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Report Highlights:

South Korea is the fourth largest market for American Seafood products. Korean seafood imports from all origins totaled \$2.9 billion in 2009. In 2010, total seafood imports are expected to increase by 20 percent and the outlook for U.S. seafood exports is strong.

General Information:

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SECTION I: SITUATION AND OUTLOOK

Korea was the world's 13th largest economy in 2009 [1] with a GDP of \$1.36 trillion on a purchasing power parity (PPP) basis. Per capita GDP (PPP) in Korea was \$28,100 in 2009. Although the Korean economy was affected by the global economic crisis in 2009, it has recovered quickly. The International Monetary Fund most recently forecast Korea's 2010 economic growth at 6.1 percent. Slower growth, 4.5 percent, is expected in 2011.

Total seafood imports from all origins reached \$2.9 billion in 2009, down 1.7 percent from \$2.95 billion in 2008. In 2009, Korea was the fourth largest market for U.S. fish and seafood products and the United States was Korea's fifth largest market for its fish and seafood products. Imports from the United States amounted to \$123 million in 2009, providing the United States with a 4.3 percent market share. In 2010, total imports of seafood are expected to increase by about 20 percent thanks to the Korea's economic recovery.

Korea exported \$1.51 billion in seafood in 2009. Until 2000, Korea was a net exporter of seafood. However, growing domestic demand and limited supplies have reversed the situation. In 2009, Korea imported about \$1.4 billion more seafood than it exported. Imports are expected to continue to outpace exports ensuring that Korea will remain an important market for U.S. seafood suppliers.

U.S. seafood including aquaculture is generally considered high quality, but higher in price compared to competitors. Surimi, monkfish, hagfish, cod, skate, flat fish, fish roes, eels, ray, rock fish, Atka mackerel, etc. are some of the major species that are imported in large quantities from the United States.

Korean seafood production decreased to 3.18 million metric tons in 2009, down from 3.36 million metric tons in 2008. Production of shallow-sea aquaculture decreased slightly to 1,313 thousand tons from 1,382 thousand tons in 2008. Seaweed and shell fish accounted for 90 percent, fishes accounted for 8 percent, and crustaceans and others accounted for 2 percent of production within the shallow-sea aquaculture sector. In 2009, Korean fish production including aquaculture decreased slightly to 1.43 million tons from 1.45 million tons in 2008.

It is expected that Korean domestic fish production will not increase significantly in the future due to reductions in fish resources in adjacent waters and the enforcement of Exclusive Economic Zones by Korea's neighboring countries. The number of fishing vessels has decreased steadily over the past 10 years reflecting the reduction in fishery resources. To cope with this situation, the Korean government has accelerated the downsizing of the Korean fishing fleet and plans to reduce it further over the next several years. Recognizing the potential economic impact of this step and the reduction in fishery agreements, the Korean government is undertaking an in-depth study of aquaculture and researching how to secure higher fish catch quotas in foreign waters.

The Korea-U.S. Free Trade Agreement (KORUS FTA) concluded in early April 2007 is expected to deepen the longstanding alliance between the United States and Korea. With respect to seafood, the KORUS FTA is expected to create more opportunities for U.S. exporters. The KORUS FTA is currently pending in the National Assembly of Korea and the U.S. Congress; it must be ratified by both before it is implemented.

SECTION II: STATISTICAL TABLES

Table 1. Imports of Fish, Urchin Roe/Caviar and Livers by country (MT)

2008		2009	
USA	4,152	USA	4,900
Russia	9,123	Russia	11,728
Iceland	1,193	Iceland	616
China	669	China	234
New Zealand	545	New Zealand	577
Others	930	Others	1,306
Total	17,201	Total	19,361

Source: Statistical Yearbook of Foreign Trade 2009, Korea Customs Service

Table 2. Korean Imports of Fish and Urchin Roes/Caviar/Liver (MT)

Species	H.S. Code	2008		2009	
		World	U.S.	World	U.S.
Livers, Fresh	0302.70.1000	7	0	0	0
Roes, fresh	0302.70.2000	0	0	0	0
Livers, frozen	0303.80.1000	290	0	196	0
Roes/AK Pollack, frozen	0303.80.2010	4,497	1,196	7,838	1,913
Other Roes, Frozen	0303.80.2090	9,664	2,954	9,729	1,985
Livers, dried, salted	0305.20.1000	0	0	0	0

