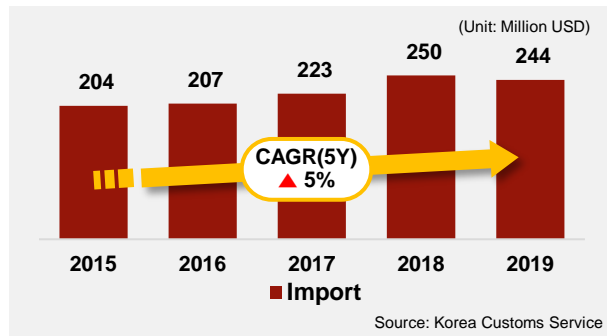


# Korea Market Brief

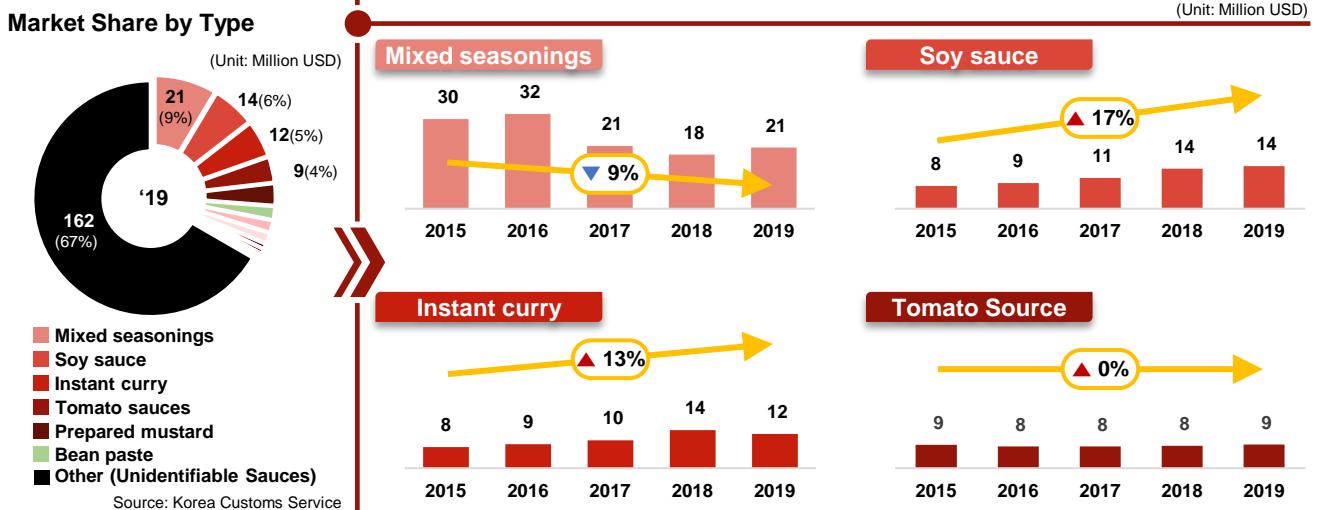
## Condiments & Sauces

Growth in the Home Meal Replacement (HMR) market and Korean consumer demand for more flavors have driven up imports of condiments and sauces.

