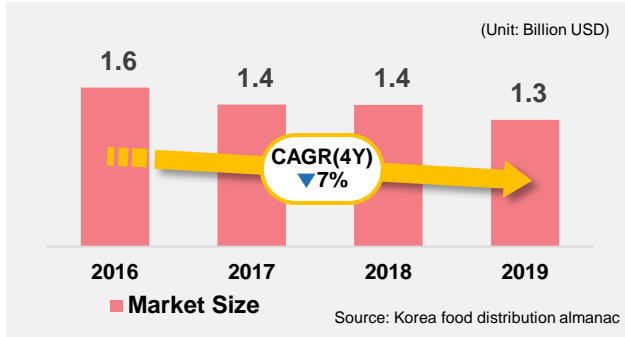


# Korea Market Brief

## Ice Cream and Frozen Yoghurt

The Korean ice cream market totaled \$1.3 billion in 2019, down 20% from 2016.

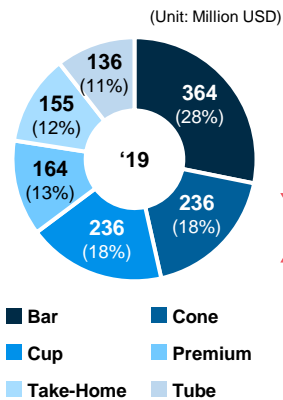


- Sales are falling as Korean families are having fewer children. An increasing number of people are also seeking alternatives to ice cream, such as iced coffee and shaved ice.
- The market mainly consists of lower-priced local products. However, there is growing demand for imported premium ice cream.

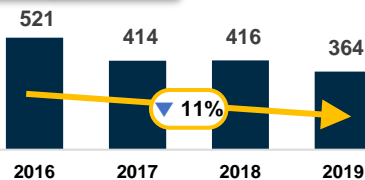
While ice cream bars are still the largest segment, sales have been shrinking. Premium ice cream is currently the only growing market segment.

### Market Share by Type

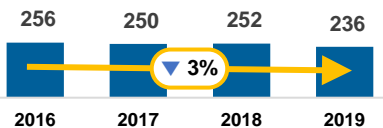
(Unit: Million USD)



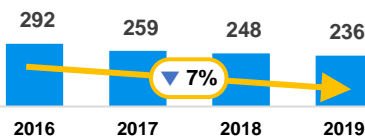
#### Bar



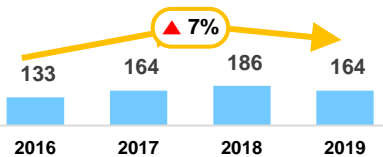
#### Cone



#### Cup



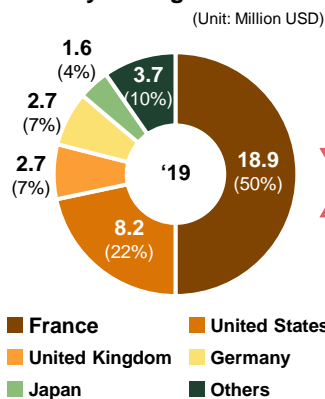
#### Premium



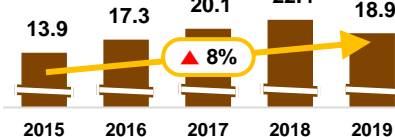
Sales of imported ice cream and frozen yoghurt continue to increase as consumers demand premium products and new flavors.

### Market Share by Country of Origin

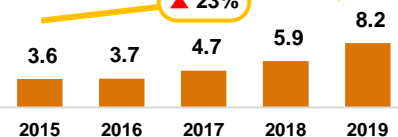
(Unit: Million USD)



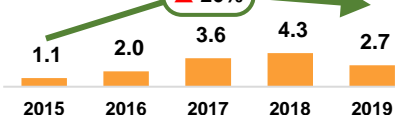
France



USA



UK



Germany



# Consumer Trends

## Growing Premium Ice Cream Market

In 2019, premium ice cream sales reached \$164 million. Despite the recent decline in the overall ice cream market, the premium ice cream market grew 23 percent between 2016 and 2019. The growth is attributed to two trends: 1) consumers seeking out small luxuries, and 2) growing demand for food products made with high-quality, raw, and organic ingredients. Some representative brands in the premium market are Natuur, Unilever, and Haagen Dazs. Competition in Korea's premium ice cream market has been intensifying since hypermarket chains started selling imported premium ice cream products such as Halo Top, Ben & Jerry's, Three Twins and Magnum in the second half of 2019.