Roes, dried	0305.20.2000	20	0	0	0
Roes, smoked	0305.20.3000	0	0	0	0
Roes/Alaska Pollack, salted	0305.20.4010	18	0	0	0
Roes/Yellow Corvina, salted	0305.20.4020	0	0	0	0
Roes/Herrings, salted	0305.20.4030	21	0	50	0
Other roes, Salted	0305.20.4090	71	0	8	0
Sea Urchin, Fresh, chilled, live	0307.91.9010	36	0	10	0
Caviar	1604.30.1000	2	0	0	0
Caviar, Substitute	1604.30.2000	2,575	2	1,530	2
Total		17,201	4,152	19,361	4,900

Source: Statistical Yearbook of Foreign Trade 2009, Korea Customs Service

Table 3. Korean Exports of Fish, Urchin Roe/Caviar and Livers by country (MT)

2008		2009	
USA	144	USA	241
Japan	1,733	Japan	2,124
China	139	China	117
	107	New Zealand	86
Others	217	Others	159
Total	2,340	Total	2,727

Source: Statistical Yearbook of Foreign Trade 2009, Korea Customs Service

Table 4. Korean Exports of Fish and Urchin Roe/Caviar/Liver (MT)

Species	H.S. Code	2008		2009	
		World	U.S.	World	U.S.
Livers, Fresh	0302.70.1000	6	0	0	0
Roes, Fresh	0302.70.2000	0	0	5	0
Livers, Frozen	0303.80.1000	13	0	20	0
Roes/AK Pollack, frozen	0303.80.2010	693	2	663	10
Other Roes, frozen	0303.80.2090	235	0	167	0
Livers, dried, salted	0305.20.1000	0	0	0	0
Roes, dried	0305.20.2000	0	0	0	0
Roes, smoked	0305.20.3000	0	0	0	0
Roes/pollack, salted	0305.20.4010	41	22	43	26
Roes/Yellow Corvina, salted	0305.20.4020	10	0	105	105
Roes/Herrings, Dried	0305.20.4030	0	0	7	0
Other roes, Salted	0305.20.4090	103	87	88	67
Sea Urchin, Fresh	0307.91.9010	49	0	20	0
Caviar	1604.30.1000	0	0	0	0
Caviar, Substitute	1604.30.2000	1,190	33	1,609	33
Total		2,340	144	2,727	241

Source: Statistical Yearbook of Foreign Trade 2009, Korea Customs Service

Table 5. Korean Imports of Flatfish, Whole by country (MT)

2008		2009	
USA	4,296	USA	8,340
Russia	5,772	Russia	8,476
China	1,470	China	1,503
Guinea	1,434	Spain	1,805
Spain	977	Guinea	1,432
Senegal	289	Senegal	544
Others	728	Others	828
Total	14,966	Total	22,928

Source: Statistical Yearbook of Foreign Trade 2009, Korea Customs Service

Table 6. Korean Imports of Flatfish by HS Code (MT)

Species	H.S. Code	2008		2009	
		World	U.S.	World	U.S.
Flat Fish, Live	0301.99.8000	74	0	13	0
Halibut, Fresh	0302.21.0000	0	0	0	0
Plaice, Fresh	0302.22.0000	2	0	2	0
Sole, Fresh	0302.23.0000	8	0	0	0
Other, Fresh	0302.29.0000	0	0	0	0
Halibut, Frozen	0303.31.0000	219	4	374	0
Plaice, Frozen	0303.32.0000	2,563	262	3,658	479
Sole, Frozen	0303.33.0000	484	21	605	0
Others, Frozen	0303.39.0000	11,616	4,009	18,276	7,861
Total		14,966	4,269	22,928	8,340

Source: Statistical Yearbook of Ministry of Foreign Trade 2009, Korea Customs Service

Table 7. Korean Exports of Flatfish, Whole by country (MT)

2008		2009	
USA	108	USA	380
Japan	3,898	Japan	4,453
China	614	China	660
Spain	361	Spain	253
Others	253	Others	294
Total	5,234	Total	6,040

Source: Statistical Yearbook of Foreign Trade 2009, Korea Customs Service

Table 8. Korean Exports of Flatfish (MT)

Species	H.S. Code	2008		2009	
		World	U.S.	World	U.S.
Flat Fish, Live	0301.99.8000	3,906	90	4,622	279
Halibut, Fresh	0302.21.0000	14	14	95	63
Plaice , Fresh	0302.22.0000	4	0	8	3
Sole, Fresh	0302.23.0000	0	0	0	0
Other, Fresh	0302.29.0000	0	0	1	0
Halibut, Frozen	0303.31.0000	132	0	374	34
Plaice, Frozen	0303.32.0000	420	0	80	1
Sole, Frozen	0303.33.0000	364	0	205	0
Others, Frozen	0303.39.0000	403	4	655	0
Total		5234	108	6,040	380