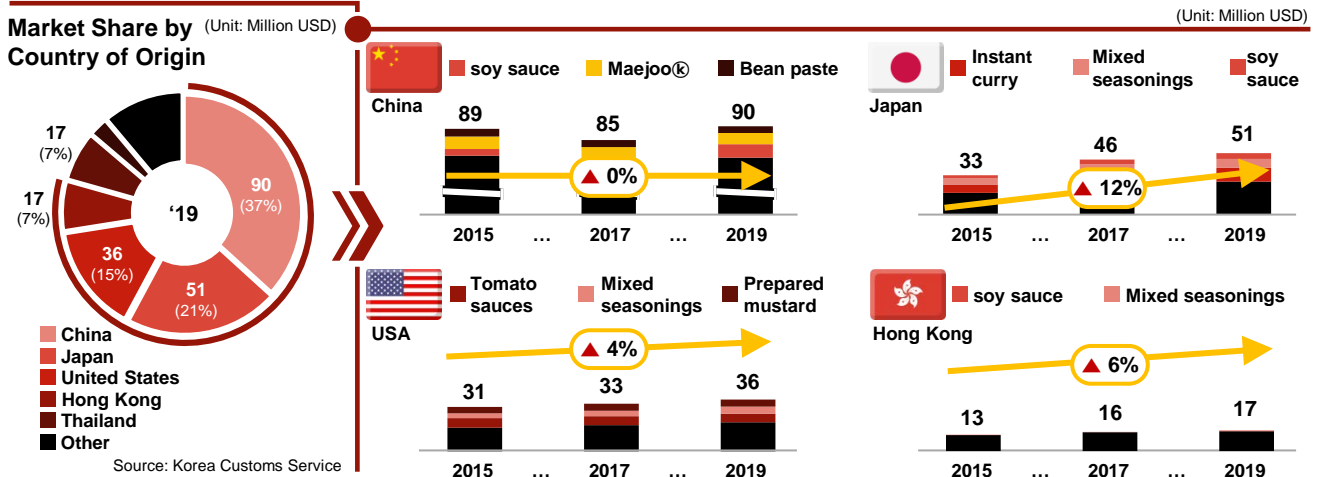


- Business-to-business sales, including franchise restaurants and processed food manufacturers, account for 80% of the Korean sauce market.
- The graph on the left does not include domestic products because the majority of domestic products are fermented traditional sauces.

The popularity of cooking shows and increased overseas travel have helped boost demand for imported soy sauce and instant curry.



Chinese and Japanese products are familiar to Koreans and account for 58 percent of imported sauces. The United States is the third largest supplier, mainly exporting tomato sauce, mixed seasonings and mustard.



# Consumer Trends

## Home Meal Replacement (HMR) Market Drives Growth

The HMR market in Korea was \$838 million in 2019, more than double its size in 2015. Korean consumers have turned to HMR products for their convenience as more women enter the workforce and as more people live alone. Sauces play a pivotal role in differentiating the quality and taste of HMR products. HMR products usually consist of one or more sauces or seasonings that complete the meal. Demand for quality sauces will continue to grow along with the HMR sector.

## Restaurants and Franchisors Prefer Pre-made Sauces

In the past, restaurants made their sauces from scratch. However, many now prefer to prepare sauces using pre-made sauces as a base. Using pre-made sauce products is cheaper than making sauces using various ingredients. By adding a simple variation to the base sauce, restaurants can easily customize their sauces. Franchisors prefer to use pre-made sauces not only for their cost-efficiency, but also to provide franchisees with consistent quality.

## Consumers Seek Convenience and Efficiency

Consumers are searching for ways to conveniently prepare and cook meals. There are many recipes available on cooking blogs or Youtube that use ready-made sauces. These sauces are popular among modern consumers because they shorten the cooking process and are easy to follow. With more consumers using pre-made sauces, demand for traditional sauces used as base for other sauces, such as soybean paste and chili paste, is decreasing.

Cost is less of an important factor in choosing sauces these days. Rather than cheaper family size packages, consumers now want smaller packages and higher quality. They are willing to pay a premium for gourmet products in convenient packaging. The increase in single-person households is helping to drive this trend. Processors are responding by launching more sauce products in single-portion packaging.

## Sales of Dressings Increase with Consumer Preference for Healthy Food

Korea's salad market continues to grow as more consumers are becoming health-conscious. The Korean salad market is estimated to have exceeded \$172 million in 2019, up from \$97 million in 2016. The market is growing around 30 percent a year. The demand for dressing is also on the rise as the salad market grows. According to food industry experts, the trend is likely to continue as the number of consumers who prefer healthy food is expected to grow.

# Regulatory Overview

**\*\*Disclaimer:** This overview is not a comprehensive guide, and regulations can frequently change. Exporters should verify requirements with their importers before goods are shipped.



## Tariffs & Taxes

Korea applies import duties on U.S. condiments and sauces as shown in the table below. Please refer to the [Agricultural Tariff Tracker](#) for details.

