes are producing their own brands and trying to benchmark renowned furniture companies regarding the entire sales process involving distribution and after-sales service.

Chart 21 Distribution Channels for Seats



Lately, both manufacturers of famous brands and small makers have been actively promoting the use of Internet shopping malls and TV home shopping networks. As far as furniture items are concerned, consumers have traditionally maintained the attitude of examining products before deciding to purchase them. But, this attitude has begun to change after Internet shopping malls and home shopping businesses eased restrictions on product change or refund, and improved their after-sales services. This change of attitude on the part of consumers has led to rapid expansion of the online furniture market.

The recent economic downturn has resulted in increased transactions of low-priced, practical items, which, in turn, has contributed to spreading the notion that one does not necessarily have to examine such inexpensive products before purchase. Consequently, sales of seats through the Internet and home shopping channels are rapidly increasing. For small businesses, the furniture market is difficult to enter because of the need to prepare spacious shops as well as high stock management cost. In the online furniture market, however, one can start a business with a relatively small amount of investment. It is also easy to close a business. The online market with these features is expected to contribute considerably to expanding sales of small-scale furniture makers. Well-known companies are trying to differentiate themselves from small-sized competitors by operating their own online shopping malls or releasing products exclusively for the online market. Amid these developments, the size of the online furniture market is expected to expand rapidly.

2. Trade trends

(1) Import trends in Korea

The size of the Korean import market for seats grew 24.5% a year on average from

$291.82 million in 2004 to $701.84 million in 2008. Imports of parts of seats amounted to $294.11 million in 2008, accounting for 41.9% of total imports. They were followed by seats with wooden frames, whose imports reached $293.84 million or 41.9% of the total, and seats with metal frames, whose imports were worth $64.69 million or 9.2% of total imports.

Others accounted for 6.6% of total imports, with their imports valued at $46.05 million in 2008. Though low in market share, these seats had registered 59.9% growth a year on average since 2004. Seats with metal frames also showed high growth rates of 30.1%.

Figure 66 Trends in Seat Imports in Korea

Figure 66-1 Imports of Seats by Year (Total)

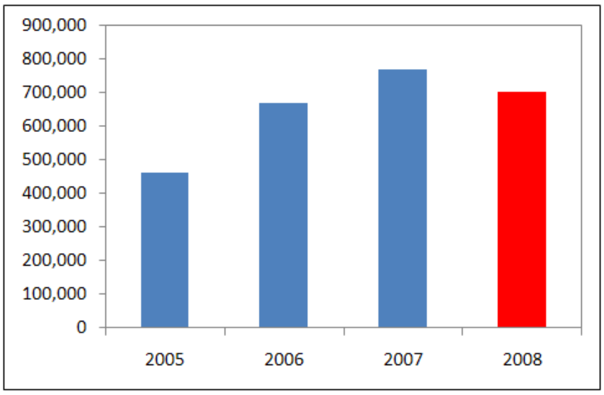
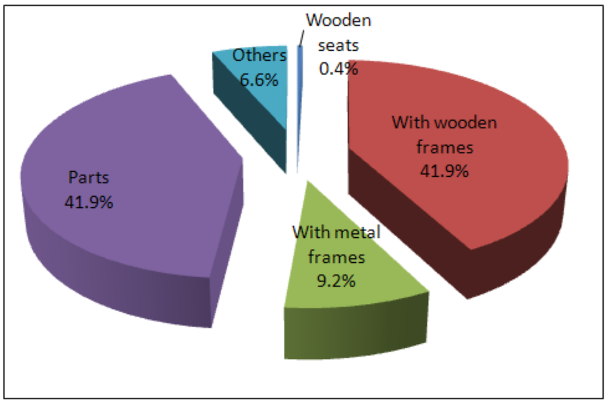


Figure 66-2 Status of Seat Imports by Category



Class.	Value($1,000)				Volume(t)				2008		
	2005	2006	2007	2008	2005	2006	2007	2008	Share(%) Value	Share(%) Volume	AUP ($/kg)
Wooden	2,012	2,397	2,325	3,137	916	843	757	677	0.4	0.5	4.6
Wooden frames	189,124	265,124	311,485	293,841	66,979	91,181	103,572	88,675	41.9	61.5	3.3
Metal frames	33,579	44,008	59,827	64,696	13,499	18,355	23,941	25,022	9.2	17.3	2.6
Parts	206,227	293,664	359,305	294,116	21,633	27,497	30,352	26,378	41.9	18.3	11.2
Others	31,723	60,956	34,156	46,052	1,558	1,675	3,157	3,515	6.6	2.4	13.1
TOTAL	462,665	666,149	767,098	701,842	104,586	139,551	161,779	144,267	100	100	4.9

Source: Korea International Trade Association (KITA)
Note) Wooden : Wooden Seats / Wooden frames : Seats with wooden frames / Metal frames : Seats with metal frames

(2) Principal exporters of seats to Korea

The largest exporter of seats to Korea is China, whose exports to Korea expanded 32.5% a year on average from $156.56 million in 2004 to $482.59 million in 2008. Thus, China held a 68.8% share in the Korean import market in 2008. Among the ASEAN members, Vietnam, Thailand and Malaysia were among the top 10. Vietnam held a 5.1% share by exporting $35.58 million worth of seats to Korea in 2008. Thailand and Malaysia had 1.7% and 1.5% shares, respectively. Overall, ASEAN's exports to Korea accounted for 9.3% of total Korean imports.

Figure 67 Major Exporters of Seats to Korea

Figure 67-1 Trends in Imports from Major Exporters(by Year)

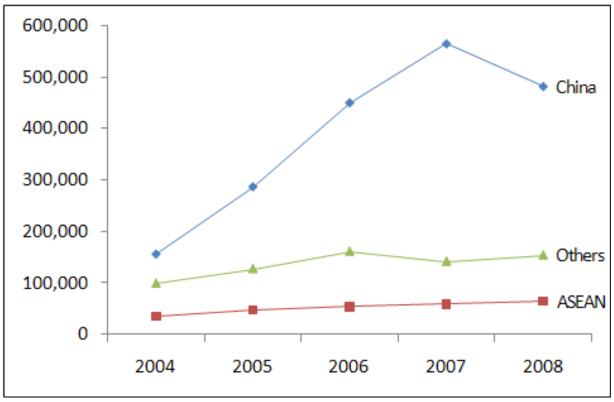
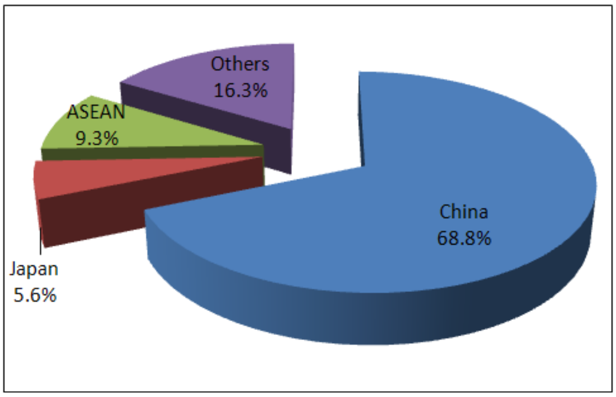


Figure 67-2 Major Exporters' Market Shares in Korea



(Units: $ Thousand, ton, %, $/kg)

Class.		2004	2005	2006	2007		2008				
		Value	Value	Value	Value	Volume	Value	Share	Volume	Share	AUP
1	China	156,568	287,562	450,830	565,732	126,407	482,597	68.8	109,664	76.0	4.4
2	Japan	19,897	29,440	25,907	27,085	3,107	39,453	5.6	5,015	3.5	7.9
3	Vietnam	11,642	17,941	24,921	30,143	18,755	35,589	5.1	18,031	12.5	2.0
4	Italy	25,379	23,328	31,657	39,148	1,952	34,662	4.9	1,673	1.2	20.7
5	U.S.A.	19,210	27,286	56,262	27,736	1,087	32,118	4.6	812	0.6	39.5
6	Germany	13,563	13,197	12,641	19,413	998	14,109	2.0	551	0.4	25.6
7	U.K.	2,266	17,222	17,663	7,985	102	11,697	1.7	104	0.1	112.2
8	Thailand	8,551	10,188	12,107	11,576	1,763	11,649	1.7	1,613	1.1	7.2
9	Malaysia	9,328	12,023	9,382	9,856	2,484	10,341	1.5	2,420	1.7	4.3
10	France	5,227	5,874	7,296	6,712	283	8,711	1.2	393	0.3	22.2
TOTAL		291,824	462,665	666,149	767,098	161,779	701,842	100	144,267	100	4.9
ASEAN		35,485	47,275	54,296	59,470	26,526	65,177	9.3	25,137	17.4	2.6

Source: Korea International Trade Association (KITA)

Vietnam has a lower per-unit price than China, but China exports more seats to Korea than Vietnam. This is attributable to China's advantages in transportation expenses and technology level. There are a number of factories Korean companies built there as their overseas production plants. In addition, China is in an advantageous position over Vietnam in terms of transportation cost. However, Korea imports relatively large amounts of wood from ASEAN, most members of which are wood producing countries and have advanced processing technology needed to produce plywood and other subsidiary materials for seats. Both China and ASEAN countries fall behind Korea in technology needed for processing finished products, so Korean imports are focused on subsidiary materials.

(3) Import trends by item

Wooden seats

Of various seat-related categories, ASEAN showed the strongest performance in the sector of wooden seat in terms of exports to Korea. ASEAN exports of wooden seats to

Korea amounted to $862,000 in 2008, accounting for 27.5% of total Korean imports. Ranked first was China, which exported $2.06 million worth of wooden seats to Korea, with a 65.9% share. China was followed by Singapore ($534,000, 17%), Indonesia ($137,000, 4.4%) and Vietnam ($112,000, 3.6%) in second, third and fourth places. Malaysia and Thailand were also ranked among the top 10 countries.

Table 160 Principal Exporters of Wooden Seats to Korea

(Units: $ Thousand, ton, %, $/kg)

Class.		2004	2005	2006	2007		2008				
		Value	Value	Value	Value	Volume	Value	Share	Volume	Share	AUP
1	China	594	801	1,151	1,286	389	2,066	65.9	435	64.2	4.8
2	Singapore	-	-	-	137	39	534	17.0	121	17.9	4.4
3	Indonesia	169	247	175	218	67	137	4.4	49	7.2	2.8
4	Vietnam	196	379	461	344	236	112	3.6	51	7.6	2.2
5	Denmark	-	-	-	-	-	49	1.6	0.5	0.1	93.9
6	U.S.A.	13	32	72	104	4	45	1.4	2	0.3	19.1
7	Malaysia	0.2	-	24	0.2	0.01	42	1.3	4	0.5	11.4
8	Italy	115	65	146	60	3	39	1.2	2	0.3	16.8
9	Japan	4	1	22	38	2	38	1.2	2	0.3	20.8
10	Thailand	82	429	293	15	5	30	0.9	6	0.8	5.2
TOTAL		1,413	2,012	2,397	2,325	757	3,137	100	677	100	4.6
ASEAN		533	1,079	962	716	323	862	27.5	216	32.0	

Source: Korea International Trade Association (KITA)

Seats with wooden frames

ASEAN members showed strong performance in the sector of seats with wooden frames as well. Top ranked was China with its export value of $201.13 million, or 68.5% of total Korean imports. Three ASEAN countries were among the top five - Vietnam ($29.16 million, 9.9%), Malaysia ($8.14 million, 2.8%), and Indonesia ($6.14 million, 2.1%). Vietnam, in particular, has registered average yearly growth of 27.3% since its exports to Korea reached $11.09 million in 2004. Exports by ASEAN as a whole showed a steady increase of 11.5% a year from 2004 when its export amount reached $31.40 million.

Table 161 Principal Exporters of Seats with Wooden Frames to Korea

(Units: $ Thousand, ton, %, $/kg)

Class.		2004	2005	2006	2007		2008				
		Value	Value	Value	Value	Volume	Value	Share	Volume	Share	AUP
1	China	71,685	115,046	177,412	217,298	77,071	201,135	68.5	64,151	72.3	3.1
2	Vietnam	11,094	16,943	23,458	28,134	17,553	29,168	9.9	16,311	18.4	1.8
3	Italy	21,397	19,070	27,475	33,207	1,517	28,402	9.7	1,226	1.4	23.2
4	Malaysia	8,497	8,931	8,116	8,217	2,150	8,148	2.8	1,979	2.2	4.1
5	Indonesia	3,605	4,952	5,927	6,094	2,577	6,143	2.1	2,589	2.9	2.4
6	U.S.A.	6,642	7,296	5,839	4,531	330	5,001	1.7	340	0.4	14.7
7	Thailand	7,652	8,153	7,769	5,402	1,552	4,849	1.7	1,391	1.6	3.5
8	Norway	1,682	1,562	900	2,255	71	3,198	1.1	88	0.1	36.2
9	Japan	79	346	408	722	41	2,735	0.9	139	0.16	19.7
10	France	1,111	1,018	1,024	677	28	1,169	0.4	23	0.03	51.1
TOTAL		140,214	189,124	265,124	311,485	103,572	293,841	100	88,675	100	3.3
ASEAN		31,406	39,189	45,527	48,037	23,897	48,535	16.5	22,357	25.2	2.2

Source: Korea International Trade Association (KITA)

Seats with metal frames

The largest exporter of seats with metal frames to Korea is China, whose exports to Korea amounted to $55.1 million in 2008. The Chinese products accounted for 85.2% of Korea's total imports in this sector.

ASEAN's total exports to Korea increased 17.4% a year on average from $1.06 million in 2004 to $2.02 million in 2008. It held a 3.1% share of the Korean import market in 2008. Of ASEAN members, Malaysia and Vietnam belonged to the top 10, by recording export amounts of $1.27 million and $460,000, respectively in 2008. Although its market share is low at 0.7%, Vietnam recorded a high yearly growth rate of 109.2% in 2004-2008.

Table 162 Principal Exporters of Seats with Metal Frames to Korea

(Units: $ Thousand, ton, %, $/kg)

Class.		2004	2005	2006	2007		2008				
		Value	Value	Value	Value	Volume	Value	Share	Volume	Share	AUP
1	China	13,737	22,946	32,130	48,273	22,632	55,105	85.2	23,908	95.5	2.3
2	Italy	2,854	2,529	2,719	3,653	163	2,933	4.5	102	0.4	28.9
3	U.S.A.	2,734	1,943	1,746	2,250	256	1,598	2.5	238	1.0	6.7
4	Malaysia	372	1,705	807	1,124	239	1,272	2.0	242	1.0	5.3
5	France	93	271	1,563	541	59	690	1.1	58	0.2	11.8
6	Denmark	221	365	699	252	4	544	0.8	5	0.02	106.4
7	Germany	537	639	283	488	14	511	0.8	12	0.05	43.0
8	Vietnam	24	99	276	406	259	460	0.7	266	1.1	1.7
9	Taiwan	49	135	157	212	51	353	0.5	68	0.3	5.2
10	Slovenia	-	-	-	83	4	292	0.5	18	0.07	16.3
11	Japan	115	1,518	1,833	278	14	224	0.3	8	0.03	28.1
TOTAL		22,552	33,579	44,008	59,827	23,941	64,696	100	25,022	100	2.6
ASEAN		1064	2350	1649	1962	614	2020	3.1	588	2.3	3.4

Source: Korea International Trade Association (KITA)

Parts of seats

China ranked first in the sector of parts of seats as well, by exporting $216.79 million (73.7%) in 2008. China was followed by Japan ($36.19 million, 12.3%) and Germany ($12.03, 4.1%). ASEAN as a whole accounted for 4.5% of Korea's total imports, with its export value reaching $13.22 million. Thailand and Vietnam were among the top 10. Fifth-placed Thailand exported $6.72 million worth of products in 2008, registering annual average of 478.6% in its export growth since 2004. Vietnam was ranked sixth, by recording an export amount of $5.83 million, which represented 106% yearly growth on average since 2004. Korean imports in this sector expanded 25% a year on average, but those from ASEAN soared by 65.5%. These figures indicate that export prospects are bright for ASEAN in this sector.

Table 163 Principal Exporters of Parts of Seats to Korea

(Units: $ Thousand, ton, %, $/kg)

Class.		2004	2005	2006		2007					2008
		Value	Value	Value	Value	Volume	Value	Share	Volume	Share	AUP
1	China	69,262	146,704	236,554	292,515	23,846	216,798	73.7	18,546	70.3	11.7
2	Japan	18,896	27,340	23,591	25,804	3,025	36,193	12.3	4,863	18.4	7.4
3	Germany	9,629	9,597	8,916	16,289	884	12,031	4.1	480	1.8	25.1
4	U.S.A.	8,719	9,390	13,833	8,186	429	7,364	2.5	90	0.3	81.6
5	Thailand	6	1,220	3,811	6,033	193	6,723	2.3	208	0.8	32.3
6	Vietnam	324	520	698	1,190	671	5,834	2.0	1,401	5.3	4.2
7	France	3,846	2,805	1,356	1,510	21	3,317	1.1	163	0.6	20.3
8	U.K.	606	2,341	333	901	9	1,525	0.5	12	0.05	123.8
9	Italy	740	991	559	885	70	1,476	0.5	107	0.4	13.9
10	Malaysia	73	43	86	55	48	395	0.1	131	0.5	3.0
TOTAL		120,598	206,227	293,664	359,305	30,352	294,116	100	26,378	100	11.2
ASEAN		1,763	3,083	5,674	8,102	1,544	13,226	4.5	1,885	7.1	7.0

Source: Korea International Trade Association (KITA)

(4) Status and characteristics of ASEAN seat exports to Korea

ASEAN's seat exports to Korea in 2008 amounted to $65,177,000, accounting for 9.3% of total Korean imports. Seats with wooden frames constitute more than 74.5% of the ASEAN seat exports to Korea.

Vietnam accounts for a very high portion of the ASEAN exports to Korea, while the other countries have shown insignificant records. In 2008, Vietnam exported $35.58 million worth of products to Korea, holding a 5.1% market share and accounting for 54.6% of the total ASEAN seat exports to Korea. Vietnam's annual growth rate in its seat exports to Korea stands at 32.2%, higher than the expansion rate of 24.5% for the Korean import market for seats. In the future, Vietnam's share in the Korean seat market is expected to rise further.

Export amounts recorded by other ASEAN members in 2008 included $11.64 million of Thailand, $10.34 million by Malaysia, and $6.62 million by Indonesia. However, the combined share of these countries is less than 5% in the Korean import market.

ASEAN members have the following characteristics regarding their seat exports to Korea.

Wooden seats constitute a considerable portion of ASEAN's seat exports to Korea. This is related to the fact that most ASEAN members are wood-producing countries. Also worthy of note is that ASEAN exports are mostly subsidiary materials, rather than finished products. This may show the status of their processing technology, which is sufficiently developed for subsidiary materials but not for finished products. It is advisable that they should exert efforts to develop processing technology for finished products in order to secure advantage over China, which is their main competitor, and to create added value.

Table 164 Trends in Seats Imports from ASEAN by Country/Category

	Class.	Value($1,000)					Volume(t)					AUP ($/kg)
		2004	2005	2006	2007	2008	2004	2005	2006	2007	2008	2008
ASEAN	Wooden	533	1079	962	716	862	262	506	359	351	234	3.7
	Wooden frames	31,406	39,189	45,527	48,037	48,535	16,950	19,923	22,557	23,897	22,357	2.2
	Metal frames	1,064	2,350	1,649	1,962	2,020	280	560	447	614	588	3.4
	Parts	1,763	3,083	5,674	8,102	13,226	1,236	1,385	1,873	1,544	1,885	7.0
	Others	721	1,573	484	653	534	228	286	80	120	74	7.2
	Total	35,485	47,275	54,296	59,470	65,177	18,955	22,659	25,316	26,526	25,137	2.6
	Total imports	291,824	462,665	666,149	767,098	701,842	75,551	104,586	139,551	161,779	144,267	4.9
	Shares	12.2%	10.2%	8.2%	7.8%	9.3%	25.1%	21.7%	18.1%	16.4%	17.4%	

	Class.	Value($1,000)					Volume(t)					AUP ($/kg)
		2004	2005	2006	2007	2008	2004	2005	2006	2007	2008	2008
INDONESIA	Wooden	169	247	175	218	137	70	108	70	67	49	2.8
	Wooden frames	3,605	4,952	5,927	6,094	6,143	2,598	3,088	3,139	2,577	2,589	2.4
	Metal frames	48	150	114	208	89	15	40	41	88	44	2.0
	Parts	1,302	1,168	901	695	258	916	848	590	390	125	2.1
	Others	-	34	42	56	0	-	9	4	26	0.6	0
	Total	5,124	6,551	7,158	7,270	6,627	3,599	4,094	3,844	3,148	2,808	2.4
	Total imports	291,824	462,665	666,149	767,098	701,842	75,551	104,586	139,551	161,779	144,267	4.9
	Shares	1.8%	1.4%	1.1%	0.9%	0.9%	4.8%	3.9%	2.8%	1.9%	1.9%	

	Class.	Value($1,000)					Volume(t)					AUP ($/kg)
		2004	2005	2006	2007	2008	2004	2005	2006	2007	2008	2008
MALAYSIA	Wooden	0	-	24	0	42	0.06	-	11	0.01	4	11.3
	Wooden frames	8,497	8,931	8,115	8,217	8,148	3,055	2,744	2,092	2,150	1,979	4.1
	Metal frames	372	1,706	807	1,124	1,272	87	405	157	239	242	5.3
	Parts	73	43	86	55	395	40	56	58	48	131	3.0
	Others	387	1,343	350	461	485	74	225	56	48	65	7.5
	Total	9,328	12,023	9,382	9,856	10,341	3,254	3,432	2,373	2,484	2,420	4.3
	Total imports	291,824	462,665	666,149	767,098	701,842	75,551	104,586	139,551	161,779	144,267	4.9
	Shares	3.2%	2.6%	1.4%	1.3%	1.5%	4.3%	3.3%	1.7%	1.5%	1.7%	

Table 164 Trends in Seats Imports from ASEAN by Country/Category

MYANMAR

Class.	Value($1,000)					Volume(t)					AUP ($/kg)
	2004	2005	2006	2007	2008	2004	2005	2006	2007	2008	2008
Wooden	3	1	0	0	2	0.2	0.1	0.5	4	2	1.1
Wooden frames	29	65	9	0	23	9	19	2	0.02	8	3.1
Metal frames	-	-	-	-	-	-	-	-	-	-	-
Parts	-	50	155	124	2	-	52	633	241	14	0.1
Others	-	-	-	-	-	-	-	-	-	-	-
Total	32	116	165	124	28	9	71	635	245	24	1.2
Total imports	291,824	462,665	666,149	767,098	701,842	75,551	104,586	139,551	161,779	144,267	4.9
Shares	0.01%	0.03%	0.02%	0.02%	0.004%	0.01%	0.07%	0.46%	0.15%	0.02%	