Source: Statistical Yearbook of Foreign Trade 2009, Korea Customs Service

Table 9. Korean Imports of Ground fish, Whole by country (MT)

2008		2009	
USA	4,489	USA	7,445
Russia	177,871	Russia	161,768
Japan	20,238	Japan	30,482
China	5,096	China	2,989
Others	2,511	Others	3,673
Total	210,205	Total	206,357

Source: Statistical Yearbook of Foreign Trade 2009, Korea Customs Service

Table 10. Korean Import of Ground fish (MT)

Species	H.S. Code	2008		2009	
		World	U.S.	World	U.S.
Cod, Fresh	0302.50.0000	1,462	5	960	2
Alaska Pollack, Fresh	0302.69.1000	16,944	0	15,512	0
Cod, Frozen	0303.52.0000	11,603	3,260	11,968	5,012
Haddock, frozen	0303.72.000	0	0	0	0
Hake, Frozen	0303.78.0000	17	0	822	481
Alaska Pollack	0303.79.1000	171,691	34	169,089	356
Rockfish(ocean perch)	0303.79.9070	4,800	1,190	5640	1,594
Alaska Pollack, Dried	0305.59.3000	3,688	0	2366	0
Total		210,205	4,489	206,357	7,445

Source: Statistical Yearbook of Foreign Trade 2009, Korea Customs Service

Table 11. Korean Exports of Ground fish, Whole by country (MT)

2008	2009

USA	267	USA	455
China	19,982	China	9,316
New Zealand	2,146	New Zealand	3,912
Russia	820	Russia	502
Others	726	Others	1,350
Total	23,941	Total	15,535

Source: Statistical Yearbook of Foreign Trade 2009, Korea Customs Service

Table 12. Korean Export of Ground Fish (MT)

Species	H.S. Code	2008		2009	
		World	U.S.	World	U.S.
Cod, Fresh	0302.50.0000	0	0	15	1
Alaska Pollack, Fresh	0302.69.1000	2	2	3	3
Cod, Frozen	0303.52.0000	3,394	21	1,652	10
Haddock, frozen	0303.72.000	0	0	0	0
Hake, Frozen	0303.78.0000	3,290	0	3,896	0
Alaska Pollack	0303.79.1000	16,401	159	8,931	236
Rockfish (ocean perch)	0303.79.9070	500	0	454	0
Alaska Pollack, Dried	0305.59.3000	354	85	584	205
Total		23,941	267	15,535	455

Source: Statistical Yearbook of Foreign Trade 2009, Korea Customs Service

Table 13. Korean Imports of Surimi by country (MT)

2008		2009	
USA	13,832	USA	10,372
China	37,802	China	33,641
Vietnam	34,678	Vietnam	36,632
Thailand	7,183	Indonesia	7,099
Indonesia	3,337	India	3,317
India	2,716	Thailand	2,577
Others	3,026	Others	3,958
Total	102,574	Total	97,596

Source: Statistical Yearbook of Foreign Trade 2009, Korea Customs Service

Table 14. Korean Import of Surimi (MT)

Species	H.S. Code	2008		2009	
		World	U.S.	World	U.S.
Of Swordfish/fresh or chilled	0304.11.2000	0	0	0	0
Of Toothfish/fresh or chilled	0304.12.2000	0	0	0	0
Of Conger-eel/fresh or chilled	0304.19.1020	0	0	0	0

Of Plaice/fresh or chilled	0304.19.2020	0	0	0	0
Of Bluefin tunas/fresh or chilled	0304.19.3020	0	0	0	0
Of Others/fresh or chilled	0304.19.9020	0	0	0	0
Of Swordfish/frozen	0304.91.1000	0	0	0	0
Of Toothfish/frozen	0304.92.1000	0	0	0	0
Of Alaska Pollack/frozen	0304.99.1010	13,899	13,209	9,768	9,768
Of Others/frozen	0304.99.9010	88,674	623	87,828	604
Total		102,574	13,832	97,596	10,372

Source: Statistical Yearbook of Foreign Trade 2009, Korea Customs Service

Table 15. Korean Exports of Surimi by country (MT)

2008		2009	
USA	40	USA	80
Japan	261	India	134
Indonesia	96	Japan	100
Thailand	44	Vietnam	74
China	27	China	32
Others	26	Others	2
Total	494	Total	422

Source: Statistical Yearbook of Foreign Trade 2009, Korea Customs Service

Table 16. Korean Export of Surimi (MT)

