

MARKET INSIGHT - KOREA

CULTURAL FESTIVALS AND EVENTS
FEATURING FRUIT AS GIFTS OR OFFERINGS

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Australian Government
Austrade



KOREA MARKET SNAPSHOT

Australia currently exports table grapes, oranges, mangoes and Tasmania cherries to Korea. These fruits have particular importance to specific Korean festivals, which therefore present Australian producers with export opportunities. Tariff rates are falling for oranges and mangoes and will disappear in 2020 and 2023 respectively. Market access for cherries from the Australian mainland is under discussion.

Korea's principal fruit-gifting festivals

Koreans celebrate two major festivals called Sulnal and Chusuk, which are both family-gathering events. During these festivals, Korean families prepare various foods and dishes to acknowledge and pay respects to their ancestors. The dates of the two major festivals change each year, since timing is linked to the lunar calendar.

Table 1. Korea's major festivals

Date	Sulnal (Lunar New Year Day)	Chusuk (Korean Thanksgiving Day)
Lunar calendar	1 January	15 August
Solar calendar	Between the middle of January and early February	Between the middle of September and early October

Most Korean families and businesses exchange gifts during Sulnal and Chusuk festivities, especially with friends and business partners. In addition, family members purchase gifts for their parents.

The most popular presents consist of gift-sets of meat, fish, fruit, nuts, mushrooms and traditional sweets. Major Korean food companies prepare food gift-sets mixed with oil and canned ham, a hamper set mixed of premium food, and health foods.

The most popular fruits given as gifts are large-sized Korean apples, pears, table grapes, mandarins and persimmons. The range of fruits for gift-giving has recently become diversified and is expanding to exotic fruits that are imported from various countries.

Supplying demand has become easier with the expansion of Australia's Free Trade Agreement. Currently, the most popular exotic fruits for gift-giving are large sizes of oranges, mangoes, melons and pineapples.

The Korean government regulates the price of corporate gifts, with a limit of 50,000 Won for general gifts, and 100,000 Won for agricultural products. These limits are based Korean anti-bribery laws.

THE KOREAN FRUIT MARKET: VITAL STATISTICS

According to the Korean Festival Gift Trend 2018:

- When selecting food for gifts, Korean consumers prioritise quality (44 per cent), price (30 per cent), and taste (16 per cent)
- The purchasing channels for gifts are online shopping malls (51 per cent), department stores (26 per cent), supermarkets (11 per cent) and special stores (6 per cent)
- The peak gift-purchasing period for gifts is one to two weeks before the principal Korean festivals
- The price ranges for gifts are 30,000–50,000 Won (46 per cent), and less than 30,000 Won (39 per cent).

Festival timing and fruit availability

Korean retailers import Australian oranges, mangoes and Tasmanian cherries during the period of the two major festivals. Depending on the supply situation, however, imports from Australia may finish earlier than the Sulnal and Chusuk holidays.

Australian mangoes and cherries are generally available around the Christmas season. This has led to an increase in the popularity of mangoes and cherries for Christmas dinners and parties. The typical purchasers for Christmas events are Korean women and young people.

Korean retail buyers often request that fruit importers execute sampling promotion for these fruits before Christmas.

Table 2. Import period of Australian fruits with market access for Korea

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Table grapes												
Oranges												
Mangoes												
Tasmanian cherries												

Table 3. Tariff rate for Australian fruits

	Tariff in 2019	Comment
Table grapes	0%	
Oranges	5%	Tariff will decrease by 5 per cent each year and will be eliminated in 2020
Mangoes	12%	Tariff will decrease by 3 per cent each year and will be eliminated in 2023
Tasmanian cherries	0%	Market access for mainland cherries are on discussion between Australian and Korea

For more information on the Korean market, please contact Austrade Seoul, Monica Lee (monica.lee@austrade.gov.au).