

SOUTH KOREA

SUPPLY & CONSUMPTION

Frozen lobsters are used mainly in hotel buffets and in up-scale Japanese restaurants, especially Tepa-Nya-Ki seafood restaurants. Fresh lobsters and rock lobsters are consumed principally in raw form (sashimi) in the more affluent households. Lobsters are generally shelled during preparation so that they can easily be picked up with chopsticks. Lobster is an essential ingredient, along with locally cultured shrimps and prawns, in the Tepa-Nya-Ki restaurants. As of December 1992, the import price of lobsters is US\$7.90 per pound C.I.F., subject to a 5% mortality rate. Import statistics for the half-year ending June 1992 are as follows: 0306.11 (8626 kilos valued at US\$226,245); 0306.12 (34,640 kilos valued at US\$873,210); 0306.21 (6341 kilos valued at US\$173,031); and 0306.22 (17,580 kilos valued at US\$343,780). Local sources have estimated that there would be approximately 150 tonnes of frozen and live lobster imported during the last half of 1992.

DISTRIBUTION SYSTEMS

The rapid modernization which has taken place in most facets of the Korean economy has not been matched in the distribution systems for agri-food and fisheries products. In particular, the traditional pattern of distribution, with goods passing down from large to smaller wholesalers, contributes to the current situation in which South Koreans pay very high prices for food, relative to incomes. The South Korean distribution system comprises of wholesale markets, open-air markets, department stores, supermarkets, chain stores and convenience stores. The path of distribution for imported seafood products is generally as follows: suppliers and their trading agents/importers/wholesalers (often more than one stage), then down to retailers, restaurants and consumers.

PHYTOSANITARY REGULATIONS

There is no specific protocol covering the importation of lobster from Canada. To date, imports have been accompanied by a standard certificate issued by Fisheries and Oceans Canada which states that the lobsters concerned have been taken from Canadian waters, and that mercury and lead levels are below 0.5ppm and 0.02mg per kilo on a wet tissue basis. The document must also certify that the lobsters concerned are free of antibiotics (eg. oxytetracycline).

TARIFFS/NTB'S

Imports of live, chilled or frozen lobster are not subject to quantitative restrictions. The customs duty on lobster is 20% of C.I.F. value, and there is a V.A.T. of 10% of duty paid value applied.

PROMOTIONAL ACTIVITIES

Although trade promotional activity will be necessary in order to create a greater awareness of Canadian lobster in the South Korean market, this need not involve expensive print and electronic media. Point of sale (POP) promotions with Korean language POP material (including brochures), along with taste promotions in selected hotels, would be an appropriate level of commitment. To be effective, these initiatives should be undertaken in cooperation with well placed importers and distributors. *Experience Canada '93* (held in the second week of March 1993), is a major trade promotional event for the coming year to be organized by the Post. This type of event provides an excellent opportunity for the Canadian lobster trade to gain a high profile in the South Korean market. Another option would be to participate in a specialty trade fair such as Seoul Food, which is held each April under the auspices of the Korean Trade Promotion Corporation (KOTRA), or the annual chain store trade fair.