Species	H.S. Code	2008		2009	
		World	U.S.	World	U.S.
Of Swordfish/fresh or chilled	0304.11.2000	0	0	0	0
Of Toothfish/fresh or chilled	0304.12.2000	0	0	0	0
Of Conger-eel/fresh or chilled	0304.19.1020	0	0	0	0
Of Plaice/fresh or chilled	0304.19.2020	0	0	0	0
Of Bluefin tunas/fresh or chilled	0304.19.3020	0	0	0	0
Of Others/fresh or chilled	0304.19.9020	0	0	0	0
Of Swordfish/frozen	0304.91.1000	0	0	0	0
Of Toothfish/frozen	0304.92.1000	0	0	0	0
Of Alaska Pollack/frozen	0304.99.1010	176	0	81	0
Of Others/frozen	0304.99.9010	318	40	341	80
Total		494	40	422	80

Source: Statistical Yearbook of Foreign Trade 2009, Korea Customs Service

SECTION III: SUPPLY, DEMAND AND MARKETING

Production

Korean seafood production was 3.18 million metric tons in 2009, down from 3.36 million in 2008. This includes 1.23 million tons from adjacent waters fisheries, 1.31 million tons from shallow sea aquaculture, 612,000 tons from deep-sea fishing and 30,000 tons from inland water fishing.

It is expected that Korean domestic fish production will not increase much in the future due to reductions in fish resources in adjacent waters. The number of fishing vessels has decreased continuously over the past 10 years reflecting the reduction in fish resources. A growing number of Korean fishermen want to sell their boats and leave the sea as rising fuel prices and a chronic fish shortage squeeze their businesses. The Korean government runs a buy-out program in order to reduce the number of fishing boats in an effort to help resolve the difficulties the fishing industry currently faces.

The Korean government is focusing on aquaculture in shallow sea areas to cope with the shortage of fishery resources in the adjacent water and restrictions in neighboring countries' waters. Shallow sea aquaculture is expected to continue to increase in the future due to tighter restrictions on fresh water aquaculture and expectations of continuing reductions in wild catches in the future.

To insulate select domestic seafood producers from imported products (mainly from China), the Korean government has set higher "adjustment tariffs" ranging from 22 to 50 percent for nine fish species which are not subject to tariff bindings under WTO agreements. Prior to implementation of the adjustment tariffs, imports of these nine species were subject to tariffs ranging from 10 to 20 percent. To further support the domestic industry, the Korean government is focusing on aquaculture in shallow waters to secure a stable supply of fish and working hard to purchase fish quotas from other countries, including Russia.

Korea and China reached an agreement on the fishing quota for 2010, which allows 1,600 Korean vessels to catch 66,000 tons, down from 68,000 tons in 2009, inside China's EEZ (Exclusive Economic Zone) and in return, 1,750 Chinese vessels can catch 67,500 tons in the Korean zone.

The total catch quota for all types of fish purchased by the Korean government from the Russian government in 2010 increased to 65,565 tons, up from 355,473 tons in 2009. The 2010 catch quotas with Russia include 45,000 tons for Alaska pollack, 4,450 tons for cod, 7,500 tons for saury, 6,500 tons for squid, 800 tons for sting ray, 700 tons for herring, 115 tons for blow fish and 500 tons for plaice. The fish caught under the catch quotas are considered to be domestic product and are not subject to import tariffs since they are caught by Korean fishing boats.

Korea and Japan also agreed on the fishing quota for 2010, which allows a total of 900 fishing boats

from each country to catch 60,000 tons of fish, respectively inside each other's EEZ. The species that Korean boats are allowed to catch inside the Japanese EEZ include mackerel, saury, Sardines, hair tail, squid, plaice, etc.

The Ministry of Food, Agriculture, Forestry and Fisheries (MIFAFF) established 602,300 as the Total Allowable Catch (TAC) for 2010 for the eleven species as shown on table 22 below. There are further restrictions such as limited catch seasons for some species as well as restrictions on the number of fishing boats and fishing methods.

Constraints built into bilateral and multilateral fishing accords will further impact total harvest. The harvest from adjacent waters fisheries consists primarily of squid, mackerel, corvina, hair tail and anchovy. Government efforts to boost aquaculture production in the shallow sea areas clearly indicate the importance of this sector as a future seafood resource.

