



Foreign Agricultural Service
U.S. Agricultural Trade Office



FAS/Seoul Monitoring of Media Reporting on Agricultural Issues

Today's Date: **Monday, April 6, 2020**

For Coverage: **April 2 ~ 6, 2020**

Restaurants Opposed to New Pricing Policy by Leading On-line Restaurant Meal Delivery Service [Donga]

<http://www.donga.com/news/Economy/article/all/20200405/100511684/1>

Summary: Baemin, the leading on-line restaurant meal delivery service in South Korea, implemented a new 'fixed rate' pricing policy on April 1. Under the new policy, restaurants will pay 6.4 percent of cash-register sales as a fee for the on-line order-delivery service provided by Baemin. Before, restaurants were charged a fixed fee of 88,000 won (about \$70 USD) per month for getting one banner in Baemin's site. Baemin explained that the old fixed pricing policy allowed larger restaurants with more resources to buy many banners on the site and dominate consumer attention as a result. Baemin added that the new fixed rate pricing policy will allow small restaurants to have equal consumer attention on the site as each restaurant is limited to one banner only. However, many restaurants now argue that the new pricing policy has significantly increased their spending for the service as the pricing is now tied to sales. Some influential policy makers have commented that they would look into the issue closely and come up with a regulation that would restrict any unfair practices by on-line restaurant meal delivery service companies.

Convenience Stores Launch Cherry Blossom Themed Products as Consumers Cannot Enjoy Spring Flowers due to COVID-19 Risk [Donga]

<http://www.donga.com/news/Economy/article/all/20200405/100510413/5>

Summary: Leading convenience store chains in South Korea launched new products with cherry blossom themes, such as cherry blossom flavored sandwiches, as consumers were not allowed to enjoy spring flowers due to COVID-19. All local spring flower (cherry blossom) festivals were canceled this year. In addition, local governments blocked major flower sites, limiting public access to prevent COVID-19 infections.

Hite-Jinro Reports 20 Percent Sales Growth in First Quarter ... On-line Sales Led Growth [Hankyung]

<https://www.hankyung.com/economy/article/202004068156g>

Summary: Hite-Jinro, a leading beverage processor in South Korea, reported that its sales in the first quarter increased 20 percent compared to the same period last year. Hite-Jinro said the growth was due to increased on-line orders during the COVID-19 outbreak. Major products that saw outstanding sales growth included Suksoo (bottled water, 33 percent growth), Black Bori (bottled barley tea, 30 percent growth), and Jinro Tonic Water (45 percent growth).

City of Seoul Offers 10,000 Boxes of Assorted Local Produce, 'Help Local Agriculture' Campaign during COVID-19 [Hankyung]

<https://www.hankyung.com/economy/article/202004067170Y>

Summary: Seoul city government announced on April 6 that its 'Help Local Agriculture' campaign would offer 10,000 boxes of assorted local produce for on-line orders (<http://markettoyou.com>). The boxes contain environment-friendly local produce (potatoes, paprika, leek, spinach, squash, and mushroom) and are sold for 20,000 (\$15 USD) each. The Seoul city government explained that local environment-friendly farmers were facing financial problems as their major market, public school lunch program, was closed due to the COVID-19 outbreak.



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Agricultural Exports Increased Despite COVID-19 [Hankyoreh]

http://www.hani.co.kr/arti/society/society_general/935692.html

Summary: Agricultural exports increased 5.8 percent during the first quarter in 2020 compared to the same period in 2019. Exports of foods such as ginseng and Kimchi, which are known to enhance people’s immunity, increased 5.9% and 19%, respectively. The demand for Kimchi in the United States increased 54 percent during the first quarter of 2020 over the previous year. Exports of instant noodles and processed rice products also increased. However, due to social distancing, beer and soju exports dropped 8-27% over the previous year.