PHILIPPINES

Class.	Value($1,000)					Volume(t)					AUP ($/kg)
	2004	2005	2006	2007	2008	2004	2005	2006	2007	2008	2008
Wooden	83	23	8	2	4	15	16	19	0.1	2	2.5
Wooden frames	174	103	141	95	58	70	21	25	40	20	2.9
Metal frames	53	61	47	27	52	9	12	16	8	23	2.3
Parts	27	12	12	-	-	10	8	3	-	-	-
Others	3	5	32	59	33	0	2	6	9	7	4.7
Total	340	204	239	183	148	105	59	70	57	52	2.9
Total imports	291,824	462,665	666,149	767,098	701,842	75,551	104,586	139,551	161,779	144,267	4.9
Shares	0.12%	0.04%	0.04%	0.02%	0.02%	0.14%	0.06%	0.05%	0.04%	0.04%	

SINGAPORE

Class.	Value($1,000)					Volume(t)					AUP ($/kg)
	2004	2005	2006	2007	2008	2004	2005	2006	2007	2008	2008
Wooden	-	0	1	137	534	-	0.03	0.23	39	121	4.4
Wooden frames	354	44	105	95	147	60	8	7	25	55	2.7
Metal frames	84	132	171	72	102	6	10	8	7	5	20.6
Parts	30	71	12	5	14	1	1	0	0	5	2.9
Others	0	8	32	7	-	0.1	1	0.2	2	-	-
Total	469	254	322	317	797	67	20	16	72	185	4.3
Total imports	291,824	462,665	666,149	767,098	701,842	75,551	104,586	139,551	161,779	144,267	4.9
Shares	0.16%	0.05%	0.05%	0.04%	0.11%	0.09%	0.02%	0.01%	0.04%	0.13%	

THAILAND

Class.	Value($1,000)					Volume(t)					AUP ($/kg)
	2004	2005	2006	2007	2008	2004	2005	2006	2007	2008	2008
Wooden	82	429	293	15	30	40	194	78	5	6	5.3
Wooden frames	7,652	8,152	7,770	5,402	4,849	2,606	2,465	2,338	1,552	1,391	3.5
Metal frames	483	204	234	125	46	155	48	79	13	7	6.1
Parts	6	1,220	3,811	6,033	6,723	5	42	111	193	208	32.3
Others	327	184	1	3	1	153	48	0.04	0.3	0.4	2.5
Total	8,551	10,188	12,107	11,576	11,649	2,959	2,796	2,606	1,763	1,613	7.2
Total imports	291,824	462,665	666,149	767,098	701,842	75,551	104,586	139,551	161,779	144,267	4.9
Shares	2.9%	2.2%	1.8%	1.5%	1.7%	3.9%	2.7%	1.9%	1.1%	1.1%	

Table 164 Trends in Seats Imports from ASEAN by Country/Category

	Class.	Value($1,000)					Volume(t)					AUP ($/kg)
		2004	2005	2006	2007	2008	2004	2005	2006	2007	2008	2008
VIETNAM	Wooden	196	379	461	344	111	137	188	180	236	51	2.2
	Wooden frames	11,094	16,942	23,458	28,134	29,168	8,553	11,577	14,953	17,553	16,311	1.8
	Metal frames	24	99	276	406	459	8	45	146	259	266	1.7
	Parts	324	520	698	1,190	5,834	264	376	479	671	1,401	4.2
	Others	3	-	28	69	15	1	-	13	35	1	13.0
	Total	11,642	17,941	24,921	30,143	35,589	8,963	12,186	15,771	18,755	18,031	2.0
	Total imports	291,824	462,665	666,149	767,098	701,842	75,551	104,586	139,551	161,779	144,267	4.9
	Shares	4.0%	3.9%	3.7%	3.9%	5.1%	11.9%	11.7%	11.3%	11.6%	12.5%	

Class.	Value($1,000)					Volume(t)					AUP ($/kg)
	2004	2005	2006	2007	2008	2004	2005	2006	2007	2008	2008
Cambodia	-	-	1	0.8	-	-	-	0.2	0.2	-	-
Lao PDR	-	-	-	-	0.1	-	-	-	-	5	0.02

Source: Korea International Trade Association (KITA)
Note) Wooden : Wooden Seats / Wooden frames : Seats with wooden frames / Metal frames : Seats with metal frames

3. Key considerations related to exporting to Korea

(1) Korean import procedures

Korea's import procedures for seats are seen in Charts 22 and 23.

Chart 22 Import Procedures for Seats: Importers

Application for Self Safety Confirmation
(Before passing through customs, importers of seats subject to self safety confirmation should submit an application for self safety confirmation to safety certification agencies and receive a self safety confirmation test)

↓

Self Safety Confirmation by Safety Certification Agency
(After passing a test conducted by a testing agency for self safety confirmation, the importer should give notification about this to a safety certification agency)

↓

Obtaining of the KPS Self Safety Confirmation Certificate
(After receiving a certificate on notification of self safety confirmation, the importer should obtain KPS certification on self safety confirmation)

↓

Import Declaration
(After obtaining self safety confirmation certification, an import declaration should be submitted to customs authorities for clearance of imported items)

Chart 23 Import Procedures for Seats: Foreign Manufacturers

Application for Safety Certification
(Anyone who intends to export foreign-manufactured chairs subject to safety certification to Korea must file safety certification application with safety certification agencies)
(Application can be made through an agent in Korea)

↓

Product Test + Factory Inspection
(Safety certification agencies conduct a product test and an overseas factory inspection)
(Safety certification agencies: Korean Agency for Technology and Standards, Korea Environment and Merchandise Testing Institute, Meter and Petrochemical Testing and Research Institute, Korea Testing and Research Institute, Korea Apparel Testing and Research Institute, etc.)

↓

Issuance of Safety Certificate
(Product certificates are issued when products concerned pass safety certification tests)

↓

Exporting to Korea Possible After Obtaining KPS Safety Certification
(Safety certification should be renewed every year through regular inspection)

(2) Requirements concerning imports and sales in Korea

Seats exported to Korea are subject to the application of the 'Quality Management and Safety Control of Industrial Products Act.' As required by this law, seats for motor vehicles should obtain safety certification from safety certification agencies. Infant seats and seats convertible into beds can be imported after completing notification procedures concerning self confirmation on safety. Seats in other categories can be imported without restrictions, only if they meet safety and quality labeling requirements. Seats subject to self safety confirmation can gain customs clearance when the importer applies for self confirmation on safety and passes a self confirmation on safety test. As for exportation of seats subject to safety certification to Korea, foreign manufacturers should submit an application to safety certification agencies. They can submit the application through a legal representative residing in Korea. Application for safety certification is followed by a product test and a factory inspection. Products that pass both tests are issued safety certificates. Then, they can be exported to Korea after being marked with the KPS safety certificate. The safety certificate should be renewed every year through regular inspection.

1) Quality Management and Safety Control of Industrial Products Act

▶ Furniture items should bear safety and quality marks.

▶ Only the following item, only products that have gained safety certification and the same models can be imported.

• Children protection devices for automobiles (including seats for motor vehicles)

▶ As for the following items, only products that have obtained safety certification and the same models can be imported.

• Industrial products subject to safety certification : Products which may inflict physical damage on consumers, cause damage to the property of consumers or incur environmental harm, due to their structures, materials and usage • Products subject to self confirmation on safety : Of products which may inflict physical damage on consumers due to their structures, materials and usage, those for which such damage can be prevented through product inspection • Industrial products subject to safety and quality markings : Products that have the possibility of consumers suffering accidents or damage while handling, using and transporting them, as well as products whose components, capacity and specifications are not easy to identify

▶ Safety certification agencies : Korean Agency for Technology and Standards, Korea Environment and Merchandise Testing Institute, Korea Testing & Research Institute, Meter and Petrochemical Testing and Research Institute, Korea Apparel Testing and Research Institute, Korea Testing & Research Institute and other institutes designated by the Minister of Knowledge Economy.

Box. Documents to be confirmed by the head of the customs office • Industrial products subject to safety certification : A safety certificate or a safety confirmation document issued by a safety certification agency (Item inspection, model and sample confirmation, and advance customs clearance) • Industrial products subject to self confirmation on safety : A notification or confirmation document regarding self confirmation on safety, issued by a safety certification agency (confirmation of the same model or sample)

▶ Safety certification (Article 14 of the Quality Management and Safety Control of Industrial Products, Article 8 of the Enforcement Regulations of the Act)

Box. Safety certification

- The foreign manufacturer of an industrial product subject to safety certification should obtain safety certification from a safety certification agency for each model of the product.
- The safety certification agency should issue a safety certificate when the applicant meets the criteria for a product test and a factory inspection.
- Application for safety certification
  Any foreign manufacturer who intends to obtain safety certification should submit an application for safety certification (No. 4 document form as defined in the appendix of the Enforcement Regulations) to a safety certification agency for each model of an industrial product. The following documents should be attached to the application. (Foreign manufacturers can file the application through an agent resident in Korea.)
  A. A copy of business registration certificate
  B. Product description (including photos)
  C. Technology-related documents such as drawings for machinery designing and electric circuit production (this applies to parts of elevators)
  D. Letter of authorization (in case of application by agent)

▶ As for the following items, only the same models of a product for which self safety confirmation on safety notification is completed can be imported.

- Double-decked beds for children (including seats convertible into beds)
- Seats for infants

▶ Notification of industrial products subject to self safety confirmation (Article 19 of the Quality Management and Safety Control of Industrial Products Act, Article 19 of the Enforcement Regulations of the Act)

Box. Self confirmation on safety

- The importer of an industrial product subject to self safety confirmation should receive a test and an inspection for each model of the product from a designated testing and inspection agency. And, after confirming that the product meets the safety criteria, the importer should notify a safety certification agency of the results.
- Any importer who intends to give notification about self confirmation on safety should submit a notification (No. 12 document form as defined in the appendix of the Enforcement Regulations) to a safety certification agency for each model of an industrial product subject to self confirmation on safety, prior to the release of the product or its customs clearance. The following documents should be attached.
  A. A copy of business registration certificate
  B. Product description (including photos)
  C. Safety test results issued by testing and inspection agencies regarding industrial products subject to self confirmation on safety
- The safety certification agency that has received a self confirmation on safety notification should issue a certificate concerning the notification of self confirmation on safety.

(3) Labeling regulations at the time of sale in Korea

Currently, there are various quality certification marks related to seats, but the most significant one is the KPS Mark, which is a legal mandatory safety certification mark.

In accordance with the Quality Management and Safety Control of Industrial Products Act, importers or foreign manufacturers of infant seats as well as seats for motor vehicles and seats convertible into beds can import, sell and circulate these items only after obtaining safety certification or approval on self confirmation on safety from the Ministry of Knowledge Economy, the Korean Agency for Technology and Standards or other designated agencies. Other seat items can gain customs clearance without obtaining certification marks only if they meet safety and quality labeling requirements.

The Korea Certification (KC) Mark will be enforced as a unified certification mark required on any certified product with regard to manufacture, importation, distribution and sale. Beginning in 2010, the current 13 mandatory marks legally required for industrial products will be gradually integrated into the KC Mark. The KC and KPS marks are shown in Figure 68.

Figure 68 Quality Certification Marks for Seats on Sale in Korea (Mandatory Certification Marks)

(4) Key considerations for entering the Korean market

Export of aircraft seats to Korea require approval by the Korea Aerospace Industries Association in addition to safety certification. Wooden seats, if exported without being fully dried, may be warped or suffer from other defects. So, the products should be examined carefully before being shipped, and measures should be taken to prevent the occurrence of flaws. The required country of origin marking should be made on products. If made on boxes or wrappings, the marking cannot be authorized. Of seats of cane classified under HS Code <9401.591000>, those from the Philippines are subject to tariffs at the WTO concession rate of 9.9%.

(5) Regulatory agency contacts

Agency Name	Pertinent Department	Business	Homepage	Contact
Korea Customs Service	Clearance Facilitation Bureau	customs clearance	www.customs.go.kr	82-42-472-2181
Korean Agency for Technology and Standards	Bureau of Product Safety Policy	safety certification	www.ats.go.kr	82-2-509-7223
Korea Environment & Merchandise Testing Institute	Product Safety Inspection Bureau	safety certification	www.kemti.org	82-2-2102-2500
Korea Aerospace Industries Association	International Affairs	import approval	www.aerospace.or.kr	82-2-761-1105

4. Customs duties and taxes

(1) Customs duties

Korean duty rates for seats are shown in Table 165.

Table 165 Duty Rates by Seats Item

HS Code	Items	Basic	A-K FTA	K-C FTA	K-E FTA	S-K FTA	WTO	Preferential	C/O
94015.0-9	Wooden Seats	8%	0%	0%	0%	0%	0%	0%	○
94016.1-9	Seats with wooden frames	8%	0%	0%	0%	0%	0%	0%	○
94017.1-9	Seats with metal frames	8%	0%	0%	0%	0%	0%	0%	○
940190.1000-9000	Parts	8%	0%	0%	0%	5.1%	13%	0%	○

Note) A-KFTA: ASEAN-Korea FTA / K-CFTA: Korea -Chile FTA / K-EFTA: Korea-Europe FTA / S-KFTA: Singapore-Korea FTA / WTO: World Trade Organization Agreement / Preferential: Poorest countries preferential duty / C/O: Certificate of Origin

(2) Internal taxes

A 10% value added tax is levied on seats. Value added tax is levied by applying a 10% tax rate to the taxable amount, which is the aggregate of the market price plus customs duty and all the internal taxes like special consumption tax and liquor tax. Value added tax is calculated in the following manner.

▶ Value added tax = taxable amount of VAT × 10%

▶ Taxable amount of VAT = taxable amount of customs duties + customs duties + internal taxes imposed at the time of importation (special consumption tax, transportation tax, liquor tax, special tax for rural development, education tax). The taxable amount of customs duties means the market price, which is the total amount the purchaser has paid or will have to pay the seller for the imported product.

For seats, whose taxable amount of customs duties exceeds 8 million won per set or 5 million won per unit, special consumption tax is levied at the basic rate of 20%. In addition, special tax for rural development with the rate of 10% and education tax with 30% rate are imposed. Taxable amount of special consumption tax and special consumption tax are calculated in the following manner.

▶ Taxable amount of special consumption tax = taxable amount of customs duties + customs duties

▶ In case of items with predetermined base price :
Taxable amount of special consumption tax = (taxable amount of customs duties + customs duties) - base price

▶ Special consumption tax = taxable amount of special consumption tax (quantity) × special consumption tax rate

Special consumption tax and value added tax for seats, whose taxable amount of customs duties is 10 million won per unit, can be calculated in accordance with the following formula.

Classification	Calculation formula	
	Under 5 million won (Example: 5 million won)	Over 5 million won (Example: 10 million won)
Taxable amount of customs duties	5 million won	10 million won
Customs duties(0%)	5 million won × 0 = 0 won	10 million won × 0 = 0 won
Taxable amount of special consumption tax	(5 million won + 0 won) - 5 million won = 0 won	(10 million won + 0 won) - 5 million won = 5 million won
Special consumption tax(20%)	0 won	5 million won × 0.2 = 1 million won
Educational tax(30%)	0 won	1 million won × 0.3= 300,000 won
Special tax for rural development (10%)	0 won	1 million won × 0.1 = 100,000 won
Real import price	5 million won	11.4 million won
Value added tax	5 million won × 0.1 = 500,000 won	11.4 million won × 0.1 = 1,140,000 won
Final import price	**5.5 million won**	**12.54 million won**

5. Major Korean exhibitions and importers

(1) Major exhibitions in Korea

Principal Korean exhibitions related to Seats are shown in Table 166.

Table 166 Major Seats Exhibitions in Korea

Exhibitions Name	Exhibitions Period				Participating Company		Participating Buyers		Description
	1/4	2/4	3/4	4/4	Korea	Foreign	Korea	Foreign	
Seoul Living Design Fair (www.livingdesignfair.co.kr)	●				174	20	36,000	150	Furnitures including seats
Korea International Furniture & Interior Fair(www.kofurn.or.kr)			●		148	52	12,261	511	Furnitures including seats
Housing Brand Fair (www.leadexpo.co.kr)	●				283	10	6,550	950	Furnitures including seats
Home Trade & Trend Expo (www.homdex.com)	●				167	4	1,000	30	Furnitures including seats
Seoul Essence Wedding Fair (www.esswedding.co.kr)	●		●		80	0	302	21	Furnitures including seats, Wedding products
Kyung Hyang Housing Fair (www.khfair.com)	●			●	482	146	54,878	405	Furnitures including seats

(2) Major importer list with over 1 million dollar value in 2008

Company Name	Tel. No	URL/E-mail	Import Item			
			Wood	Wooden	Metal	Parts
EMONS FURNITURE CO.	82-32-816-2233	www.emons.co.kr	-	○	○	○
YONG SAN CO.	82-52-287-4645~8	www.yong-san.co.kr	-	-	-	○
DUAL TRADING CO.	82-52-288-0001	www.idual.co.kr	-	-	-	○
KOLON GLOTECH, INC.	82-2-3677-5823	www.kolonglotech.co.kr	-	-	-	○
KOREAN AIR LINES CO.	82-2-2656-7154	kr.koreanair.com	-	○	-	○
DAESHIN PLUS CO.	82-2-396-9808/9	www.daeshinplus.com	-	○	○	○
CASAMIA CO.	82-31-701-7998	www.casamia.co.kr	-	○	○	○
DAE WON CHONG UP CORP.	82-2-318-6387	www.daewoncorp.com	-	-	-	○
REGENCY GALLERY	82-31-988-8800	www.salefurniture.com	-	○	-	-
DAUNING INDUSTRIAL CO.	82-2-894-2294	www.dauning.com	-	○	-	○
DAEWONSANUP	82-31-495-2301~10	www.dwsu.co.kr	-	-	-	○
SIDIZ. INC	82-31-650-1137	www.sidiz.com	-	-	○	○
HANAX CO.	82-2-596-1571	www.hanax.com	-	○	-	○
COSTCO WHOLESALE KOREA LTD.	82-2-2630-2722	www.costco.co.kr	-	○	○	-
LIVART CO.	82-2-3480-8058	www.livart.co.kr	-	○	-	○
HANSSEM DOMUS CO.	82-2-3476-1313	www.domus.co.kr	-	○	○	○
GOLD RIVER	82-31-511-7878	www.goldriver.kr	-	○	○	○
DYMOS INC	82-41-661-7114	www.dymos.co.kr	-	-	-	○
DESIGN VENTURES CO.	82-2-3444-3381	www.designventures.co.kr	-	○	○	-
JIOS INTERNATIONAL CO.	82-2-568-0041	www.jioscommerce.com	-	○	○	○
GNG CO.	82-31-718-4932	www.gngfurn.com	-	○	-	○
SAFIAN INC.	82-2-3463-8101	www.britax.co.kr	-	○	-	○

Company Name	Tel. No	URL/E-mail	Import Item			
			Wood	Wooden	Metal	Parts
DAEKYUNG COPORATION CO.	82-51-728-4444	www.yanggallery.co.kr	-	○	-	-
DONGSUNG MACHINERY CO.	82-51-970-3524	www.dongsungm.co.kr	-	-	-	○
JANGIN FURNITURE CO.	82-32-812-9900/9	www.jangin.com	-	○	-	○
ROME FURNITURE CO.	82-32-818-0025	www.bonton-fr.co.kr	-	○	-	○
DAEYOU TRADING CO.	82-32-574-4873	dy4873@yahoo.co.kr	-	○	-	-
FRANCIA LTD.	82-32-813-3211	www.francia.co.kr	-	○	○	-
PAROMA TDS CO.	82-32-818-2121	www.paroma.com	-	○	○	○
JOOMOK CORP.	82-32-582-2220	jasonw_lee@yahoo.co.kr	-	-	-	○
INNOCENT FURNITURE CO.	82-32-812-0002	www.innocent.co.kr	-	○	-	○
KM&I CO.,	82-32-577-7781	www.kmni.co.kr	-	-	-	○
HYUNDAE METAL CO.	82-31-494-2616	hd2616@kornet.net	-	-	○	○
HYUNDAI ROTEM COMPANY	82-55-273-1341	www.rotem.co.kr	-	-	-	○
HANSSEM CO.	82-2-590-3274	www.hanssem.com	-	○	○	-
GM-DAEWOO AUTO & TECH.CO.	82-32-520-5678	www.gmdat.com	-	-	-	○
SOLOMON FURNITURE	82-31-575-8230	www.solomongagu.com	-	○	-	○
CREA DESIGN INC.	82-2-549-7911	www.wellz.co.kr	-	○	○	○
THE HOME CORP.	82-2-2191-5006	jjomani78@naver.com	-	○	-	○
INTERPARK INT CORP.	82-2-869-4267	www.interpark.com	○	○	○	○
BORNEO INTERNATIONAL FURNITURE	82-32-420-8545	www.bif.co.kr	-	○	○	○
DAEWOO INTERNATIONAL CORP.	82-2-759-2736	www.daewoo.com	-	-	-	○
KOREA FURNITURE CO.	82-2-2663-4121	www.koreafurniture.co.kr	-	○	-	-
DAEDONG INDUSTRIAL CO.	82-53-610-3000	www.daedong,co.kr	-	-	-	○
ASIANA AIRLINES INC.	82-2-2669-5425	www.flyasiana.com	-	-	-	○
ACE BED CO.	82-43-877-1881	www.acebed.com	-	○	-	-

Section III.
Statistics on ASEAN-Korea trade

This section consists of two types of statistical data on 400 items from ASEAN countries. These items have been selected in consideration of the export amount and the export growth rate of ASEAN items to the world and to the Korean market.

The first data shows ASEAN trade amount to Korea and to the world by individual countries. It uses statistical analysis to identify potential ASEAN export items to the Korean market.

The second data presents the size of the Korean market and detailed information on the amount of trade for each of the 400 items with the world and Korea. This allows for identifying the marketability and potential for market share of these items in the Korean market. In addition, the statistical data presents information on major competing countries in the Korean market for these items.

