

# MARKET INTELLIGENCE UPDATE

## South Korea, June 2023

---

### I. MARKET INTELLIGENCE UPDATE

**1. Korea Government's Food Industry Promotion Basic Plan:** The Ministry of Agriculture, Food, and Rural Affairs in Korea recently announced the "4th (2023-2027) Food Industry Promotion Basic Plan" with the aim of enhancing the global competitiveness of the Korean food industry and achieving an annual value of 656 trillion won (equivalent to \$656 billion) by 2021. To accomplish this, a comprehensive blueprint has been proposed, focusing on the promotion and development of food technology, green bio, and traditional foods. The ultimate goal is to expand the domestic food industry to 1,100 trillion won (equivalent to \$1,100 billion) by 2027, while also striving for \$15 billion in exports. The plan highlights the following key areas:

- 1) Promoting the growth of the food industry through the implementation of advanced technologies.
- 2) Strengthening the competitiveness of K-Food (Korean food) to solidify its position in the global market.
- 3) Revitalizing the traditional food industry to preserve and promote authentic Korean cuisine.
- 4) Enhancing the connection between the food industry and agriculture to foster mutual growth and synergy.
- 5) Establishing a robust foundation for sustainable development to ensure long-term growth of the food industry.

It is important to explore how food and agricultural products from the United States can contribute to and support the growth plan of the Korean food industry. By examining potential collaborations, partnerships, and trade opportunities between Korea and the U.S., both countries can benefit and further enhance their respective food industries.

*(Source: The Ministry of Agriculture, Food, and Rural Affairs)*

**2. Non-Alcoholic Beer Market Updates:** In order to appeal to Generation Z, which is reducing alcohol consumption, the Korean liquor industry is shifting its focus towards non-alcoholic and low-alcohol (less than 1% alcohol content) products.

The global consumption of alcoholic beverages has decreased after the COVID-19 pandemic due to increased health consciousness, and a similar trend is observed in the Korean market with the growing popularity of non-alcoholic beverages. Notably, statistics

indicate that Generation Z consumes less alcohol compared to older generations.

While online sales of alcoholic beverages are restricted in Korea, non-alcoholic beer can be sold online since it does not contain alcohol and is not subject to liquor taxes. As a result, the market for non-alcoholic beer has experienced rapid growth. The quality of these products has improved, making them more reminiscent of regular beer, and the variety of options available has expanded.

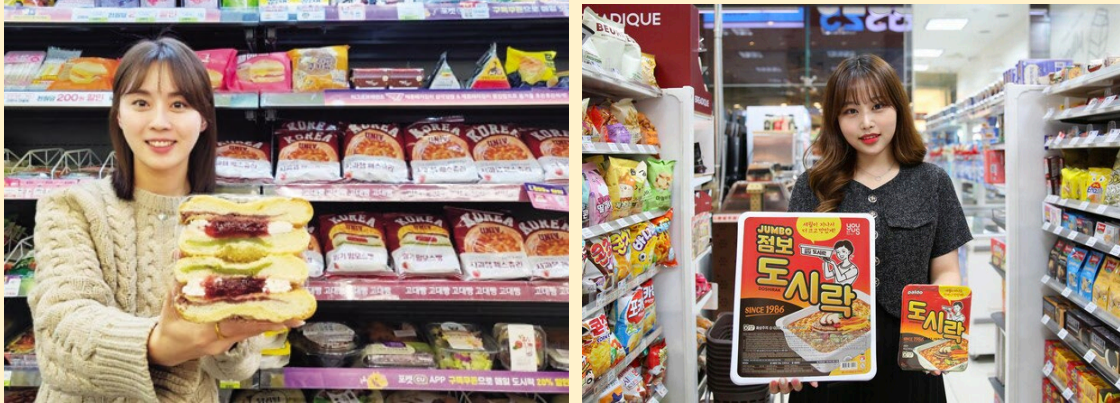
Non-alcoholic beer in South Korea is predominantly distributed for consumption at home, and the domestic non-alcoholic beverage (NAB) beer market is estimated to be around 30 billion won, \$30 million. This represents more than a twofold increase from 10 years ago when the market was valued at \$8.1 million. In addition to domestic liquor companies, imported NAB brands are also expected to enter the market, further contributing to its expansion. It is projected that the market will reach around 200 billion won, around \$200 million, within the next three years.



(Source: [Food and Beverage News](#))

- 3. The growing trend of large-sized meal products in South Korea's convenience stores:** Major convenience store chains such as GS25 and E-Mart 24 have responded to recent increases in food prices by introducing large-sized packages of lunch boxes or meals. GS25's 'Jumbo Lunch Box Ramen' and E-Mart 24's oversized triangular kimbap (rice roll) have become popular among consumers seeking affordable lunch options and those who enjoy sharing their eating experiences on social media. E-Mart 24 created 'The Big Triangle Gimnap' by combining two existing types, while GS25's "Jumbo Lunch Box" ramen stands out for its significantly larger size compared to traditional ramen noodles. Despite being priced higher than regular-sized products, these offerings provide consumers with a fun experience as well. The demand for such large-sized products is

driven by the desire for cost-effectiveness and the growing demand for social media activities to showcase unique experiences



(Source: [Herald Economy](#)/ Photos: CU & GS 25)

## II. REGULATION & TRADE UPDATE

- 1. Strengthening Safety Measures for Overseas Direct Purchase Foods:** As Korean consumers' direct food purchases continue to rise; the Ministry of Food and Drug Safety in South Korea has designated 282 raw materials and ingredients for overseas direct purchase foods as substances subject to entry into the country since the beginning of July. This initiative aims to enhance safety management and prevent the importation of harmful foods. The designated materials include narcotics, pharmaceutical ingredients, and herbal medicine ingredients that are considered unsuitable for use in food. The ministry plans to conduct inspections on potentially harmful overseas foods, request customs clearance blocks, and impose restrictions on online sales platforms. "[Food Safety Korea](#)" website operated by the MFDS provides the whole list of prohibited raw materials.

(Source: MFDS)