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Consumer Prices Remain Stable in March under COVID-19

<http://www.donga.com/news/Main/article/all/20200402/100461694/1>

Summary: Korea National Statistics Office (NSO) reported that consumer prices increased 1.0 percent in March compared to the same month last year. NSO said COVID-19 had not affected consumer prices as the index marked 1.5, 1.1, and 1.0 percent growth over the last three months respectively.

40.8 Percent of Corporate Workers Report Decline in Salary due to COVID-19

<http://www.donga.com/news/Economy/article/all/20200402/100461893/1>

Summary: Incruit, a leading job search firm in South Korea, reported that 40.8 percent of the corporate workers it surveyed recently answered that their salaries were affected by the COVID-19 outbreak. Leave without pay (36.1 percent) was the lead cause for the salary decline, followed by temporary office closure (24.5 percent), reduced pay (13.0 percent), resignation (6.5 percent), and voluntary salary adjustment (3.2 percent). Workers in tourism, air carriers, duty-free shops, and financial institutions reported the highest decline in salaries. On the other hand, workers in on-line retail companies reported increased work hours and salaries during the COVID-19 outbreak.

Price of Imported Shrimp Declines as Restaurant Demand Declines

<https://www.hankyung.com/economy/article/202004018163i>

Summary: The price of imported frozen shrimp in wholesale markets dropped to 28,400 won per 2 kilogram box on average this week, down 13 percent from last month. The decline is due to reduced demand from restaurants. Many import distributors are reportedly facing financial problems due to reduced sales.

Hyundai Green Food Reports Early Success in Care Food Subscription Business

<https://www.hankyung.com/economy/article/2020040189321>

Summary: Hyundai Green Food, a leading foodservice company in South Korea, reported that its 'Greeting' care food subscription business generated 100,000 unit sales during the first two weeks after launching on March 18. Greeting care food subscription services deliver premium meals catered to various health and nutritional concerns to consumers on a routine schedule. Hyundai Green Food said Greeting care food is not only for the elderly or people with health problems but also for the regular consumers who want a quality, balanced diet for better health. Greeting products are offered both on-line and in Hyundai Department Store branches. Greeting care food is different from other home delivery meals. It only uses 150 healthy ingredients with no artificial additives, it is microwavable, uses fresh recipes, and has environment-friendly packaging. A pack of Greeting care food is sold for 8,000 - 9,000 won (\$6-7).



Fed Offers Additional Dollar Reserve to S. Korea ... Should Help Stabilize Dollar Exchange Rate

<https://www.hankyung.com/economy/article/2020033161431>

Summary: The U.S. Federal Reserve (Fed) announced on March 31 that it would offer foreign national banks, including the Bank of Korea (BOK), additional dollar reserve through the FIMA Repo Facility system. Under the system BOK can borrow dollars from Fed up to the U.S. treasury bond amount it owns. BOK currently has \$121 billion in U.S. treasury bond. BOK said this should extend its capacity to supply dollars to the market when needed and stabilize the dollar exchange rate. The dollar exchange rate in Korea was 1,222 won per \$1 USD in the morning on April 1, up 4.8 won from the previous day.

Korean Exports Down 0.2 Percent in March due to COVID-19

<https://www.hankyung.com/economy/article/202004016619Y>

Summary: The Korea Ministry of Industries and Trade reported that Korean exports totaled \$46.9 billion in March, down 0.2 percent from the same month last year. The export decline was due to a slowdown in the export sector during the COVID-19 outbreak. Korean imports totaled \$41.9 billion, down 0.3 percent, resulting in a \$5 billion of trade surplus.

COVID-19 Reduced 53,000 Jobs in Hotels and Restaurants in February

<https://www.hankyung.com/economy/article/202003314971i>

Summary: The Korea Ministry of Employment and Labor released its February 2020 data. According to the data the hotel and restaurant industry lost 53,000 jobs in February due to COVID-19.

Vietnam, Cambodia Ban Rice Exports ... FAO Warns Potential Global Food Shortage

<https://www.hankyung.com/international/article/2020033157101>

Summary: Vietnam, the third largest rice exporter, implemented a rice export ban on March 24. Cambodia decided to stop exports from April 5. Thailand implemented an egg export ban on March 26. FAO warned of potential global food shortages this year due to reduced agricultural production capacity worldwide due to the COVID-19 outbreak.