1. Trends in export of potential items by ASEAN members

(Unit: $ 1,000)

HS Code	Commodity		Brunei	Cambodia	Indonesia	Lao PDR	Malaysia	Myanmar	Philippines	Singapore	Thailand	Vietnam
0101	Live horses, asses, mules and hinnies	W	171	-	1,476	-	1,152	-	3	1,426	1,406	-
		K	-	-	-	-	-	-	-	-	-	-
0102	Live bovine animals	W	3	-	5	284	222	7,867	0	0	1,141	-
		K	-	-	-	-	-	-	-	-	-	-
0104	Live sheep and goats	W	9	-	1,469	-	58	-	0	2,774	19	-
		K	-	-	-	-	-	-	-	-	-	-
0105	Live poultry	W	32	-	0	-	139,500	-	597	68	519	-
		K	-	-	-	-	-	-	-	-	-	-
0106	Live animals, nes	W	15	5,358	3,664	-	3,887	111	1,912	2,881	6,323	20,387
		K	-	-	160	-	49	-	2	0	689	3
0201	Meat of bovine animals, fresh or chilled	W	161	-	4	-	15	-	0	145	16	-
		K	-	-	-	-	-	-	-	-	-	-
0202	Meat of bovine animals, frozen	W	0	-	6	-	4,327	100	0	10,182	234	2
		K	-	-	-	-	-	-	-	-	-	-
0203	Meat of swine, fresh, chilled or frozen	W	16	-	209	-	2,026	-	0	1,970	6,620	27,855
		K	-	-	-	-	-	-	-	-	-	-
0204	Meat of sheep or goats - fresh, chilled or frozen	W	11	-	0	-	0	47	0	1,288	0	3
		K	-	-	-	-	-	-	-	-	-	-
0206	Edible offal of red meat	W	4	-	20	13	509	-	0	5,396	123	-
		K	-	-	-	-	-	-	-	-	-	-
0207	Meat&edible offal of poltry meat	W	6	-	43	-	3,033	49	1,616	22,773	39,698	76
		K	-	-	-	-	-	-	-	-	-	-
0209	Pig and poultry fat	W	0	-	0	-	0	-	0	5	5	117
		K	-	-	-	-	-	-	-	-	-	-
0301	Live fish	W	88	940	27,535	-	52,949	629	23,447	69,440	25,666	3,252
		K	-	-	597	-	23	7	249	971	824	4
0302	Fish, fresh, whole	W	36	476	157,004	4	36,790	37,775	15,890	5,679	45,940	32,408
		K	-	-	89	-	-	-	15	-	-	-
0303	Fish, frozen, whole	W	2	1,293	150,402	-	38,742	36,822	42,808	85,279	174,975	72,375
		K	-	0	19,567	-	1,290	318	2,772	5,222	5,992	4,226
0304	Fish fillets and pieces, fresh, chilled or frozen	W	17	5,705	121,179	-	35,523	15,538	14,493	46,781	332,129	869,349
		K	-	-	14,216	-	1,307	878	164	226	7,614	63,318
0305	Fish, cured or smoked and fish meal fit for human consumption	W	320	408	61,616	-	6,143	1,951	3,459	25,895	71,169	35,404
		K	-	-	1,335	-	-	-	170	330	552	5,055
0306	Crustaceans	W	4,977	5,749	1,067,782	66	334,030	150,994	115,664	22,250	1,295,644	1,168,771
		K	0	11	5,039	-	14,223	2,627	6,423	1,642	58,237	71,527
0307	Moluscs	W	3	568	57,400	2	118,577	10,531	43,721	33,877	482,408	314,764
		K	-	75	8,727	-	2,607	252	292	41	13,420	105,154
0401	Milk and cream, not concentrated nor sweetened	W	37	-	4,622	-	6,245	-	275	16,551	28,562	11
		K	-	-	-	-	-	-	11	-	-	-
0402	Milk and cream, concentrated or sweetened	W	9	-	66,919	-	212,667	-	90,494	244,983	63,951	828
		K	-	-	2	-	1	-	-	7	-	0
0403	Buttermilk and yogurt	W	0	-	4,024	-	2,174	-	6	3,320	24,716	62
		K	-	-	-	-	-	-	-	-	0	-
0404	Whey and natural milk products nes	W	0	-	1,452	1	1,966	-	58	14,212	12,434	287
		K	-	-	-	-	-	-	-	0	-	-
0405	Butter and other fats and oils derived from milk	W	0	-	125	-	6,710	-	29	28,174	479	-
		K	-	-	-	-	143	-	-	48	-	-
0406	Cheese and curd	W	0	-	1,805	-	922	-	470	5,689	480	5
		K	-	-	-	-	-	-	3	274	-	-
0407	Birds' eggs in shell	W	0	18	99	-	68,941	-	40	435	23,068	3,212
		K	-	-	-	-	-	-	-	-	-	-

HS Code	Commodity		Brunei	Cambodia	Indonesia	Lao PDR	Malaysia	Myanmar	Philippines	Singapore	Thailand	Vietnam
0408	Birds' eggs dried	W	0	-	0	-	789	-	3	15	5,344	-
		K	-	-	-	-	-	-	-	-	-	-
0409	Natural honey	W	0	-	1,327	-	3,380	230	5	1,722	8,704	20,560
		K	-	-	1	-	0	-	0	7	0	138
0504	Guts, bladders and stomachs of animals other than fish	W	-	-	4	-	5	-	0	1,003	0	117
		K	-	-	-	-	-	-	0	-	-	-
0601	Bulbs, tubers, corms, etc	W	0	-	1,056	1	120	-	404	148	1,698	93
		K	-	-	14	-	-	-	5	-	27	-
0604	Foliage, branche etc	W	0	-	1,363	9	5,827	-	543	4,960	3,327	298
		K	-	-	6	-	6	-	6	20	101	0
0701	Potatoes	W	1	-	5,952	162	540	105	0	3,447	166	13
		K	-	-	-	-	-	-	-	-	-	-
0702	Tomatoes	W	0	-	92	1	14,497	-	0	173	326	9
		K	-	-	-	-	-	-	-	-	-	-
0703	Onions, garlic and leeks, fresh or chilled	W	0	-	7,191	56	23,797	7,869	4,527	2,887	22,909	5,568
		K	-	-	-	-	-	-	-	-	32	176
0704	Cabbages and cauliflowers, fresh or chilled	W	0	-	9,437	1,060	4,229	1	3	1,628	272	6,860
		K	-	-	-	-	-	-	-	-	-	4
0705	Lettuce and chicory, fresh or chilled	W	0	-	210	4	4,160	-	0	933	1,084	146
		K	-	-	-	-	-	-	-	-	-	-
0706	Carrots, turnips and salad beetroot, fresh or chilled	W	0	-	146	89	2,572	-	0	1,136	85	650
		K	-	-	-	-	-	-	-	-	-	-
0707	Cucumbers and gherkins, fresh or chilled	W	0	-	230	-	3,845	-	0	13	118	3
		K	-	-	-	-	-	-	-	-	-	-
0708	Leguminous vegetables, shelled or unshelled, fresh or chilled	W	0	5	1,017	63	6,014	156	2	265	1,826	845
		K	-	-	0	-	-	0	0	-	-	0
0709	Vegetables nes, fresh or chilled	W	0	15	4,069	338	36,538	321	20,277	4,495	102,188	5,552
		K	-	0	-	-	-	-	314	-	340	0
0710	Frozen vegetables	W	0	-	3,587	-	7,360	84	21	1,758	53,502	12,172
		K	-	-	77	-	-	-	-	-	4	4,840
0711	Vegetables, provisionally preserved (unfit for immediate consumption)	W	1	-	634	55	583	7	143	469	8,105	8,271
		K	-	-	-	-	-	-	-	-	-	6
0712	Dried vegetables	W	1	5	846	6	2,489	540	214	4,302	6,831	5,737
		K	-	4	-	-	-	549	0	-	112	672
0713	Dried vegetables, shelled	W	0	145	9,680	128	2,781	594,773	39	3,536	33,325	1,289
		K	-	-	0	-	-	4,553	-	5	28	0
0714	Manioc, arrowroot salem (yams) etc	W	0	-	21,199	20	1,322	2	1,154	945	558,347	142,230
		K	-	-	8,276	-	0	-	20	-	159,861	32,459
0801	Brazil nuts, cashew nuts & coconuts	W	0	237	134,032	-	6,317	967	140,165	38,614	11,261	401,475
		K	-	-	223	-	0	1	885	-	33	759
0802	Nuts nes	W	0	-	79,252	3	5,908	600	2	17,814	32,607	8,126
		K	-	-	0	752	0	-	1	-	-	-
0803	Bananas and plantains, fresh or dried	W	0	-	1,408	631	6,360	-	405,444	108	7,996	3,782
		K	-	-	0	-	-	-	153,763	-	2	0
0804	Dates, figs, pineapples, mangoes, avocadoes, guavas	W	1	7	5,304	-	7,423	57	85,123	2,013	40,703	2,165
		K	-	-	0	-	-	-	48,839	0	1,620	0
0805	Citrus fruit, fresh or dried	W	0	-	236	17	3,443	724	19	8,181	14,253	568
		K	-	-	-	-	-	-	-	-	-	-
0806	Grapes, fresh or dried	W	0	-	36	4	890	11	4	9,439	29	162
		K	-	-	-	-	-	-	-	-	-	-
0807	Melons (including watermelons) & papayas, fresh	W	0	-	88	-	24,391	23	4,550	293	697	24,146
		K	-	-	-	-	-	-	279	-	-	0
0808	Apples, pears and quinces, fresh	W	0	-	56	119	1,380	-	2	10,138	890	2
		K	-	-	-	-	-	-	-	-	-	-

HS Code	Commodity		Brunei	Cambodia	Indonesia	Lao PDR	Malaysia	Myanmar	Philippines	Singapore	Thailand	Vietnam
0809	Apricots, cherries, peaches, nectarines, plums & sloes, fresh	W	0	-	597	37	109	8	0	1,106	84	11
		K	-	-	-	-	-	-	-	0	-	-
0810	Fruits nes, fresh	W	0	32	1,113	208	19,092	21	395	2,971	186,261	87,082
		K	-	-	-	-	-	-	-	-	50	-
0811	Frozen fruits & nuts	W	0	-	399	-	77	-	2,068	118	35,555	12,987
		K	-	-	140	-	-	-	843	-	2,068	916
0812	Provisionally preserved fruits & nuts (unfit for immediate consumption	W	0	-	7	8	101	-	0	107	3,926	944
		K	-	-	0	-	-	-	-	-	-	-
0813	Dried fruit	W	0	6	3,275	6	660	6,874	1,834	2,829	83,745	2,438
		K	-	0	0	-	-	-	7	0	12	0
0901	Coffee	W	0	21	588,502	10,567	3,407	74	210	33,072	18,066	1,322,603
		K	-	-	1,656	-	148	-	131	54	0	100,703
0902	Tea	W	6	-	134,515	254	2,955	339	5	4,157	4,048	71,630
		K	-	-	47	-	27	-	0	4	-	8
0903	Maté	W	0	-	165	-	16	-	0	0	13	-
		K	-	-	-	-	-	-	-	-	-	-
0904	Pepper, peppers and capsicum	W	0	80	79,077	-	63,281	6,744	53	67,787	16,490	180,643
		K	-	-	1,596	-	6,828	-	0	210	44	6,010
0906	Cinnamon and cinnamon-tree flowers	W	0	-	25,494	-	526	3	0	7,062	153	11,897
		K	-	-	251	-	6	-	-	-	10	1,475
0907	Cloves	W	0	15	23,533	-	539	1	0	38,114	2	142
		K	-	-	104	-	22	-	-	38	-	22
0908	Nutmeg, mace and cardamons	W	0	-	55,453	28	1,965	64	0	17,580	50	243
		K	-	-	701	-	164	-	-	35	-	-
0909	Seeds of anise, badian, fennel, coriander, cumin etc.	W	0	-	98	-	598	136	1	19,178	248	3,533
		K	-	-	2	-	52	-	-	-	9	65
0910	Ginger, saffron, turmeric, thyme, bay leaves & curry	W	4	325	7,831	313	10,379	1,977	230	8,903	18,754	6,863
		K	-	-	12	-	330	32	0	4	27	13
1001	Wheat and meslin	W	0	-	3,287	-	920	-	0	216	1,923	4,910
		K	-	-	-	-	-	-	-	0	-	-
1003	Barley	W	0	-	2	-	131	-	0	35	0	-
		K	-	-	-	-	-	-	-	-	-	-
1004	Oats	W	0	-	0	-	357	-	0	31	1	-
		K	-	-	-	-	-	-	-	-	-	-
1005	Maize (corn)	W	0	2,755	4,306	9,995	578	10,015	613	165	103,177	510
		K	-	1	3,582	-	-	1,182	0	0	1	451
1006	Rice	W	0	3,180	531	1,082	121	19,870	134	27,245	3,470,015	932,060
		K	-	0	-	-	-	-	-	0	40,316	0
1007	Grain sorghum	W	0	-	0	-	2	918	0	0	726	48
		K	-	-	0	-	-	-	-	-	0	-
1008	Buckwheat, millet and canary seed	W	0	-	27	2,316	195	5	0	326	16,552	69
		K	-	-	-	-	-	-	-	-	0	-
1101	Wheat or meslin flour	W	0	-	12,584	-	20,118	-	4,263	24,271	5,430	6,663
		K	-	-	3,393	-	0	-	-	1,920	0	29
1102	Cereal flours other than of wheat or meslin	W	0	-	474	-	1,572	-	31	966	70,777	211
		K	-	-	38	-	-	-	-	-	-	0
1103	Cereal grouts, meal and pellets	W	0	-	220	-	1,269	-	2	439	138	489
		K	-	-	-	-	-	-	-	-	-	-
1104	Cereal grain, worked post hulling, excluding rice	W	0	-	663	8	16,618	71	31	1,453	883	36
		K	-	-	-	-	-	-	-	-	1	-
1107	Malt, whether or not roasted	W	0	-	437	-	0	-	20	26	3	-
		K	-	-	-	-	-	-	-	-	-	-
1108	Starches; inulin	W	0	944	1,829	-	8,518	356	38	11,296	407,556	112,191
		K	-	-	-	-	0	-	-	-	7,262	763

HS Code	Commodity		Brunei	Cambodia	Indonesia	Lao PDR	Malaysia	Myanmar	Philippines	Singapore	Thailand	Vietnam
1109	Wheat gluten, whether or not dried	W	0	-	9	-	679	-	0	830	93	1
		K	-	-	-	-	-	-	-	-	-	-
1201	Soya beans, whether or not broken	W	1	4,931	2,891	45	8,737	718	12	647	1,605	31
		K	-	0	-	-	-	0	-	0	-	-
1202	Ground-nuts, not roasted	W	0	275	1,995	960	1,345	577	16	6,729	439	8,746
		K	-	-	-	-	-	0	-	-	-	0
1203	Copra	W	-	-	7,016	-	683	-	2	0	16	6
		K	-	-	183	-	-	-	-	-	-	-
1204	Linseed, whether or not broken	W	-	-	0	-	0	-	0	0	4	-
		K	-	-	-	-	-	-	-	-	-	-
1205	Rape or colza seeds, whether or not broken	W	-	-	25	-	0	-	0	0	0	-
		K	-	-	-	-	-	-	-	-	0	-
1206	Sunflower seeds, whether or not broken	W	0	-	28	-	133	-	0	38	577	-
		K	-	-	-	-	-	-	-	-	0	-
1207	Oil seeds	W	0	1,089	28,456	1,221	3,190	22,632	72	1,011	17,863	2,816
		K	-	0	125	-	0	331	9	0	3	1,196
1208	Flour and meals of oil seeds	W	0	-	367	-	7,296	-	0	338	120	-
		K	-	-	-	-	-	-	-	0	0	1
1211	Medicinal plants	W	0	18	6,243	944	2,888	2,478	293	49,604	1,554	4,635
		K	-	0	475	89	6	916	1	26	413	1,848
1212	Locust beans	W	0	245	50,775	2,489	4,879	1,821	25,432	1,127	9,130	1,637
		K	-	-	8,117	-	0	9	3,230	0	38	52
1302	Vegetable saps & extracts	W	0	2	16,746	83	4,109	20	46,436	15,502	2,925	1,554
		K	-	-	1	-	6	0	143	36	62	101
1402	Vegetable material for stuffing or padding	W	0	-	2,318	-	459	3	0	0	0	146
		K	-	-	-	-	-	-	-	-	-	-
1403	Vegetable material for brooms/brushes	W	-	-	2,926	387	112	512	0	0	0	45
		K	-	-	-	-	-	-	-	-	-	-
1517	Margarine	W	0	-	135,776	-	285,131	-	260	48,806	1,676	49
		K	-	-	81	-	6,686	-	-	648	7	0
1601	Sausages and similar products, of meat, offal or blood	W	0	-	62	-	1,453	-	567	880	6,571	310
		K	-	-	-	-	-	-	17	-	-	-
1602	Prepared or preserved meat, meat offal or blood, nes	W	0	-	52	-	16,130	-	3,719	4,783	1,187,123	1,086
		K	-	-	-	-	-	-	42	0	19,823	4
1604	Prepared/preserved fish & caviar	W	0	307	133,866	46	59,654	90	101,549	52,304	1,823,589	128,756
		K	-	-	11,430	-	468	-	354	136	6,636	30,847
1605	Crustaceans & molluscs, prepared/preserved	W	0	7,581	183,006	4	48,792	910	26,368	23,800	1,344,234	437,405
		K	-	-	4,152	-	5,717	4	5,335	156	17,605	23,728
1702	Sugars, nes, incl chem pure lactose etc; artif honey; caramel	W	3	29	3,007	-	11,696	34	593	6,364	27,028	194
		K	-	-	611	-	224	-	0	74	403	128
1704	Sugar confectionery (incl white choc), not containing cocoa	W	11	3	60,175	21	27,608	18	37,007	46,687	81,476	11,208
		K	-	-	2,499	-	149	-	495	260	320	4,810
1801	Cocoa beans, whole or broken, raw or roasted	W	0	-	619,017	-	33,861	-	189	3,745	8	400
		K	-	-	0	-	-	-	-	-	-	-
1802	Cocoa shells, husks, skins and other cocoa waste	W	-	-	1,269	-	600	-	0	165	0	-
		K	-	-	-	-	-	-	16	-	-	0
1804	Cocoa butter, fat and oil	W	0	-	179,073	-	453,287	-	1,834	104,971	34,930	-
		K	-	-	-	-	5,796	-	-	1,419	-	-
1805	Cocoa powder, without added sugar	W	0	-	27,804	-	126,974	-	252	44,605	8,601	4
		K	-	-	6	-	1,854	-	7	3,046	-	-
1806	Chocolate and other food preparations containing cocoa	W	291	-	15,765	1	77,701	18	2,417	204,224	7,774	630
		K	-	-	1,422	-	1,868	-	162	8,919	176	51
1901	Malt extract; food preparations of flour, meal, starch or malt extract	W	70	-	35,114	3	207,982	80	27,586	459,429	164,090	3,674
		K	-	6	1,300	-	5,304	-	79	289	2,019	127

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1902	Pasta & couscous	W	15	-	61,741	19	27,608	25	15,212	28,048	165,931	47,001
		K	-	-	2,870	-	0	0	48	262	3,603	2,208
1903	Tapioca and substitutes therefore prepared from starch	W	0	-	3,042	-	274	-	100	375	9,352	1,632
		K	-	-	5	-	-	-	-	-	66	44
1904	Breakfast cereals & cereal bars	W	2	-	4,729	-	18,738	-	15,956	4,294	37,062	1,652
		K	-	-	1	-	-	-	1	2	361	7
1905	Bread, biscuits, wafers, cakes and pastries	W	14	37	94,563	99	227,617	3	33,950	69,495	129,263	41,182
		K	-	-	1,582	-	3,346	-	2,108	833	2,905	3,897
2001	Cucumbers, gherkins and onions preserved by vinegar	W	0	-	914	-	349	-	125	691	17,052	11,701
		K	-	-	7	-	-	-	0	26	64	96
2002	Tomatoes prepared or preserved	W	0	-	24	1	161	-	112	882	1,682	174
		K	-	-	-	-	-	-	-	2	-	-
2003	Mushrooms&truffles, prepared or preserved	W	0	-	20,656	-	2,284	-	0	2,734	2,474	13,863
		K	-	-	141	-	-	-	0	1	-	54
2004	Prepared or preserved vegetables nes (incl. frozen)	W	0	-	3,389	-	3,003	72	859	812	19,364	4,883
		K	-	-	-	-	0	-	-	61	13	46
2005	Prepared or preserved vegetables nes (excl. frozen)	W	0	-	1,237	859	22,490	23	1,068	11,056	251,687	7,993
		K	-	-	45	-	493	-	12	19	10,753	190
2006	Sugar preserved fruits and nuts	W	0	1	32	-	428	-	128	5,702	131,560	890
		K	-	-	-	-	-	-	20	6	565	-
2007	Jams, fruit jellies & marmalades	W	0	-	1,460	286	8,179	-	15,190	3,912	10,557	531
		K	-	-	1	-	6	-	88	35	1	5
2008	Preserved fruits nes	W	15	-	116,721	514	22,552	101	195,251	40,365	775,053	49,471
		K	-	2	3,132	-	10	172	27,201	107	15,403	2,401
2009	Fruit & vegetable juices, unfermented	W	7	68	27,443	85	26,961	-	82,982	28,240	235,813	7,763
		K	-	53	32	-	-	4	277	3	977	12
2101	Extracts essences & concentrates of coffee and tea	W	3	14	31,579	20	112,670	33	7,505	146,824	59,915	5,343
		K	-	-	422	-	3,075	-	349	300	0	945
2102	Yeast	W	0	-	55	-	389	37	508	2,452	4,306	6,351
		K	-	-	1	-	10	37	-	15	649	-
2103	Sauces mixed condiments & mixed seasonings	W	45	-	34,688	-	84,608	4	17,487	62,030	234,104	14,384
		K	-	-	219	-	776	-	131	1,001	4,163	29
2104	Soups, broths & preparations thereof	W	0	-	696	-	9,796	9	2,693	9,866	44,409	2,803
		K	-	-	7	-	31	-	9	1	1,162	217
2106	Food preparations, nes	W	31	3	41,660	-	172,011	130	29,948	178,340	433,281	12,632
		K	-	-	277	-	1,864	14	241	10,435	7,630	796
2201	Mineral & aerated waters	W	0	-	3,675	-	10,931	-	303	1,719	5,683	5
		K	-	-	4	1	0	-	0	27	0	-
2202	Non-alcoholic beverages (excl. water, fruit or vegetable juices and mi	W	235	-	11,469	-	96,358	2	12,063	76,661	159,580	8,189
		K	-	-	84	-	60	-	384	194	1,259	12
2203	Beer made from malt	W	0	130	2,510	138	86,733	1,766	7,494	125,530	66,537	1,959
		K	-	-	5	2	21	-	852	134	49	111
2204	Wine of fresh grapes	W	0	15	43	-	17,029	-	73	285,485	8,219	169
		K	-	-	-	-	0	-	0	20	0	0
2205	Vermouth&other grape wine flavoured with plants or aromatic substances	W	0	-	2	-	183	-	0	310	253	3
		K	-	-	-	-	-	-	-	-	-	-
2206	Fermented beverages, nes	W	0	-	1,483	45	88	-	153	621	632	590
		K	-	-	-	-	-	-	0	-	9	7
2207	Ethyl alcohol & other spirits (if undenatured then higher than 80% by	W	0	-	18,041	-	11,171	-	416	4,529	27,213	3,573
		K	-	-	-	-	-	-	-	1,280	7,639	1,511
2208	Spirits, liqueurs, other spirit beverages, alcoholic preparations	W	0	-	235	-	166,095	3	24,571	856,751	30,003	5,134
		K	-	-	-	-	-	-	164	52	18	76
2209	Vinegar and substitutes for vinegar	W	0	-	1,223	37	401	-	2,289	772	737	97
		K	-	-	-	-	-	-	14	9	-	-

