



Foreign Agricultural Service  
U.S. Agricultural Trade Office



## FAS/Seoul Monitoring of Media Reporting on Agricultural Issues

Today's Date: **Monday, March 30, 2020**

For Coverage: **March 20 ~ 30, 2020**

### ***Retail Market Shows a Sign of Recovery***

<https://www.hankyung.com/economy/article/2020032994851>

Summary: Hankyung Economic Daily's visits to the retail market over March 28-29 indicates that consumer traffic to local retail stores and restaurants is recovering. Retailers interviewed said their sales went up 15-20 percent from the previous week. Restaurants were bringing their staffs back to meet the increase in consumers. Consumers interviewed mentioned that they were still taking COVID-19 cautions but wanted to resume their shopping and other outdoor activities.

(Photo: EMART Eunpyung branch on March 29)



### ***Korean Export Sector Hit Hard by COVID-19 ... Businesses Experience Delays and Cancellations in Orders***

<https://www.hankyung.com/economy/article/2020032994201>

Summary: According to Korean government data, Korean companies have reported 49 cases of revised export contracts with foreign customers since February due to foreign customers requesting delays or cancellations. The reduced contract amount totaled 1.8 trillion won (about \$1.5 billion USD). Key industries affected were semi-conductors, electronics, ship building, and construction.

### ***ROKG to Allow 57,688 Foreign Labor in Local Farms Temporarily to Supplement Labor Shortage under COVID-19 Outbreak***

<http://www.donga.com/news/Economy/article/all/20200329/100404183/1>

Summary: The Korean Government has decided to allow 57,688 foreigners staying in the country under F-1 temporary visiting visas to work in local farms during the farming season this year as local farms are having difficulty getting enough labor during the on-going COVID-19 outbreak. Additionally, the government will allow 3,925 foreigners staying in the country under E-9 working visas who are waiting for new hires to work in local farms up to one year.

***Bank of Korea to Provide \$12 Billion USD to the Market on March 31 ... The First Batch of the \$60 Billion USD in Swap Funds from the Fed***

<http://www.donga.com/news/Economy/article/all/20200329/100397872/1>

Summary: The Bank of Korea (BOK) announced that it would provide \$12 billion USD to the market on March 31. The dollar funds will be loaned to local financial institutes and companies. The BOK added that it would provide an additional \$48 billion USD to the market if there was additional demand for extra USD in the market. BOK and the U.S. Federal Reserve (Fed) agreed on a \$60 billion USD dollar-Korean won swap fund on March 25 that allows the BOK to use the funds to stabilize the dollar exchange rate. The value of USD went up against Korean won by about 10 percent since late January due to the COVID-19 outbreak.

***China Bans Entry of All International Travelers on March 28 ... Korean Businesses Busy Rescheduling Travel Plans***

<http://www.donga.com/news/Economy/article/all/20200328/100388821/1>

Summary: The Chinese government announced that it would ban entry of all international travelers from Midnight March 28 due to COVID-19 risk. Korean businesses are gravely concerned about the travel restrictions considering the large number of travel needed to sustain their businesses in China.

***Lotte Mart Launches 'Meal Innovation Center' and 'Food Innovation Center'***

<http://www.donga.com/news/Economy/article/all/20200329/100404092/1>

Summary: Lotte Mart, a leading hypermarket grocery store chain in Korea, announced on March 29 that it launched a 'Meal Innovation Center (MIC)' and 'Food Innovation Center (FIC)'. Lotte Mart said that MIC and FIC will be a key tool to expand its Home Meal Replacement (HMR) business. Lotte Mart added that its HMR strategy is to offer products that can truly replace all home meals in terms of quality, variety and value.