Condiments & Sauces	HS code	2020	2021	2022	2023
<ul style="list-style-type: none"> <li>Soy sauce, tomato ketchup, tomato sauces, mustard flour and meal, prepared mustard, instant curry</li> </ul>	210310	0.0%	0.0%	0.0%	0.0%
	210320				
	210330				
	2103909020				
<ul style="list-style-type: none"> <li>Bean paste</li> </ul>	2103901010	0.8%	0.0%	0.0%	0.0%
<ul style="list-style-type: none"> <li>Mae joo</li> </ul>	2103909040	1.8%	0.0%	0.0%	0.0%
<ul style="list-style-type: none"> <li>Mixed seasonings, Other</li> </ul>	2103909030	3.2%	2.6%	2.1%	1.6%

Source: <https://apps.fas.usda.gov/agtarriftracker/Home/Search>

## A Pre-Registration and Required Certification for Import to Korea

<p><b>Product Registration</b></p> <p>Product registration is not required to import U.S. condiments and sauces into Korea.</p>	<p><b>Facility Registration</b></p> <p>Either a foreign facility or an importer may apply for registration through the MFDS website.</p>	<p><b>Certificate of Origin</b></p> <p>The certificate of origin must be prepared for origin verification. Documentation must be kept for five years.</p>
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For details, please refer to [FAIRS Country Report](#), [FAIRS Export Certificate Report](#)

## B Labeling Requirements

All imported U.S. products are required to carry legible Korean language labels. Label stickers or tags may be placed upon arrival in Korea. Labels should not be easily removed or cover the original label such as the product name or expiration date.

<p><b>Korean Language Labeling</b></p> <ul style="list-style-type: none"> <li>Product Name</li> <li>Product type</li> <li>Country of origin</li> <li>Ingredient names and content</li> <li>Manufacture date</li> </ul>	<p><b>Consideration for Labeling</b></p> <ul style="list-style-type: none"> <li>Additives</li> <li>Nutrients</li> <li>Allergens</li> </ul>
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## C Import Inspection

<p><b>Laboratory Test</b></p> <p>All newly imported products undergo laboratory tests.</p>	<p><b>Document Review</b></p> <p>Subsequent shipments of the same product that passed the first lab test undergo document reviews.</p>	<p><b>Random Sampling Test</b></p> <p>Samples are selected randomly depending on violation history or market intelligence.</p>
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For details, please refer to [FAIRS Country Report](#), [FAIRS Export Certificate Report](#)

## Regulatory Overview

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### Korean Food Safety & Additive Standards

For Korean food safety and additive standards, please refer to the following links.

[Food Additive Code](#)

[Food Ingredient Database](#)

### Frequently Asked Questions

#### **FAQ #1: Is labeling the 100% ingredient breakdown required for import?**

The Korean government does not require 100% ingredient composition breakdown information on the import application for imported processed food products entering Korea. What is required is the percentage breakdown of major ingredients and the percentage of food additives in the product in case Korea has tolerances established on the additives. For food additives used in composite ingredients, the supplier may need to submit detailed information to verify if the product meets the Korean food additive standards.

#### **FAQ #2: Are there any requirements on exporters when making a Certification of Origin?**

Yes, if you are qualified for the FTA. Article 6.17.1 of KORUS FTA requires specific records to be kept for a minimum of five years if a certification from a producer or exporter forms the basis of a claim. We encourage you to look at these provisions. There are also obligations of exporters provided under Article 6.20. Questions about these provisions can be e-mailed to [KORUS@ustr.eop.gov](mailto:KORUS@ustr.eop.gov) or at [fta@dhs.gov](mailto:fta@dhs.gov).

#### **FAQ #3: Are there any documents required for Halal, GMP, or vegan products?**

Yes. In order to apply a mark or claim to packaging, exporters and importers should keep supporting documents for their marketing claims. MFDS does not check supporting documents when products arrive in Korea but MFDS has a right to request supporting documents if necessary. Supporting documents should be issued by reliable and credible organizations.

#### **FAQ #4: What are the roles and responsibilities of importers?**

Korean importers are responsible for claiming preferential treatment for qualifying goods. However, the exporter or producer may be asked by the importer, customs broker, or the Korean Customs Service to provide a written or electronic certification or other information to support the importer's claim. The information required for certification can be found in Article 6.15.2 of the KORUS FTA, but additional elements may be required by the Korean Customs Service. You should contact your importer or customs broker to confirm what information is required.

#### **USDA GAIN Report Link**

[Facility Registration](#)  
[MRL](#)  
[Exporter Guide](#)

#### **FAIRS Reports**

[FAIRS Country Report](#)  
[FAIRS Export Certificate Report](#)

#### **ATO Seoul - Regulation**

[ATO Seoul Regulation](#)