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2301	Flour etc of meat, meat offal, fish, crust etc unfit for human consumptio	W	0	-	993	-	22,379	8,266	2,419	272	79,832	19,461
		K	-	-	13	-	-	-	0	-	40	119
2302	Bran, sharps and other residues	W	0	-	40,197	-	1,458	1,675	64	12,063	3,042	321
		K	-	-	51,877	-	0	-	0	-	0	3
2303	Beet-pulp, bagasse and brewing or distilling dregs and waste	W	0	-	1,753	-	16	-	403	2,073	42,231	871
		K	-	-	-	-	119	-	3	-	-	243
2304	Soya-bean oil-cake and other solid residues	W	0	-	0	-	6,132	114	10	62	53	4
		K	-	-	0	-	-	0	-	9	0	-
2306	Oil-cake nes	W	0	-	115,104	3	203,460	1,547	30,446	461	6,337	127
		K	-	-	102,026	-	37,511	-	64,541	-	3	0
2308	Other vegetable material, waste, residues, byproducts used for animal	W	0	-	923	-	11,895	384	450	479	7,890	683
		K	-	-	3	-	-	-	88	-	277	343
2401	Tobacco unmanufactured; tobacco refuse	W	-	535	102,549	446	761	4,781	35,983	67,162	98,159	8,023
		K	-	-	0	-	-	-	1	-	2,524	0
2402	Cigars, cheroots, cigarillos & cigarettes	W	0	28,304	223,199	1,126	180,136	5,406	97,963	360,583	6,746	9,422
		K	-	-	3	277	54	-	5	13	-	1
2403	Pipe, chewing & snuff tobaccos	W	33	134	14,028	-	81,593	5	4,543	35,132	127	330
		K	-	-	4	-	6,138	0	58,627	9	-	-
2851	Other inorganic compounds; liquid & compressed air	W	1	-	19	-	589	-	28	0	0	1
		K	-	-	-	-	-	-	-	-	-	-
3005	Dressings packaged for medical use	W	0	1	2,490	-	4,407	-	3,796	10,462	57,051	342
		K	-	-	10	-	-	-	621	1,174	10	6
3006	Pharmaceutical goods, specified sterile products sutures, laminaria, b	W	49	10	10,712	-	25,481	-	3	18,457	8,337	596
		K	-	-	-	-	1,083	-	-	1,178	17	520
3213	Artists' colors, modifying tints, amusement colors	W	0	-	409	-	988	-	2	1,139	1,695	85
		K	-	-	-	-	-	-	-	-	808	-
3215	Printing, writing or drawing inks & inks nes	W	6	-	26,343	-	60,119	-	5,713	301,498	11,099	445
		K	-	-	29	-	5,419	-	1	10,279	147	27
3301	Essential oils; resinoids; terpenic by-products etc	W	0	779	67,325	750	2,080	1,962	2,042	74,383	6,628	4,997
		K	-	-	99	-	6	-	0	313	357	102
3303	Perfumes and toilet waters	W	4	-	14,351	-	29,881	-	2,629	539,884	4,918	184
		K	-	-	0	-	1	-	0	9	0	-
3304	Beauty, make-up&skin-care preparations; sunscreens, manicure or pedi	W	66	9	35,331	-	64,074	70	15,437	709,954	209,733	6,723
		K	-	1	1,531	-	5,078	12	1,792	2,331	2,558	126
3305	Hair preparations	W	0	5	30,291	2	23,413	43	5,101	36,724	434,164	5,672
		K	-	-	407	-	147	-	39	495	50,212	0
3306	Oral & dental hygiene preparations	W	4	3	14,619	-	7,917	-	374	15,436	94,743	14,997
		K	-	-	0	-	-	-	0	0	1,849	3,295
3307	Personal toilet preparations shaving preparations, deodorants etc.	W	0	1	11,575	-	65,114	1	18,972	167,145	126,876	14,541
		K	-	-	46	-	1,905	-	350	390	3,960	3,381
3401	Soap; organic surface-active preparations for soap use	W	16	4	213,621	-	353,651	-	8,497	27,721	102,091	9,468
		K	-	-	4,220	-	24,996	-	606	1,848	931	0
3406	Candles, tapers & the like	W	0	4	2,700	-	16,482	1	2,407	5,709	41,283	91,958
		K	-	-	16	-	0	-	3	1	54	3
3602	Prepared explosives, other than propellant powders	W	0	-	1,519	176	2,608	-	6,024	8,524	0	-
		K	-	-	-	-	-	-	-	-	-	-
3604	Fireworks, signalling flares, rain rockets, fog signals etc.	W	10	-	192	-	663	-	44	2,594	1,631	539
		K	-	-	-	-	-	-	-	-	-	-
3605	Matches o/t pryotechnic articles of hd no 36.04	W	0	-	7,262	-	625	-	3	49	602	265
		K	-	-	-	-	-	-	-	-	-	53
3918	Floor, wall & ceiling coverings in rolls or tiles, of plastics, nes	W	4	-	788	1	16,590	-	26	6,153	77,715	5,788
		K	-	-	-	-	50	-	0	-	4	575
3922	Baths, shower-baths, wash-basins, bidet etc of plastic	W	12	-	2,178	-	7,662	-	3,429	4,356	7,173	755
		K	-	-	48	-	374	-	-	2	70	0

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3923	Plastic packing goods or closures stoppers, lids, caps, closures, plas	W	101	7,820	266,744	38	987,944	119	107,236	259,862	710,511	146,790
		K	-	-	5,699	-	18,616	61	4,944	5,104	7,900	2,305
3924	Tableware, kitchenware, toiletery articles, of plastic	W	132	137	64,939	-	64,743	15	8,137	27,720	153,652	31,756
		K	-	-	171	-	501	-	151	206	1,667	79
3925	Builders' ware of plastics, nes	W	28	-	9,580	-	33,683	-	2,839	28,408	18,826	6,723
		K	-	-	36	-	97	-	8	50	105	553
3926	Article of plastic nes.	W	90	2,620	73,735	11	400,419	178	50,023	574,418	600,197	158,025
		K	0	31	903	-	1,803	2	775	3,216	2,235	4,202
4015	Articles of apparel&clothing accessories of vulcanised rubber	W	1	-	167,433	-	1,724,505	14	1,739	6,320	594,088	7,705
		K	-	-	150	-	17,679	-	-	37	3,607	515
4016	Articles of vulcanised rubber o/t hard rubber, nes	W	46	11	100,733	-	114,804	83	23,177	172,230	453,735	49,848
		K	-	-	2,095	-	1,687	38	435	1,759	2,302	3,061
4201	Saddlery and harness for any animal, of any material	W	0	-	53	-	204	-	623	1,714	2,542	25,244
		K	-	-	6	-	-	-	-	-	-	6
4202	Trunks, suit-cases, camera cases, handbags etc, of leather, plas, tex etc	W	14	596	78,162	207	25,489	301	101,650	241,475	229,615	564,769
		K	-	0	1,765	-	105	1	1,580	1,120	1,741	21,649
4203	Articles of apparel&clothing access, of leather or composition leather	W	3	145	74,238	2	1,137	25	59,229	16,650	52,830	42,150
		K	-	1	7,770	-	7	0	339	6	651	943
4205	Articles of leather or composition leather, nes	W	3	2	8,042	-	27,239	8	1,759	22,012	49,720	281
		K	-	-	5	-	0	-	0	2	36	8
4206	Articles of gut, of goldbeater's skins, of bladders or of tendons	W	0	-	20	-	10	-	3	44	281	-
		K	-	-	-	-	-	-	-	-	-	-
4303	Articles of apparel, clothing access and other articles of furskin	W	0	-	1,632	4	1,240	-	384	524	480	1,173
		K	-	-	-	-	-	-	-	-	-	62
4304	Artificial fur and articles thereof	W	-	-	447	29	55	-	971	159	677	196
		K	-	-	-	-	-	-	-	-	-	-
4414	Wooden frames for paintings, photographs, mirrors or similar objects	W	4	2	101,084	356	38,493	2	1,143	141	91,457	4,866
		K	-	-	1,355	-	7	-	17	2	35	30
4419	Tableware and kitchenware of wood	W	1	22	1,853	34	4,144	115	6,097	469	48,785	37,998
		K	-	-	320	88	-	9	229	1	566	1,654
4420	Wood marquetry & inlaid wood; caskets & cases or cutlery of wood	W	1	258	142,664	38	5,668	1,515	20,328	759	57,173	34,240
		K	0	0	1,347	-	2	12	250	5	368	933
4421	Articles of wood, nes	W	3	56	19,357	789	19,144	2,118	1,084	7,092	41,950	37,220
		K	-	-	229	8	31	1	117	4	29	1,141
4503	Articles of natural cork	W	0	-	6	-	19	-	7	498	2	1
		K	-	-	-	-	-	-	-	0	-	-
4601	Plaits & similar products of plaiting material mats, matting, screens	W	0	21	11,261	13	160	54	7,936	675	5,682	20,554
		K	-	-	84	-	-	-	13	-	0	2,147
4602	Basketwork, wickerwork & other articles made from plaiting materials	W	33	307	59,060	9	1,330	4,117	94,665	698	6,883	116,637
		K	-	-	4,787	-	1	225	68	-	26	2,218
4802	Uncoated paper for writing, printing etc.	W	8	38	1,392,131	-	34,995	-	606	24,200	381,554	5,190
		K	-	-	43,853	-	0	-	-	89	8,763	-
4803	Paper, household/sanitary, rolls of a width > 36 cm	W	0	-	88,098	-	3,583	-	13	3,755	9,844	10,949
		K	-	-	1,538	-	1	-	-	0	0	13
4811	Paper, paperboard, cellulose wadding & webs of cellulose fibers, coate	W	1	-	10,363	-	102,360	-	3,141	380,797	70,055	14,843
		K	-	-	2,038	-	2,611	-	3	37,461	177	6
4814	Wallpaper & similar wall coverings; window transparencies of paper	W	1	-	1,308	-	1,014	-	254	5,556	251	362
		K	-	-	-	-	-	-	2	4	0	7
4815	Floor coverings on a base of paper or of paperboard w/n cut to size	W	0	-	4	-	47	-	0	0	0	-
		K	-	-	-	-	-	-	-	-	-	-
4817	Card, env, letter/corre, plain postcard, stat of paper; box, wallet...,pap	W	116	-	11,004	1	6,142	-	452	10,909	3,532	65
		K	-	-	50	-	26	3	14	31	2	2
4818	Toilet paper, handkerchiefs, tissues, napkins, table cloths, diapers,	W	38	35	46,814	-	152,837	33	13,157	83,413	211,899	15,918
		K	-	2	-	-	3,589	-	1	6	1,284	206

HS Code	Commodity		Brunei	Cambodia	Indonesia	Lao PDR	Malaysia	Myanmar	Philippines	Singapore	Thailand	Vietnam
4819	Packing containers, of paper, paperboard, cellulose wadding, webs	W	65	30	77,189	5	112,301	143	3,018	118,778	111,937	33,304
		K	0	0	1,214	-	2,446	2	34	1,638	10,015	681
4820	Registers, acct, note, order books etc;other stationary articles of paper	W	8	-	110,165	1	105,199	20	12,049	45,156	23,473	20,724
		K	-	-	1,257	-	17	-	9	144	205	311
4823	Other paper, paperboard, cellulose wadding cut to size & adhesive pape	W	33	33	49,425	632	49,475	45	10,662	46,388	58,573	25,815
		K	-	-	267	-	152	0	7	562	101	47
4901	Printed books, brochures, leaflets & similar printed matter	W	98	24	26,587	1	162,632	8	2,399	570,099	28,886	1,557
		K	0	1	312	1	474	-	67	13,759	1,528	48
4902	Newspapers, journals&periodicals	W	10	5	2,403	918	1,797	1	515	50,632	7,225	185
		K	-	-	2	-	2	-	3	326	132	3
4904	Music printed or in manuscript	W	0	-	3	-	360	-	0	216	8	-
		K	-	-	-	-	-	-	-	-	-	-
4905	Maps&hydrographic or sim charts, incl atlases, wall maps, etc, printed	W	4	4	86	-	411	-	5	1,978	3,426	19
		K	-	-	1	-	0	-	1	72	6	-
4906	Plans or drawings for architectural, engineering, industrial, commerci	W	0	-	26	2	138	1	6	2,293	3,720	15
		K	-	-	0	-	0	-	0	1	392	32
4907	Unused stamps;cheque forms, banknotes, bond certificates, etc.	W	106	11	4,154	-	220,483	3	1,004	228,854	765,223	216
		K	-	-	0	-	2	-	2	42	0	0
4909	Postcards, printed or illustrated; printed greeting cards	W	0	-	4,346	-	1,680	6	1,022	882	3,844	925
		K	-	-	-	-	1	-	-	32	1	0
4911	Printed matter nes, including printed pictures and photographs	W	100	46	10,712	3	21,740	8	3,830	98,375	12,090	2,123
		K	0	0	20	-	262	-	98	1,060	725	29
5701	Carpets and other textile floor covering knotted	W	1	7	791	-	1,865	-	501	6,764	1,280	316
		K	-	-	-	-	-	-	-	-	77	4
5702	Carpets&o tex floor covg, woven, not tufted/flocked	W	1	14	13,702	-	10,599	10	45	3,177	17,951	2,844
		K	-	-	93	-	-	-	0	0	60	299
5703	Carpets and other textile floor covering tufted	W	0	7	15,823	-	17,559	-	4,377	8,711	129,123	8,891
		K	-	-	960	-	13	-	-	-	3,088	3
5704	Carpets&other textile floor covering of felt, nt tufted/flockd	W	17	-	1,465	-	1,429	-	3	4,674	1,066	64
		K	-	-	-	-	1,182	-	-	-	0	1
5705	Carpets and other textile floor coverings, nes	W	1	17	8,383	3	7,717	-	14	3,366	5,171	731
		K	-	-	3	-	1	-	1	7	149	19
5805	Hand-woven and needle-worked tapestries	W	0	1	130	-	0	5	927	263	126	46
		K	-	-	-	-	-	-	-	-	-	0
5807	Label, badge&sim art of tex	W	7	30	1,718	4	3,149	-	42	9,632	9,296	719
		K	-	2	25	-	1	-	34	26	123	26
5808	Braid in the piece;orn trim,in pce,o/t knit/crochtd	W	36	1	463	-	1,016	1	34	1,345	1,732	751
		K	-	-	-	-	-	-	-	1	7	-
5811	Quiltd textile product in the piece other than embroidery of hd no 5810	W	0	-	1,101	-	687	-	0	750	474	415
		K	-	-	-	-	-	-	-	-	1	186
5901	Text fab ctd with gum, for book covering, etc	W	0	75	924	-	603	-	0	964	3,188	2,425
		K	-	-	-	-	-	-	-	-	0	-
6101	Men's overcoats, capes, etc, knitted/crochetd, o/t of hd 61.03	W	1	24,978	41,554	2,175	15,703	2,866	929	3,602	26,353	72,565
		K	-	-	250	-	11	-	0	-	431	1,096
6102	Women's overcoat, cape, etc, knitted/crochetd, o/t of hd 61.04	W	7	57,084	82,895	2,405	32,095	4,521	2,178	22,212	24,425	105,720
		K	-	2	89	-	-	75	33	-	57	583
6103	Men's suits, jackets, trousers etc&shorts, knit/croch	W	4,035	45,417	165,149	6,480	57,234	1,719	61,537	81,398	174,924	45,760
		K	-	1,265	600	0	121	22	1,806	20	813	1,118
6104	Women's suits, dresses, skirt etc&short, knit/croch	W	11,399	169,952	194,612	3,905	85,687	3,048	192,785	172,804	124,356	196,467
		K	-	1,273	1,371	-	120	7	1,352	52	806	2,101
6105	Men's shirts, knitted or crocheted	W	12,940	136,762	235,708	11,763	39,022	8,405	170,382	71,749	246,637	210,201
		K	-	306	1,306	54	282	-	1,181	10	540	1,758
6106	Women's blouses & shirts, knitted or crocheted	W	28,196	138,348	271,749	1,584	27,916	3,466	214,659	89,017	82,057	155,853
		K	-	202	1,206	4	35	-	317	4	914	1,124

HS Code	Commodity		Brunei	Cambodia	Indonesia	Lao PDR	Malaysia	Myanmar	Philippines	Singapore	Thailand	Vietnam
6107	Men's underpants, pyjamas, bathrobes etc, knit/croch	W	15	78,446	12,434	217	14,536	417	16,236	6,030	118,278	22,616
		K	-	0	13	-	15	-	738	-	1,837	969
6108	Women's slips, panties, pyjamas, bathrobes etc, knitted/crocheted	W	0	192,086	88,625	2,385	80,889	1,382	81,376	24,298	155,715	160,517
		K	-	183	26	-	23	2	136	3	1,040	385
6109	T-shirts, singlets and other vests, knitted or crocheted	W	67,242	226,924	336,566	33,040	154,910	18,216	109,445	149,898	368,962	230,515
		K	-	1,503	4,539	24	2,226	46	1,758	362	5,093	5,826
6110	Jerseys, pullovers, cardigans, etc, knitted or crocheted	W	2,484	970,524	446,413	44,193	161,697	37,040	240,715	414,843	293,201	777,224
		K	-	679	1,225	162	73	11	464	54	2,124	10,634
6111	Babies' garments, knitted or crocheted	W	21	35,287	54,670	1,842	41,328	2,179	66,620	65,537	202,769	68,691
		K	-	3	68	2	5	-	14	0	415	475
6112	Track suits, ski suits and swimwear, knitted or crocheted	W	0	37,916	82,580	131	15,982	1,212	34,054	4,386	26,224	43,194
		K	-	41	2,244	-	57	-	20	15	803	1,296
6113	Garment, made up of knitted/crochetd fabric of hd no 59.03,06,07	W	1	2,722	316	-	11,956	31	0	2,830	42,895	18,557
		K	-	-	36	-	-	-	-	4	13	85
6114	Garments, knitted or crocheted, nes	W	146	71,912	36,244	273	6,177	2,071	6,275	64,441	57,953	83,183
		K	-	474	302	-	499	430	19	18	164	1,366
6115	Panty hose, tights, stockings & other hosiery, knitted or crocheted	W	0	1,762	78,164	542	15,350	3	20,487	2,978	60,206	10,310
		K	-	3	35	-	0	-	1	44	52	1,904
6116	Gloves, mittens and mitts, knitted or crocheted	W	0	37	24,367	4	103,495	5	23,653	2,433	9,362	25,422
		K	-	-	101	-	39	-	113	0	10	4,658
6117	Clothing access nes,knitted/croch	W	4	1,229	7,194	89	8,157	50	5,697	53,877	12,564	6,226
		K	-	0	55	-	0	-	28	0	8	57
6201	Men's overcoats, capes, windjackets etc o/t those of hd 62.03	W	18	28,941	334,853	1,796	10,571	50,516	13,718	2,941	37,699	437,328
		K	-	116	1,907	-	13	4,742	117	1	1,014	14,545
6202	Women's overcoats, capes, wind-jackets etc o/t those of hd 62.04	W	0	17,320	85,041	853	12,777	27,438	19,106	7,345	17,455	360,314
		K	-	19	338	-	534	5,319	342	7	977	11,743
6203	Men's suits, jackets, trousers etc & shorts	W	442	275,149	612,878	34,380	79,671	80,508	202,275	92,684	226,758	750,376
		K	-	1,086	2,393	17	312	5,398	4,219	39	2,687	14,744
6204	Women's suits, jackets, dresses skirts etc&shorts	W	622	476,135	887,093	15,115	128,102	50,436	556,243	117,347	343,823	1,047,495
		K	0	688	2,549	-	99	5,486	2,765	42	1,748	15,580
6205	Men's shirts	W	342	64,886	411,752	24,753	145,066	66,883	153,821	31,412	147,840	351,124
		K	8	268	1,666	0	1,377	789	1,702	65	1,407	2,060
6206	Women's blouses & shirts	W	1,571	59,592	440,018	741	43,146	4,160	95,082	43,259	97,284	86,680
		K	0	25	1,322	0	68	579	200	22	333	1,507
6207	Men's singlets, briefs, pyjamas, bathrobes etc	W	0	26,989	50,068	884	3,850	674	15,566	4,375	27,953	26,294
		K	-	12	503	-	2	898	60	0	329	792
6208	Women's singlets, slips, briefs, pyjamas, bathrobes etc	W	217	74,804	56,104	5	7,056	1,004	43,951	6,200	9,040	35,178
		K	-	345	619	-	6	73	13	4	1,501	653
6209	Babies' garments and clothing accessories	W	469	5,518	37,377	408	17,277	2,104	47,078	12,408	43,631	57,823
		K	-	18	200	-	130	26	162	8	671	218
6210	Garment made up of fabric of heading no 56.02, 56.03, 59.03, 59.06/59.07	W	20	15,852	56,751	711	6,506	6,210	1,086	10,193	34,782	203,701
		K	-	-	259	-	-	-	-	8	486	5,057
6211	Track suits, ski suits and swimwear; other garments	W	841	68,011	48,985	4,901	10,345	17,450	52,162	75,725	60,697	271,150
		K	-	322	1,802	-	186	6,311	268	14	2,783	21,887
6212	Brassieres, girdles, corsets, braces, suspenders etc & parts	W	0	11,210	331,154	121	56,741	10,360	142,396	24,400	309,455	115,994
		K	-	-	66	-	173	2	370	5	2,582	646
6213	Handkerchiefs	W	0	1	87	-	5,166	-	266	1,225	3,213	648
		K	-	-	0	-	51	-	0	0	-	0
6214	Shawls, scarves, mufflers, mantillas, etc	W	4	237	4,863	252	490	19	289	5,819	5,821	1,975
		K	-	1	42	7	1	-	60	0	33	23
6215	Ties, bow ties and cravats	W	1	2	36	-	394	-	312	3,336	684	13,433
		K	-	-	0	-	0	-	3	1	0	4
6216	Gloves, mittens and mitts	W	0	42	11,759	-	642	3	1,811	878	1,962	30,118
		K	-	-	623	-	21	-	13	5	40	590