Table 17. Korean Seafood Production by Waters (1,000 MT)

Year	Total	Adjacent Waters	Shallow Sea Aquaculture	Distant Waters	Inland Waters
2004	2,519	1,077	918	499	20
2005	2,714	1,097	1,041	552	24
2006	3,032	1,109	1,259	639	25
2007	3,275	1,152	1,386	710	27
2008	3,363	1,286	1,382	666	29
2009	3,182	1,227	1,313	612	30

Source: MIFAFF Major Statistics Booklet 2010

Table 18. Korean Seafood Production (1,000 MT)

Year	Total	Fishes	Shell fish	Crustacean	Mollusc	Other aquatic animals	Seaweed
2004	2,519	1,157	410	85	306	15	546
2005	2,714	1,265	409	92	295	16	636
2006	3,032	1,261	474	110	392	17	778
2007	3,275	1,330	555	124	432	23	811
2008	3,363	1,448	429	126	402	23	935
2009	3,182	1,425	421	133	312	24	870

Source: MIFAFF Major Statistics Booklet 2010

Table 19. Korean Fishing Fleet (Boats, Gross Tons)

Year	Number of Boats	Tons
2004	91,608	724,980
2005	90,735	700,810
2006	86,113	673,719
2007	85,627	663,869

2008	80,766	621,338
2009	77,713	594,772

Source: MIFAFF Major Statistics Booklet 2010

Table 20. Number of Households Engaged in Fishing

Year	Total	Aquaculture	Fishing
2005	79,942	24,075	55,867
2006	77,001	23,989	53,012
2007	73,934	23,356	50,577
2008	71,046	22,101	48,945
2009	69,379	22,592	46,787

Source: MIFAFF Major Statistics Booklet 2010

Table 21. Korean Production of Processed Seafood

Year	Production (Ton)	Number of Facilities
2001	1,546,839	1,690
2002	1,590,000	1,630
2003	1,357,717	1,465
2004	1,528,753	1,480
2005	1,559,201	2,937
2006	1,546,784	2,400
2007	1,384,000	2,424
2008	1,773,179	2,502
2009	1,317,384	2,580

Source: MIFAFF Major Statistics Booklet 2010

Table 22. Korean Total Allowable Catch (MT)

Species	2006	2007	2008	2009	2010
Mackerels	155,000	154,000	159,000	159,000	169,000
Jack mackerels	19,000	19,000	21,000	18,000	20,000
Red snow crabs	21,000	25,000	27,700	29,000	31,000
Snow crabs	1,000	1,200	1,500	1,400	1,300
Purplish Washington clams	5,100	3,700	3,200	1,700	2,100
Pen shells	2,440	3,200	3,200	3,100	2,700
Horned turban	1,610	1,480	1,400	1,320	1,500
Blue crabs	4,000	3,350	5,590	5,730	8,000
Squid	166,000	166,000	166,000	185,000	365,000
Sailfin sandfish	-	-	-	1,500	1,500
Mottled Skate	-	-	-	140	200
Total	380,150	381,930	393,590	405,890	602,300

Source: MIFAFF

2003	3,578	1,202	743	5,523	2,486	2,268	769	69.4%
2004	3,922	1,116	531	5,739	2,519	2,477	743	61.6%
2005	4,169	1,121	512	5,802	1,714	2,557	531	65.1%
2006	4,568	1,047	575	6,190	3,032	2,646	512	66.4%
2007	4,621	1,211	618	6,454	3,275	2,604	575	70.8%
2008	4,280	1,266	567	6,113	3,360	2,135	618	78.5%
2009	4,071	1,336	528	5,935	3,182	2,186	567	78.2%

Source: MIFAFF Major Statistics Booklet 2010

Table 24. Korean Per Capita Supply of Seafood Products (Kilogram)

	2003	2004	2005	2006	2007	2008
Fish and Shell fish	38.5	41.1	39.9	43.5	40.6	39.1
Seaweed	6.4	7.9	9.6	13.0	14.4	15.8
Total (kg/year)	44.9	49	48.1	56.5	55.0	54.9

Source: Korea Rural Economic Institute Homepage

Trade

The Korea-U.S. Free Trade Agreement (KORUS FTA) concluded in early April 2007 is expected to deepen the longstanding alliance between the United States and Korea. With respect to seafood, the KORUS FTA is expected to create more opportunities for U.S. seafood exporters. The KORUS FTA is currently pending in the National Assembly of Korea and the U.S. Congress; it must be ratified by both before it is implemented. Once ratified, Customs duties for fishery products imported from the United States will cut to zero immediately or phased out over the course of 3 to 10 years. For instance, the Customs duty for frozen Sockeye salmon will be cut to zero immediately. In contrast, Customs duties for U.S. trout and sea bass will be reduced to zero in 3 and 10 years, respectively. The Customs duty deduction schedule with time period will be prorated equally over each time period.