***BOK Consumer Index Plunges to 78.4 in March, Lowest Level since 2008 Asian Economic Crisis***

<https://www.hankyung.com/economy/article/2020032747847>

Summary: The Bank of Korea (BOK) reported on March 27 that its monthly Consumer Composite Sentiment Index (CCSI) dropped to 78.4 in March, down 18.5 points from February. This was the largest monthly decline and the lowest CCSI since July 2008 (72.8).

***EMART Offers Fresh Tuna Meat for 3 Days ... Unexpected Catch in Local Sea***

<https://www.hankyung.com/economy/article/202003274718Y>

Summary: EMART will offer 23 metric tons of fresh tuna meat for 3 days from March 27. The tuna is part of 400 metric tons of unexpected catch in Jeju sea by mackerel fishing boats earlier this month. The retail price will be 15,800 won (about \$13 USD) per 360 gram pack, which is 47 percent cheaper than the regular price.



#### ***Lotte Department Store Stages French Wine Promotion***

<https://www.hankyung.com/economy/article/2020032640761>

Summary: Lotte Department launched an in-store promotion on 'Chateau Furcas Borie', a Bordeaux wine, on March 26.



#### ***SPC Samlip Expands Production Capacity as Local Bakery Market Continues to Grow***

<https://www.hankyung.com/economy/article/2020032640741>

Summary: SPC Samlip, the leading bakery processor in South Korea, completed an expansion project in its Siheung factory in February. The factory produces packaged bread and other bakery products for grocery store distribution, including convenience stores. The bakery market in Korea has shown solid growth over the last five years according to Euromonitor. The window bakery store industry generated 4.4 trillion won (about \$3.8 billion USD) in sales in 2019, up 17.3 percent from 2015. Sales of packaged bakery products in grocery stores increased 23.9 percent to 2.3 trillion won (about \$2 billion USD) during the period. Marketers said that Increased demand for home meal replacement (HMR) products and quick meal solutions should generate additional demand for bakery products.

#### ***South Korea Mandates 14 Day Isolation for Travelers from the U.S. starting March 27***

<http://www.donga.com/news/Main/article/all/20200326/100353881/1>

Summary: The Korean government announced on March 25 that it would expand its COVID-19 measures to travelers from the United States. As a result, all travelers from the United States will be required to stay isolated for 14 days after arrival in South Korea either in a personal or government designated location. However, mandatory COVID-19 testing will not be required unless the traveler shows any symptoms. Mandatory testing is required for travelers from European countries currently. Among the 100 new COVID-19 infections confirmed on March 25, 51 were from foreign travelers. Among the 7,624 travelers entering Korea on March 25, 2,265 arrived from the United States and 2,071 arrived from European countries.

**Retailers Stage Price Discount Promotions on Key Agricultural Products Targeting COVID-19 Concerns**

<http://www.donga.com/news/Economy/article/all/20200325/100352791/1>

Summary: Many Korean retail stores have announced aggressive price discount promotions on key agricultural products to attract consumer traffic during the COVID-19 outbreak. EMART announced that it would start a three week promotion on March 26 that would offer up to 60 percent discount on key agricultural and consumer products, including some high-nutrition products such as yellow corvina fish (60 percent discount) and abalone (20 percent discount). Lotte Mart started a one week promotion on March 26 offering up to 50 percent off hanwoo beef. Home Plus announced a promotion on healthy food ingredients, including U.S. beef ribs (up to 40 percent discount).

**Sinsegae Department Store Gangnam Closes Early due to COVID-19 Visitor**

<https://www.hankyung.com/economy/article/202003251065Y>

Summary: Shinsegae Department Store reported that its Gangnam branch closed operation early at 5 p.m. on March 25 after it confirmed a visit by a COVID-19 infected shopper earlier that day. This was the fourth time that the store closed operation due to COVID-19 risk. The store will reopen on March 26 after disinfection overnight.