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6217	Clothing accessories nes; o/t of hd 62.12	W	9	300	5,856	40	2,139	57	1,277	72,426	4,865	6,324
		K	-	1	52	-	0	23	9	11	5	195
6301	Blankets and travelling rugs	W	0	2,240	36,009	6	2,912	165	4,551	3,239	15,037	2,925
		K	-	-	10	-	-	-	41	8	1	157
6302	Bed, table, toilet and kitchen linens	W	17	15,906	70,271	107	32,388	2,746	21,520	23,091	111,192	110,338
		K	-	0	129	-	0	-	0	2	94	13,429
6303	Curtains, drapes & interior blinds	W	0	32	6,234	2	7,454	-	3,616	3,194	8,627	10,340
		K	-	-	1	-	-	-	6	1	9	59
6304	Furnishing articles nes, excluding 94.04	W	7	114	11,723	12	6,426	7	5,187	13,758	43,010	44,485
		K	-	-	4	-	2	-	11	34	122	9,531
6305	Sacks and bags of a kind used for the packing of goods	W	0	1	83,245	-	10,803	4,807	5,381	5,918	61,711	83,034
		K	-	-	1,560	0	15	-	3	-	70	27,655
6306	Tents&camping goods, tarpaulins, sails for boats, etc	W	4	41	1,865	7	5,600	-	429	5,705	9,066	31,460
		K	-	-	0	-	1	-	1	40	29	721
6307	Made up articles nes, including dress patterns	W	12	190	8,530	3	9,920	56	5,467	16,693	43,905	63,814
		K	-	0	56	-	31	21	445	1,293	876	544
6308	Set consisting of woven fab&yarn for making up into rugs, tapestrie etc	W	0	71	32	-	1,148	-	0	4,060	2,899	111
		K	-	-	0	-	-	-	0	-	-	-
6309	Worn clothing and articles	W	73	4,859	4,890	5	30,459	-	926	37,934	7,656	170
		K	-	10	44	0	176	-	125	102	104	57
6310	Rags, scrap twine, crodage, rope	W	3	1,778	626	4	3,053	-	15,766	1,100	3,551	433
		K	-	-	-	-	-	-	5	1	16	-
6401	W/p foot, outer sole/upper of rbr/pla upper not fixd to sole nor assemb	W	2	28	3,279	-	13,240	-	422	1,104	8,736	3,559
		K	-	-	0	-	1	-	0	1	23	4
6402	Footwear nes, outer soles and uppers of rubber or plastics	W	0	20,734	172,970	3,470	49,090	1,105	4,559	16,760	229,914	1,347,798
		K	-	0	8,372	-	4	-	34	0	632	27,891
6403	Footwear, upper of leather	W	3	177,980	1,144,826	2,885	43,572	43,197	2,221	103,146	596,264	3,062,819
		K	-	632	34,338	-	11	914	46	75	7,676	67,616
6404	Footwear, upper of textile mat	W	13	11,310	184,636	1,076	25,349	1,117	15,173	28,939	107,151	949,140
		K	-	63	6,118	-	4	42	32	236	1,900	29,611
6405	Footwear, nes	W	3	351	8,923	7	43,630	4	1,148	54,450	15,304	71,817
		K	-	16	217	-	20	-	3	71	127	1,992
6406	Part of footwear; romovable in-soles, heel cushion etc;gaiter etc	W	1	476	85,132	56	3,376	81	1,078	4,558	19,051	72,407
		K	-	-	315	-	1	0	-	20	109	357
6503	Felt hats and other felt headgear	W	2	1	171	-	283	-	0	0	0	78
		K	-	-	-	-	-	-	-	-	-	-
6504	Hats&other headgear, plaited	W	1	3	248	-	49	-	1,580	901	422	2,880
		K	-	-	0	-	-	-	-	-	0	0
6505	Hats&o headgear, knit/chroch from lace	W	6	6,166	24,591	33	4,580	55	5,688	1,168	20,644	140,839
		K	-	-	329	-	2	0	194	6	80	2,642
6506	Headgear, nes	W	3	72	10,602	-	11,315	-	2,395	2,491	26,740	10,783
		K	-	0	248	-	0	-	59	7	101	98
6507	Head-bands, linings, covers, etc, for headgear	W	2	23	373	-	176	-	460	997	1,715	386
		K	-	-	4	-	5	-	-	-	1	11
6602	Walking-sticks, seat-sticks, whips, etc	W	0	-	19	-	35	-	0	21	179	24
		K	-	-	-	-	-	-	4	-	-	-
6603	Parts, trimmings and acessories of art of heading no 66.01 or 66.02	W	0	-	725	-	37	18	6,730	264	137	2,068
		K	-	-	-	-	-	-	-	-	-	-
6701	Skins&other parts of birds, articles of, nes	W	0	1	188	-	12	-	0	1	14	18
		K	-	-	0	-	-	-	-	-	-	-
6702	Artificial flowers, foliage & fruit	W	2	1	3,346	-	409	14	5,081	534	26,185	1,901
		K	-	-	4	-	-	-	30	1	334	5
6703	Human hair, worked; wool/animal hair&other tex mat, prepared for wigs etc	W	-	-	8,246	-	0	15	0	1,709	1,799	19
		K	-	-	1	-	-	298	-	-	-	-

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6704	Wig, eyebrow, eyelash, etc.	W	0	-	69,647	-	23	4	16,596	357	28,221	2,462
		K	-	-	4,139	-	-	1	-	4	73	2,380
6810	Articles of cement, concrete or artif. stone	W	103	212	14,850	-	104,682	4	1,184	9,312	9,558	20,393
		K	-	1	51	-	39	-	598	5	48	4
6901	Bricks, blocks, ceramic goods of siliceous fossil meals	W	226	-	418	-	33	-	877	119	256	452
		K	-	-	3	-	126	-	126	2	1	46
6907	Unglazed ceram flags&paving, hearth/wall tiles; mosaic cube	W	79	8	16,789	-	43,814	4	7	1,104	1,732	28,856
		K	-	-	531	-	325	-	-	-	50	15
6908	Glazed ceram flags&paving, hearth/wall tiles; mosaic cube	W	49	29	93,363	-	49,421	2	492	4,351	107,070	22,087
		K	-	-	12,133	-	1,294	-	30	-	3,908	526
6909	Ceramic ware for labor, chemical or techinal use, etc	W	0	-	42,456	-	5,863	3	408	5,842	320,852	2,675
		K	-	-	6,602	-	94	-	-	13,797	22	249
6910	Ceramic sink, wash basin, bath, bidet &similar sanitary fixture	W	38	6	34,044	-	19,455	7	166,774	3,658	149,925	35,496
		K	-	-	171	-	158	-	413	53	2,892	974
6911	Tableware, kitchenware, of porcelain/china	W	9	12	56,841	-	9,461	10	4,670	7,052	86,657	5,165
		K	-	-	3,771	-	41	-	447	9	351	13
6912	Ceramic tableware, kitchenware, othar than porcelain/china	W	17	23	21,516	-	22,086	12	577	1,500	121,730	20,153
		K	-	-	909	-	17	-	11	12	900	185
6913	Statuettes and other ornamental ceramic articles	W	24	35	9,713	-	2,944	90	19,462	4,135	34,676	135,727
		K	-	0	87	-	0	0	47	17	146	104
6914	Ceramic articles, nes	W	8	13	5,163	-	49,436	100	80	3,820	21,212	84,270
		K	-	-	89	-	0	-	227	211	589	5,602
7009	Glass mirrors	W	2	7	14,301	-	5,002	5	2,070	6,117	57,418	11,467
		K	-	-	856	-	61	-	43	2	199	611
7012	Glass inners for vacuum flasks	W	0	-	2	-	20	-	0	0	0	-
		K	-	-	-	-	-	-	-	-	-	-
7013	Glassware usd for table, kitchen, toilet office, etc	W	3	2	107,119	-	55,138	16	191	17,829	79,577	5,411
		K	-	-	2,090	0	67	-	12	16	3,521	9
7101	Pearls, nat or cult, etc	W	0	42	13,409	-	160	9,597	13,587	6,909	13,861	2,140
		K	-	-	650	-	-	-	3	-	13	-
7113	Articles of jewellery&parts thereof	W	2	1,701	67,479	11	1,381,527	230	23,286	866,016	2,107,132	123,041
		K	-	-	556	-	5	-	89	77	3,056	5,302
7114	Articles of goldsmith's /silversmith's wares&pts	W	0	13	30,877	-	40,668	267	179	15,246	26,355	90
		K	-	-	1	-	-	-	-	24	1	2
7115	Articles of precious metal or metal clad with precious metal, nes	W	0	-	129	-	31,225	8	2	6,739	1,613	48
		K	-	-	-	-	-	-	-	24	3	-
7117	Imitation jewellery	W	33	55	19,043	1	4,096	20	62,493	27,899	179,326	7,728
		K	-	-	113	-	24	-	356	32	9,667	174
7118	Coin	W	0	-	145	-	70	-	278	1,569	506	13
		K	-	-	-	-	0	-	20	42	10	-
7317	Nails, staples & sim art, iron & steel	W	2	-	111	-	19,517	-	3	8,495	7,420	2,593
		K	-	-	-	-	-	-	-	2	-	8
7323	Iron & steel tables & household articles	W	46	14	67,188	-	22,406	35	597	24,351	109,392	44,974
		K	-	-	353	-	4	2	20	44	4,088	6,677
7324	Sanitary ware & parts thereof, of iron or steel	W	25	-	691	-	5,205	-	11	24,765	92,907	1,835
		K	-	-	1	-	27	-	0	97	58	39
7418	Copper table, kitchen, household articles	W	0	5	934	3	419	5	325	13,703	24,183	282
		K	-	-	21	-	-	-	-	35	0	0
7615	Aluminum table, kitchen, household articles	W	4	23	37,492	1	3,977	-	465	5,286	163,817	8,182
		K	-	-	171	-	-	1	-	5	165	79
7616	Articles of aluminum nes	W	100	2	6,434	-	383,242	-	13,333	146,455	102,574	16,151
		K	0	-	786	-	227	-	55	295	968	204
7805	Lead tubes, pipes and tube or pipe fittings	W	0	-	63	-	2,437	-	0	0	0	137
		K	-	-	-	-	-	-	-	-	-	-

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7906	Zinc tubes, pipes and tube or pipe fittings	W	0	-	10	-	94	-	0	0	0	59
		K	-	-	-	-	-	-	-	-	-	-
8004	Tin plates, sheets and strips, of a thickness exceeding 0.2 mm	W	0	-	127	-	1,472	-	139	0	0	-
		K	-	-	-	-	-	-	-	-	-	-
8005	Tin foil, of a thickness not exceeding 0.2 mm;tin powders&flake	W	-	-	1	-	3,028	-	0	0	0	-
		K	-	-	-	-	-	-	-	-	-	-
8201	Hand tools of a kind used in agriculture horticulture or forestry	W	4	8	355	-	3,397	-	47	4,182	5,391	1,901
		K	-	-	-	-	14	-	-	0	-	-
8212	Razors and razor blades	W	2	-	20	-	48,330	-	1	58,721	138	402
		K	-	-	-	-	10	-	-	-	6	-
8213	Scissors, tailors' shears and similar shears, and blades thereof	W	1	3	241	-	106	-	7	1,175	174	122
		K	-	-	-	-	12	-	-	0	0	43
8215	Spoons, forks, butter-knives and similar kitchen or tableware	W	4	61	22,154	-	236	16	183	2,087	29,481	74,001
		K	-	-	636	-	8	-	-	5	15	532
8302	Base metal mountings, fttgs & sim art suitable for furn, doors, etc	W	39	1	28,896	8	66,949	56	12,541	188,524	174,781	8,473
		K	-	-	421	-	75	-	0	356	272	1,329
8305	Fitting for loose-leaf binder/file&sim office art; base metal	W	0	-	1,895	86	6,522	-	5	20,190	5,069	1,595
		K	-	-	-	363	-	-	-	34	17	2
8306	Bells/gongs, ornaments; picture frames, mirrors of base metal	W	3	121	7,785	5	8,871	83	25,264	4,456	19,205	26,439
		K	-	1	21	-	217	-	41	8	38	58
8414	Air, vacuum pumps; hoods incorp a fan	W	491	38	183,960	30	543,725	43	36,603	870,298	883,655	68,440
		K	0	2	6,309	-	23,249	-	547	15,542	65,712	3,301
8415	Air conditioning machines, with motor-driven elements	W	3	-	19,089	34	1,122,971	-	147,774	372,753	3,191,574	6,200
		K	-	-	42	-	239	-	4	1,294	16,729	14
8418	Refrigerator, freezer, etc	W	25	2	98,936	-	141,976	5	6,075	770,513	1,154,401	9,543
		K	-	-	33,006	-	432	-	3	187	841	48
8421	Centrifuges, incl centrifugal dryers; filtering/purifying machinery	W	382	13	81,042	-	146,941	-	15,858	364,777	402,219	6,755
		K	-	-	1,002	-	4,682	-	1,340	16,789	974	958
8422	Dish washing machines; machinery for aerating bottles	W	0	3	5,903	-	17,713	11	13,355	69,521	50,609	3,701
		K	-	-	497	-	195	-	257	961	343	95
8423	Weighing machinery (excl balances of a sensitivity of 5 cg or better)	W	246	4	18,803	19	48,996	-	6,181	54,026	3,083	1,190
		K	-	-	44	-	44	-	13	42	1	0
8450	Household or laundry-type washing machines	W	11	-	386	1	9,727	-	18,899	25,057	634,035	4,510
		K	-	-	-	-	6	-	-	174	3,339	19
8472	Office machines, nes (e.g. hectograph/stencil duplicat)	W	17	-	659	-	32,853	1	7,632	120,596	4,973	15,958
		K	-	-	1,610	-	514	-	26,759	2,999	80	-
8479	Machines&mech appl having indiv functions, nes	W	9,178	120	58,470	5	600,914	44	92,945	1,425,325	181,347	49,271
		K	0	-	901	-	2,611	-	3,318	44,166	9,888	421
8485	Machinery parts, not containing elec connectors, coils, nes	W	474	2	10,931	-	28,739	2	16,219	0	0	9,025
		K	-	-	-	-	-	-	-	-	-	-
8508	Electro-mechanical tool for working in the hand, with self-contd elec-m	W	0	-	152	-	0	-	416	27,461	30,574	1
		K	-	-	-	-	1,349	-	-	8	2	6
8509	Electro-mechanical domestic appliance, with self-containd electric moto	W	6	-	5,399	-	553,775	-	680	60,076	8,469	878
		K	-	-	7	-	1	-	-	10	256	12
8510	Shavers and hair clippers, with selfcontained electric motor	W	0	7	11,029	-	152	-	0	30,473	1,393	40
		K	-	-	766	-	-	-	-	2	8	-
8512	Electrical lighting/signalling equip, windscreen wipers, defrosters, etc	W	79	4	54,355	-	211,022	-	10,380	32,450	189,589	15,641
		K	-	-	2	-	505	-	107	1,470	2,720	106
8513	Portable electric lamp designd to functn by batt/magn.	W	174	10	9,971	1	8,243	1	312	17,625	13,652	109
		K	-	-	7	-	-	-	-	2	-	0
8516	Electric instantaneous water heater,space htg; hair dryer	W	45	-	21,181	-	452,956	13	5,362	366,500	786,148	37,989
		K	-	-	6	-	1,281	-	93	7,435	19,038	1,092
8517	Electric app for line telephony, incl curr line system	W	486	1,203	137,972	354	1,534,953	44	171,313	9,960,101	1,136,335	12,612
		K	0	25	3,614	-	313,445	-	30,761	233,202	249,343	5,674

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8518	Microphones&stand; loudspeaker; headphone/earphone; sound amplifier set	W	604	51	288,963	4	650,477	3	37,577	522,417	181,839	97,715
		K	-	0	20,898	-	7,359	-	14,337	1,167	4,707	34,801
8519	Turntable (record-decks),record-player	W	10	1	13,354	-	275,992	-	2,218	273,815	10,016	52
		K	-	0	132	-	5,399	-	796	55	18,866	-
8520	Magnetc tape recorder & sound rec app	W	45	1	11,271	-	104,090	-	69	0	0	1,776
		K	-	-	-	-	-	-	-	-	-	-
8521	Video recording or reproducing apparatus	W	55	36	395,269	3	505,954	-	5,092	142,010	227,633	4,072
		K	-	-	16,018	-	1,560	-	14	434	124	5
8522	Parts and accessories of video, magnetic recorder	W	1	47	242,439	-	356,066	1,891	17,348	629,035	510,484	3,702
		K	-	-	5,324	-	2,897	-	167	1,607	405	0
8523	Prepared unrecordd media for sound record (tapes)	W	2	-	35,752	-	928,725	1	1,851	4,837,197	493,304	7,840
		K	0	1	126	-	26,703	-	1,215	264,879	24,136	3
8524	Recorded tape, recorded for sound	W	213	217	4,263	3	122,521	-	3,563	0	0	453
		K	-	-	-	-	-	-	-	-	-	-
8525	Television camera, transmissn app for radio-telephony	W	3,387	1,395	701,664	117	4,372,258	49	76,679	1,520,407	990,135	251,191
		K	-	0	36,299	-	6,932	-	15,697	3,766	77,308	6,165
8527	Reception app for radio-telephony/radio-broadcastg	W	1,582	-	375,628	4	1,926,865	4	69,086	480,281	901,090	2,060
		K	-	-	48,869	-	20,074	-	16	343	4,261	0
8528	Television receivers (incl video monitors & video projectors)	W	531	1	330,152	2	1,365,101	-	20,856	790,449	1,510,025	46,185
		K	0	-	82,663	-	21,130	-	858	4,777	1,800	4,500
8529	Part suitable for use solely/princ with televisions, recpt app	W	1,436	393	323,368	11	1,961,185	1,101	522,784	3,556,237	865,644	77,186
		K	-	-	39,391	-	18,011	-	2,826	2,120	39,682	59
8539	Electric filament or discharge lamps	W	11	1	127,095	4	40,853	-	21,818	129,671	101,142	18,557
		K	-	6	1,012	-	38	-	68	2,221	8,763	1,311
8543	Electrical mach&app having individual function, nes	W	256	14	29,815	3	559,282	-	1,960	1,581,611	736,281	14,900
		K	0	-	1,542	-	32,416	-	42,451	9,091	12,453	134
8703	Cars (incl. station wagon)	W	2,090	304	365,971	145	174,083	563	89,678	437,787	3,853,716	1,787
		K	-	-	31	-	26	-	89	100	61	343
8711	Motorcycles, side-cars	W	19	5	30,641	1	49,425	2	409	56,947	376,012	18,507
		K	-	-	2	-	-	-	-	-	1,381	15
8715	Baby carriages and parts thereof	W	2	-	213	-	22	-	70	4,784	74	585
		K	-	-	-	-	-	-	-	0	-	-
8804	Parachutes and parts and accessories thereof	W	1	-	32	-	7,133	-	0	939	397	7,328
		K	-	-	-	-	-	-	-	-	10	9
8903	Yachts & other vessels for pleasure or sports	W	115	68	2,177	-	47,030	219	1,215	108,853	5,899	1,586
		K	-	-	3	-	-	84	30	29	352	369
9001	Optical fibre, cables; sheets&plate of polarising mat	W	0	18	153,409	-	100,231	2,572	143,410	541,404	526,350	6,709
		K	-	-	482	-	1,608	-	159	1,730	7,597	64
9003	Frames&mountings for spectacles, goggles	W	0	2	4,539	-	1,970	-	262	25,924	1,401	4,569
		K	-	-	0	-	0	-	-	197	-	29
9004	Spectacles, goggles and the like, corrective, protective or other	W	4	27	20	5	7,457	-	1,207	26,293	5,281	479
		K	-	-	38	-	57	-	1	10	15	2
9009	Photo-copying & thermo-copying apparatus	W	98	6	199	8	299,006	1	133,372	0	0	100,391
		K	-	-	-	-	-	-	-	-	-	-
9019	Mechano-therapy appliance (artif resp, massage app, ozon/oxygen)	W	29	-	198	-	6,652	-	12,018	42,692	7,140	2,359
		K	-	-	20	-	19	-	6	60	2	12
9023	Instruments, apparatus & models, designed for demonstrational purposes	W	178	2	7,826	-	41,646	-	555	17,571	3,937	384
		K	-	-	29	-	37	-	25	26	99	11
9101	Wrist- or pocket-watch, with case of prec/prec clad met	W	21	-	4,503	1	15,980	-	4	323,852	10,826	1
		K	-	-	-	-	-	-	2	13	1	-
9102	Wrist- or pocket-watch (other than 9101)	W	0	28	1,493	-	3,285	10	107,549	165,842	114,342	3,048
		K	-	0	2	-	6	-	523	101	1,589	0
9103	Clocks with watch movements, excluding clocks of heading no 91.04	W	17	-	395	-	255	-	0	384	118	4
		K	-	-	-	-	8	-	-	-	16	-