There will be three fish species which will be subject to Tariff Rate Quotas (TRQ) when the FTA is implemented. For instance, the Customs duty will be free for imports of 4,000 metric tons of frozen Alaska pollack in the first year when the FTA is implemented. The quantities shall enter on a first-come, first-served basis. The duty free quantities will become larger as the year passes by as shown on the table below.

Table 25. Korea-United States FTA Seafood Tariff Rate Quotas (MT)

Year	Flatfish/frozen	Alaska Pollack/frozen	Croaker/frozen
1	1,530	4,000	1,000
2	1,652	4,360	1,050
3	1,785	4,752	1,103
4	1,927	5,180	1,158
5	2,082	5,646	1,216
6	2,248	6,154	1,276
7	2,428	6,708	1,340
8	2,642	7,312	1,407
9	2,832	7,970	1,477
10	3,058	8,688	1,551
11	3,303	9,469	1,629
12	Unlimited	10,322	unlimited
13		11,251	
14		12,263	
15		unlimited	

Post believes the KORUS FTA will provide good opportunities for U.S. fishery products when it is implemented. For more detailed information about the results of the KORUS FTA including the tariff schedule for Korea, please visit: http://www.mofat.go.kr/mofat/fta/eng/eng_list.htm

The industry forecasts that Korean consumers will take advantage of lower prices resulting from elimination of import duties to demand more Pollack surimi/frozen, lobsters/live, Pollack/frozen, monkfish/frozen, cod/frozen, Pollack roes/frozen, skate/frozen, flatfish/frozen, sea cucumber/prepared and croakers/frozen.

Korean consumers place value on high quality, low cost, healthiness and convenience in the course of making food purchasing decisions. Overall performance of the Korean seafood market will depend greatly on production and consumption. Due to the shortage of fish resources, fish production is expected not to increase. Despite this, consumption is expected to continue to grow as consumers look for healthier protein alternatives.

Price, quality and timeliness are the most important factors affecting U.S. trade. U.S. fish are generally considered to be high quality with, in turn, an expectation of higher prices. Fortunately, the major species imported from the United States are the species that Koreans enjoy and that other suppliers do not supply in large quantities. Table 27 below shows the major species imported to Korea from the United States and the world. The imports of these 34 fish species accounted for almost 100 percent of the total imports of fishery products from the United States in 2009.

The Global Trade Atlas reports that total imports of seafood into Korea in 2009 totaled \$2.6 billion. The largest seafood supplying country in 2009 was China at \$811 million, followed by Russia at \$435 million, Vietnam at \$299 million, Japan at \$192 million, USA at \$113 million, Taiwan at \$88 million, and Thailand at \$83 million. These seven countries accounted for 78 percent of Korea's total seafood imports in 2009.

Table 26. Total Seafood Imports by year (\$1,000)

Year	From World	From USA
2003	1,961	153
2004	2,261	136
2005	2,384	153
2006	2,769	151
2007	3,056	144
2008	2,954	140
2009	2,895	123

Source: MIFAFF Major Statistics Booklet 2010

Table 27. Major Fish Imported to Korea from USA in 2009 (\$1,000)

Fish Species	HS Code Number	USA	Total
Pollack surimi, frozen	0304.99.1010	29,117	29,117
Monkfish, fresh and frozen	0303.79.9091	11,136	56,406
Other flat fish, frozen	0303.39.0000	9,986	27,013
Cod, frozen	0303.52.0000	8,664	21,444
Hagfish, frozen	0303.79.9092	6,618	9,734
Roes of Alaska Pollack, frozen	0303.80.2010	6,453	48,426
Atka mackerel, frozen	0303.79.9060	5,446	33,073
Skate, frozen	0303.79.9093	5,241	24,204
Salad eel, live	0301.99.7000	5,203	10,334
Other roes, frozen	0303.80.2090	3,770	14,802
Fillet, Alaska Pollack, frozen	0304.29.1000	3,307	37,046
Ray, frozen	0303.79.9096	2,227	19,200
Rock fish, frozen	0303.79.9070	2,223	8,141
Other fish surimi, frozen	0304.99.9010	1,761	107,757
Sardines, frozen	0303.71.0000	1,455	6,189
Prepared sea cucumber	1605.90.9020	1,264	7,572
Abductors of shell fish	0307.99.1140	1,263	4,940
Fillet, Plaice, frozen	0304.29.4000	1,079	1,400
Sable fish, frozen	0303.79.2000	879	887
Other shrimps, frozen	0306.13.9000	824	112,264
Hake, frozen	0303.78.0000	595	939