## Ice Cream Bars Still Largest Segment, but Shrinking

Ice cream bars are the most popular type of ice cream in Korea. In 2019, sales totaled \$364 million. The ice cream bar market is also the most competitive. Local processors have a variety of products in the market, including Melona, Screw Bar, Watermelon Bar, and Jaws Bar. Among them, Melona has the most sales, totaling \$49 million in 2019. However, ice cream bar sales have been hit hard by demographic trends. Sales have been dropping as people are having fewer children.

## 'New Retro' Trend in Ice Cream Market

Ice cream manufacturers are attempting to launch nostalgic flavors in response to the 'New Retro' trend in Korea. For example, ice cream makers launched traditional flavors such as corn, black sesame, and tofu. These retro flavors bring back memories for older consumers and offer new experiences to younger generations. Market analysts expect this segment to continue growing.

## Delivery Service for Ice Cream

Just a few years ago, ice cream was predominantly traded offline. With the current, well-established delivery system for frozen products, consumers can now use mobile platforms to conveniently order and receive ice cream products. For example, Baskin Robbins provides delivery service through five different delivery applications. Convenience stores have also developed a delivery system for ice cream. As an example, CU, a convenience store chain in South Korea, has started providing ice-cream delivery service in Seoul starting September 2020.

# 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

Tariffs for U.S. ice cream and frozen yogurt under KORUS FTA are shown below. Please refer to the [Agricultural Tariff Tracker](#) for details.

| Ice Cream and Frozen Yogurt | HS code    | 2020 | 2021 | 2022 | 2023 |
|-----------------------------|------------|------|------|------|------|
| • Ice Cream                 | 210500     | 0.0% | 0.0% | 0.0% | 0.0% |
| • Frozen Yogurt             | 0403102000 | 3.5% | 0.0% | 0.0% | 0.0% |

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

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

|   |   |  |  |
|---|---|--|--|
| <b>Product Registration</b><br>No product registration is required to import U.S. ice cream and frozen yogurt into Korea. | <b>Livestock Plant Registration</b><br>Livestock plants, including dairy and egg plants, should be registered with MFDS through FAS/Seoul. US dairy plants are required to submit application documents to FAS/Seoul via email. | <b>Certificate of Origin</b><br>The certificate of origin must be prepared for origin verification. Documentation must be kept for five years. | <b>Export Certificate</b><br>Ice cream products without eggs can be shipped with an exporter self-declaration specifying heat treatment details. Ice cream products with eggs require an APHIS certificate (VS Form 16-4). |
|---|---|--|--|

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, but should not be easily removed or cover the original label such as product name or expiration date.

|   |   |
|---|---|
| <b>Korean Language Labeling</b> <ul style="list-style-type: none"><li>• Product Name &amp; Product type</li><li>• Country of origin</li><li>• Ingredient names and content</li><li>• Manufacture date</li></ul> | <b>Consideration for Labeling</b> <ul style="list-style-type: none"><li>• Additives</li><li>• Nutrients</li><li>• Allergens</li></ul> |
|---|---|

## C Import Inspection

|   |   |   |
|---|---|---|
| <b>Laboratory Test</b><br>All new imported products undergo laboratory tests. | <b>Document Review</b><br>Subsequent shipments of the same product that passed the first lab test undergo document reviews. | <b>Random Sampling Test</b><br>Samples are selected randomly depending on violation history or market intelligence. |
|---|---|---|

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 percentages 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 or at 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](#)