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9104	Instrument panel clock & clock of sim type for veh, aircraft, vessel,e	W	12	-	5	-	242	-	1,341	156	737	3
		K	-	-	-	-	-	-	-	1	-	-
9105	Other clocks	W	4	-	107	1	1,050	6	22	3,886	11,028	715
		K	-	-	1	-	2	-	0	3	31	0
9106	Time of day recording app, w clock/watch movement	W	1	-	1,545	-	1,345	-	98	3,859	3,468	9
		K	-	-	39	-	-	-	-	3	89	-
9113	Watch straps, watch bands and watch bracelets, and parts thereof	W	0	28	41	-	957	-	2	8,387	24,960	10,671
		K	-	-	11	-	0	-	8	33	61	-
9201	Pianos, incl auto pianos; harpsichords	W	1	-	83,020	-	7,343	-	3	3,720	142	746
		K	-	-	10,064	-	0	-	-	-	-	-
9202	Other string musical instruments (e.g. guitars, violins, harps)	W	9	-	18,935	-	1,620	39	58	750	98	964
		K	-	-	1,071	-	3	-	0	1	0	80
9204	Accordions and similar instruments; mouth organs	W	0	-	16,788	-	2,068	-	0	0	0	-
		K	-	-	-	-	-	-	-	-	-	-
9205	Other wind musical instrument (e.g. clarinet, trumpet, bagpipes)	W	83	-	1,043	-	8,771	-	5	4,358	15	2,105
		K	-	-	8,575	-	-	-	0	-	1	91
9206	Percussion musical instruments	W	9	1	15,293	-	2,697	4	0	1,523	14,630	252
		K	-	-	372	-	-	-	2	-	356	5
9207	Keyboard instruments, etc	W	43	-	148,081	-	24,792	-	406	13,705	75	2,821
		K	-	-	8,757	-	-	-	0	1	-	302
9208	Musical boxe, decoy call, musical inst nes	W	10	-	2,928	-	15	8	31	536	28	136
		K	-	-	0	-	0	-	-	-	0	6
9209	Musical instruments parts & acces (strings, metronomes, tuning forks)	W	0	-	48,494	13	137	-	127	9,845	2,329	1,024
		K	-	-	6,383	-	19	-	18	1	117	41
9303	Other firearm & sim dev operating by the firing of an explosive charge	W	-	-	35	-	57	-	2,155	132	860	67
		K	-	1	-	-	-	-	-	-	-	-
9304	Arm nes, excluding those of heading no 93.07	W	-	-	5	-	22	-	0	32	2	15
		K	-	-	-	-	-	-	-	-	-	-
9305	Arm parts and accessories (of hd 93.01 to 93.04)	W	-	-	18	-	17	-	407	-	5,487	370
		K	-	-	-	-	-	-	-	-	-	-
9306	Bombs, grenades, ammunitions & parts	W	-	-	96	-	1,396	-	2,710	22,070	388	-
		K	-	-	-	-	-	-	-	-	93	-
9307	Swords, cutlasses, bayonets, lances, scabbards & sheaths	W	-	147	6	-	2,226	-	195	-	783	-
		K	-	-	-	-	-	-	1	-	-	-
9401	Seat (o/t dentists' & barbers' chairs, etc), &part thereof	W	30	24	576,177	390	680,695	4,022	67,154	20,670	554,394	619,730
		K	-	-	7,058	0	10,848	28	176	897	11,722	36,178
9403	Other furniture and parts thereof	W	464	187	1,275,713	1,216	1,808,288	12,003	208,034	160,702	674,827	1,802,764
		K	-	1	21,416	10	6,461	7	1,712	715	2,523	38,446
9404	Mattress supports; mattresses, quilts, etc	W	20	60	24,107	23	61,984	11	1,421	8,100	63,098	46,877
		K	-	-	127	-	4,726	0	11	72	1,609	2,694
9405	Lamps & lighting fittings nes; signs, nameplates illuminated	W	176	8	32,684	20	71,517	36	31,908	95,593	99,552	28,320
		K	-	-	45	-	1,392	-	84	430	1,401	240
9501	Wheeled toys designed to be ridden by children and dolls' carriages	W	3	-	1,855	-	251	-	43	0	0	597
		K	-	-	-	-	-	-	-	-	-	-
9502	Dolls representing human beings	W	1	247	83,871	-	332	13	2,065	0	0	5,729
		K	-	-	-	-	-	-	-	-	-	-
9503	Other toys; scale model (puzzles of all kinds, stuffed toys, electric t	W	34	78	57,726	41	131,852	31	16,535	67,014	210,132	102,420
		K	-	-	1,098	-	1,262	-	2,192	78	7,440	5,139
9504	Articles for funfair, table/parlour games&auto bowling alley equipment	W	3	11	8,500	3	13,924	-	1,898	306,117	10,076	2,868
		K	-	8	22	-	1	-	9	63	60	1
9505	Festive, carnival / other entertainment articles, incl conjuring tricks	W	1	29	6,171	-	1,367	28	56,113	2,390	62,924	15,176
		K	-	-	-	-	0	-	24	5	162	60
9506	Articles&equip for gymnastics, athletics, or sports/outdoor games nes	W	5	460	33,662	-	66,026	24	40,050	110,573	350,947	57,261
		K	0	4	2,066	-	243	23	104	383	5,128	479

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9507	Fishing rods, fish-hooks; fishing nets; decoy birds	W	23	107	17,967	-	109,274	-	15,544	99,926	48,835	12,624
		K	-	-	295	-	3,419	-	18	2	871	1,944
9508	Roundabout, shoot gallerie, fairground amusements, gall&theatre	W	42	5	1	-	4,014	-	2,282	3,501	668	330
		K	-	-	-	-	-	-	-	0	333	11
9601	Worked ivory & art of ivory; animal carving material (o/t ivory)	W	0	-	1,268	-	313	36	23,858	34	1,492	3,339
		K	-	-	493	-	-	-	150	-	4	117
9602	Workd vegetal/mineral carving material; etc	W	0	-	5,268	33	347	1	495	1,084	17,469	765
		K	-	-	23	-	-	-	-	2	323	27
9603	Brooms/brushe (tooth, toilet, painting);squeegee	W	1	4	26,616	79	17,060	337	246	29,329	53,775	23,891
		K	0	-	176	-	497	282	24	56	356	386
9604	Hand sieves and hand riddles	W	0	-	7	-	0	-	0	370	6	-
		K	-	-	-	-	-	-	-	-	-	-
9605	Travel sets for personal toilet, sewing or shoe or clothes cleaning	W	18	-	47	-	702	-	1	1,295	3,974	178
		K	-	-	0	-	-	-	-	75	-	-
9606	Buttons, press&snap fasteners, button moulds	W	0	27	3,700	7	3,367	20	1,992	19,523	8,065	14,968
		K	-	0	681	-	10	15	12	17	13	1,586
9607	Slide fasteners and parts thereof	W	0	175	58,079	1	3,359	6	870	28,932	8,031	6,839
		K	-	0	6,037	-	-	-	-	3	1	740
9608	Ballpoint pencil; markers & writing instr. (o/t headg no96.09)	W	1	34	13,629	-	71,066	1	53	42,597	26,983	17,620
		K	-	1	40	-	192	-	7	92	2,559	86
9609	Pencil (o/t ballpoint & pencil of hd no 96.08), pencil leads, chalks&t	W	0	18	52,127	-	5,523	933	289	4,768	22,036	6,268
		K	-	-	487	-	1	-	6	0	963	100
9610	Slates&boards, with writing or drawing surfaces	W	0	-	1	-	1,819	-	130	1,219	1,680	489
		K	-	-	-	-	-	-	-	-	0	-
9611	Devices for printing or embossing labels hand-operated	W	0	-	31	-	3,697	-	1,526	1,302	1,480	1,898
		K	-	-	-	-	3	-	-	2	11	6
9612	Typewriter & similar ribbons; ink pads	W	2	-	4,521	5	31,079	-	618	59,472	5,837	7,155
		K	-	-	0	-	30	-	25	478	6	19
9613	Cigarette lighters & other lighters	W	0	-	3,683	3,948	1,257	-	17,595	6,918	23,569	16,598
		K	-	-	-	-	-	-	-	2	-	-
9614	Smoking pipes (incl pipe bowls) & cigarette holders	W	0	-	66	-	47	-	0	6,329	597	17
		K	-	-	-	-	-	-	-	-	-	-
9615	Comb, hair-slides; hairpin, hair-curlers (o/t hd no 85.16)	W	0	8	225	-	516	1	87	1,676	14,797	1,532
		K	-	-	0	-	11	-	0	7	74	17
9617	Vacuum flask/vacuum vessel complete w/case; etc	W	0	-	72	-	31,090	310	0	2,499	30,203	294
		K	-	-	5	-	206	-	-	2	4,923	-
9618	Tailors' dummies/lay figures; automata & other animated display for wi	W	1	-	988	-	249	2	1,897	1,487	1,691	17,588
		K	-	-	278	-	2	-	0	1	2	77
9701	Paintings, drawings, pastel, collages&sim art executd by hand	W	141	17	6,665	-	1,925	134	6,121	108,407	977	2,531
		K	-	-	700	-	13	0	4	449	49	152
9702	Original engravings, prints and lithographs	W	0	10	683	-	29	-	0	10,818	114	21
		K	-	-	-	-	-	-	-	4	-	-
9703	Original sculptures and statuary, in any material	W	0	464	1,147	-	2,113	257	196	15,077	1,303	184
		K	-	-	14	-	1	-	2	45	17	2
9704	Used postage/revenue stamps	W	0	5	14	12	32	-	0	1,255	1,605	4
		K	-	-	4	-	-	-	-	-	-	-
9705	Collection piece of zoo, botanic, history, etc.	W	0	2	128	-	454	1,369	100	518	15	118
		K	-	-	79	-	-	-	-	-	2	-
9706	Antiques of an age exceeding one hundred datas	W	0	1,172	14	169	16	23	60	8,904	14	862
		K	-	-	-	-	-	-	6	-	-	-

Note) W: Export to world in 2006 (Malaysia, Singapore, Thailand: in 2007), K: Export to Korea in 2008
Source) W: International Trade Centre (ITC), K: Korea International Trade Association (KITA)

2. Status of ASEAN's potential exporting items to Korea

Country abbreviations

ARE	United Arab Emirates	GHA	Ghana	NZL	New Zealand
ARG	Argentina	HKG	Hong Kong	PER	Peru
AUS	Australia	HRV	Croatia	PHL	Philippines
AUT	Austria	HUN	Hungary	PNG	Papua New Guinea
BEL	Belgium	IDN	Indonesia	PRT	Portugal
BOL	Bolivia	IND	India	PRY	Paraguay
BRA	Brazil	ITA	Italy	RUS	Russia
CAN	Canada	IRL	Ireland	SGP	Singapore
CHE	Switzerland	JPN	Japan	SLV	El Salvador
CHN	China	KEN	Kenya	THA	Thailand
CHL	Chile	KWT	Kuwait	TLS	Timor Leste
COL	Colombia	LKA	Sri Lanka	TON	Tonga
CZE	Czech Republic	LAO	Lao PDR	TUR	Turkey
DEU	Germany	MCO	Monaco	TWN	Taiwan
DNK	Denmark	MDG	Madagascar	VNM	Vietnam
ECU	Ecuador	MEX	Mexico	UKR	Ukraine
EGY	Egypt	MMR	Myanmar	USA	United States of America
ESP	Spain	MYS	Malaysia	UZB	Uzbekistan
FRA	France	NOR	Norway	ZAF	South Africa
GBR	Great Britain	NLD	Netherlands	NZL	New Zealand

HS Code	Commodity	Trends in Export and Import			Major Exporting Countries to Korea			
		ASEAN → WORLD	ASEAN → KOREA	World → KOREA	CHINA → KOREA	1st	2nd	3rd
0101	Live horses, asses, mules and hinnies	6,436	0	17,990	22	USA 8,247	AUS 8,247	GBR 2,796
0102	Live bovine animals	9,214	-	841	-	CAN 606	USA 235	-
0104	Live sheep and goats	4,126	-	87	-	AUS 87	-	-
0105	Live poultry	108,452	-	8,296	-	USA 3,957	FRA 2,840	DNK 1,340
0106	Live animals, nes	47,461	904	14,560	5,908	CHN 5,908	JPN 4,090	USA 1,355
0201	Meat of bovine animals, fresh or chilled	412	-	233,435	-	AUS 216,140	NZL 9,208	USA 8,085
0202	Meat of bovine animals, frozen	11,468	-	726,557	-	AUS 395,038	USA 185,530	NZL 131,522
0203	Meat of swine, fresh, chilled or frozen	36,846	-	823,467	-	USA 226,070	CAN 123,062	CHL 88,068
0204	Meat of sheep or goats - fresh, chilled or frozen	1,222	-	14,760	-	AUS 11,308	NZL 3,452	-
0206	Edible offal of red meat	7,337	-	111,079	-	AUS 68,718	NZL 14,943	USA 11,041
0207	Meat&edible offal of poltry meat	41,427	-	115,647	0	USA 57,009	BRA 51,818	DNK 5,754
0209	Pig and poultry fat	227	-	2,218	-	USA 1,620	CHL 482	CAN 116
0301	Live fish	188,319	2,675	283,408	166,940	CHN 166,940	HKG 51,836	JPN 51,649
0302	Fish, fresh, whole	334,798	104	109,510	16,060	JPN 72,548	NOR 19,836	CHN 16,060
0303	Fish, frozen, whole	522,116	39,388	940,097	321,247	CHN 321,247	RUS 249,088	USA 58,869
0304	Fish fillets and pieces, fresh, chilled or frozen	1,414,781	87,722	338,710	70,675	CHN 70,675	VNM 63,318	USA 57,439
0305	Fish,cured or smoked and fish meal fit for human consumption	202,732	7,442	42,187	13,868	RUS 17,432	CHN 13,868	VNM 5,055
0306	Crustaceans	4,024,818	159,729	456,435	129,826	CHN 129,826	RUS 84,120	VNM 71,527
0307	Moluscs	990,691	130,569	361,016	170,644	CHN 170,644	VNM 105,154	JPN 30,122

HS Code	Commodity	Trends in Export and Import				Major Exporting Countries to Korea		
		ASEAN → WORLD	ASEAN → KOREA	World → KOREA	CHINA → KOREA	1st	2nd	3rd
0401	Milk and cream, not concentrated nor sweetened	51,386	11	3,605	0	AUS 2,157	FRA 1,261	NZL 115
0402	Milk and cream, concentrated or sweetened	508,475	10	26,717	0	AUS 17,508	NZL 3,138	FRA 2,524
0403	Buttermilk and yogurt	30,850	0	1,133	-	NZL 366	BEL 337	ITA 179
0404	Whey and natural milk products nes	27,003	0	116,644	-	NLD 51,083	CAN 18,891	USA 13,426
0405	Butter and other fats and oils derived from milk	22,178	191	13,390	0	NZL 5,840	AUS 5,024	FRA 921
0406	Cheese and curd	8,535	277	238,876	-	NZL 82,664	USA 55,275	AUS 33,524
0407	Birds' eggs in shell	63,624	-	999	740	CHN 740	USA 258	HUN 1
0408	Birds' eggs dried	5,696	0	4,590	937	USA 2,783	CHN 937	JPN 488
0409	Natural honey	27,737	146	2,535	36	USA 1,402	NZL 446	CAN 262
0504	Guts, bladders and stomachs of animals other than fish	2,521	0	68,928	111	USA 26,712	NZL 16,044	AUS 13,617
0601	Bulbs, tubers, corms, etc	2,880	46	9,682	55	NLD 9,101	CHL 141	USA 121
0604	Foliage, branche etc	12,790	139	1,579	137	CHL 933	CHN 137	USA 129
0701	Potatoes	10,269	-	8,328	-	USA 6,174	AUS 2,154	-
0702	Tomatoes	11,078	-	0	-	JPN 0	-	-
0703	Onions, garlic and leeks, fresh or chilled	74,588	208	14,351	14,013	CHN 14,013	VNM 176	NLD 74
0704	Cabbages and cauliflowers,fresh or chilled	23,354	4	6,651	6,635	CHN 6,635	DEU 5	USA 5
0705	Lettuce and chicory, fresh or chilled	5,341	-	3,586	2,255	CHN 2,255	USA 1,126	BEL 167
0706	Carrots, turnips and salad beetroot, fresh or chilled	5,015	0	57,210	57,171	CHN 57,171	NLD 36	BEL 3
0707	Cucumbers and gherkins, fresh or chilled	4,133	-	-	-	-	-	-
0708	Leguminous vegetables, shelled or unshelled, fresh or chilled	10,240	0	1	0	PRY 0	HKG 0	USA 0
0709	Vegetables nes, fresh or chilled	163,577	655	30,772	16,430	CHN 16,430	NZL 11,967	TON 718
0710	Frozen vegetables	77,672	4,921	112,280	104,526	CHN 104,526	VNM 4,840	USA 2,457
0711	Vegetables, provisionally preserved (unfit for immediate consumption)	22,170	6	16,042	15,494	CHN 15,494	LKA 358	IND 169
0712	Dried vegetables	18,210	1,337	55,953	52,094	CHN 52,094	USA 766	VNM 672
0713	Dried vegetables, shelled	642,776	4,585	27,437	18,277	CHN 18,277	MMR 4,553	CAN 2,075
0714	Manioc, arrowroot salem (yams) etc	622,803	200,617	202,609	1,423	THA 159,861	VNM 32,459	IDN 8,276
0801	Brazil nuts, cashew nuts & coconuts	726,609	1,900	6,786	-	IND 4,802	PHL 885	VNM 759
0802	Nuts nes	120,544	752	92,043	2,391	USA 85,893	CHN 2,391	TUR 2,059
0803	Bananas and plantains, fresh or dried	425,683	153,766	154,033	-	PHL 153,763	MEX 226	ECU 27
0804	Dates, figs,pineapples, mangoes, avocadoes, guavas	122,689	50,459	56,887	40	PHL 48,839	TWN 3,033	THA 1,620
0805	Citrus fruit, fresh or dried	25,727	-	125,494	-	USA 117,186	CHL 3,823	ZAF 3,069
0806	Grapes, fresh or dried	10,851	0	77,499	16	CHL 64,217	USA 13,144	TUR 115
0807	Melons (including watermelons) & papayas, fresh	61,984	279	565	-	PHL 279	USA 243	JPN 39
0808	Apples, pears and quinces, fresh	12,885	-	164	-	USA 164	-	-
0809	Apricots, cherries, peaches, nectarines, plums & sloes, fresh	2,341	0	31,915	9	USA 29,140	NZL 2,764	CHN 9
0810	Fruits nes, fresh	284,236	50	64,687	-	NZL 52,905	USA 5,841	CHL 3,964
0811	Frozen fruits & nuts	47,488	3,967	37,386	26,959	CHN 26,959	USA 2,744	THA 2,068
0812	Provisionally preserved fruits & nuts (unfit for immediate consumption	4,053	0	76	76	CHN 76	IDN 0	USA 0
0813	Dried fruit	78,142	19	14,791	9,482	CHN 9,482	USA 4,223	TUR 973
0901	Coffee	1,991,662	102,693	289,254	1,321	VNM 100,703	COL 42,327	BRA 40,850

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0902	Tea	216,678	86	3,135	1,065	CHN 1,065	USA 421	LKA 409
0903	Maté	286	-	96	-	ARG 83	PRY 11	DEU 2
0904	Pepper, peppers and capsicum	356,913	14,688	35,439	19,128	CHN 19,128	MYS 6,828	VNM 6,010
0906	Cinnamon and cinnamon-tree flowers	42,753	1,742	2,615	759	VNM 1,475	CHN 759	IDN 251
0907	Cloves	57,808	186	432	13	MDG 178	IDN 104	SGP 38
0908	Nutmeg, mace and cardamons	69,503	900	1,176	9	IDN 701	IND 212	MYS 164
0909	Seeds of anise, badian,fennel,coriander, cumin, etc.	15,335	127	1,754	65	IND 703	MCO 482	USA 164
0910	Ginger,saffron,turmeric, thyme, bay leaves & curry	45,141	418	5,136	2,485	CHN 2,485	IND 799	TUR 422
1001	Wheat and meslin	8,994	0	1,274,364	4,758	USA 721,975	AUS 337,798	UKR 128,479
1003	Barley	166	-	19,987	2,311	AUS 12,712	CAN 4,698	CHN 2,311
1004	Oats	138	-	2,156	85	AUS 1,386	CAN 344	USA 170
1005	Maize (corn)	99,438	5,217	2,819,964	25,459	USA 2,651,245	IND 76,421	BRA 33,318
1006	Rice	3,559,610	40,316	194,920	96,263	CHN 96,263	USA 58,336	THA 40,316
1007	Grain sorghum	1,457	0	1,486	1,302	CHN 1,302	USA 163	AUS 21
1008	Buckwheat, millet and canary seed	11,957	0	8,454	8,362	CHN 8,362	CAN 58	AUS 24
1101	Wheat or meslin flour	59,937	5,342	39,685	3,127	CAN 21,315	IDN 3,393	CHN 3,127
1102	Cereal flours other than of wheat or meslin	64,183	38	3,983	338	FRA 1,675	AUS 849	ARG 363
1103	Cereal grouts, meal and pellets	2,778	-	41	-	AUS 31	FRA 7	ITA 2
1104	Cereal grain, worked post hulling, excluding rice	15,744	1	6,545	257	BRA 3,053	AUS 2,619	ARG 545
1107	Malt, whether or not roasted	521	-	95,491	33,732	AUS 43,750	CHN 33,732	USA 9,076
1108	Starches; inulin	506,796	8,025	70,927	36,786	CHN 36,786	DEU 21,933	THA 7,262
1109	Wheat gluten, whether or not dried	372	-	5,023	480	FRA 2,344	AUS 721	CHN 480
1201	Soya beans, whether or not broken	14,369	0	791,869	188,513	BRA 323,136	USA 280,127	CHN 188,513
1202	Ground-nuts, not roasted	21,838	0	1,518	1,518	CHN 1,518	BOL 0	USA 0
1203	Copra	7,220	183	217	-	IDN 183	TLS 21	PNG 12
1204	Linseed, whether or not broken	9	-	418	19	CAN 317	USA 83	CHN 19
1205	Rape or colza seeds, whether or not broken	26	0	35	1	HRV 20	HUN 11	NLD 3
1206	Sunflower seeds, whether or not broken	670	0	2,763	1,545	CHN 1,545	USA 797	BGR 167
1207	Oil seeds	101,736	1,664	184,211	85,034	CHN 85,034	IND 58,795	USA 27,510
1208	Flour and meals of oil seeds	5,334	1	21,720	15,617	CHN 15,617	USA 3,405	AUS 2,230
1211	Medicinal plants	54,922	3,775	53,866	43,034	CHN 43,034	UZB 2,029	VNM 1,848
1212	Locust beans	96,305	11,445	28,639	12,522	CHN 12,522	IDN 8,117	PHL 3,230
1302	Vegetable saps & extracts	91,536	349	102,225	21,099	CHN 21,099	USA 17,836	DEU 11,790
1402	Vegetable material for stuffing or padding	2,911	-	-	-	-	-	-
1403	Vegetable material for brooms brushes	4,542	-	-	-	-	-	-
1517	Margarine	407,040	7,423	52,943	3,701	USA 21,858	JPN 11,783	MYS 6,686
1601	Sausages and similar products, of meat, offal or blood	8,251	17	20,500	49	USA 18,026	DNK 1,666	CAN 354
1602	Prepared or preserved meat, meat offal or blood, nes	1,012,391	19,869	82,418	34,024	CHN 34,024	THA 19,823	USA 14,424
1604	Prepared preserved fish & caviar	2,135,492	49,871	100,615	24,318	VNM 30,847	CHN 24,318	IDN 11,430
1605	Crustaceans & molluscs, prepared preserved	2,055,119	56,696	215,181	62,192	CHN 62,192	VNM 23,728	PER 20,228

