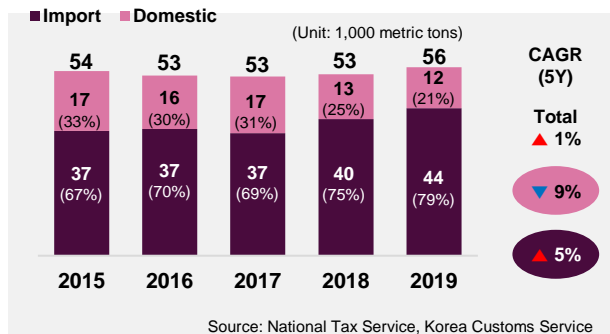


# Korea Market Brief

## Wine

The Korean wine market continues to expand as consumers look for high quality, lower alcohol beverages.

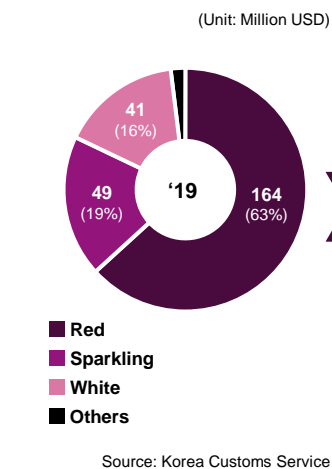


- Health concerns are causing Korean consumers to choose alcoholic beverages with lower alcohol content, including wine.
- Korean wine imports will likely see solid growth for years to come.
- Local Korean wine presents little competition to imported products.

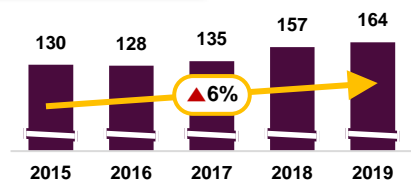
Red wine is the most consumed wine due to its highly publicized health benefits. However, white and sparkling wine are gaining shares as consumers adopt food-wine pairing themes.

### Market Share by Type

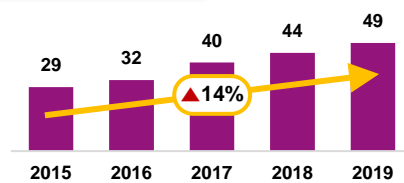
(Unit: Million USD)



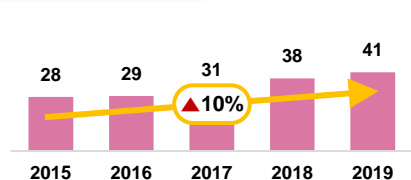
### Red



### Sparkling



### White

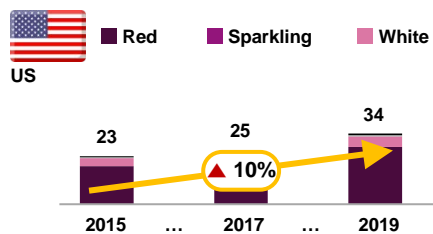
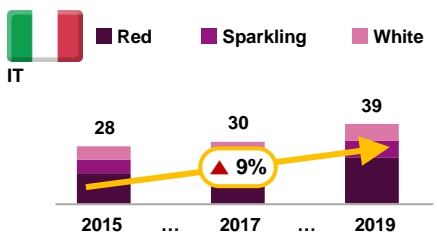
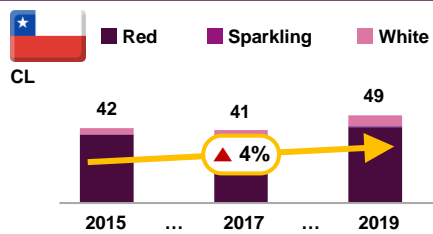
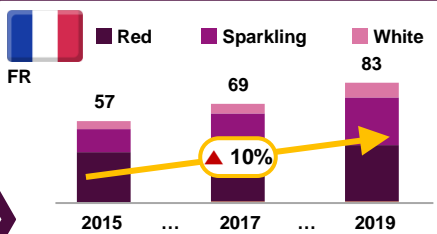
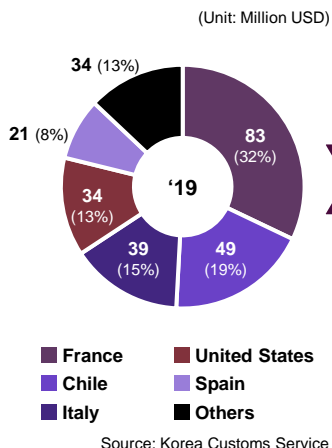


Korean consumers' wine preferences are becoming more sophisticated and diverse.