**FKI Recommends Temporary Government Deregulation to Support Local Businesses under COVID-19**

<https://www.hankyung.com/economy/article/2020032508881>

Summary: The Federation of the Korean Industries (FKI) submitted a list of temporary deregulation measures to the Korean government on March 25. FKI said these temporary deregulation measures are critical for local businesses to survive the impact of COVID-19. The list includes temporary lifting of 'mandatory bi-weekly closing of large-scale retail stores'.

**Seoul Noryangjin Fishery Market Offers Drive-thru Shopping to Reduce COVID-19 Risk**

<https://www.hankyung.com/economy/article/202003250709Y>

Summary: Seoul Noryangjin Fishery Market, the leading fishery market in the city, reported that it would start offering 'drive-thru' shopping from March 26 to help customers shop without COVID-19 concerns. Customers need to make on-line orders prior to the pick up.

**African Swine Fever (ASF) Infection Found in 9 Wild Hogs on March 25 ... Total 439 Cases**

<https://www.hankyung.com/economy/article/202003251435Y>

Summary: The Korean government reported on March 25 that its surveillance found 9 additional wild hogs in Gangwon and Gyeonggi provinces that died from African Swine Fever (ASF). The total number of ASF infections found in wild hogs increased to 439 since the government surveillance programs started last year.

**Convenience Stores and Supermarkets Join Hands with Mobile Apps for Delivery Services**

<http://news.kmib.co.kr/article/view.asp?arcid=0014395091&code=61141611&cp=nv>

Summary: Distribution companies in Korea are increasing cooperation with mobile apps for delivery services as people increasingly purchase food products and daily necessities on-line due to COVID-19. According to Orga Whole Foods, a supermarket brand operated by Pulmuone, O2O (Online to Offline) service revenues at its main store in February increased by 300 percent over the same period last year. Accordingly, Orga plans to improve accessibility and convenience for their customers by joining hands with O2O platform operators such as Vroong, a delivery service provider, and Yogiyo, a delivery application. Likewise, convenience stores are gradually developing their delivery services in response to the increased demand for delivery.

**King Crab Price UP 24% as China Resumes Imports**

<https://www.hankyung.com/economy/article/202003246055i>

Summary: The price of king crabs in retail stores has rebounded 24 percent over the last two weeks as China reportedly resumed imports. A local seafood market survey showed prices hit 69,900 won per kilogram on March 23, which was 24 percent higher than the lows reached earlier this year. Korean retailers offered Russian king crabs at rock bottom prices in January through February when international shipments destined to China were diverted to South Korea due to a disruption of Chinese supply chain under the COVID-19 outbreak.



***ROKG Announces Special Travel Warning on March 23 ... Recommends No International Travels for One Month***  
<http://www.donga.com/news/article/all/20200324/100314951/1>

Summary: The Korean government announced a special travel warning on March 23 due to the elevated COVID-19 risk worldwide. Koreans are warned against traveling to countries that are designated as level 1 (travel with caution) or level 2 (recommend not to travel) status. All foreign countries are designated as level 1, while Italy and some other European countries are designated as level 2 currently. The special travel warning will expire automatically in one month unless further extended. As of March 22, the number of Koreans infected by COVID-19 from foreign sources was 154. Among them, 84 were infected during travel to European countries. As a result, all incoming travelers from European countries are required to undergo mandatory COVID-19 testing upon arrival in Korea. Some health experts demand that the mandatory testing or even two week isolation should be considered for travelers from the United States. Among the 14 new infections confirmed among travelers from foreign countries on March 22, eight were from the United States and six were from European countries.

***Walker Hill Hotel Seoul Decides to Close Operation for One Month due to COVID-19 Outbreak***  
<http://www.donga.com/news/article/all/20200323/100313955/1>

Summary: Walker Hill Hotel, a five star hotel in Seoul, announced on March 23 that it would close operation for one month due to sluggish business during the COVID-19 outbreak.

