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Consumers Tighten Their Spending ... Retail Sector Sales Decline Three Months in a Row

<http://news.donga.com/3/all/20170303/83146845/1>

Summary: According to the Korea National Statistics Office (NSO), monthly retail sector sales in Korea marked a 2.2 percent decline in January 2017 from the previous month. NSO pointed out that this was the first time since 2009 that the retail sector sales marked a continued decline for three months in a row. The sector sales in November and December 2016 marked 0.3 percent and 0.5 percent, respectively. NSO added that consumers' increased budget shopping during the Lunar New Year's Day season and reduced automobile purchases were the main cause of the overall retail sector sales in January.

E Mart to Enter Health & Beauty Store Business

<http://www.hankyung.com/news/app/newsview.php?aid=2017030297001>

Summary: E Mart announced on March 2 that its first 'Boots' health and beauty store will open in Starfield Hanam shopping mall in the coming month. E Mart signed a business partnership with Walgreen Boots Alliance, the largest drug store chain in the world, last year to launch health and beauty store business under Boots brand in Korea. E Mart pointed out that its Boots stores will offer a catered product portfolio to meet the varying taste and demand of consumers in Korea. The health and beauty shop industry in Korea is reporting rapid growth. Currently, Olive Young by CJ is leading the industry with 790 stores nationwide. Leading players are making efforts to upgrade their product portfolios to reflect the consumers' changing lifestyle and taste. For example, leading players have been introducing more food and beverage products in their stores.

New Outbreaks of Avian Influenza Reported

<http://news.donga.com/3/all/20170302/83128358/1>

Summary: Korea Ministry of Agriculture, Food, and Rural Affairs (MAFRA) reported on March 1 that avian influenza (AI) was detected in a duck farm in Hadong, Gyeongnam province. MAFRA pointed out that it had been 67 days since the last outbreak of AI in Gyeongnam province and there could be another wave of AI outbreaks in the province in the coming week. By the way, there were additional AI outbreaks confirmed in Junrabukdo province on February 27 and 28. MAFRA has ordered temporary sanction on the movement of poultry in various regions in the country to prevent potential spread of the virus from the contaminated areas.

Imports of Banana from Philippines are on a Decline ... South American Suppliers are Filling the Gap

<http://www.hankyung.com/news/app/newsview.php?aid=2017022850491>

Summary: The Philippines used to account for over 90 percent of the bananas that Korea imported in the past. However, reduced supply due to a serious fungus disease coupled with increased shipping to China has seen reduced Filipino exports of bananas into Korea since 2012. Korea's imports of bananas from the Philippines amounted to 304,000 metric tons in 2016, down 20 percent from the peak imports, 363,000 metric tons recorded in 2012. On the other hand, imports of bananas from South American origins amounted to 58,000 metric tons in 2016, up 71 percent from 2015. Marketers agree that Korea's demand for imported bananas will continue to grow partly due to expansion of silver population in the market.

American Poultry Industry Demands Further Market Opening to South Korea

<http://news.donga.com/3/all/20170228/83113849/1>

Summary: According to an industry source, the U.S. Poultry & Egg Export Council (USAPEEC) has recently submitted an industry comment to the U.S. government, asking for lowering of Korea's import tariff on American eggs from the current 27 percent down to 14 percent. USAPEEC also plans to bring a delegation of Korean poultry industry representatives to the U.S. in mid-March to promote the export opportunity of American egg and chicken meat products. However, many Korean marketers point out that imported American table eggs may find it difficult to find a market in Korea in the coming months as the local Korean egg industry is likely to recover from the impact of avian influenza outbreak. Half of a million American table eggs imported into Korea are reportedly sitting in a warehouse as the demand for imported eggs has declined sharply over the last few weeks.

Leading Broiler Chicken Producer Reports Avian Influenza Outbreak

<http://news.donga.com/3/all/20170228/83097083/1>

Summary: Harim Co., the leading broiler chicken grower in Korea reported that one of the farms that it operates in Iksan city, Jeonbuk province confirmed an outbreak of avian influenza on February 27. Harim added that it had been 6 years since its farm had an outbreak of avian influenza last time. All 65,000 birds in the farm will be depopulated.

Shake Shack Gangnam Store Becomes the Top Selling Store in the World

<http://news.donga.com/3/all/20170227/83096589/1>

Summary: Danny Myer, the founder and CEO of Shake Shack hamburger restaurant chain visited Korea on February 27 to see for himself the outstanding success of the Korean outlets. The first Shake Shack store in Korea opened in Gangnam in 2016 has become the top selling Shake Shack store among the 120 Shake Shack stores in 16 different countries around the world. Mr. Myer also pointed out that the stores in Korea are the only ones in the Shake Shack franchise outside the U.S. that have local supply of burns.

Korean Government to Allow Craft Breweries to Sell to Grocery Retail Stores

<http://www.hankyung.com/news/app/newsview.php?aid=2017022716981>

Summary: According to the Korean government's investment promotion initiatives announced on February 27, craft breweries would be allowed to distribute the product to off-premise retail distribution channel such as grocery supermarkets and convenience stores. Currently, only the breweries of regular, large-scale operation license are allowed to sell the product to off-premise retail distribution channel. The reform will be implemented in the fourth quarter 2017.

"High Fat Diet May Increase the Risk of Colon Cancer Among Males", Seoul National University Hospital

<http://news.donga.com/3/all/20170223/83020548/1>

Summary: Seoul National University Hospital reported on February 22 that its recent research indicated that high fat diets currently popular in the market would potentially increase the risk of colon cancer among males. According to the research, the male group that consumed higher amounts of saturated fat from high fat diet sources (butter and pork belly meat for example) developed 1.7 times more polyps in the colon. Polyps are a known precursor of colon cancer. However, the research found no meaningful increase of colon cancer risk from high fat diets among the female group.

Korean Gov't Subsidy to Rice Farmers Increases 111% in 2016

<http://news.donga.com/3/all/20170221/82999258/1>

Summary: Korea Ministry of Agriculture, Food and Rural Affairs (MAFRA) reported on February 21 that the amount of government subsidy paid to the rice farmers for 2016 program year would be 33,499 won per 80 kilogram bag, up 111 percent from the previous year. MAFRA explained that the sharp increase was due to weak market price of rice in 2016 under good harvest. The rice subsidy program targets to compensate the local farmers for the difference between the target price set by the government and the actual price in the market. The average price of local rice in the market in December 2016 marked a 21 year low, 128,660 won per a 80 kilogram bag, which was 59,340 won less than the government's target price, 188,000 won. As a result of the subsidy program, local farmers would earn 95.3 percent of the target price set by the government. MAFRA added that the government spending under the subsidy program would amount to 1.49 trillion won for 2016 program year, which would fill the maximum subsidy program allowed under WTO agreement.

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