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		ASEAN → WORLD	ASEAN → KOREA	World → KOREA	CHINA → KOREA	1st	2nd	3rd
1702	Sugars,nes,incl chem pure lactose etc; artif honey; caramel	42,005	1,438	111,588	52,417	CHN 52,417	USA 17,346	NLD 8,726
1704	Sugar confectionery (incl white choc), not containing cocoa	245,527	8,533	63,706	15,340	CHN 15,340	USA 9,910	ESP 8,524
1801	Cocoa beans, whole or broken, raw or roasted	642,480	0	4,381	-	GHA 4,042	ECU 323	FRA 14
1802	Cocoa shells, husks, skins and other cocoa waste	1,842	16	16	-	PHL 16	VNM 0	GHA 0
1804	Cocoa butter, fat and oil	640,003	7,215	8,716	0	MYS 5,796	SGP 1,419	NLD 1,405
1805	Cocoa powder, without added sugar	151,135	4,914	13,244	4	NLD 5,910	SGP 3,046	MYS 1,854
1806	Chocolate and other food preparations containing cocoa	258,339	12,598	154,096	11,353	USA 40,420	FRA 15,884	ITA 13,722
1901	Malt extract; food preparations of flour, meal, starch or malt extract	822,244	9,125	107,770	16,979	USA 23,400	CHN 16,979	AUS 13,216
1902	Pasta & couscous	269,919	8,990	91,956	58,737	CHN 58,737	ITA 18,076	THA 3,603
1903	Tapioca and substitutes therefore prepared from starch	14,117	115	189	57	THA 66	CHN 57	VNM 44
1904	Breakfast cereals & cereal bars	72,584	371	17,538	9,061	CHN 9,061	USA 4,387	GBR 1,009
1905	Bread, biscuits, wafers, cakes and pastries	518,024	14,673	152,792	43,998	USA 50,144	CHN 43,998	JPN 16,121
2001	Cucumbers, gherkins and onions preserved by vinegar	28,231	193	18,036	9,305	CHN 9,305	USA 5,829	MEX 769
2002	Tomatoes prepared or preserved	3,151	2	33,261	12,285	CHN 12,285	USA 11,505	ITA 5,192
2003	Mushrooms&truffles, prepared or preserved	41,149	196	11,820	11,265	CHN 11,265	IDN 141	FRA 121
2004	Prepared or preserved vegetables nes (incl. frozen)	33,350	119	50,384	3,288	USA 35,183	CAN 9,690	CHN 3,288
2005	Prepared or preserved vegetables nes (excl. frozen)	286,937	11,512	181,754	131,353	CHN 131,353	USA 27,238	THA 10,753
2006	Sugar preserved fruits and nuts	94,629	591	1,818	764	CHN 764	THA 565	USA 297
2007	Jams,fruit jellies & marmalades	39,609	136	9,148	1,220	MEX 2,404	USA 2,224	CHN 1,220
2008	Preserved fruits nes	1,116,560	48,428	183,516	92,148	CHN 92,148	PHL 27,201	USA 26,466
2009	Fruit & vegetable juices, unfermented	407,884	1,359	144,348	7,663	USA 52,015	BRA 32,423	ISR 13,925
2101	Extracts essences & concentrates of coffee and tea	320,699	5,092	55,069	4,427	JPN 15,404	BRA 9,640	USA 7,246
2102	Yeast	13,910	711	26,965	4,163	FRA 10,755	CHN 4,163	JPN 4,025
2103	Sauces mixed condiments & mixed seasonings	386,804	6,320	147,874	76,658	CHN 76,658	JPN 28,186	USA 19,400
2104	Soups, broths & preparations thereof	57,909	1,427	22,384	9,144	CHN 9,144	JPN 4,607	USA 3,199
2106	Food preparations, nes	828,377	21,257	440,651	33,370	USA 162,471	JPN 49,618	NLD 37,238
2201	Mineral & aerated waters	17,019	32	6,129	58	FRA 3,994	JPN 414	ESP 367
2202	Non-alcoholic beverages (excl. water, fruit or vegetable juices and mi	300,742	1,992	33,191	314	USA 21,811	JPN 3,362	THA 1,259
2203	Beer made from malt	235,036	1,175	39,373	1,270	NLD 9,192	USA 7,354	JPN 7,324
2204	Wine of fresh grapes	237,546	20	166,512	125	FRA 65,730	CHL 29,713	ITA 24,091
2205	Vermouth&other grape wine flavoured with plants or aromatic substances	436	-	77	-	ITA 69	ESP 7	DEU 0
2206	Fermented beverages, nes	5,331	15	7,194	263	JPN 6,193	DEU 436	CHN 263
2207	Ethyl alcohol & other spirits (if undenatured then higher than 80% by	34,982	10,430	158,669	17,476	BRA 66,084	PAK 40,861	CHN 17,476
2208	Spirits, liqueurs, other spirit beverages, alcoholic preparations	793,732	310	293,224	2,667	GBR 253,551	FRA 12,491	USA 7,558
2209	Vinegar and substitutes for vinegar	5,314	23	3,576	61	ITA 1,564	JPN 1,329	FRA 143
2301	Flour etc of meat,meat offal,fish,crust etc unfit for human consumptio	110,432	172	43,060	330	CHL 28,634	DNK 7,145	USA 3,019
2302	Bran,sharps and other residues	56,137	51,881	88,912	19,113	IDN 51,877	CHN 19,113	LKA 16,873
2303	Beet-pulp, bagasse and brewing or distilling dregs and waste	26,717	365	308,659	214,975	CHN 214,975	USA 92,102	NLD 442
2304	Soya-bean oil-cake and other solid residues	5,576	9	792,419	16,277	BRA 259,585	ARG 257,466	IND 173,450
2306	Oil-cake nes	252,856	204,082	411,906	26,187	IND 172,205	IDN 102,026	PHL 64,541

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		ASEAN → WORLD	ASEAN → KOREA	World → KOREA	CHINA → KOREA	1st	2nd	3rd
2308	Other vegetable material, waste, residues, byproducts used for animal	20,138	711	45,762	41,455	CHN 41,455	AUS 2,445	VNM 343
2401	Tobacco unmanufactured; tobacco refuse	229,772	2,525	223,496	18,127	BRA 53,765	USA 33,522	IND 31,684
2402	Cigars, cheroots, cigarillos & cigarettes	899,838	352	12,484	1	JPN 7,676	ARE 1,221	USA 1,116
2403	Pipe, chewing & snuff tobaccos	127,399	64,778	77,554	8	PHL 58,627	MYS 6,138	JPN 5,002
2851	Other inorganic compounds; liquid & compressed air	4,921	-	-	-	-	-	-
3005	Dressings packaged for medical use	79,300	1,821	54,209	17,728	USA 19,367	CHN 17,728	GBR 5,784
3006	Pharmaceutical goods, specified sterile products sutures, laminaria	48,517	2,799	153,026	2,757	IRL 39,218	DEU 26,287	USA 24,159
3213	Artists' colors, modifying tints, amusement colors	4,420	808	6,439	1,019	JPN 1,707	CHN 1,019	USA 853
3215	Printing, writing or drawing inks & inks nes	421,996	15,902	125,655	8,494	JPN 58,038	USA 14,372	CHE 11,537
3301	Essential oils; resinoids; terpenic by-products etc	142,266	876	23,839	1,990	IND 7,139	ESP 4,218	USA 3,228
3303	Perfumes and toilet waters	533,268	11	80,515	214	FRA 39,195	ITA 21,616	USA 7,307
3304	Beauty, make-up & skin-care preparations; sunscreens, manicure or pedi	860,049	13,427	597,551	9,419	FRA 164,690	USA 155,201	JPN 130,216
3305	Hair preparations	437,485	51,299	127,960	6,231	THA 50,212	JPN 29,621	USA 21,078
3306	Oral & dental hygiene preparations	129,752	5,144	20,458	220	USA 9,036	VNM 3,295	THA 1,849
3307	Personal toilet preparations shaving preparations, deodorants etc.	273,025	10,033	94,049	7,606	USA 25,056	JPN 22,823	CHN 7,606
3401	Soap; organic surface-active preparations for soap use	618,244	32,600	59,926	5,092	MYS 24,996	USA 11,390	CHN 5,092
3406	Candles, tapers & the like	143,348	76	8,913	7,148	CHN 7,148	USA 569	DEU 217
3602	Prepared explosives, other than propellant powders	18,090	-	4,038	1,156	NOR 2,276	CHN 1,156	FRA 292
3604	Fireworks, signalling flares, rain rockets, fog signals etc.	7,683	-	5,293	4,679	CHN 4,679	ITA 123	JPN 100
3605	Matches o t pryotechnic articles of hd no 36.04	8,673	53	172	117	CHN 117	VNM 53	DEU 1
3918	Floor, wall & ceiling coverings in rolls or tiles, of plastics, nes	87,196	630	37,400	11,347	CHN 11,347	JPN 8,545	USA 3,657
3922	Baths,shower-baths,wash-basins,bidet etc of plastic	22,417	494	14,621	6,830	CHN 6,830	JPN 2,938	ITA 2,174
3923	Plastic packing goods or closures stoppers, lids, caps, closures, plas	2,249,299	44,630	553,862	226,364	CHN 226,364	JPN 172,175	USA 44,813
3924	Tableware, kitchenware, toiletery articles, of plastic	319,865	2,775	68,288	39,903	CHN 39,903	JPN 9,509	USA 5,284
3925	Builders' ware of plastics, nes	94,097	849	22,020	9,932	CHN 9,932	USA 3,864	JPN 1,788
3926	Article of plastic nes.	1,756,364	13,166	534,102	150,758	USA 169,762	CHN 150,758	JPN 100,127
4015	Articles of apparel&clothing accessories of vulcanised rubber	2,265,982	21,988	36,293	8,232	MYS 17,679	CHN 8,232	THA 3,607
4016	Articles of vulcanised rubber o t hard rubber, nes	835,470	11,377	273,698	67,652	CHN 67,652	JPN 60,441	DEU 43,888
4201	Saddlery and harness for any animal, of any material	28,964	12	3,570	2,211	CHN 2,211	FRA 315	DEU 210
4202	Trunks,suit-cases,camera cases,handbags etc,of leather,plas,tex etc	1,177,625	27,960	870,989	422,151	CHN 422,151	FRA 190,346	ITA 181,720
4203	Articles of apparel&clothing access, of leather or composition leather	252,099	9,718	80,532	35,047	CHN 35,047	ITA 18,967	IDN 7,770
4205	Articles of leather or composition leather, nes	105,387	51	28,865	26,074	CHN 26,074	FRA 743	ITA 532
4206	Articles of gut, of goldbeater's skins, of bladders or of tendons	254	-	313	6	USA 233	BEL 65	CHN 6
4303	Articles of apparel, clothing access and other articles of furskin	5,593	62	58,842	25,614	CHN 25,614	HKG 18,330	ITA 7,780
4304	Artificial fur and articles thereof	2,944	-	148	136	CHN 136	JPN 11	USA 1
4414	Wooden frames for paintings,photographs, mirrors or similar objects	249,406	1,446	6,137	3,681	CHN 3,681	IDN 1,355	USA 266
4419	Tableware and kitchenware of wood	95,529	2,867	28,839	25,018	CHN 25,018	VNM 1,654	THA 566
4420	Wood marquetry & inlaid wood; caskets & cases or cutlery of wood	255,575	2,917	23,058	17,866	CHN 17,866	IDN 1,347	VNM 933
4421	Articles of wood, nes	128,911	1,560	27,578	21,050	CHN 21,050	DEU 1,801	VNM 1,141
4503	Articles of natural cork	274	0	646	177	DEU 210	PRT 186	CHN 177

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		ASEAN → WORLD	ASEAN → KOREA	World → KOREA	CHINA → KOREA	1st	2nd	3rd
4601	Plaits & similar products of plaiting material mats, matting, screens	44,612	2,244	12,136	9,731	CHN 9,731	VNM 2,147	IDN 84
4602	Basketwork, wickerwork & other articles made from plaiting materials	286,100	7,325	22,596	15,145	CHN 15,145	IDN 4,787	VNM 2,218
4802	Uncoated paper for writing, printing etc.	1,759,183	52,705	146,981	38,158	IDN 43,853	CHN 38,158	JPN 11,217
4803	Paper,household sanitary,rolls of a width > 36 cm	111,116	1,553	10,826	1,007	USA 3,987	ESP 2,268	IDN 1,538
4811	Paper, paperboard, cellulose wadding & webs of cellulose fibers, coate	408,555	42,296	268,505	17,736	USA 104,446	SGP 37,461	JPN 36,176
4814	Wallpaper & similar wall coverings; window transparencies of paper	6,168	14	11,026	1,667	JPN 2,687	USA 1,862	CHN 1,667
4815	Floor coverings on a base of paper or of paperboard w n cut to size	79	-	-	-	-	-	-
4817	Card,env,letter corre,plain postcard,stat of paper;box,wallet...,pap	27,914	127	4,035	3,059	CHN 3,059	JPN 184	FRA 161
4818	Toilet paper, handkerchiefs, tissues, napkins, table cloths, diapers,	499,669	5,088	117,772	27,097	JPN 55,944	CHN 27,097	TWN 12,433
4819	Packing containers, of paper, paperboard, cellulose wadding, webs	396,285	16,027	96,295	65,495	CHN 65,495	THA 10,015	JPN 2,728
4820	Registers,acct,note,order books etc;other stationary articles of paper	281,060	1,943	14,897	8,457	CHN 8,457	IDN 1,257	JPN 1,189
4823	Other paper, paperboard, cellulose wadding cut to size & adhesive pape	273,283	1,135	40,994	9,740	CHN 9,740	JPN 9,501	USA 6,859
4901	Printed books,brochures,leaflets & similar printed matter	768,775	16,190	201,055	13,707	USA 102,670	GBR 35,895	SGP 13,759
4902	Newspapers, journals&periodicals	68,329	468	21,413	233	USA 7,863	JPN 7,491	GBR 2,274
4904	Music printed or in manuscript	345	-	1,819	9	USA 921	DEU 676	ITA 88
4905	Maps&hydrographic or sim charts, incl atlases, wall maps, etc, printed	7,280	79	5,051	159	GBR 3,335	JPN 556	USA 299
4906	Plans or drawings for architectural, engineering, industrial, commerci	2,326	426	1,051	5	JPN 452	THA 392	USA 62
4907	Unused stamps;cheque forms,banknotes,bond certificates,etc.	294,616	46	3,842	34	KEN 1,251	USA 847	RUS 518
4909	Postcards, printed or illustrated; printed greeting cards	13,391	34	6,067	5,140	CHN 5,140	FRA 288	USA 284
4911	Printed matter nes, including printed pictures and photographs	162,963	2,194	55,115	6,986	USA 15,907	CHN 6,986	JPN 6,319
5701	Carpets and other textile floor covering knotted	7,203	81	1,676	253	USA 617	CHN 253	GBR 156
5702	Carpets&o tex floor covg, woven,not tufted flocked	35,536	451	15,186	4,167	CHN 4,167	BEL 3,018	IND 2,275
5703	Carpets and other textile floor covering tufted	151,994	4,064	50,787	19,748	CHN 19,748	DEU 5,864	USA 4,655
5704	Carpets&other textile floor covering of felt,nt tufted flockd	8,251	1,183	3,019	733	MYS 1,182	CHN 733	USA 717
5705	Carpets and other textile floor coverings, nes	20,516	180	24,259	6,494	USA 8,709	CHN 6,494	GBR 2,286
5805	Hand-woven and needle-worked tapestries	1,304	0	29	6	ITA 11	FRA 6	CHN 6
5807	Label,badge&sim art of tex	27,374	236	8,927	4,389	CHN 4,389	HKG 1,982	JPN 784
5808	Braid in the piece;orn trim,in pce,o t knit crochtd	9,952	7	2,127	1,028	CHN 1,028	GBR 371	JPN 370
5811	Quiltd textile product in the piece other than embroidery of hd no5810	3,871	187	551	109	VNM 186	ITA 148	CHN 109
5901	Text fab ctd with gum,for book covering, etc	5,610	0	550	175	CHN 175	ITA 115	JPN 81
6101	Men's overcoats,capes,etc, knitted crochetd,o t of hd 61.03	193,794	1,788	6,089	3,185	CHN 3,185	VNM 1,096	THA 431
6102	Women's overcoat,cape, etc,knitted crochetd,o t of hd 61.04	301,173	839	14,557	4,081	USA 5,073	CHN 4,081	ITA 2,420
6103	Men's suits,jackets,trousers etc&shorts, knit croch	641,247	5,765	38,611	29,764	CHN 29,764	PHL 1,806	KHM 1,265
6104	Women's suits,dresses,skirt etc&short, knit croch	1,142,413	7,082	79,978	48,504	CHN 48,504	ITA 10,818	USA 3,758
6105	Men's shirts, knitted or crocheted	1,161,723	5,438	45,986	27,115	CHN 27,115	ITA 2,396	JPN 2,338
6106	Women's blouses & shirts, knitted or crocheted	1,043,930	3,806	50,130	30,303	CHN 30,303	JPN 7,121	ITA 2,790
6107	Men's underpants,pyjamas,bathrobes etc,knit croch	288,458	3,572	34,150	26,310	CHN 26,310	EGY 2,447	THA 1,837
6108	Women's slips,panties,pyjamas, bathrobes etc, knitted crocheted	795,264	1,797	41,488	36,554	CHN 36,554	THA 1,040	EGY 882
6109	T-shirts, singlets and other vests, knitted or crocheted	1,721,237	21,376	458,628	383,692	CHN 383,692	ITA 9,465	IND 6,627
6110	Jerseys, pullovers, cardigans, etc, knitted or crocheted	3,454,956	15,426	321,393	235,244	CHN 235,244	ITA 36,487	VNM 10,634

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6111	Babies' garments, knitted or crocheted	531,973	983	17,839	14,320	CHN 14,320	VNM 475	PRT 450
6112	Track suits, ski suits and swimwear, knitted or crocheted	235,970	4,475	25,701	18,943	CHN 18,943	IDN 2,244	VNM 1,296
6113	Garment,made up of knitted crochetd fabric of hd no 59.03,06,07	88,595	138	1,022	485	CHN 485	DEU 278	VNM 85
6114	Garments, knitted or crocheted, nes	351,979	3,273	40,367	32,817	CHN 32,817	VNM 1,366	SLV 917
6115	Panty hose, tights, stockings & other hosiery, knitted or crocheted	186,973	2,038	46,509	31,952	CHN 31,952	JPN 4,313	ITA 3,064
6116	Gloves, mittens and mitts, knitted or crocheted	187,625	4,921	35,689	29,741	CHN 29,741	VNM 4,658	JPN 292
6117	Clothing access nes,knitted croch	78,627	148	14,987	9,818	CHN 9,818	ITA 2,666	ESP 602
6201	Men's overcoats, capes, windjackets etc o t those of hd 62.03	915,612	22,455	159,531	120,038	CHN 120,038	VNM 14,545	ITA 6,567
6202	Women's overcoats,capes,wind-jackets etc o t those of hd 62.04	549,421	19,278	258,817	194,268	CHN 194,268	ITA 23,255	VNM 11,743
6203	Men's suits, jackets, trousers etc & shorts	2,434,579	30,893	609,700	489,663	CHN 489,663	ITA 35,519	VNM 14,744
6204	Women's suits, jackets,dresses skirts etc&shorts	3,724,734	28,957	773,868	582,131	CHN 582,131	ITA 68,685	USA 18,767
6205	Men's shirts	1,407,597	9,342	145,991	108,306	CHN 108,306	ITA 8,963	USA 3,692
6206	Women's blouses & shirts	882,307	4,056	177,803	137,792	CHN 137,792	ITA 12,637	USA 4,674
6207	Men's singlets, briefs, pyjamas, bathrobes etc	162,394	2,596	48,007	43,308	CHN 43,308	MMR 898	VNM 792
6208	Women's singlets, slips, briefs, pyjamas, bathrobes etc	239,396	3,213	67,331	60,267	CHN 60,267	JPN 1,647	THA 1,501
6209	Babies' garments and clothing accessories	231,280	1,433	26,553	18,764	CHN 18,764	PRT 1,378	JPN 1,107
6210	Garment made up of fabric of heading no 56.02,56.03,59.03,59.06 59.07	343,444	5,810	57,739	49,448	CHN 49,448	VNM 5,057	JPN 937
6211	Track suits, ski suits and swimwear; other garments	604,389	33,573	230,932	184,397	CHN 184,397	VNM 21,887	MMR 6,311
6212	Brassieres,girdles,corsets,braces,suspenders etc&parts	983,749	3,843	74,010	63,804	CHN 63,804	JPN 3,097	THA 2,582
6213	Handkerchiefs	11,652	51	1,537	908	CHN 908	JPN 358	ITA 106
6214	Shawls, scarves, mufflers, mantillas, etc	21,020	167	40,735	17,214	CHN 17,214	ITA 13,879	FRA 2,779
6215	Ties, bow ties and cravats	16,890	8	26,916	5,363	ITA 18,974	CHN 5,363	FRA 1,813
6216	Gloves, mittens and mitts	47,281	1,292	12,726	10,273	CHN 10,273	IDN 623	VNM 590
6217	Clothing accessories nes; o t of hd 62.12	78,280	297	7,986	5,779	CHN 5,779	JPN 668	ITA 643
6301	Blankets and travelling rugs	76,031	217	7,979	6,835	CHN 6,835	JPN 477	USA 185
6302	Bed, table, toilet and kitchen linens	364,821	13,655	63,323	44,097	CHN 44,097	VNM 13,429	ITA 1,382
6303	Curtains, drapes & interior blinds	39,470	76	27,996	20,285	CHN 20,285	TWN 6,129	USA 404
6304	Furnishing articles nes, excluding 94.04	90,820	9,704	31,368	18,016	CHN 18,016	VNM 9,531	ITA 894
6305	Sacks and bags of a kind used for the packing of goods	242,340	29,304	131,729	100,566	CHN 100,566	VNM 27,655	IDN 1,560
6306	Tents&camping goods, tarpaulins, sails for boats, etc	50,812	792	15,637	12,866	CHN 12,866	VNM 721	TWN 559
6307	Made up articles nes, including dress patterns	178,093	3,267	61,564	38,152	CHN 38,152	JPN 5,336	USA 4,830
6308	Set consisting of woven fab&yarn for making up into rugs,tapestrie etc	5,512	0	184	114	CHN 114	USA 29	FRA 19
6309	Worn clothing and articles	77,617	617	15,416	932	JPN 7,824	USA 2,691	CHN 932
6310	Rags,scrap twine,crodage,rope	25,361	22	1,013	372	JPN 375	CHN 372	BEL 96
6401	W p foot,outer sole upper of rbr pla upper not fixd to sole nor assemb	25,869	29	9,950	9,439	CHN 9,439	JPN 289	USA 54
6402	Footwear nes, outer soles and uppers of rubber or plastics	1,828,930	36,932	216,369	164,433	CHN 164,433	VNM 27,891	IDN 8,372
6403	Footwear, upper of leather	5,170,680	111,308	447,107	214,399	CHN 214,399	ITA 78,824	VNM 67,616
6404	Footwear, upper of textile mat	1,301,083	38,006	198,050	147,985	CHN 147,985	VNM 29,611	IDN 6,118
6405	Footwear, nes	183,898	2,446	37,670	25,648	CHN 25,648	ITA 7,393	VNM 1,992
6406	Part of footwear;romovable in-soles,heel cushion etc;gaiter etc	180,338	802	114,432	109,313	CHN 109,313	DEU 1,486	USA 787