Supermarkets and Convenience Stores Saw Sales Growth in February as Consumers Opted for Shopping Near Home

<https://www.hankyung.com/economy/article/2020033157441>

Summary: According to Korean government statistics, supermarkets and convenience stores saw 8.2 percent and 7.8 percent sales growth respectively in February compared to the same month last year as

consumers chose to purchase groceries in stores near their homes due to COVID-19 concerns. On the other hand, large-scale hypermarket stores and department stores saw -10.6 percent and -21.4 percent growth respectively in February due to reduced consumer traffic.

EDIYA Coffee Opens Its First Roasting-Processing Facility

<http://www.donga.com/news/Economy/article/all/20200401/100443758/2>

Summary: EDIYA Coffee, a leading café franchise in South Korea that operates over 2,500 stores, announced that its first roasting-processing facility, EDIYA Dream Factory, started operation on April 1. The factory, located in the city of Pyungtaek, has over 13,000 sq. meters of processing space and can process various products from roasted beans in bulk packaging to single serving instant coffee in plastic bags. EDIYA said the factory is equipped with state-of-art equipment built by Swiss and German suppliers.



Wheat Prices Continue to Climb Due to COVID-19

<https://view.asiae.co.kr/article/2020033108463400275>

Summary: Wheat prices have soared recently as international commodity prices, such as raw sugar, corn, and soybean are on the rise in the midst of panic buying. According to the Chicago Board of Trade, as of March 31 wheat prices are 569.25 cents per bushel (27.2kg), jumping more than 10 percent compared to a week ago. The jump in wheat prices was mostly caused by a severe drought in Australia, one of the world's largest wheat producers. Korea imports 2.3 million tons of wheat annually, half each from the United States and Australia. Australian wheat is mainly used for noodle production, while U.S. wheat is used for confectionery and baking. Accordingly, there is growing concern that the rising price of wheat will lead to an increase in not only prices of home meal replacement products, but restaurant food prices as well.

Extended social distancing leads to decrease in hypermarket and department store sales

http://biz.khan.co.kr/khan_art_view.html?artid=202003302122015&code=920401

Summary: Due to prolonged social distancing, sales of offline retailers decreased by 7.5% in February compared to same period last year. Consumers preferred to shop for groceries at nearby small retailers than to shop at large markets. Sales at department stores and hypermarkets decreased by 21.4% and 10.6% respectively, while sales at convenience stores and mid-sized markets saw an increase of 7.8% and 8.2% respectively. On the other hand, sales at online retailers increased by 34.3%, a record increase since June 2016. Online food and beverage sales increased the most (92.5%) compared to last year.

Production, Consumption, Investment Decline in February due to COVID-19

<http://www.donga.com/news/Main/article/all/20200331/100424844/2>

Summary: The Korea National Statistics Office (NSO) released its February 2020 data on March 31. According to the data, production, retail consumption and industry investment in Korea declined 3.5 percent, 6.0 percent, and 4.8 percent respectively from January.

Consumers Follow On-line Social Media Guidance for Home Activities during COVID-19 Outbreak

<http://www.donga.com/news/Main/article/all/20200331/100422906/1>

Summary: Many Koreans who are staying home due to COVID-19 are following guidance from on-line social media influencers for various home activities, including cooking, health training, and study. In particular, consumers are trying new, fun recipes suggested by social media influencers. One example is 'dalgona coffee' which incorporates dalgona sugar cookies and needs to be swirled 400 times to achieve the right amount of foam. The dalgona coffee became very popular online and many cafes launched it as a regular menu recently.

(photo: dalgona coffee)



Chinese PMI Rebounds Strong in March ... Sign of Market Recovery

<https://www.hankyung.com/international/article/202003313958Y>

Summary: Chinese National Statistics Office (CNSO) reported on March 31 that its PMI (Purchasing Manager's Index) in March was 52.0, rebounding strongly from 35.7 in February. A PMI over 50 indicates market expansion.

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 by clicking on "attaché reports."