Lobster, other than frozen	0306.12.0000	552	4,159
Plaice, frozen	0303.32.0000	541	4,235
Lobsters, other than frozen	0306.22.0000	397	11,431
Alaska Pollack, frozen	0303.79.1000	382	209,060
Fillet, others, frozen	0304.29.9000	338	26,976
Scallops, frozen	0307.29.1000	305	6,812
Pollack surimi, other than frozen	0304.99.1090	249	280
Pollack surimi, other than frozen	0304.99.1090	249	280
Other fish, frozen	0303.79.9099	114	42,348
Crab meat, frozen	0306.14.1000	109	7,055
Blue crab, frozen	0306.14.3000	103	54,259
Rock lobster, frozen	0306.11.0000	101	1,223
Prepared red snow crab meat	1605.10.1091	101	1,169
Total		112,052	950,175

Source: Statistical Year Book of Foreign Trade 2009, Korea Customs Service

Table 28. Applied Tariff Schedule for Fishery Products in Korea

Description	H.S. Code	2010
Live Fish	0301 XX XXXX except for 0301.92.1000, 0301.99.4010, 0301.99.9051	10%
Glass eel for Aquaculture	0301.92.1000	0%
Sea Bream fry for Aquaculture	0301.99.4010	0%
Sea Bass Fry for Aquaculture	0301.99.9051	0%
Fish, Fresh or Chilled	0302 XX XXXX	20%
Fish, Frozen	0303 XX XXXX	10%
Fish Fillet/Fish Meat, frozen/chilled	0304 1X XXXX	20%
Fish Fillet/Fish Meat, frozen	0304 2X XXXX	10%
Fish Surimi, frozen	0304 9X XXXX	10%
Fish, Dried/Salted/Smoked	0305 XX XXXX	20%
Crustaceans	0306 except 0306.14.3000 0306.14.9000	20%
Blue Crabs, frozen	0306.14.3000	14%
Other crabs, frozen	0306.14.9000	14%
Mollusk	0307 except for 0307 10 1011, 0307.10.1019 0307 4X XXXX 0307.91.1410 0307.91.9031	20%
Oyster Spat for seed	0307 10 1011	0%
Oyster spat for other purpose	0307.10.1019	5%
Cuttlefish and Squid	0307 4X XXXX	10%
Pearl oyster for seed	0307.91.1410	0%
Sea Squirts for seed	0307.91.9031	0%

Fish Extracts and Juice	1603 XX XXXX	30%
Fish, prepared, preserved	1604 XX XXXX	20%
Crustaceans/Mollusks, prep/preserved	1605 XX XXXX	20%

Source: Korea Customs Research Institute, Tariff Schedule of Korea, 2010

Table 29. Adjusted Tariff Rates for Fishery Products in Korea

Description	H.S. Code	2009(%)	2010(%)	Changes
Eel, live	0301.929000	27a	27a	0
Sea Bream, live	0301.99.4090	34b	31b	-3
Sea Bass, live	0301.99.9059	34	31	-3
Croakers, live	0301.90.9095	34	31	-3
Alaska Pollack, frozen	0303.79.1000	30	30	0
Saury, frozen Excluding horn fish	0303.79.8000	31	31	0
Croakers, frozen	0303.79.9095	53	50	-3
Shrimp, in Brine	0306.23.3000	42c	42c	0
Squid, frozen	0307.49.1020	22	22	0

a/ 27% or 1,879 Korean won per Kg., whichever is higher is applied.

b/ 31% or 2,272 Korean won per Kg., whichever is higher is applied.

c/ 42% or 283 Korean won per Kg., whichever is higher is applied.

*These adjustment tariffs have precedence over the applied tariffs on Table 28 above.

Competitors

Seafood is imported into Korea from about 100 different countries. Major suppliers of fishery products to Korea include China, Russia, Vietnam, Japan, the United States, Taiwan, and Thailand. In 2009, the seven supplying countries on Table 30 below accounted for about 80 percent of total Korean seafood imports on a value basis. China continued to be the largest seafood supplier to Korea, followed by Russia and Vietnam as shown on the table below.

A dozen supplying countries including China, Russia, Japan, U.K. Thailand, New Zealand, Chile, Canada, Indonesia, etc. are some of our competitors that participate in the Busan International Seafood & Fisheries Expo annually. These competitors exhibit a wide variety of seafood products targeting importers, wholesalers, distributors, retailers, hotels, restaurants and food processors.