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6503	Felt hats and other felt headgear	461	-	-	-	-	-	-
6504	Hats&other headgear, plaited	5,933	0	690	645	CHN 645	ITA 17	USA 13
6505	Hats&o headgear, knit chroch from lace	204,657	3,254	40,074	27,889	CHN 27,889	VNM 2,642	JPN 2,417
6506	Headgear, nes	61,865	513	14,975	9,934	CHN 9,934	JPN 1,598	ITA 892
6507	Head-bands,linings,covers, etc,for headgear	3,334	21	2,462	2,058	CHN 2,058	JPN 105	USA 82
6602	Walking-sticks, seat-sticks, whips, etc	164	4	4,081	1,644	CZE 1,843	CHN 1,644	TWN 274
6603	Parts, trimmings and acessories of art of heading no 66.01 or 66.02	13,317	0	1,188	1,072	CHN 1,072	CZE 108	USA 3
6701	Skins&other parts of birds, articles of,nes	249	0	65	33	CHN 33	USA 25	ESP 4
6702	Artificial flowers, foliage & fruit	36,031	374	20,746	19,886	CHN 19,886	THA 334	TWN 181
6703	Human hair,worked;wool animal hair&other tex mat,prepared for wigs etc	10,918	299	2,937	2,255	CHN 2,255	IND 366	MMR 298
6704	Wig,eyebrow,eyelash, etc.	116,147	6,598	25,528	18,567	CHN 18,567	IDN 4,139	VNM 2,380
6810	Articles of cement, concrete or artif. stone	113,755	746	37,730	25,025	CHN 25,025	ITA 7,887	AUS 1,317
6901	Bricks, blocks, ceramic goods of siliceous fossil meals	2,610	304	6,867	4,502	CHN 4,502	USA 793	AUS 392
6907	Unglazed ceram flags&paving,hearth wall tiles; mosaic cube	79,571	920	44,087	37,359	CHN 37,359	ITA 2,842	ARE 1,233
6908	Glazed ceram flags&paving,hearth wall tiles; mosaic cube	280,191	17,891	247,315	128,564	CHN 128,564	ITA 44,920	ESP 41,940
6909	Ceramic ware for labor.,chemical or techinal use, etc	219,252	20,764	155,538	22,090	USA 49,269	JPN 24,497	CHN 22,090
6910	Ceramic sink,wash basin,bath,bidet &similar sanitary fixture	376,082	4,661	82,078	65,739	CHN 65,739	ITA 2,951	THA 2,892
6911	Tableware,kitchenware, of porcelain china	146,012	4,631	58,413	38,026	CHN 38,026	JPN 6,323	GBR 4,029
6912	Ceramic tableware,kitchenware, othar than porcelain china	174,718	2,033	42,383	19,824	CHN 19,824	GBR 10,412	JPN 5,428
6913	Statuettes and other ornamental ceramic articles	198,616	402	5,132	2,168	CHN 2,168	ITA 773	ESP 560
6914	Ceramic articles, nes	161,221	6,720	42,674	24,300	CHN 24,300	JPN 6,695	VNM 5,602
7009	Glass mirrors	82,280	1,772	60,740	20,069	USA 34,041	CHN 20,069	DEU 974
7012	Glass inners for vacuum flasks	79	-	-	-	-	-	-
7013	Glassware usd for table,kitchen,toilet office, etc	256,469	5,715	86,919	23,956	USA 24,056	CHN 23,956	FRA 12,027
7101	Pearls, nat or cult, etc	63,055	666	6,869	756	JPN 4,169	CHN 756	IDN 650
7113	Articles of jewellery&parts thereof	3,525,217	9,086	151,814	51,552	CHN 51,552	FRA 31,458	USA 28,518
7114	Articles of goldsmith's silversmith's wares&pts	86,256	28	1,151	26	CHE 424	USA 193	ITA 137
7115	Articles of precious metal or metal clad with precious metal, nes	43,713	27	71,210	36	JPN 66,718	GBR 1,934	TWN 1,284
7117	Imitation jewellery	275,840	10,366	47,373	18,362	CHN 18,362	THA 9,667	FRA 7,092
7118	Coin	1,850	72	4,227	3,311	CHN 3,311	USA 151	AUS 134
7317	Nails, staples & sim art, iron & steel	28,829	10	56,820	53,912	CHN 53,912	USA 916	TWN 650
7323	Iron & steel tables & household articles	263,357	11,189	143,324	81,523	CHN 81,523	DEU 26,816	VNM 6,677
7324	Sanitary ware & parts thereof, of iron or steel	81,298	221	30,028	9,306	CHN 9,306	DEU 8,165	JPN 5,038
7418	Copper table, kitchen, household articles	67,209	56	2,249	1,449	CHN 1,449	JPN 198	DEU 120
7615	Aluminum table, kitchen, household articles	202,473	421	45,959	8,106	FRA 26,860	CHN 8,106	ITA 7,520
7616	Articles of aluminum nes	592,711	2,535	190,381	30,132	USA 91,159	CHN 30,132	JPN 22,767
7805	Lead tubes, pipes and tube or pipe fittings	2,925	-	-	-	-	-	-
7906	Zinc tubes, pipes and tube or pipe fittings	1,209	-	-	-	-	-	-
8004	Tin plates, sheets and strips, of a thickness exceeding 0.2 mm	5,344	-	-	-	-	-	-
8005	Tin foil, of a thickness not exceeding 0.2 mm;tin powders&flake	3,271	-	-	-	-	-	-
8201	Hand tools of a kind used in agriculture horticulture or forestry	13,974	14	8,535	2,893	JPN 4,178	CHN 2,893	FRA 828

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8212	Razors and razor blades	75,904	16	32,980	7,309	USA 11,925	CHN 7,309	DEU 7,235
8213	Scissors, tailors' shears and similar shears, and blades thereof	1,690	56	11,417	6,537	CHN 6,537	JPN 3,754	DEU 502
8215	Spoons, forks, butter-knives and similar kitchen or tableware	122,567	1,198	7,764	3,606	CHN 3,606	JPN 779	IDN 636
8302	Base metal mountings, fttgs & sim art suitable for furn, doors, etc	411,586	2,453	179,352	77,674	CHN 77,674	DEU 43,937	USA 17,645
8305	Fitting for loose-leaf binder file&sim office art; base metal	44,907	416	10,850	9,051	CHN 9,051	JPN 755	LAO 363
8306	Bells gongs, ornaments; picture frames, mirrors of base metal	85,689	384	6,282	3,209	CHN 3,209	ITA 1,088	JPN 691
8414	Air, vacuum pumps; hoods incorp a fan	2,399,959	114,661	1,811,337	282,902	JPN 350,851	USA 283,839	CHN 282,902
8415	Air conditioning machines, with motor-driven elements	3,605,227	18,322	341,996	177,292	CHN 177,292	JPN 102,877	THA 16,729
8418	Refrigerator, freezer, etc	1,803,244	34,516	213,313	67,029	CHN 67,029	USA 41,107	IDN 33,006
8421	Centrifuges, incl centrifugal dryers; filtering purifying machinery	784,479	25,744	800,869	82,656	JPN 202,442	USA 157,370	DEU 151,606
8422	Dish washing machines; machinery for aerating bottles	131,975	2,348	190,330	14,015	DEU 52,287	JPN 45,321	ITA 29,088
8423	Weighing machinery (excl balances of a sensitivity of 5 cg or better)	91,990	144	33,040	8,768	JPN 10,150	CHN 8,768	DEU 8,421
8450	Household or laundry-type washing machines	609,006	3,537	60,183	27,449	CHN 27,449	ITA 8,999	DEU 4,408
8472	Office machines, nes (e.g. hectograph stencil duplicat)	133,757	31,962	128,007	15,168	JPN 55,329	PHL 26,759	CHN 15,168
8479	Machines&mech appl having indiv functions, nes	2,259,015	61,304	3,275,448	236,276	JPN 985,178	DEU 566,829	USA 443,347
8485	Machinery parts,not containing elec connectors,coils,nes	883,449	-	-	-	-	-	-
8508	Electro-mechanical tool for working in the hand,with self-contd elec-m	569	1,366	73,471	45,127	CHN 45,127	HUN 9,873	USA 6,645
8509	Electro-mechanical domestic appliance,with self-containd electric moto	532,246	285	63,284	40,598	CHN 40,598	DEU 6,116	CZE 3,831
8510	Shavers and hair clippers, with selfcontained electric motor	44,238	776	41,429	15,075	CHN 15,075	NLD 9,828	DEU 6,613
8512	Electrical lighting signalling equip,windscreen wipers,defrosters,etc	452,289	4,910	102,889	26,366	CHN 26,366	JPN 25,261	USA 18,023
8513	Portable electric lamp designd to functn by batt magn.	48,801	9	12,394	8,274	CHN 8,274	USA 2,444	GBR 630
8516	Electric instantaneous water heater,space htg; hair dryer	1,510,209	28,945	410,380	241,481	CHN 241,481	USA 26,138	JPN 25,673
8517	Electric app for line telephony,incl curr line system	4,926,397	836,064	5,218,166	2,282,347	CHN 2,282,347	USA 602,347	JPN 545,325
8518	Microphones&stand;loudspeaker;headphone earphone;sound amplifier set	1,674,430	83,270	872,877	607,659	CHN 607,659	USA 55,916	VNM 34,801
8519	Turntable (record-decks),record-player	747,358	25,249	193,464	154,461	CHN 154,461	THA 18,866	JPN 6,023
8520	Magnetc tape recorder & sound rec app	418,349	-	-	-	-	-	-
8521	Video recording or reproducing apparatus	1,398,378	18,155	165,798	113,257	CHN 113,257	JPN 21,004	IDN 16,018
8522	Parts and accessories of video, magnetic recorder	1,929,271	10,401	126,751	55,974	CHN 55,974	JPN 48,717	IDN 5,324
8523	Prepared unrecordd media for sound record (tapes)	3,258,194	317,063	2,243,037	105,045	TWN 926,910	JPN 393,619	SGP 264,879
8524	Recorded tape, recorded for sound	2,082,318	0	-	-	-	-	-
8525	Television camera, transmissn app for radio-telephony	16,399,168	146,167	804,350	164,333	JPN 402,767	CHN 164,333	THA 77,308
8527	Reception app for radio-telephony radio-broadcastg	3,893,789	73,563	297,022	196,104	CHN 196,104	IDN 48,869	MYS 20,074
8528	Television receivers (incl video monitors & video projectors)	4,129,436	115,728	1,441,823	1,001,072	CHN 1,001,072	TWN 108,549	JPN 103,889
8529	Part suitable for use solely princ with televisions, recpt app	7,213,010	102,089	1,216,065	457,011	CHN 457,011	JPN 286,149	ISR 69,334
8539	Electric filament or discharge lamps	458,456	13,418	812,180	216,950	JPN 442,685	CHN 216,950	DEU 53,303
8543	Electrical mach&app having individual function, nes	2,636,494	98,086	1,581,538	806,056	CHN 806,056	JPN 227,772	USA 219,620
8703	Cars (incl. station wagon)	3,976,579	649	2,477,836	3,139	DEU 1,285,416	JPN 650,023	USA 186,698
8711	Motorcycles, side-cars	441,301	1,398	122,953	39,331	CHN 39,331	TWN 36,158	JPN 18,489
8715	Baby carriages and parts thereof	4,093	0	27,959	21,549	CHN 21,549	USA 2,075	ITA 1,795
8804	Parachutes and parts and accessories thereof	13,575	20	3,673	609	USA 2,650	CHN 609	ITA 106

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		ASEAN → WORLD	ASEAN → KOREA	World → KOREA	CHINA → KOREA	1st	2nd	3rd
8903	Yachts & other vessels for pleasure or sports	180,427	867	24,765	1,300	USA 6,566	ITA 5,823	CAN 2,200
9001	Optical fibre, cables; sheets&plate of polarising mat	1,258,884	11,640	1,511,582	148,982	JPN 1,063,127	USA 167,436	CHN 148,982
9003	Frames&mountings for spectacles, goggles	35,200	226	65,667	17,266	JPN 17,585	CHN 17,266	ITA 13,234
9004	Spectacles, goggles and the like, corrective, protective or other	37,435	123	106,339	11,541	ITA 71,096	CHN 11,541	JPN 9,832
9009	Photo-copying & thermo-copying apparatus	1,125,289	-	-	-	-	-	-
9019	Mechano-therapy appliance (artif resp, massage app, ozon oxygen)	75,174	119	63,335	25,283	CHN 25,283	JPN 10,566	USA 8,132
9023	Instruments, apparatus & models, designed for demonstrational purposes	46,267	226	22,222	4,163	USA 5,697	CHN 4,163	JPN 3,225
9101	Wrist- or pocket-watch, with case of prec prec clad met	318,839	17	52,533	840	CHE 50,947	CHN 840	USA 317
9102	Wrist- or pocket-watch (other than 9101)	381,927	2,222	178,366	80,170	CHE 84,517	CHN 80,170	JPN 4,166
9103	Clocks with watch movements, excluding clocks of heading no 91.04	1,075	24	267	212	CHN 212	THA 16	USA 10
9104	Instrument panel clock & clock of sim type for veh, aircraft, vessel,e	2,912	1	2,518	1,849	CHN 1,849	USA 304	GBR 151
9105	Other clocks	23,865	37	14,934	12,816	CHN 12,816	ITA 493	TWN 413
9106	Time of day recording app, w clock watch movement	14,420	132	5,493	3,362	CHN 3,362	USA 545	JPN 540
9113	Watch straps, watch bands and watch bracelets, and parts thereof	39,132	113	10,222	6,715	CHN 6,715	CHE 1,579	HKG 793
9201	Pianos, incl auto pianos; harpsichords	96,823	10,064	31,771	5,251	JPN 12,302	IDN 10,064	CHN 5,251
9202	Other string musical instruments (e.g. guitars, violins, harps)	22,309	1,155	12,269	7,469	CHN 7,469	USA 1,776	IDN 1,071
9204	Accordions and similar instruments; mouth organs	17,868	-	-	-	-	-	-
9205	Other wind musical instrument (e.g. clarinet, trumpet, bagpipes)	11,415	8,668	41,952	5,474	JPN 10,889	IDN 8,575	DEU 5,702
9206	Percussion musical instruments	32,188	734	10,054	3,969	CHN 3,969	THA 1,681	TWN 968
9207	Keyboard instruments, etc	191,571	9,060	38,703	17,690	CHN 17,690	IDN 8,757	JPN 5,636
9208	Musical boxe, decoy call, musical inst nes	3,481	7	847	316	CHN 316	JPN 168	USA 131
9209	Musical instruments parts & acces (strings, metronomes, tuning forks)	63,602	6,579	52,706	21,441	CHN 21,441	USA 11,651	IDN 6,383
9303	Other firearm & sim dev operating by the firing of an explosive charge	2,689	1	10,482	183	USA 9,101	ITA 504	AUT 206
9304	Arm nes, excluding those of heading no 93.07	93	-	2,171	45	USA 1,432	DEU 240	CHE 168
9305	Arm parts and accessories (of hd 93.01 to 93.04)	3,048	0	176,259	35	USA 141,458	NLD 17,260	KWT 14,240
9306	Bombs, grenades, ammunitions & parts	9,702	93	299,202	342	USA 166,808	DEU 116,973	FRA 7,181
9307	Swords, cutlasses, bayonets, lances, scabbards & sheaths	3,480	1	485	217	CHN 217	JPN 102	HKG 75
9401	Seat (o t dentists' & barbers' chairs, etc), &part thereof	2,393,163	66,905	743,511	501,758	CHN 501,758	JPN 41,203	ITA 37,694
9403	Other furniture and parts thereof	5,705,169	71,292	587,456	386,855	CHN 386,855	ITA 58,477	VNM 38,446
9404	Mattress supports; mattresses,quilts, etc	197,445	9,238	165,029	130,866	CHN 130,866	ITA 5,506	USA 5,043
9405	Lamps & lighting fittings nes; signs, nameplates illuminated	323,298	3,591	224,076	121,245	CHN 121,245	DEU 21,972	USA 17,130
9501	Wheeled toys designed to be ridden by children and dolls' carriages	4,885	-	-	-	-	-	-
9502	Dolls representing human beings	123,939	-	-	-	-	-	-
9503	Other toys;scale model (puzzles of all kinds, stuffed toys, electric t	545,683	17,210	271,614	189,696	CHN 189,696	JPN 17,070	DNK 13,458
9504	Articles for funfair, table parlour games&auto bowling alley equipment	221,435	164	320,901	248,444	CHN 248,444	JPN 40,540	USA 17,760
9505	Festive,carnival other entertainment articles, incl conjuring tricks	143,508	251	10,418	8,947	CHN 8,947	USA 463	FRA 299
9506	Articles&equip for gymnastics, athletics, or sports outdoor games nes	667,374	8,430	580,402	177,373	JPN 212,310	CHN 177,373	USA 107,510
9507	Fishing rods,fish-hooks; fishing nets; decoy birds	239,007	6,550	56,053	22,801	CHN 22,801	JPN 22,780	MYS 3,419
9508	Roundabout,shoot gallerie, fairground amusements, gall&theatre	6,124	343	19,444	1,113	CAN 12,334	CHN 1,113	GBR 1,060
9601	Worked ivory & art of ivory; animal carving material (o t ivory)	30,471	764	1,364	233	IDN 493	CHN 233	PHL 150

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		ASEAN → WORLD	ASEAN → KOREA	World → KOREA	CHINA → KOREA	1st	2nd	3rd
9602	Workd vegetal mineral carving material; etc	24,331	375	2,825	1,928	CHN 1,928	THA 323	FRA 215
9603	Brooms brushe (tooth, toilet, painting);squeegee	146,276	1,778	78,576	35,910	CHN 35,910	USA 14,526	JPN 9,655
9604	Hand sieves and hand riddles	149	-	64	1	JPN 46	USA 11	DEU 4
9605	Travel sets for personal toilet, sewing or shoe or clothes cleaning	4,543	76	1,024	861	CHN 861	SGP 75	TWN 75
9606	Buttons, press&snap fasteners, button moulds	51,936	2,333	25,966	12,161	CHN 12,161	JPN 4,535	IND 2,251
9607	Slide fasteners and parts thereof	111,215	6,781	51,544	5,868	JPN 22,550	TWN 12,723	IDN 6,037
9608	Ballpoint pencil; markers & writing instr. (o t headg no96.09)	192,265	2,977	87,639	16,738	JPN 36,651	DEU 18,238	CHN 16,738
9609	Pencil (o t ballpoint & pencil of hd no 96.08), pencil leads, chalks&t	94,667	1,556	21,949	10,823	CHN 10,823	DEU 4,194	JPN 2,928
9610	Slates&boards, with writing or drawing surfaces	3,968	0	1,919	1,438	CHN 1,438	USA 271	JPN 200
9611	Devices for printing or embossing labels hand-operated	12,026	22	2,320	721	CHN 721	TWN 643	USA 336
9612	Typewriter & similar ribbons; ink pads	129,203	558	12,313	1,454	JPN 6,262	FRA 2,019	CHN 1,454
9613	Cigarette lighters & other lighters	74,608	2	16,265	13,789	CHN 13,789	USA 1,360	FRA 511
9614	Smoking pipes (incl pipe bowls) & cigarette holders	2,817	-	281	15	JPN 235	CHN 150,758	CZE 13
9615	Comb, hair-slides; hairpin, hair-curlers (o t hd no85.16)	22,236	109	8,097	3,764	CHN 3,764	FRA 1,713	ITA 1,037
9617	Vacuum flask vacuum vessel complete w case; etc	58,591	5,136	16,281	9,956	CHN 9,956	THA 4,923	JPN 747
9618	Tailors' dummies lay figures; automata & other animated display for wi	24,046	360	8,404	2,896	USA 2,902	CHN 2,896	DEU 443
9701	Paintings, drawings, pastel, collages&sim art executd by hand	133,923	1,367	586,711	35,615	USA 380,418	GBR 78,597	CHN 35,615
9702	Original engravings, prints and lithographs	9,636	4	11,264	403	USA 5,329	DEU 1,954	GBR 1,594
9703	Original sculptures and statuary, in any material	11,614	80	115,177	4,059	USA 56,657	CHE 24,770	GBR 10,697
9704	Used postage revenue stamps	12,240	4	22	-	USA 17	IDN 4	
9705	Collection piece of zoo,botanic,history, etc.	3,028	81	2,853	55	USA 1,237	IND 1,160	DEU 114
9706	Antiques of an age exceeding one hundred datas	51,287	6	7,372	171	ITA 2,956	USA 1,712	JPN 1,051