Farmers face difficulty in securing labor [Hankyung]

<https://www.hankyung.com/economy/article/202004033782i>

Summary: The agricultural sector is having difficulty in securing foreign labor to help with harvesting the spring crop. Some farmers are offering an advance payment of 130,000 won/day but are still not able to secure the work force. The average wage was 85,000won/day in 2019. Korea has allocated a foreign labor quota of 4,797 people to come and work as seasonal laborers, but this quota is far from being filled due to COVID-19.

Korean Economy Forecast to Contract in 2020 [Hankyung]

<https://www.hankyung.com/economy/article/202004056397i>

Summary: Major foreign credit analyst companies and investment banks forecast that the Korean economy will go backwards, showing an average of -1.9 percent growth in 2020, the first time since the foreign currency crisis in 1998.

Environment-Friendly Agriculture Cooperative Stages In-store Promotion to Support Producers as Closing of School Lunch Program Extends [Donga]

<http://www.donga.com/news/Economy/article/all/20200402/100479899/1>

Summary: The Korea Environment-friendly Agriculture Cooperative (KEAC) launched an in-store sales promotion in Hansalim, a leading environment-friendly grocery store chain, on April 2. The promotion will last until the end of April. KEAC said local producers face serious financial problems as the public school lunch program, a major buyer of locally produced environment-friendly agricultural products, will likely remain shut for several more weeks due to COVID-19. The Korean government announced earlier this an week additional delay in public school openings to mid-April. The school lunch program will likely see even longer delays as students will be taking on-line classes for a few weeks when schools reopen in mid-April.

Post comments: Provincial governments in Korea have been supporting schools to purchase locally grown environment-friendly agricultural products with a subsidy program.



Department Store Sales Show a Sign of Recovery in March [Donga]

<http://www.donga.com/news/Economy/article/all/20200402/100479891/1>

Summary: Lotte Department Store, the leading department store company in South Korea, reported that its weekly sales started to rebound from the first week of March after experiencing a sharp decline from January through February during the COVID-19 outbreak. Weekly sales growth in March was 15 percent on average. Fashion department stores showed the most increase in weekly sales growth. Hyundai Department Store, another major department store company, reported that its weekly sales growth in March was 13 percent on average.

TMON Reports Profits in March ... For the First Time Since Incorporation in 2010 [Donga]

<http://www.donga.com/news/Economy/article/all/20200402/100479883/1>

Summary: TMON, a major on-line retailer in South Korea, reported that it saw operating profits in March for the first time since it started business in 2010. TMON said a strong increase in sales starting in February were the reason. According to TMON, the number of consumers who purchased products on TMON in February and March increased 44 percent. TMON's top 100 supply partners saw 20 percent sales growth on average during this period.

City of Andong Considers Lifting Bi-weekly Closing Requirement for Large-scale Retail Stores [Hankyung]

<https://www.hankyung.com/economy/article/202004021574i>

Summary: The City of Andong is hearing public comments until April 10 on a local petition to lift a requirement that large-scale retail stores close their stores a minimum of one day every two weeks. The petition demands that the regulation be lifted to support the retail industry and allow more efficient supply of products to consumers during COVID-19. There are 9 large-scale retail stores (mostly hypermarket grocery stores) in the city. The Korean retail industry is following the case closely as it has been requesting the government to remove this requirement.

Imported Cars Saw Solid Sales Growth in March Despite COVID-19 [Hankyung]

<https://www.hankyung.com/car/article/202004033206g>

Summary: Korea Imported Car Association (KAIDA) reported that sales of imported cars in March increased 21.4 percent from February (12.3 percent from the same month last year) to 20,304. Mercedes-Benz and BMW led the sales by accounting for 25 percent and 24 percent of the imported cars sold.

EMART Stages In-store Promotions on Fruits, HMR Foods, and Snacks Targeting People Staying Home [Hankyung]

<https://www.hankyung.com/economy/article/202004032532Y>

Summary: On March 3, EMART, the leading hypermarket grocery store chain in South Korea, launched special in-store promotions for fruit, Home Meal Replacement prepared foods, and snacks targeting consumers staying home due to COVID-19 concerns. The promotion will last until April 15. According to EMART, the promotion will introduce 'pink muscat' imported grapes for the first time.



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."