U.S. wine is gaining market share despite strong competition from other export-oriented competitors.

### Market Share by Country of Origin

(Unit: Million USD)



# Consumer Trends

## Rise of Young Consumers Provides Growth Momentum for New-World Wines

Young, professional consumers are a growing force in the wine market. These young wine drinkers have different sets of wine tastes and ideas from old generation drinkers. Many young consumers prefer bold and fruity flavors in wine. As a result, new world producers will likely see higher sales growth than old-world producers. For example, Korean wine imports from the United States, Australia, and Argentina increased 51, 31, and 11 percent respectively in 2020 through August whereas imports from France declined 3.3 percent.

## Low-price, Private Label Wine by Retailers Attract Novice Wine Consumers

Large-scale Korean grocery retailers, including hypermarkets, supermarkets, and convenience stores, have recently launched low-price private label wine programs to capitalize on increased consumer interest. A notable example is 'Dos Copas' wine launched by the leading hypermarket chain EMART in fall 2019. This entry class wine from Chile was offered at \$4 a bottle and generated 2 million bottles in sales during the launching year.

## Consumers opt for Drinking Wine at Home during the COVID-19 Pandemic

Korean consumers significantly reduced dining and drinking out due to COVID-19 concerns in 2020. Instead, many consumers opted to drink wine at home with their family. Major retailers reported double digit sales growth in wine as a result. Wine was the only alcoholic beverage that saw positive import growth in 2020 (up 9.5 percent through August).

## Growing Interest in Natural Wine

Natural wine has been one of the hottest trends in the high-end wine market since 2019 as experienced wine consumers look for new tastes and higher quality. The natural wine boom that started in small, boutique wine restaurants and shops has expanded and large retailers such as EMART and Shake Shack stores now offer natural wine.

## On-line Smart Order for Store Pick-up

Increased consumer demand for safe and convenient shopping due to COVID-19 led the government to allow on-line sales of alcoholic beverages for in-person pick up at stores starting in early 2020. Convenience stores, which are in almost every corner in urban areas in the market, have reacted quickly, offering wines through their on-line shopping platforms for easy pick up.

# 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 a complicated duty and tax system to imported alcoholic beverages. The lower duties granted by the KORUS FTA are shown below table. Please refer to the [Agricultural Tariff Tracker](#) and the [ATO Seoul Wine Market Report](#) for details.

Wine	HS code	2020	2021	2022	2023
• Sparkling Wine	220410				
• Grape Wines Nes – Red, White, Other	200421 10 – 90				
• Grape Wines, Alcohol – Red, White, Other	200429 10 – 90	0.0%	0.0%	0.0%	0.0%
• Other Grape Must	200430				

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

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

<p><b>Product Registration</b></p> <p>No product registration is required to import U.S. wine 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 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>• Alcohol Percentage</li> <li>• Net Contents</li> <li>• Expiration Date</li> <li>• Storage Instruction</li> </ul>	<p><b>Consideration for Labeling</b></p> <ul style="list-style-type: none"> <li>• Warnings for consumer safety: "Health warning Labeling, Warning Statement against excessive drinking."</li> <li>• Mode of distribution: must specify "for Home Use" on bottles sold in retail stores.</li> </ul>
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## C Import Inspection

<p><b>Laboratory Test</b></p> <p>All new 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 are subject to document review.</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: What is the tax system in Korea for Wine?

Import Duties and Taxes on U.S. Alcoholic Beverages in Korea (from Wine Market Report)			
Product	Import Duty	Liquor Tax	Education Tax
Fruit Wine	0%	30%	10%

Effects of Import Duties and Taxes on U.S. Wine (from Wine Market Report)		
A	CIF* Invoice Value	\$10.00
B	Import Duty: A x 0%	\$0.00
C	Liquor Tax: (A+B) x 30%	\$3.00
D	Education Tax: C x 10%	\$0.30
E	Subtotal: A+B+C+D	\$13.30
F	Value Added Tax **: E x 10%	\$1.33
G	Handling fees for customs clearance ***: A x 8%	\$0.80
H	Total cost of wine upon customs clearance: E+F+G	\$15.43

For further information, please refer to the [Wine Market Report](#).

#### FAQ #2: 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 #3: 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 #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](#)

