



INSIGHTS FOR YOUR
INTERNATIONAL FOOD BUSINESS
DEVELOPMENT

MARKET
VALUES AND
PLAYERS

INNOVATION
TRENDS

CLUSTER
SPOTLIGHT

BUSINESS AND
CULTURAL
NOTES

Newsletter produced for the "New Frontiers in Food" project, exclusively for the members of the following clusters:



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DEVELOP YOUR MARKETS IN

South Korea

South Korea - a promising
trade partner

An ageing population eager
for health and wellness

Cluster spotlight:
FoodPolis

Cultural notes:
Pay attention to hierarchy
and networking



South Korea is ranked as the world's 7th easiest country to do business, and has the 17th largest food market in the world (Source: Invest in Korea, 2016). It is a hot spot for foreign investment as there are over 3 million promising SMEs, making up 87.7 percent of total employment. The country already has leading global companies in several technological industries including consumer electronics, memory chips, shipbuilding, steel, and car manufacturing. Korea currently holds free trade agreements with 50 countries. It has been an OECD member since 1996, WTO member since 1995, and a GATT member since 1967 (Source: FoodPolis, 2017).

2016 has been a particularly good year for Korean food thanks to the unprecedented popularity of Korean pop culture enabling Korean food to take off on a global stage. The Seoul Food 2016 event saw its biggest turnout yet, with 1,511 companies from 46 countries participating in the event. Organic and "heritage" foods are also on the rise. Health-conscious consumers are increasingly leaning towards home-cooked meals, organically grown fruits and vegetables and conscientious shopping (Source: Invest in Korea, 2016). This is good news for Korean cuisine, which is mostly a healthy combination of steamed rice, vegetables and meats.

Fermentation: combining health and taste benefits

The key process for Korean food is fermentation. While many are already familiar with kimchi—spicy fermented cabbage that is not just a staple part of the Korean diet, but also known for numerous health benefits – people may not realise that the rich flavors and spice of Korean food derive from fermented sauces, known as jang. Examples are Ganjang (soy sauce), gochujang (red pepper paste) and doenjang (soybean paste). These are completely free of artificial flavoring and colours. Interestingly, the Korean government wants to focus on biotech, especially in the development of stem cell and gene therapy, which have far reaching powers.



MAIN TRENDS

- Rising disposable incomes encourage spending on food
- New westernised life-style among Korean youth is leading to increase demand on innovative processed products as well as organic products
- South Korean consumers are demanding healthy and convenient products
- The processing industry is dominated by SMEs that it is hard to satisfy local demand in some categories



Fermented foods are an important part of traditional Korean cuisine.