***Major Conventions and Exhibitions in April through May Postponed or Canceled due to COVID-19 Risk***  
<https://www.hankyung.com/society/article/202003232864i>

Summary: According to convention centers in South Korea, many major international conventions and exhibitions scheduled in April and May have been either postponed or canceled. Asia Development Bank (ADB) Annual Summit (May 2-5, Sondo Convention Center) is now rescheduled for September 18-21. Play Expo (May 14-17, Goyang KINTEX) is canceled. Art Busan (May 14-17, BEXCO) is rescheduled for the fall. Jeonju International Film Festival (April 30) is rescheduled for May 28. Daegu International Marathon (April 4) is canceled.

***Shinsegae Group to Add 7 On-line Distribution Centers by 2023***  
<http://www.donga.com/news/article/all/20200323/100314121/1>

Summary: Shinsegae Group, a leading retail conglomerate business group in South Korea that operates some of leading retail chains in the country including Shinsegae Department Store, EMART, Traders, and SSG.com, announced its new investment plan. Shinsegae pointed out that its focus would be stronger on-line distribution capacity and renovation of off-line stores to draw in consumers. In particular, Shinsegae will invest 1.7 trillion won (\$1.4 billion) to add 7 'NEO' on-line distribution centers by 2023. Existing NEO centers (3) under SSG.com service 2,400 orders an hour each. New centers would include in-house processing facilities such as bakeries to offer more products. Renovation of off-line stores will turn existing EMART hypermarket grocery stores into shopping malls to offer more products and services.

***Hanaro Mart Reports Strong Sales Growth of Meat during COVID19 Outbreak***  
<https://www.hankyung.com/economy/article/202003232755Y>

Summary: Hanaro Mart, a leading hypermarket grocery store chain under the Korean Federation of Ag Cooperatives, reported on March 23 that its sales of meat products during February 18 to March 17 increased 37 percent compared to the same period last year. Hanaro Mart explained that increased home dining was the reason for the strong growth. Hanaro Mart added that sales of hanwoo beef increased 30 percent in Hanaro stores and 94 percent through its on-line shop during the period.

***Lotte Department Gwangju Store Creates a New Shopping System: Drive-Pick***  
[https://newsis.com/view/?id=NISX20200317\\_0000958455&cid=13001&pid=13000](https://newsis.com/view/?id=NISX20200317_0000958455&cid=13001&pid=13000)

Summary: On March 17, Lotte Department Gwangju Store announced Drive-Pick, a new shopping service for customers to reduce uncertainty about COVID-19. Drive-Pick is a shopping service that allows customers to pick up items at the valet parking desk after purchasing them through the Lotte Department Store online app. This service is an effort to prevent the spread of COVID-19 by joining the social distancing campaign.

**CU Reports 19.2 Percent Increase in Sales of Side Dishes**

[https://newsis.com/view/?id=NISX20200318\\_0000960079&cid=13001&pid=13000](https://newsis.com/view/?id=NISX20200318_0000960079&cid=13001&pid=13000)

Summary: CU, one of the convenience store chains operated by BGF Retail, announced that sales in the late-night time slot between 11:00 p.m. and 2:00 a.m. has increased by 5.3 percent over the same period last year, as companies extend telecommuting work for their employees due to COVID-19. Sales of chilled side dishes and instant foods (such as roasted sweet potato and chicken pieces) increased 19.2 percent and 10.1 percent respectively. Sales of beer and wine that go well with side dishes also went up 19.6 percent and 19.8 percent. With no burden to go into work the following day, more people are looking for late-night snacks, CU added.

*The information in this report was compiled by the [Agricultural Trade Office \(ATO\)](#) at the U.S. Embassy in Seoul, South Korea. The press summaries contained herein do NOT reflect USDA, the U.S. Embassy, or other U.S. government agency official policy or view point. U.S. food exporters can learn more about market opportunities in South Korea by reviewing ATO Seoul's [Exporter Guide](#) and other reports available at [www.fas.usda.gov](http://www.fas.usda.gov) by clicking on "attaché reports.*