Table 30. Korean Seafood Imports from Major Countries (\$million)

Reporting Country:	Import		
	2007	2008	2009
Korea, Republic of			

Top 15 Ranking			
China	1,057	976	811
Russia	423	384	435
Vietnam	268	304	299
Japan	269	220	192
United States	132	129	113
Taiwan	83	85	88
Thailand	146	111	83
Norway	61	52	69
Indonesia	50	65	60
Chile	41	43	41
Canada	49	43	40
Peru	36	43	37
Malaysia	13	26	33
Argentina	29	24	21
India	21	22	21
Others	275	320	261
Total	2,954	2,847	2,605

Source: GTA (<http://www.gtis.com/gta/usda/>)

Marketing

Imports of seafood are relatively straight-forward compared to other food and agricultural products. Importers import fishery products, and generally sell to hotels and food service industry directly, and/or to distributors who sell to traditional markets and restaurants. When the volume is large, importers generally sell to retailers such as supermarkets, discount stores and department stores directly. When the volume is small, importers sell to distributors who sell to these retailers. Accordingly, U.S. suppliers should contact seafood importers to sell their fishery products to Korea.

Consumers like to purchase the species that they are accustomed to, and importers tend to import the species consumers are demanding. As mentioned earlier, imports of only 34 species in Korea accounted for almost 100 percent of total seafood imports from the United States in 2009. This means that U.S. exporters should supply the species consumers prefer, and at the same time should also try to invest in building demand for other species with which consumers currently lack familiarity.

Although there is no market for some species at present, history shows that demand can develop rapidly for new products in Korea. For example, many years ago, no demand existed for Jerk filefish. Accordingly, fisherman threw away Jerk filefish caught along with other fish. Now, imaginative processors have developed a prepared, preserved, flat, dried snack product based on Jerk filefish.

Consumption of the product has reached the point that imports are required to augment domestic supplies. Imports of prepared, preserved Jerk filefish amounted to about \$36 million (7,498 tons) in 2009, mostly from Vietnam. Although there is currently no market for U.S. croakers, there may be good potential in the future if the tariff barrier is lifted and the species is processed according to Korean tastes.

When considering the Korean market, exporters should conduct preliminary research to determine if the market is appropriate. Possible sources of market information include Korean importers, U.S. state departments of agriculture, the USATO website (www.atoseoul.com) and the U.S. Department of Commerce. Lists of Korean importers, by species, can be obtained from the U.S. Agricultural Trade Office, or through the Foreign Agricultural Service in Washington, D.C.

One way of finding potential importers while also assessing market potential is to participate in local food shows to showcase your products to a larger audience. Many Korean importers attending these shows are looking to establish reliable long-term trading relationships. Show participation enhances initial contacts with importers, agents, wholesalers, distributors, retailers and others in the food and beverage industry.

The Busan International Seafood & Fisheries Expo (BIFSE) 2010 will be held in Busan at the BEXCO convention center, November 11-13, 2010. It offers an excellent opportunity to explore possible market opportunities in Korea. This show is held in November every year and targets importers, wholesalers, distributors, retailers, hotels, restaurants, food processors, media, etc. It is currently the only ATO Seoul-supported seafood show in Korea. Check the BISFE website (www.bisfe.com) for future show dates.

SECTION IV: KEY CONTACTS AND FURTHER INFORMATION

For further information about the Korean market, please contact:

U.S. Agricultural Trade Office (ATO)

Local address: Room 303, Leema Building, 146-1, Susong-dong, Chongro-ku, Seoul, Korea

U.S. mailing address: U.S. Embassy Seoul, Unit 15550-ATO, APO, AP 96205-5550

Phone: 82-2-397-4188

Fax: 82-2-720-7921

E-mail: atoseoul@fas.usda.gov

Home Page: www.atoseoul.com

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

The United States Department of Agriculture's Foreign Agricultural Service (USDA/FAS) offers information and services that can be beneficial to both new and experienced exporters. For example, ATO Seoul uses the U.S. Suppliers List (USL) to provide Korean importers with lists of prospective suppliers. The USL is a searchable database of more than 3,800 U.S. exporters and their products. The database features more than 500 agricultural product categories under which companies can list their offerings. Buyers who wish to find U.S. suppliers and U.S. exporters who wish to register in the USL can access the USL at: http://www.fas.usda.gov/agx/partners_trade_leads/us_suppliers_list.asp

SECTION IV: OTHER RELEVANT REPORTS

Exporter Guide Annual 2010 – KS1025 dated October 2010

^[1] Source: [World Factbook](#)